



# Diakon 2024 Annual Report

## Growing Stronger Together





## A Message from Our President & CEO

As we reflect on the past year at Diakon, we do so with deep gratitude for our dedicated staff, committed volunteers, and devoted board members. Their passion and hard work have made it possible for Diakon to navigate a period of significant transformation while remaining steadfast in our mission to serve children, families, and individuals of all ages with compassion and care.



On July 1, 2024, Diakon underwent a major transition by no longer owning or operating continuing care retirement communities. This change has provided us with the opportunity to reaffirm our commitment to our core values and, in many ways, return to our roots—delivering essential human services that uplift and empower those who need them most. We remain committed to evolving in ways that strengthen our impact, ensuring that we meet the needs of our communities today and in the future.


One part of this transformation includes expanding our collaboration with communities of faith, particularly our Lutheran synods. These partnerships are integral to our work, allowing us to reach and serve more individuals through shared mission and support. Additionally, we continue to focus on broadening our footprint in both human services and affordable housing, ensuring that more people have access to the resources and opportunities they deserve.

As we entered 2025, we did so from a solid financial position, which allows us to continue expanding our services and investing in our staff and programs. This stability ensures that we can fulfill our mission with confidence and plan strategically for future growth.

None of this would be possible without the ongoing generosity of our individual and corporate supporters. These contributions help us enhance our programs, extend our reach, and provide life-changing services to those who need them most. As we look ahead, we encourage you to consider how you can be part of our mission—whether through donations, volunteer work, internships, or even joining our team.

We also recognize the importance of supporting those who make our work possible—our staff. Over the past year, we have introduced several initiatives aimed at enhancing their professional growth and well-being. Programs like the Diakon Impact Award and DiaKINDNESS customer service training have acknowledged all the good things they do, while increased tuition and certification support can help them advance in their careers. Employees now have access to up to \$15,000 annually in tuition assistance, allowing them to further their education and skills. Additionally, our new initiative, Diakon U, will play an important role in recruiting, orienting, and training new team members, along with student interns, volunteers, supporters, and board members, ensuring that our mission continues to thrive for years to come.

As we move forward, we invite you to join us in making a difference. Your involvement, whether through volunteering, interning, donating, or working with us, is important to strengthening the communities we serve. Thank you for being a part of our journey—we look forward to all that we will accomplish together in the coming year.

  
Shari VanderGast  
President/CEO



## 2025 BOARD OF DIRECTORS **Diakon**

Left to right, Front row: Katrina Straker, Susan Schellenberg, Em Cole; Second row: Jennifer Schlegel, Diane Batchik; Top row: Maury Bobst, Shari VanderGast, Larry Delp. Missing is Pete Knudsen.



## 2025 BOARD OF DIRECTORS **Diakon Child, Family & Community Ministries**

Left to right, First row: Rick Barger, Susan Schellenberg, Chad Hebrink; Second row: Lori Roth, Jeff Boland; Top row: John Spangler, Shari VanderGast. Missing is Ron Dreese.



## 2025 BOARD OF DIRECTORS **Diakon Housing Services**

Left to right, First row: Mike Lehman, Carol Taylor; Second row: Nels Hendrickson, Diane Batchik; Top row: Don Main, Shari VanderGast, Scott Rehr. Missing is Doug Hough.



# STATEMENT OF FINANCIAL POSITION

## Consolidated Balance Sheets

For the years ended December 31

**2024**

**2023**

### Assets

#### Current assets:

Cash and cash equivalents	\$ 9,054,573	\$ 22,239,356
Assets limited as to use	—	6,440,747
Accounts receivable, net:		
Patients and residents	—	7,006,753
Statewide Adoption & Permanency Network	5,375,510	5,502,851
Other client services	4,080,253	4,275,238
Estimated third-party payor settlements	—	47,419
Prepaid expenses and other assets	1,731,083	2,999,360

#### **Total current assets**

**20,241,419**

**48,511,724**

Investments	127,935,262	151,401,356
Assets limited as to use, less current portion:	9,671,130	38,460,670
Investment in joint venture	1,597,455	1,417,665
Land, buildings and equipment, net	4,991,551	166,839,296
Finance lease right-of-use assets, net	319,554	1,813,377
Operating lease right-of-use assets	1,207,948	1,861,596

#### Other assets:

Receivables from charitable gift annuities	6,376	136,494
Funds held in trust by others and beneficial interest in trust	9,914,736	37,532,794
Swap agreement	—	42,566
Transaction escrow	2,553,397	—
Other assets	1,892,869	1,024,865

#### **Total assets**

**\$ 180,331,697**

**\$ 449,042,403**

## Consolidated Balance Sheets *continued*

For the years ended December 31

**2024**

**2023**

### Liabilities and Net Assets

#### Current liabilities:

Accounts payable and accrued expenses	\$ 11,441,795	\$ 35,196,326
Deferred Revenue	806,566	1,189,155
Other	139,280	369,303
Estimated third-party payor settlements	—	518,125
Current finance lease liabilities	96,762	427,322
Current operating lease liabilities	509,339	806,992
Current maturities of long-term debt	<u>514,053</u>	<u>4,805,479</u>
<b>Total current liabilities</b>	<b>13,507,795</b>	<b>43,312,702</b>

Transaction Escrow	2,500,000	—
Pension liability	—	24,420,445
Deferred revenue, entrance agreements	—	57,970,780
Refundable entrance fee liability	—	16,849,115
Other long-term liabilities	163,387	1,123,786
Long-term finance lease liabilities	229,334	1,339,745
Long-term operating lease liabilities	703,472	1,090,404
Long-term debt, less current maturities and debt issuance costs	<u>14,627,135</u>	<u>135,462,979</u>
<b>Total liabilities</b>	<b><u>31,731,123</u></b>	<b><u>281,569,956</u></b>

#### Net assets:

Without donor restrictions	132,039,897	99,783,402
With donor restrictions	<u>16,560,677</u>	<u>67,689,045</u>
<b>Total net assets</b>	<b>148,600,574</b>	<b>167,472,447</b>
<b>Total liabilities and net assets</b>	<b><u>\$ 180,331,697</u></b>	<b><u>\$ 449,042,403</u></b>



## Consolidated Statements of Operations and Changes in Net Assets

For the years ended December 31

2024

2023

### Operating revenues, gains and other support:

Contract revenue	\$ 17,138,244	\$ 18,164,393
Other fees and services	11,349,423	11,476,911
Statewide Adoption and Permanency Network revenue	76,444,488	74,898,114
Investment income, net of expenses	10,386,253	2,794,758
Income from trusts	665,279	1,582,522
Contributions and bequests	638,248	112,767
Net assets released from restrictions, operations	382,053	433,954
Other	—	4,360
<b>Total operating revenues, gains and other support</b>	<b><u>117,003,988</u></b>	<b><u>109,467,779</u></b>

### Expenses:

Salaries and wages	18,678,216	17,810,959
Employee benefits	5,284,329	5,088,893
Other expenses	13,917,270	13,563,096
Other expenses, Statewide Adoption & Permanency Network	75,365,646	73,822,477
Interest	578,975	541,024
Depreciation and amortization	1,856,267	2,661,188
<b>Total expenses</b>	<b><u>115,680,703</u></b>	<b><u>113,487,637</u></b>
<b>Operating income (Loss)</b>	<b><u>1,323,285</u></b>	<b><u>(4,019,858)</u></b>

### Nonoperating (Loss) Income

Unrealized (losses) gains on investments	<u>(3,450,491)</u>	<u>6,351,512</u>
(Deficiency) excess of operating revenues, gains and other support over expenses	\$ <u>(2,127,206)</u>	\$ <u>2,331,654</u>

## Consolidated Statements of Operations and Changes in Net Assets *continued*

For the years ended December 31

	<u>2024</u>	<u>2023</u>
<b>Other Changes in Net Assets Without Donor Restrictions</b>		
(Loss) income from discontinued operations and gain on sale of discontinued operations	\$ 7,064,760	\$ 15,178,155
Pension-related changes other than net periodic pension benefit - discontinued operations	5,153,727	1,547,916
Pension settlement charge - discontinued operations	21,958,155	—
Increase (decrease) in fair value of swap agreement - discontinued operations	95,705	(27,844)
Net assets released from restrictions, capital	<u>111,354</u>	<u>58,283</u>
<b>Total Other changes</b>	<b><u>34,383,701</u></b>	<b><u>16,756,510</u></b>
<b>Increase in Net Assets Without Donor Restrictions</b>	<b><u>32,256,495</u></b>	<b><u>19,088,164</u></b>
<b>Net Assets With Donor Restrictions</b>		
Transfers of restricted net assets	(54,349,131)	—
Contributions and bequests	323,965	1,616,563
Investment income, net of expenses	1,740,585	757,794
Unrealized gains on investments	265,153	2,975,380
Net assets released from restrictions, operations	(912,190)	(1,483,903)
Net assets released from restrictions, capital	(111,354)	(58,283)
Change in beneficial interest in trust	—	249,312
Increase in fair value of funds held in trust by others	<u>1,914,604</u>	<u>2,877,443</u>
(Decrease) increase in net assets with donor restrictions	<u>(51,128,368)</u>	<u>6,934,306</u>
(Decrease) increase in net assets	(18,871,873)	26,022,470
<b>Net Assets, Beginning</b>	<b><u>167,472,447</u></b>	<b><u>141,449,977</u></b>
<b>Net Assets, Ending</b>	<b><u>\$ 148,600,574</u></b>	<b><u>\$ 167,472,447</u></b>

## Consolidated Statements of Cash Flows

For the years ended December 31

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
(Decrease) Increase in net assets	\$ (18,871,873)	\$ 26,022,470
Adjustments to reconcile (decrease) increase in net assets to net cash (used in) provided by operating activities:		
Net realized gains on investments	(10,997,040)	(1,230,704)
Net unrealized losses (gains) on investments	4,923,146	(16,529,005)
Transfers of restricted net assets	54,349,131	—
Depreciation and amortization	7,574,304	13,935,929
Amortization of debt issuance costs	215,444	219,169
Net decrease in pension liability	(4,688,727)	(376,185)
Amortization of bond premium	(260,831)	(541,405)
Amortization of entrance fees	(4,756,807)	(8,621,002)
Proceeds from entrance fees	6,533,596	11,560,919
Change in funds held in trust by others and beneficial interest in trust	(1,914,604)	(3,015,968)
(Gain) loss in fair value of swap agreement	(95,705)	27,844
Equity in gains of joint venture	(179,790)	—
(Gain) on disposal of DLSM	(22,431,530)	—
Variable lease adjustments	(5,389)	(46,272)
Change in assets and liabilities:		
Accounts receivable and estimated third-party payor settlements	459,076	7,176,962
Prepaid expenses and other current assets	(254,510)	215,354
Operating lease right-of-use assets	208,784	32,707
Other assets	(3,467,826)	(174,746)
Accounts payable, accrued expenses and other liabilities	(14,778,721)	2,473,853
Other	(17,977)	(35,615)
Operating lease liabilities	(221,002)	(79,827)
<b>Net cash (used in) provided by operating activities</b>	<b>\$ (8,678,851)</b>	<b>\$ 31,014,478</b>



## Consolidated Statements of Cash Flows *continued*

For the years ended December 31

	<u>2024</u>	<u>2023</u>
<b>Cash flows from investing activities:</b>		
Proceeds from divestiture of discontinued operations	\$ 53,846,500	\$ —
Purchase of investments and assets limited as to use	(58,451,576)	(10,700,618)
Proceeds from sales of investments and assets limited as to use	50,019,648	11,304,837
Contributions and charitable gift/remainder trusts	58,762	133,591
Purchase of property and equipment	(20,553,116)	(37,568,024)
<b>Net cash provided by (used in) investing activities</b>	<u><b>24,920,218</b></u>	<u><b>(36,830,214)</b></u>
<b>Cash flows from financing activities:</b>		
Payment of long-term debt	(4,750,042)	(4,611,813)
Transfers of restricted net assets	(54,349,131)	—
Proceeds from issuance of long-term debt	18,359,315	1,360,589
Payment of deferred debt issuance costs	(8,000)	—
Principal payments under finance lease obligations	(283,389)	(269,599)
Net draws on lines of credit	3,764,001	—
Proceeds from entrance fees	976,381	119,867
Refunds of entrance fees	(974,806)	(2,891,241)
<b>Net cash used in financing activities</b>	<u><b>(37,265,671)</b></u>	<u><b>(6,292,197)</b></u>
<b>Net decrease in cash, cash equivalents and restricted cash</b>	<u><b>(21,024,304)</b></u>	<u><b>(12,107,933)</b></u>
<b>Cash, cash equivalents and restricted cash, beginning</b>	<u><b>34,246,256</b></u>	<u><b>46,354,189</b></u>
<b>Cash, cash equivalents and restricted cash, ending</b>	<u><u><b>\$ 13,221,952</b></u></u>	<u><u><b>\$ 34,246,256</b></u></u>

## 2024 Number of People Served

### Community-Based Services for Older Persons

- Community-Based Services

*PA MEDI, Meals on Wheels, Living and Learning, Farm Market Vouchers,  
Pa. Health & Wellness, Senior Centers, Americorps/RSVP*

9,848 persons served

### Diakon Adoption & Foster Care

- Mechanicsburg, Topton and York offices

3,167 persons served

- Diakon Pregnancy Services

5 children/families served

- SWAN (Pa. Statewide Adoption &

*Permanency Network, administered by Diakon)*

48,872 children/families served

- York Family Finding & Family Engagement

255 children/families served

### Diakon Behavioral Health Services

- Capital Region

1,106 persons served

- Upper Susquehanna

2,567 persons served

### Diakon Family Preservation & Reunification Services

873 children/families served

### Diakon Housing (Rental-Assistance Communities)

- Frostburg Heights

132 persons served

- Luther Meadows & Heilman House (LH at Topton)

106 persons served

- Lutherwood Apartments

141 persons served

### Diakon Youth Services

*Weekend Alternative Program, Center Point Day, Flight,  
Group Services, Regional Programs (Bridge, Turning Point)*

968 persons served

### Total Served in 2024

68,040

## 2024 SERVICE LISTING

### **DIAKON CHILD, FAMILY & COMMUNITY MINISTRIES**

DIAKON ADOPTION & FOSTER CARE

DIAKON COMMUNITY SERVICES

DIAKON BEHAVIORAL HEALTH SERVICES

DIAKON FAMILY REUNIFICATION & PRESERVATION SERVICES

DIAKON YOUTH SERVICES

### **DIAKON HOUSING SERVICES**

FROSTBURG HEIGHTS

LUTHER MEADOWS & HEILMAN HOUSE

LUTHERWOOD





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[www.Diakon.org](http://www.Diakon.org)