

2023 SERVICE LISTING

DIAKON CHILD, FAMILY & COMMUNITY MINISTRIES

DIAKON ADOPTION & FOSTER CARE

Mechanicsburg, Topton and York, PA

DIAKON COMMUNITY SERVICES

Pottsville, PA

DIAKON FAMILY LIFE SERVICES

Mechanicsburg, Lewisburg, Williamsport and Montoursville, PA

DIAKON FAMILY REUNIFICATION & PRESERVATION SERVICES

Jamison, Norwood, Lebanon and Allentown, PA

DIAKON YOUTH SERVICES

Boiling Springs, Chester, Lancaster and York, PA

DIAKON LUTHERAN SOCIAL MINISTRIES (Senior Living & Housing Services)

BUFFALO VALLEY LUTHERAN VILLAGE

Lewisburg, PA

CUMBERLAND CROSSINGS

Carlisle, PA

FROSTBURG HEIGHTS

Frostburg, MD

LUTHER CREST

Allentown, PA

THE LUTHERAN HOME AT TOPTON

Topton, PA

LUTHER MEADOWS & HEILMAN HOUSE

Topton, PA

LUTHERWOOD

Scranton, PA

STATEMENT OF FINANCIAL POSITION

Consolidated Balance Sheets

December 31	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,239,356	\$ 9,261,958
Assets limited as to use	6,440,747	11,065,998
Accounts receivable, net:		
Patients and residents	7,006,753	7,069,824
Statewide Adoption & Permanency Network	5,502,851	12,126,420
Other client services	4,275,238	4,354,057
Estimated third-party payor settlements	47,419	439,044
Prepaid expenses and other assets	2,999,360	3,214,714
Total current assets	48,511,724	47,532,015
Investments	151,401,356	139,481,360
Assets limited as to use, net of current portion:		
Statutory minimum liquid reserves	5,551,202	5,523,908
Other	32,909,468	48,161,348
Investment in joint venture	1,417,665	1,417,665
Land, buildings and equipment, net	166,839,296	137,005,902
Finance lease right-of-use assets, net	1,813,377	715,908
Operating lease right-of-use assets	1,861,596	1,894,303
Other assets:		
Receivables from charitable gift annuities	136,494	270,085
Funds held in trust by others and beneficial interest in trust	37,532,794	34,516,826
Swap agreement	42,566	70,410
Other assets	1,024,865	850,119
Total assets	\$449,042,403	\$417,439,849

Consolidated Balance Sheets continued		
December 31	<u>2023</u>	<u>2022</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 35,196,326	\$ 25,028,276
Provider relief fund and other	1,189,155	2,754,558
Deposits, patients and residents	369,303	404,918
Estimated third-party payor settlements	518,125	498,247
Current finance lease liabilities	427,322	231,939
Current operating lease liabilities	806,992	808,404
Current maturities of long-term debt	4,805,479	4,611,812
Total current liabilities	43,312,702	34,338,154
Pension liability	24,420,445	24,796,630
Deferred revenue, entrance agreements	57,970,780	57,255,785
Refundable entrance fee liability	16,849,115	17,395,567
Other long-term liabilities	1,123,786	1,345,801
Long-term finance lease liabilities	1,339,745	459,010
Long-term operating lease liabilities	1,090,404	1,168,819
Long-term debt, less current maturities and debt issuance costs	135,462,979	139,230,106
Total liabilities	281,569,956	275,989,872
Net assets:		
Without donor restrictions	99,783,402	80,695,238
With donor restrictions	67,689,045	60,754,739
Total net assets	167,472,447	141,449,977
Total liabilities and net assets	\$449,042,403	\$ 417,439,849

Consolidated Statements of Operations and Changes in Net Assets

For the years ended December 31	<u>2023</u>	<u>2022</u>
Operating revenues, gains and other support:		
Patient and resident service revenue, net	\$ 79,146,972	\$ 73,912,353
Amortization of entrance fees	8,621,002	8,178,596
Contract revenue	18,164,393	27,572,650
Other fees and services	11,773,589	12,352,535
Statewide Adoption & Permanency Network revenue	74,898,114	73,899,267
Investment income, net of expenses	6,684,807	3,851,631
Income from trusts	1,582,522	1,733,526
Contributions and bequests	355,034	1,402,387
Net assets released from restrictions, operations	1,483,903	1,491,964
Gain on disposal of assets	685	20,377,943
Gain on insurance proceeds	4,360	18,188
Total operating revenues, gains and other support	202,715,381	224,791,040
Expenses:		
Salaries and wages	37,069,049	39,178,365
Employee benefits	9,382,032	9,608,207
Other expenses	57,649,997	55,283,425
Other expenses, Statewide Adoption & Permanency Network	73,822,477	71,946,498
Nursing home assessment	1,046,484	703,364
Interest	4,681,498	5,355,723
Depreciation and amortization	13,935,929	13,968,853
Total expenses	197,587,466	196,044,435
Operating income	5,127,915	28,746,605

Consolidated Statements of Operations and Changes in Net Assets continued

For the years ended December 31		<u>2023</u>	<u>2022</u>
Nonoperating Income (loss):			
Net periodic pension (cost) benefit, non service component	\$	(1,171,731)	\$ 403,647
Equity in gains (losses) of joint venture		_	88,383
Unrealized gains on investments		13,553,625	(26,532,535)
Loss from early extinguishment of debt	-	_	(865,823)
Total non-operating income (loss)		12,381,894	(26,906,328)
Excess of operating revenues, gains			
and other support over expenses	_	17,509,809	1,840,277
Other changes:			
Pension-related changes other than net periodic pension (cost) be	enef	fit 1,547,916	11,584,094
(Decrease) Increase in fair value of swap agreement		(27,844)	766,985
Net assets released from restrictions, capital		58,283	372,344
Total other changes		1,578,355	12,723,423
Increase in net assets without donor restrictions		19,088,164	14,563,700
Net assets with donor restrictions:			
Contributions and bequests		1,616,563	442,550
Investment income, net of expenses		757,794	631,042
Unrealized gains (losses) on investments		2,975,380	(4,803,858)
Net assets released from restrictions, operations		(1,483,903)	(1,491,964)
Net assets released from restrictions, capital		(58,283)	(372,344)
Change in beneficial interest in trust		249,312	(397,779)
Increase (decrease) in fair value of funds held in trust by other	ers_	2,877,443	(8,472,159)
Increase (descrease) in net assets with donor restrictions	_	6,934,306	(14,464,512)
Increase in net assets		26,022,470	99,188
Net assets, beginning of year	_	141,449,977	141,350,789
Net assets, end of year	\$ =	167,472,447	\$ 141,449,977

Consolidated Statements of Cash Flows

For the years ended December 31	<u>2023</u>		<u>2022</u>
Cash flows from operating activities:			
Increase in net assets	\$ 26,022,470	\$	99,188
Adjustments to reconcile increase in net assets to			
net cash provided by operating activities:			
Net realized gains on investments	(1,230,704)		(1,344)
Net unrealized (gains) losses on investments	(16,529,005)	31	,336,393
Depreciation and amortization	13,935,929	13	,968,853
Amortization of debt issuance costs	219,169		195,475
Decrease in pension liability	(376,185)	(11,	987,742)
Amortization of bond premium	(541,405)	(712,585)
Amortization of entrance fees	(8,621,002)	(8,	178,596)
Proceeds from entrance fees	11,560,919	14	,465,289
Change in funds held in trust by others and beneficial			
interest in trust	(3,015,968)	8	,869,938
Loss (gain) in fair value of swap agreement	27,844	(766,985)
Equity in gains of joint venture	_		(88,383)
Gain on disposal of assets	(685)	(20,	377,943)
Loss on early extinguishment of debt	_		865,823
Variable lease adjustments	(45,587)		(6,996)
Change in assets and liabilities:			
Accounts receivable and estimated third-party payor settleme	nts 7,176,962	(8,	170,284)
Prepaid expenses and other current assets	215,354	(178,854)
Operating lease right-of-use assets	32,707		(8,978)
Other assets	(174,746)	(192,631)
Accounts payable, accrued expenses and other liabilities	2,473,853	(5,	127,978)
Deposits – patients and residents	(35,615)		(67,305)
Operating lease liabilities	(79,827)		(10,240)
Net cash provided by operating activities	31,014,478	13,	924,115

Consolidated Statements of Cash Flows continued

For the years ended December 31	<u>2023</u>	<u>2022</u>
Cash flows from investing activities:		
Purchase of investments and assets limited as to use	\$ (10,700,618)	\$ (26,319,382)
Proceeds from sales of investments and assets limited as to us	e 11,304,837	27,259,128
Contributions and charitable gift/remainder trusts	133,591	201,888
Purchase of property and equipment	(37,568,024)	(14,221,626)
Proceeds from sale of property and equipment	_	24,425,260
Net cash (used in) provided by investing activities	$\overline{(36,830,214)}$	11,345,268
Cash flows from financing activities:		
Payment of long-term debt	(4,611,813)	(6,741,391)
Proceeds from issuance of long-term debt	1,360,589	27,014,532
Payment of deferred debt issuance costs	_	(753,598)
Bond refunding	_	(23,837,190)
Principal payments under finance lease obligations	(269,599)	(273,699)
Net payment on lines of credit	_	(451,747)
Proceeds from entrance fees	119,867	1,716,175
Refunds of entrance fees	(2,891,241)	(4,570,283)
Net cash used in financing activities	(6,292,197)	(7,897,201)
Net (decrease) increase in cash, cash equivalents		
and restricted cash	(12,107,933)	17,372,182
Cash, cash equivalents and restricted cash, beginning of year	46,354,189	28,982,007
Cash, cash equivalents and restricted cash, end of year	\$ 34,246,256	\$ 46,354,189

2023 Number of People Served

11,265 persons served
3,918 persons served 5 children/families served 43,972 children/families served 165 children/families served
1,083 persons served 3,273 persons served
984 children/families served
126 persons served 114 persons served 149 persons served
786 persons served 532 persons served 718 persons served 752 persons served
1,020 persons served
68,862