

We are not just a business or a system

# Not-for-profit statement

We're people with a mission

The Evangelical Lutheran Good Samaritan Society, a not-for-profit corporation, is a charitable, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Society's related HUD corporations are organized similarly.

The Good Samaritan Society's tax-exempt status means that no employee of the Society or its related corporations receives excessive compensation in accordance with the Internal Revenue Code. It also means that Good Samaritan Society organizations pay no dividends and have no shareholders; excess income over expenses is used for the purposes of center operations for the benefit of staff members, residents and the community.

The Good Samaritan Society's not-for-profit status does not mean, as some assume, that there are no funds left over after the bills are paid. Such funds are necessary for several vital functions, including:

- Forming a cushion that can enable a center to absorb the shock of an unexpected loss of income or an unusual expense;
- Working for residents of the centers by earning interest income that can help defray operating costs or fund expanded services; and
- Enabling the Society to have a favorable credit rating, which, in turn, allows for continued ministry by helping the Society to secure financing for new construction and improvements to existing centers. In 2009, the Society issued \$80,975,000 in bonds that financed 10 new projects and refinanced eight additional projects.

Aside from the legal definition, the Good Samaritan Society differs from for-profit healthcare providers in several ways. These include:

## Corporate values

Since its inception, the Good Samaritan Society has been mission-driven, not profit-driven. Four basic Hallmark Values continue to define Good Samaritan Society ministry: Christ-centeredness, resident-centeredness, staff-centeredness and community-centeredness.

The desire to care for the whole person—body and soul—remains the Society's foremost objective.

## Local partnership

Good Samaritan Society centers have a long history of responding to local needs. In 1936, the Society's founder, the Rev. August "Dad" Hoeger, established the first local advisory board. In 2009, nearly all Good Samaritan Society centers had active advisory boards. Comprised of local volunteers, each advisory board helps keep the Good Samaritan Society ministry focused on area needs, challenges and opportunities.

Community support for Good Samaritan Society centers also was demonstrated through generous contributions from caring individuals. The Society's 2009 gift income was \$8,286,237. Good Samaritan Foundation staff members continue to work with center personnel and with individual and corporate donors in areas of annual funding, capital campaigns for center expansion and endowment giving. Recognizing that an increasing portion of the national healthcare dollar is spent on people 65 and older, the Society and other not-for-profit organizations play a unique role in soliciting private contributions to help offset costs while maintaining high standards of quality.

## Governance and accountability

Not-for-profit organizations, such as the Good Samaritan Society, are accountable to both internal and external governance. The Good Samaritan Society's Board of Directors is charged with administering the affairs of the Society, determining corporate policy, receiving reports, considering development opportunities and monitoring implementation of the Society's strategic plan.

The Society also holds its centers accountable to a set of Good Samaritan Society standards derived from its Mission statement and strategic goals. These are measured through a variety of internal assessment processes with continued quality improvement as the desired outcome. External governance includes oversight by state and local regulatory agencies, local tax authorities and the Internal Revenue Service.