

Diakon

2025

Annual Report

Rooted in Purpose,
Growing with Impact.



A Message from Our President & CEO

Growth isn't just about doing more. It's about making sure what we do continues to truly help people.

As I reflect on 2025, I'm grateful for the many ways Diakon continued to show up for the people and communities we serve. This year, we reached nearly 67,000 children, youth, and adults of all ages, each with their own story, challenges, and hopes for what comes next.



This was also a year of important transition. It marked our first full year without senior living services, allowing us to focus more fully on our community-based programs. As we made that shift, we were intentional about ensuring our identity reflects who we are today. Our refreshed logo and the renaming of Diakon Behavioral Health Services were part of that effort, helping bring greater clarity to the work we do and the people we serve.

At the same time, we continued to grow in meaningful ways. In Luzerne and Wyoming counties, we launched Senior Connect, pairing older adults with trained volunteers to reduce isolation and provide meaningful connections and support. In Chester County, we introduced the Children's Review Team, bringing professionals together to coordinate care and help children and families remain safely supported in their homes and communities. These efforts reflect our ongoing commitment to respond to emerging needs and strengthen outcomes.

In 2025, planning continued for an affordable housing acquisition scheduled in 2026. As housing shortages continue to affect individuals and families across our communities, expanding access to safe, affordable housing remains critical to supporting stability and long-term well-being.

Since 2000, Diakon has served as the administrator of the Pennsylvania Statewide Adoption and Permanency Network (SWAN), a partnership that works to remove barriers to permanency for children and support families after adoption. In October 2025, Diakon was awarded a new five-year contract renewal with the Pennsylvania Department of Human Services, continuing its work in collaboration with state, county, and private partners to ensure children are given the opportunity to have safe, stable, and permanent homes.

All of this work is rooted in a legacy that spans more than 150 years. Our founding organizations were built on a deep commitment of care, compassion, and service—values that continue to guide us every day. That foundation gives us both the responsibility and the confidence to keep evolving.

The needs around us are changing, and we must continue to grow and adapt in response. At Diakon, that means looking ahead, finding new ways to serve, and expanding our reach so more people can access the support they need.

This work is made possible by the dedication of our team members, the generosity of our donors, the guidance of our Board, and the commitment of our volunteers and community partners. Together, we carry forward a shared purpose of serving others with compassion while growing our impact.

A handwritten signature in black ink that reads "Shari VanderGast". The signature is written in a cursive, flowing style.

Shari VanderGast
President/CEO



**2026 BOARD OF DIRECTORS
Diakon**

Left to right, First row: Diane Batchik, Shari VanderGast, Susan Schellenberg, Jennifer Schlegel. Top row: Larry Delp, Maury Bobst, Scott Rehr. Missing from photo: Katrina Straker.

**2026 BOARD OF DIRECTORS
Diakon Child, Family & Community Ministries**

Left to right, First row: Chad Hebrink, Karen Wood, Lori Roth, Susan Schellenberg. Second row: John Spangler, Shari VanderGast, Rick Barger. Top row: Jeff Boland, Denise Finney, Guy Delp.



**2026 BOARD OF DIRECTORS
Diakon Housing Services**

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

**Diakon
Leadership Team**



Consolidated Statements of Financial Position

For the years ended December 31	<u>2025</u>	<u>2024</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 20,046,019	\$ 9,054,573
Accounts receivable, net:		
Statewide adoption and permanency network	40,223	5,375,510
Other client services	3,559,757	4,080,253
Prepaid expenses and other assets	<u>1,829,463</u>	<u>1,731,083</u>
Total current assets	25,475,462	20,241,419
Investments	142,692,669	127,935,262
Assets limited as to use	10,058,893	9,671,130
Investment in joint venture	1,759,588	1,597,455
Land, buildings and equipment, net	4,991,544	4,991,551
Finance lease right-of-use assets, net	458,189	319,554
Operating lease right-of-use assets	2,426,035	1,207,948
Other assets		
Funds held in trust by others	11,158,492	9,914,736
Transaction escrow	2,640,802	2,553,397
Other assets	<u>1,697,904</u>	<u>1,899,245</u>
Total other assets	<u>15,497,198</u>	<u>14,367,378</u>
 Total assets	 <u><u>\$ 203,359,578</u></u>	 <u><u>\$ 180,331,697</u></u>

Consolidated Statements of Financial Position (continued)

For the years ended December 31	<u>2025</u>	<u>2024</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 13,790,001	\$ 11,441,795
Deferred revenue	4,097,115	806,566
Other	142,711	139,280
Current finance lease liabilities	156,987	96,762
Current operating lease liabilities	474,218	509,339
Current maturities of long-term debt	<u>531,031</u>	<u>514,053</u>
Total current liabilities	19,192,063	13,507,795
Transaction escrow	2,500,000	2,500,000
Other long-term liabilities	354,193	163,387
Long-term finance lease liabilities	319,873	229,334
Long-term operating lease liabilities	1,993,852	703,472
Long-term debt, less current maturities and debt issuance costs	<u>14,129,609</u>	<u>14,627,135</u>
Total liabilities	<u>38,489,590</u>	<u>31,731,123</u>
Net assets		
Without donor restrictions	146,373,439	132,039,897
With donor restrictions	<u>18,496,549</u>	<u>16,560,677</u>
Total net assets	<u>164,869,988</u>	<u>148,600,574</u>
Total liabilities and net assets	<u>\$ 203,359,578</u>	<u>\$ 180,331,697</u>

Consolidated Statements of Activities and Changes in Net Assets

For the years ended December 31	<u>2025</u>	<u>2024</u>
Operating revenues, gains and other support		
Contract revenue	\$ 17,604,903	\$ 17,138,244
Other fees and services	10,505,348	9,286,663
Statewide adoption and permanency network revenue	75,954,383	76,444,488
Investment income, net of expenses	7,878,821	10,386,253
Income from trusts	379,863	665,279
Contributions and bequests	133,738	638,248
Other	8,700	-
Net assets released from restrictions, operations	377,516	382,053
	<u>112,843,272</u>	<u>114,941,228</u>
Total operating revenues, gains and other support		
Expenses		
Salaries and wages	14,895,116	18,678,216
Employee benefits	4,203,364	5,284,329
Other expenses	10,125,593	13,917,270
Statewide adoption and Permanency network other expenses	73,061,551	73,302,886
Interest	698,794	578,975
Depreciation and amortization	961,349	1,856,267
	<u>103,945,767</u>	<u>113,617,943</u>
Total expenses		
Operating income	8,897,505	1,323,285
Nonoperating income (loss)		
Unrealized gains (losses) on investments	5,625,382	(3,450,491)
Excess (deficiency) of operating revenues, gains and other support over expenses	14,522,887	(2,127,206)

Consolidated Statements of Activities and Changes in Net Assets (continued)

For the years ended December 31	<u>2025</u>	<u>2024</u>
Other changes in net assets without donor restrictions		
Income from discontinued operations and gain on sale of discontinued operations	-	7,064,760
Pension-related change other than net periodic pension benefit-discontinued operations	-	5,153,727
Pension settlement income - discontinued operations	-	21,958,155
Increase in fair value of swap agreement - discontinued operations	-	95,705
Transfer of net assets	(200,931)	-
Net assets released from restrictions, capital	<u>11,586</u>	<u>111,354</u>
Total other changes	<u>(189,345)</u>	<u>34,383,701</u>
Changes in net assets without donor restrictions	<u>\$ 14,333,542</u>	<u>\$ 32,256,495</u>
Changes in net assets without donor restrictions	\$ 14,333,542	\$ 32,256,495
Net assets with donor restrictions		
Transfers of restricted net assets	200,931	(54,349,131)
Contributions and bequests	129,152	323,965
Investment income, net of expenses	419,999	1,740,585
Unrealized gains on investments	331,136	265,153
Net assets released from restrictions, operations	(377,516)	(912,190)
Net assets released from restrictions, capital	(11,586)	(111,354)
Increase in fair value of funds held in trust by others	<u>1,243,756</u>	<u>1,914,604</u>
Changes in net assets with donor restrictions	<u>1,935,872</u>	<u>(51,128,368)</u>
Changes in net assets	16,269,414	(18,871,873)
Net assets, beginning	<u>148,600,574</u>	<u>167,472,447</u>
Net assets, ending	<u>\$ 164,869,988</u>	<u>\$ 148,600,574</u>

Consolidated Statements of Cash Flows

For the years ended December 31	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Changes in net assets	\$ 16,269,414	\$ (18,871,873)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Net realized gains on investments and assets limited as to use	(108,592)	(10,997,040)
Net unrealized losses (gains) on investments and assets limited as to use	(5,794,385)	4,923,146
Transfers of restricted net assets	-	54,349,131
Depreciation and amortization	961,349	7,574,304
Amortization of debt issuance costs	35,209	215,444
Net decrease in pension liability	-	(4,688,727)
Amortization of bond premium	-	(260,831)
Amortization of entrance fees	-	(4,756,807)
Proceeds from entrance fees	-	6,533,596
Change in funds held in trust by others and beneficial interest in trust	(1,243,756)	(1,914,604)
Gain on fair value of swap agreement	-	(95,705)
Equity in gains of joint venture	(162,133)	(179,790)
Gain on disposal of DLSSM	-	(22,431,530)
Amortization of operating lease right-of-use asset	518,340	203,395
Change in assets and liabilities:		
Accounts receivable, net	5,855,783	459,076
Prepaid expenses and other current assets	(98,380)	(254,510)
Other assets	201,341	(3,467,826)
Accounts payable, accrued expenses, and other liabilities	5,642,186	(14,778,721)
Other	190,806	(17,977)
Operating lease liabilities	(481,168)	(221,002)
Net cash provided by (used in) operating activities	<u>21,786,014</u>	<u>(8,678,851)</u>

Consolidated Statements of Cash Flows (continued)

For the years ended December 31	<u>2025</u>	<u>2024</u>
Cash flows from investing activities		
Proceeds from divestiture of discontinued operations	-	53,846,500
Net purchases of investments and assets limited as to use	(10,198,177)	(8,431,928)
Contributions and charitable gift/remainder trusts	-	58,762
Purchase of property and equipment	(795,742)	(20,553,116)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(10,993,919)	24,920,218
Cash flows from financing activities		
Payment of long-term debt	(515,757)	(4,750,042)
Transfers of restricted net assets	-	(54,349,131)
Proceeds from issuance of long-term debt	-	18,359,315
Payment of deferred debt issuance costs	-	(8,000)
Principal payments under finance lease obligations	(153,471)	(283,389)
Net draws on lines of credit	-	3,764,001
Proceeds from entrance fees	-	976,381
Refunds of entrance fees	-	(974,806)
	<hr/>	<hr/>
Net cash used in financing activities	(669,228)	(37,265,671)
Net increase (decrease) in cash, cash equivalents and restricted cash	10,122,867	(21,024,304)
Cash, cash equivalents and restricted cash, beginning	<hr/> 13,221,952	<hr/> 34,246,256
Cash, cash equivalents and restricted cash, ending	<hr/> <u>\$ 23,344,819</u>	<hr/> <u>\$ 13,221,952</u>
Reconciliations of cash, cash equivalents, and restricted cash		
Amounts reported in these lines on the consolidated statements of financial position		
Cash and cash equivalents	\$ 20,046,019	\$ 9,054,573
Assets limited to use	3,298,800	4,167,379
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Total cash, cash equivalents and restricted cash	<hr/> <u>\$ 23,344,819</u>	<hr/> <u>\$ 13,221,952</u>

2025 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* 11,113 persons served

Diakon Adoption & Foster Care

- Mechanicsburg, Topton and York offices 4,633 persons served
- Diakon Pregnancy Services 2 children/families served
- SWAN (Pa. Statewide Adoption &
Permanency Network, administered by Diakon) 46,171 children/families served
- York Family Finding & Family Engagement 255 children/families served

Diakon Behavioral Health Services

- Capital Region 956 persons served
- Upper Susquehanna 2,190 persons served
- Children's Review Team 66 persons served

Diakon Family Preservation & Reunification Services

1,116 children/families served

Diakon Housing (Rental-Assistance Communities)

- Frostburg Heights 100 persons served
- Luther Meadows & Heilman House (LH at Topton) 89 persons served
- Lutherwood Apartments 127 persons served

Diakon Youth Services

*Weekend Alternative Program, Center Point Day, Flight,
Group Services, Regional Programs (Bridge, Turning Point)* 1,147 persons served

Total Served in 2025

67,029

2026 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