



# ANNUAL REPORT 2024

**Providing Homeless Solutions  
and Support for over 50 Years**

12747 Old Bridge Road, Ocean City, MD 21842  
410-213-0923

[www.diakoniaoc.org](http://www.diakoniaoc.org)  
[info@diakoniaoc.org](mailto:info@diakoniaoc.org)

**DIAKONIA** INC.  
Help for Today & Hope for Tomorrow

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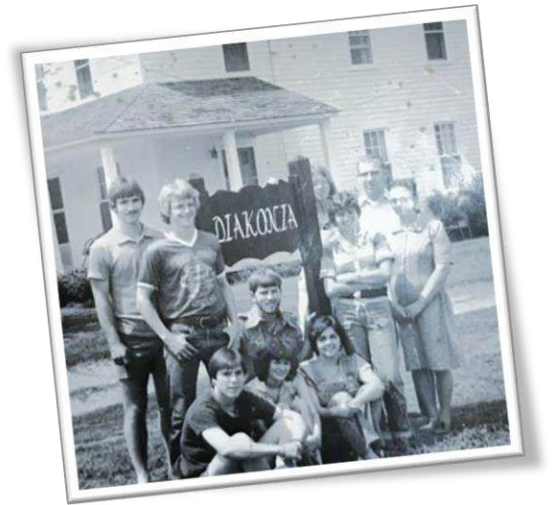
***Providing Help for Today  
...and Hope for Tomorrow!***



# ABOUT US

## Our Historical Mission

In 1972, the Mennonite Church created a boardwalk outreach to homeless persons in Ocean City, MD. A group of young adults hosted them overnight at a local house on Old Bridge Road—which still stands today as part of Diakonia’s 55-bed emergency shelter that serves men, women, families, disabled, and veterans through its program that includes 3 meals/day, all amenities, and intensive case management and 24/7 staff support.



Over the Course of 50 years, Diakonia has expanded its services to the entire Tri-County Lower Eastern Shore region, increased the support of its Mobile Outreach Services, provides Eviction Prevention and Rapid-rehousing Services to eradicate homelessness, especially in regard to US Veterans.

## Financial Highlights

Post COVID, Diakonia lost over \$400,000 in Government grants that were discontinued, however, due to a \$250,000 surplus in FY2023, no services were reduced in FY2024 leading to a **\$300,000 deficit at the end of June 2024.**

Nearly \$100,000 was made up in a strategic direct marketing campaign, as well as additional increase in foundation giving, which in some cases, only mitigated new repairs, purchase of vehicles and equipment, which were above and beyond anticipated budgeted expenses. The new fiscal year faces challenges in balancing needed services versus cuts in expenses, and will need to increase and diversify its fundraising options.

## Operating Highlights

In the Summer of 2023, Diakonia piloted a New **Rapid Response Team** that responds to calls from the community and emergency dispatch regarding complaints/concerns of potentially homeless persons. Over the course of the year, Diakonia received almost 250 calls, averaging 1 person every other day. The results were staggering:

- RRT responded to 71% of them within 3 hours to provide support services and avoid engagement by law enforcement.
- 30% accepted shelter placement within 24 hours, with an additional 5% checking into rehabilitation or inpatient treatment facilities.
- An additional 5% were moved into permanent housing within 1 week, and only 10% required eventual law enforcement services due to irreconcilable differences.

***“Diakonia Permanently Houses 75% of all Shelter Residents”***

## Looking Ahead

The Worcester County Planning Commission has reviewed and **approved the site plan** for the new construction of Offices, the Thrift Store, and new Food Pantry on the Rt. 611 property donated by Blue Water Development at 9601 Stephen Decatur Highway in West Ocean City.

The hope is to eventually build 42 affordable housing units on the property to help mitigate the housing shortage on the Lower Eastern Shore.

**Ken Argot**

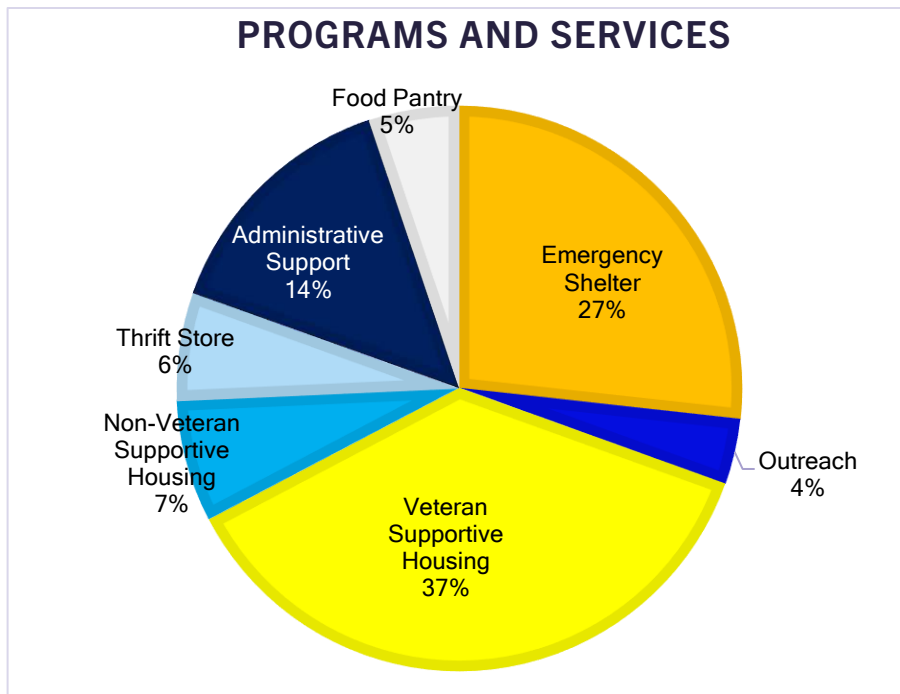
**Executive Director  
Diakonia, Inc.**



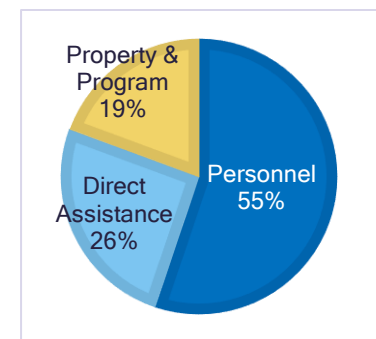
## Services Provided in Worcester, Wicomico, and Somerset Counties

- Mobile Outreach Homeless Response Team
- 24/7 Emergency Coordinated Assessment Hotline
- Eviction Prevention and Financial Assistance
- Emergency Shelter Programming & Services
- Landlord Engagement & Mediation
- Rapid Rehousing Navigation & Support
- 24/7 Emergency On-Site Food Pantry
- SNAP Application Assistance
- Employment Connection Services
- Wraparound Supportive Services for Homeless Veterans and Families
- Thrift Store Vouchers for Homeless Persons

# WHERE DOES MY MONEY GO?



Emergency Shelter	\$655,011
Outreach	\$91,911
Veteran Supportive Housing	\$902,472
Non-Veteran Housing	\$170,828
Thrift Store	\$150,938
Administrative Support	\$352,508
Food Pantry	\$126,263
<b>TOTAL</b>	<b>\$2,449,931</b>



## Veteran and Non-Veteran Housing Services

Diakonia is dedicated to ensuring that no US Veteran is homeless, committing the largest portion of its budget (37%) to do so. Together with non-Veterans, Diakonia provides 44% of its budget to housing persons permanently in a unit balancing location and affordability.

## Emergency Relief Programming

Another 36% goes toward **Emergency Relief Programming** – Shelter at 27%, Outreach at 4%, and Food Pantry adding an additional 5%.

## Administrative Supports

Finally 20% is invested in **Administrative and Thrift Store Support** (6% Thrift Store) as the drivers of income for programming as well as providing fiscal accountability, and harm-reduction services, making every effort to utilize resources efficiently and effectively. Only 3% is directly invested in fundraising efforts or events.

## Human Resources

**Human Resources are our greatest resource.** Over half of all funds (55%) are devoted to the training and retention of an amazing staff. Diakonia believes its success is solely based on those who deliver services. While funding for staff isn't always attractive to donors and grantors, the success of a non-profit (or any business) is the people with whom the mission is carried out.

## Direct Assistance

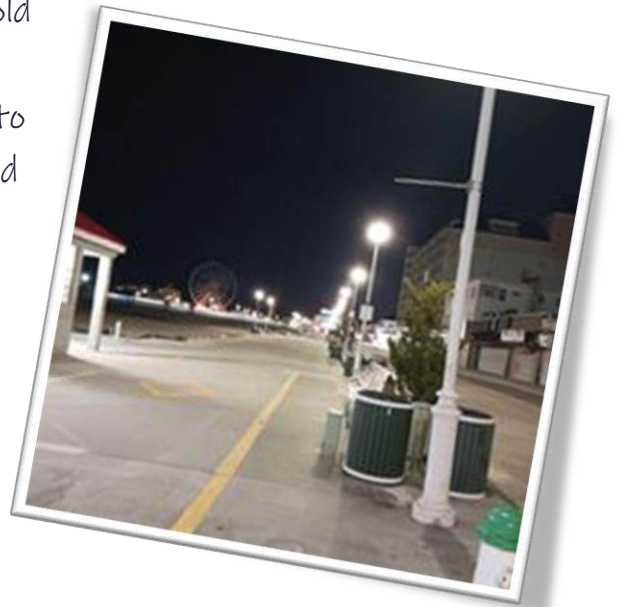
**Direct Assistance to the Client** (rent, utilities, food, and other human necessities) makes up over a quarter (26%) of all expenses, leaving less than 20% on property, professional services (accounting/IT/audits/pest control), office expenses, and other equipment.



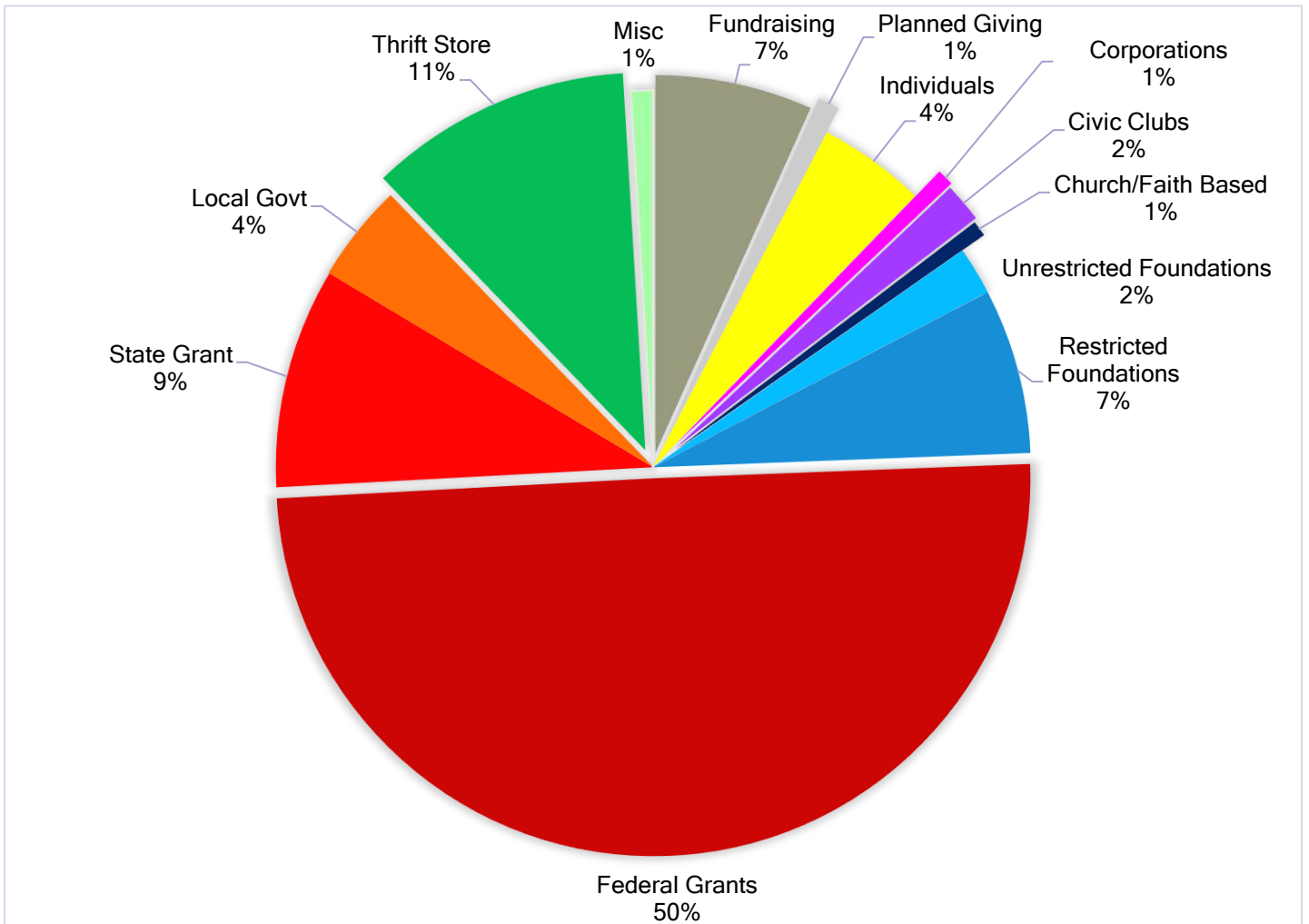
**Diakonia's staff is committed to providing life-saving services to those in need. Its shelter is home for many who have no other options in the community.**

### **Brian's Story...**

"I lost my job and kicked out of my apartment because I couldn't find work quick enough. I ended up living in my truck, but don't have money for gas. I'm not a criminal and I don't do drugs. I'm not a danger to anyone, but it's hard to just park anywhere at night without looking suspicious or being bothered. To make matters worse, I dropped my phone and it busted. I was told the government isn't giving out free phones anymore, and without a phone it was even harder to find work. I applied to some places, but when I told them I didn't have a contact number or address, they just looked at me funny. I just got trapped in this endless cycle that kept getting worse. I've had a history of depression, but I didn't have any money to go see someone or get medication. In a couple of months, I'll celebrate my 60<sup>th</sup> birthday. Diakonia's been good to me, but I'd sure like to be on my own again." 🦶



# WHERE DOES OUR FUNDING COME FROM?



## Federal and State Funding

Federal and State Funding makes up over half (59%) of the income for Diakonia's services to the community, with an additional 4% from local counties and municipalities. This is down from 71% in FY2023 due to loss of COVID-based grants as well as an intentional effort to diversify funding streams by improving our community communication. Diakonia receives much of its Federal funding through the Veterans' Administration in part to operate a Supportive Services to Veterans' Families as well as provide Contract Shelter Beds for eligible Veterans.

## Community Fundraising

Diakonia's 2<sup>nd</sup> Annual Turkey Trot was a huge success, raising almost \$24,000, nearly tripling its first year total. Unfortunately, Diakonia was unable to host their Golf Tournament this year and when comparing to the 50<sup>th</sup> year Anniversary the year prior, events sagged 2% from FY2023.



Nevertheless, nearly 70% of fundraising efforts were collected through 3 significant direct mailing campaigns, adding nearly 200 new donors.

## Foundations and Community Grants



Developing relationships with Foundations and other Corporate related Grants led to a 6.3% increase in awards in FY 2024. Significant were \$40,000 from both the Perdue Foundation and the Humphrey Foundation which allowed Diakonia to purchase two vans to help transport Veterans, shelter, and outreach clients to access services in addition to other supplies. The challenge in foundation requests is that they often do not cover normal operating expenses and are often limited to new projects not already allocated in the operating budget. Very rarely do they cover staff salaries which are 55% of Diakonia's expenses.

## Donor and Organizational Relationships

Diakonia couldn't do what it does without its volunteers, donors, and community partners. In many cases supporting the funding efforts through in-kind gifts that exceed financial donations. About 3% of Diakonia's income is given on behalf of Civic Clubs, Community Based Groups and Faith-Based Organizations. Another 4% is from regular donations from individuals, and another 1% from Corporations above and beyond their Sponsorships of Fundraising Events.

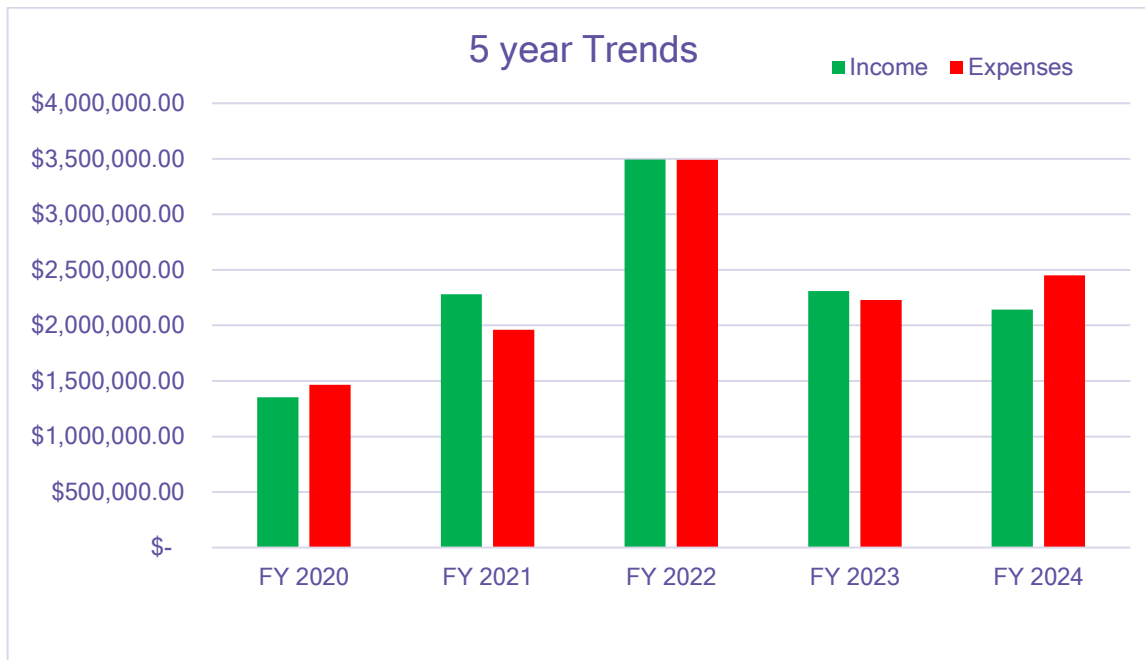


## Thrift Store

Diakonia celebrated 15 years of operation this Summer. Sales from Diakonia's Thrift Store generates 11% of all annual income. This does not account for the numerous clothing, furniture, and household vouchers given to those in our shelter programs, or those we move into their new home. It's success is almost entirely due to the volunteer staff (pictured on the cover) who give tireless hours collecting, picking up, sorting, pricing, placing items in the store. Of course none of it is possible without those who donate their gently used items. Unfortunately, Diakonia lost nearly \$5,000 in Dump fees for items left outside it's doors after hours. Pickups are available for large donations, with a picture texted to the Thrift Store line.



# FINANCIAL STATEMENTS



## Five-Year Profit/Loss Analysis

After 3 years of keeping expenses below income, FY 2024 saw both a reduction in income (largely due to cuts in Government funding) and increases in expenses (rising costs of living post COVID). July 30<sup>th</sup>, 2024 saw a positive swing with a \$30,000 increase to the profit to loss margins in the first 30 days of FY 2025. Diakonia hopes to continue this trend moving forward.

FY 2020 and FY 2022 were both anomalies in that there was a huge reduction in staff and services during the pandemic, and then an infusion of Government offered COVID relief funds (mostly ERAP- Emergency Rental Assistance Program) to be used in FY 2022.

## Assets

Cash	\$265,548
Receivables	\$271,268
Pre-paid Expenses	\$14,196
Other Endowments & Assets	\$335,680
Fixed Assets (Property & Equip)	\$1,726,770
<b>Total</b>	<b>\$2,301,897</b>

## Liabilities

Payables	\$4,387
Accrued Wages/Taxes/PTO	\$33,557
<b>Total</b>	<b>\$37,944</b>

## Balance Sheet

Income	\$2,141,901
Expenses	\$2,449,931
<b>Net Profit/Loss</b>	<b>(\$308,030)</b>
Receivables	\$271,268
Pre-paid Expenses	\$14,196
Liabilities	(\$37,944)
<b>Net Analysis</b>	<b>(\$60,510)</b>

## Total Equity

**\$2,301,897**

## Homeless Veteran Services

Diakonia ensures that no Veteran goes homeless in the tri-county area of the Eastern Shore.

### Outreach

Diakonia provides a rapid response outreach team that responds to homeless individuals. The outreach team provides emergency assessment and coordination of services without the threat of criminalization. The rapid response team is highly trained with EMT, Case Manager, and Mental Health Specialists.



### Emergency Shelter

Diakonia provides immediate emergency shelter placement or temporary hotel up to 60 days, if shelter is not immediately available or ill-equipped to meet the Veteran and their family's needs. As long as Veterans meet goals of securing ID and other documentation, seeking and gaining employment, accessing resources available to their recovery, and actively looking for housing, they may stay as long as necessary to their progress.

### Housing Navigation

Diakonia has relationships with landlords who specifically request Veteran clients. The Housing Navigator will work with a Veteran's Choice framework in mind. This means matching the Veteran to the right location, near the right employment, with access to wraparound supports. Diakonia will often pay application fees, the security deposit, and first month's rent to get the Veteran started in their new home until they can become financially independent.

All units are inspected by our trained Housing Navigator who will mediate between the client and the landlord to ensure the relationship is good from the beginning. Diakonia retains a legal consultant to advocate for Veteran's who are unfairly treated by their landlords. At the same time, Diakonia can often redirect a client to ensure the landlord that they make a good tenant and won't devalue the property.

Diakonia works with VA HUD-VASH Case Managers for limited income housing vouchers, and seeks landlords who are willing to undergo HUD eligibility. Those who do not qualify for HUD-VASH vouchers can be moved into our Shallow Subsidy Program which pays 50% of the rent for up to 2 years, with potential recertification based on income.

### Healthcare Navigation

All Veterans are connected to Diakonia's Healthcare Navigator who will assess and address any medical or mental health issues of the Veteran and their family for follow up. With the Veteran's consent, the Healthcare Navigator will set up necessary appointments with appropriate transportation. They will also complete quarterly live "check-ins" with the Veteran's for up to two years after being housed in order to ensure their health remains a priority.

## OUR IMPACT

Diakonia is doing everything we can do to minimize the impact of those who are homeless in our area. There are so many variety of levels to this issue, there are no cookie-cutter solutions that will satisfy everyone.

One of the greatest freedoms we enjoy as Americans is the “right to choose.” One of the greatest complaints we harbor as Americans, is when the rights of others seem to infringe on the rights of ourselves.

As human beings, we are messy. We don’t always do what other people tell us to do, even when sometimes, it may seem like it’s in our best interest. Those who are homeless are no different. In fact, add to this human element, additional years of trauma that have created a “survive the day” mentality—which short circuits logic and planning in favor of any temporary relief. One can certainly understand that these difficult habits are hard to break.

# Served	FY 2023	FY 2024
Food Pantry	2184	3068
Outreach	10	202
Shelter	216	245
Eviction Prevention	170	159
Permanent Housing	165	186
<b>Total</b>	<b>2745</b>	<b>3860</b>
<i>Veterans Served</i>	<i>112</i>	<i>142</i>

But when untreated mental illness, and self-medication and/or avoidance through alcohol and other drugs are added to the mix, it often creates a spiral in which recovery seems impossible. Years of neglect, and treatment by others as a “homeless” nuisance, has eroded trust in other human beings—even to the point that well-engaged, caring case managers, are held at arm’s length and treated with great suspicion. In other words, even humans bite the hand that feeds them, and there but for the grace of God, we are.

And while many times homelessness is only a symptom of a far more complicated life, there are a number of recent societal imparities that have exacerbated the problem. —

So, let’s explore.



### Resort Locations Are Natural Attractions

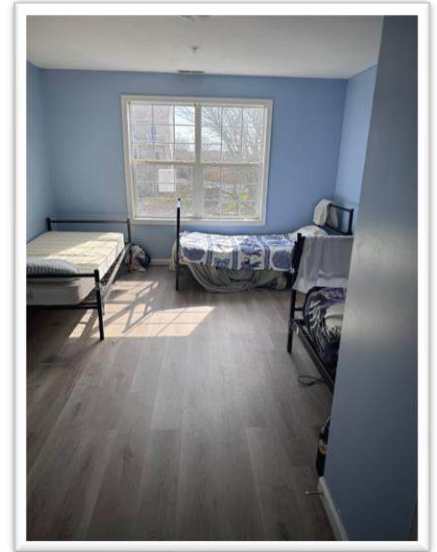
First, as you might expect, summer is actually Diakonia’s busiest time of the year in dealing with homelessness in our community. While many communities are more active in providing homeless services in the cold, winter months, (and indeed Diakonia is still highly active during this time) the summer provides no reprieve or break for the need of Diakonia’s assistance, most notably, given the resort nature of our location.

Diakonia piloted a summer PIT count last year, and noticed that our unsheltered population actually doubles during the summer. This means in our area, during the time of year when our demand grows, resources are underfunded. Add to this, that summer rental prices inflate in direct proportion to the lack of vacancies in our area, and we have a recipe for disaster

Despite this, Diakonia is always looking to develop new solutions versus reducing services. We believe our community is gracious enough to provide where real problems and gaps exist.

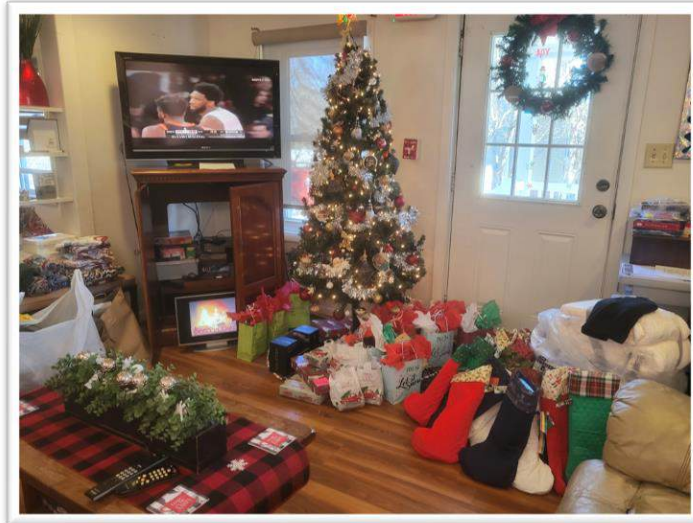
## The Birth of the Rapid Response Outreach Team

Last Summer, in order to combat the number of street homeless during the summer, Diakonia's case managers advocated for the creation of a Rapid Response Team in cooperation with Ocean City and Worcester County departments, including law enforcement. The RRT seeks to provide a therapeutic intervention for public concerns and complaints of homeless persons in the area, while attempting to provide creative solutions for their issues. RRT works with street homeless clients (and those in tent encampments) on an ongoing basis, as well as collaborating with the County Homeless Outreach Team for further help. And, so, while those persons identified as vagrants in the immediate vicinity of our shelter may, or may not be residents at the shelter, Diakonia still sees them as those it was created to serve.



## Shelters Reach Capacity Post-COVID

Diakonia has been a "safe space" for those in need for over 50 years, and it's our mission to provide help for today and hope for tomorrow for those who've lost their way. Over the past couple of years, the Lower Shore's unsheltered homeless population has continued to grow. The housing crisis, that became inflated through the pandemic, is now reaching critical levels. Unfortunately, with no affordable housing being built in our area, it will only get worse. Rentals that were once options for re-housing homeless persons across the Shore are now charging nearly double their pre-COVID rates.



In addition, there is often a stricter screening process because landlords and property management companies can be more selective about whom they contract for housing. This often eliminates many of our clients from application approval.

As you can imagine, this places an increased strain on our emergency shelter program, as residents must stay longer until housing can be secured. With our shelter at full capacity on a daily basis, it is difficult for staff to provide support around the clock, every day, for up to a year, in some cases. Two years ago, Diakonia

eliminated a policy in which residents had to leave the shelter between 8am and 4pm, as vagrancy became even more problematic in our community. This means that Diakonia is committed to providing additional staff during the day in order to provide up to 3 meals a day, along with additional educational and therapeutic groups. Each resident has a case manager (at a 1:25 ratio) who provides intensive services that range from acquiring lost documentation, connections to employment, as well as referrals for substance use, mental health, and physical rehabilitation. Each resident has a service plan that is checked at least weekly to ensure agency and progress in the rehabilitation process. Those who consistently fail to meet the goals listed in their service plan, or become incapable of living in community with others, will be provided with an exit date along with a list of resources for follow up and a contact with our outreach (RRT) case managers. RRT then triages help with County resources to provide basic human services, as well as advocating for higher levels of care and support.

## Costs Continue to Rise as Funding Sources Shrink

Unfortunately, this increase in demand for services (as well as increased cost of delivering these services) has coincided with a decrease in COVID-based governmental funding that was available during the pandemic. Like much of what has changed post-COVID, it appears that our communities are facing a new “normal” in which many cannot survive without additional support. While funding options for community support have been reduced, the cost of living has not returned to a reasonable normal that was supported on pre-COVID funding. Diakonia received a \$10,000 grant from the Community Foundation of the Eastern Shore to help counteract the loss of funding to keep staff in place and not reduce homeless services.



## Forging Ahead

Having said that, last year with the increased staffing and groups, Diakonia’s case managers had a 75% success rate in arranging permanent housing for all 250 of its emergency shelter residents, of which 75 were once homeless US Veterans.

Additionally, beyond the housing crisis, Diakonia is also starting to see a higher rate of senior adults who have multiple physical and mental disabilities, for which there are seemingly no appropriate intermediary care options.

In a couple of instances, this past year, Homeless Adults, who were found to be unable to care for themselves on their own were dropped off at the shelter with no care plan in place. With clients no longer qualified for facility nursing care homeless persons in this condition have no resources, as Home Health options are not allowed to provide care in a shelter setting.

Add to this an unchecked mental health crisis, coupled with successive substance abuse and addiction issues, Diakonia’s staff need to maintain a high level of excellence on a non-profit budget salary. All staff are required to complete various trainings to provide a safe and stable environment with amenable supports, and potential de-escalation interventions. All this, while still providing compassionate care for individuals who have no other place to go.



# CONTACT US



410-213-0923



info@diakoniaoc.org



www.diakoniaoc.org



PO Box 613  
12747 Old Bridge Rd.  
Ocean City, Maryland 21842



 SCAN ME

# HOW YOU CAN HELP

We couldn't do what we do, without the support of our local community.

Whether it's...

Volunteering in our Food Pantry,  
Sorting Donations in our Thrift Store,  
Helping Plan a Food and Clothing Drive,  
Cooking a Meal for our Residents,  
Picking up Donations at Local Businesses,  
Donating Goods or Services  
Or Giving Financially...

It's YOU that allows Diakonia to do what it does.



...of all funds, goods, and services stay and are invested back into the lives of those on the Lower Eastern Shore.

Thank you for all you do!

