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Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☐ ☒

1

Briefly describe the organization's mission

IN RESPONSE TO GOD'S LOVE IN JESUS CHRIST, DIAKON LUTHERAN SOCIAL MINISTRIES WILL DEMONSTRATE GOD'S COMMAND TO LOVE THE NEIGHBOR THROUGH ACTS OF SERVICE

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 organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 \$ 126,884,266 including grants of \$ 4,066 ) (Revenue \$ 124,494,972 )

Senior Living Services SEE SCHEDULE O

4b

(Code ) (Expenses \$ 15,464,453 including grants of \$ ) (Revenue \$ 14,584,515 )

Services for Children, Families, and Communities SEE SCHEDULE O

4c

(Code ) (Expenses \$ 48,866,279 including grants of \$ ) (Revenue \$ 48,866,279 )

Statewide Adoption Network SEE SCHEDULE O

4d

Other program services (Describe in Schedule O )

(Expenses \$ 1,746,503 including grants of \$ 85,250 ) (Revenue \$ 3,388,504 )






















4e

Total program service expenses

192,961,501

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 (see instructions)? 	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 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which 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 for escrow or custodial account liability, 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 temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10 Yes	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI 	11a Yes	
b 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 	11b	No
c 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 	11c	No
d 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 	11d Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	11e Yes	
f 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 (ASC 740)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b Yes	
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, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	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 (see instructions) 	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
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government 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 or 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, line 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 lines 24b through 24d and complete Schedule K. If "No," go to line 25a</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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <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 (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . .	29	Yes	
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	Yes	
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, Part II, III, or IV, and Part V, line 1</i> . . . . .	34	Yes	
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	Yes	
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b	Yes	
36	<b>Section 501(c)(3) organizations.</b> 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 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

Part V

Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

☐

		Yes	No			
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	379			
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0			
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, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	2,673			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	Yes			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes			
b	If "Yes," has it filed a Form 990-T for this year? <i>If "No" to line 3b, provide an explanation in Schedule O.</i>	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: _____ See instructions for 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?	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 as charitable contributions?	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	<b>Organizations that may receive deductible contributions under section 170(c).</b>					
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 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	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g				
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h				
8	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> 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	<b>Sponsoring organizations maintaining donor advised funds.</b>					
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	<b>Section 501(c)(7) organizations.</b> 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	<b>Section 501(c)(12) organizations.</b> 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	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> 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				
13	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>					
a	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b				
c	Enter the amount of reserves on hand.	13c				
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a				No
b	If "Yes," has it filed a Form 720 to report these payments? <i>If "No," provide an explanation in Schedule O.</i>	14b				

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.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . . . . .	15	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O			
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .	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 governing documents since the prior Form 990 was filed? . . . . .	4	No
5	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .	5	No
6	Did the organization have members or stockholders? . . . . .	6	Yes
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .	7a	Yes
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .	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	Did the organization have local chapters, branches, or affiliates? . . . . .	10a	No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . . . . .	10b	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	11a	Yes
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	12a	Yes
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	12b	Yes
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	12c	Yes
13	Did the organization have a written whistleblower policy? . . . . .	13	Yes
14	Did 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 15a or 15b, 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	Yes
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .	16b	Yes

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 made these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
19	Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶RICHARD BARGER 1022 N UNION STREET MIDDLETOWN, PA 17057 (717) 795-0342

Part VII

Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(1) MAURICE BOBST BOARD MEMBER	1 0 2 0	X						0	0	0
(2) DR BARRY PARKS BOARD MEMBER	1 0 0 0	X						0	0	0
(3) LARRY DELP CHAIR	1 0 2 0	X						0	0	0
(4) GREG RHODES BOARD MEMBER	1 0 0 0	X						0	0	0
(5) DR ADDIE J BUTLER BOARD MEMBER	1 0 2 0	X						0	0	0
(6) DR PHIL KREY BOARD MEMBER	1 0 2 0	X						0	0	0
(7) ERICH MARCH VICE-CHAIR	1 0 0 0	X						0	0	0
(8) JOSEPH SKILLMAN BOARD MEMBER	1 0 1 0	X						0	0	0
(9) JOYCE HERSHBERGER BOARD MEMBER	1 0 0 0	X						0	0	0
(10) BISHOP SAM ZEISER BOARD MEMBER	1 0 0 0	X						0	0	0
(11) JEFF BOLAND Board Member	1 0 0 0	X						0	0	0
(12) Holly Heintzelman Secretetary	1 0 0 0	X						0	0	0
(13) BARBARA FEEGE BOARD MEMBER	1 0 0 0	X						0	0	0
(14) CHAD HEBRINK Board Member	1 0 0 0	X						0	0	0
(15) LAURIE SALTZGIVER BOARD MEMEBER	1 0 0 0	X						0	0	0
(16) MARK T PILE PRESIDENT/CEO	30 75 6 75			X				712,414	0	-169,531
(17) RICHARD M BARGER EXECUTIVE VP/CFO	32 0 5 5			X				517,834	0	62,590



Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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			
(18) SCOTT HABECKER EXECUTIVE VP/COO	35 3 2 2			X				258,860	0	60,351
(19) Richard H Reed SVP/Chief Risk Officer	36 0 1 5				X			229,367	0	19,251
(20) Mary Ellen Dickey SVP/Advancement	30 0 7 5				X			185,952	0	57,884
(21) Alice M Clark SVP/Human Resources	36 5 1 0				X			165,101	0	18,222
(22) John J Palkovitz JR VP/Financial Services	30 5 7 0					X		166,325	0	14,430
(23) Jeanne M Oski VP/Sr Living Communities	36 5 1 0					X		279,149	0	24,389
(24) William Swanger SVP/Corp Communication	34 5 3 0					X		142,663	0	21,162
(25) Lauren R Conzaman VP/Child&FamilyMinistries	37 5 0 0					X		134,441	0	13,609
(26) Mitchell R Huston Manager of Mktg & Sales	37 5 0 0					X		129,229	0	11,323
<b>1b Sub-Total</b>										
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								2,921,335	0	133,680

<b>2</b>	Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization	24
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	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>4</b> 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	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual 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 Report compensation for the calendar year ending with or within the organization's tax year		
(A) Name and business address	(B) Description of services	(C) Compensation
Morrison Management Specialist, Po Box 102289 ATLANTA GA 303682289	Culinary/Housekpng	22,020,750
Family Design Resources Inc, 471 JPL Wick Drive HARRISBURG PA 17111	SWAN Program Service	12,697,129
Benchmark Construction Co Inc, 4121 Oregon Pike BROWNSTOWN PA 17508	CONSTRUCTION	14,462,213
WOHLSEN CONSTRUCTION CO, PO Box 4612 LANCASTER PA 17604	CONSTRUCTION	11,813,999
Wagman Construction Inc, 3290 North Susquehanna TrailYORK PA 174069754	Construction	4,422,265
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶67		

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns . . .	1a	88,046			
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c	222,698			
	d	Related organizations . . . .	1d	1,100,004			
	e	Government grants (contributions)	1e	1,717,795			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,385,547			
	g	Noncash contributions included in lines 1a-1f \$		194,867			
	h	Total. Add lines 1a-1f . . . . .		6,514,090			
Program Service Revenue			Business Code				
	2a	SENIOR LIVING SERVICES	623000	124,280,956	124,280,956		
	b	FAMILY AND COMMUNITY MINISTRIES	621400	14,360,632	14,360,632		
	c	STATEWIDE ADOPTION AND PERMANENCY NETWORK	900099	48,866,279	48,866,279		
	d	OTHER PROGRAM SERVICES	900099	2,455,862	2,455,862		
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		189,963,729			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		3,641,642		2,645	3,638,997
	4	Income from investment of tax-exempt bond proceeds . .		234,914			234,914
	5	Royalties . . . . .		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	865,657				
	b	Less rental expenses	965,991				
	c	Rental income or (loss)	-100,334	0			
	d	Net rental income or (loss) . . . . .		-100,334	-11,691	-88,643	0
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	160,439,702	4,005,062			
	b	Less cost or other basis and sales expenses	154,463,730	3,925,879			
	c	Gain or (loss)	5,975,972	79,183			
	d	Net gain or (loss) . . . . .		6,055,155			6,055,155
	8a	Gross income from fundraising events (not including \$ 222,698 of contributions reported on line 1c) See Part IV, line 18 . . . . .					
		a	33,570				
	b	Less direct expenses . . . . .	b	75,653			
	c	Net income or (loss) from fundraising events . .		-42,083			-42,083
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .					
		a					
	b	Less direct expenses . . . . .	b				
	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 . . . . .	b				
	c	Net income or (loss) from sales of inventory . .		0			
	Miscellaneous Revenue		Business Code				
	11a	TRUST INCOME	900099	1,006,824	1,006,824		
	b	OTHER REVENUE	900099	436,049	349,982	86,067	
	c	VENDING REVENUE	541610	25,426	25,426		
	d	All other revenue . . . . .					
	e	Total. Add lines 11a-11d . . . . .		1,468,299			
	12	Total revenue. See Instructions . . . . .		207,735,412	191,334,270	69	9,886,983

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).

Check if Schedule O contains a response or note to any line in this Part IX

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 United States. See Part IV, line 21.	5,316	5,316		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	84,000	84,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. 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.	2,080,735		1,845,797	234,938
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.	55,738,972	51,036,661	4,158,611	543,700
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	-681,230	-572,073	-98,349	-10,808
9	Other employee benefits.	7,434,342	6,755,397	615,240	63,705
10	Payroll taxes.	4,180,617	3,676,895	454,324	49,398
11	Fees for services (non-employees):				
a	Management.	115,808	115,808		
b	Legal.	637,797	22,278	615,519	
c	Accounting.	83,428	83,428		
d	Lobbying.	51,000			51,000
e	Professional fundraising services. See Part IV, line 17.	45,002			45,002
f	Investment management fees.	203,023	47,868	155,155	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	8,460,737	7,519,987	939,383	1,367
12	Advertising and promotion.	1,567,235	1,500,755	63,749	2,731
13	Office expenses.	12,245,020	10,394,738	1,653,848	196,434
14	Information technology.	3,449,802	2,459,053	964,050	26,699
15	Royalties.	0			
16	Occupancy.	10,517,845	10,015,511	502,316	18
17	Travel.	2,553,680	2,129,643	360,279	63,758
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19	Conferences, conventions, and meetings.	151,822	86,494	61,253	4,075
20	Interest.	11,367,690	10,069,993	1,297,697	
21	Payments to affiliates.	0			
22	Depreciation, depletion, and amortization.	15,271,136	13,970,614	1,300,522	
23	Insurance.	1,930,176	1,706,228	219,353	4,595
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	SWAN CONTRACTED SERVICES	43,091,719	43,091,719		
b	CULINARY SERVICE	14,992,487	14,992,487		
c	HOUSEKEEPING SERVICES	4,535,657	4,492,163	43,494	
d	BAD DEBT EXPENSE	3,849,482	3,849,482		
e	All other expenses	6,571,640	5,427,056	1,049,200	95,384
25	Total functional expenses. Add lines 1 through 24e.	210,534,938	192,961,501	16,201,441	1,371,996
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		1,054,169	1	874,250
	2	Savings and temporary cash investments		29,629,847	2	19,813,169
	3	Pledges and grants receivable, net		849,842	3	753,833
	4	Accounts receivable, net		18,115,872	4	20,520,636
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		0	8	0
	9	Prepaid expenses and deferred charges		1,459,667	9	1,714,463
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a413,682,025			
	b	Less accumulated depreciation	10b185,964,288	209,617,382	10c	227,717,737
	11	Investments—publicly traded securities		120,167,450	11	114,777,451
	12	Investments—other securities See Part IV, line 11		0	12	0
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		4,572,283	14	4,572,283
	15	Other assets See Part IV, line 11		43,412,230	15	44,776,976
	16	Total assets. Add lines 1 through 15 (must equal line 34)		428,878,742	16	435,520,798
Liabilities	17	Accounts payable and accrued expenses		31,592,716	17	24,792,168
	18	Grants payable		0	18	0
	19	Deferred revenue		62,295,606	19	47,981,991
	20	Tax-exempt bond liabilities		213,221,806	20	209,936,276
	21	Escrow or custodial account liability Complete Part IV of Schedule D		0	21	0
	22	Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		17,180,370	23	23,338,021
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		43,814,712	25	59,189,747
	26	Total liabilities. Add lines 17 through 25		368,105,210	26	365,238,203
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		18,139,196	27	22,415,931
	28	Temporarily restricted net assets		6,685,156	28	9,306,719
	29	Permanently restricted net assets		35,949,180	29	38,559,945
	Organizations that do not follow SFAS 117 (ASC 958), 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		60,773,532	33	70,282,595
	34	Total liabilities and net assets/fund balances		428,878,742	34	435,520,798

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . .

1	Total revenue (must equal Part VIII, column (A), line 12)	1	207,735,412
2	Total expenses (must equal Part IX, column (A), line 25)	2	210,534,938
3	Revenue less expenses Subtract line 2 from line 1	3	-2,799,526
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	60,773,532
5	Net unrealized gains (losses) on investments	5	6,776,816
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	-14,441,579
9	Other changes in net assets or fund balances (explain in Schedule O)	9	19,973,352
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	70,282,595

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . .

		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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	Yes	
2c	If "Yes," to line 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	
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	
3b	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.**  
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public  
Inspection

<b>Name of the organization</b> DIAKON LUTHERAN SOCIAL MINISTRIES	<b>Employer identification number</b> 23-1857015
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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	<input type="checkbox"/>	A church, convention of churches, or association of churches described in <b>section 170(b)(1)(A)(i).</b>
2	<input type="checkbox"/>	A school described in <b>section 170(b)(1)(A)(ii).</b> (Attach Schedule E )
3	<input type="checkbox"/>	A hospital or a cooperative hospital service organization described in <b>section 170(b)(1)(A)(iii).</b>
4	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital described in <b>section 170(b)(1)(A)(iii).</b> Enter the hospital's name, city, and state _____
5	<input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit described in <b>section 170(b)(1)(A)(iv).</b> (Complete Part II )
6	<input type="checkbox"/>	A federal, state, or local government or governmental unit described in <b>section 170(b)(1)(A)(v).</b>
7	<input type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in <b>section 170(b)(1)(A)(vi).</b> (Complete Part II )
8	<input type="checkbox"/>	A community trust described in <b>section 170(b)(1)(A)(vi)</b> (Complete Part II )
9	<input checked="" type="checkbox"/>	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 <b>section 509(a)(2).</b> (Complete Part III )
10	<input type="checkbox"/>	An organization organized and operated exclusively to test for public safety See <b>section 509(a)(4).</b>
11	<input type="checkbox"/>	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 <b>section 509(a)(3).</b> Check the box that describes the type of supporting organization and complete lines 11e through 11h <b>a</b> <input type="checkbox"/> Type I <b>b</b> <input type="checkbox"/> Type II <b>c</b> <input type="checkbox"/> Type III - Functionally integrated <b>d</b> <input type="checkbox"/> Type III - Non-functionally integrated
e	<input type="checkbox"/>	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	<input type="checkbox"/>	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	<input type="checkbox"/>	Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons? <b>(i)</b> A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? <b>(ii)</b> A family member of a person described in (i) above? <b>(iii)</b> A 35% controlled entity of a person described in (i) or (ii) above?
h	<input type="checkbox"/>	Provide the following information about the supported organization(s)

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

(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in Sections 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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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 Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
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 2013 (line 6, column (f) divided by line 11, column (f))	14		
15 Public support percentage for 2012 Schedule A, Part II, line 14	15		
16a 33 1/3% support test—2013. 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—2012. If the organization did not check a 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—2013. 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—2012. 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 Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	6,286,903	5,755,486	6,873,675	5,597,588	6,514,090	31,027,742
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	194,825,038	204,281,540	202,383,641	189,738,873	189,921,646	981,150,738
3 Gross receipts from activities that are not an unrelated trade or business under section 513						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge						0
6 Total. Add lines 1 through 5	201,111,941	210,037,026	209,257,316	195,336,461	196,435,736	1,012,178,480
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts 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						0
c Add lines 7a and 7b						0
8 Public support (Subtract line 7c from line 6.)						1,012,178,480

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6	201,111,941	210,037,026	209,257,316	195,336,461	196,435,736	1,012,178,480
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	4,015,691	3,857,070	2,790,684	4,341,432	3,864,865	18,869,742
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975	69,968	-149,648	-162,683	-90,972	-88,643	-421,978
c Add lines 10a and 10b	4,085,659	3,707,422	2,628,001	4,250,460	3,776,222	18,447,764
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	1,573,579	1,205,804	1,210,332	1,177,663	1,468,298	6,635,676
13 Total support. (Add lines 9, 10c, 11, and 12.)	206,771,179	214,950,252	213,095,649	200,764,584	201,680,256	1,037,261,920
14 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		
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	97.582 %
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	97.220 %

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	1.778 %
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	2.070 %
19a 33 1/3% support tests—2013. 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 ▶		
b 33 1/3% support tests—2012. 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 ▶		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶		



Part IV

**Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test		
Return Reference	Explanation	

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.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

If the organization answered "Yes" to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, 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, Part V, line 35c (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 function 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

Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable 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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(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		71,211
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total. Add lines 1c through 1i.			71,211
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 carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation
SCHEDULE C, PART II-B, 1B AND 1G	IN 2013, DIAKON LUTHERAN SOCIAL MINISTRIES ENGAGED 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 J M ULIANA & ASSOCIATES, LLC, AND AMOUNTS PAID TO DIAKON LUTHERAN SOCIAL MINISTRIES' STAFF TOTALED \$71,211.
SCHEDULE C, PART II-B, 1D AND 1E	AMOUNTS PAID FOR MAILINGS AND PUBLICATIONS WERE NOMINAL.
SCHEDULE C, PART II-B, 1G	LETTER, EMAILS, PHONE CALLS ARE MADE TO LEGISLATORS WHEN DLSP NEEDS TO CONTACT LEGISLATORS TO SPEAK IN SUPPORT OF ANY BUDGET ITEMS OR SENATE BILLS TO BE PASSED RELATED TO LONG-TERM CARE AND HEALTH AND SOCIAL SERVICE PROGRAMS. HANDOUTS ARE CREATED BY OUR COMMUNICATIONS DEPARTMENT FOR LOBBYING VISITS THAT THE DLSP STAFF ATTEND.

[illegible]

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

► Attach to Form 990. ► See separate instructions. ► Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

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 can 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 education) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 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
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$

b

Assets included in Form 990, Part X

► \$

Part III

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

- 3

Using the organization's acquisition, 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 XIII
- 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 XIII and complete the following table

	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 XIII Check here if the explanation has been provided in Part XIII . . . . .

☐

Part V

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	14,858,797	12,688,497	12,149,734	10,392,169	8,760,586
b Contributions . . . . .	510,296	1,006,120	1,024,585	191,217	1,050,631
c Net investment earnings, gains, and losses	3,275,209	1,694,788	-69,426	1,982,276	1,962,231
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	567,133	530,608	416,396	415,928	1,381,279
f Administrative expenses . . . . .					
g End of year balance . . . . .	18,077,169	14,858,797	12,688,497	12,149,734	10,392,169

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

a

Board designated or quasi-endowment

b

Permanent endowment 100 000 %

c

Temporarily restricted endowment

The percentages in lines 2a, 2b, and 2c should equal 100%

3a

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

(i) unrelated organizations . . . . .

3a(i)

Yes

No

(ii) related organizations . . . . .

3a(ii)

Yes

b

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

3b

Yes

4

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

Part VI

Land, Buildings, and Equipment. Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		16,441,933		16,441,933
b Buildings . . . . .		170,970,382	101,344,437	69,625,945
c Leasehold improvements . . . . .		35,887	22,392	13,495
d Equipment . . . . .		44,253,770	31,446,965	12,806,805
e Other . . . . .		181,980,053	53,150,494	128,829,559
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				227,717,737

Schedule D (Form 990) 2013





Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	220,094,419
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12	2e	
a	Net unrealized gains on investments . . . . .	2a	
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIII ) . . . . .	2d	17,816,772
e	Add lines 2a through 2d . . . . .	2e	17,816,772
3	Subtract line 2e from line 1 . . . . .	3	202,277,647
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	133,022
b	Other (Describe in Part XIII ) . . . . .	4b	5,324,743
c	Add lines 4a and 4b . . . . .	4c	5,457,765
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	207,735,412

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements . . . . .	1	224,747,646
2	Amounts included on line 1 but not on Form 990, Part IX, line 25	2e	
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIII ) . . . . .	2d	19,116,283
e	Add lines 2a through 2d . . . . .	2e	19,116,283
3	Subtract line 2e from line 1 . . . . .	3	205,631,363
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:	4c	
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	133,022
b	Other (Describe in Part XIII ) . . . . .	4b	4,770,553
c	Add lines 4a and 4b . . . . .	4c	4,903,575
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	210,534,938

Part XIII

Supplemental Information

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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

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
SCHEDULE D, PART X, LINE 2	DIAKON AND ITS CONTROLLED AFFILIATES, WITH THE EXCEPTION OF ISM, A PENNSYLVANIA FOR-PROFIT CORPORATION, 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 USES A THRESHOLD OF MORE LIKELY THAN NOT FOR RECOGNITION AND DERECOGNITION OF 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 AND XII	SCHED D PART XI LINE 2D OTHER REVENUE OF OTHER ENTITIES IN CONSOLIDATED FINANCIAL STATEMENTS DIAKON 692,880 DIAKON LUTHERAN FUND 1,355,275 DIAKON LUTHERAN SENIOR LIVING MARYLAND LLC 13,301,851 DIAKON LUTHERAN SENIOR HOUSING AT LUTHER MEADOWS 521,446 DIAKON LUTHERAN SENIOR HOUSING AT HEILMAN HOUSE 470,386 INSTITUTE FOR STRATEGIC MANAGEMENT, INC 433,290 SUBTOTAL 16,775,128 ITEMS RECLASSIFIED FROM EXPENSE FOR 990 REPORTING PURPOSES RENTAL EXPENSES 965,991 FUNDRAISING EXPENSES 75,653 SUBTOTAL 1,041,644 TOTAL 17,816,772 SCHED D PART XI LINE 4B OTHER REVENUE NOT INCLUDED IN EXCESS(DEFICIT) IN CONSOLIDATED FINANCIAL STATEMENTS TEMPORARILY RESTRICTED CONTRIBUTIONS 1,141,190 PERMANENTLY RESTRICTED CONTRIBUTIONS 510,296 TEMPORARILY RESTRICTED INVESTMENT GAINS 887,235 TEMPORARILY RESTRICTED NET ASSETS RELEASED (1,334,360) SUBTOTAL 1,204,361 REVENUE ELIMINATED IN CONSOLIDATION IN CONSOLIDATED FINANCIAL STATEMENTS DIAKON LUTHERAN FUND GRANT INCOME 1,100,004 MANAGEMENT FEE REVENUE 1,898,402 HAGERSTOWN INTEREST REVENUE 1,121,976 SUBTOTAL 4,120,382 TOTAL 5,324,743 SCHED D PART XII LINE 2D OTHER EXPENSES OF OTHER ENTITIES IN CONSOLIDATED FINANCIAL STATEMENTS DIAKON 499,921 DIAKON LUTHERAN FUND 1,171,021 DIAKON LUTHERAN SENIOR LIVING MARYLAND LLC 14,886,540 DIAKON LUTHERAN SENIOR HOUSING AT LUTHER MEADOWS 577,492 DIAKON LUTHERAN SENIOR HOUSING AT HEILMAN HOUSE 524,118 INSTITUTE FOR STRATEGIC MANAGEMENT, INC 415,547 SUBTOTAL 18,074,639 ITEMS RECLASSIFIED FROM EXPENSE FOR 990 REPORTING PURPOSES RENTAL EXPENSES 965,991 FUNDRAISING EXPENSES 75,653 SUBTOTAL 1,041,644 TOTAL 19,116,283 SCHED D PART XII LINE 4B OTHER EXPENSES ELIMINATED IN CONSOLIDATION IN CONSOLIDATED FINANCIAL STATEMENTS DIAKON LUTHERAN FUND GRANT INCOME 1,100,004 MANAGEMENT FEE 1,898,402 HAGERSTOWN INTEREST EXPENSE 1,121,976 HAGERSTOWN DEPRECIATION AND AMORTIZATION 650,121 TOTAL 4,770,553

[illegible]

Additional Data

Software ID:

Software Version:

EIN: 23-1857015

Name: DIAKON LUTHERAN SOCIAL MINISTRIES

Form 990, Schedule D, Part IX, - Other Assets

(a) Description	(b) Book value
(1) INTEREST RECEIVABLE	96,420
(2) BENEFICIAL INTEREST IN TRUST	28,114,695
(3) ESTIMATED THIRD PARTY SETTLE	2,073,073
(4) INVESTMENT IN JOINT VENTURES	812,055
(5) DEFERRED BOND ISSUANCE COSTS	3,383,519
(6) OTHER ASSETS	417,004
(7) DUE FROM AFFILIATES	791,572
(8) LEASE RECEIVABLE	9,088,638

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.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization DIAKON LUTHERAN SOCIAL MINISTRIES	Employer identification number  23-1857015
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**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 email 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 services?

☒ 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.

(i) Name and address 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			
1 Coremessagink	Direct Mailing		No	113,448	45,002	68,446
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total . . . . . ▶				113,448	45,002	68,446

- 3

List all states in which the organization is registered or licensed to solicit contributions 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 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

Revenue			(a) Event #1	(b) Event #2	(c) Other events	(d) Total events	
			<u>Dinner 1</u>	<u>Dinner 2</u>	<u>1</u>	(add col (a) through	
			(event type)	(event type)	(total number)	col (c))	
1	Gross receipts	. . .	143,926	97,313	15,029	256,268	
2	Less Contributions	. .	125,626	83,153	13,919	222,698	
3	Gross income (line 1 minus line 2)	. . .	18,300	14,160	1,110	33,570	
Direct Expenses	4	Cash prizes	. . .				
	5	Noncash prizes	. .				
	6	Rent/facility costs	. .	8,968	10,130	935	20,033
	7	Food and beverages	.		9,540	730	10,270
	8	Entertainment	. . .				
	9	Other direct expenses	.	9,073	29,257	7,020	45,350
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ▶					(75,653)
	11	Net income summary Subtract line 10 from line 3, column (d) . . . . . ▶					-42,083

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.

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

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? . . . . . ☐ Yes ☐ No

b If "No," explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . ☐ Yes ☐ No

b If "Yes," explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Does the organization operate gaming activities with nonmembers? . . . . . ☐ **Yes** ☐ **No**

**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? . . . . . ☐ **Yes** ☐ **No**



<b>13</b> Indicate the percentage of gaming activity operated in			
<b>a</b> The organization's facility . . . . .	<b>13a</b>		%
<b>b</b> An outside facility . . . . .	<b>13b</b>		%

**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? . . . . . ☐ **Yes** ☐ **No**

**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 of the third party

Name  .....

Address  .....

**16** Gaming manager information

Name  .....


Gaming manager compensation  \$ .....

Description of services provided  .....

☐ Director/officer ☐ Employee ☐ 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? . . . . . ☐ **Yes** ☐ **No**

**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  \$ \_\_\_\_\_

**Part IV Supplemental Information.** Provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Return Reference	Explanation
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 CENTURY MARKETING AND COMMUNICATION, INC PRINTS AND MAILS LETTERS, INCLUDING INVITATIONS AND BROCHURES DLSM PURCHASES MAILING LISTS FROM SPECIALIZED FUNDRAISING SERVICES

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

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. Part II can be duplicated 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

2

Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . .

3

Enter total number of other organizations listed in the line 1 table . . . . .

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance
(1) Benevolent Care to INDIVIDUALS AT Unrelated Inst	4	84,000			

**Part IV**

**Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
SCHEDULE I SUPPLEMENTAL INFORMATION	DIAKON LUTHERAN SOCIAL MINISTRIES' GRANT REVIEW PROCESS INCLUDES ANNUAL VISITS AND REVIEW OF GRANTEE BUDGETS. DLSP DOES NOT PROVIDE A SIGNIFICANT NUMBER OF GRANTS, AND THEREFORE DOES NOT REQUIRE DETAILED MONITORING OF THE USE OF GRANT FUNDS.



Schedule J  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number  
23-1857015

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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</div><div><div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div></div><div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>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 of the expenses described above? If "No," complete Part III to explain</div></div>	1b	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director Check all that apply Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div></div>		
<div><div>4</div><div>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</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III</div>	5b	No
<div><div>6</div><div>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</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III</div>	6b	No
<div><div>7</div><div>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</div></div>	7	No
<div><div>8</div><div>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 Regulations section 53 4958-4(a)(3)? If "Yes," describe in Part III</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?</div></div>	9	

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(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 as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) MARK T PILE PRESIDENT/CEO	(i)	357,274	60	355,080	-190,000	20,469	542,883	541,200
	(ii)	0	0	0	0	0	0	0
(2) RICHARD M BARGER EXECUTIVE VP/CFO	(i)	254,680	150	263,004	54,700	7,890	580,424	204,800
	(ii)	0	0	0	0	0	0	0
(3) SCOTT HABECKER EXECUTIVE VP/COO	(i)	250,587	150	8,123	42,722	17,629	319,211	0
	(ii)	0	0	0	0	0	0	0
(4) John J Palkovitz JR VP/Financial Services	(i)	166,175	150			14,430	180,755	0
	(ii)	0	0	0	0	0	0	0
(5) Jeanne M Oski VP/Sr Living Communities	(i)	153,007		126,142	16,592	7,797	303,538	109,550
	(ii)	0	0	0	0	0	0	0
(6) William Swanger SVP/Corp Communication	(i)	142,583	80	0	0	21,162	163,825	0
	(ii)	0	0	0	0	0	0	0
(7) Richard H Reed SVP/Chief Risk Officer	(i)	224,403	110	4,854	0	19,251	248,618	0
	(ii)	0	0	0	0	0	0	0
(8) Mary Ellen Dickey SVP/Advancement	(i)	182,061	80	3,811	34,843	23,041	243,836	0
	(ii)	0	0	0	0	0	0	0
(9) Alice M Clark SVP/Human Resources	(i)	165,101	0	0	0	18,222	183,323	0
	(ii)	0	0	0	0	0	0	0

**Part III**   **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
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	THREE EMPLOYEES (ONE OFFICER, ONE KEY AND ONE HIGHLY COMPENSATED) WERE OFFERED AND SIGNED AGREEMENTS WHICH INCLUDE A 457(F) SUPPLEMENTAL NONQUALIFIED BENEFIT. THE EFFECTIVE DATES ARE: (1) DECEMBER 7, 2012, (2) JUNE 1, 2009, (3) JULY 1, 2008. THIS BENEFIT WAS ADDED TO RECOGNIZE THE SIGNIFICANT CONTRIBUTIONS OF THE IDENTIFIED OFFICER, KEY AND HIGHLY COMPENSATED 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 OFFICER, KEY AND HIGHLY COMPENSATED 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 OR HIGHLY COMPENSATED EMPLOYEE FOR A SPECIFIED PERIOD OF TIME, FROM ACCEPTING EMPLOYMENT WITH COMPETITOR ORGANIZATIONS. ONE INDIVIDUAL REACHED THE VESTING DATE AND RECEIVED A PAYOUT OF THE ACCRUED BENEFIT AND INTEREST AS OF 6/30/2013 WHICH IS INCLUDED IN REPORTABLE COMPENSATION IN PART VII, SECTION A AND SCHEDULE J, PART II, COLUMN B(III) AND IS LISTED BELOW: JEANNE M. OSKI \$126,142. THE THREE INDIVIDUALS WHO PARTICIPATED IN THE 457 (F) PLAN IN 2013 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: SCOTT D. HABECKER \$42,722; MARYELLEN DICKEY \$34,843; JEANNE M. OSKI \$16,592. THE RETENTION AGREEMENT WAS NOT RENEWED FOR THE ONE INDIVIDUAL WHO VESTED AND RECEIVED A PAYOUT OF THE ACCRUED BENEFIT AND INTEREST.
SCHEDULE J, PART II	THE AMOUNTS REPORTED IN SCHEDULE J, PART II, COLUMN F AS COMPENSATION REPORTED AS DEFERRED IN PRIOR FORM 990 ALONG WITH THE AMOUNTS REPORTED IN SCHEDULE J, PART II, COLUMN C, RETIREMENT AND OTHER DEFERRED COMPENSATION, REPRESENT SUPPLEMENTAL RETIREMENT PLAN COSTS FOR THE CEO AND CFO. THESE AMOUNTS WERE PAID OUT AT DECEMBER 31, 2013 AND ARE INCLUDED IN SCHEDULE J, PART II, COLUMN B(III). THE CURRENT YEAR AMOUNT DEFERRED IN SCHEDULE J, PART II, COLUMN C FOR THE CEO IS NEGATIVE DUE TO CHANGES IN ASSUMPTIONS AND PLAN REVISIONS.

Additional Data

Software ID:  
Software Version:  
EIN: 23-1857015  
Name: DIAKON LUTHERAN SOCIAL MINISTRIES

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) 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 compensation				
MARK T PILE PRESIDENT/CEO	(i)	357,274	60	355,080	-190,000	20,469	542,883	541,200
	(ii)	0	0	0	0	0	0	0
RICHARD M BARGER EXECUTIVE VP/CFO	(i)	254,680	150	263,004	54,700	7,890	580,424	204,800
	(ii)	0	0	0	0	0	0	0
SCOTT HABECKER EXECUTIVE VP/COO	(i)	250,587	150	8,123	42,722	17,629	319,211	0
	(ii)	0	0	0	0	0	0	0
John J Palkovitz JR VP/Financial Services	(i)	166,175	150			14,430	180,755	0
	(ii)	0	0	0	0	0	0	0
Jeanne M Oski VP/Sr Living Communities	(i)	153,007		126,142	16,592	7,797	303,538	109,550
	(ii)	0	0	0	0	0	0	0
William Swanger SVP/Corp Communication	(i)	142,583	80	0	0	21,162	163,825	0
	(ii)	0	0	0	0	0	0	0
Richard H Reed SVP/Chief Risk Officer	(i)	224,403	110	4,854	0	19,251	248,618	0
	(ii)	0	0	0	0	0	0	0
Mary Ellen Dickey SVP/Advancement	(i)	182,061	80	3,811	34,843	23,041	243,836	0
	(ii)	0	0	0	0	0	0	0
Alice M Clark SVP/Human Resources	(i)	165,101	0	0	0	18,222	183,323	0
	(ii)	0	0	0	0	0	0	0

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 Part VI.</div> <div>▶ Attach to Form 990. ▶ See separate instructions.</div> <div>▶ Information about Schedule K (Form 990) and its instructions is at <a href="http://www.irs.gov/form990">www.irs.gov/form990</a>.</div>	OMB No 1545-0047
		2013
		Open to Public Inspection

Department of the Treasury Internal Revenue Service	Name of the organization DIAKON LUTHERAN SOCIAL MINISTRIES	Employer identification number 23-1857015
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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		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	SCHEDULE K PART VI	23-6003119	999999999	09-30-2003	69,020,000	SCHEDULE K, PART VI		X		X		X
B	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614BU2	07-01-2005	10,605,000	SCHEDULE K, PART VI		X		X		X
C	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614CK3	01-30-2007	63,635,926	SCHEDULE K, PART VI		X		X		X
D	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614EK1	12-10-2009	122,154,764	SCHEDULE K, PART VI		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	45,845,000		2,325,000		0		7,015,000	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	72,261,106		10,632,065		70,113,339		123,170,079	
4	Gross proceeds in reserve funds	0		0		6,071,958		11,141,101	
5	Capitalized interest from proceeds	0		0		9,187,777		2,193,710	
6	Proceeds in refunding escrows	0		0		0		0	
7	Issuance costs from proceeds	1,361,092		189,735		1,051,817		1,988,038	
8	Credit enhancement from proceeds	2,742,245		132,663		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	24,027,650		14,136,819		53,801,643		31,057,949	
11	Other spent proceeds	43,034,199		0		0		76,789,281	
12	Other unspent proceeds	1,054,710		0		0		0	
13	Year of substantial completion	2004		2004		2012		2013	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?		X	X		X		X	
17	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	
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property?	X		X		X		X	

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?	X		X		X		X	
b	If "Yes" to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?	X		X		X		X	
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If "Yes" to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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	0 667 %		0 208 %		0 175 %		0 066 %	
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	0 007 %		0 %		0 008 %		0 015 %	
6	Total of lines 4 and 5	0 674 %		0 208 %		0 183 %		0 081 %	
7	Does the bond issue meet the private security or payment test?		X		X		X		X
8a	Has there been a sale or disposition of any of the bond financed property to a nongovernmental person other than a 501(c)(3) organization since the bonds were issued?	X			X		X		X
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of	4 770 %							
c	If "Yes" to line 8a, was any remedial action taken pursuant to Regulations sections 1 141-12 and 1 145-2?	X			X		X		X
9	Has the organization established written procedures to ensure that all nonqualified bonds of the issue are remediated in accordance with the requirements under Regulations sections 1 141-12 and 1 145-2?	X		X		X		X	

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T?	X			X		X		X
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?								
b	Exception to rebate?								
c	No rebate due?	X		X		X		X	
	If you checked "No rebate due" in line 2c, provide in Part VI the date the rebate computation was performed								
3	Is the bond issue a variable rate issue?	X		X			X		X
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		X
b	Name of provider	WELLS FARGO		WELLS FARGO		0			
c	Term of hedge	16		16					
d	Was the hedge superintegrated?		X		X				
e	Was the hedge terminated?		X		X				

Part IV

Arbitrage (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
5a	Were gross proceeds invested in a guaranteed investment contract (GIC)?		X		X		X		X
b	Name of provider	0		0		0		0	
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
6	Were any gross proceeds invested beyond an available temporary period?	X		X		X		X	
7	Has the organization established written procedures to monitor the requirements of section 148?	X		X		X		X	

Part V

Procedures To Undertake Corrective Action

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
	Has the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations?	X		X		X		X	

Part VI

Supplemental Information. Provide additional information for responses to questions on Schedule K (see instructions).

Return Reference	Explanation
SCHEDULE K, PART VI	<p>BOND A (2003 SERIES A, D AND E) 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 DLSM, 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, 2013 INSTALLMENT COMPUTATION DATE THE NEXT COMPUTATION DATE IS SCHEDULED TO OCCUR ON SEPTEMBER 30, 2014 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 BALANCE WAS \$42,110,000 THE 2003D BONDS WERE REFINANCED, AND PART OF THE PROCEEDS FROM THE 2009D SERIES ISSUANCE WERE USED TO PAY OFF THE 2003D BONDS IN THE INTEREST OF TRANSPARENCY, DLSM IS INCLUDING THE 2003D SERIES BONDS ON SCHEDULE K FOR 2011 AND GOING FORWARD 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 DLSM 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, 2013 INSTALLMENT COMPUTATION DATE THE NEXT COMPUTATION DATE IS SCHEDULED TO OCCUR ON SEPTEMBER 30, 2014 IRS AUDIT - WASHINGTON COUNTY 2003E SERIES A "NO CHANGE" TO STATUS WAS ISSUED IN 2011 FROM A RECENT IRS AUDIT OF THE WASHINGTON COUNTY 2003E SERIES TOTAL PROCEEDS FROM ISSUE ISSUE PRICE \$ 69,020,000 CUMULATIVE INVESTMENT EARNINGS \$ 3,241,106 TOTAL \$ 72,261,106 OTHER SPENT PROCEEDS REFUNDING OF 1993 &amp; 1998 SERIES \$ 5,385,560 REFUNDING 1993/1994 \$ 22,933,346 REFUNDING OF 1994 &amp; MHHEFA DEBT \$ 14,715,293 TOTAL \$ 43,034,199 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 DLSM, 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 KNOWN AS CUMBERLAND CROSSINGS LOCATED IN CUMBERLAND COUNTY, AND (2) PAYMENT OF A PORTION OF THE COSTS AND EXPENSES OF ISSUANCE OF THE 2003C BONDS TOTAL PROCEEDS FROM ISSUE ISSUANCE PRICE \$ 10,605,000 CUMULATIVE INVESTMENT EARNINGS \$ 27,065 TOTAL \$ 10,632,065 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 DLSM 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 AFTER EVALUATION FOR THE INITIAL REBATE COMPUTATION PERIOD, NO ARBITRAGE LIABILITY EXISTED FOR THE BONDS AS OF THE JANUARY 31, 2013 INSTALLMENT COMPUTATION DATE THE NEXT COMPUTATION DATE IS SCHEDULED TO OCCUR ON JANUARY 31, 2014 TOTAL PROCEEDS FROM ISSUE ISSUANCE PRICE \$ 63,635,926 CUMULATIVE INVESTMENT EARNINGS \$ 6,477,413 TOTAL \$ 70,113,339 BOND D (2009 SERIES) 2009 SERIES (f) THE 2009 BONDS WERE BEING ISSUED BY THE AUTHORITY TO FINANCE A PROJECT FOR THE BENEFIT OF DLSM 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 BALANCE WAS \$42,110,000 SERIES B OF 2007 - CUSIP 230614CL1 WITH AN ISSUE PRICE OF \$47,400,000 ISSUED ON 01/30/2007 THE OUTSTANDING PRINCIPAL BALANCE WAS \$44,375,000 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 AFTER EVALUATION FOR THE INITIAL REBATE COMPUTATION PERIOD, NO ARBITRAGE LIABILITY EXISTED FOR THE BONDS AS OF THE DECEMBER 1, 2013 INSTALLMENT COMPUTATION DATE THE NEXT COMPUTATION DATE IS SCHEDULED TO OCCUR ON DECEMBER 1, 2014 TOTAL PROCEEDS FROM ISSUE ISSUANCE PRICE \$ 122,154,764 CUMULATIVE INVESTMENT EARNINGS \$ 1,015,315 TOTAL \$ 123,170,079 OTHER SPENT PROCEEDS REFUNDING OF 2007B/2003D \$ 76,789,281 TOTAL \$ 76,789,281</p>

SCHEDULE M  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Noncash Contributions

►Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

►Information about Schedule M (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number  
23-1857015

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art—Works of art . . . . .				
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .	X		100	FMV
5 Clothing and household goods . . . . .	X		6,526	FMV
6 Cars and other vehicles . . . . .	X	2	4,000	FMV
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	9	54,907	FMV
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .	X	13	1,216	
19 Food inventory . . . . .	X	4	605	FMV
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► ( Gift Baskets )	X	22	2,525	FMV
26 Other ► ( Gift Certificates )	X	132	19,814	FMV
27 Other ► ( Building Materials )	X	4	1,478	FMV
28 Other ► ( Toys )	X	3	220	FMV
Other ► ( Furniture and Equipment )	X	9	5,732	FMV
Other ► ( Custom Improvements )	X	18	96,584	FMV
Other ► ( Jewelery )	X	14	1,160	FMV

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1 through 28, that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .

30a

Yes

No

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

No

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .

32a

No

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II



Part III

**Supplemental Information.** Provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

Return Reference	Explanation
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2013

Open to Public  
Inspection

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.**

**▶ Attach to Form 990 or 990-EZ.**

**▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).**

Name of the organization  
DIAKON LUTHERAN SOCIAL MINISTRIES

**Employer identification number**

23-1857015

Return Reference	Explanation	
	FORM 990, PART III, QUESTION 1	<p>DIAKON LUTHERAN SOCIAL MINISTRIES ("DLSM"), A PENNSYLVANIA NON-PROFIT CORPORATION, OFFERS A RANGE OF SENIOR LIVING, HEALTH CARE, AND SOCIAL SERVICES IN PENNSYLVANIA AND MARYLAND, INCLUDING NURSING AND REHABILITATIVE CENTERS, CONTINUING CARE RETIREMENT COMMUNITIES, PERSONAL CARE ACCOMMODATIONS, COMMUNITY-BASED SERVICES FOR OLDER ADULTS, ADOPTION AND FOSTER CARE, COUNSELING AND RELATED MENTAL-HEALTH SUPPORTIVE SERVICES, A RANGE OF COMMUNITY AND OUTDOOR-BASED PROGRAMS FOR AT-RISK YOUTHS, AND A PROGRAM THAT LINKS CORPORATE IN-KIND DONATIONS OF 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. DLSM, WHOSE NAME DERIVES FROM A GREEK TERM FOR "ONE ASSIGNED BY THE CHURCH TO MINISTER TO THE NEEDS OF OTHERS," OFFERS PROGRAMS THAT TRANSFORM THE LIVES OF CHILDREN, FAMILIES, AND OLDER ADULTS AT NEARLY 30 SERVICE CENTERS AND SENIOR LIVING COMMUNITIES IN PENNSYLVANIA AND MARYLAND. STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS IN 2013, DIAKON LUTHERAN SOCIAL MINISTRIES DIRECTLY SERVED 56,000 INDIVIDUALS IN PENNSYLVANIA AND MARYLAND THROUGH SUCH SERVICES AS RESIDENTIAL ACCOMMODATIONS FOR OLDER PERSONS, NURSING CARE, ADOPTION AND FOSTER CARE, ADULT DAY SERVICES, COUNSELING AND RELATED MENTAL-HEALTH SERVICES, AND A RANGE OF COMMUNITY- AND OUTDOOR-BASED PROGRAMS FOR COURT-ADJUDICATED DELINQUENT AND DEPENDENT YOUTHS. IN ADDITION TO THE NUMBER SERVED DIRECTLY BY DLSM PROGRAMS, PRODUCTS PROVIDED THROUGH DIAKON KATHRYN'S KLOSET TO REGIONAL, NATIONAL, AND INTERNATIONAL NON-PROFIT ORGANIZATIONS TOUCHED THE LIVES OF APPROXIMATELY 400,000 PERSONS, THE NUMBER SERVES AS AN ESTIMATE BECAUSE DIAKON KATHRYN'S KLOSET RELIES ON SELF-REPORTING FROM SHELTERS AND OTHER NONPROFIT PROGRAMS AND CANNOT CONFIRM THE EXTENT TO WHICH INDIVIDUALS REPORTED BY EACH PROGRAM MAY BE DUPLICATED. 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 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 HEALTH CARE BECAUSE OF INADEQUATE RESOURCES AND/OR WHO ARE UNINSURED OR UNDERINSURED. A NUMBER OF PROGRAMS FOR CHILDREN AND FAMILIES 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 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, 2013. SUPPORT PROVIDED TO SENIOR LIVING RESIDENTS. MEDICAL ASSISTANCE COST IN EXCESS OF CONTRACTUAL REIMBURSEMENT \$ 9,824,530. CHARITY CARE IN SUPPORT OF THOSE IN NEED \$ 1,432,031. FAMILY AND COMMUNITY PROGRAMS SUPPORTED BY DLSM (CHARITY CARE). CHILDREN'S SERVICES \$ 1,077,639. BEHAVIORAL HEALTH \$ 455,451. FAMILY LIFE AND CONGREGATION \$ 55,803. COMMUNITY SERVICES \$ 428,918 -- ----- \$ 2,017,811 ----- TOTAL \$13,274,372 ----- IN 2013, DIAKON LUTHERAN SOCIAL MINISTRIES PROVIDED THE FOLLOWING: RESIDENTIAL AND ELDERCARE 704,570 CARE DAYS. HUD HOUSING PROJECTS 83,867 CARE DAYS. CHILDCARE AND YOUTH SERVICES 119,961 CARE DAYS. COMMUNITY SERVICES FOR SENIORS 11,626 PERSONS SERVED. ADULT DAY SERVICES 13,770 CARE DAYS. DIAKON FAMILY LIFE SERVICES 3,757 UNDUPLICATED PERSONS SERVED. ADOPTION &amp; FOSTER CARE 2,520 CHILDREN/FAMILY MEMBERS SERVED. STATEWIDE ADOPTION &amp; PERMANENCY NETWORK (SWAN CONTRACT TO MANAGE) 26,888 CHILDREN/FAMILY MEMBERS SERVED. ADOPTION 68 FINALIZATIONS. DIAKON KATHRYN'S KLOSET APPROX 400,000 PERSONS SERVED THROUGH PARTNERSHIPS WITH NON-PROFITS USING CORPORATELY DONATED GOODS SUPPLIED THROUGH DIAKON KATHRYN'S KLOSET. DURING 2013, THE ORGANIZATION CONTINUED ITS EMPHASIS ON TWO PRIMARY FRONTS: RENOVATION AND EXPANSION OF ITS SENIOR LIVING COMMUNITIES TO REMAIN MARKET LEADERS, AND GROWTH OF CORE CHILD, FAMILY, AND COMMUNITY MINISTRIES TO MEET LOCAL NEED. AS NOTED ELSEWHERE, A KEY SENIOR LIVING PROJECT WAS THE OPENING IN 2013 OF A NEW, TWO-STORY, NEIGHBORHOOD-CONCEPT HEALTH CARE CENTER. CHILD- AND FAMILY-FOCUSED PROGRAMS EMPHASIZED THE SUCCESSFUL ADOPTIVE PLACEMENTS OF OLDER CHILDREN, MENTORING SERVICES FOR OLDER YOUTHS ABOUT TO AGE OUT OF THE CHILD WELFARE SYSTEM BUT WHO NEED CONTINUING ASSISTANCE TO REMAIN SUCCESSFUL, AND EXPANSION OF COMMUNITY-BASED PROGRAMS THAT EMPHASIZE YOUTH ACCOUNTABILITY AND SKILLS-DEVELOPMENT. IN ADDITION, THE DAY TREATMENT PROGRAM BASED AT THE DIAKON WILDERNESS CENTER NEAR BOILING SPRINGS, PA, DEVELOPED AN EXTENSIVE ARRAY OF ACCREDITED VOCATIONAL-TRAINING PROGRAMS TO READY</p>

Return Reference	Explanation	
	FORM 990, PART III, QUESTION 1	YOUTHS FOR SUCCESSFUL INDEPENDENT LIVING, THIS TRAINING FOCUSED ON HORTICULTURE (MADE POSSIBLE THROUGH THE DIAKON WILDERNESS GREENHOUSE), CULINARY SKILLS, AND AUTOMOTIVE MECHANICS. INTERNSHIPS WERE MADE POSSIBLE THROUGH COMMUNITY PARTNERSHIPS. DIAKON FAMILY LIFE SERVICES FOCUSED ON EXPANDING ITS BEHAVIORAL HEALTH COMPONENT TO A NEW REGION, DEVELOPED A TELE- PSYCHIATRY OPTION, AND PLANNED TO BEGIN SERVICES FOR YOUTHS WHO HAVE SEXUALLY ACTED OUT IN A NEW LOCATION.

Return Reference	Explanation
FORM 990, PART III, 4A, 4B, 4C AND 4D	<p>LINE 4A SENIOR LIVING SERVICES ONE OF THE PRIMARY SERVICE DIVISIONS WITHIN DIAKON LUTHERAN SOCIAL MINISTRIES, DIAKON SENIOR LIVING SERVICES IS RESPONSIBLE FOR THE OPERATION AND MAINTENANCE OF 8 COMPREHENSIVE SENIOR LIVING COMMUNITIES IN PENNSYLVANIA MOST OF DLSP'S SENIOR LIVING COMMUNITIES OFFER A CONTINUUM OF SERVICES FOR OLDER ADULTS INCLUDING RESIDENTIAL ACCOMMODATIONS, PERSONAL CARE SERVICES, AND SKILLED NURSING AND REHABILITATIVE CARE IN 2013, THESE SENIOR LIVING COMMUNITIES SERVED 7,457 PERSONS IN THE CASE OF NURSING CARE AND PERSONAL CARE ACCOMMODATIONS, THE NUMBER SERVED INCLUDES ONE ADDITIONAL FAMILY MEMBER FOR EACH RESIDENT OR COUPLE DURING 2013, THE DIAKON SENIOR LIVING SERVICES PROGRAM UNIT FOCUSED ON EXPANSIONS AND RENOVATIONS TO A NUMBER OF ITS CONTINUING CARE RETIREMENT COMMUNITIES TO MEET THE NEEDS OF A NEWER GENERATION OF OLDER ADULTS PROJECTS INCLUDED CONSTRUCTION OR RENOVATION OF RESIDENTIAL ACCOMMODATIONS, RENOVATION OF HEALTH CARE CENTERS INCLUDING THE DEVELOPMENT OF ONE NEW MEMORY SUPPORT PROGRAM, AND, AT BUFFALO VALLEY LUTHERAN VILLAGE IN LEWISBURG, PA , THE OPENING OF A NEW, NEIGHBORHOOD-CONCEPT HEALTH CARE CENTER INCLUDING A SHORT-TERM REHABILITATION SUITE SENIOR LIVING SERVICES PROVIDED \$11,256,561 IN UNCOMPENSATED CARE DURING 2013, DIVIDED BETWEEN COSTS IN EXCESS OF MEDICAL ASSISTANCE REIMBURSEMENT AND CARE FOR PEOPLE WHO HAVE EXHAUSTED THEIR FINANCIAL RESOURCES</p> <p>LINE 4B SERVICES FOR CHILDREN, FAMILIES, AND COMMUNITIES DLSP INCLUDES SEVERAL ADDITIONAL SERVICE EMPHASES INCLUDING CHILD &amp; FAMILY SERVICES AND DIAKON KATHRYN'S KLOSET AMONG REPRESENTED PROGRAMS ARE ADOPTION, FOSTER CARE, SERVICES FOR COURT-ADJUDICATED YOUTHS, AND FAMILY LIFE SERVICES COUNSELING FOR INDIVIDUALS, COUPLES, AND CHILDREN IN RELATION, DIAKON AS AN ORGANIZATION PROVIDES ADMINISTRATIVE OVERSIGHT FOR PENNSYLVANIA'S STATEWIDE ADOPTION &amp; PERMANENCY NETWORK, DESCRIBED BELOW A BRIEF LISTING OF NUMEROUS 2013 ACHIEVEMENTS FOR DIAKON SERVICES AIDING CHILDREN, FAMILIES, AND COMMUNITIES INCLUDES CONTINUED SUCCESS IN RECRUITMENT OF FAMILIES FOR OLDER CHILDREN AND YOUTHS, EXPANSION OF DAY-TIME ACCOUNTABILITY-FOCUSED, COMMUNITY-BASED PROGRAMS FOR AT-RISK YOUTHS, SUCCESSFUL GRADUATIONS OF YOUTHS FROM THE DIAKON WILDERNESS CENTER'S FLIGHT AND OTHER PROGRAMS, CONTINUATION OF GIRLS ON THE RUN SERVICES, PARTICULARLY IN LOW-INCOME AREAS, AND CONTINUED OPERATION OF DIAKON KATHRYN'S KLOSET, WHICH STORES CORPORATE IN-KIND PRODUCT DONATIONS AND MAKES THEM AVAILABLE TO NON-PROFIT ORGANIZATIONS REGIONALLY, NATIONALLY, AND INTERNATIONALLY THAT, IN TURN PROVIDE THE GOODS, FREE OF CHARGE, TO PEOPLE IN NEED SERVICES FOR CHILDREN, YOUTHS, FAMILIES, AND COMMUNITIES PROVIDED \$2,017,811 IN UNCOMPENSATED CARE DURING 2013</p> <p>LINE 4C -STATEWIDE ADOPTION NETWORK PENNSYLVANIA'S STATEWIDE ADOPTION &amp; 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</p> <p>LINE 4D - OTHER PROGRAM SERVICES DESCRIPTION GRANTS EXPENSES REVENUE HUD AND OTHER PROGRAMS 85,250 1,746,503 3,388,504</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION A	LINE 6 THE SOLE MEMBER OF DLSP IS DIAKON, A PENNSYLVANIA NON-PROFIT CORPORATION LINE 7A A MAJORITY OF THE MEMBERS OF THE GOVERNING BODY (THE DLSP 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 DLSP IS DIAKON, A PENNSYLVANIA NON-PROFIT CORPORATION DIAKON HAS APPROVAL RIGHTS, SPECIFIED IN BOTH THE DLSP AND DIAKON BY-LAWS, OVER CERTAIN TYPES OF ACTIONS BY DLSP'S GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION B	<p>LINE 11B MEMBERS OF SENIOR MANAGEMENT AND OF THE FINANCE DEPARTMENT 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 20, 2014. LINE 12C DLSP'S SENIOR VICE PRESIDENT/CHIEF RISK OFFICER REVIEWS DLSP'S CONFLICT OF INTEREST STATEMENT AND CERTIFICATION FORMS WITH THE BOARD ON A REGULAR BASIS. 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 RISK OFFICER AND BY THE ORGANIZATION'S OUTSIDE AUDITOR ON A REGULAR BASIS.</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & 15B	<p>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 OF THE SOLE MEMBER, WHICH INCLUDES DIRECTORS FROM DLSM (COMPENSATION COMMITTEE), 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 AND ITS PARENT ORGANIZATION DIAKON'S EXECUTIVE COMPENSATION PROGRAM CONSISTS OF A BASE SALARY WHICH REFLECTS THE VALUE OF AN EXECUTIVE'S CAPABILITIES, EXPERIENCE AND SUCCESS IN MEETING MISSION, FINANCIAL, OPERATIONAL, AND QUALITY OBJECTIVES 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 THE EMPLOYER MATCHING CONTRIBUTION TO THE DEFINED CONTRIBUTION PLAN WAS SUSPENDED AS OF JULY OF 2010 THE DLSM DEFINED BENEFIT RETIREMENT PLAN ACCRUALS WERE FROZEN AS OF 12/31/11 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 THE ACCRUED BENEFIT AMOUNTS UNDER THE DLSM PENSION PLAN THE SERP WAS ADDED TO PROVIDE EQUITABLE AND COMPETITIVE POST-RETIREMENT INCOME FOR BOARD SELECTED SENIOR EXECUTIVES, WHICH CURRENTLY INCLUDES THE CEO AND CFO OF THE 2013 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 \$0 00 AT DECEMBER 31, 2013 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, 2013 THREE EMPLOYEES (ONE OFFICER, ONE KEY AND ONE HIGHLY COMPENSATED) WERE OFFERED AND SIGNED AGREEMENTS WHICH INCLUDE A 457(F) SUPPLEMENTAL NONQUALIFIED BENEFIT THE EFFECTIVE DATES ARE (1) DECEMBER 7, 2012, (2) JUNE 1, 2009, (3) JULY 1, 2008 THIS BENEFIT WAS ADDED TO RECOGNIZE THE SIGNIFICANT CONTRIBUTIONS OF THE IDENTIFIED OFFICER/KEY/HIGHLY COMPENSATED 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 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 OFFICER/KEY/HIGHLY COMPENSATED 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 ONE INDIVIDUAL (HIGHLY COMPENSATED) REACHED THE VESTING DATE AND RECEIVED A PAY OUT OF THE ACCRUED BENEFIT AND INTEREST AS OF JUNE 30, 2013 WHICH IS INCLUDED IN REPORTABLE COMPENSATION IN PART VII, SECTION A AND SCHEDULE J, PART II, COLUMN B(III)</p>



Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	DLSM MAKES ITS GOVERNING DOCUMENTS (ARTICLES OF INCORPORATION AND BY LAWS) 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 ALSO AVAILABLE ON THE DLSM WEBSITE AT DIAKON.ORG, AS WELL AS UPON REQUEST.

Return Reference	Explanation
FORM 990, PART VII, SECTION A, LINE 1A	COLUMN B REFLECTS THE AVERAGE HOURS PER WEEK PER EMPLOYEE FOR DLSP AND RELATED ORGANIZATIONS

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS INCREASE IN FAIR VALUE OF SWAP AGREEMENTS 3,187,146 EQUITY IN LOSSES OF JOINT VENTURE (80,163) PENSION-RELATED CHANGES OTHER THAN NET PERIODIC PENSION COSTS 14,650,721 CHANGE IN BENEFICIAL INTEREST IN TRUST 115,179 INCREASE IN FAIR VALUE OF FUNDS HELD IN TRUST BY OTHERS 2,100,469 TOTAL OTHER CHANGES IN NET ASSETS 19,973,352

Return Reference	Explanation
FORM 990, PART XII, LINES 2 AND 3	DIAKON, THE SOLE MEMBER OF DLSP, 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 DIAKON 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.

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.  
▶ Information about Schedule R (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number  
23-1857015

Part I Identification of Disregarded Entities

Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) DIAKON LUTHERWOOD SENIOR HOUSING 798 Hausman Road Ste 300 ALLENTOWN, PA 18104 26-0649129	SENIOR HOUSIN	PA	1,164,431	4,462,384	DLSM

Part II Identification of Related Tax-Exempt Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(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 section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) DIAKON  798 Hausman Road Ste 300  ALLENTOWN, PA 18104 23-3014613	SUB OVERSIGHT	PA	501(C)3	11	NA		No
(2) DIAKON LUTHERAN FUND  798 Hausman Road Ste 300  ALLENTOWN, PA 18104 23-1365978	FUND PROGRAMS	PA	501(C)3	11	DIAKON	Yes	
(3) DLSH at Luther Meadows  798 Hausman Road Ste 300  ALLENTOWN, PA 18104 23-2837747	HUD HOUSING	PA	501(C)3	9	DLSM	Yes	
(4) DLSH at Heilman House  798 Hausman Road Ste 300  ALLENTOWN, PA 18104 23-2463233	HUD HOUSING	PA	501(C)3	9	DLSM	Yes	
(5) SUSQUEHANNA HOUSING INC  798 HAUSMAN ROAD STE 300  ALLENTOWN, PA 18104 23-2040250	INACTIVE	PA	501(C)3	11	DLSM	Yes	

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) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							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	(i) Section 512 (b)(13) controlled entity?	
								Yes	No
(1) Institute for Strategic Management Inc  960 CENTURY DRIVE MECHANICSBURG, PA 17055 26-4316868	CONSULTING	PA	DIAKON	C Corp				Yes	
(2) CHARITABLE REMAINDER TRUSTS (1)			NA						
(3) PERPETUAL TRUSTS HELD BY 3rd PARTY (24)			NA						

Part V

Transactions With Related Organizations

Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

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

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 or (iv) rent from a controlled entity

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

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

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

e Loans or loan guarantees by related organization(s)

f Dividends from related organization(s)

g Sale of assets to related organization(s)

h Purchase of assets from related organization(s)

i Exchange of assets with related organization(s)

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

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

l Performance of services or membership or fundraising solicitations for related organization(s)

m Performance of services or membership or fundraising solicitations by related organization(s)

n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

o Sharing of paid employees with related organization(s)

p Reimbursement paid to related organization(s) for expenses

q Reimbursement paid by related organization(s) for expenses

r Other transfer of cash or property to related organization(s)

s Other transfer of cash or property from related organization(s)

Yes

No

No

No

Yes

No

No

No

No

Yes

No

No

Yes

No

Yes

Yes

Yes

No

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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
See Additional Data Table			

Schedule R (Form 990) 2013

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.

[illegible]



Part VII

Supplemental Information

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
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Additional Data

Software ID:  
Software Version:  
EIN: 23-1857015  
Name: DIAKON LUTHERAN SOCIAL MINISTRIES

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

(a) Name of other organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
Diakon Lutheran Fund	c	1,100,004	Book Value
DIAKON LUTHERAN SR HOUSING AT LUTHER MEADOWS	o	99,637	Book Value
DIAKON LUTHERAN SR HOUSING AT HEILMAN HOUSE	o	101,467	Book Value
Diakon	o	5,885,777	Book Value
DIAKON LUTHERAN SR HOUSING AT LUTHER MEADOWS	q	29,612	Book Value
DIAKON LUTHERAN SR HOUSING AT HEILMAN HOUSE	q	27,210	Book Value
Diakon	p	496,859	Book Value
Diakon	j	1,278,000	Book Value
Diakon	q	1,931,073	Book Value
Institute for Strategic Management Inc	q	34,311	Book Value
Institute for Strategic Management Inc	m	43,969	Book Value