



Annual Disclosure Statement

Fiscal Year 2025

Updated May 2025

www.wesleysecurecare.org

The issuance of a certificate of registration does not constitute approval, recommendation, or endorsement of the provider by the Maryland Department of Aging.

The issuance of a certificate of registration is neither evidence of, nor does it attest to, the accuracy or completeness of the information set out in the disclosure statement.

REQUIRED DISCLOSURES (COMAR 32.02.02.15)

This disclosure statement was submitted to the Maryland Department of Aging (“the Department”) by The Wesley, Inc. (“the Provider” or “The Wesley”) pursuant to COMAR 32.02.02.15 in March of 2025 as part of our annual renewal certificate of registration application (COMAR 32.02.02.11). It is updated when there are changes in our program or operations. The Wesley Inc. was issued an initial certification of registration beginning July 1, 2022 and a renewed certificate effective through May 31, 2025.

The Wesley Inc. D/B/A Wesley SecureCare is a Maryland non-stock and not for profit organization. Wesley SecureCare offers three programs- (1) Continuing Care at Home (CCaH), (2) Home Care Only Coverage Program, and a (3) Care Coordination (CC) program. We contract for and will discuss these programs separately in this document as only CCaH is regulated by the Maryland Department of Aging.

Continuing Care at Home (CCaH) programs are overseen by the Maryland Department of Aging. The applicable statute can be found under Title 10, Subtitle 4, of the Human Services Article of the Annotated Code of Maryland and regulations can be found under Code of Maryland Regulations (COMAR) 32.02.02 et. seq. Update and submission of our disclosures is required annually. The Wesley’s annual disclosure updates are due to the Department prior to March 31th of every year.

The Wesley will promptly amend its disclosure statement if, in the opinion of the Provider or the Department, an amendment is necessary to prevent the disclosure statement from containing any material misstatement of fact required by COMAR 32.02.02.15C(31) to be stated in the disclosure statement or omission of a material fact required by such regulation to be stated in the disclosure statement.

PLEASE BE ADVISED ALL POTENTIAL INDIVIDUALS WHO HOLD CONTINUING CARE AT HOME AGREEMENTS WITH THE WESLEY, INC., WHICH ARE REFERRED TO HEREIN AS "MEMBERS," SHOULD CAREFULLY READ THE CONTINUING CARE AT HOME AGREEMENT FOR THE CONDITIONS THAT MUST BE SATISFIED BEFORE THE PROVIDER IS REQUIRED TO PAY ANY ENTRANCE FEE REFUND.

The Maryland Department of Aging urges you to consult with an attorney and a suitable financial advisor before signing any documents. The Wesley Inc. also encourages these conversations and is happy to provide any additional supporting documents upon request.

TABLE OF CONTENTS

ORGANIZATIONAL DETAILS, COMAR 32.02.02.15C(1-4).....4

PROVIDER FEES, NON-COVERED SERVICES, & FEE INCREASES, COMAR 32.02.02.15C(5-6).....6

RESERVE REQUIREMENTS & INVESTMENT POLICY, COMAR 32.02.02.15C(7-8).....24

CERTIFIED FINANCIAL STATEMENT, COMAR 32.02.02.15C(9)31

LONG TERM FINANCING, COMAR 32.02.02.15C(10).....48

FEASIBILITY STUDY SUMMARY, COMAR 32.02.02.15C(2).....49

CASH FLOW FORECAST- 2 YEARS, COMAR 32.02.02.15C(13).....52

FINANCIAL INTEREST OF BOARD, COMMITTEE, & STAFF, COMAR 32.02.02.15C(14-16).....53

**COMPOSITION-GOVERNING BODY, MEMBER COUNCIL, & GOVERNANCE,
COMAR 32.02.02.15C(19- 20).....55**

INITIAL CERTIFICATE OF REGISRATION, COMAR 32.02.02.15C(21- 22).....56

CONTRACTED MEMBER SERVICES, COMAR 32.02.02.15C(23-26).....56

PARTICIPATING VENDORS AND FACILITIES, COMAR 32.02.02.15C(27).....59

PORTABILITY, COMAR 32.02.02.15C(28- 29).....60

INSURANCE REQUIREMENTS, COMAR 32.02.02.15C(30).....61

EXCLUSIONS & LATE FEES, COMAR 32.02.02.15C(32).....62

Organizational Details-COMAR 32.02.02.15C(1- 4)

Provider Name: The Wesley Inc. doing business as (D/B/A) Wesley SecureCare.

Office Addresses: 1107 Kenilworth Dr. Suite 307 Towson, MD 21204

Affiliates: The Wesley Inc. is doing business as (D/B/A) Wesley SecureCare. Relationships with our service vendors and communities are contractual. There are no parent companies, affiliates, or subsidiaries.

Organizational Structure: The Wesley Inc. is a not-for-profit, non-stock corporation organized under the laws of the State of Maryland and exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. We offer three membership-based programs: (1) Continuing Care at Home, (2) a Home Care Only Coverage Program, and a(3) Care Coordination Program. All programs are overseen by the Board of Directors and share professional aging services staff.

Leadership Team (Board Members and Program Staff):

The Wesley Inc.'s Board of Directors current Member listing is as follows:

1. President: Bradley Paulis, ASA, MAAA
2. Vice-Chair: Elizabeth Weglein, MS
3. Treasurer: Ashley Lacis, CPA, MAgS
4. Secretary: Jason Frank, Esq, CELA emeritus
5. Member: Sarah Spellman
6. Member: Debra Wertheimer, MD
7. Member: Derek Dunham
8. Member: Gordon Fronk, Esq.

Wesley SecureCare Staff:

1. Executive Director, Amanda Young, PhD, MS, CMC
2. Life Plan Counselor, Carlie Goldman
3. Care Coordinator, Jennerra Harness, MS, COTA/L
4. Program Assistant, Delaney Donelson, COTA/L

Professional Summaries are as follows:

Amanda Young, PhD, MS, CMC serves as the Executive Director of Wesley SecureCare. She is an experienced gerontologist and nonprofit leader. She is a subject matter expert and specializes in operating Continuing Care at Home (CCaH) programs. She has extensive nonprofit experience and earned her PhD in Leadership and Gerontology at Concordia University Chicago. Her dissertation was a qualitative analysis of the wellness coordination model in CCaH programs. She previously served as Executive Director of BeWell@Home, the CCaH program of the Lutheran Homes of South Carolina. During that time, she was also able to serve as Senior Director of Independent Living of Franke at Seaside, one of Lutheran Homes of South Carolina Life Plan Communities. Prior to that experience, she was the Wellness Coordinator for Pathstones by Phoebe a CCaH program of Phoebe Ministries in Allentown, Pennsylvania. Amanda has presented twice on the CCaH model at LeadingAge's National Annual Meetings. She is a Certified Case Manager (National Academy of Certified Case Managers). Early in her career, she provided case management to older adults at an Area Agency on Aging in Pennsylvania. She collects data for the annual national benchmarking for CCaH program providers and is engaged in education and planning locally (LeadingAge Maryland) and nationally (LeadingAge National and Varsity Branding).

Carlie Goldman serves as a Life Plan Counselor and brings more than 20 years of professional experience within the healthcare and insurance industries. Certified in Medicare and health insurance, she specializes in helping seniors navigate their healthcare options with confidence and clarity. She is passionate about making a meaningful impact in the lives of seniors, helping them maintain their independence while ensuring access to vital resources and support. Her background as a former NFL Cheerleader for the Washington Football Team has fostered her ability to connect with diverse populations while maintaining a positive and energetic approach to life. She holds an AA degree from Central Texas College and has pursued studies towards a BA degree at the University of Maryland Global Campus. As a proud Air Force veteran, Carlie has honorably served our country, demonstrating her commitment to public service.

Jennerra Harness, MS, COTA/L is a master's prepared gerontologist and a board-certified Occupational Therapy Assistant (COTA/L) with more than a decade of dedicated service in providing therapeutic interventions to the geriatric population. She is passionate about educating seniors and their families on safely aging in place. Her experience includes working in skilled nursing facilities, home health, acute, subacute, and transitional care. She received her associate's degree from the Community College of Baltimore County, her bachelor's degree in Health Services Management from University of Maryland Global Campus where she was inducted into Alpha Sigma Lambda, and her master's degree in Aging Studies from Eastern Illinois University.

Delaney Donelson, COTA/L serves as the Program Assistant and is a board-certified Occupational Therapy Assistant (COTA/L) licensed in Maryland with 3 years of experience in various settings including acute care, home health and skilled nursing facilities within the Baltimore area. She is dedicated to delivering compassionate, client-centered care and leveraging her education and experience to achieve meaningful outcomes for the individuals she serves. She holds a bachelor's degree in Exercise Science with a minor in Psychology from Salisbury University, earned in 2017. Currently, Delaney is pursuing a Doctorate in Occupational Therapy (OTD) at Shenandoah University where she is focusing her studies on emerging practices such as aging in place, bariatric care in occupational therapy and aging and safety in the workplace.

Religious Affiliations: The Wesley Inc. was originally formed in 1867 by Dr. George C. M. Roberts and 24 female Methodist Church Members to serve the needs of Union widows and later act as an extension of the mission and ministry of the United Methodist Church. Their goal was to serve seniors in the greater Baltimore region by providing quality Long Term Care programs and facilities that preserve dignity, improve quality of life, promote spiritual growth, and strengthen relationships.

The Wesley Inc. operated a Continuing Care Retirement Community with a campus on Rogers Avenue in Baltimore City (now Springwell Senior Living) which provided skilled nursing and assisted living. The Wesley's campus was sold in 2008, but The Wesley Inc. has remained dedicated to its mission of serving seniors by funding private and County grants that supported aging in place technologies and initiatives (i.e., BCAUSE Program and Asbury Caring Network Pilot). The Wesley Inc. also engages in supportive philanthropy and education in the community, but their focus since 2022 has been Wesley SecureCare's membership programs.

The Wesley Inc. no longer has any religious affiliations. There are no religious requirements to serve on the Board of Directors nor for acceptance to Wesley SecureCare programs. The Wesley Inc., a non-profit organization since 1965, will be responsible for the financial and contractual obligations of Wesley SecureCare. The Board has made a commitment to fund the reserves for the program to meet the future healthcare obligations of the Continuing Care at Home program Members. The Board has also committed to support community education and establish a fund to assist with financial hardship for program Members.

Provider Fees (COMAR 32.02.02.15C(5- 6)

Entrance Fee: means the fee, based on current age, paid by a Member to The Wesley in connection with signing a Continuing Care at Home Agreement. There are two types of entrance fees: (1) lump-sum payment (equal to the 100% balance of the Entrance Fee, less a 5% discount on the total entrance fee amount and (2) deferred payment of the Entrance Fee, payable in equal, successive, and interest-free thirty-six (36) monthly or three (3) annual interest-free installments. The Entrance Fee covers part of the cost of providing services to Members.

Members can terminate their Continuing Care at Home Agreement at any time. The Member's entrance fee may be partially refundable upon termination. In our LifeCare options, there are two refund options to choose between: (1) The 50-Month Declining Option (refund balance declines to zero (0) after 50 months) and (2) the 50% Refund Option (50% of the entrance fee paid is guaranteed as a refund upon termination or death). Under the 50-Month Declining Option, Members are entitled to a refund of a portion of the entrance fee, but only for the first 50 months. The refund portion equals the Entrance Fee minus 2% per month so that after 50 months there is no refund. The second refund choice is the 50% Refund Option, which is the same as the first, except that the refund amount only declines down to 50% of the Entrance Fee. Thus, even after 50 months the Member would still get a refund on 50% of the Entrance Fee upon terminating membership. There are specific refund terms for Members who choose to transition to a Type A Continuing Care Retirement Community (CCRC). Members who wish to terminate due to seeking to enter a Type A CCRC are entitled to an entrance fee refund of 90% of the entrance fee paid, less any Long Term Care service costs incurred on the Member's behalf. The refund will be processed as a direct transfer to the Type A CCRC community. Please refer to the Continuing Care at Home Agreement for the specific contractual language about refunds as this paragraph is just a summary.

Under our Capped Lifetime Benefit option, there is a 50-Month Declining Option (refund balance declines to zero (0) after 50 months) as described above. Please refer to the Continuing Care at Home Agreement for the specific contractual language about refunds as this information is just a summary.

Monthly Fee: means the amount billed to Members to cover part of the cost of providing services to Members. Monthly Fees will begin upon the service commencement date, after The Wesley, Inc. accepts you into its Continuing Care at Home program and you and The Wesley, Inc. have both executed the Continuing Care at Home Agreement.

THERE ARE NOT ANY ADDITIONAL PERIODIC FEES ASSESSED FOR CONTINUING CARE AT HOME MEMBERS* RECEIVING STANDARD SERVICES WITHIN THE CONTRACTUAL LIMITS (SUMMARIZED BELOW). Please refer to your Continuing Care at Home Agreement for additional details.

***CARE COORDINATION MEMBERS RECEIVE UP TO 4 HOURS OF CARE COORDINATION PER MONTH.** Please refer to your Care Coordination Agreement for additional details.

Usage Limits: There are annual usage caps regarding telehealth services (5 calls annually). Occupational Therapy home safety assessments are performed at joining and every other year thereafter.

Additional Services (optional): Services that The Wesley is not obligated to provide under the Continuing Care at Home Agreement, but it may choose to offer on occasion or from time to time. There may be fees in addition to the monthly fee for these services. Such additional service examples include: wellness, arts, culinary, educational, or cultural programs, social activities, or Maryland Community for Life membership^(SM) which includes a package of handyman, transportation, and service navigation. Wesley SecureCare will make every attempt to secure discounts and group rates for additional services such as community engagement activities. Additional services are optional.

Non-Covered Services and Fees: Except as specifically provided by the Continuing Care at Home Agreement, you will be solely responsible for services not covered by your medical and surgical insurance coverage and for payments exceeding

your medical and surgical insurance coverage limits, including but not limited to: health insurance co-payments and deductibles, audiological tests and hearing aids; eyeglasses and refractions; dentistry; dentures; dental inlays; organ transplants; orthopedic appliances; occupational, physical, and speech therapy; podiatry; hospitalization, and professional care for psychiatric disorders; treatment for alcohol or drug abuse; medications; chiropractors; renal dialysis; extraordinary treatments; cosmetic treatments; and experimental treatments, as reasonably determined by the Program's Executive Director. We will not pay for medical transportation other than as referenced in the Continuing Care at Home Agreement in situations of specific medical necessity. Funeral and burial services are not provided.

Long Term Care Benefits: A Member who becomes a Service Eligible Member* is eligible to receive Long Term Care services (see the Continuing Care at Home Agreement for more details) paid by The Wesley up to their selected Maximum Daily Benefit Amount limit, as described below. If you receive multiple Long Term Care Services, the cost of all such services will be aggregated and applied against your Maximum Daily Benefit Amount limit calculated on a monthly basis.

*A "Service Eligible Member" means any Member who has been determined by The Wesley's Care Coordinator (i) being unable to perform, without substantial assistance from another individual, at least 1 (one) Activity of Daily Living (ADL) due to a loss of functional capacity; (ii) having a level of disability similar to the level of disability described in clause (i); AND/OR (iii) requiring substantial supervision to protect such Member from threats to health and safety due to Severe Cognitive Impairment (as defined in the Continuing Care at Home Agreement). Long Term Care Services used in excess of the Member's selected Maximum Daily Benefit Amount are the financial responsibility of the Member.

Payments: Each member shall receive an itemized monthly statement. The Monthly Fee and any portion(s) of the Entrance Fee outstanding, as applicable, are payable in advance. Any additional itemized charges will be included in a subsequent month's billing. The monthly statement shall reflect credits or adjustments for fees and charges, as applicable.

Continuing Care at Home- 2025 Entrance and Monthly Fee Tables

Wesley SecureCare offers five LifeCare options with Maximum Daily Benefit Amounts:

1. Potomac Option: current limit is \$625/day
2. Anacostia Option: current limit is \$500/day
3. Chesapeake Option: current limit is \$370/day
4. Susquehanna Option: current limit \$295/day, and
5. Patapsco Option: current limit is \$185/day

Wesley SecureCare offers two Capped Lifetime Benefit options with Maximum Daily Benefit Amounts:

1. Deep Creek option: current limit is \$400/day and \$500,000 Lifetime Maximum
2. Loch Raven option: current limit is \$300/day and \$500,000 Lifetime Maximum

The 10 Entrance and Monthly Fee tables follow for the LifeCare options for 50 months declining and 50% refundable entrance fee options and two (2) Entrance and Monthly Fee tables follow for the Capped Lifetime Benefit options for 50-month declining refund entrance fee options.

2025

Potomac Membership

Benefit Amount · \$625/Day · \$18,750/Month

Lifetime Benefit

50 Month Declining Refund

Entrance fee refund reduces to zero after 50 months of membership

<u>Age</u> At Signing	Individual Membership	Double Membership
	Monthly Fee: \$895	Monthly Fee: \$849 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$54,000	\$49,000
61	\$58,730	\$53,400
62	\$63,030	\$57,400
63	\$67,330	\$61,400
64	\$71,630	\$65,400
65	\$75,500	\$69,000
66	\$79,790	\$72,740
67	\$83,690	\$76,140
68	\$87,590	\$79,540
69	\$91,490	\$82,940
70	\$95,000	\$86,000
71	\$98,740	\$89,080
72	\$102,140	\$91,880
73	\$105,540	\$94,680
74	\$108,940	\$97,480
75	\$112,000	\$100,000
76	\$114,640	\$101,760
77	\$117,040	\$103,360
78	\$119,440	\$104,960
79	\$121,840	\$106,560
80	\$124,000	\$108,000
81	\$125,210	\$108,440
82	\$126,310	\$108,840
83	\$127,410	\$109,240
84	\$128,510	\$109,640
85	\$129,500	\$110,000
86	\$129,830	\$110,000
87	\$130,130	\$110,000
88	\$130,430	\$110,000
89	\$130,730	\$110,000
90	\$131,000	\$110,000

2025
Anacostia Membership
 Benefit Amount · \$500/Day · \$15,000/Month
 Lifetime Benefit

50 Month Declining Refund

Entrance fee refund reduces to zero after 50 months of membership

<u>Age</u> At Signing	Individual Membership	Double Membership
	Monthly Fee: \$803	Monthly Fee: \$763 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$58,000	\$52,000
61	\$61,960	\$55,630
62	\$65,560	\$58,930
63	\$69,160	\$62,230
64	\$72,760	\$65,530
65	\$76,000	\$68,500
66	\$79,520	\$71,580
67	\$82,720	\$74,380
68	\$85,920	\$77,180
69	\$89,120	\$79,980
70	\$92,200	\$82,500
71	\$94,860	\$84,920
72	\$97,460	\$87,120
73	\$100,060	\$89,320
74	\$102,660	\$91,520
75	\$105,000	\$93,500
76	\$107,420	\$95,150
77	\$109,620	\$96,650
78	\$111,820	\$98,150
79	\$114,020	\$99,650
80	\$116,000	\$101,000
81	\$117,100	\$101,220
82	\$118,100	\$101,420
83	\$119,100	\$101,620
84	\$120,100	\$101,820
85	\$121,000	\$102,000
86	\$121,220	\$102,000
87	\$121,420	\$102,000
88	\$121,620	\$102,000
89	\$121,820	\$102,000
90	\$122,000	\$102,000

2025

Chesapeake Membership

Benefit Amount · \$370/Day · \$11,100/Month

Lifetime Benefit

50 Month Declining Refund

Entrance fee refund reduces to zero after 50 months of membership

Age At Signing	Individual Membership	Double Membership
	Monthly Fee: \$712	Monthly Fee: \$681 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$41,043	\$37,312
61	\$45,307	\$41,256
62	\$49,571	\$45,201
63	\$53,836	\$49,145
64	\$58,100	\$53,089
65	\$62,364	\$57,034
66	\$66,308	\$60,338
67	\$70,253	\$63,643
68	\$74,197	\$66,948
69	\$78,141	\$70,253
70	\$82,086	\$73,557
71	\$85,710	\$76,329
72	\$89,335	\$79,101
73	\$92,960	\$81,873
74	\$96,584	\$84,644
75	\$100,209	\$87,416
76	\$103,620	\$89,548
77	\$107,031	\$91,680
78	\$110,443	\$93,812
79	\$113,854	\$95,945
80	\$117,266	\$98,077
81	\$120,250	\$99,356
82	\$123,235	\$100,635
83	\$126,220	\$101,914
84	\$129,205	\$103,194
85	\$132,190	\$104,473
86	\$134,962	\$105,326
87	\$137,734	\$106,179
88	\$140,505	\$107,031
89	\$143,277	\$107,884
90	\$146,049	\$108,737

2025
Susquehanna Membership
 Benefit Amount · \$295/Day · \$8,850/Month
 Lifetime Benefit

50 Month Declining Refund
 Entrance fee refund reduces to zero after 50 months of membership

Age At Signing	Individual Membership	Double Membership
	Monthly Fee: \$607	Monthly Fee: \$581 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$33,048	\$28,250
61	\$36,566	\$31,502
62	\$40,083	\$34,753
63	\$43,601	\$38,005
64	\$47,119	\$41,256
65	\$50,637	\$44,508
66	\$53,836	\$47,279
67	\$57,034	\$50,051
68	\$60,232	\$52,823
69	\$63,430	\$55,595
70	\$66,628	\$58,366
71	\$69,613	\$60,658
72	\$72,598	\$62,950
73	\$75,583	\$65,242
74	\$78,568	\$67,534
75	\$81,553	\$69,826
76	\$84,218	\$71,479
77	\$86,883	\$73,131
78	\$89,548	\$74,783
79	\$92,213	\$76,436
80	\$94,878	\$78,088
81	\$97,330	\$79,154
82	\$99,782	\$80,220
83	\$102,234	\$81,286
84	\$104,686	\$82,352
85	\$107,138	\$83,418
86	\$109,377	\$84,111
87	\$111,615	\$84,804
88	\$113,854	\$85,497
89	\$116,093	\$86,190
90	\$118,332	\$86,883

2025
Patapsco Membership
 Benefit Amount · \$185/Day · \$5,550/Month
 Lifetime Benefit

50 Month Declining Refund
 Entrance fee refund reduces to zero after 50 months of membership

<u>Age</u> At Signing	Individual Membership	Double Membership
	Monthly Fee: \$449	Monthly Fee: \$427 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$22,387	\$15,724
61	\$24,732	\$17,910
62	\$27,078	\$20,095
63	\$29,423	\$22,280
64	\$31,768	\$24,466
65	\$34,114	\$26,651
66	\$36,139	\$28,517
67	\$38,165	\$30,382
68	\$40,190	\$32,248
69	\$42,216	\$34,114
70	\$44,241	\$35,979
71	\$46,267	\$37,525
72	\$48,292	\$39,071
73	\$50,318	\$40,617
74	\$52,343	\$42,162
75	\$54,369	\$43,708
76	\$56,074	\$44,881
77	\$57,780	\$46,053
78	\$59,486	\$47,226
79	\$61,191	\$48,399
80	\$62,897	\$49,571
81	\$64,496	\$50,318
82	\$66,095	\$51,064
83	\$67,694	\$51,810
84	\$69,293	\$52,556
85	\$70,892	\$53,303
86	\$72,385	\$53,836
87	\$73,877	\$54,369
88	\$75,370	\$54,902
89	\$76,862	\$55,435
90	\$78,355	\$55,968

2025
Potomac Membership
Benefit Amount · \$625/Day · \$18,750/Month
Lifetime Benefit

50% Refundable Entrance Fee

Half of the entrance fee is guaranteed refundable upon termination

	Individual Membership	Double Membership
<u>Age</u>	Monthly Fee: \$894	Monthly Fee: \$849 Per Member
<u>At Signing</u>	Entrance Fee	Entrance Fee
	One-Time Payment	One-Time Payment for Each Member
60	\$80,000	\$72,500
61	\$87,260	\$79,430
62	\$93,860	\$85,730
63	\$100,460	\$92,030
64	\$107,060	\$98,330
65	\$113,000	\$104,000
66	\$120,700	\$111,260
67	\$127,700	\$117,860
68	\$134,700	\$124,460
69	\$141,700	\$131,060
70	\$148,000	\$137,000
71	\$156,800	\$144,260
72	\$164,800	\$150,860
73	\$172,800	\$157,460
74	\$180,800	\$164,060
75	\$188,000	\$170,000
76	\$197,240	\$177,700
77	\$205,640	\$184,700
78	\$214,040	\$191,700
79	\$222,440	\$198,700
80	\$230,000	\$205,000
81	\$236,380	\$280,300
82	\$242,180	\$211,300
83	\$247,980	\$214,300
84	\$253,780	\$217,300
85	\$259,000	\$220,000
86	\$259,660	\$220,000
87	\$260,260	\$220,000
88	\$260,860	\$220,000
89	\$261,460	\$220,000
90	\$262,000	\$220,000

2025
Anacostia Membership
 Benefit Amount · \$500/Day · \$15,000/Month
 Lifetime Benefit

50% Refundable Entrance Fee

Half of the entrance fee is guaranteed refundable upon termination

	Individual Membership	Double Membership
<u>Age</u>	Monthly Fee: \$803	Monthly Fee: \$763 Per Member
At Signing	Entrance Fee	Entrance Fee
	One-Time Payment	One-Time Payment for Each Member
60	\$85,926	\$76,939
61	\$92,059	\$82,747
62	\$97,628	\$88,015
63	\$103,190	\$93,274
64	\$108,749	\$98,525
65	\$113,748	\$103,246
66	\$120,292	\$109,486
67	\$126,220	\$115,136
68	\$132,132	\$120,767
69	\$138,029	\$126,383
70	\$143,326	\$131,424
71	\$150,639	\$137,523
72	\$157,249	\$143,044
73	\$163,828	\$148,546
74	\$170,378	\$154,029
75	\$176,250	\$158,950
76	\$184,818	\$166,157
77	\$192,603	\$172,710
78	\$200,385	\$179,262
79	\$208,163	\$185,815
80	\$215,161	\$191,713
81	\$221,069	\$194,431
82	\$226,439	\$196,895
83	\$231,806	\$199,352
84	\$237,172	\$201,801
85	\$242,000	\$204,000
86	\$242,440	\$204,000
87	\$242,840	\$204,000
88	\$243,240	\$204,000
89	\$243,640	\$204,000
90	\$244,000	\$204,000

2025
Chesapeake Membership
Benefit Amount · \$370/Day · \$11,100/Month
Lifetime Benefit

50% Refundable Entrance Fee

Half of the entrance fee is guaranteed refundable upon termination

	Individual Membership	Double Membership
<u>Age</u>	Monthly Fee: \$712	Monthly Fee: \$681 per Member
<u>At joining</u>	Entrance Fee	Entrance Fee
	One-Time Payment	One-Time Payment for Each Member
60	\$51,703	\$47,439
61	\$57,887	\$53,089
62	\$64,070	\$58,739
63	\$70,253	\$64,389
64	\$76,436	\$70,039
65	\$82,619	\$75,690
66	\$88,802	\$81,020
67	\$94,985	\$86,350
68	\$101,168	\$91,680
69	\$107,351	\$97,011
70	\$113,534	\$102,341
71	\$119,717	\$107,671
72	\$126,114	\$112,362
73	\$132,403	\$117,372
74	\$138,693	\$122,383
75	\$144,983	\$127,393
76	\$151,272	\$131,444
77	\$157,562	\$135,495
78	\$163,852	\$139,546
79	\$170,142	\$143,597
80	\$176,431	\$147,648
81	\$181,975	\$150,313
82	\$187,518	\$152,978
83	\$193,062	\$155,643
84	\$198,605	\$158,308
85	\$204,149	\$160,974
86	\$208,733	\$162,466
87	\$213,317	\$163,958
88	\$217,901	\$165,451
89	\$222,485	\$166,943
90	\$227,069	\$168,436

2025
Susquehanna Membership
 Benefit Amount · \$295/Day · \$8,850/Month
 Lifetime Benefit

50% Refundable Entrance Fee
 Half of the entrance fee is guaranteed refundable upon termination

	Individual Membership	Double Membership
<u>Age</u>	Monthly Fee: \$607	Monthly Fee: \$581 per Member
At joining	Entrance Fee	Entrance Fee
	One-Time Payment	One-Time Payment for Each Member
60	\$41,576	\$36,246
61	\$46,586	\$40,776
62	\$51,597	\$45,307
63	\$56,607	\$49,838
64	\$61,618	\$54,369
65	\$66,628	\$58,899
66	\$71,639	\$63,270
67	\$76,649	\$67,641
68	\$81,659	\$72,012
69	\$86,670	\$76,382
70	\$91,680	\$80,753
71	\$96,797	\$84,804
72	\$101,914	\$88,855
73	\$107,031	\$92,906
74	\$112,148	\$96,957
75	\$117,266	\$101,008
76	\$122,383	\$104,313
77	\$127,500	\$107,618
78	\$132,617	\$110,923
79	\$137,734	\$114,227
80	\$142,851	\$117,532
81	\$147,222	\$119,717
82	\$151,592	\$121,903
83	\$155,963	\$124,088
84	\$160,334	\$126,274
85	\$164,705	\$128,459
86	\$168,436	\$129,685
87	\$172,167	\$130,911
88	\$175,898	\$132,137
89	\$179,629	\$133,363
90	\$183,361	\$134,589

2025
Patapsco Membership
 Benefit Amount · \$185/Day · \$5,550/Month
 Lifetime Benefit

50% Refundable Entrance Fee
 Half of the entrance fee is guaranteed refundable upon termination

	Individual Membership	Double Membership
<u>Age</u>	Monthly Fee: \$449	Monthly Fee: \$427 per Member
At joining	Entrance Fee	Entrance Fee
	One-Time Payment	One-Time Payment for Each Member
60	\$28,250	\$19,988
61	\$31,555	\$23,080
62	\$34,860	\$26,172
63	\$38,165	\$29,263
64	\$41,469	\$32,355
65	\$44,774	\$35,446
66	\$48,026	\$38,324
67	\$51,277	\$41,203
68	\$54,528	\$44,081
69	\$57,780	\$46,960
70	\$61,031	\$49,838
71	\$64,389	\$52,556
72	\$67,747	\$55,275
73	\$71,106	\$57,993
74	\$74,464	\$60,712
75	\$77,822	\$63,430
76	\$81,073	\$65,669
77	\$84,325	\$67,907
78	\$87,576	\$70,146
79	\$90,827	\$72,385
80	\$94,079	\$74,624
81	\$97,011	\$76,063
82	\$99,942	\$77,502
83	\$102,874	\$78,941
84	\$105,805	\$80,380
85	\$108,737	\$81,819
86	\$111,189	\$82,672
87	\$113,641	\$83,525
88	\$116,093	\$84,378
89	\$118,545	\$85,231
90	\$120,997	\$86,084

2025

Deep Creek Membership

Benefit Amount · \$400/Day · \$12,000/Month

Maximum Benefit Amount = \$500,000 Capped

50 Month Declining Refund

Entrance fee refund reduces to zero after 50 months of membership

Age At Signing	Individual Membership	Double Membership
	Monthly Fee: \$690	Monthly Fee: \$656 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$22,000	\$15,500
61	\$25,190	\$18,580
62	\$28,090	\$21,380
63	\$30,990	\$24,180
64	\$33,890	\$26,980
65	\$36,500	\$29,500
66	\$39,415	\$32,195
67	\$42,065	\$34,645
68	\$44,715	\$37,095
69	\$47,365	\$39,545
70	\$49,750	\$41,750
71	\$52,445	\$44,225
72	\$54,895	\$46,475
73	\$57,345	\$48,725
74	\$59,795	\$50,975
75	\$62,000	\$53,000
76	\$64,640	\$55,090
77	\$67,040	\$56,990
78	\$69,440	\$58,890
79	\$71,840	\$60,790
80	\$74,000	\$62,500
81	\$76,035	\$63,985
82	\$77,885	\$65,335
83	\$79,735	\$66,685
84	\$81,585	\$68,035
85	\$83,250	\$69,250
86	\$84,955	\$70,405
87	\$86,505	\$71,455
88	\$88,055	\$72,505
89	\$89,605	\$73,555
90	\$91,000	\$74,500

2025

Loch Raven Membership

Benefit Amount · \$300/Day · \$9,000/Month

Maximum Benefit Amount = \$500,000 Capped

50 Month Declining Refund

Entrance fee refund reduces to zero after 50 months of membership

Age At Signing	Individual Membership	Double Membership
	Monthly Fee: \$650	Monthly Fee: \$618 Per Member
	Entrance Fee One-Time Payment	Entrance Fee One-Time Payment for Each Member
60	\$14,000	\$7,250
61	\$16,730	\$9,823
62	\$19,330	\$12,273
63	\$21,930	\$14,723
64	\$24,530	\$17,173
65	\$27,000	\$19,500
66	\$29,520	\$21,915
67	\$31,920	\$24,215
68	\$34,320	\$26,515
69	\$36,720	\$28,815
70	\$39,000	\$31,000
71	\$41,415	\$33,205
72	\$43,715	\$35,305
73	\$46,015	\$37,405
74	\$48,315	\$39,505
75	\$50,500	\$41,500
76	\$52,810	\$43,390
77	\$55,010	\$45,190
78	\$57,210	\$46,990
79	\$59,410	\$48,790
80	\$61,500	\$50,500
81	\$63,285	\$51,865
82	\$64,985	\$53,165
83	\$66,685	\$54,465
84	\$68,385	\$55,765
85	\$70,000	\$57,000
86	\$71,575	\$58,155
87	\$73,075	\$59,255
88	\$74,575	\$60,355
89	\$76,075	\$61,455
90	\$77,500	\$62,500

Flex Pay Option

We also offer a flex pay option. Flex pay is a revenue neutral and actuarially sound payment option that allows a Member to either (1) increase Member's monthly fee by \$100 per month, such that the entrance fee will be decreased by an amount calculated based on the Member's age when Member enters the Continuing Care at Home Agreement OR (2) decrease Member's monthly fee by \$100 per month, such that the entrance fee will be increased by an amount calculated based on Member's age when Member enters the Continuing Care at Home Agreement.

FLEX-PAY PRICING (To INCREASE monthly fee by \$100)		FLEX-PAY PRICING (To DECREASE monthly fee by \$100)	
<u>FOR A \$100/MONTH INCREASE IN THE MONTHLY FEE FOR YOUR LIFETIME, YOU WILL SUBTRACT THE FOLLOWING AMOUNT FROM YOUR ENTRANCE FEE AMOUNT.</u>		<u>FOR A \$100/MONTH DECREASE IN THE MONTHLY FEE FOR YOUR LIFETIME, YOU WILL ADD THE FOLLOWING AMOUNT TO YOUR ENTRANCE FEE AMOUNT.</u>	
Age at Joining	REDUCTION TO ENTRANCE FEE AMOUNT FOR EACH MEMBER	Age at Joining	ADDITIONAL ENTRANCE FEE AMOUNT FOR EACH MEMBER
60	- \$20,832	60	+ \$20,832
61	- \$20,338	61	+ \$20,338
62	- \$19,844	62	+ \$19,844
63	- \$19,349	63	+ \$19,349
64	- \$18,855	64	+ \$18,855
65	- \$18,361	65	+ \$18,361
66	- \$17,830	66	+ \$17,830
67	- \$17,300	67	+ \$17,300
68	- \$16,769	68	+ \$16,769
69	- \$16,239	69	+ \$16,239
70	- \$15,708	70	+ \$15,708
71	- \$15,221	71	+ \$15,221
72	- \$14,735	72	+ \$14,735
73	- \$14,248	73	+ \$14,248
74	- \$13,762	74	+ \$13,762
75	- \$13,275	75	+ \$13,275
76	- \$12,837	76	+ \$12,837
77	- \$12,399	77	+ \$12,399
78	- \$11,962	78	+ \$11,962
79	- \$11,524	79	+ \$11,524
80	- \$11,086	80	+ \$11,086
81	- \$10,712	81	+ \$10,712
82	- \$10,338	82	+ \$10,338
83	- \$9,963	83	+ \$9,963
84	- \$9,589	84	+ \$9,589
85	- \$9,215	85	+ \$9,215
86	- \$8,963	86	+ \$8,963
87	- \$8,711	87	+ \$8,711
88	- \$8,460	88	+ \$8,460
89	- \$8,208	89	+ \$8,208
90	- \$7,956	90	+ \$7,956

Home Care Only Coverage Program

Our Home Care Only Coverage Program is slightly different from our Life Care and Capped Benefit Options. This program only provides benefit payments for services that are received in the Member’s home. It does not cover any costs in or associated with facility-based care in Assisted Living, Memory Care, or Skilled Nursing. This program has all the same initial services as the other contracts and then provides a daily maximum benefit amount for home care services only. The same eligibility criteria must be met for admission for membership for this option. The pricing for this program is based on age at enrollment and the daily benefit amount which is currently \$300 per day. The Wesley Inc will also manage reserves for this program in the same way even though this program is not overseen by The Maryland Department of Aging. The Wesley Inc will still provide all the same reporting for this program to the Department but will note this in “unregulated” contracts.

The Home Care Only Coverage Program is not overseen or regulated by the Maryland Department of Aging. Home Care Only Coverage Program agreements are not continuing care at home agreements and are not subject to approval by the Maryland Department of Aging.

Care Coordination- 2025 Entrance and Monthly Fees

Our Care Coordination program is different from our Continuing Care at Home program as it does not provide any benefit payments for Long Term Care Services. As such, the program is not overseen by The Maryland Department of Aging. The Care Coordination program provides similar initial services, along with up to four (4) hours of care coordination services each month. The entrance fee is non-refundable after the 30-day introductory period. The entrance fee is \$8,000 and does not change with age at joining. The monthly fee is \$241.

Annual Increases- Entrance and Monthly Fees & Maximum Daily Benefit Amount Limits:

Wesley SecureCare’s operations commenced in July of 2022. Wesley SecureCare instituted an increase in entrance fees and monthly fees of 2.5% beginning on December 1, 2024, the beginning of fiscal year 2025. The daily coverage limit for each of our plans was also increased by 2.5% on December 1, 2024. The previous year’s increase was 3% for both the monthly fee and maximum daily benefit amounts.

Both entrance and monthly fees are expected to increase annually by approximately 3.5%. The Consumer Price Index (CPI) is considered when making rate increases so that we can keep with the cost of doing business and maintain robust options for service and community vendors. The annual estimated fee increases until 2032 are demonstrated in charts below. Our actuaries used the following inflation assumptions with the intent of matching revenue inflation with core expense inflation through the life of the program to estimate fee increases.

	<u>Rate</u>
General Inflation	3.50%
Medical Inflation	3.50%
Membership Fee Inflation	3.50%
Monthly Fee Inflation – at Home	3.50%
Interest Income Rate	4.00%
Discount Rate	4.00%

The increases in Members’ fees are directly applied to the current year’s Maximum Daily Benefit Amount payment. All Members are given 30 days advanced notice of new fees and an updated Daily Benefit Amount payment schedule.

Membership (Entrance Fee) Estimated Increases for Inflation

Membership Fees	2025	2026	2027	2028	2029	2030	2031	2032
Membership Fees increase by:		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Chesapeake								
Age 60	\$41,761	\$43,223	\$44,736	\$46,301	\$47,922	\$49,599	\$51,335	\$53,132
Age 65	63,455	65,676	67,975	70,354	72,816	75,365	78,003	80,733
Age 70	83,522	86,446	89,471	92,603	95,844	99,198	102,670	106,264
Age 75	101,962	105,531	109,225	113,047	117,004	121,099	125,338	129,725
Age 80	119,318	123,494	127,816	132,290	136,920	141,712	146,672	151,805
Age 85	134,504	139,211	144,084	149,126	154,346	159,748	165,339	171,126
Age 90	<u>148,605</u>	<u>153,806</u>	<u>159,189</u>	<u>164,761</u>	<u>170,527</u>	<u>176,496</u>	<u>182,673</u>	<u>189,067</u>
Average Single Membership Fee	\$100,388	\$103,902	\$107,538	\$111,302	\$115,198	\$119,229	\$123,402	\$127,722
Weighted Average Second Person Membership Fee	72,008	74,528	77,137	79,836	82,631	85,523	88,516	91,614
Average Couple Membership Fee	172,396	178,430	184,675	191,138	197,828	204,752	211,919	219,336
Average Membership Fee	139,338	144,215	149,262	154,486	159,893	165,490	171,282	177,277
Susquehanna								
Age 60	\$33,626	\$34,803	\$36,021	\$37,282	\$38,586	\$39,937	\$41,335	\$42,782
Age 65	51,524	53,327	55,193	57,125	59,124	61,194	63,336	65,552
Age 70	67,794	70,167	72,623	75,165	77,795	80,518	83,336	86,253
Age 75	82,980	85,884	88,890	92,001	95,221	98,554	102,004	105,574
Age 80	96,539	99,918	103,415	107,034	110,781	114,658	118,671	122,824
Age 85	109,013	112,828	116,777	120,865	125,095	129,473	134,005	138,695
Age 90	<u>120,402</u>	<u>124,616</u>	<u>128,978</u>	<u>133,492</u>	<u>138,164</u>	<u>143,000</u>	<u>148,005</u>	<u>153,185</u>
Average Single Membership Fee	\$81,425	\$84,275	\$87,225	\$90,278	\$93,437	\$96,708	\$100,092	\$103,596
Weighted Average Second Person Membership Fee	55,614	57,561	59,575	61,660	63,819	66,052	68,364	70,757
Average Couple Membership Fee	137,039	141,836	146,800	151,938	157,256	162,760	168,456	174,352
Average Membership Fee	111,507	115,410	119,450	123,630	127,957	132,436	137,071	141,869
Patapsco								
Age 60	\$39,683	\$41,071	\$42,509	\$43,997	\$45,537	\$47,130	\$48,780	\$50,487
Age 65	46,296	47,917	49,594	51,329	53,126	54,985	56,910	58,902
Age 70	52,401	54,235	56,134	58,098	60,132	62,236	64,415	66,669
Age 75	58,506	60,554	62,673	64,867	67,137	69,487	71,919	74,436
Age 80	63,998	66,238	68,556	70,955	73,439	76,009	78,669	81,423
Age 85	68,681	71,085	73,573	76,148	78,813	81,572	84,427	87,382
Age 90	<u>72,751</u>	<u>75,298</u>	<u>77,933</u>	<u>80,661</u>	<u>83,484</u>	<u>86,406</u>	<u>89,430</u>	<u>92,560</u>
Average Single Membership Fee	\$57,545	\$59,559	\$61,644	\$63,801	\$66,034	\$68,345	\$70,738	\$73,213
Weighted Average Second Person Membership Fee	35,864	37,119	38,418	39,763	41,155	42,595	44,086	45,629
Average Couple Membership Fee	93,409	96,678	100,062	103,564	107,189	110,941	114,823	118,842
Average Membership Fee	76,944	79,637	82,425	85,309	88,295	91,386	94,584	97,894
Care Coordination Only								
Average Membership Fee	\$8,000	\$8,280	\$8,570	\$8,870	\$9,180	\$9,501	\$9,834	\$10,178

Monthly (Service Fee) Estimated Increases for Inflation

Monthly Service Fees									
Monthly Service Fees increase by:			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
<u>Chesapeake</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	
Age 60	\$724	\$750	\$776	\$803	\$831	\$860	\$891	\$922	
Age 65	724	750	776	803	831	860	891	922	
Age 70	724	750	776	803	831	860	891	922	
Age 75	724	750	776	803	831	860	891	922	
Age 80	724	750	776	803	831	860	891	922	
Age 85	724	750	776	803	831	860	891	922	
Age 90	724	750	776	803	831	860	891	922	
Average Single Monthly Service Fee	\$724	\$750	\$776	\$803	\$831	\$860	\$891	\$922	
Average Couple Monthly Service Fee	1,386	1,434	1,485	1,537	1,590	1,646	1,704	1,763	
<u>Susquehanna</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	
Age 60	\$618	\$639	\$662	\$685	\$709	\$734	\$759	\$786	
Age 65	618	639	662	685	709	734	759	786	
Age 70	618	639	662	685	709	734	759	786	
Age 75	618	639	662	685	709	734	759	786	
Age 80	618	639	662	685	709	734	759	786	
Age 85	618	639	662	685	709	734	759	786	
Age 90	618	639	662	685	709	734	759	786	
Average Single Monthly Service Fee	\$618	\$639	\$662	\$685	\$709	\$734	\$759	\$786	
Average Couple Monthly Service Fee	\$1,182	1,224	1,267	1,311	1,357	1,404	1,453	1,504	
<u>Patapsco</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	
Age 60	\$457	\$473	\$489	\$507	\$524	\$543	\$562	\$581	
Age 65	457	473	489	507	524	543	562	581	
Age 70	457	473	489	507	524	543	562	581	
Age 75	457	473	489	507	524	543	562	581	
Age 80	457	473	489	507	524	543	562	581	
Age 85	457	473	489	507	524	543	562	581	
Age 90	457	473	489	507	524	543	562	581	
Average Single Monthly Service Fee	\$457	\$473	\$489	\$507	\$524	\$543	\$562	\$581	
Average Couple Monthly Service Fee	\$869	899	931	963	997	1,032	1,068	1,106	
<u>Care Coordination Only</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	
Average Single Monthly Service Fee	\$241	\$249	\$258	\$267	\$277	\$286	\$296	\$307	
Average Couple Monthly Service Fee	\$462	\$478	\$495	\$512	\$530	\$549	\$568	\$588	

Reserve Requirements COMAR 32.02.02.15C(7 - 8)

Wesley SecureCare reports our reserve holdings twice per year to the Maryland Department of Aging. This reporting is required for the first 5 years of operations pursuant to COMAR 32.02.02.14. Our most recent reserve report for the first quarter of 2025 is copied below. The Wesley Inc. was the beneficiary of the Roberts Estates Trust that provided our organization with \$4.6 million in January 2025. The total of these funds is being used to meet and exceed our reserve requirements and establish an endowment for the perpetuity of our mission.

Most Recent Reserve Report (Quarter 1 of FY 2025).

Notes: Quarter 1 of FY 2025 (December 1, 2024 - February 28, 2025).

Capital Reserve: \$500,000

Operating Reserve: 25% of \$506,418 (program expenses) = \$126,604.50

Contract Reserves:

Valuation Date: 2/28/2025

Inflation Rate: 4.00%

Discount Rate: 4.00%

There is 70% funding required for year two of operations= **\$532,097** The capital reserve can be utilized to fund the contract reserve. A table of the reserve calculation and an explanation of the regulations follow.

<u>Future Member Fees and Copays</u>	<u>Future Member Expenses</u>	<u>Contract Reserves</u>	
\$ 2,093,984	\$ 2,687,941	\$ 593,957	Gross Contract Reserve
		<u>760,139</u>	Unamortized Deferred Revenue - Regulated Contracts
		\$ 760,139	Net Contract Reserve
			<u>70%</u> Required Funding
		\$ 532,097	Required Funding of Contract Reserve
		<u>\$ 500,000</u>	Capital Reserve
		\$ 32,097	Booked Contract Reserve
		 \$ 760,138.51	 Unamortized Deferred Revenue - regulated contracts
		<u>\$ 95,410.80</u>	<u>Unamortized Deferred Revenue - non-regulated contracts</u>
		\$ 855,549.31	Total Unamortized Deferred Revenue

Total 2025 Q1: Reserve requirements are: \$658,701.50

Based on eighteen (18) Continuing Care at Home members. We have fifteen (15) Care Coordination members and, while we provide services and collect revenue from their fees, we do not insure for their Long-Term Care service payments. As such, this reserve will only show Continuing Care at Home program members. Care Coordination members do not fall under the Continuing Care at Home regulations nor reserve requirements.

The Wesley Inc.
Investment Policy Statement
Approved: February 3, 2025

Introduction

The Wesley Inc. is a 501(c)(3) nonprofit organization dedicated to bringing a continuum of coordinated wellness and long-term care services to the older adults of Maryland in their own communities and homes.

Purpose

This statement of Investment Policy (“Policy”) has been adopted by the Board of Directors (“Board”) of The Wesley Inc. to provide formal guidelines for the Investment of funds held by The Wesley Inc. The Policy has been set forth to:

1. State in a written document the Board of Directors expectations, objectives, and guidelines for the investment of all assets;
2. Define and assign the responsibilities of all involved parties;
3. Provide guidance regarding prudent investment standards as defined in the Uniform Prudent Management of Institutional Fund’s Act (UPMIFA);
4. Establish formal criteria to evaluate investment performance and the performance of those selected to manage The Wesley Inc.’s investment performance on a regular basis.
5. Establish the relevant investment time horizon for which the organization’s assets will be managed.

For the purposes of managing investment risk and optimizing investment returns within acceptable risk parameters, the funds held will be divided into three separate investment reserves. The process for determining the dollar amount in each reserve is set forth in the “Procedures” section of this document. The three investment reserves shall be called the “**Operating Fund**”, the “**Intermediate Reserve**”, and the “**Investment Fund**”.

The Uniform Prudent Management of Institutional Funds Act (“UPMIFA”)

It is the intent of the Board of Directors to have the Finance Committee follow the provisions and apply the investment standards of UPMIFA (www.upmifa.org) in the management of The Wesley Inc.’s investment assets. In managing and investing an institutional fund, all of the following factors, if relevant, should be considered:

1. General economic conditions
2. The possible effect of inflation or deflation
3. The expected tax consequences, if any, of investment decisions or strategies.
4. The role that each investment or course of action plays within the overall investment portfolio of the Fund.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Fund.
7. An asset’s special relationship or special value, if any, to the tax-exempt purposes of the institution.
8. The needs of the institution and the Fund to make distributions and preserve capital.
9. Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institutional Fund’s portfolio of investments as a whole and as a part of an overall investment strategy having risk and return objectives reasonably suited to the Fund and to the institution.
10. Except as otherwise provided by law other than UPMIFA, the institution may invest in any kind of property or type of investment consistent with this section of the investment policy.
11. The institution shall diversify the investments of the institutional Fund unless it reasonably determines that, because of special circumstances, the purposes of the Fund are better served without diversification.
12. Within a reasonable time after receiving property, the institution shall make and carry out decisions concerning the retention or disposition of the property or to rebalance a portfolio, in order to bring the institutional Fund into compliance with the purposes, terms, and distribution requirements of the institution as necessary to meet other circumstances of the institution and the requirements of this section of the investment policy.
13. A person that has special skills or expertise or is selected in reliance upon the person’s representation that the person has special skills or expertise, has a duty to use those skills or that expertise in managing and investing institutional funds.

Assignment of Responsibilities

Responsibilities of the Finance Committee on behalf of the Board of Directors

The Board of Directors has delegated the Finance Committee (the “Committee”) the responsibility to direct management of The Wesley Inc.’s assets and monitor compliance with the organization’s policies and guidelines. While the Board bears ultimate responsibility for The Wesley Inc.’s investment funds, the Committee shall recommend to the Board the general policy for the investment funds and shall be responsible for day-to-day guidance, monitoring, and oversight. The specific responsibilities of the Finance Committee relating to the investment management of assets include:

1. Defining the investment objectives and policies for the assets in each pool.
2. Recommending changes to the investment policy, guidelines, or objectives.
3. Approving the selection or termination of Investment Consultant(s), administrators, and custodians for the assets in each pool.
4. Approving the asset allocation strategy including selecting asset classes, targets in percent, and target ranges in accordance with their duties as specified in the bylaws of the organization.
5. Evaluating the performance of all investments quarterly, including the investment Advisor’s choice of Investment Manager(s) to assure investment objective progress and adherence to the Investment Policy guidelines.
6. Approving the minimum balances to be maintained in the Operating Reserves.

Responsibilities of the Treasurer and Executive Director

1. Keeping the Finance Committee informed of any significant events that may impact The Wesley Inc.’s investment Funds;
2. Meeting periodically with The Wesley Inc.’s designated investment consultant to discuss the investment policy;
3. Communicating State mandated reserve requirement and status updates to the Board of Directors and the Investment Consultant at least annually;
4. Transferring funds into and out of Operating; Intermediate, and Investment Fund as approved by The Board of Directors;
5. Reviewing the hiring or replacing of the Investment Consultant with the Finance Committee;
6. Reviewing the Investment Consultant’s decisions for hiring and/or replacing Investment managers with the Finance Committee;
7. Executing such other duties as may be described in this policy or delegated by the Board.

Responsibilities of the Investment Consultant(s)

The Investment Consultant’s role is that of a discretionary advisor to the Finance Committee and the Board of Directors. Investment advice concerning the investment management of the assets will be offered by the Investment Consultant, and will be consistent with the investment objectives, policies, guidelines, and constraints as established in this statement. Specific responsibilities of the Investment Consultant(s) include:

1. Reviewing the investment policies and objectives and suggesting appropriate changes to be approved by the Board at least on an annual basis.
2. Providing proactive strategic asset allocation advice concerning the allocation of existing assets and new contributions to the Fund, as well as periodic rebalancing of the asset allocation. The proactive advice will include both asset allocation (stock, bond, cash mix) and style allocation (international versus domestic allocation, growth-style versus value-style equities, large capitalization versus small capitalization equities, and long versus short-term bonds).
3. Implement the investment program including manager research, portfolio construction, tactical asset allocation, rebalancing, and other day-to-day responsibilities on a discretionary basis within the guidelines of the IPS.
4. Measuring, evaluating, and reporting the Investment Manager(s)’ performance results on a quarterly basis.
5. Attending quarterly, semi-annual, or annual meetings.
6. Maintaining contact with and reporting on changes within the Investment Manager(s)’ organizations.
7. Providing ad hoc analyses related to the Investment program, as requested.

Responsibility of the Investment Manager(s)

Investment Managers (which refer to managers of separately manages accounts, mutual funds, exchange-traded funds, limited partnerships, and registered hedge funds) will have full discretion to make all investment decisions for the assets placed under its jurisdiction. Specific responsibilities of the Investment Manager include:

1. Discretionary decisions to buy, sell, or hold individual securities and to alter asset allocation within the guidelines of their stated methodology;

2. Communicating to the Investment Consultant any major changes to the firm's asset under management, personnel, ownership structure, economic outlook, Investment strategy, or any other factors that affect implantation of investment process.

Responsibility of the Custodian

Specific responsibilities of the Custodian include:

1. Physically or electronically (or through agreement with a sub-custodian) maintaining possession of securities owned by The Wesley Inc.;
2. Collecting dividend and interest payments, redeeming maturing securities, and effecting the receipt and delivery following purchases and sales;
3. Performing regular accounting of all assets owned, purchased, or sold, as well as movement of assets within fund accounts; and
4. Providing The Wesley Inc. in writing or via online access, confirmation of the operating and short-term investment accounts, and initiation and completion of buy and sell transactions in the long-term investment account per policies of those accounts.

The Wesley Inc. Investment Policy Statement

Operating Fund

Purpose and Objectives

The purpose of the Operating Fund is to provide sufficient cash to pay current operating expenses of The Wesley Inc. in a timely manner. The Fund shall maintain 90 days of anticipated operating expenses, as well as half of the entrance fee refund liability as of the previous fiscal year end.

The investment objectives of the Operating Fund are:

1. Liquidity
2. Preservation of capital; and
3. To optimize the investment return within the constraints of the policy.

Investment Guidelines

The Executive Director or his/her designee shall be authorized to invest The Wesley Inc.'s Operating Fund as follows:

1. Federally-Insured: Certificates of Deposit not to exceed the insurable limit per institution including interest at commercial banks or savings and loans institutions;
2. Money Market Funds that invest in government backed or fully insured securities;
3. Interest bearing checking accounts in federally insured banks and savings and loans not exceed federally insured amounts
4. Direct Obligations of the U.S. Government, its agencies and instrumentalities;
5. Federal Agency Discount Notes; and
6. Repurchase agreements collateralized by U.S. Government obligations with institutions whose senior debt rating is rated double A or better by Standard & Poor's and/or Moody's or where physical delivery of the collateral is made to a third-party custodian.

Maturity

The maturities on investments for the Operating Fund shall be limited to one year or less. The Executive Director, working with the Investment Consultant, shall be responsible for scheduling maturities.

Reporting

If an Investment Consultant is used for these funds, the Investment Consultant shall prepare the following reports on a monthly basis for the Executive Director:

1. Schedule of Investments
2. Interest income year to date
3. Current yield

The Wesley Inc.
Investment Policy Statement

Intermediate Reserve

Purpose and Objectives

The purpose of the Intermediate Reserve is to meet the expenses occurring as the result of planned future activities and to improve the return on reserves held for expenditure over the next one to five years. Where possible, separate accounts will be created for each component of the Intermediate Reserve. The possibility exists that at any given time, no funds will be allocated to this reserve.

The Investment objectives of the Intermediate Reserve are:

1. Preservation of capital;
2. Liquidity; and
3. To optimize the investment return within the constraints of this policy.

Investment Guidelines

The Executive Director or his/her designee shall be authorized to invest The Wesley Inc.'s Intermediate Reserve as follows:

1. Federally -Insured Certificated of Deposit not to exceed the insurable limit per institution including interest at commercial banks or savings and loan institutions;
2. Money Market Reserves that invest in government backed or fully insured securities;
3. Direct Obligations of the U.S. Government, its agencies and instrumentalities;
4. Federal Agency Discount Notes;
5. Corporate Notes with an investment grade or better; and
6. Mutual Funds meeting the investment guidelines for the Intermediate Reserve.

Maturity

The Intermediate Reserve shall have a weighted average maturity of three years or less. The Executive Director, working with Investment Consultant, shall be responsible for scheduling maturities.

Diversification

No more than 10% at cost of the Intermediate Reserve may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities, repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities and federally insured certificates of deposit.

Reporting

The Investment Consultant shall prepare the following reports for presentation on a monthly basis to the Executive Director:

1. Schedule of investments;
2. Interest income year to date;
3. Current yield.

The Wesley Inc.
Investment Policy Statement

Investment Fund

Purpose

The purpose of The Wesley Inc.'s Investment Fund is to enhance the purchasing power of the reserves held for future expenditure and to maintain the financial stability of the organization.

Investment Objectives

Performance Expectations

The objectives of the account should be pursued as a strategic goal designed to maximize the returns without exposure to undue risk as defined herein. It is understood that fluctuating rates of return are characteristic of the securities markets. The primary concern should be long-term appreciation of the assets and consistency of total portfolio returns. Recognizing that short-term market fluctuations may cause variations in the account performance, the expectations of the account will be to achieve the following objectives over a five-year moving time period:

1. The account's total expected return should exceed the Consumer Price Index by 4% annually. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target about half of the time.
2. The account's total expected return should exceed the Treasury Bill Index by a minimum of 3% annually. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target about half of the time.

3. The account's total return should outperform a composite index that is a blend of indices that reflects the policy's target asset allocation.

Risk Tolerance

Understanding that long-term positive correlation exists between performance volatility (risk) and expected returns in the securities markets, we have established the following short-term objective:

The portfolio should be invested to minimize the likelihood of low negative total returns, defined as a one year return worse than negative 8%. It is anticipated that a loss greater than this will occur no more than one out of twenty years.

Investment Guidelines

The investment policies and restrictions presented in this statement serve as a framework to achieve the investment objectives at the level of risk deemed acceptable. These policies and restrictions are designed to minimize interfering with efforts to attain overall objectives, and to minimize the probability of excluding any appropriate investment opportunities.

Prohibited Investments

Individual investments and investment activity not specifically approved by the Board of Directors are prohibited.

Target Asset Mix

The Investment Fund shall be comprised of the asset classes listed in the following table. The target weight is the desired weight for each asset class. The minimum weights and maximum weights are to allow for normal market fluctuations and to allow for temporary over/underweight allocations that are believed to be desirable by the Finance Committee or the Investment Consultant.

The Finance Committee will monitor the asset allocation of the Investment Fund based on quarterly reports provided by the Investment Consultant. The portfolio will be rebalanced when any asset class is outside the allowable policy guidelines or when cash flows into or out of the account. Rebalancing the portfolio will distribute funds toward the target allocations or toward a tactical allocation provided by the Investment Consultant. Tactical allocations must be within the maximum allocation limits provided.

Asset Class	MINIMUM WEIGHT	TARGET WEIGHT	MAXIMUM WEIGHT
EQUITY			
U.S. Stocks	25%	36%	47%
International Stocks	17%	24%	31%
TOTAL EQUITY		60%	
FIXED INCOME			
Domestic Fixed Income	14%	20%	26%
International Bonds	2%	5%	7%
TOTAL FIXED INCOME		25%	
ALTERNATIVE INVESTMENTS	10%	15%	20%

Equities

The equity asset classes should be maintained at risk levels roughly equivalent to the sectors of the market represented, with the objective of exceeding a nationally recognized index measuring the performance of the designated sector over a five-year moving time period net of fees and commissions. Mutual funds conforming to the policy guidelines may be used to implement the investment program.

The following definitions shall apply for the purposes of this policy:

U.S. Stocks: A portfolio of stocks comprised primarily of U.S. based companies represented in the Russell 3000 Index, the generally accepted, nationally recognized index for this asset class.

International Stocks: Stocks of non-U.S. based companies, the primary shares of which are traded on exchanges outside the U.S. American Depository Receipts are considered International Stocks. The generally accepted, nationally recognized index for this asset class is the Morgan Stanley Capital International All Country World Index ex US (MSCI ACWI ex US Net).

Fixed Income

Investments in fixed income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. Mutual funds conforming to the policy guidelines may be used to implement the investment program. The following definitions shall apply for the purposes of this policy:

Domestic Bonds: A portfolio consisting primarily of dollar denominated investment-grade fixed-rate taxable bonds that may include U.S. Treasuries, government-related issues, corporate bonds, mortgage-backed pass-through securities, asset-backed securities, and commercial mortgage-backed securities. The generally accepted, nationally recognized index for this asset class is the Barclays Capital Aggregate Bond Index.

International Bonds: A portfolio consisting primarily of investment grade government, corporate, and mortgage-related bonds denominated in currencies other than U.S. dollars. The generally accepted, nationally recognized index for this asset class is the Bloomberg Global Aggregate ex US Dollar Bond Index.

Alternative Investments

Alternative Investments, including hedge funds, managed futures, commodities, and other non-traditional investments, shall be utilized through mutual funds or professionally managed pools of such investments to provide for prudent level of diversification.

Performance comparisons will be made to an index or blend of indices with similar risk/return characteristics of the alternative composite including but not limited to the HFRX Global Hedge Fund Index.

Investment Manager Selection and Evaluation Criterion

Investment Manager Selection

In selecting the investment managers for the Investment Fund, the Finance Committee, working with the Investment Consultant, will consider a variety of statistical and non-statistical factors. These factors, measured over a multi-year period, may include the investment manager's investment objectives, performance relative to its index and peer group, risk characteristics, return characteristics, investment style, fees, manager tenure and turnover, style consistency and the degree of correlation with other fund managers.

Investment Manager Monitoring and Review

The on-going monitoring of investment options must be a regular and disciplined process. It is the mechanism for revisiting the investment manager selection process and confirming that the criteria originally satisfied remain so, and that an investment manager continues to be a valid offering. While frequent change is neither expected nor desirable, the process of monitoring investment performance relative to specified guidelines is an ongoing process.

The Finance Committee, working with the Investment Consultant, will monitor, on a periodic basis, the same factors identified above under "Investment Manager Selection". The placement of a manager on a "watch list" may be required if an Investment Manager:

1. Has a change in manager or analytic staff;
2. Has experienced style drift;
3. Has performed unfavorably on an absolute basis relative to its index or peer group over rolling five-year periods
4. Has performed unfavorably on a risk adjusted basis relative to its index or peer group over multiple time periods including rolling three and five-year periods;
5. Violated the Organization's Investment policy guidelines;
6. Has material litigation filed against the firm;
7. Has material changes in firm ownership structure;
8. Has exhibited any other factors that the Finance Committee or the Investment Consultant deems material since the initial selection of the investment option.

Watch list status is expected to last no longer than one quarter and will be used to evaluate the factors that led to the watch list designation. If, at the conclusion of the watch list evaluation, the Finance Committee has overall satisfaction with the investment manager, no further action is required. If areas of dissatisfaction exist, it is the responsibility of the Finance Committee, working with the Investment Consultant, to consider taking steps to remedy the deficiency, including the removal of the investment manager.

Investment Manager Removal

The Finance Committee, working with the Investment Consultant, may recommend to the Board of Directors the removal of the Investment manager when they believe such removal is the best interests of the Investment Fund, taking into account for this purpose all relevant factors including, and with out limitation, when the Finance Committee has lost confidence in the investment manager's ability to:

1. Achieve performance and risk objectives;
2. Comply with investment guidelines
3. Maintain a stable organization and retain key relevant investment professionals

An investment manager's consistent failure to adhere to one or more of the above conditions and failure to remedy the circumstances, within a reasonable time, may be grounds for termination.

The watch list is not the only route for removing an existing manager. The aforementioned events, or any other events of concern identified by the Finance Committee or the Investment Consultant, may prompt the Immediate removal of a manager without it being watch listed. Any decision to remove an investment manager will be treated on an individual basis and will be made based on quantitative and qualitative review.

Performance Reporting

The Investment Fund will be evaluated quarterly on a total return basis. Returns will be compared to:

1. The Consumer Price Index plus 4%;
2. The Three-Month Treasury Bill Index plus 3%; and
3. Nationally recognized indices measuring the performance of the classes specified in the target asset mix.

Comparisons will show results for the latest quarter, year-to-date and since inception. The report will be prepared by the Investment Consultant and will be presented to the Executive Director and Treasurer.

CERTIFIED FINANCIAL STATEMENT (12/1/2023-11/30/2024)-COMAR 32.02.02.15C(9)

The Wesley, Inc.

Financial Statements

Year Ended November 30, 2024

The Wesley, Inc.
Table of Contents
Year Ended November 30, 2024

	<u>PAGE</u>
Independent Auditor's Report	1 – 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Change in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 – 15



Independent Auditor's Report

To the Board of Directors
The Wesley, Inc.
Baltimore, Maryland

Opinion

We have audited the accompanying financial statements of The Wesley, Inc. which comprise the statement of financial position as of November 30, 2024, the related statements of activities and change in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Wesley, Inc. as of November 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Wesley, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wesley, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

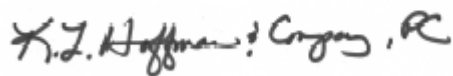
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Wesley, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wesley, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CERTIFIED PUBLIC ACCOUNTANT

April 28, 2025

The Wesley, Inc.
Statement of Financial Position
November 30, 2024

ASSETS

Cash and cash equivalents	\$ 761,608
Accounts receivable	800
Beneficial interest in charitable trust held by others	4,667,985
Security deposits and prepaids	6,402
Intangible asset, net	27,982
Right-of-use asset, net	206,190
	<hr/>
Total assets	5,670,967
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LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	5,091
Entrance fees - refundable	142,319
Entrance fees	687,629
Lease liability	207,701
	<hr/>
Total liabilities	1,042,740
	<hr/> <hr/>

Net assets:

Donor undesignated -	
Available for general activities	(39,758)
Donor designated	4,667,985
	<hr/>

Total net assets 4,628,227

Total liabilities and net assets \$ 5,670,967

See the independent auditor's report and accompanying notes.

The Wesley, Inc.

Statement of Activities and Change in Net Assets

Year Ended November 30, 2024

	Donor Undesignated	Donor Designated	Total
Revenues, gains, and other support:			
Public support:			
Contributions and grants	\$ 18,791	\$ -	\$ 18,791
Bequest	235,526	-	235,526
	<u>254,317</u>	<u>-</u>	<u>254,317</u>
Program income:			
Amortization of entrance fees	50,806	-	50,806
Member service revenue	73,183	-	73,183
	<u>123,989</u>	<u>-</u>	<u>123,989</u>
Investment income	<u>1,934</u>	<u>302,127</u>	<u>304,061</u>
Total revenues, gains, and other support	<u>380,240</u>	<u>302,127</u>	<u>682,367</u>
Expenses:			
Program services	<u>506,418</u>	<u>-</u>	<u>506,418</u>
Supporting services:			
Management and general and fund raising	<u>177,784</u>	<u>-</u>	<u>177,784</u>
Total supporting services	<u>177,784</u>	<u>-</u>	<u>177,784</u>
Total expenses	<u>684,202</u>	<u>-</u>	<u>684,202</u>
Change in net assets before gain on release of pension liability	(303,962)	302,127	(1,835)
Gain on release of pension liability	<u>509,351</u>	<u>-</u>	<u>509,351</u>
Change in net assets	205,389	302,127	507,516
Net assets - beginning of year	<u>(245,147)</u>	<u>4,365,858</u>	<u>4,120,711</u>
Net assets - end of year	<u>\$ (39,758)</u>	<u>\$ 4,667,985</u>	<u>\$ 4,628,227</u>

See the independent auditor's report and accompanying notes.

4

The Wesley, Inc.

Statement of Cash Flows

Year Ended November 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 507,516
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Unrealized gains on beneficial interest in charitable trust	(302,127)
Amortization	474
Gain on release of pension liability	(509,351)
Amortization of right-of-use asset	(206,190)
(Increase) decrease in:	
Accounts receivable	(800)
Security deposits and prepaids	(65)
Increase (decrease) in:	
Accounts payable and accrued expenses	(9,890)
Entrance fees - refundable	142,319
Entrance fees	257,953
Lease liability	207,701
Net cash provided by (used in) operating activities	<u>87,540</u>
Cash flows from investing activities -	
Capital expenditures	<u>(28,456)</u>
Net cash used in investing activities	<u>(28,456)</u>
Net increase in cash and cash equivalents	59,084
Cash and cash equivalents - beginning of year	<u>702,524</u>
Cash and cash equivalents - end of year	<u>\$ 761,608</u>

See the independent auditor's report and accompanying notes.

5

The Wesley, Inc.

Statement of Functional Expenses

Year Ended November 30, 2024

	Program Services	Supporting Services Management and General and Fund Raising	Total
Payroll and payroll related	\$ 204,457	\$ 87,958	\$ 292,415
Professional fees	7,264	43,020	50,284
Member services	29,789	-	29,789
Occupancy	27,080	6,770	33,850
Insurance	21,066	9,062	30,128
Office expense	29,763	12,804	42,567
Advertising	168,800	8,154	176,954
Professional development	12,268	5,278	17,546
Travel	4,488	1,931	6,419
Other	1,443	2,333	3,776
Amortization	-	474	474
	<u>\$ 506,418</u>	<u>\$ 177,784</u>	<u>\$ 684,202</u>

See the independent auditor's report and accompanying notes.

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 1 - NATURE OF ORGANIZATION

The Wesley, Inc. (Organization) is a Maryland not-for-profit organization, organized in 1867 and has been providing for and assisting seniors for more than 155 years. In July 2022, The Wesley's SecureCare program was approved by the State of Maryland. Wesley SecureCare is a Continuing Care at Home (CCaH) program. The Organization began enrolling members from Baltimore County and Baltimore City in the SecureCare program during the year end November 30, 2023. The Organization is funded by contributions and member service income.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using rates applicable to the facts and circumstances to each of the promises to give. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three (3) months or less to be cash equivalents.

Beneficial Charitable Trust

The Wesley is a partial beneficiary of a trust. Under the terms of the trust, the Wesley is to receive 25% of the income generated by the trust's principal for a twenty-one (21) year period ending in 2024. The trust document designates the corpus of the amount received by the Organization become part of the endowment fund and the income may be used for the care of the seniors the Organization serves. Subsequent to year end, the Organization received the proceeds from the trust.

Intangible Assets

Costs related to the website design are being amortized over five (5) years, using the straight-line method.

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

The Organization capitalizes substantial expenditures for property and equipment having a useful life of five (5) or more years. Expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed over the estimated useful lives of five years using the straight-line method. The Organization uses the direct expensing method to account for planned major maintenance activities.

Leases

The Organization determines if an arrangement is a lease or contains a lease at inception. Operating leases are included as right-of-use assets (ROU) assets and lease liabilities in the statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liability represents the Organization's obligation to make lease payments arising from the lease. ROU assets and payables are recognized at the commencement date of the lease based on present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise the option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of twelve (12) months or less as expense as incurred and these leases are not included as lease liability or ROU assets on statement of financial position. The Organization has elected to use a risk free discount rate to measure the lease for all leases classified as operating leases.

Contributions

Contributions received are recorded as donor undesignated or donor designated support, depending on the existence and/or nature of any donor designation.

Support that is designated by the donor is reported as an increase in donor undesignated net assets if the designation expires in the reporting period in which the support is recognized. All other donor designated support is reported as an increase in donor designated net assets, depending on the nature of the designation. When a designation expires (that is, when a stipulated time designation ends or purpose designation is accomplished), donor designated net assets are reclassified to donor undesignated net assets and reported in the statement of activities and change in net assets as net assets released from designations.

See the independent auditor's report.

8

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Member Service Revenue

Member service revenue is reported at the amount the Organization expects to receive for providing member services. The Organization offers three (3) types of memberships plan options with different daily benefit amounts, entrance and monthly fees.

The Organization offers two options for entrance fee refunds: the 50 month declining option and the 50% refundable option.

- Under the 50 month declining option, the entrance fee declines 2% per month over the 50 months. The entrance fees are amortized over the 50 months with no remaining refundable amount.
- Under the 50% refundable option, 50% of the entrance fee is refunded upon termination of membership and the remaining 50% of the entrance fee declines 2% per month over 50 months with no remaining refundable amount.

The nonrefundable entrance fees are classified as entrance fee liabilities and are recognized as revenue on a straight-line basis over the 50 month period.

The refundable portion of the entrance fees are classified as entrance fees - refundable liabilities and are recognized as revenue on a straight-line basis over the 50 month period.

Member service revenue recorded on the statement of activities consists of the monthly fees members pay. Revenue is recognized on a monthly basis as services are performed.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to program or supporting services. Management's estimate of the allocations of expenses to program service, management and general, and fund raising is based on appropriate allocation factors such as estimated time spent in those areas or square footage used.

NOTE 3 - INCOME TAXES

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (Code) and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization has been classified as a publicly-supported organization which is not a private foundation under Section 509(a) of the Code.

See the independent auditor's report.

9

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 3 - INCOME TAXES (continued)

The Internal Revenue Service has not examined (audited) any income tax returns of the Organization thus the previous three (3) years are subject to examination. The Organization has not taken any questionable tax positions with respect to unrelated business income tax or anything that would jeopardize its 501(c)(3) status.

NOTE 4 - COMMITMENTS

During the year ended November 30, 2024, the Organization signed a lease for office space through July 31, 2029. Beginning June 1, 2024, monthly lease payments will be approximately \$4,100 with a 3% annual increase. The Organization has classified the lease as an operating lease. The lease agreement does not contain information about the discount rate implicit in the lease. The Organization has elected to use a risk-free discount rate of 4.53% based on the five (5) year zero coupon U.S. Treasury instrument at the lease agreement inception date. Rent expense was approximately \$31,100 for the year ended November 30, 2024.

Obligations under right-of-use leases will continue to be impacted by new leases, lease modifications, lease terminations, and reevaluation of any new facts and circumstances. As of November 30, 2024, the weighted average lease term remaining that is included in the maturities of the lease obligations is fifty-four (54) months.

Future maturities for the operating lease liability for the years ending November 30,:

2025	\$	49,600
2026		51,100
2027		52,600
2028		54,200
2029		<u>27,500</u>
Total minimum future lease payments		235,000
Less: amount representing interest		<u>27,299</u>
Total obligation under lease liability	\$	<u>207,701</u>

See the independent auditor's report.

10

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 5 - DONOR DESIGNATED NET ASSETS

Donor designated net assets consisted of the following at November 30, 2024:

Beneficial interest in charitable trust held by others	\$ 4,667,985
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NOTE 6 - SHARED SERVICES AGREEMENT

During the year ended November 30, 2024, the Organization signed a shared services agreement with a local continuing care retirement community. The Organization paid their shared services partner \$3,350 during the year end November 30, 2024.

NOTE 7 - USE OF ESTIMATES IN FINANCIAL STATEMENTS

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 8 - INTANGIBLE ASSETS

During the year ended November 30, 2024, the Organization designed a website. The website and related costs have been capitalized and are being amortized using the straight-line method over a five (5) year period. Amortization expense was \$474 for the year ended November 30, 2024.

Future amortization expense for the years ending November 30,:

2025	\$ 5,691
2026	5,691
2027	5,691
2028	5,691
2029	\$ 5,218

NOTE 9 - RETIREMENT PLAN

Effective December 1, 2023, the Organization adopted a 401(k) Profit Sharing Plan covering substantially all employees. The discretionary employer match was 3% for the year ended November 30, 2024. Retirement plan expense was approximately \$2,200 for the year ended November 30, 2024.

See the independent auditor's report.

11

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 10 - PENSION PLAN

The Organization previously sponsored a defined benefit plan. The plan was frozen effective August 1, 2002. Subsequent to this date, the Pension Benefit Guaranty Corporation (PBGC) assumed responsibility for the plan and has paid all beneficiaries their respective benefits. The Organization has received an acknowledgement from PBGC indicating there are no outstanding termination liabilities.

NOTE 11 - FUNCTIONAL EXPENSES

Management and general and fund raising expenses contain an immaterial amount of fund raising expense.

NOTE 12 - CREDIT RISK

The Organization had a cash balance with one (1) bank in excess of \$250,000 as of November 30, 2024. Cash balances in excess of \$250,000 with (1) bank are not insured by the FDIC.

NOTE 13 - RELATED PARTY TRANSACTIONS

A Board member is an owner of the building where the Organization maintains their business office. Total rent paid was approximately \$31,100 for the year ended November 30, 2024.

NOTE 14 - ACCOUNTING PRONOUNCEMENTS

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326), which introduced the expected credit loss model. In November 2019, the FASB issued ASU 2019-10 Financial Instruments - Credit Losses (Topic 626, 815 and 842) which extended the effective date of ASU 2016-13 for certain entities to fiscal years beginning after December 15, 2022. The Organization adopted the requirements of the guidance effective December 1, 2023. The adoption of these standards have no impact on the Organization's statement of financial position or change in net assets.

NOTE 15 - SURETY BOND

The Organization obtained a surety bond in the amount of \$1,000,000 effective July 1, 2022 to satisfy State of Maryland initial certification of registration requirements.

See the independent auditor's report.

12

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 16 - FAIR VALUE MEASUREMENTS

The accounting codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the assets or liabilities fall within different levels of the hierarchy, the classification based on the lowest level input that is significant to the fair value measurement of the assets or liabilities. The hierarchy requires the use of observable market data when available. The three levels of the fair value hierarchy are defined as follows:

Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities traded in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities and market-corroborated inputs.

If the assets or liabilities have a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the assets or liabilities.

Level 3 - Inputs to the valuation methodology are unobservable for the assets or liabilities and are significant to the fair value measurements.

The assets or liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize use of unobservable inputs.

The Organization recognizes transfers into and out of levels at the end of the reporting period. There were no transfers between levels in the year ended November 30, 2024.

See the independent auditor's report.

13

The Wesley, Inc.

Notes to Financial Statements
November 30, 2024

NOTE 16 - FAIR VALUE MEASUREMENTS (continued)

Fair values of assets measured on a recurring basis at November 30, 2024 are as follows:

	<u>Fair Value Measurements at Reporting Date Using</u>		
	<u>Quoted Prices</u>	<u>Significant</u>	<u>Significant</u>
	<u>in Active</u>	<u>Other</u>	<u>Unobservable</u>
	<u>Markets for</u>	<u>Observable</u>	<u>Inputs</u>
	<u>Identical</u>	<u>Inputs</u>	<u>Inputs</u>
	<u>Assets</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
	<u>Fair Value</u>		
	<u>(Level 1)</u>		
Beneficial interest in trust held by others	<u>\$ 4,667,985</u>	<u>\$ 4,667,985</u>	<u>\$ -</u>

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of November 30, 2024 reduced by amounts not available for general use because of contractual or donor-imposed designations within one year of the statement of financial position date.

Financial assets at year-end	\$ 5,430,393
Less those unavailable for general expenditures within one year, due to -	
Donor designations	<u>4,667,985</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 762,408</u>

Any excess cash the Organization may have during the year is maintained in the Organization's operating account.

See the independent auditor's report.

The Wesley, Inc.

Notes to Financial Statements

November 30, 2024

NOTE 18 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through the date the financial statements were available to be issued on April 28, 2025, and determined the following should be disclosed:

Effective for the year ending November 30, 2025, the Organization must maintain an operating reserve of 15% of the Organization's net operating expenses, as defined by the State of Maryland.

In January 2025, the Organization received the Trust proceeds in the amount of \$4,666,739.

Long Term Financing COMAR 32.02.02.15C(10)

Assets and Investment Income (Cash Flow Projections- 5 years)

<u>Investment Income</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
Beginning Assets	\$761,280	\$6,348,263	\$7,620,660	\$9,093,604	\$10,741,247
1/2 Annual Operating Activity	431,455	497,688	571,185	628,071	677,551
Investment Income Rate	4.00%	4.00%	4.00%	4.00%	4.00%
Sub-total Investment Income	47,709	273,838	327,674	388,867	456,752
Interest on Interest	974	5,588	6,687	7,936	9,321
Investment Income	<u>48,683</u>	<u>279,427</u>	<u>334,361</u>	<u>396,803</u>	<u>466,073</u>
Ending Assets	<u>\$6,348,263</u>	<u>\$7,620,660</u>	<u>\$9,093,604</u>	<u>\$10,741,247</u>	<u>\$12,555,798</u>

Financing: We are not seeking any long-term financing from loans or credit. Our reserve and program operation obligations will be met through program revenue, investment income, and the trust disbursement Cash flow and income projections over 10 years are shown in the actuarial study summary below.

Actuarial Study Summary-COMAR 32.02.02.15C(12)

An updated comprehensive actuarial study was completed as of March 17, 2025. Copies are available upon request.

Actuarial Balance Sheet- 5 years

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>
ACTUARIAL ASSETS					
Current Assets	\$6,348	\$7,621	\$9,094	\$10,741	\$12,556
Grant Due	0	0	0	0	0
Actuarial Present Value of Net Fixed Assets	0	0	0	0	0
Current Liabilities	(5)	(5)	(5)	(5)	(5)
Actuarial Present Value of Long-Term Debt	0	0	0	0	0
NET ACTUARIAL ASSETS	<u>\$6,343</u>	<u>\$7,616</u>	<u>\$9,089</u>	<u>\$10,736</u>	<u>\$12,551</u>
ACTUARIAL LIABILITIES					
Actuarial Present Value of Future Liabilities	\$12,302	\$17,840	\$22,753	\$26,851	\$30,604
Actuarial Present Value of Future Revenues	<u>9,782</u>	<u>14,251</u>	<u>18,253</u>	<u>21,699</u>	<u>24,881</u>
Net Actuarial Liabilities	2,520	3,589	4,501	5,152	5,723
Actuarial Present Value of Refund Liability	14	27	37	42	44
Actuarial Surplus (Deficit)	<u>3,810</u>	<u>3,999</u>	<u>4,551</u>	<u>5,542</u>	<u>6,784</u>
NET ACTUARIAL LIABILITIES	<u>\$6,343</u>	<u>\$7,616</u>	<u>\$9,089</u>	<u>\$10,736</u>	<u>\$12,551</u>
<u>Funded Status</u>					
Net Actuarial Assets + APV of Future Revenue divided by	\$16,126	\$21,866	\$27,341	\$32,435	\$37,432
APV of Future Liabilities + APV of Refund Liability	<u>12,316</u>	<u>17,868</u>	<u>22,791</u>	<u>26,893</u>	<u>30,648</u>
FUNDED STATUS	<u>130.9%</u>	<u>122.4%</u>	<u>120.0%</u>	<u>120.6%</u>	<u>122.1%</u>
<u>Actuarial Ratio</u>					
Actuarial Present Value of Future Revenue divided by	9,782	14,251	18,253	21,699	24,881
Actuarial Present Value of Future Liabilities	<u>12,302</u>	<u>17,840</u>	<u>22,753</u>	<u>26,851</u>	<u>30,604</u>
ACTUARIAL RATIO	<u>79.5%</u>	<u>79.9%</u>	<u>80.2%</u>	<u>80.8%</u>	<u>81.3%</u>
Number of Members	55	83	110	136	159
New Members	30	30	30	30	30

Expense Projection	2025	2026	2027	2028
Salaries and Wages	\$418,921	\$433,583	\$448,759	\$464,465
Administrative	124,500	128,858	133,368	138,035
Office Supplies	43,900	45,437	47,027	48,673
Insurances	17,176	17,777	18,399	19,043
Marketing & Advertising	214,700	222,215	229,992	238,042
Training/Conferences/ Travel	27,800	28,773	29,780	30,822
Robert Trust	0	0	0	0
Medically Necessary Transportation	2,038	3,214	4,193	5,116
Care Coordinator	94,050	143,283	187,252	231,657
Members Using Partial Daily Coverage	21,900	74,946	125,059	217,962
<u>Members Using Max Daily Coverage</u>	<u>25,733</u>	<u>79,798</u>	<u>119,110</u>	<u>221,989</u>
Total Cash Outflow	\$990,719	\$1,177,884	\$1,342,938	\$1,615,804
Net Cash Flow	<u>\$5,586,983</u>	<u>\$1,272,397</u>	<u>\$1,472,944</u>	<u>\$1,647,643</u>
Cumulative Cash Flow	6,348,263	7,620,660	9,093,604	10,741,247

“Membership Fees Refunded” are not included as part of the Operating Expenses, and therefore expense totals will not match the cash flow projections.

Membership and Service use Projections- 30 years

Fiscal Year Ending 12/31	Program Summary						Community Summary										Total Program Membership
	At Home Residence						Assisted Living Unit				Skilled Nursing Facility						
	Number of Members	Number of Homes	Occupancy Rate	Density Ratio	Homes Released	New Home Membership	Care Service Index	Number of Permanent Members	2nd Person Subset Permanent	Number of Temporary Members	Occupancy Rate	Number of Permanent Members	2nd Person Subset Permanent	Number of Temporary Members	Occupancy Rate	Number of Members	
2025	54.6	35.5	8.9%	1.54	0.2	18.8	0.2	0.1	0.0	0.0	0.1%	0.0	0.0	0.0	0.0%	54.7	
2026	83.0	53.8	13.5%	1.54	0.5	18.8	0.8	0.3	0.2	0.0	0.3%	0.1	0.0	0.0	0.1%	83.4	
2027	110.1	71.7	17.9%	1.54	0.9	18.8	1.4	0.6	0.4	0.0	0.6%	0.2	0.1	0.0	0.2%	110.8	
2028	135.5	89.0	22.2%	1.52	1.5	18.8	2.3	0.9	0.6	0.0	0.9%	0.4	0.2	0.0	0.4%	136.8	
2029	159.2	105.6	26.4%	1.51	2.1	18.8	3.2	1.2	0.9	0.0	1.2%	0.6	0.4	0.0	0.6%	161.1	
2030	181.3	121.4	30.4%	1.49	2.9	18.8	4.2	1.5	1.0	0.0	1.5%	0.9	0.5	0.0	0.9%	183.8	
2031	201.9	136.5	34.1%	1.48	3.7	18.8	5.2	1.8	1.2	0.0	1.8%	1.3	0.7	0.0	1.3%	205.0	
2032	220.9	150.8	37.7%	1.47	4.5	18.8	6.3	2.1	1.3	0.0	2.1%	1.6	0.9	0.0	1.6%	224.6	
2033	238.3	164.1	41.0%	1.45	5.4	18.8	7.4	2.4	1.4	0.0	2.4%	2.0	1.0	0.0	2.0%	242.6	
2034	254.1	176.5	44.1%	1.44	6.3	18.8	8.6	2.6	1.6	0.0	2.6%	2.3	1.2	0.0	2.3%	259.1	
2035	268.4	188.0	47.0%	1.43	7.3	18.8	9.8	2.9	1.7	0.0	2.9%	2.7	1.3	0.0	2.7%	274.0	
2036	281.2	198.5	49.6%	1.42	8.3	18.8	11.1	3.2	1.8	0.0	3.2%	3.1	1.5	0.0	3.1%	287.4	
2037	292.5	208.0	52.0%	1.41	9.2	18.8	12.3	3.4	1.8	0.0	3.4%	3.4	1.6	0.0	3.4%	299.3	
2038	302.5	216.5	54.1%	1.40	10.2	18.8	13.4	3.7	1.9	0.0	3.7%	3.7	1.7	0.0	3.7%	309.8	
2039	311.1	224.1	56.0%	1.39	11.2	18.8	14.5	3.9	2.0	0.0	3.9%	3.9	1.7	0.0	3.9%	318.9	
2040	318.5	230.7	57.7%	1.38	12.1	18.8	15.4	4.1	2.0	0.0	4.1%	4.2	1.8	0.0	4.2%	326.8	
2041	324.8	236.4	59.1%	1.37	13.0	18.8	16.4	4.3	2.1	0.0	4.3%	4.4	1.8	0.0	4.4%	333.5	
2042	330.0	241.3	60.3%	1.37	13.9	18.8	17.2	4.5	2.1	0.0	4.5%	4.6	1.9	0.0	4.6%	339.1	
2043	334.4	245.4	61.3%	1.36	14.6	18.8	18.0	4.7	2.1	0.0	4.7%	4.8	1.9	0.0	4.8%	343.8	
2044	337.9	248.8	62.2%	1.36	15.4	18.8	18.6	4.8	2.1	0.0	4.8%	4.9	1.9	0.0	4.9%	347.6	
2045	340.6	251.5	62.9%	1.35	16.0	18.8	19.2	5.0	2.2	0.0	5.0%	5.0	1.9	0.0	5.0%	350.6	
2046	342.8	253.7	63.4%	1.35	16.6	18.8	19.7	5.1	2.2	0.0	5.1%	5.1	1.9	0.0	5.1%	353.0	
2047	344.5	255.4	63.8%	1.35	17.1	18.8	20.1	5.2	2.2	0.0	5.2%	5.2	1.9	0.0	5.2%	354.8	
2048	345.7	256.7	64.2%	1.35	17.5	18.8	20.5	5.2	2.2	0.0	5.2%	5.2	1.9	0.0	5.2%	356.1	
2049	346.5	257.6	64.4%	1.35	17.8	18.7	20.8	5.3	2.2	0.0	5.3%	5.2	1.9	0.0	5.2%	357.1	
2050	347.1	258.3	64.6%	1.34	18.1	18.8	21.0	5.4	2.2	0.0	5.4%	5.3	1.9	0.0	5.3%	357.8	
2051	347.4	258.7	64.7%	1.34	18.3	18.7	21.2	5.4	2.2	0.0	5.4%	5.3	1.9	0.0	5.3%	358.2	
2052	347.6	259.0	64.7%	1.34	18.5	18.8	21.3	5.4	2.2	0.0	5.4%	5.3	1.9	0.0	5.3%	358.4	
2053	347.7	259.1	64.8%	1.34	18.6	18.7	21.4	5.5	2.2	0.0	5.5%	5.3	1.9	0.0	5.3%	358.5	
2054	347.6	259.2	64.8%	1.34	18.7	18.8	21.5	5.5	2.2	0.0	5.5%	5.3	1.9	0.0	5.3%	358.5	

Projected Membership Distribution (New Households) By Age/Gender/Couple & Contract Type
New Entrant Plan Selection

Chesapeake – nonrefundable	20.0%
Susquehanna – nonrefundable	24.0%
Patapsco – nonrefundable	36.0%
Care Coordination Only	20.0%
Total	100.0%

New Entrant Demographics

New Entrant Distribution

Single Male	13%
Single Female	27%
Couple	60%

New Entrant Ages

Single Male	78
Single Female	78
Couple Female	78
Couple Male	74

Membership Sales Estimates

The fill-up scenario assumes 30 new members per year (24 full and 6 care coordination only). The chart below summarizes the at home members for the next four years of the projection.

	Members Living In-Home			
	2025	2026	2027	2028
Beginning of Year	25.0	54.6	83.0	110.1
New	30.0	30.0	30.0	30.0
Transfers Lapses	0.4	1.6	2.9	4.6
End of Year	54.6	83.0	110.1	135.5

Breakeven Point

Wesley SecureCare is cash flow positive and is projected to remain that way in the 20-year projection period.

Wesley SecureCare will achieve break-even on a GAAP Statement of Operations basis (net income), not including investment income and income from Contributions and Grants, with an enrollment exceeding **80 Members**. This is estimated to occur in **2026**.

CASH FLOW FORECAST- COMAR 32.02.02.15C(13)

The table below summarizes the first four years of the cash flow projection:

Revenue Projection	2025	2026	2027	2028
Net Membership Fees	\$1,581,340	\$1,630,373	\$1,681,314	\$1,737,555
At Home Monthly Fees	240,847	442,789	650,658	862,454
Overages, Reimbursements	30,056	97,692	149,550	266,635
Contributions and Grants	4,676,776	-	-	-
<u>Investment Income</u>	<u>48,683</u>	<u>279,427</u>	<u>334,361</u>	<u>396,803</u>
Total Cash Inflow	\$6,577,702	\$2,450,281	\$2,815,883	\$3,263,447
Expense Projection				
Operating Expense	\$849,035	\$879,856	\$911,517	\$944,197
Care Coordinator	94,050	143,283	187,252	231,657
<u>Care Costs</u>	<u>47,633</u>	<u>154,744</u>	<u>244,169</u>	<u>439,951</u>
Total Cash Outflow	\$990,719	\$1,177,884	\$1,342,938	\$1,615,804
Net Cash Flow	<u>\$5,586,983</u>	<u>\$1,272,397</u>	<u>\$1,472,944</u>	<u>\$1,647,643</u>

Our Board retained Continuing Care Actuaries to conduct a comprehensive 20- year actuarial analysis (as of March 17, 2025). We updated our actuarial study earlier than required by regulation (prior study was completed as of November 30, 2024) to provide the most accurate projections possible. The purpose of the actuarial study (summarized above) is to analyze our current and future financial status- revenue and expenses for the program and future care of members. To achieve this end, population projections, program pricing, and inflation are considered. The results of our study are based on estimates of the demographic and economic assumptions of the most likely outcome. Our organization’s data and industry norms, plus actuarial standards were used to compile the report. Projections show an adequate financial condition to meet current obligations.

Per regulation, we update our contract reserve projections twice a year and update actuarial balance sheets and 20-year cash flow statements every three (3) years. The full comprehensive actuarial study is available to consumers upon request and is reported to the Maryland Department of Aging.

Financial Interest of Board and Staff- COMAR 32.02.02.15C(14- 16)

The Wesley Inc.'s Board of Directors current listing:

1. President: Bradley Paulis ASA, MAAA
Occupation: Actuarial Consultant, Partner at Continuing Care Actuaries
2. Vice President: Elizabeth Weglein, MS
Occupation: Elizabeth Cooney Care Network, Chief Executive Officer
3. Treasurer: Ashley Lacis, CPA, MAgS
Occupation: Senior Director Financial Planning and Analysis at Asbury Communities
4. Secretary: Jason Frank, Esq, CELA emeritus
Occupation: Retired Elder Law Attorney
5. Member: Debra Wertheimer, MD
Occupation: Retired Physician (internal medicine)
6. Member: Sarah Spellman, MAgS, LNHA
Occupation: Retired Consultant
7. Member: Gordon Fronk, Esq.
Occupation: Attorney, Hollis Cronin & Fronk, PA.
- 8.. Member: Derek Dunham
Occupation: President, Varsity Marketing, Pavone Group

Board Members may hold contracts for services. Board Members are non-voting for any business decisions related to their contract or services. Contractual relationships are disclosed and detailed below.

1. Elizabeth Weglein is the CEO of Elizabeth Cooney Personnel Agency that will provide Occupational Therapy home inspections, nurse tele-triage (telehealth) program, family caregiver training and oversight, HIPAA training for staff, and is a participating vendor for Residential Service Agency (home care) services.

a) Address: 1107 Kenilworth Dr. Towson, MD 21204

b) Annual Costs:

- i. Contract for telehealth services, \$90 (20% discount)/ visit, estimated 3 triage calls/ Member annually (first year of operation), \$4,050 annual cost estimate.

Members are allowed up to 5 free telehealth triage calls to a Registered Nurse per year. We do not expect full usage within the first three (3) years of operations.

- ii. Contract for Occupational Therapist home safety assessments, \$175 per hour, 2 hour assessment, for 15 Members, \$5,600 annually.

These annual costs will continue with a \$350 estimated fee for each new Member for home inspection at joining and every other year home safety re-inspection for all Members of the Program.

- iii. Contract for Staff HIPAA Training, \$150/annual for 2-4 staff Members.
- iv. Family Caregiver Training, \$65/hour for Registered Nurse Teaching, not expected in first year of Program.

2. Elizabeth Weglein is also partial owner of 1107 Kenilworth Drive the office building where The Wesley Inc is currently leasing office space. Wesley leases an approximately 2,200 sq. ft. office suite at this location that was built out. The lease is for five (5) years beginning in June 2024.

a. Annual Costs: The first-year total rent is \$48,862.00 and will increase 3% each year of the lease.

3. CCRC Actuaries LLC. D/B/A Continuing Care Actuaries (Bradley Paulis), actuarial analysis and opinions

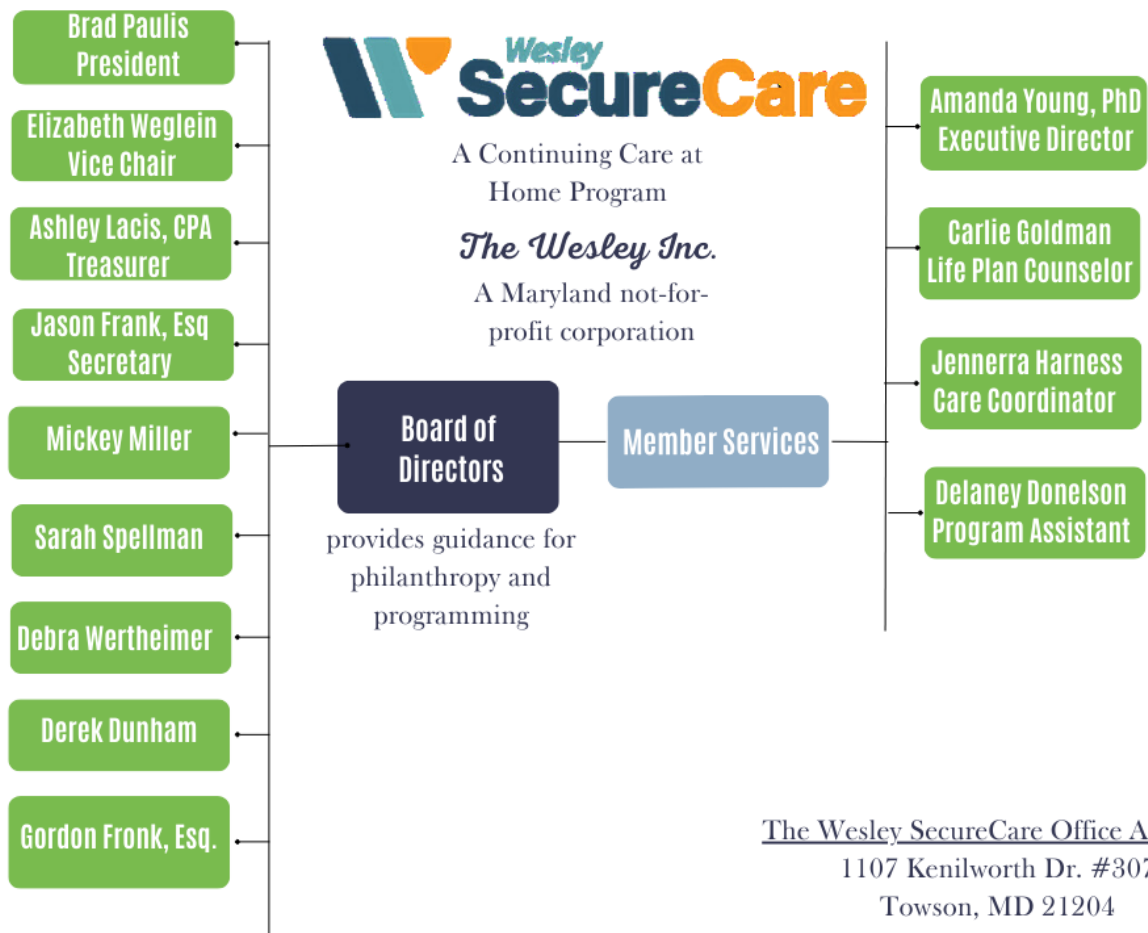
a) Office Address: 415 Main St. Reisterstown, MD 21136

b) Annual Costs (per Agreement): \$5,750.00

Wesley SecureCare Board of Directors and Staff have **NOTHING** to disclose pursuant to COMAR 32.02.02.15C(18).

- 1. **NO** Convictions of, or pleaded nolo contendere to, a felony charge involving fraud, embezzlement, fraudulent conversion, or misappropriation of property;
- 2. **NOT** Been held liable, or enjoined by a final judgment, in a civil action involving fraud, embezzlement, fraudulent conversion, or misappropriation as a fiduciary;
- 3. **NOT** Been subject to an effective injunctive or restrictive order of a court of record arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons; or
- 4. **NEVER** Had any state or federal license or permit suspended or revoked within the past 10 years, as a result of an action brought by a governmental agency arising out of or relating to business activity or health care, including actions affecting a license to operate any facility or service for aging, impaired, or dependent persons.

Composition of Governing Body & Governance - COMAR 32.02.02.15C(19- 20)



Open Meetings and Member Council(COMAR 32.02.02.13)

Wesley SecureCare holds an annual open meeting where the Executive Director will summarize operations, changes, goals, and hold a formal question and answer session. Board Members also attend these meetings.. The open meeting will be advertised to all Members including the Member Council with at least 30 days’ notice. The meeting will be offered live at a location to be announced and virtual (via a Zoom link). There will also be less formal quarterly member events and meetings where the Executive Director and staff are available for questions and discussion. Members have the right to organize and operate a members’ association or Member Council. The Member Council will be an organization of individuals who hold Continuing Care at Home agreements with The Wesley which meets independently at least every year, more often if desired. Meetings can be live or virtual (telephone conference or web-video i.e., Zoom, FaceTime, or Google Meets). It offers Members the opportunity to discuss concerns and suggestions related to the Program. This council enhances communication between Members and the Program and serves in an advisory role. While attendance is voluntary, we will encourage any interested Members to participate. Members may elect a council leader to handle communications with The Wesley. If more than 15 members are interested in the Member Council, we will hold a mail election to elect up to 15 members to the Member Council. As of April 2025, The Wesley’s subscribers have declined to join its select committee (“member council”) or form an association as stated in COMAR 32.02.02.13.

Initial Certificate of Registration -COMAR 32.02.02.15C(21 - 22)

Initial Certificate of Registration

The Wesley Inc. was issued an initial certificate of registration on July 1, 2022 pursuant to the requirements of Section 10-458 of the Human Services Article of the Annotated Code of Maryland and other applicable regulations and laws. We must file for renewal of our certificate of registration annually, prior to every March 31st (120 days after the end of our fiscal year).

Please note that as we do not have a brick-and-mortar facility, we do not need to hold licenses from MDH or MHCC.

Contracted Member Services-COMAR32.02.02.15(23- 26)

Initial Services

The information below summarizes the services offered by Wesley SecureCare. Members will need to review their Continuing Care at Home Agreement for the specific contractual provisions. The basic services required to offer Continuing Care at Home are outlined in COMAR 32.02.02.02, but we have contracted for and offer above the basic requirements. Below is a brief summary of the initial services which are included in the monthly fee for our programs:

Care Coordination and Care Plans

Every Member will work with a Care Coordinator. The Care Coordinator is the person(s) designated by The Wesley to be responsible for overseeing initial services, conducting specific needs assessments, and making recommendations and referrals for long term care and community services. The Care Coordinator and Member will check-in at least quarterly. Care Coordinators develop a relationship with Members and are available for concerns and changes in status as needed.

The Care Coordinator and Member will work together to develop a Care Plan based on Member preferences. A Care Plan is the written plan of services, which is developed and regularly updated, based on a Member's specific assessment of needs and stated goals. The Care Plan includes, as applicable and without limitation, goals, formal evaluations, interventions, types of services, start date, quantity, frequency, and duration of services, name of contracted vendors or facility, and any special considerations (as applicable). Our Care Plans keep overall wellness and proactive planning in mind. Our Care Coordination process is constructed to be member driven, individualized, and relationship based.

There is no limit on Care Coordination in our Continuing Care at Home program. It is important to note that Members of our Care Coordination only program have up to 4 hours per month of Care Coordination and care planning services included in their contract.

Home Safety Inspections by an Occupational Therapist

We provide an initial and every other year home safety inspection by an Occupational Therapist to assess the Member's functioning in their dwelling. The Occupational Therapist will, based on the inspection or safety check, recommend modifications to the dwelling that would help the Member overcome or minimize safety issues or functional limitations.

Home Supports- Referral Service

All Members have access to a referral service for vetted home vendors for home supports. Vendor options include, but are not limited to, contractors, handyman, stairlifts, ramps, and outdoor maintenance. If a vendor is not on our list, we will perform vetting. Our vetting procedure includes: checking business and professional licenses, verifying insurance coverage, and checking changes in quality of service.

Emergency Response System

Members will be provided with and encouraged to use an emergency response system that provides 24-hour access to reach help in the event of a medical, physical, emotional, or environmental emergency. Clear Arch Health is our vendor. Our vendor offers in-home installation and a front door lockbox. Fall detection can be added to the device as needed. The device works in the home and on-the-go (it has GPS). Remote button options include pendant or wrist band.

Telehealth/Telemedicine

We use Elizabeth Cooney Personnel Agency to provide 24/7 telephone nurse access services. All members will be enrolled in the telephone-a-nurse service. Nurses will triage (assess and refer) Members for medical care as needed outside of their doctor's normal business hours. Members receive five (5) paid nurse triage calls annually. Calls in excess of five (5) annually (rolling calendar) will be billed to the Member.

Medically Necessary Transportation

If a Member is unable to drive or instructed by their physician not to drive, we will pay for transportation services, in addition to transportation services that a Member may purchase as an additional service. This transportation will only be provided to and from a scheduled procedure that is a medically necessary outpatient surgery or short stay procedure, which may include, but is not limited to, cataract removal, chemotherapy treatment, and surgical biopsies. Medically necessary transportation services do not include transportation for regular physician office visits, routine specialist appointments, or dialysis.

Additional Services (outside of basic and contracted services)

Wesley SecureCare is always developing community relationships and may offer curated lifestyle, wellness, arts, education, cuisine/food, and cultural programs or select social/recreational activities to Members. If there is a cost for the service and a Member wishes to participate, the services(s) will be billed to Members in addition to the monthly fee. We will attempt to secure group rates and discounts for all addition services offered.

We can arrange for any of the following items or related services/goods (subject to local availability):

1. Grocery Delivery
2. Meal Delivery
3. Group Dining Experiences
4. Durable Medical Equipment (Walker, Canes, Chair lifts, etc.)
5. Organizing/Downsizing/ Moving Preparation
6. Pet Sitting and other Pet Services
7. Home Maintenance

Our staff will make service arrangements for Members, including, but not limited to the above items. However, the service agreement and financial obligation for additional services and goods, as applicable, is outside of our contract and will be solely between the Member and the vendor. We act as an intermediary between our Members and these third-party vendors, referring vendors to Members for services as requested, at costs payable in full by the Member. Wesley SecureCare makes no warranties as to the suitability of such a service vendor and assumes no liability for the actions of any such vendors and their staff; however, Wesley SecureCare will make goodfaith efforts to refer suitable and vetted vendors. We do not receive payments from vendors for referrals.

An Additional Service Option: Maryland Community for LifeSM

Members can opt to enroll in **Broadmead's Community for LifeSM program** (located in Cockeysville, Maryland) for the additional cost of **\$100 per month**, billed with your monthly Wesley membership fee.

Wesley SecureCare Member's will enjoy a package with **Broadmead Community for LifeSM**, that includes:

- Community Service Navigation
- Membership to Broadmead’s Center of Excellence in Health and Wellness (includes pool access, fitness assessment, small group fitness classes, and work out plans)
- 1 Hour of home maintenance services (handyman) per month (may carry-over, 12 hours annually)
- 1 Transportation trip per month (no carry-over from month to month)
- Access to Broadmead’s activities, restaurants, salon, spa and more (at additional costs for services)

Level of Care Based Long Term Care Services

Members of our Continuing Care at Home program will have a maximum daily benefit amount available for Long Term Care Services when they have been found to be a Service Eligible Member*. The Care Coordinator will assess care needs and arrange services per Member choice and to the extent they are available through home-based supports and/or licensed vendors or facilities. The Wesley will pay for Long Term Care Services up to the Maximum Daily Benefit Amount limit for which you have contracted only after you are determined by The Wesley’s Care Coordinator to be a Service Eligible Member* (see definition below). Payments will be made in accordance with the Member’s Continuing Care at Home Agreement and are made after all applicable health and/or Long Term Care Insurance plan payments.

*A “Service Eligible Member” means any Member who has been certified by The Wesley’s Care Coordinator as (i) being unable to perform, without substantial assistance from another individual, at least 1 (one) Activity of Daily Living (ADL) due to a loss of functional capacity; (ii) having a level of disability similar to the level of disability described in clause (i); AND/OR (iii) requiring substantial supervision to protect such Member from threats to health and safety due to Severe Cognitive Impairment (as defined in the Continuing Care at Home Agreement). Long Term Care Services used in excess of the Member’s selected Maximum Daily Benefit Amount are the financial responsibility of the Member.

The certification process for a Service Eligible Member is handled locally by the Care Coordinator and if needed in consultation with the Medical Director and/or Executive Director. The Care Coordinator handles forms and arranges services. If a Member has outside Long Term Care insurance, our Care Coordinator can begin the claims process to assist the Member with starting benefits under the terms of their policy. There is additional information about how our program works with Long Term Care insurance in the following sections of this document. As always, please refer to your Continuing Care at Home Agreement for specific contractual provisions.

Long Term Care Service Options within the Homesite

Homemaker Services

We will contract for and provide services that include light chores- cooking, light housekeeping, and watering plants.

Companion Services

We will contract for and provide services that include visitation for conversation and social time, including playing cards, games, or going for a walk, and reading or running errands.

Home Care Services

We will contract for and arrange for home care services that may be provided by a licensed nurse, certified nursing assistant, certified home health aide, homemaker or companion (as appropriate), family member (in accordance with certain contractual conditions), or live-in aide from an agency(in accordance with certain contractual conditions).

Adult Day Care

Subject to the availability of a licensed provider, we will contract for services at an Adult Day Care Center for a scheduled number of hours per day, per week based on your Care Plan. The elements of an adult day services program usually include transportation, meals, and activities (both health-related and social).

Facility Based Services

If a Member chooses to move to an Assisted Living or Skilled Nursing community, the Care Coordinator will help coordinate the move and provide support during the transition and for the time they reside there. The Care Coordinator will oversee services and satisfaction and should be notified immediately of any complaints or problems with a vendor or facility.

Assisted Living Facility

Assisted Living may be suggested when the criteria for skilled nursing care is not yet met. Services in a licensed Assisted Living facility, including memory care services, may be used when more assistance than can be provided safely at home is needed or based on member preference. Transitions to a community are based on medical condition and personal preferences.

Skilled Nursing Facility

Services in a licensed Skilled Nursing Facility may be suggested and used when more assistance than can be provided at home or in an Assisted Living Facility is needed, after all Medicare-covered nursing home days are exhausted or based on member preference. A Medicare-covered skilled nursing stay is not a prerequisite for receiving these services and transitions are based on medical condition and personal preferences.

Facility based services will only be recommended when a Member has been found to be a Service Eligible Member. Facility or service fees in excess of the Member's selected Maximum Daily Benefit Amount are the Member's financial responsibility if they are not covered by their other healthcare insurance, including Medicare, and/or Long Term Care Insurance.

Participating Vendors and Facilities COMAR 32.02.02.15C(27)

The following is an identification of participating vendors and facilities, which are owned by others, but with whom The Wesley has a contractual relationship as of the date of this disclosure. Participating facilities have been vetted and offer Members preferential pricing and/or placement. Participating vendors and facilities may change from time to time and we will promptly notify Members and the Department of Aging of any change in such contracts. Members may opt to use non-participating vendors or facilities for Long-Term Care Services, as provided for in their Continuing Care ay Home Agreement.

PARTICIPATING VENDORS

Adult Medical Daycare

Levindale Adult Medical Daycare (Baltimore City/County)

2434 W. Belvedere Ave.
Baltimore, MD 21215

St Ann's (Baltimore City)

3308 Benson Ave,
Halethorpe, MD 21227

Residential Service Agency & Home Health

Elizabeth Cooney Personnel Agency (Baltimore City & County)

1107 Kenilworth Dr.
Towson, MD 21204

PARTICIPATING FACILITIES

Assisted Living

Broadmead (Baltimore County)

13801 York Rd.
Cockeysville, MD 21030

Caritas' House (Baltimore City)

3308 Benson Ave.
Baltimore, MD 21227

Edenwald (Baltimore County)

800 Southerly Rd
Towson, MD 21286

Springwell (Baltimore City)

2211 W. Rogers Ave.
Baltimore, MD 21209

Nursing Home

Broadmead (Baltimore County)

13801 York Rd.
Cockeysville, MD 21030

Edenwald (Baltimore County)

800 Southerly Rd
Towson, MD 21286

Stella Maris (Baltimore County)

2300 Dulaney Valley Rd.
Lutherville-Timonium, MD 21093

Levindale Hebrew Geriatric Center and Hospital (Baltimore City)

2434 W. Belvedere Ave.
Baltimore, MD 21215

St. Elizabeth Rehabilitation and Nursing Center (Baltimore City)

3320 Benson Ave,
Baltimore, MD 21227

Portability COMAR32.02.02.15C(28-29)

The Wesley's Continuing Care at Home Agreement includes specific provisions that allow Members to move inside or outside of the designated service area which is currently the State of Maryland. If a Member relocates to a

new home within the designated service area, the Continuing Care at Home Agreement applies in their new home. If a Member has joined the program for more than one year prior to moving outside of the designated service area, most of their initial services will be portable (explained below) and they will maintain their contracted Maximum Daily Benefit Amount limit for Long Term Care services.

The initial services that are portable (services The Wesley will continue to provide if the Member moves out of the designated service area) include: Care Coordination, a Care Plan, Home Safety Inspections, Emergency Response System, and Telehealth/Telemedicine. Long Term Care Services are portable as your Maximum Daily Benefit Amount limit payments will continue when you move outside of the designated service area. Additional services, such as recreational activities, are not portable and will be limited or unavailable. If you are found to be a Service Eligible Member, we may, in our sole discretion, engage, subject to your maximum daily benefit amount limit, a geriatric care manager to arrange and oversee the assessment and delivery of your care outside the designated service area.

See the Continuing Care at Home Agreement for further information about payment details and guidance for moving inside or outside of the designated service area.

Insurance Requirements-COMAR 32.02.02.15C(30)

Health Insurance

Members agree to maintain and pay for the medical and surgical and prescription drug insurance provided by Medicare. This insurance shall consist of:

1. Medicare Parts A, B, and D (prescription drug) and Medicare Supplemental Insurance; or
2. Medicare Advantage Plan.

If you are not eligible for medical, surgical, and pharmaceutical insurance provided by Medicare, you agree to maintain in force other insurance providing coverage, which we deem to be equivalent creditable coverage, until such time that you are eligible for, carry, and pay for Medicare benefits detailed above.

You will be responsible for obtaining the required referrals and for rendering all claims for payment to Medicare or to the insurance carrier for your Medicare equivalent medical, surgical, and pharmaceutical insurance. If a Member has a health insurance policy lapse and no longer carries coverage meeting our requirements, we may move to terminate your membership for just cause. If terminated for just cause, a return of the Entrance Fee will be issued according to contract provisions regarding refundability.

Long Term Care Insurance

Members who are enrolled in or who choose to enroll in a Long Term Care insurance policy will not be precluded from participating in Wesley SecureCare. We offer a discount on the monthly fee (calculated based on policy provisions, such as daily coverage amount and lifetime benefit amount) to Members with active Long Term Care insurance policies (subject to certain contractual provisions). The maximum monthly fee discount will not exceed 50% of the standard monthly fee amount. The discount will only be applied when The Wesley is the payor in second position (after Long Term Care insurance) for Long Term Care services. There are additional terms that apply (summarized below).

The Wesley must review the active policy, plus be informed regarding changes to the terms of their policy. The policy must be kept active and claims, as applicable, must be filed for payment under the policy. An assignment of benefits form shall be completed to assign The Wesley payments made under the policy. If a payment under the policy is received as reimbursement for Long Term Care services that we have paid, we shall be reimbursed for the services that we have paid.

For as long as the Continuing Care at Home Agreement remains in effect, if a Member voluntarily terminates their Long Term Care insurance policy or the policy is terminated due to non-payment of premiums, then Member is responsible for paying to The Wesley an amount equal to the discounts that were applied to the monthly fee beginning from the date that the Member signed the Continuing Care at Home Agreement until the effective date of the policy termination. If or when the Long Term Care insurance policy benefits are exhausted, the reduction to the monthly fee will cease going forward, but there will be no retroactive payments due to The Wesley. Please see the Continuing Care at Home agreement for specific provisions.

Medical Exclusions & Late Fees- COMAR 32.02.02.15C(32)

Medical Exclusions

Wesley SecureCare will screen all potential Members at program admission and may not accept persons with certain medical conditions, namely terminal or end-stage conditions (i.e. dementia). Once a Member is accepted into the Program, The Wesley will not impose a surcharge for any medical conditions that are known or later diagnosed. When a Member is found to be a Service Eligible Member, we will not impose exclusions on coverage for Long Term Care services based on medical condition(s).

Late Fees

Monthly itemized billing statements will be sent in the beginning of each month to each Member. If a Member does not make payment by the fifteenth (15th) day of the month for which you are being billed, we may give you written notice that you must make such payment within fifteen (15) days. Payments made after the 30th of the month (or in the month of February the 28th or 29th for leap years) for which you were billed shall be considered late and may be subject to a fifty dollar (\$50) additional late charge on the next monthly billing cycle. After two consecutive months of late payments, made after the 30th day of the month (or in the month of February the 28th or 29th for leap years) for which you are billed, or no payments, The Wesley may terminate the Continuing Care at Home Agreement for just cause.

We are not submitting any additional materials pursuant to COMAR 32.02.02.15C(33)