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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)	OMB No 1545-0047 2009
	▶ The organization may have to use a copy of this return to satisfy state reporting requirements	Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 01-01-2009 and ending 12-31-2009				
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization Diakon Lutheran Social Ministries		D Employer identification number 23-1857015
		Doing Business As		E Telephone number (610) 682-1262
		Number and street (or P O box if mail is not delivered to street address) 798 Hausman Road	Room/suite	G Gross receipts \$ 256,017,163
		City or town, state or country, and ZIP + 4 Allentown, PA 18104		
	F Name and address of principal officer Daun E McKee PhD 798 Hausman Road Ste 300 Allentown, PA 18104		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number ▶ 9386	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527				
J Website: ▶ www.diakon.org				
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1868	M State of legal domicile PA	






Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities THE ORGANIZATION IS A LEADING PROVIDER OF SENIOR LIVING SERVICES AND SOCIAL SERVICES, INCLUDING ADOPTION, COUNSELING AND IN HOME CARE IN PENNSYLVANIA, MARYLAND, AND DELAWARE	
	2	Check this box <input checked="" type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets	
	3	Number of voting members of the governing body (Part VI, line 1a)	3 <u>1</u>
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4 <u>1</u>
	5	Total number of employees (Part V, line 2a)	5 <u>2,93</u>
	6	Total number of volunteers (estimate if necessary)	6 <u>5,00</u>
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a <u>79,84</u>
	b	Net unrelated business taxable income from Form 990-T, line 34	7b <u>69,96</u>

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	7,460,850	6,286,903
	9 Program service revenue (Part VIII, line 2g)	178,181,618	194,849,819
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,839,794	6,720,507
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,266,525	1,839,710
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	194,748,787	209,696,939
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3) . . .	154,249	180,544
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	87,777,653	89,432,816
	16a Professional fundraising fees (Part IX, column (A), line 11e)	361,262	33,030
	b Total fundraising expenses (Part IX, column (D), line 25) <u>1,680,906</u>		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	108,760,801	117,607,533
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	197,053,965	207,253,923
	19 Revenue less expenses Subtract line 18 from line 12	-2,305,178	2,443,016
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	381,655,797	425,059,752
	21 Total liabilities (Part X, line 26)	330,236,809	337,344,220
	22 Net assets or fund balances Subtract line 21 from line 20	51,418,988	87,715,532

Part II	Signature Block
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
<div> <div>Sign Here</div> <div>Signature of officer</div> </div>	<div> <div>2010-11-08</div> <div>Date</div> </div>
<div> <div>richard m barger executive vp/cfo</div> <div>Type or print name and title</div> </div>	

Paid Preparer's Use Only	Preparer's signature  SCOTT SHERMAN KPMG LLP 7032868398	Date	Check if self-employed  <input type="checkbox"/>	Preparer's identifying number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4  KPMG LLP 1601 Market Street Philadelphia, PA 191032499			EIN 
				Phone no  (267) 256-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III

Statement of Program Service Accomplishments

1

Briefly describe the organization’s mission

THE ORGANIZATION IS A LEADING PROVIDER OF SENIOR LIVING SERVICES AND SOCIAL SERVICES, INCLUDING ADOPTION, COUNSELING AND IN HOME CARE IN PENNSYLVANIA, MARYLAND, AND DELAWARE

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes

☒ No

If “Yes,” describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes

☒ No

If “Yes,” describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization’s three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 123,726,139 including grants of \$ 500) (Revenue \$ 134,729,204)

One of the two primary service divisions within Diakon Lutheran Social Ministries, Diakon Senior Living Services is responsible for the operation and maintenance of 11 comprehensive senior living communities in Pennsylvania and Maryland. Most of DSLM’s senior living communities offer a continuum of services for older adults including residential accommodations, personal care/assisted living services, and skilled nursing and rehabilitative care. In 2009, these senior living communities served 8,730 persons. In the case of nursing care and assisted living/personal care accommodations, the number served includes one additional family member for each resident or couple. During 2009, the division continued to focus on expansion of the continuum of services at its senior living communities. Such projects included the building of new residential accommodations, advancement of a "catered-living-style" option at one campus, and extensive renovations to upgrade living options for older adults. In addition, the division remained focused on expansion of services designed to help older persons "age in place" in their current accommodations, those efforts involved steps to integrate other Diakon programs such as Help at Home and Diakon Home Health into the communities' service offers. Moreover, DLSM has taken a leading position in the country in terms of incorporating designs and affordable technology options into its senior living services and accommodations, again to help older adults age in place. A model home demonstrating this technology was completed in the fall of 2009, gaining significant interest from both public and media. Diakon Senior Living Services provided \$10,483,181 in uncompensated care during 2009, divided between costs in excess of medical-assistance reimbursement and care for people who have exhausted their financial resources.

4b

(Code) (Expenses \$ 27,908,221 including grants of \$ 75,000) (Revenue \$ 27,228,413)

One of the two primary service divisions within Diakon Lutheran Social Ministries, Diakon Family & Community Ministries served more than 543,000 people in 2009, a significant increase over the 2008 figure, largely attributable to the Diakon Kathryn's Klostet program, which completed its first year of operation under Diakon in 2009. Diakon Kathryn's Klostet coordinates the collection, storage, and distribution of in-kind product donations from corporations to non-profit organizations that, in turn, distribute the goods, free of charge, to people in need in their communities. The program has served non-profits across the nation. The division's programs include adoption, youth crisis intervention, foster care, services for court-adjudicated youths, children's bereavement program, hospice and home care services, family life services (individuals, couples, and children) counseling, and a wide range of community-based services for older adults, such as adult day services. In addition, the division provides administrative oversight for Pennsylvania's Statewide Adoption & Permanency Network, described elsewhere in attachment 5. A brief listing of numerous 2009 achievements for Diakon Family & Community Ministries programs includes continued expansion of its employee assistance program, successful attainment of a 27.3% retention rate for inquiring adoptive and foster families at the adoption and foster care program's three Pennsylvania offices, which exceeds the national average of 3 to 4%, development of programs and acquisition of grant funding to place more emphasis on successful recruitment of families for older foster children, a re-emphasis of Diakon Wilderness Center programs to launch Flight, a mentoring program for former center students aging out of the juvenile-justice system, and a day-treatment program for school-age youths, continuation of Girls on the Run services, particularly in low-income areas, maintenance of a successful day-care center and before- and after-school program for children from an economically challenged neighborhood of East Baltimore, and the year-long expansion of Diakon Kathryn's Klostet. The programs within Diakon Family & Community Ministries provided \$4,092,339 in uncompensated care during 2009.

4c

(Code) (Expenses \$ 31,950,262 including grants of \$) (Revenue \$ 31,950,262)

Pennsylvania's Statewide Adoption & Permanency Network (SWAN) is both a broad-based cooperative effort and a centralized information and facilitation service funded and overseen by the Pennsylvania Department of Public Welfare and managed under contract by Diakon Lutheran Social Ministries. The SWAN network includes county children and youth agencies, juvenile court judges, foster and adoptive parents, private adoption agencies, the Pennsylvania Adoption Exchange and many others, working together on behalf of waiting children who need permanent homes. The SWAN program serves children and youths in the custody of county children and youth agencies. The design of the network is to support the work of the county agencies in expediting permanency for these waiting children. SWAN manages referrals from county children and youth agencies, contracts with private agencies that work with counties to provide direct services to children and families, provides consultation and training for county agencies and private providers, develops conferences and regional meetings, and manages support services to enhance the effectiveness of the child-placement network.

4d
















Other program services (Describe in Schedule O) See also Additional Data for Description

(Expenses \$ 1,707,164 including grants of \$ 105,044) (Revenue \$ 941,940)

4e

Total program service expenses➤\$ 185,291,786

Part IV Checklist of Required Schedules

		Yes	No				
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1	Yes				
2	Is the organization required to complete Schedule B, Schedule of Contributors? 	2	Yes				
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No				
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II 	4	Yes				
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5					
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No				
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No				
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No				
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No				
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	Yes				
11	Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable. 	11	Yes				
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.						
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.						
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.						
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.						
	◆ Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.						
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.						
12	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12	No				
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <table><tr><td>Yes</td><td>No</td></tr><tr><td>12A</td><td>Yes</td></tr></table>	Yes	No	12A	Yes		
Yes	No						
12A	Yes						
	If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional 						
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No				
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No				
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b	No				
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Part II	15	No				
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Part III	16	No				
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I 	17	Yes				
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II 	18	Yes				
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III 	19	No				
20	Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	No				

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable	1a	484	
	b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?			1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	2,930	
	b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)			
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?			3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O			3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?			4a	No
b If "Yes," enter the name of the foreign country: <input type="text"/> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts				
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?			5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b	No
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?			5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?			6a	No
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?			6b	
7 Organizations that may receive deductible contributions under section 170(c).				
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?			7a	Yes
b If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b	Yes
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c	No
d If "Yes," indicate the number of Forms 8282 filed during the year			7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f	No
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?			7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?			7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			8	
9 Sponsoring organizations maintaining donor advised funds.				
a Did the organization make any taxable distributions under section 4966?			9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?			9b	
10 Section 501(c)(7) organizations. Enter				
a Initiation fees and capital contributions included on Part VIII, line 12			10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities			10b	
11 Section 501(c)(12) organizations. Enter				
a Gross income from members or shareholders			11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)			11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year			12b	

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	1a	15	
b	Enter the number of voting members that are independent	1b	15	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line a or b, describe the process in Schedule O (See instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed▶MD , PA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶ RICHARD BARGER 960 CENTURY DRIVE MECHANICSBURG, PA 17055 (717) 795-0342

1b Total	2,609,296	0	770,867
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **27**

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
Morrison Management Company Po Box 102289 Atlanta, GA 303682289	Culinary Services	15,571,650
Wagman Construction Inc PO Box 15076 York, PA 17405	Construction	13,100,113
Healthcare Service Group Inc 3220 Tillman Drive Ste 300 Bensalem, PA 19020	Housekeeping	4,354,244
Family Design Resources Inc 471 JPL Wick Drive Harrisburg, PA 17111	SWAN Program Service	4,481,013
Prelude Systems 3911 Hartzdale Drive Camp Hill, PA 17011	IT Support	3,521,194

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **57**

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a	153,176				
	b	Membership dues	1b					
	c	Fundraising events	1c	217,490				
	d	Related organizations	1d	1,400,004				
	e	Government grants (contributions)	1e	1,673,934				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	2,842,299				
	g	Noncash contributions included in lines 1a-1f \$ 16,794						
	h	Total. Add lines 1a-1f						6,286,903
Program Service Revenue			Business Code					
	2a	SENIOR LIVING SERVICES	623,000	134,729,204	134,729,204			
	b	FAMILY AND COMMUNITY MINISTRIES	621,400	27,228,413	27,228,413			
	c	STATEWIDE ADOPTION AND PERMANENCY NETWORK	900,099	31,950,262	31,950,262			
	d	OTHER PROGRAM SERVICES	900,099	941,940	941,940			
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f			194,849,819			
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)						
				2,410,651			2,410,651	
	4	Income from investment of tax-exempt bond proceeds . . .		1,393,976			1,393,976	
	5	Royalties		0				
	6a	(i) Real						
		(ii) Personal						
		Gross Rents						
		Less rental expenses						
	b	891,851						
	c	Rental income or (loss)						
	d	245,162						
	Net rental income or (loss)			245,162	211,064	34,098		
	7a	(i) Securities						
		(ii) Other						
		Gross amount from sales of assets other than inventory						
		Less cost or other basis and sales expenses						
	b	45,358,969		643				
	c	1,079,537		1,836,343				
	d	Net gain or (loss)			2,915,880			2,915,880
	8a	Gross income from fundraising events (not including \$ 217,490 of contributions reported on line 1c) See Part IV, line 18						
a								
43,980								
b	Less direct expenses		68,761					
c	Net income or (loss) from fundraising events . . .			-24,781			-24,781	
9a	Gross income from gaming activities See Part IV, line 19							
	a							
b	Less direct expenses							
c	Net income or (loss) from gaming activities . . .			0				
10a	Gross sales of inventory, less returns and allowances							
	a							
b	Less cost of goods sold							
c	Net income or (loss) from sales of inventory . . .			0				
Miscellaneous Revenue		Business Code						
11a	TRUST INCOME		900,099	1,002,148	1,002,148			
	b	OTHER FEES	541,610	131,806	86,056	45,750		
	c	REAL ESTATE TAX REIMBURSEMENT	900,099	198,684	198,684			
	d	All other revenue		286,691	286,691			
	e	Total. Add lines 11a-11d			1,619,329			
12	Total revenue. See Instructions			209,696,939	196,634,462	79,848	6,695,726	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	163,944	163,944		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	16,600	16,600		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,254,310	0	2,039,942	214,368
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7	Other salaries and wages	67,877,601	60,557,617	6,491,282	828,702
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,853,176	3,022,782	1,794,534	35,860
9	Other employee benefits	9,418,876	8,408,831	909,838	100,207
10	Payroll taxes	5,028,853	4,371,568	587,998	69,287
11	Fees for services (non-employees)				
a	Management	153,492	153,492	0	0
b	Legal	368,175	16,906	351,269	0
c	Accounting	86,783	80,123	6,660	0
d	Lobbying	51,000			51,000
e	Professional fundraising See Part IV, line 17	33,030			33,030
f	Investment management fees	166,199	16,386	149,813	0
g	Other	6,971,976	5,561,486	1,352,861	57,629
12	Advertising and promotion	1,062,715	1,022,636	38,283	1,796
13	Office expenses	13,882,198	11,823,128	1,918,584	140,486
14	Information technology	3,588,107	2,600,932	957,722	29,453
15	Royalties	0			
16	Occupancy	10,902,295	10,178,063	723,415	817
17	Travel	2,827,156	2,293,694	471,102	62,360
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	204,473	122,632	77,306	4,535
20	Interest	8,221,449	8,194,282	27,167	0
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	12,982,627	11,826,439	1,155,797	391
23	Insurance	2,217,681	2,037,884	177,663	2,134
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	SWAN CONTRACTED SERVICES	28,118,219	28,118,219	0	0
b	CULINARY SERVICE	15,664,754	15,664,754	0	0
c	HOUSEKEEPING SERVICES	4,718,363	4,661,240	57,123	0
d	PA NH ASSESSMENT FEE	1,769,129	1,769,129	0	0
e	UNRELATED BUSINESS INC TAX	76,596	0	76,596	0
f	All other expenses	3,574,146	2,609,019	916,276	48,851
25	Total functional expenses. Add lines 1 through 24f	207,253,923	185,291,786	20,281,231	1,680,906
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			531,613	1	1,972
	2	Savings and temporary cash investments			55,806,423	2	71,008,079
	3	Pledges and grants receivable, net			981,010	3	1,061,688
	4	Accounts receivable, net			16,771,460	4	14,714,011
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net			275,398	7	451,727
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			1,364,368	9	1,802,886
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	334,609,076			
	b	Less accumulated depreciation	10b	139,076,060	186,032,149	10c	195,533,016
	11	Investments—publicly traded securities			92,200,624	11	108,193,754
	12	Investments—other securities See Part IV, line 11				12	
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets			4,857,825	14	4,572,283
	15	Other assets See Part IV, line 11			22,834,927	15	27,720,336
	16	Total assets. Add lines 1 through 15 (must equal line 34)			381,655,797	16	425,059,752
Liabilities	17	Accounts payable and accrued expenses			22,476,373	17	19,124,569
	18	Grants payable				18	
	19	Deferred revenue			61,854,645	19	59,751,983
	20	Tax-exempt bond liabilities			187,923,917	20	220,401,352
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			16,446,310	23	11,068,683
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities Complete Part X of Schedule D			41,535,564	25	26,997,633
	26	Total liabilities. Add lines 17 through 25			330,236,809	26	337,344,220
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			22,525,499	27	54,182,858
	28	Temporarily restricted net assets			2,645,202	28	3,852,253
	29	Permanently restricted net assets			26,248,287	29	29,680,421
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			51,418,988	33	87,715,532
	34	Total liabilities and net assets/fund balances			381,655,797	34	425,059,752

Part XI Financial Statements and Reporting

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .		No
b Were the organization's financial statements audited by an independent accountant?	Yes	
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .	Yes	

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Diakon Lutheran Social Ministries

Employer identification number

23-1857015

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		No
11g(ii)		No
11g(iii)		No

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12

Gross receipts from related activities, etc (See instructions)

12

13

First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14	Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2008 Schedule A, Part II, line 14	15	

16a

33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization

b

33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here**. The organization qualifies as a publicly supported organization

17a

10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here**. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b

10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here**. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18

Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1,694,884	2,969,757	6,754,798	7,460,850	6,286,903	25,167,192
2Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	91,239,489	77,236,119	167,092,200	178,416,906	194,825,038	708,809,752
3Gross receipts from activities that are not an unrelated trade or business under section 513						
4Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5The value of services or facilities furnished by a governmental unit to the organization without charge						
6Total. Add lines 1 through 5	92,934,373	80,205,876	173,846,998	185,877,756	201,111,941	733,976,944
7aAmounts included on lines 1, 2, and 3 received from disqualified persons						
bAmounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
cAdd lines 7a and 7b						
8Public Support (Subtract line 7c from line 6)						733,976,944

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9Amounts from line 6	92,934,373	80,205,876	173,846,998	185,877,756	201,111,941	733,976,944
10aGross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,780,592	3,313,936	7,355,314	6,493,227	4,015,691	23,958,760
bUnrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975			180,693	135,777	69,968	386,438
cAdd lines 10a and 10b	2,780,592	3,313,936	7,536,007	6,629,004	4,085,659	24,345,198
11Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)	418,101	413,577	2,280,272	2,127,687	1,573,579	6,813,216
13Total support (Add lines 9, 10c, 11 and 12)	96,133,066	83,933,389	183,663,277	194,634,447	206,771,179	765,135,358
14First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here	<input type="checkbox"/>					

Section C. Computation of Public Support Percentage

15Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	95.928 %
16Public support percentage from 2008 Schedule A, Part III, line 15	16	96.040 %

Section D. Computation of Investment Income Percentage

17Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	3.182 %
18Investment income percentage from 2008 Schedule A, Part III, line 17	18	3.100 %
19a33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input checked="" type="checkbox"/>	
b33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
20Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	<input type="checkbox"/>	

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Explanation
Other income is comprised of revenue from trust income and other miscellaneous revenue sources

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public
Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization Diakon Lutheran Social Ministries	Employer identification number 23-1857015
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$
- 3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ☐ Yes ☐ No
- 4a Was a correction made? ☐ Yes ☐ No
- b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities ▶ \$
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$
- 4 Did the filing organization file **Form 1120-POL** for this year? ☐ Yes ☐ No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes	<input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	Yes		
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?	Yes		
	e Publications, or published or broadcast statements?	Yes		
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		60,310
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV		No	
	j Total lines 1c through 1i			60,310
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1.
Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
Schedule C, Part II-B, 1b and 1g		In 2009, Diakon Lutheran Social Ministries engaged Malady and Wooten, and J M Uliana & Associates, LLC to conduct lobbying activities related to state legislation affecting long-term care and health and social service programs. Payments to Malady and Wooten and J M Uliana & Associates, LLC, and amounts paid to Diakon Lutheran Social Ministries' staff totaled \$60,310.
Schedule C, Part II-B, 1d		Amounts paid for mailings and publications were nominal.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Diakon Lutheran Social Ministries

Employer identification number
23-1857015

Part I

Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II

Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4

Number of states where property subject to conservation easement is located ▶ _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ▶ _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization’s financial statements that describes the organization’s accounting for conservation easements

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2009

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐

Public exhibition

b

☐

Scholarly research

c

☐

Preservation for future generations

d

☐

Loan or exchange programs

e

☐

Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance	8,760,586	8,474,260			
b Contributions	1,050,631	286,326			
c Investment earnings or losses	1,962,231				
d Grants or scholarships					
e Other expenditures for facilities and programs	1,381,279				
f Administrative expenses					
g End of year balance	10,392,169	8,760,586			

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ %

b

Permanent endowment ▶ 100 000 % %

c

Term endowment ▶ %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i) unrelated organizations

(ii) related organizations

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		No
3a(ii)		No
3b	Yes	

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		18,893,296		18,893,296
b Buildings		163,176,537	88,869,181	74,307,356
c Leasehold improvements		87,259	36,739	50,520
d Equipment		38,889,004	23,456,778	15,432,226
e Other		113,562,980	26,713,362	86,849,618
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				195,533,016

Part XIReconciliation of Change in Net Assets from Form 990 to Financial Statements		
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1209,696,939
2	Total expenses (Form 990, Part IX, column (A), line 25)	2207,253,923
3	Excess or (deficit) for the year Subtract line 2 from line 1	32,443,016
4	Net unrealized gains (losses) on investments	
5	Donated services and use of facilities	
6	Investment expenses	
7	Prior period adjustments	
8	Other (Describe in Part XIV)	8,070,960
9	Total adjustments (net) Add lines 4 - 8	98,070,960
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10,513,976

Part XIIReconciliation of Revenue per Audited Financial Statements With Revenue per Return		
1	Total revenue, gains, and other support per audited financial statements	1211,313,471
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	
a	Net unrealized gains on investments2a	
b	Donated services and use of facilities2b	
c	Recoveries of prior year grants2c	
d	Other (Describe in Part XIV)2d3,520,841	
e	Add lines 2a through 2d	2e3,520,841
3	Subtract line 2e from line 1	3207,792,630
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a96,198	
b	Other (Describe in Part XIV)4b1,808,111	
c	Add lines 4a and 4b	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5209,696,939

Part XIIIReconciliation of Expenses per Audited Financial Statements With Expenses per Return		
1	Total expenses and losses per audited financial statements	1209,010,250
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	
a	Donated services and use of facilities2a	
b	Prior year adjustments2b	
c	Other losses2c	
d	Other (Describe in Part XIV)2d4,240,786	
e	Add lines 2a through 2d	2e4,240,786
3	Subtract line 2e from line 1	3204,769,464
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	
a	Investment expenses not included on Form 990, Part VIII, line 7b4a96,198	
b	Other (Describe in Part XIV)4b2,388,261	
c	Add lines 4a and 4b	
5	Total Expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5207,253,923

Part XIVSupplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Schedule D, Part V, line 4		The intended uses of the organization's endowment funds are 1) benevolent care, 2) expansion of programs, and 3) to support current programs and activities
FIN 48 FOOTNOTE	Schedule D, Part X, LINE 2	Diakon and its controlled affiliates are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code and are exempt from federal income taxes The Corporation used a threshold of more likely than not for recognition and derecognition of the tax positions taken or expected to be taken in a tax return The Corporation does not believe that there are any unrecognized tax benefits or liabilities that should be recorded
SCHEDULE D, PARTS XI, XII AND XIII		Sched D Part XI Line 8 Other Excess(Deficit) of Other entities in consolidated financial statements Diakon Lutheran Fund deficit (738,166) Diakon Housing and Development, Inc deficit (36,040) Luther Meadows Corp excess 37,299 U P Heilman House Inc deficit (2,185) Susquehanna Housing Inc 17 _____ Subtotal (739,075) Revenue not included in Excess (deficit) in consolidated Financial statements Temporarily restricted contributions (1,275,076) Permanently restricted contributions (472,633) Temporarily restricted investment loss 706,074 Temporarily restricted net assets released 1,621,785 _____ Subtotal 580,150 Other changes Cash Surrender value of Life Insurance 19,130 Increase in Fair value of swap agreements DLSP 8,210,755 _____ Subtotal 8,229,885 Total 8,070,960 Sched D Part XII Line 2d Other Revenue of Other entities in consolidated financial statements Diakon Lutheran Fund 666,297 Diakon 881,809 Diakon Housing and Development, Inc (3,941) Luther Meadows Corp 490,880 U P Heilman House Inc 506,037 Susquehanna Housing Inc 17 _____ Subtotal 2,541,099 Items reclassified from expense for 990 reporting purposes Rental Expenses 891,851 Fundraising Expenses 68,761 _____ Subtotal 960,612 Other Cash Surrender value of Life Insurance 19,130 _____ Total 3,520,841 Sched D Part XII Line 4b Other Revenue not included in Excess(deficit) in consolidated Financial statements Temporarily restricted contributions 1,275,076 Permanently restricted contributions 472,633 Temporarily restricted investment loss (706,074) Temporarily restricted net assets released (1,621,785) _____ Subtotal (580,150) Revenue eliminated in consolidation in consolidated financial statements Diakon Lutheran Fund grant income 1,400,004 Diakon Management fee 881,601 HUD Management fee 106,656 _____ Subtotal 2,388,261 Total 1,808,111 Sched D Part XIII Line 2d Other Expenses of Other entities in consolidated financial statements Diakon Lutheran Fund 1,404,463 Diakon 881,809 Diakon Housing and Development, Inc 32,099 Luther Meadows Corp 453,581 U P Heilman House Inc 508,222 _____ Subtotal 3,280,174 Items reclassified from expense for 990 reporting purposes Rental Expenses 891,851 Fundraising Expenses 68,761 _____ Subtotal 960,612 Total 4,240,786 Sched D Part XIII Line 4b Other Expenses eliminated in consolidation in consolidated financial statements Diakon Lutheran Fund grant income 1,400,004 Diakon Management fee 881,601 HUD Management fee 106,656 Total 2,388,261

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
Diakon Lutheran Social Ministries

Employer identification number
23-1857015

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

- 1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a ☒ Mail solicitations

b ☐ Internet and e-mail solicitations

c ☐ Phone solicitations

d ☒ In-person solicitations

e ☒ Solicitation of non-government grants

f ☒ Solicitation of government grants

g ☒ Special fundraising events
- 2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☒ Yes ☐ No
- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Coremessagink	Direct Mailing		No	145,382	24,000	121,382
Total ▶				145,382	24,000	121,382

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

MD,PA

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>Dinner 1</u> (event type)	<u>Dinner 2</u> (event type)	<u>1</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts	125,489	112,981	12,000
	2	Less Charitable contributions	103,649	93,901	8,940
	3	Gross income (line 1 minus line 2)	21,840	19,080	3,060
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs	6,024	1,150	8,098
	7	Food and beverages		9,444	
	8	Entertainment			
	9	Other direct expenses	11,283	24,054	8,708
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			68,761
	11	Net income summary Combine lines 3, column d, and line 10. ▶			-24,781

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No
	7	Direct expense summary Add lines 2 through 5 in column (d) ▶			
	8	Net gaming income summary Combine lines 1, column d, and line 7 ▶			

		Yes	No
9	Enter the state(s) in which the organization operates gaming activities _____		
a	Is the organization licensed to operate gaming activities in each of these states?	9a	
b	If "No," Explain _____ _____		
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b	If "Yes," Explain _____ _____		
11	Does the organization operate gaming activities with nonmembers?	11	
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

		Yes	No
13	Indicate the percentage of gaming activity operated in		
a	The organization's facility 13a		
b	An outside facility 13b		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records		
Name ► _____			
Address ► _____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a	
b	If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____		
c	If "Yes," enter name and address		
Name ► _____			
Address ► _____			
16	Gaming manager information		
Name ► _____			
Gaming manager compensation ► \$ _____			
Description of services provided ► _____			
<input type="checkbox"/> Director/officer <input type="checkbox"/> Employee <input type="checkbox"/> Independent contractor			
17	Mandatory distributions		
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a	
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____		

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DLN: 93493314025400

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization
Diakon Lutheran Social Ministries

Employer identification number
23-1857015

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes

☐ No
- 2

Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
Lutheran Community Services1304 North Rodney Street Wilmington, DE 198064242	510102403	501(c)(3)	7,301				Feed the hungry
Feast of Justice3101 Tyson Avenue co/ Rev Tricia Neale Philadelphia, PA 19149	260392596	501(c)(3)	10,400				Food and clothing
Welcome Center2111 Sansom Street c/o The Rev Violet C Little Philadelphia, PA 19103	411568278	501(c)(3)	9,750				day ctr for homeless
Christ Lutheran Church124 South 13th Street c/o Rev Jody Silliker Harrisburg, PA 17104	231445638	501(c)(3)	25,000				Free dental clinic
Upper Susquehanna Synod PO Box 36 Lewisburg, PA 17837	363514272	501(c)(3)	20,000				Social mnstry coach
AAHSA2519 Connecticut Ave NW Washington, DC 200081520	136213525	501(c)(3)	25,000				ltc Solution Program
Lutheran Theological Seminary of Gettysburg61 Seminary Ridge GETTYSBURG, PA 173251795	231365169	501(c)(3)	39,996				Chair endowment
The Lutheran Theological Seminary at Philadelphia 7301 Germantown Ave Philadelphia, PA 171191794	231352657	501(c)(3)	20,748				Lutheran 101 bk/DVD

2

Enter total number of section 501(c)(3) and government organizations

8

3

Enter total number of other organizations

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization Diakon Lutheran Social Ministries	Employer identification number 23-1857015
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Part I

Questions Regarding Compensation

	Yes	No
1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
<input type="checkbox"/> First-class or charter travel		
<input checked="" type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Payments for business use of personal residence		
<input checked="" type="checkbox"/> Tax idemnification and gross-up payments		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		No
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		No
3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
<input checked="" type="checkbox"/> Compensation committee		
<input checked="" type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Independent compensation consultant		
<input checked="" type="checkbox"/> Compensation survey or study		
<input checked="" type="checkbox"/> Form 990 of other organizations		
<input checked="" type="checkbox"/> Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
4a Receive a severance payment or change-of-control payment?		No
4b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
4c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
5a The organization?		No
5b Any related organization?		No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
6a The organization?		No
6b Any related organization?		No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Daun E McKee PH D	(i) (ii)	293,465 0	219,475 0	8,336 0	50,010 0	72,816 0	644,102 0	215,556 0
MARK T PILE	(i) (ii)	243,304 0	250 0	5,981 0	105,148 0	11,825 0	366,508 0	0 0
RICHARD M BARGER	(i) (ii)	247,710 0	150 0	5,518 0	104,545 0	15 0	357,938 0	0 0
LINDA A CIAMPI	(i) (ii)	186,483 0	80 0	6,651 0	55,237 0	15 0	248,466 0	0 0
ALICE M CLARK	(i) (ii)	151,256 0	150 0	1,474 0	72,480 0	12,651 0	238,011 0	0 0
TAMA M CAREY	(i) (ii)	202,531	150	2,100	25,551	5,542	235,874	0
MARY ELLEN DICKEY	(i) (ii)	175,584 0	110 0	4,339 0	28,898 0	15,007 0	223,938 0	0 0
THOMAS H REED	(i) (ii)	158,051 0	150 0	5,551 0	28,560 0	10,151 0	202,463 0	0 0
JEANNE M OSKI	(i) (ii)	139,882 0	100 0	941 0	37,460 0	4,069 0	182,452 0	0 0
DAVID B BAKER	(i) (ii)	131,967 0	0 0	1,609 0	32,668 0	13,497 0	179,741 0	0 0
JOHN J PALKOVITZ	(i) (ii)	154,966 0	250 0	1,422 0	8,459 0	13,206 0	178,303 0	0 0
BECKEY L VANETTEN	(i) (ii)	139,234 0	150 0	5,699 0	16,493 0	12,007 0	173,583 0	0 0

Part III

Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
Schedule J, Part I, Question 1a		Tax indemnification and gross-up payments - 2009 is the first year for the DLSP wellness initiative which included a bonus (with a gross-up) to net an amount based on the steps completed in the program. The DLSP employee recognition program includes a cash appreciation/recognition gift for retirees of ten (10) or more years of service. There is a gross-up to the cash amount to net an established cash amount based on the years of service. The gross-ups to net an established amount of money for the DLSP wellness and employee recognition program are approved by members of the management team (at least the senior vice president, human resources and the senior vice president of the line of business) to endorse consistency. The four individuals who received the Life/Wellness Incentive and gross-up and the amounts of the incentive and gross-up are reported in Part VII, Section A, Column D and Schedule J, Part II, Columns Bii (Life/Wellness Incentive) and Biii (amount of gross-up) are listed below: Alice M. Clark \$170,035; Jeanne M. Oski \$113,350; Mark T. Pile \$105,910; John J. Palkovitz \$105,910. The individual who received the retiree gift and gross-up and the amounts of the gift and gross-up are reported in Part VII, Section A, Column D and Schedule J, Part II, Columns Bii (retiree gift) and Biii (amount of gross-up) is listed below: Daun E. McKee, PhD \$529,550. Housing allowance - DLSP provides a mechanism for ordained ministers employed by the Agency who have responsibility for the administration and maintenance of the Agency or who are employed to perform sacerdotal functions for the Agency to have a portion of their compensation designated as a clergy housing allowance in accordance with Internal Revenue Service regulations. To be eligible, an ordained minister must be under "call" to the Agency by the ELCA through one of its synods or by the appropriate church body of another denomination. Job titles are identified in the policy for those who are eligible. Eligible ordained ministers who elect to take the clergy housing allowance are responsible for keeping accurate records for tax purposes. DLSP, as an employer, is responsible for designating the amount of an individual's clergy housing allowance. If an estimate of home expenses, which is completed annually by eligible ordained ministers, appears unreasonable, documentation will be required from the clergy person to support actual costs or an independent assessment of fair rental value is conducted. The approval and implementation processes are outlined in the policy. The two individuals who receive a housing allowance and the amounts of the housing allowance are reported in Part VII, Section A, Column F (for both individuals) and Schedule J, Part II, Column D (for the first listed individual) are listed below: Daun E. McKee, PhD \$60,900.06; Lisa M. Leber \$22,499.88.
Schedule J, Part I, Question 3		See Schedule O in reference to Part VI, Section B, Line 15 for a detailed description of the organization's executive compensation policy.
Schedule J, Part I, Question 4b		Five key employees were offered and signed agreements which include a 457(f) supplemental nonqualified benefit, two were effective in 1/1/2006, two were effective 7/1/2008 and one was effective June 1, 2009. This benefit was added to recognize the significant contributions of identified key employees in the past, and in consideration of expected contribution to the growth of DLSP, its affiliates and subsidiaries in the future, and in exchange for additional income benefits and a new supplemental executive retention plan. The annual accruals and interest earnings for the 457(f) supplemental nonqualified benefit plans are reported in Part VII, Section A, Column F and Schedule J, Part II, Column C. As a condition for participating in the 457(F) supplemental nonqualified benefit plan, the key employees who have signed the applicable agreements must be employed at the vesting date and have agreed to certain restrictive covenants that prohibit the key employee, for a specified period of time, from accepting employment with competitor organizations. The five individuals who are participating in the 457(F) Plan and the amounts of this plan that are reported in Part VII, Section A, Column F, and Schedule J, Part II, column C are listed below: Linda A. Ciampi \$33,694.74; Alice M. Clark \$28,850.23; Jeanne M. Oski \$21,912.87; David B. Baker \$21,364.46; Mary Ellen Dickey \$15,735.60.

Schedule K (Form 990)	<div>Supplemental Information on Tax Exempt Bonds</div> <div>▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.</div>		OMB No 1545-0047	
			2009	
			Open to Public Inspection	
Department of the Treasury Internal Revenue Service		Name of the organization Diakon Lutheran Social Ministries		Employer identification number 23-1857015

Part I

Bond Issues

	(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer	
							Yes	No	Yes	No
A	SEE SCHEDULE O	23-6003119	SCHEDULE0	09-30-2003	26,020,000	SEE SCHEDULE O		X		X
B	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614BU2	07-01-2005	10,605,000	See Schedule O		X		X
C	Cumberland County Municipal Authority	23-6003119	230614CK3	01-30-2007	63,635,926	SEE SCHEDULE O		X		X
D	Cumberland County Municipal Authority	23-6003119	230614EK1	12-10-2009	122,154,764	See Schedule O		X		X

Part II

Proceeds

		A		B		C		D		E	
1	Total proceeds of issue	26,738,669		10,610,264		69,776,186		123,210,000			
2	Gross proceeds in reserve funds	7,472,723				7,472,723		13,345,734			
3	Proceeds in refunding or defeasance escrows	76,789,281						76,789,281			
4	Other unspent proceeds	1,084,061				21,659,952		25,248,486			
5	Issuance costs from proceeds	1,546,926		322,398		1,051,817		1,988,038			
6	Working capital expenditures from proceeds										
7	Capital expenditures from proceeds	4,414,719		10,309,499		39,591,832		5,838,461			
8	Year of substantial completion	2004		2004							
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?	X			X		X				
10	Were the bonds issued as part of an advance refunding issue?		X		X		X		X		
11	Has the final allocation of proceeds been made?		X		X		X		X		
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X			

Part III

Private Business Use

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X		
2	Are there any lease arrangements with respect to the financed property which may result in private business use?	X		X		X			X		

Part III

Private Business Use (Continued)

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts with respect to the financed property which may result in private business use?	X		X		X			X		
3b	Are there any research agreements with respect to the financed property which may result in private business use?		X		X		X		X		
3c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?	X		X		X		X			
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government		2 490 %				1 760 %		1 810 %		
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government		0 100 %				0 070 %				
6	Total of lines 4 and 5		2 590 %				1 830 %		1 810 %		
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X			

Part IV

Arbitrage

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?	X			X		X		X		
2	Is the bond issue a variable rate issue?	X		X			X		X		
3a	Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		X		X		X	X			
b	Name of provider	Wells Fargo									
c	Term of hedge		18 08						18 08		
4a	Were gross proceeds invested in a GIC?	X		X		X			X		
b	Name of provider	Citigroup									
c	Term of GIC		2 74				2 74				
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?	X				X					
5	Were any gross proceeds invested beyond an available temporary period?	X			X		X		X		
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X		

Schedule L
(Form 990 or 990-EZ)

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons
▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization Diakon Lutheran Social Ministries	Employer identification number 23-1857015
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Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?
			YesNo
2	Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$		
3	Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$		

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Mitchell Possinger	curaca hospitaity	Fmr Brd Member	DLSM 926,865	culinary services for FMV	No
Richard M Barger	ret partner of E	EVP & CFO of DLSM	73,335	CONSULTING SERVICES FOR FMV	No

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
Diakon Lutheran Social Ministries

Employer identification number
23-1857015

Identifier	Return Reference	Explanation
Form 990, Part III, Question 1		Diakon Lutheran Social Ministries ("DLSM"), a Pennsylvania non-profit corporation, offers a range of senior living, health care, and social services in Pennsylvania, Maryland, and Delaware, including nursing and rehabilitative centers, continuing care retirement communities, personal care and assisted living accommodations, community-based services for older adults, adoption and foster care, child day care, counseling and related mental-health supportive services, in-home services, hospice and home health services, a range of outdoor-based programs for delinquent and adjudicated youths, and a program that links corporate donations of in-kind goods with non-profit organizations that provide those goods, free of charge, to local people in need DLSM is affiliated with the Evangelical Lutheran Church in America through Lutheran Services in America and is one of the larger Lutheran social ministry organizations in the United States DLSM, whose name derives from a Greek term for "one assigned by the church to minister to the needs of others," offers programs that aid people from the new born through the most senior at approximately 50 service centers and senior living communities in its three-state territory STATEMENT OF PROGRESS SERVICE ACCOMPLISHMENTS In 2009, Diakon Lutheran Social Ministries served more than 578,000 individuals in Pennsylvania, Maryland, and Delaware through such services as residential accommodations for older persons, nursing care, adoption, child day care, adult day services, counseling and related mental-health services, in-home services, hospice and home health, a range of community- and outdoor-based programs for delinquent and adjudicated youths, and the partnerships between the organization and other non-profits with a goal of providing corporately donated goods, free of charge, to people in need Charity Care and Support of Those In Need DLSM provides charity care and other support of those in need to many of the programs and individuals that it serves DLSM maintains records to identify and monitor the amount of charity care it provides These records include charges foregone, based on established rates, for services and supplies furnished under its charity care policy, and the estimated cost of those services and supplies Support of those in need includes services provided to persons within our Senior Living Services (SLS) line of service who cannot afford healthcare because of inadequate resources and/or who are uninsured or underinsured A number of programs operated by DLSM's Family and Community Ministries (FCM) do not receive sufficient funding from the sponsoring organizations or from program fees to meet the needs of the people they serve DLSM has elected to underwrite the operating deficits of certain programs in order to serve as many of the identified needs as possible The following is a summary of the value of DLSM's support of these programs during the year ended December 31, 2009 Support provided to SLS Residents Medical Assistance cost in excess of contractual reimbursement \$ 7,777,305 Charity care in support of those in need \$ 2,705,876 FCM programs supported by the DLSM (Charity Care) Children's Services \$ 1,951,602 Behavioral Health \$ 834,669 Family life and congregation \$ 358,087 Community Services \$ 878,034 Home services for seniors \$ 69,947 _____ \$ 4,092,339 _____ TOTAL \$ 14,575,520 ===== In 2009, Diakon Lutheran Social Ministries provided the following Residential and eldercare 860,271 care days HUD Housing Projects 84,996 care days Childcare and youth services 111,443 care days Community services for seniors 11,627 persons served Hospice care 57,741 care days Palliative Care 798 care days Adult day services 14,369 care days Congregational services app 1,955 unduplicated persons served Diakon Family Life Services 13,059 unduplicated persons served Adoption & foster care 1,885 family members served Statewide Adoption & Permanency Network (contract to manage) 27,133 family members served Adoption 90 finalizations Diakon Kathryn's Closet 507,000 individuals served through partnerships with non-profits using corporately donated goods supplied through Diakon Kathryn's Closet
Form 990, Part VIIA Governance, Management and Disclosure		Line 6 The sole member of DLSM is Diakon, a PA non-profit corporation Line 7a A majority of the members of the governing body (the DLSM board of directors) are elected by a majority vote of the bishops of the following synods of the Evangelical Lutheran Church in America Northeastern Pennsylvania Synod, Southeastern Pennsylvania Synod, Delaware-Maryland Synod, Upper Susquehanna Synod, and Lower Susquehanna Synod The remaining members of the board are elected by the board from a slate of candidates presented by the board development committee Line 7b The sole member of DLSM is Diakon, a PA non-profit corporation Diakon has approval rights, specified in both the DLSM and Diakon by-laws, over certain types of actions by DLSM's governing body

Identifier	Return Reference	Explanation
Form 990, Part VII B Policies		LINE 11A Members of senior management and of the finance department, including the Executive VP/CFO, SVP/Human Resources, SVP/Advancement, SVP/Chief Legal and Compliance Officer, VP/Corporate Communications and Public Relations, and VP/Financial Services, participated in developing the draft 990 in consultation with KPMG, which was engaged to provide assistance Senior management and finance staff reviewed and revised drafts The final draft of Diakon Lutheran Social Ministries' 990 was provided to the members of the board and received and accepted by the Diakon Lutheran Social Ministries' governing body at its regular quarterly meeting on August 18, 2010 LINE 12C DLSM's senior vice president/chief legal and compliance officer reviews DLSM's conflict of interest statement and certification form annually at DLSM's regular quarterly meeting each November All board members and all officers and key employees are required to complete a certification form and disclose possible or actual conflicts of interest The completed forms are reviewed by the senior vice president/chief legal and compliance officer and by DLSM's outside auditor during the annual audit LINES 15A AND 15B Executive Compensation Philosophy DLSM seeks to attract, reward and retain critical leadership talent in order to fulfill its mission and organizational strategic initiatives A Compensation Committee of independent directors utilizes external consultants to assist with the development, administration, and termination of compensation, welfare, benefit, pension and other plans, which take into account appropriate industry benchmarks and the compensation policies followed by organizations similarly situated to DLSM The board Compensation Committee has adopted a written "charter", which sets forth the purpose, membership and responsibilities of the Committee In addition, it conducts its activities in compliance with DLSM's "Excess Benefits Transactions" policy, which requires review and approval by independent persons, comparability data and contemporaneous substantiation of the deliberation and decision DLSM's executive compensation program consists of two major components base salary and variable pay Base salary is the primary component, it reflects the value of an executive's capabilities and experience Through the variable pay component, DLSM is able to reward executives for successfully meeting mission, financial, operational, and quality objectives Base salary and variable pay together represent total cash compensation Due to broader economic issues and their impact on DLSM's operations, in early 2009 a six percent reduction in the base salary of executives and other leadership was implemented In addition, no variable pay was given in early 2009 for 2008 executive performance In October 2009, DLSM's external consultant met with the chair of the board Compensation Committee and DLSM's President/CEO, Executive VP/COO, Executive VP/CFO, and SVP/Human Resources to review the impact the national economic situation has had on executive compensation Information about executive compensation issues and decisions is reported to the full board of directors at regular meetings Employee Benefits DLSM provides all employees, including executives, with a comprehensive benefit plan that includes health insurance, dental insurance, life and disability insurance, a defined benefit pension plan and a defined contribution retirement plan Supplemental Retirement Plan (SERP) DLSM's Board of Directors has established a SERP, which is a nonqualified defined benefit plan, under which DLSM may pay supplemental retirement benefits to key executives in addition to amounts under the DLSM pension plan The SERP was added to provide equitable and competitive post-retirement income for Board selected senior executives The 2009 annual cost accrued for this plan is noted in Schedule J, Part II The SERP is not funded and the liability for this plan was \$258,171 at December 31, 2009 and is reported in other long-term liabilities As a condition for participating in the SERP, the executive must be employed at the vesting date and have agreed to certain restrictive covenants that prohibit the executive, for a specified period of time, from accepting employment with competitor organizations The amount deferred under this plan (not substantially vested) is recorded in Schedule J (Form 990), Part II, column C in the Form 990 for the year ending December 31, 2009 The SERP for the CEO/President was amended June of 2008, making the CEO/President eligible as of December 31 of each year, beginning with December 31, 2008, for Compensation in Lieu of the SERP The payout of this amount is included in Schedule J, Part II, column B(ii) of the 2009 Form 990 Five key employees were offered and signed agreements which include a 457(f) supplemental nonqualified benefit, two were effective in 1/1/2006, two were effective 7/1/2008 and one was effective June 1, 2009 This benefit was added to recognize the significant contributions of identified key employees in the past, and in consideration of expected contribution to the growth of DLSM, its affiliates and subsidiaries in the future, and in exchange for additional income benefits and a new supplemental executive retention plan The annual accruals and interest earnings for the 457(f) supplemental nonqualified benefit plans are reported in Part VII, Section A, Column F and Schedule J, Part II, Column C As a condition for participating in the 457(F) supplemental nonqualified benefit plan, the key employees who have signed the applicable agreements must be employed at the vesting date and have agreed to certain restrictive covenants that prohibit the key employee, for a specified period of time, from accepting employment with competitor organizations

Form 990, Part VI C Disclosure, 19 DL SM makes its governing documents (articles of incorporation and bylaws) and conflict of interest policy available upon request A statement of financial position is published in the organization's annual report, which is mailed to the approximately 120,000 individuals on the organization's publication mailing list The audited consolidated financial statements and annual report are available on the DL SM website at Diakon org, as well as upon request Form 990, Part XI, lines 2 and 3 Diakon, the parent of DL SM, has an annual audit of the consolidated financial statements for Diakon and controlled affiliates performed by an independent accounting firm The audit committee of the DL SM board of directors assumes responsibility for the oversight of the audit and selection of the independent accounting firm Diakon also has an annual audit under the single audit act and OMB Circular A-133, performed by an independent accounting firm for the consolidated group FORM 990, SCHEDULE G, PART II Fundraising events serve many purposes and are not evaluated solely on the basis of dollars raised Those purposes are to provide an opportunity for corporate support, create an environment to introduce new donors to the organization, educate large numbers of individuals and corporations on a specific program or programs, and raise funds while engaging corporate leaders in the fundraising process Gross receipts reported do not reflect certain gift-in-kind donations

Identifier	Return Reference	Explanation
FORM 990, SCHEDULE K	Bond A (2003 Series A and E)	<p>2003 Series A (a) Issuer Name- Cumberland County Municipal Authority (b) Issuer EIN - 23-6003119 (c) CUSIP#-230614BT5 (d) Date Issued-09/30/2003 (e) Issue Price - \$5,555,000 (f) Description of Purpose - The 2003A Bonds were issued by the Authority to finance a project for the benefit of DL SM, comprised of, among other things, (1) the current refunding of a portion of the outstanding Berks County Industrial Development Authority Revenue Bonds, Series A of 1993, (2) the current refunding of a portion of the outstanding Berks County Industrial Development Authority Revenue Bonds, Series A of 1998, and (3) paying all or a portion of the costs and expenses of issuance of the 2003A Bonds Arbitrage Footnote Pursuant to Section 5(f) of the Certificate for the 2003A Bonds and 2003D Bonds, the Authority's 2003A Bonds and 2003D Bonds, along with the County Commissioners of Washington County, Maryland's 2003E Bonds were considered a single issue as described in Section 1 150-1 of the Income Tax Regulations for Arbitrage rebate and yield computation purposes Along with the issuance of the 2003A, 2003D, and 2003E Bonds, the Authority also issued the 2003B and 2003C Bonds The 2003B and 2003C Bonds were taxable issues and not subject to rebate restrictions and were excluded from all rebate calculations After evaluation for the initial rebate computation period, no arbitrage liability existed for the bonds as of the September 30, 2008 Installment Computation date The next computation date is scheduled to occur on September 30, 2013 2003 Series D The Series D of 2003 - CUSIP 230614BS7 with an issue price of \$43,000,000 issued on 09/30/2003 was refunded in December, 2009 The outstanding principal and interest balance was \$42,110,000 and \$86,209 2003 Series E (a) Issuer Name- County Commissioners of Washington County (b) Issuer EIN - 52-6001037 (c) CUSIP#-937752AB9 (d) Date Issued-09/30/2003 (e) Issue Price - \$20,465,000 (f) Description of Purpose - The 2003E Bonds were issued by the County to finance a project for the benefit of DL SM comprised of (1) the refunding of the outstanding Maryland Industrial Development Authority Economic Development Revenue Bonds, Series C of 1994, (2) the current refunding of a loan from the Maryland Health and Higher Education Facilities Authority, (3) the acquisition, construction, improvement, renovation and equipping of various long-term care, assisted living and independent living facilities located in Washington County, and (4) payment of the costs and expenses of issuance of the 2003E Bonds Arbitrage Footnote Pursuant to Section 5(f) of the Certificate for the 2003A Bonds and 2003D Bonds, the Authority's 2003A Bonds and 2003D Bonds, along with the County Commissioners of Washington County, Maryland's 2003E Bonds were considered a single issue as described in Section 1 150-1 of the Income Tax Regulations for Arbitrage rebate and yield computation purposes Along with the issuance of the 2003A, 2003D, and 2003E Bonds, the Authority also issued the 2003B and 2003C Bonds The 2003B and 2003C Bonds were taxable issues and not subject to rebate restrictions and were excluded from all rebate calculations After evaluation for the initial rebate computation period, no arbitrage liability existed for the bonds as of the September 30, 2008 Installment Computation date The next computation date is scheduled to occur on September 30, 2013 Issuance costs from proceeds Issuance Costs \$ 513,121 Costs of Qualified Guarantees/Credit Enhancement \$ 1,033,805 Total \$ 1,546,926 Bond B (2003 Series C) 2003 Series C (a) Issuer Name- Cumberland County Municipal Authority (b) Issuer EIN - 23-6003119 (c) CUSIP#-230614BU2 (d) Date Issued-07/01/2005 (e) Issue Price - \$10,605,000 (f) Description of Purpose - The 2003C Bonds were issued by the Authority to finance a project for the benefit of DL SM, comprised of, among other things, (1) a portion of the costs of the acquisition, construction, renovation, improvement and equipping of existing skilled nursing, assisted living and independent living facilities know as Cumberland Crossings located in Cumberland County, and (2) payment of a portion of the costs and expenses of issuance of the 2003C Bonds Issuance costs from proceeds Issuance Costs \$ 189,735 Credit Enhancement Costs \$ 132,663 Total \$ 322,398 The 2003C Bonds were remarketed as tax-exempt beginning 07/01/2005 The 2003C Bonds qualify for an exception to the rebate requirements Bond C (2007 Series A) 2007 Series A (f) Description of Purpose - The 2007A were issued by the Authority to finance a project for the benefit of DL SM comprised of, among other things, (1) the acquisition, construction, renovation, improvement and equipping of existing skilled nursing, assisted living and independent living facilities, and (2) the payment of a portion of the costs and expenses of issuing the 2007A Bonds Pursuant to section 5(f) of the Bond Agreement, the 2007A Bonds were a single issue The Bonds were still outstanding as of the end of the Tax Period and have not otherwise been reissued for tax purposes An interim computation for the 2007A Bonds has been calculated, and based upon the arbitrage computation report, there was no rebate liability due for the interim January 20, 2009 period Bond D (2009 Series) 2009 Series (f) The 2009 Bonds were being issued by the Authority to finance a project for the benefit of DL SM comprised of, among other things, (1) the current refunding of the Authority's Revenue Bonds Series D of 2003 (see note below for additional details, (2) the current refunding of the Authority's Variable Rate Revenue Bonds, Series B of 2007 (see note below for additional details, (3) the acquisition, construction, renovation, improvement and equipping of administrative, skilled nursing, assisted living and independent living facilities, (4) the funding of a debt service reserve fund for the bonds, (5) the payment of one or more termination payments with respect to certain outstanding interest rate management agreements, (6) the payment of the costs and expenses incident to the issuance of the 2009 Bonds Refunding Summary Series D of 2003 - CUSIP 230614BS7 with an issue price of \$43,000,000 issued on 09/30/2003 The outstanding principal and interest balance was \$42,110,000 and \$86,209 Series B of 2007 - CUSIP 230614CL1 with an issue price of \$47,400,000 issued on 01/30/2007 The outstanding principal and interest balance was \$44,375,000 and \$2,115 As part of the refunding process, realized gains were recognized on unspent 2007B funds, resulting in an arbitrage rebate payment of \$13,087 This rebate was submitted in February 2010, within the 180 required period The total refunded principal and interest of the two series was \$86,573,324 The 2009 Series refunded \$76,789,281 The debt service funds associated with those two series refunded the difference</p>

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?	
							Yes	No		Yes	No

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
INSTITUTE FOR STRATEGIC MANAGEMENT INC 960 CENTURE DRIVE MECHANICSBURG, PA17055 26-4316868	CONSULTING	PA	DIAKON	C CORP	0	0	0 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

Yes

1o

Yes

1p

Yes

1q

No

1r

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved
(1)	See Additional Data Table		
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2009

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Additional Data

Software ID:
Software Version:
EIN: 23-1857015
Name: Diakon Lutheran Social Ministries

Form 990, Part III - 4 Program Service Accomplishments (See the Instructions)

4d. Other program services					
(Code) (Expenses \$	1,707,164	including grants of \$	105,044) (Revenue \$	941,940)
HUD and Other programs					

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
Dr Don Main Vice-Chair	1 0	X						0	0	0
Maurice Bobst Board Member	1 0	X						0	0	0
Lynn M Cromley Board Member	1 0	X						0	0	0
Larry Delp Board Member	1 0	X						0	0	0
Paul Horger Esq Chair	1 0	X						0	0	0
Dr Addie J Butler Board Member	1 0	X						0	0	0
Dr Phil Krey Board Member	1 0	X						0	0	0
Anita Langford Board Member	1 0	X						0	0	0
Erich March Board Member	1 0	X						0	0	0
John Pearson Board Member	1 0	X						0	0	0
J Douglas Price Board Member	1 0	X						0	0	0
Joyce Herschberger Board Member	1 0	X						0	0	0
Susan Schellenberg Secretary	1 0	X						0	0	0
Dr Jesse Weigel Board Member	1 0	X						0	0	0
Lisa Tancredi Esq Board Member	1 0	X						0	0	0
Daun E McKee PH D President/CEO	40 0			X				521,276	0	122,826
MARK T PILE Executive VP/COO	40 0			X				249,535	0	116,973
RICHARD M BARGER Executive VP/CFO	40 0			X				253,378	0	104,560
LINDA A CIAMPI SVP OF FAMILY/COMM MINISTRIES	40 0				X			193,214	0	55,252
ALICE M CLARK SVP OF HUMAN RESOURCE SVCS	40 0				X			152,880	0	85,131
TAMA M CAREY SVP OF SENIOR LIVING SERVICES	40 0				X			204,781		31,093
MARY ELLEN DICKEY SVP OF AD EVENTS & GOVT REL	40 0				X			180,033	0	43,905
THOMAS H REED VP of Project, Planning & Impl	40 0				X			163,752	0	38,711
JEANNE M OSKI Exec Dir of Luther Crest	40 0					X		140,923	0	41,529
DAVID B BAKER VP, Chief Information Officer	40 0					X		133,576	0	46,165

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN J PALKOVITZ VP, Financial Services	40.0					X		156,638	0	21,665
BECKEY L VANETTEN VP, Clinical Operations	40.0					X		145,083	0	28,500
Lisa Leber Esq SVP, Chief Lgl & Compliance Off	40.0					X		114,227	0	34,557

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
SWAN CONTRACTED SERVICES	28,118,219	28,118,219	0	0
CULINARY SERVICE	15,664,754	15,664,754	0	0
HOUSEKEEPING SERVICES	4,718,363	4,661,240	57,123	0
PA NH ASSESSMENT FEE	1,769,129	1,769,129	0	0
UNRELATED BUSINESS INC TAX	76,596	0	76,596	0

Software ID:
Software Version:
EIN: 23-1857015
Name: Diakon Lutheran Social Ministries

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity
Diakon 798 Hausman Road Ste 300 Allentown, PA 18104 23-3014613	parent co	PA	501(C)(3)	11	NA
Diakon Lutheran Fund 798 Hausman Road Ste 300 Allentown, PA 18104 23-1365978	fund programs	PA	501(C)(3)	11	NA
Diakon Lutheran Senior Housing at Luther 798 Hausman Road Ste 300 Allentown, PA 18104 23-2837747	HUD Housing	PA	501(C)(3)	9	NA
Diakon Housing and Development 798 Hausman Road Ste 300 Allentown, PA 18104 30-0137524	Community Dev	MD	501(C)(3)	11	NA
Susquehanna Housing Inc 798 Hausman Road Ste 300 Allentown, PA 18104 23-2040250	INACTIVE	PA	501(C)(3)	11	NA
Diakon Lutheran Senior Housing at Heilma 798 Hausman Road Ste 300 Allentown, PA 18104 23-2463233	HUD Housing	PA	501(C)(3)	9	NA

Form 990, Schedule R, Part V - Transactions With Related Organizations

(a) Name of other organization		(b) Transaction type(a-r)	(c) Amount Involved (\$)
(1)	Diakon Lutheran Fund	c	1,400,004
(2)	Diakon Senior Housing at Luther Meadows	n	80,797
(3)	Diakon Senior Housing at Heilman	n	82,495
(4)	Diakon Senior Housing at Luther Meadows	p	28,395
(5)	Diakon Senior Housing at Heilman	p	29,274
(6)	Diakon	o	881,809
(7)	Diakon	P	881,809
(8)	Diakon Lutheran Fund	C	162,696