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Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 01-01-2014 , and ending 12-31-2014

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
DIAKON LUTHERAN SOCIAL MINISTRIES

% SCOTT HABECKER

Doing business as

Number and street (or P O box if mail is not delivered to street address) 798 HAUSMAN ROAD

Room/suite

City or town, state or province, country, and ZIP or foreign postal code
ALLENTOWN, PA 18104

D Employer identification number
23-1857015

E Telephone number
(610)682-1262

G Gross receipts $ 365,383,786

F Name and address of principal officer
MARK T PILE
798 HAUSMAN ROAD
ALLENTOWN, PA 18104

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶ 9386

I Tax-exempt status ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW DIAKON ORG

K Form of organization ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1868

M State of legal domicile PA

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE ORGANIZATION IS A PROVIDER OF senior LIVING SERVICES AND SOCIAL SERVICES, INCLUDING ADOPTION, FOSTER CARE COUNSELING AND YOUTH SERVICES IN PENNSYLVANIA AND MARYLAND

2 Check this box ▶☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

Activities & Governance

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	9
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	9
5	Total number of individuals employed in calendar year 2014 (Part V, line 2a)	**5**	2,578
6	Total number of volunteers (estimate if necessary)	**6**	1,600
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	7,952
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	-86,152

		Prior Year	Current Year
Revenue **8**	Contributions and grants (Part VIII, line 1h)	6,514,090	12,948,745
9	Program service revenue (Part VIII, line 2g)	189,963,729	195,685,737
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	9,931,711	8,968,242
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,325,882	1,397,775
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	207,735,412	219,000,499
Expenses **13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	89,316	175,958
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	68,518,498	66,239,961
16a	Professional fundraising fees (Part IX, column (A), line 11e)	279,940	59,500
b	Total fundraising expenses (Part IX, column (D), line 25) ▶1,480,068		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	141,647,184	146,236,248
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	210,534,938	212,711,667
19	Revenue less expenses Subtract line 18 from line 12	-2,799,526	6,288,832

		Beginning of Current Year	End of Year
Net Assets or Fund Balances **20**	Total assets (Part X, line 16)	435,520,798	439,927,163
21	Total liabilities (Part X, line 26)	365,238,203	398,095,811
22	Net assets or fund balances Subtract line 21 from line 20	70,282,595	41,831,352

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer — Date: 2015-11-05

SCOTT HABECKER EVP-COO&CFO
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Jocelyne C Miller KPMG LLP	Jocelyne C Miller KPMG LLP	2015-11-05		P00634378

Firm's name ▶ KPMG LLP — Firm's EIN ▶

Firm's address ▶ 1676 International Drive, McLean, VA 22102 — Phone no (703) 286-8000

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

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 $ 134,876,711	including grants of $ 25,458)	(Revenue $ 134,513,977)		
	Senior Living Services SEE SCHEDULE O					
4b	(Code)	(Expenses $ 8,521,313	including grants of $ 150,000)	(Revenue $ 7,715,849)		
	Services for Children, Families, and Communities SEE SCHEDULE O					
4c	(Code)	(Expenses $ 50,094,356	including grants of $)	(Revenue $ 50,094,356)		
	Statewide Adoption Network SEE SCHEDULE O					
4d	Other program services (Describe in Schedule O)					
	(Expenses $ 1,722,118	including grants of $ 500)	(Revenue $ 4,807,998)			
4e	**Total program service expenses** ▶ 195,214,498					

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	**Section 501(c)(3) organizations.** 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 domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	**21**	Yes	
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	**24a**	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**	Yes	
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	**24c**		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		No
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part 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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**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? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**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? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**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? *If "Yes," complete Schedule R, Part I*	**33**	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	**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)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O	**38**	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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	375		
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	2,578		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (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? *If "No" to line 3b, provide an explanation in Schedule O* . . .	3b		Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR)				
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	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		Yes	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		Yes	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			No
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization 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	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?	8			
9a	Did the sponsoring organization make any taxable distributions under section 4966? . . .	9a			
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person? . . .	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** 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? *If "No," provide an explanation in Schedule O* . .	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	**1a**	9		
	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	**1b**	9		
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

☐ Own website ☐ Another's website ☑ Upon request ☐ 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, address, and telephone number of the person who possesses the organization's books and records

▶ SCOTT HABECKER
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			

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			

1b	**Sub-Total** . . . . . ▶			
c	**Total from continuation sheets to Part VII, Section A** . . . . ▶			
d	**Total (add lines 1b and 1c)** . . . . . ▶	2,729,788	0	508,871

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 23

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	**5**		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	22,935,280
FAMILY DESIGN RESOURCES INC, 471 JPL WICK DRIVE HARRISBURG, PA 17111	SWAN PROGRAM SERVICE	14,770,506
GENESIS ELDERCARE, PO BOX 821322 PHILADELPHIA, PA 191821322	REHAB SVCS	7,349,725
BENCHMARK CONTRUCTION CO INC, 4121 OREGON PIKE BROWNSTOWN, PA 17508	CONSTRUCTION	4,583,239
WAGMAN CONSTRUCTION INC, 3290 NORTH SUSQUEHANNA TRAIL YORK, PA 174069754	CONSTRUCTION	3,442,291

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 ▶ 62

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 64,111				
	b	Membership dues	1b				
	c	Fundraising events	1c 147,554				
	d	Related organizations	1d 550,044				
	e	Government grants (contributions)	1e 1,579,784				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 10,607,252				
	g	Noncash contributions included in lines 1a-1f $	181,822				
	h	**Total.** Add lines 1a-1f		12,948,745			
Program Service Revenue			Business Code				
	2a	SENIOR LIVING SERVICES	623000	134,270,686	134,270,686		
	b	FAMILY AND COMMUNITY MINISTRIES	621400	7,601,499	7,601,499		
	c	STATEWIDE ADOPTION AND PERMANENCY NETWORK	900099	50,094,356	50,094,356		
	d	OTHER PROGRAM SERVICES	900099	3,719,196	3,719,196		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		195,685,737			
	3	Investment income (including dividends, interest, and other similar amounts)		4,936,384		5,508	4,930,876
	4	Income from investment of tax-exempt bond proceeds		72,632			72,632
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents	910,734				
	b	Less rental expenses	1,000,243				
	c	Rental income or (loss)	-89,509	0			
	d	Net rental income or (loss)			-89,509	7,547	-97,056
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	149,190,854	79,304			
	b	Less cost or other basis and sales expenses	145,261,705	49,227			
	c	Gain or (loss)	3,929,149	30,077			
	d	Net gain or (loss)			3,959,226		3,959,226
Other Revenue	8a	Gross income from fundraising events (not including $ 147,554 of contributions reported on line 1c) See Part IV, line 18	a 21,000				
	b	Less direct expenses	b 72,112				
	c	Net income or (loss) from fundraising events			-51,112		-51,112
	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	1,162,676	1,162,676		
	b	OTHER REVENUE	900099	351,878	252,378	99,500	
	c	VENDING REVENUE	541610	23,842	23,842		
	d	All other revenue					
	e	**Total.** Add lines 11a–11d		1,538,396			
	12	**Total revenue.** See Instructions		219,000,499	197,132,180	7,952	8,911,622

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 domestic organizations and domestic governments See Part IV, line 21	150,793	150,793		
2 Grants and other assistance to domestic individuals See Part IV, line 22	25,165	25,165		
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals 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	2,377,326	0	1,995,528	381,798
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	52,893,591	47,226,796	5,239,133	427,662
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	-464,287	-378,418	-59,027	-26,842
9 Other employee benefits	7,535,447	6,831,600	631,655	72,192
10 Payroll taxes	3,897,884	3,367,139	477,173	53,572
11 Fees for services (non-employees)				
a Management	185,351	185,351		
b Legal	659,376	12,825	646,551	
c Accounting	44,856	44,856		
d Lobbying	51,000			51,000
e Professional fundraising services See Part IV, line 17	59,500			59,500
f Investment management fees	180,941	111,827	69,114	
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	13,873,923	12,637,044	1,221,997	14,882
12 Advertising and promotion	1,031,596	969,711	59,113	2,772
13 Office expenses	11,875,485	10,248,969	1,407,921	218,595
14 Information technology	3,390,062	2,726,993	634,371	28,698
15 Royalties	0			
16 Occupancy	10,745,154	10,280,626	464,528	
17 Travel	2,240,126	1,789,723	391,281	59,122
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	126,373	45,024	77,245	4,104
20 Interest	12,757,873	12,154,594	603,279	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	17,333,881	16,152,611	1,181,270	
23 Insurance	1,951,479	1,551,619	394,525	5,335
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	41,020,501	41,020,501		
b CULINARY SERVICE	15,876,937	15,873,248	3,689	
c HOUSEKEEPING SERVICES	4,758,119	4,710,905	47,214	
d BAD DEBT EXPENSE	2,760,153	2,760,153		
e All other expenses	5,373,062	4,714,843	530,541	127,678
25 **Total functional expenses.** Add lines 1 through 24e	212,711,667	195,214,498	16,017,101	1,480,068
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 ▶ ☐ 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) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		874,250	1	2,357,284
	2	Savings and temporary cash investments		19,813,169	2	31,518,923
	3	Pledges and grants receivable, net		753,833	3	3,102,672
	4	Accounts receivable, net		20,520,636	4	13,167,203
	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		1,714,463	9	1,574,581
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 421,916,117			
	b	Less accumulated depreciation	10b 200,725,417	227,717,737	10c	221,190,700
	11	Investments—publicly traded securities		114,777,451	11	117,738,012
	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		44,776,976	15	44,705,505
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		435,520,798	16	439,927,163
Liabilities	17	Accounts payable and accrued expenses		24,792,168	17	22,702,108
	18	Grants payable		0	18	0
	19	Deferred revenue		47,981,991	19	52,747,449
	20	Tax-exempt bond liabilities		209,936,276	20	232,321,553
	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		23,338,021	23	11,167,869
	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		59,189,747	25	79,156,832
	26	**Total liabilities.** Add lines 17 through 25		365,238,203	26	398,095,811
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		22,415,931	27	-11,746,311
	28	Temporarily restricted net assets		9,306,719	28	9,076,339
	29	Permanently restricted net assets		38,559,945	29	44,501,324
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ 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		70,282,595	33	41,831,352
	34	Total liabilities and net assets/fund balances		435,520,798	34	439,927,163

Part XI Reconcilliation 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	219,000,499
2	Total expenses (must equal Part IX, column (A), line 25)	2	212,711,667
3	Revenue less expenses Subtract line 2 from line 1	3	6,288,832
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	70,282,595
5	Net unrealized gains (losses) on investments	5	-4,524,928
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-30,215,147
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	41,831,352

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 ☐ Cash ☑ Accrual ☐ 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?	2a		No
	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 ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	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 ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	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?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O			
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?	3a	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	Yes	

Additional Data

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

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

(A) Name and Title	(B) Average hours per week (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 4 0	X						0	0	0
(1) JEFF BOLAND BOARD MEMBER	1 0 0 0	X						0	0	0
(2) ADDIE BUTLER BOARD MEMBER (until 7/1/14)	0 5 2 5	X						0	0	0
(3) LARRY DELP BOARD MEMBER	1 0 1 0	X						0	0	0
(4) BARBARA FEEGE BOARD MEMBER	1 0 0 0	X						0	0	0
(5) CHAD HEBRINK BOARD MEMBER	1 0 0 0	X						0	0	0
(6) HOLLY HEINTZELMAN ESQ SECRETARY (until 7/1/14)	0 5 0 5	X						0	0	0
(7) JOYCE HERSHBERGER BOARD MEMBER (until 7/1/14)	0 5 0 5	X						0	0	0
(8) PHIL KREY BOARD MEMBER (until 7/1/14)	0 5 2 5	X						0	0	0
(9) DR DON MAIN CHAIR	1 0 0 0	X						0	0	0
(10) ERICH MARCH VICE-CHAIR	1 0 0 0	X						0	0	0
(11) DR BARRY PARKS SECRETARY	1 0 0 0	X						0	0	0
(12) GREG RHODES BOARD MEMBER (until 7/1/14)	0 5 0 5	X						0	0	0
(13) LAURIE SALTZGIVER BOARD MEMBER (until 7/1/14)	0 5 0 5	X						0	0	0
(14) JOSEPH SKILLMAN BOARD MEMBER (until 7/1/14)	0 5 1 5	X						0	0	0
(15) BISHOP SAM ZEISER BOARD MEMBER	1 0 0 0	X						0	0	0
(16) MARK T PILE PRESIDENT/CEO	22 0 15 5			X				427,338	0	204,141
(17) SCOTT HABECKER EXEC VP, CHIEF OP&FIN OFFICER	29 2 8 3			X				337,957	0	82,280
(18) RICHARD M BARGER EXEC VP, TREASURER	29 3 8 2			X				303,022	0	28,131
(19) MARY ELLEN DICKEY SVP, ADVANCEMENT	10 5 27 0				X			346,773	0	43,989
(20) RICHARD H REED SVP, CHIEF RISK OFFICER	24 0 13 5				X			233,565	0	24,070
(21) DEANNA L ZIEMBA SVP, SR LVNG OP & BUS DEV	33 3 4 2				X			190,005	0	20,099
(22) ALICE M CLARK SVP, HUMAN RESOURCES	34 0 3 5				X			159,351	0	21,565
(23) JOHN J PALKOVITZ VP, FINANCIAL SERVICES	27 5 10 0					X		162,340	0	14,831
(24) JEANNE M OSKI VP, SENIOR LIVING COMMUNITIES	36 5 1 0					X		155,559	0	10,578

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

(A) Name and Title	(B) Average hours per week (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			
(26) WILLIAM E SWANGER	20 5					X		145,415	0	21,392
SVP, CORPORATE COMMUNICATIONS	17 0									
(1) LAUREN R CONZAMAN	19 5					X		133,866	0	19,497
VP, CHILD & FAMILIY MINISTRIES	18 0									
(2) JAN E BIGLOW	37 0					X		134,597	0	18,298
EXECUTIVE DIRECTOR I	0 0									

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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.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number
23-1857015

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

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

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

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

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

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

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

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

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

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

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

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

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

a ☐ **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization **You must complete Part IV, Sections A and B.**

b ☐ **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s) **You must complete Part IV, Sections A and C.**

c ☐ **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions) **You must complete Part IV, Sections A, D, and E.**

d ☐ **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions) **You must complete Part IV, Sections A and D, and Part V.**

e ☐ Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization

f Enter the number of supported organizations . . . . . _____

g Provide the following information about the supported organization(s)

(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 listed in your governing document? Yes	(iv) No	(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(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 VI)						
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 section 501(c)(3) organization, check this box and **stop here** . . . . . ▶☐

Section C. Computation of Public Support Percentage

14	Public support percentage for 2014 (line 6, column (f) divided by line 11, column (f))	**14**
15	Public support percentage for 2013 Schedule A, Part II, line 14	**15**

16a **33 1/3% support test—2014.** 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—2013.** 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—2014.** 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 VI how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2013.** 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 VI 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 III **Support 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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")	5,755,486	6,873,675	5,597,588	6,514,090	12,948,745	37,689,584
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	204,281,540	202,383,641	189,738,873	189,921,646	195,634,625	981,960,325
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	210,037,026	209,257,316	195,336,461	196,435,736	208,583,370	1,019,649,909
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)						1,019,649,909

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2010	(b) 2011	(c) 2012	(d) 2013	(e) 2014	(f) Total
9 Amounts from line 6	210,037,026	209,257,316	195,336,461	196,435,736	208,583,370	1,019,649,909
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	3,854,653	2,788,038	4,337,908	3,862,220	5,011,055	19,853,874
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						0
c Add lines 10a and 10b	3,854,653	2,788,038	4,337,908	3,862,220	5,011,055	19,853,874
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 VI)	1,205,804	1,073,848	1,081,634	1,382,232	1,438,896	6,182,414
13 **Total support.** (Add lines 9, 10c, 11, and 12)	215,097,483	213,119,202	200,756,003	201,680,188	215,033,321	1,045,686,197

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2014 (line 8, column (f) divided by line 13, column (f))	15	97 510 %
16	Public support percentage from 2013 Schedule A, Part III, line 15	16	97 580 %

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2014** (line 10c, column (f) divided by line 13, column (f))	17	1 899 %
18	Investment income percentage from **2013** Schedule A, Part III, line 17	18	1 780 %

19a **33 1/3% support tests—2014.** 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—2013.** 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 Supporting Organizations

(Complete only if you checked a box on line 11 of Part I If you checked 11a of Part I, complete Sections A and B If you checked 11b of Part I, complete Sections A and C If you checked 11c of Part I, complete Sections A, D, and E If you checked 11d of Part I, complete Sections A and D, and complete Part V)

Section A. All Supporting Organizations

			Yes	No
1	Are all of the organization's supported organizations listed by name in the organization's governing documents? *If "No," describe in* ***Part VI*** *how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.*	1		
2	Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? *If "Yes," explain in* ***Part VI*** *how the organization determined that the supported organization was described in section 509(a)(1) or (2).*	2		
3a	Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? *If "Yes," answer (b) and (c) below.*	3a		
b	Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? *If "Yes," describe in* ***Part VI*** *when and how the organization made the determination.*	3b		
c	Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? *If "Yes," explain in* ***Part VI*** *what controls the organization put in place to ensure such use.*	3c		
4a	Was any supported organization not organized in the United States ("foreign supported organization")? *If "Yes" and if you checked 11a or 11b in Part I, answer (b) and (c) below.*	4a		
b	Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? *If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations. . . .*	4b		
c	Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? *If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.*	4c		
5a	Did the organization add, substitute, or remove any supported organizations during the tax year? *If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed, (ii) the reasons for each such action, (iii) the authority under the organization's organizing document authorizing such action, and (iv) how the action was accomplished (such as by amendment to the organizing document).*	5a		
b	**Type I or Type II only.** Was any added or substituted supported organization part of a class already designated in the organization's organizing document?	5b		
c	**Substitutions only.** Was the substitution the result of an event beyond the organization's control?	5c		
6	Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (a) its supported organizations, (b) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (c) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? *If "Yes," provide detail in* ***Part VI.***	6		
7	Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in IRC 4958(c)(3)(C)), a family member of a substantial contributor, or a 35-percent controlled entity with regard to a substantial contributor? *If "Yes," complete Part I of Schedule L (Form 990) .*	7		
8	Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? *If "Yes," complete Part II of Schedule L (Form 990).*	8		
9a	Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509 (a)(1) or (2))? *If "Yes," provide detail in* ***Part VI.***	9a		
b	Did one or more disqualified persons (as defined in line 9(a)) hold a controlling interest in any entity in which the supporting organization had an interest? *If "Yes," provide detail in* ***Part VI.***	9b		
c	Did a disqualified person (as defined in line 9(a)) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? *If "Yes," provide detail in* ***Part VI.***	9c		
10a	Was the organization subject to the excess business holdings rules of IRC 4943 because of IRC 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? *If "Yes," answer b below.*	10a		
b	Did the organization have any excess business holdings in the tax year? *(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings).*	10b		
11	Has the organization accepted a gift or contribution from any of the following persons?			
a	A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a		
b	A family member of a person described in (a) above?	11b		
c	A 35% controlled entity of a person described in (a) or (b) above? *If "Yes" to a, b, or c, provide detail in Part VI.*	11c		

Part IV Supporting Organizations (continued)

Section B. Type I Supporting Organizations

		Yes	No
1	Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? *If "No," describe in* ***Part VI*** *how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.*	1		
2	Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? *If "Yes," explain in* ***Part VI*** *how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised or controlled the supporting organization.*	2		

Section C. Type II Supporting Organizations

		Yes	No
1	Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? *If "No," describe in* ***Part VI*** *how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).*	1		

Section D. All Type III Supporting Organizations

		Yes	No
1	Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (1) a written notice describing the type and amount of support provided during the prior tax year, (2) a copy of the Form 990 that was most recently filed as of the date of notification, and (3) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1		
2	Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? *If "No," explain in* ***Part VI*** *how the organization maintained a close and continuous working relationship with the supported organization(s).*	2		
3	By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? *If "Yes," describe in* ***Part VI*** *the role the organization's supported organizations played in this regard.*	3		

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year **(see instructions)**

- **a** ☐ The organization satisfied the Activities Test Complete **line 2** below
- **b** ☐ The organization is the parent of each of its supported organizations Complete **line 3** below
- **c** ☐ The organization supported a governmental entity Describe in Part VI how you supported a government entity (see instructions)

			Yes	No
2	Activities Test **Answer (a) and (b) below.**			
a	Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? *If "Yes," then in* ***Part VI identify those supported organizations and explain*** *how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.*	2a		
b	Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? *If "Yes," explain in* ***Part VI*** *the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.*	2b		
3	Parent of Supported Organizations **Answer (a) and (b) below.**			
a	Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? *Provide details in Part VI.*	3a		
b	Did the organization exercise a substantial degree of direction over the policies, programs and activities of each of its supported organizations? *If "Yes," describe in Part VI the role played by the organization in this regard.*	3b		

Part V – Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 ☐ Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov 20, 1970 **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E

Section A - Adjusted Net Income

			(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1		
2	Recoveries of prior-year distributions	2		
3	Other gross income (see instructions)	3		
4	Add lines 1 through 3	4		
5	Depreciation and depletion	5		
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7	Other expenses (see instructions)	7		
8	**Adjusted Net Income** (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount

			(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year)	1		
a	Average monthly value of securities	1a		
b	Average monthly cash balances	1b		
c	Fair market value of other non-exempt-use assets	1c		
d	**Total** (add lines 1a, 1b, and 1c)	1d		
e	**Discount** claimed for blockage or other factors (explain in detail in Part VI) _____			
2	Acquisition indebtedness applicable to non-exempt use assets	2		
3	Subtract line 2 from line 1d	3		
4	Cash deemed held for exempt use Enter 1-1/2% of line 3 (for greater amount, see instructions)	4		
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6	Multiply line 5 by 035	6		
7	Recoveries of prior-year distributions	7		
8	**Minimum Asset Amount** (add line 7 to line 6)	8		

Section C - Distributable Amount

				Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2	Enter 85% of line 1	2		
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4	Enter greater of line 2 or line 3	4		
5	Income tax imposed in prior year	5		
6	**Distributable Amount.** Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		
7	☐ Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions)			

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI) See instructions	
7 **Total annual distributions.** Add lines 1 through 6	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI) See instructions	
9 Distributable amount for 2014 from Section C, line 6	
10 Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2014	(iii) Distributable Amount for 2014
1 Distributable amount for 2014 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2014 (reasonable cause required--see instructions)			
3 Excess distributions carryover, if any, to 2014			
a From 2009.			
b From 2010.			
c From 2011.			
d From 2012.			
e From 2013.			
f **Total** of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2014 distributable amount			
i Carryover from 2009 not applied (see instructions)			
j Remainder Subtract lines 3g, 3h, and 3i from 3f			
4 Distributions for 2014 from Section D, line 7 $ _____			
a Applied to underdistributions of prior years			
b Applied to 2014 distributable amount			
c Remainder Subtract lines 4a and 4b from 4			
5 Remaining underdistributions for years prior to 2014, if any Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions)			
6 Remaining underdistributions for 2014 Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions)			
7 **Excess distributions carryover to 2015.** Add lines 3j and 4c			
8 Breakdown of line 7			
a From 2010.			
b From 2011.			
c From 2012.			
d From 2013.			
e From 2014.			

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a and 3b; Part V, line 1; Part V, Section B, line 1e; Part V Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Return Reference	Explanation

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493315001315

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

OMB No 1545-0047

2014

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) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then

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

Name of the organization	Employer identification number
DIAKON LUTHERAN SOCIAL MINISTRIES	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		
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-		

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

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? ☐ Yes ☐ 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 separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(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) Yes	(a) No	(b) 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		52,524
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities?		No	
j	Total Add lines 1c through 1i			52,524
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, lines 1 and 2 (see instructions), 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 2014, 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 $52,524
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 DLSM needs to contact legislators to speak on 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 DLSM staff attend

Part IV Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number
23-1857015

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of 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? ☐ Yes ☐ No

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? ☐ Yes ☐ No

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

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) Revenue 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 Revenue 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
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? ☐ 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	18,077,169	14,858,797	12,688,497	12,149,734	10,392,169
b	Contributions	5,521,787	510,296	1,006,120	1,024,585	191,217
c	Net investment earnings, gains, and losses	747,844	3,275,209	1,694,788	-69,426	1,982,276
d	Grants or scholarships					
e	Other expenditures for facilities and programs	556,690	567,133	530,608	416,396	415,928
f	Administrative expenses					
g	End of year balance	23,790,110	18,077,169	14,858,797	12,688,497	12,149,734

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

		Yes	No
(i) unrelated organizations	3a(i)		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		16,441,934		16,441,934
b Buildings		170,091,241	105,166,099	64,925,142
c Leasehold improvements		35,887	26,877	9,010
d Equipment		45,554,907	33,518,136	12,036,771
e Other		189,792,148	62,014,305	127,777,843
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				221,190,700

Part VII **Investments—Other Securities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII **Investments—Program Related.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13)* ▶		

Part IX **Other Assets.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11d See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) INTEREST RECEIVABLE	99,101
(2) BENEFICIAL INTEREST IN TRUST	27,924,703
(3) ESTIMATED THIRD PARTY SETTLE	424,021
(4) INVESTMENT IN JOINT VENTURES	696,647
(5) DEFERRED BOND ISSUANCE COSTS	4,103,793
(6) OTHER ASSETS	406,901
(7) DUE FROM AFFILIATES	397,431
(8) LEASE RECEIVABLE	10,652,908
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	44,705,505

Part X **Other Liabilities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1 (a) Description of liability	(b) Book value
Federal income taxes	0
ESTIMATED THIRD-PARTY PAYOR SE	63,914
MINIMUM PENSION LIABILITY	35,306,719
INTEREST RATE SWAP AGREEMENT	9,868,330
RESIDENT DEPOSITS	538,934
OTHER PAYABLES	225,535
REFUNDABLE ENTRANCE FEE LIABILITY	33,153,400
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	79,156,832

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII ☑

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12				
a	Net unrealized gains (losses) 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			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12)			5	

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	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18)			5	

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
TAX FOOTNOTE	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

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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	99,101
(2) BENEFICIAL INTEREST IN TRUST	27,924,703
(3) ESTIMATED THIRD PARTY SETTLE	424,021
(4) INVESTMENT IN JOINT VENTURES	696,647
(5) DEFERRED BOND ISSUANCE COSTS	4,103,793
(6) OTHER ASSETS	406,901
(7) DUE FROM AFFILIATES	397,431
(8) LEASE RECEIVABLE	10,652,908

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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.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number
23-1857015

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

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- **a** ☑ Mail solicitations
- **b** ☑ Internet and 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? Yes	**(iii)** No	**(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
1	COREMESSAGINK 334 Valleybrook Drive Lancaster, PA 17601	DIRECT MAILING		No	113,775	59,500	54,275
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total . . . . . ▶					113,775	59,500	54,275

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.

		(a) Event #1 DINNER 1 (event type)	(b) Event #2 DINNER 2 (event type)	(c) Other events 1 (total number)	(d) Total events (add col (a) through col (c))
Revenue	1 Gross receipts	158,793	9,126	635	168,554
	2 Less Contributions	137,793	9,126	635	147,554
	3 Gross income (line 1 minus line 2)	21,000			21,000
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	9,165	10,130		19,295
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	16,683	27,572	8,562	52,817
	10 Direct expense summary Add lines 4 through 9 in column (d) ▶				(72,112)
	11 Net income summary Subtract line 10 from line 3, column (d) ▶				-51,112

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

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	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 conducts gaming activities _____

a Is the organization licensed to conduct 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 _____

11 Does the organization conduct 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

13 Indicate the percentage of gaming activities conducted in

a	The organization's facility	**13a**	%
b	An outside facility	**13b**	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ▶ .....

Address ▶ .....

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ 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 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

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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*.**

OMB No 1545-0047

2014

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 Domestic Organizations and Domestic Governments.

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 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
(1) DIAKON CHILD FAMILY AND COMMUNITY MINISTRIES 798 HAUSMAN ROAD STE 300 ALLENTOWN,PA 181049108	46-5390969	501(c)3	150,000				Chair Endowment FUND CHILDREN PROGRAMS

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

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

Part III **Grants and Other Assistance to Domestic Individuals.** 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	3	25,165			

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 DLSM DOES NOT PROVIDE A SIGNIFICANT NUMBER OF GRANTS, AND THEREFORE DOES NOT REQUIRE DETAILED MONITORING OF THE USE OF GRANT FUNDS

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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.**

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

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number
23-1857015

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate 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			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☑ Tax idemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e g , maid, chauffeur, chef)		
b	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	**1b**	Yes	
2	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?	**2**		No
3	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			
	☑ Compensation committee	☐ Written employment contract		
	☑ Independent compensation consultant	☑ Compensation survey or study		
	☑ Form 990 of other organizations	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**	Yes	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**	Yes	
8	Were any amounts reported in Form 990, Part VII, paid or accured 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	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**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 in column(B) reported as deferred in prior Form 990
	(i) Base compensation	**(ii)** Bonus & incentive compensation	**(iii)** Other reportable compensation				
See Additional Data Table							

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 1A	Tax indemnification and gross up payment was made to one (1) key employee in recognition of her nomination for the Diakon Lutheran Social Ministries Leadership Award The gross-up payment netted $50 for this award Jan Bigelow received $79 86 (amount of grossed-up payment) and this is reported in Part VII, Section A, Column (D) and Schedule J, Part II, Column B(ii)
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 4A	ONE (1) HIGHLY COMPENSATED EMPLOYEE RECEIVED SEVERANCE PAY IN SEPTEMBER 2014 JOHN PALKOVITZ'S POSITION OF VP, FINANCIAL SERVICES WAS ELIMINATED AT THE CLOSE OF BUSINESS ON SEPTEMBER 17, 2014 THE SEVERANCE PAYMENT OF $18,467 IS INCLUDED IN REPORTABLE COMPENSATION AND IS NOTED IN SCHEDULE J, PART II, COLUMN B(III)
SCHEDULE J, PART I, QUESTION 4B	Part I, Question 4b Two employees (one officer and one key) 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 This benefit was added to recognize the significant contributions of the identified officer and key employee in the past, and in consideration of expected contribution to the growth of DLSM, its affiliates and subsidiaries in the future, and in exchange for additional income benefits and a new supplemental executive retention plan The annual accruals and interest earnings for the 457(f) supplemental nonqualified benefit plans are reported in Part VII, Section A, Column F and Schedule J, Part II, Column C As a condition for participating in the 457(F) supplemental nonqualified benefit plan, the officer, and key employee 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 reached the vesting date and received a payout of the accrued benefit and interest as of 5/31/2014 which is included in reportable compensation in Part VII, Section A and Schedule J, Part II, column B(iii) and is listed below MaryEllen Dickey $157,692 The two individuals who participated in the 457 (F) plan in 2014 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 $58,236 MaryEllen Dickey $16,750 The retention agreement was not renewed for the one individual who vested and received a payout of the accrued benefit and interest 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 COMPETITVE POST-RETIREMENT INCOME FOR BOARD SELECTED SENIOR EXECUTIVES, WHICH CURRENTLY INCLUDES THE CEO THE EVP/TREASURER, RICHARD BARGER, RECEIVED A FINAL BENEFIT FROM THE SERP PLAN WHICH VESTED AS OF 7/6/14 AND A FINAL LUMP SUM DISTRIBUTION WAS PAID OF $42,399 THE 2014 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 $178,700 AT DECEMBER 31, 2014 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 COVENANTS THAT PROHIBIT THE EXECUTIVE, FOR A SPECIFIED PERIOD OF TIME, FROM ACCEPTING EMPLOYMENT WITH COMPETITOR ORGANIZATIONS
SCHEDULE J, PART I, QUESTION 7	THE COMPENSATION COMMITTEE OF THE DIAKON BOARD REVIEWS THE PERFORMANCE OF THE CEO ON AN ANNUAL BASIS DURING THE FIRST QUARTER OF 2014 THE CHAIR OF THE COMPENSATION COMMITTEE PROVIDED A SUMMARY OF THE CEO'S PERFORMANCE FOR 2013 AND INDICATED THE BOARD APPROVED FOR MARK PILE, CEO/PRESIDENT, A PAYMENT OF $50,000 IN RECOGNITION OF HIS PERFORMANCE SINCE ASSUMING THE ROLE OF CEO THE EMPLOYMENT AGREEMENT FOR THE CHIEF OPERATING AND FINANCIAL OFFICER INCLUDES A PROVISION FOR AN ANNUAL INCENTIVE COMPENSATION IN AN AMOUNT UP TO 25% OF HIS BASE COMPENSATION, BASED UPON ACHIEVEMENT OF MUTUALLY ESTABLISHED ANNUAL GOALS AND OBJECTIVES AND A REVIEW OF THE COFO'S ACCOMPLISHMENTS FOR THE PRIOR CALENDAR YEAR THE CEO/PRESIDENT CONDUCTS AN ANNUAL REVIEW AT THE BEGINNING OF EACH YEAR FOR THE PRIOR YEAR (ANNUAL BASIS) AND DETERMINES THE AMOUNT UP TO 25% FOR PAYMENT

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 and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred in prior Form 990
1 MARK T PILE, PRESIDENT/CEO	(I)	373,183	50,150	4,005	181,250	22,891	631,479	0
	(II)	0	0	0	0	0	0	0
1 SCOTT HABECKER, EXEC VP, CHIEF OP&FIN OFFICER	(I)	278,207	50,150	9,600	60,786	21,494	420,237	0
	(II)	0	0	0	0	0	0	0
2 RICHARD M BARGER, EXEC VP, TREASURER	(I)	258,179	150	44,693	19,053	9,078	331,153	0
	(II)	0	0	0	0	0	0	0
3 MARY ELLEN DICKEY, SVP, ADVANCEMENT	(I)	184,599	0	162,174	18,647	25,342	390,762	140,942
	(II)	0	0	0	0	0	0	0
4 RICHARD H REED, SVP, CHIEF RISK OFFICER	(I)	227,489	0	6,076	2,297	21,773	257,635	0
	(II)	0	0	0	0	0	0	0
5 DEANNA L ZIEMBA, SVP, SR LVNG OP & BUS DEV	(I)	189,737	0	268	0	20,099	210,104	0
	(II)	0	0	0	0	0	0	0
6 ALICE M CLARK, SVP, HUMAN RESOURCES	(I)	159,201	150	0	1,717	19,848	180,916	0
	(II)	0	0	0	0	0	0	0
7 JOHN J PALKOVITZ, VP, FINANCIAL SERVICES	(I)	143,723	150	18,467	1,710	13,121	177,171	0
	(II)	0	0	0	0	0	0	0
8 JEANNE M OSKI, VP, SENIOR LIVING COMMUNITIES	(I)	155,107	0	452	15,552	9,026	180,137	0
	(II)	0	0	0	0	0	0	0
9 WILLIAM E SWANGER, SVP, CORPORATE COMMUNICATIONS	(I)	145,365	50	0	1,501	19,891	166,807	0
	(II)	0	0	0	0	0	0	0
10 LAUREN R CONZAMAN, VP, CHILD & FAMILIY MINISTRIES	(I)	131,020	80	2,766	1,358	18,139	153,363	0
	(II)	0	0	0	0	0	0	0
11 JAN E BIGLOW, EXECUTIVE DIRECTOR I	(I)	134,367	200	30	1,202	17,096	152,895	0
	(II)	0	0	0	0	0	0	0

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part VI.
▶ Attach to Form 990.
▶ Information about Schedule K (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization
DIAKON LUTHERAN SOCIAL MINISTRIES

Employer identification number
23-1857015

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pool financing	
							Yes	No	Yes	No	Yes	No
A	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614CK3	01-30-2007	63,635,926	CONSTRUCTION & RENO SEE PART VI		X		X		X
B	CUMBERLAND COUNTY MUNICIPAL AUTHORITY	23-6003119	230614EK1	12-10-2009	122,154,764	CONSTRUCTION & REFUND SEE PART VI		X		X		X
C	PART VI	23-6003119	230614GTO	04-29-2014	71,341,000	REFUND OF 2003 SERIES SEE PART VI		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0	23,885,000	612,000	
2	Amount of bonds legally defeased	0	0	0	
3	Total proceeds of issue	70,145,115	123,177,405	71,341,920	
4	Gross proceeds in reserve funds	6,063,759	11,188,419	0	
5	Capitalized interest from proceeds	9,187,756	2,193,720	0	
6	Proceeds in refunding escrows	0	0	0	
7	Issuance costs from proceeds	1,051,817	1,988,038	1,035,516	
8	Credit enhancement from proceeds	0	0	172,208	
9	Working capital expenditures from proceeds	0	0	0	
10	Capital expenditures from proceeds	53,801,643	31,057,949	15,169,666	
11	Other spent proceeds	0	76,789,281	45,130,839	
12	Other unspent proceeds	0	0	10,005,899	
13	Year of substantial completion	2012	2013		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		X	X		X			
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		
16	Has the final allocation of proceeds been made?	X		X			X		
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X			

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		
2	Are there any lease arrangements that may result in private business use of bond-financed property?	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			
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			
c	Are there any research agreements that may result in private business use of bond-financed property?		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 ▶		0 306 %		0 106 %		0 146 %		
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 ▶		0 014 %		0 049 %		0 084 %		
6	Total of lines 4 and 5		0 320 %		0 155 %		0 230 %		
7	Does the bond issue meet the private security or payment test?		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		
b	If "Yes" to line 8a, enter the percentage of bond-financed property sold or disposed of								
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		
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			

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has the issuer filed Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate?		X		X		X		
2	If "No" to line 1, did the following apply?								
a	Rebate not due yet?				X	X			
b	Exception to rebate?				X		X		
c	No rebate due?	X		X			X		
	If "Yes" to 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			
4a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		X		X	X			
b	Name of provider	0		0		WELLS FARGOPNC			
c	Term of hedge						7		
d	Was the hedge superintegrated?						X		
e	Was the hedge terminated?						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		
b	Name of provider	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			
7	Has the organization established written procedures to monitor the requirements of section 148?	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			

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

Return Reference	Explanation
SCHEDULE K, PART VI	Bond A Description of Purpose The 2007A bonds 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 bonds No arbitrage liability existed for the bonds as of February 24, 2015 Installment Computation date The next date is January 31, 2016 Total Proceeds of Issue Issue Price $63,635,926 Cumulative Earnings $6,509,190 Total $70,145,115 2007A BONDS GROSS PROCEEDS WERE INVESTED BEYOND THE AVAILABLE TEMPORARY PERIOD OF 3 YEARS BECAUSE OF DELAYS IN CONSTRUCTION Bond B Description of Purpose - 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 refunding of the Authoritys Revenue Bonds Series D of 2003,(2) the refunding of the Authoritys Variable Rate Revenue Bonds, Series B of 2007,(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) 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 bonds No arbitrage liability existed for the bonds as of December 22, 2014 Installment Computation date The next date is December 1, 2015 Total Proceeds of Issue Issue Price $122,154,764 Cumulative Earnings $1,022,641 Total $123,177,405 2007A BONDS GROSS PROCEEDS WERE INVESTED BEYOND THE AVAILABLE TEMPORARY PERIOD OF 3 YEARS BECAUSE OF DELAYS IN CONSTRUCTION Bond C (Series A & B issued through Cumberland County Municipal Authority EIN 23-6003119, Series C issued through County Commissioners of Washington County EIN 52-6001037) NOTE SERIES A & B ISSUED THROUGH CUMBERLAND COUNTY MUNICIPAL AUTHORITY (EIN 23-6003119) AND SERIES C ISSUED THROUGH COUNTY COMMISSIONERS OF WASHINGTON COUNTY (EIN 52-6001037) WERE PART OF A SINGLE ISSUE OFFER AND AS SUCH REPORTED AS ONE ISSUE ON SCHEDULE K Description of Purpose(Series A&B) The 2014 bonds were issued by the Authority to finance a project for the benefit of DLSM comprised of, among other things (1) the refunding of the Authoritys Variable Rate Demand Bonds Series A and C of 2003 (2) the refunding of a portion of the Authoritys Revenue Bonds Series of 2009, (3) the acquisition, construction, renovation, improvement and equipping of administrative, skilled nursing, personal care and independent living facilities (4) the payment of the costs and expenses incident to the issuance of the bonds Issue Price(Series A & B) $52,543,000 Cumulative Earnings $920 Total $52,543,920 Description of Purpose (Series C)- to refund all or a portion of the outstanding Washington County Maryland Variable Rate Demand Bonds, Series E of 2003 (2) to finance or reimburse costs of issuing the bonds Issue Price $18,798,000

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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.

OMB No 1545-0047

2014

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		1,595	FMV
5 Clothing and household goods	X		18,276	FMV
6 Cars and other vehicles	X	1	6,149	FMV
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	2	31,829	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	19	2,994	
19 Food inventory	X	63	2,050	FMV
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other►(CUSTOM IMPROVEMENTS)	X	19	84,133	FMV
26 Other►(GIFT CERTIFICATE)	X	314	25,969	FMV
27 Other►(FURNITURE AND EQUIPMENT)	X	13	4,584	FMV
28 Other►(JEWELRY)	X	18	2,031	FMV
Other►(GIFT BASKETS)	X	20	1,801	FMV
Other►(BATH AND BEAUTY)	X	3	341	FMV
Other►(TOYS)	X	5	70	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

		Yes	No
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		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 II **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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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 990-EZ 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.

OMB No 1545-0047

2014

Open to Public Inspection

Name of the organization	Employer identification number
DIAKON LUTHERAN SOCIAL MINISTRIES	23-1857015

Return Reference	Explanation
Form 990, Part III, Line 3	For the first half of 2014, DIAKON LUTHERAN SOCIAL MINISTRIES (DLSM) offered within Pennsylvania and Maryland 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 THESE services are now provided through Diakon Child, Family & Community Ministries (DCFCM), A RELATED ENTITY, effective July 1, 2014 DLSM still provides senior living services as noted in Part III, question 4

Return Reference	Explanation
FORM 990, PART III, 4A, 4B, 4C AND 4D	LINE 4A SENIOR LIVING SERVICES Most of DLSM'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 2014, these senior living communities served 7,401 persons Senior Living Services in Pennsylvania provided $12,111,042 in uncompensated care during 2014, divided between costs in excess of medical assistance reimbursement and care for people who have exhausted their financial resources Line 4b Services for Children, Families, and Communities DLSM OPERATED A VARIETY OF PROGRAMS AND MINISTRIES FOR CHILDREN AND FAMILIES IN PENNSYLVANIA AND MARYLAND, WHICH ARE UNIQUE AND DISTINCT FROM THE OPERATIONS OF DLSM'S RETIREMENT LIVING CAMPUSES EFFECTIVE JULY 1, 2014 THE CHILD AND FAMILY PROGRAMS WERE TRANSFERRED FROM DLSM TO A NEWLY CREATED SUBSIDIARY ENTITY OF DIAKON, DIAKON CHILD, FAMILY AND COMMUNITY MINISTRIES Line 4c -Statewide Adoption Network Pennsylvania's Statewide Adoption & Permanency Network (SWAN) is both a broad-based cooperative effort and a centralized information and facilitation service funded and overseen by the Pennsylvania Department of HUMAN SERVICES and managed under contract by Diakon Lutheran Social Ministries The SWAN program serves children and youths in the custody of county children and youth agencies 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. Line 4D - Other Program Services Description Grants Expenses Revenue HUD and other programs 500 1,722,118 4,807,998 In 2014, Diakon Lutheran Social Ministries provided the following HUD Housing Projects 84,083 care days

Return Reference	Explanation
FORM 990, PART VI, SECTION A	LINE 6 THE SOLE MEMBER OF DLSM IS DIAKON, A PENNSYLVANIA NON-PROFIT CORPORATION LINE 7A A MAJORITY OF THE MEMBERS OF THE GOVERNING BODY (THE DLSM BOARD OF DIRECTORS) ARE ELECTED BY A MAJORITY VOTE OF THE BISHOPS OF THE FOLLOWING SYNODS OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA NORTHEASTERN PENNSYLVANIA SYNOD, SOUTHEASTERN PENNSYLVANIA SYNOD, DELAWARE-MARYLAND SYNOD, UPPER SUSQUEHANNA SYNOD, AND LOWER SUSQUEHANNA SYNOD THE REMAINING MEMBERS OF THE BOARD ARE ELECTED BY THE BOARD FROM A SLATE OF CANDIDATES PRESENTED BY THE BOARD DEVELOPMENT COMMITTEE LINE 7B THE SOLE MEMBER OF DLSM IS DIAKON, A PENNSYLVANIA NON-PROFIT CORPORATION DIAKON HAS APPROVAL RIGHTS, SPECIFIED IN BOTH THE DLSM AND DIAKON BY-LAWS, OVER CERTAIN TYPES OF ACTIONS BY DLSM'S GOVERNING BODY

Return Reference	Explanation
FORM 990, PART VI, SECTION B	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 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 19, 2015 LINE 12C Diakon's Senior Vice President/Chief Risk Officer reviews DLSM'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

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINES 15A & 15B	EXECUTIVE COMPENSATION PHILOSOPHY 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 determination 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 Diakons executive compensation program consists of a base salary which reflects the value of an executives capabilities, experience and success through 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 PLAN ACCRUALS WERE FROZEN AS OF 12/31/11

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	DLSM makes its governing documents (articles of incorporation and bylaws) and conflict of interest policy available upon request A statement of financial position is published in the organization's annual report, which is mailed to the approximately 120,000 individuals on the organization's publication mailing list The audited consolidated financial statements and annual report are 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 DLSM AND RELATED ORGANIZATIONS

Return Reference	Explanation
FORM 990, PART XI, LINE 9	OTHER CHANGES IN NET ASSETS Decrease in Fair Value of SWAP Agreements (1,601,358) Equity in Losses of Joint Venture (115,408) Pension-Related Changes Other than Net Periodic Pension Costs (21,880,577) Change in Beneficial Interest in Trust (52,195) Decrease in Fair Value of Funds Held in Trust by Others (137,798) Loss from Early Extinguishment of Debt (233,372) Impairment Expense (3,698,990) Equity Transfer to Diakon Child, Family & Community Ministries (2,495,449) ---------- Subtotal (30,215,147)

Return Reference	Explanation
FORM 990, PART XII, LINES 2 AND 3	Diakon, the sole member of DLSM, 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

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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.
▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

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	1,174,102	4,103,442	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	(g) Section 512(b)(13) controlled entity? 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		No
(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) DIAKON CHILD FAMILY & COMMUNITY MINISTR 798 HAUSMAN ROAD STE 300 ALLENTOWN, PA 18104 46-5390969	SOCIAL SVCS	PA	501(C)3	9	DIAKON		No

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) Disproprtionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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	(i) No
(1) INSTITUTE FOR STRATEGIC MANAGEMENT INC 960 CENTURY DRIVE MECHANICSBURG, PA 17055 26-4316868	CONSULTING	PA	DIAKON	C Corp					No
(2) CHARITABLE REMAINDER TRUSTS (1)			NA						
(3) PERPETUAL TRUSTS HELD BY 3RD PARTY (23)			NA						

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

		Yes	No
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 orgranization 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	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b	Yes	
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Dividends from related organization(s)	1f		No
g Sale of assets to related organization(s)	1g		No
h Purchase of assets from related organization(s)	1h		No
i Exchange of assets with related organization(s)	1i		No
j Lease of facilities, equipment, or other assets to related organization(s)	1j	Yes	
k Lease of facilities, equipment, or other assets from related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations for related organization(s)	1l		No
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	Yes	
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n		No
o Sharing of paid employees with related organization(s)	1o	Yes	
p Reimbursement paid to related organization(s) for expenses	1p	Yes	
q Reimbursement paid by related organization(s) for expenses	1q	Yes	
r Other transfer of cash or property to related organization(s)	1r	Yes	
s Other transfer of cash or property from related organization(s)	1s		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			

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

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

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate 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		Yes	No	

Part VII Supplemental Information

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

Return Reference	Explanation

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 related organization	(b) Transaction type(a-s)	(c) Amount Involved	(d) Method of determining amount involved
DIAKON LUTHERAN FUND	c	550,002	BOOK VALUE
DIAKON LUTHERAN SR HOUSING AT LUTHER MEADOWS	o	104,697	BOOK VALUE
DIAKON LUTHERAN SR HOUSING AT HEILMAN HOUSE	o	97,002	BOOK VALUE
DIAKON	o	6,050,377	BOOK VALUE
DIAKON CHILD FAMILY & COMMUNITY MINISTRIES	o	5,376,948	BOOK VALUE
DIAKON LUTHERAN SR HOUSING AT LUTHER MEADOWS	q	28,967	BOOK VALUE
DIAKON LUTHERAN SR HOUSING AT HEILMAN HOUSE	q	27,748	BOOK VALUE
DIAKON CHILD FAMILY & COMMUNITY MINISTRIES	q	1,125,000	BOOK VALUE
DIAKON	p	579,953	BOOK VALUE
DIAKON	j	1,480,441	BOOK VALUE
DIAKON	q	2,046,214	BOOK VALUE
INSTITUTE FOR STRATEGIC MANAGEMENT INC	q	27,682	BOOK VALUE
INSTITUTE FOR STRATEGIC MANAGEMENT INC	m	1,301	BOOK VALUE
DIAKON CHILD FAMILY & COMMUNITY MINISTRIES	r	2,495,449	BOOK VALUE
DIAKON CHILD FAMILY & COMMUNITY MINISTRIES	B	150,000	BOOK VALUE