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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 By law, the IRS generally cannot redact the information on the form

▶ Information about Form 990 and its instructions is at www.IRS.gov/form990

OMB No 1545-0047

2013

Open to Public Inspection

A For the 2013 calendar year, or tax year beginning 01-01-2013 , 2013, and ending 12-31-2013

B Check if applicable
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
SAMARITAN NORTH LINCOLN HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
3043 NE 28TH STREET

City or town, state or province, country, and ZIP or foreign postal code
LINCOLN CITY, OR 97367

D Employer identification number
93-1305493

E Telephone number
(541) 994-3661

G Gross receipts $ 45,562,162

F Name and address of principal officer
JOSEPH M CAHILL
3043 NE 28TH STREET
LINCOLN CITY, OR 97367

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 ▶

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

J Website: ▶ WWW SAMHEALTH ORG

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

L Year of formation 2000

M State of legal domicile OR

Part I Summary

1 Briefly describe the organization's mission or most significant activities
TO DELIVER HIGH QUALITY HEALTH CARE SERVICES TO THE RESIDENTS AND VISITORS OF THE DISTRICT

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**	6
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	3
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	**5**	399
6	Total number of volunteers (estimate if necessary)	**6**	75
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,517,440	1,180,509
9	Program service revenue (Part VIII, line 2g)	41,140,986	44,002,463
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	372,377	40,528
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	364,981	259,405
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	43,395,784	45,482,905
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	308,150	388,906
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)	27,990,816	27,940,362
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶236,940		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	15,433,842	16,615,414
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	43,732,808	44,944,682
19	Revenue less expenses Subtract line 18 from line 12	-337,024	538,223

Revenue

Expenses

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	16,727,783	15,904,125
21	Total liabilities (Part X, line 26)	9,581,416	8,219,535
22	Net assets or fund balances Subtract line 21 from line 20	7,146,367	7,684,590

Net Assets or Fund Balances

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

****** | 2014-11-03
Signature of officer | Date

DANIEL B SMITH VP FINANCE/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
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no	

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

SAMARITAN NORTH LINCOLN HOSPITAL (SNLH) ACHIEVES ITS MISSION OF IMPROVING THE HEALTH AND WELL BEING OF THE COMMUNITY THROUGH ITS CRITICAL-ACCESS HOSPITAL AND HEALTHCARE CLINICS PROVIDING OUTPATIENT CARE SERVICES AT SEVERAL AREA LOCATIONS SNLH IS A MEMBER OF SAMARITAN HEALTH SERVICES (SHS), A REGIONAL NETWORK OF HOSPITALS, PHYSICIANS AND SENIOR CARE FACILITIES THE NETWORK, FORMED IN THE LATE 1990'S, SERVES APPROXIMATELY 290,000 RESIDENTS IN LINN, BENTON, LINCOLN AND PORTIONS OF POLK AND MARION COUNTIES IN OREGON IT IS LOCALLY OWNED, AND ITS BOARDS OF DIRECTORS INCLUDE HOSPITAL LEADERS, PHYSICIANS AND COMMUNITY REPRESENTATIVES SNLH PROVIDES HEALTHCARE SERVICES REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, DISABILITY OR AGE THE MISSION OF SNLH IS TO ENHANCE COMMUNITY HEALTH AND ACHIEVE HIGH VALUE THROUGH QUALITY SERVICES ACROSS A CONTINUUM OF CARE THE COLLECTIVE VISION OF THE SHS SYSTEM IS TO BE A VALUES-DRIVEN ORGANIZATION GOVERNED BY COMMUNITY MEMBERS, PHYSICIANS AND OTHE

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 $ 39,092,004 including grants of $) (Revenue $ 44,019,832)

SAMARITAN NORTH LINCOLN HOSPITAL (SNLH) HAS BEEN A PART OF THE FABRIC OF ITS COMMUNITY, SERVING THE CITIZENS IN LINCOLN COUNTY, SINCE 1967 SNLH INCLUDES A CRITICAL-ACCESS HOSPITAL AND SEVERAL MEDICAL CLINICS, WITH APPROXIMATELY 325 EMPLOYEES AND 70 VOLUNTEERS PROVIDING QUALITY HEALTHCARE SERVICES TO THE COMMUNITY DURING 2013, SNLH SERVED 1,073 INPATIENTS, HAD 9,623 EMERGENCY DEPARTMENT VISITS, PERFORMED 1,142 SURGERIES, AND DELIVERED 139 BABIES IN ADDITION, SNLH PERFORMED 17,988 IMAGING PROCEDURES, HAD 12,041 HOME HEALTH/HOSPICE VISITS, AND HAD 28,235 PHYSICIAN CLINIC VISITS

4b (Code) (Expenses $ 309,969 including grants of $ 309,969) (Revenue $)

THE SAMARITAN EARLY LEARNING CENTER (SELC) OFFERS HANDS-ON LEARNING EXPERIENCES FOR CHILDREN THAT REFLECT THEIR DEVELOPMENTAL STAGE THE PROGRAM IS BASED ON CREATIVE CURRICULUM, WHERE CHILDREN GROW AND LEARN IN THE AREAS OF SOCIAL, EMOTIONAL, PHYSICAL, COGNITIVE AND CREATIVE DEVELOPMENT AT THEIR OWN RATE IN THEIR LEARNING STYLE THE CENTER CARES FOR 75 CHILDREN, RANGING FROM INFANTS TO PRESCHOOLERS

4c (Code) (Expenses $ 78,937 including grants of $ 78,937) (Revenue $)

GRANTS AND ASSISTANCE PROVIDED BY SAMARITAN NORTH LINCOLN HOSPITAL TO VARIOUS ORGANIZATIONS AND INDIVIDUALS TO BENEFIT THE COMMUNITY

4d Other program services (Describe in Schedule O)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 39,480,910

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		No
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		No
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		No
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		No
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	Yes	
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	Yes	

Part IV Checklist of Required Schedules *(continued)*

21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? *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 individuals in the United States 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**		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	**24b**		
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**		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	**24d**		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *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 so, complete Schedule L, Part II*	**26**	Yes	
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**	Yes	
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**		No
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**		No
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**		No
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**		
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**	Yes	
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	1		
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	399		
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			No
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			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			No
b	If "Yes," enter the name of the foreign country ▶ _____ See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . .	5a			No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions? . . .	6a			No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**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			No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
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 and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter				
a	Initiation fees and capital contributions included on Part VIII, line 12 . . .	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b			
11	**Section 501(c)(12) organizations.** Enter				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b			
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**	6		
	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**	3		
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**		No
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**		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed ▶ OR

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, physical address, and telephone number of the person who possesses the books and records of the organization

▶ SAMARITAN NORTH LINCOLN HOSPITAL 3043 NE 28TH STREET
LINCOLN CITY, OR 97367 (541) 996-6471

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LARRY A MULLINS DHA BOARD CHAIR/CEO SHS	2 00 38 00	X		X				0	1,192,819	270,731
(2) DEAN ORTON MD BOARD MEMBER/PHYSICIAN	40 00	X						149,427	0	30,440
(3) CHRIS CHANDLER BOARD MEMBER	1 00	X						0	0	0
(4) DAVID TRIEBES BOARD VICE-CHAIR/CEO AGH	2 00 38 00	X		X				0	319,329	49,216
(5) RICHARD TOWNSEND BOARD MEMBER	1 00	X						0	0	0
(6) ANN BUTLER BOARD SECRETARY	1 00	X		X				0	0	0
(7) JOSEPH M CAHILL CEO	10 00 30 00			X				0	166,936	38,286
(8) DANIEL B SMITH VP FINANCE/CFO SHS	2 00 38 00			X				0	307,300	50,407
(9) LESLEY OGDEN MD COO/PHYSICIAN	40 00			X				324,799	0	31,620
(10) STEPHEN SHEA DO PHYSICIAN	40 00					X		449,519	0	47,876
(11) ARUN RAMAN MD PHYSICIAN	40 00					X		298,319	0	13,516
(12) MICHAEL HALFERTY MD PHYSICIAN	40 00					X		291,243	0	46,881
(13) ALEXA LAFAUNCE MD PHYSICIAN	40 00					X		315,040	0	31,539
(14) KARL ORDELHEIDE MD PHYSICIAN	40 00					X		404,245	0	33,028

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)** . . . . . ▶								2,232,592	1,986,384	643,540

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 ▶ 42

			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

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 ▶ 0

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				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations . . .	1d	26,675			
	e	Government grants (contributions)	1e	1,153,834			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f $					
	h	**Total.** Add lines 1a-1f . . . . . ▶		1,180,509			
Program Service Revenue			Business Code				
	2a	NET PATIENT SVC REV	622110	43,996,157	43,996,157		
	b	OTHER PATIENT REVENUE	622110	6,306	6,306		
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f . . . . . ▶		44,002,463			
	3	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		55,773			55,773
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties . . . . . ▶					
			(i) Real / (ii) Personal				
	6a	Gross rents	37,555				
	b	Less rental expenses	16,407				
	c	Rental income or (loss)	21,148				
	d	Net rental income or (loss) . . . . . ▶		21,148			21,148
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory					
	b	Less cost or other basis and sales expenses	15,245				
	c	Gain or (loss)	-15,245				
	d	Net gain or (loss) . . . . . ▶		-15,245			-15,245
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 . . a					
	b	Less direct expenses . . . b					
	c	Net income or (loss) from fundraising events . . ▶					
	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 . . ▶					
	10a	Gross sales of inventory, less returns and allowances . a	87,644				
	b	Less cost of goods sold . . b	47,605				
	c	Net income or (loss) from sales of inventory . . ▶		40,039			40,039
		Miscellaneous Revenue	Business Code				
	11a	CAFETERIA	722210	180,849			180,849
	b	RELEASE OF INFORMATION	561000	12,842	12,842		
	c	LAUNDRY	900099	2,873	2,873		
	d	All other revenue		1,654	1,654		
	e	**Total.** Add lines 11a–11d . . . . . ▶		198,218			
	12	**Total revenue.** See Instructions . . . . . ▶		45,482,905	44,019,832	0	282,564

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns All other organizations must complete column (A)

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	34,595	34,595		
2 Grants and other assistance to individuals in the United States See Part IV, line 22	354,311	354,311		
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	536,287	536,287		
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	21,223,709	20,197,536	897,554	128,619
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	1,121,201	1,068,327	46,247	6,627
9 Other employee benefits	3,370,684	3,211,726	139,034	19,924
10 Payroll taxes	1,688,481	1,608,855	69,646	9,980
11 Fees for services (non-employees)				
a Management				
b Legal	23,006		23,006	
c Accounting				
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	1,092,177	1,089,337	2,840	
12 Advertising and promotion	29,559	516	25,909	3,134
13 Office expenses	1,973,496	1,881,360	57,849	34,287
14 Information technology	1,661,464	1,392,016	269,448	
15 Royalties . .				
16 Occupancy	916,994	907,188	9,721	85
17 Travel	224,696	204,759	18,227	1,710
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	105,716	89,696	11,194	4,826
20 Interest	71,391		71,391	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	679,097	677,837	182	1,078
23 Insurance	702,530	619,117	83,413	
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 PURCHASED SERVICES	4,708,798	1,205,111	3,477,513	26,174
b MEDICAL SUPPLIES	4,326,928	4,326,928		
c DUES, TAXES, & LICENSES	99,562	75,408	23,658	496
d				
e All other expenses				
25 **Total functional expenses.** Add lines 1 through 24e	44,944,682	39,480,910	5,226,832	236,940
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		2,750	1	2,850
	2	Savings and temporary cash investments		3,133,670	2	534,320
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		4,362,548	4	7,038,357
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	80,552
	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			6	
	7	Notes and loans receivable, net		260,131	7	172,612
	8	Inventories for sale or use		738,658	8	716,268
	9	Prepaid expenses and deferred charges		90,372	9	60,700
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 8,286,222			
	b	Less accumulated depreciation	10b 5,546,778	3,023,365	10c	2,739,444
	11	Investments—publicly traded securities			11	
	12	Investments—other securities See Part IV, line 11			12	
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		5,116,289	15	4,559,022
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		16,727,783	16	15,904,125
Liabilities	17	Accounts payable and accrued expenses		3,570,460	17	2,779,285
	18	Grants payable			18	
	19	Deferred revenue		7,646	19	16,652
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	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			22	
	23	Secured mortgages and notes payable to unrelated third parties		308,412	23	22,044
	24	Unsecured notes and loans payable to unrelated third parties			24	
	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		5,694,898	25	5,401,554
	26	**Total liabilities.** Add lines 17 through 25		9,581,416	26	8,219,535
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		7,146,367	27	7,684,590
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		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		7,146,367	33	7,684,590
	34	Total liabilities and net assets/fund balances		16,727,783	34	15,904,125

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	45,482,905
2	Total expenses (must equal Part IX, column (A), line 25)	2	44,944,682
3	Revenue less expenses Subtract line 2 from line 1	3	538,223
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	7,146,367
5	Net unrealized gains (losses) on investments	5	
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	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	7,684,590

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		No
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		

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

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 that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Non-functionally integrated

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

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

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

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h 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 in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support** (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (see instructions) **12**

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

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) **14**

15 Public support percentage for 2012 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

17a **10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

b **10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization ▶☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶☐

Part 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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

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

Section C. Computation of Public Support Percentage

15	Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	
16	Public support percentage from 2012 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2013** (line 10c, column (f) divided by line 13, column (f))	17	
18	Investment income percentage from **2012** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

b **33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶☐

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

Facts And Circumstances Test		
Return Reference	Explanation	

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

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

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ 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) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

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

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

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

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

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

		Amount
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? ☐ 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					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

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

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				
b Buildings		2,637,381	879,042	1,758,339
c Leasehold improvements		217,441	64,709	152,732
d Equipment		5,383,704	4,603,027	780,677
e Other		47,696		47,696
Total. Add lines 1a through 1e *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				2,739,444

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) OTHER RECEIVABLES	770,591
(2) ACCOUNTS RECEIVABLE - AFFILIATES	3,788,431
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	4,559,022

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	
CONTRACTUAL REIMBURSEMENT OBLIGATIONS	627,534
PROFESSIONAL LIABILITY	350,000
WORKING CAPITAL RESERVES	4,184,707
OTHER RESERVES	239,313
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	5,401,554

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 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
PART X, LINE 2	FOOTNOTE DISCLOSURE FROM THE CONSOLIDATED AUDITED FINANCIAL STATEMENTS U S GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRE THE SHS' MANAGEMENT TO EVALUATE TAX POSITIONS AND RECOGNIZE A TAX LIABILITY (OR ASSET) IF SHS HAS TAKEN AN UNCERTAIN POSITION THAT MORE LIKELY THAN NOT WOULD NOT BE SUSTAINED UPON EXAMINATION BY THE INTERNAL REVENUE SERVICE MANAGEMENT HAS ANALYZED TAX POSITIONS TAKEN BY THE NETWORK AND HAS CONCLUDED THAT AS OF DECEMBER 31, 2013, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY (OR ASSET) OR DISCLOSURE IN THE FINANCIAL STATEMENTS SHS IS SUBJECT TO ROUTINE AUDITS BY TAXING JURISDICTIONS, HOWEVER, THERE ARE CURRENTLY NO AUDITS FOR ANY TAX PERIODS IN PROGRESS SHS' MANAGEMENT BELIEVES IT IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS FOR YEARS PRIOR TO 2010

Part XIII Supplemental Information *(continued)*

Return Reference	Explanation

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.
▶ Information about Schedule H (Form 990) and its instructions is at *www.irs.gov/form990.*

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

Part I Financial Assistance and Certain Other Community Benefits at Cost

			Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	1a	Yes	
b	If "Yes," was it a written policy?	1b	Yes	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year			
	☑ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities			
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year			
a	Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing *free* care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for *free* care	3a	Yes	
	☐ 100% ☑ 150% ☐ 200% ☐ Other _____ %			
b	Did the organization use FPG as a factor in determining eligibility for providing *discounted* care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care	3b	Yes	
	☑ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %			
c	If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care			
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	5a	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	5b	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligibile for free or discounted care?	5c		No
6a	Did the organization prepare a community benefit report during the tax year?	6a	Yes	
b	If "Yes," did the organization make it available to the public?	6b	Yes	
	Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H			

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheet 1)	15	3,491	1,494,560		1,494,560	3 330 %
b Medicaid (from Worksheet 3, column a)	10	13,805	6,561,128	5,762,251	798,877	1 780 %
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Financial Assistance and Means-Tested Government Programs	25	17,296	8,055,688	5,762,251	2,293,437	5 110 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)	7	2,099	84,184		84,184	0 190 %
f Health professions education (from Worksheet 5)	3	209	315,541		315,541	0 700 %
g Subsidized health services (from Worksheet 6)	11	25,494	7,632,560	5,965,189	1,667,371	3 710 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)	8	2,461	116,721		116,721	0 260 %
j **Total.** Other Benefits	29	30,263	8,149,006	5,965,189	2,183,817	4 860 %
k **Total.** Add lines 7d and 7j	54	47,559	16,204,694	11,727,440	4,477,254	9 970 %

Part II Community Building Activities Complete this if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support	2	77	621,754	311,654	310,100	0 690 %
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building	1	202	28,165		28,165	0 060 %
7	Community health improvement advocacy						
8	Workforce development	1	310	403,249	362,585	40,664	0 090 %
9	Other						
10	**Total**	4	589	1,053,168	674,239	378,929	0 840 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1		No
2	Enter the amount of the organization's bad debt expense Explain in Part VI the methodology used by the organization to estimate this amount	2	1,537,547		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit	3	179,347		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements				

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	11,956,158
6	Enter Medicare allowable costs of care relating to payments on line 5	6	11,837,781
7	Subtract line 6 from line 5 This is the surplus (or shortfall)	7	118,377
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	Yes	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	Yes	

Part IV Management Companies and Joint Ventures (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest—see instructions)
How many hospital facilities did the organization operate during the tax year? 1

	Name, address, primary website address, and state license number	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)	Facility reporting group
	See Additional Data Table										

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group SAMARITAN NORTH LINCOLN HOSPITAL

If reporting on Part V, Section B for a single hospital facility only: line number of hospital facility (from Schedule H, Part V, Section A) 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)				
1	During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9	**1**	Yes	
	If "Yes," indicate what the CHNA report describes (check all that apply)			
a	☑ A definition of the community served by the hospital facility			
b	☑ Demographics of the community			
c	☑ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☑ How data was obtained			
e	☑ The health needs of the community			
f	☑ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☑ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☑ The process for consulting with persons representing the community's interests			
i	☑ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a CHNA 20 13			
3	In conducting its most recent CHNA, did the hospital facility take into account input from persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	**3**	Yes	
4	Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	**4**	Yes	
5	Did the hospital facility make its CHNA report widely available to the public?	**5**	Yes	
	If "Yes," indicate how the CHNA report was made widely available (check all that apply)			
a	☑ Hospital facility's website (list url) HTTP //WWW SAMHEALTH ORG/COMMUNITYSUPPORT			
b	☐ Other website (list url)			
c	☑ Available upon request from the hospital facility			
d	☑ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply as of the end of the tax year)			
a	☐ Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA			
b	☐ Execution of the implementation strategy			
c	☑ Participation in the development of a community-wide plan			
d	☑ Participation in the execution of a community-wide plan			
e	☑ Inclusion of a community benefit section in operational plans			
f	☑ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g	☑ Prioritization of health needs in its community			
h	☑ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	**7**		No
8a	Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)?	**8a**		No
b	If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax?	**8b**		
c	If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? $			

Part V Facility Information *(continued)*

Financial Assistance Policy		Yes	No
9 Did the hospital facility have in place during the tax year a written financial assistance policy that Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	**9**	Yes	
10 Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 150 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
11 Used FPG to determine eligibility for providing *discounted* care?	**11**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 200 000000000000% If "No," explain in Part VI the criteria the hospital facility used			
12 Explained the basis for calculating amounts charged to patients?	**12**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☐ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☑ State regulation			
h ☐ Residency			
i ☐ Other (describe in Part VI)			
13 Explained the method for applying for financial assistance?	**13**	Yes	
14 Included measures to publicize the policy within the community served by the hospital facility?	**14**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted on the hospital facility's website			
b ☐ The policy was attached to billing invoices			
c ☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f ☑ The policy was available upon request			
g ☑ Other (describe in Part VI)			
Billing and Collections			
15 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**15**	Yes	
16 Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			
17 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the individual's eligibility under the facility's FAP?	**17**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Section C)			

Part V Facility Information *(continued)*

18 Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply)

- **a** ☑ Notified individuals of the financial assistance policy on admission
- **b** ☑ Notified individuals of the financial assistance policy prior to discharge
- **c** ☑ Notified individuals of the financial assistance policy in communications with the individuals regarding the individuals' bills
- **d** ☑ Documented its determination of whether individuals were eligible for financial assistance under the hospital facility's financial assistance policy
- **e** ☐ Other (describe in Section C)

Policy Relating to Emergency Medical Care

		Yes	No
19 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**19**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)

20 Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care			
a ☐ The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
b ☐ The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
c ☐ The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
d ☑ Other (describe in Part VI)			
21 During the tax year, did the hospital facility charge any FAP-eligible individual to whom the hospital facility provided emergency or other medically necessary services more than the amounts generally billed to individuals who had insurance covering such care?	**21**		No
If "Yes," explain in Part VI			
22 During the tax year, did the hospital facility charge any FAP-eligible individual an amount equal to the gross charge for any service provided to that individual?	**22**		No
If "Yes," explain in Part VI			

Part V Facility Information *(continued)*

Section C. Supplemental Information for Part V, Section B. Provide descriptions required for Part V, Section B, lines 1j, 3, 4, 5d, 6i, 7, 10, 11, 12i, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22. If applicable, provide separate descriptions for each facility in a facility reporting group, designated by "Facility A," "Facility B," etc.

Form and Line Reference	Explanation
SAMARITAN NORTH LINCOLN HOSPITAL	PART V, SECTION B, LINE 3 THE STAFF FROM THE COMMUNITY HEALTH PROMOTION DEPARTMENT AND OTHER EMPLOYEES OF SAMARITAN NORTH LINCOLN HOSPITAL PARTICIPATED IN THE COMMUNITY-WIDE LINCOLN COUNTY COMMUNITY HEALTH ASSESSMENT PROCESS DURING 2013 THE OVERALL SNLH COMMUNITY HEALTH NEEDS ASSESSMENT IS ADOPTED FROM THE LINCOLN COUNTY COMMUNITY HEALTH ASSESSMENT AND COMMUNITY HEALTH IMPROVEMENT PLAN, HOWEVER IN CONSULTATION WITH THE EPIDEMIOLOGIST FROM BENTON COUNTY HEALTH DEPARTMENT, ADDITIONAL INFORMATION WAS GATHERED THAT IS SPECIFIC TO THE SNLH SERVICE AREA IS INCLUDED IN THE CHNA PERSONS CONSULTED FOR THE HOSPITALS CHNA WERE LINCOLN COUNTY HEALTH DEPARTMENT, COMMUNITY OUTREACH INC , LINCOLN COUNTY FEDERALLY QUALIFIED HEALTH CENTER, OREGON STATE UNIVERSITY, SAMARITAN HEALTH PLANS, WESTERN UNIVERSITY-COMP NORTHWEST, OREGON COAST COMMUNITY COLLEGE, LINCOLN COUNTY UNIFIED SCHOOL DISTRICT, LINN-BENTON COUNTY HEALTH EQUITY ALLIANCE, OREGON CASCADES WEST COUNCIL OF GOVERNMENTS, SAMARITAN INTERCOMMUNITY HEALTH NETWORK, DEPARTMENT OF HUMAN SERVICES, OREGON HEALTH AUTHORITY, COMMUNITY SERVICES CONSORTIUM, NEIGHBORS FOR KIDS, LINCOLN CITY ROTARY, UNITED WAY OF LINCOLN COUNTY, CENTRO DE AYUDA, ZONTA, CASA OF LINCOLN COUNTY, LINCOLN COUNTY EARLY CHILDHOOD COUNCIL, LINCOLN COUNTY COMMISSION ON CHILDREN AND FAMILIES, LINN-BENTON HISPANIC ADVISORY COUNCIL, LINCOLN COUNTY ORAL HEALTH COALITION AND COMMUNITY MEMBERS
SAMARITAN NORTH LINCOLN HOSPITAL	PART V, SECTION B, LINE 4 SAMARITAN PACIFIC COMMUNITIES HOSPITAL
SAMARITAN NORTH LINCOLN HOSPITAL	PART V, SECTION B, LINE 5D COPIES OF THE CHNA WERE EMAILED TO KEY COMMUNITY PARTNERS AND DISTRIBUTED DURING LOCAL COALITION MEETINGS
SAMARITAN NORTH LINCOLN HOSPITAL	PART V, SECTION B, LINE 7 SNLH HAS NOT DIRECTLY ADDRESSED EVERY NEED IDENTIFIED BY THE COMMUNITY BECAUSE THEY DO NOT FALL WITHIN THE SCOPE OF THE ORGANIZATION'S ROLE THESE NEEDS INCLUDE GROUND WATER MANAGEMENT, ENVIRONMENTAL HAZARDS, AIR QUALITY AND WASTE MANAGEMENT THESE NEEDS ARE BEING ADDRESSED BY THE APPROPRIATE LOCAL AND STATE AGENCIES
SAMARITAN NORTH LINCOLN HOSPITAL	PART V, SECTION B, LINE 14G REGISTRATION REFERS UNINSURED AND OR LOW INCOME PATIENTS TO THE ONSITE PATIENT FINANCIAL ADVOCATE AND A THIRD PARTY VENDOR WHO CONTACTS THE PATIENTS TO ASSESS THEIR FINANCIAL STATUS AND NEEDS
PART V, SECTION B, LINE 14A	THE ORGANIZATION'S WEBSITE PROVIDES INFORMATION ABOUT THE AVAILABILITY OF FINANCIAL ASSISTANCE, INCLUDING FREE AND DISCOUNTED CARE, ALONG WITH CONTACT INFORMATION FOR PATIENTS TO BE ABLE TO APPLY FOR FINANCIAL ASSISTANCE
PART V, SECTION B, LINE 20D	THE MAXIMUM AMOUNT CHARGED BY THE HOSPITAL FACILITY TO FAP-ELIGIBLE INDIVIDUALS IS SET TO BE LESS THAN THE AVERAGE OF ALL NEGOTIATED COMMERCIAL INSURANCE RATES

Part V Facility Information *(continued)*

Section D. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? **8**

	Name and address	Type of Facility (describe)
1	SAMARITAN COASTAL CLINIC 825 HWY 101 LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
2	SAMARITAN ORTHOPEDICS 2870 WEST DEVILS LAKE ROAD LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
3	SAMARITAN OBSTETRICS & GYNECOLOGY 2930 NE WEST DEVILS LAKE ROAD STE 3 LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
4	SAMARITAN N LINCOLN INTERNAL MEDICINE 2870 WEST DEVILS LAKE ROAD LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
5	SAMARITAN SURGICAL CLINIC 3100 NE 28TH ST STE B LINCOLN CITY, OR 97367	OUTPATIENT SURGERY
6	SAMARITAN NORTH LINCOLN ENT CLINIC 3100 NE 28TH ST STE D-2 LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
7	SAMARITAN LINCOLN CITY MEDICAL CLINIC 2870 WEST DEVILS LAKE ROAD LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
8	SAMARITAN COSMETIC SERVICES 2930 NE WEST DEVILS LAKE ROAD STE 1 LINCOLN CITY, OR 97367	MEDICAL CLINIC - OUTPATIENT
9		
10		

Part VI Supplemental Information

Provide the following information

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7, Part II and Part III, lines 2, 3, 4, 8 and 9b

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any CHNAs reported in Part V, Section B

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g , open medical staff, community board, use of surplus funds, etc)

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Form and Line Reference	Explanation
PART I, LINE 6A	THE FILING ORGANIZATION SUBMITS AN ANNUAL COMMUNITY BENEFIT REPORT TO THE STATE OF OREGON IN ADDITION, THE PARENT ORGANIZATION, SAMARITAN HEALTH SERVICES (SHS) PROVIDES AN ANNUAL REPORT TO THE COMMUNITY THAT INCLUDES COMMUNITY BENEFIT REPORTING FOR THE SYSTEM AS A WHOLE
PART I, LINE 7	THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN SCHEDULE H, PART I, LINE 7A AND 7B IS A COST-TO-CHARGE RATIO DERIVED USING WORKSHEET 2, RATIO OF PATIENT CARE COST-TO-CHARGES FROM THE SCHEDULE H INSTRUCTIONS FOR LINE 7G, A COMBINATION OF THE COST-TO-CHARGE RATIO AND COST ACCOUNTING SYSTEM CALCULATIONS IS USED SINCE NOT ALL SERVICES ARE TRACKED IN THE COST ACCOUNTING SYSTEM

Form and Line Reference	Explanation
PART I, LINE 7G	PHYSICIAN CLINICS MEETING THE DEFINITION OF SUBSIDIZED HEALTH SERVICES WERE INCLUDED IN THE REPORTING FOR LINE 7G THE PORTION OF NET COMMUNITY BENEFIT EXPENSE RELATED TO THESE CLINICS IS $1,305,321
PART II, COMMUNITY BUILDING ACTIVITIES	SNLH PROVIDES SERVICES AND ACTIVITIES THAT ARE CLASSIFIED AS COMMUNITY BUILDING SNLH IS COMMITTED TO PROVIDING SUPPORT SERVICES TO THE MOST VULNERABLE RESIDENTS IN THE COMMUNITY THIS IS DEMONSTRATED THROUGH THE ONGOING SUPPORT TO THE SAMARITAN EARLY LEARNING CENTER (SELC) THE SELC OFFERS LOW-COST INFANT/TODDLER CARE TO FAMILIES IN LINCOLN COUNTY AND IS THE ONLY FACILITY IN NORTH LINCOLN COUNTY TO OFFER THIS SERVICE SNLH ALSO LEADS DISASTER PREPAREDNESS DRILLS WITH LOCAL AGENCIES AND STAFF PARTICIPATING IN SUPPORT SERVICES FOR HOMELESS FAMILIES IN THE COMMUNITY SNLH STAFF SERVES ON MANY LOCAL COALITIONS AND BOARDS THAT PROMOTE THE HEALTH OF THE COMMUNITY BOARD AFFILIATION INCLUDES, BUT IS NOT LIMITED TO, LINCOLN COUNTY ECONOMIC DEVELOPMENT COUNCIL, JOINT TRANSPORTATION COMMITTEE, PROJECT HOMELESS CONNECT, AND LOCAL CIVIC ORGANIZATIONS THE SNLH STAFF CONDUCTS RECRUITMENT ACTIVITIES TO ENCOURAGE PHYSICIANS AND OTHER MEDICAL PROFESSIONALS TO PROVIDE SERVICES IN RURAL LINCOLN COUNTY

Form and Line Reference	Explanation
PART III, LINE 4	THE COSTING METHODOLOGY USED TO CALCULATE BAD DEBT EXPENSE (AT COST) ON LINE 2 OF PART III IS BASED ON THE FACILITY COST-TO-CHARGE RATIO, IN CONJUNCTION WITH WORKSHEET A FROM THE SCHEDULE H, PART III INSTRUCTIONS LINE 3 REPRESENTS AN ESTIMATE OF THE AMOUNT OF COST INCLUDED IN LINE 2 (BAD DEBT EXPENSE AT COST) THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE ORGANIZATION'S CHARITY CARE POLICY, BUT FOR WHOM THE ORGANIZATION WAS NOT ABLE TO OBTAIN SUFFICIENT INFORMATION TO MAKE A DETERMINATION THE METHODOLOGY USED TO ESTIMATE THIS POTENTIAL CHARITY CARE COST IS BASED ON FINANCIAL ASSISTANCE APPLICATIONS DENIED DUE TO INCOMPLETE DOCUMENTATION, MULTIPLIED BY THE AVERAGE CHARITY CARE WRITE-OFF FOR APPROVED APPLICATIONS SAMARITAN NORTH LINCOLN HOSPITAL (SNLH) IS ONE OF FIVE HOSPITALS OF SAMARITAN HEALTH SERVICES (SHS) AS A NETWORK, SHS PREPARES ITS FINANCIAL STATEMENTS ON A CONSOLIDATED BASIS BAD DEBT EXPENSE IS DESCRIBED IN FOOTNOTE 1(O) ENTITLED "PROVISION FOR BAD DEBTS AND ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS", FOUND ON PAGES 11 AND 12 OF THE 2013 SHS CONSOLIDATED FINANCIAL STATEMENTS
PART III, LINE 8	TOTAL MEDICARE ALLOWABLE COSTS REPORTED ON PART III, SECTION B, LINE 6 IS CALCULATED BY UTILIZING WORKSHEET B IN THE SCHEDULE H INSTRUCTIONS IN CONJUNCTION WITH AMOUNTS TAKEN DIRECTLY FROM THE FILING ORGANIZATION'S MEDICARE COST REPORT THE COST REPORT INCLUDES ACTIVITY FOR MEDICARE FEE-FOR-SERVICE PATIENTS BUT NOT MEDICARE MANAGED CARE PATIENTS

Form and Line Reference	Explanation
PART III, LINE 9B	PER HOSPITAL GUIDELINES, IF A PATIENT IS DETERMINED TO QUALIFY FOR FINANCIAL ASSISTANCE PRIOR TO SENDING AN ACCOUNT TO COLLECTIONS, THE CHARITY WRITE-OFF IS PROCESSED AND NO COLLECTION ATTEMPT IS MADE IF AN ACCOUNT IS ALREADY IN COLLECTIONS AND MEDICAID ELIGIBILITY IS DEEMED ACTIVE DURING THE ACCOUNT DATE OF SERVICE, NO FURTHER COLLECTION ATTEMPT WILL BE MADE
PART VI, LINE 2	SAMARITAN NORTH LINCOLN HOSPITAL (SNLH) ACTIVELY PARTICIPATES IN ASSESSING THE HEALTH NEEDS OF THE COMMUNITY IN CONJUNCTION WITH THE LINCOLN COUNTY HEALTH AND HUMAN SERVICES DEPARTMENT, LINCOLN COUNTY FEDERALLY QUALIFIED HEALTH CENTER, LINCOLN COUNTY UNIFIED SCHOOL DISTRICT, OREGON COAST COMMUNITY COLLEGE, UNITED WAY OF LINCOLN COUNTY, THE LINCOLN COUNTY COMMISSION ON CHILDREN AND FAMILIES, OTHER COMMUNITY PARTNERS, SNLH EMPLOYEES AND OTHER SAMARITAN HEALTH SERVICES STAFF COMPLETED THE COMMUNITY HEALTH NEEDS ASSESSMENT IN 2013 THIS PROCESS INCLUDED EXAMINING PRIMARY DATA COLLECTED THROUGH SURVEYS, FOCUS GROUPS, COMMUNITY FORUMS AND PERSONAL INTERVIEWS WITH SEVERAL COMMUNITY MEMBERS FROM THROUGHOUT LINCOLN COUNTY SECONDARY DATA WAS GATHERED FROM STATE AND LOCAL AGENCIES THAT ADDRESS HEALTH NEEDS OF CHILDREN, YOUTH AND FAMILIES SNLH USES THE CHNA TO UPDATE ITS COMMUNITY BENEFIT PLAN THAT OUTLINES GOALS AND OBJECTIVES AND SERVICES THAT EXPAND ACROSS THE SAMARITAN HEALTH SERVICES SYSTEM AND RESPOND TO COMMUNITY NEEDS

Form and Line Reference	Explanation
PART VI, LINE 3	SNLH IS COMMITTED TO PROVIDING THE HIGHEST QUALITY HEALTH CARE SERVICES TO ALL, REGARDLESS OF THEIR ABILITY TO PAY IF QUALIFICATIONS ARE MET, PATIENTS' CARE MAY BE PROVIDED FREE OR AT A REDUCED COST THE DETERMINATION IS BASED IN PART ON POVERTY INCOME GUIDELINES ISSUED BY THE U S DEPARTMENT OF HEALTH AND HUMAN SERVICES ONCE A COMPLETED FINANCIAL QUESTIONNAIRE HAS BEEN SUBMITTED, INDIVIDUALS/FAMILIES AT OR BELOW 200 PERCENT OF THE ESTABLISHED FEDERAL POVERTY LEVEL (FPL) COULD BE ELIGIBLE TO RECEIVE FREE OR DISCOUNTED CARE (CHARITY CARE) THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND COMMUNITY MEMBERS BY PUBLISHING INFORMATION REGARDING ALL FINANCIAL ASSISTANCE OPTIONS ON ITS WEBSITE, IN ADDITION TO IN PERSON AT THE REGISTRATION AREA, AND THROUGH CLEARLY IDENTIFIED MATERIALS LOCATED IN THE REGISTRATION AREA
PART VI, LINE 4	SNLH IS A CRITICAL-ACCESS HOSPITAL THAT PRIMARILY SERVES THE RESIDENTS OF NORTH LINCOLN COUNTY LOCATED ON A PRIMARILY RURAL PORTION OF OREGON'S CENTRAL COAST, LINCOLN COUNTY IS HOME TO 46,034 (2010 U S CENSUS) RESIDENTS WITHIN LINCOLN COUNTY, THE LARGE TRIBAL POPULATION IS DISPROPORTIONATELY BURDENED BY HEALTH INEQUITIES THERE ARE 4,769 ENROLLED TRIBAL MEMBERS OF THE CONFEDERATED TRIBES OF SILETZ INDIANS, OF WHICH 22% LIVE IN LINCOLN COUNTY LINCOLN COUNTY LACKS A MAJOR METROPOLITAN AREA AND CONSISTS OF MANY SMALL COMMUNITIES SCATTERED THROUGHOUT THE REGION NEWPORT IS THE COUNTY SEAT AND HAS A POPULATION OF 9,989 LINCOLN CITY IS THE SECOND LARGEST TOWN AND HAS A POPULATION OF 7,930 THE MEDIAN INCOME FOR LINCOLN COUNTY IS $41,764, WITH 16% OF THE POPULATION LIVING BELOW THE FEDERAL POVERTY LEVEL AS OF DECEMBER 2013, THE OREGON EMPLOYMENT DEPARTMENT REPORTED A 7 4% UNEMPLOYMENT RATE FOR LINCOLN COUNTY THIRTY-EIGHT PERCENT OF THE POPULATION RESIDES IN RURAL UNINCORPORATED AREAS AND 20% OF RESIDENTS ARE UNINSURED SAMARITAN PACIFIC COMMUNITIES HOSPITAL, LOCATED IN NEWPORT, IS THE SISTER HOSPITAL IN SOUTHERN LINCOLN COUNTY SERVING LOCAL RESIDENTS LINCOLN COUNTY IS DESIGNATED AS MEDICALLY UNDERSERVED POPULATION AND THE MIGRANT SEASONAL FARMWORKER POPULATION HAS BEEN DESIGNATED A PRIMARY MEDICAL CARE HEALTH PROVIDER SHORTAGE AREA BY THE HEALTH RESOURCES AND SERVICES ADMINISTRATION THE SILETZ COMMUNITY HEALTH CLINIC, WHICH SERVES THE 3,666-ACRE RESERVATION OF THE CONFEDERATED TRIBES OF SILETZ INDIANS, IS A DESIGNATED HEALTH PROVIDER SHORTAGE AREA

Form and Line Reference	Explanation
PART VI, LINE 5	SNLH'S GOVERNING BOARD IS COMPRISED OF LOCAL-AREA RESIDENTS AND OFFICERS OF AFFILIATED ORGANIZATIONS SNLH EXTENDS ITS MEDICAL STAFF PRIVILEGES TO ALL QUALIFIED PHYSICIANS IN THE COMMUNITY SNLH APPLIES SURPLUS FUNDS TO IMPROVE PATIENT CARE, MEDICAL EDUCATION AND RESEARCH SNLH INVESTS IN UPDATING EQUIPMENT, TECHNOLOGY AND FACILITIES TO IMPROVE PATIENT CARE SNLH IS ACCREDITED FOR CONTINUING MEDICAL EDUCATION AND OFFERS FREQUENT PROGRAMS FOR AREA PHYSICIANS AND OTHER HEALTH PROFESSIONALS THE CENTER FOR HEALTH RESEARCH AND QUALITY, A DEPARTMENT OF SNLH'S PARENT COMPANY, SAMARITAN HEALTH SERVICES (SHS), PROVIDES ADMINISTRATIVE OVERSIGHT FOR HEALTH AND CLINICAL RESEARCH, QUALITY IMPROVEMENT PROJECTS AND STUDIES, AND OTHER SPONSORED ACTIVITIES FOR SNLH AND ITS AFFILIATED HOSPITALS SNLH ALSO PROVIDES SCHOLARSHIPS FOR STUDENTS AND EMPLOYEES IN HEALTH OCCUPATIONS
PART VI, LINE 6	"BUILDING HEALTHIER COMMUNITIES TOGETHER" IS THE COMMITMENT OF, AND THE MOTIVATION FOR, SAMARITAN HEALTH SERVICES (SHS), A NETWORK OF OREGON HOSPITALS, PHYSICIANS, AND SENIOR CARE FACILITIES THAT SERVES THE HEALTH CARE NEEDS OF PEOPLE IN THE MID-WILLAMETTE VALLEY AND THE CENTRAL OREGON COAST AS THE INDIVIDUAL ENTITIES OF SHS CAME TOGETHER TO BUILD HEALTHIER COMMUNITIES, THEY WERE DRAWN BY A SHARED MISSION "TO ENHANCE COMMUNITY HEALTH AND ACHIEVE HIGH VALUE THROUGH QUALITY SERVICES ACROSS THE CONTINUUM OF CARE " THAT MEANS SHS LOOKS CAREFULLY AT LOCAL HEALTH CARE NEEDS, AND IT GIVES THOUGHTFUL CONSIDERATION TO THE MOST EFFECTIVE WAYS TO MEET THOSE NEEDS THE RESULT IS A RICH MIX OF LOCAL AND CENTRALIZED REGIONAL SERVICES WHICH PROVIDE HIGH VALUE AND EXCELLENT HEALTHCARE FOR PEOPLE AT ALL STAGES OF THEIR LIVES SERVICES ARE PROVIDED TO ALL INDIVIDUALS, REGARDLESS OF THEIR ABILITY TO PAY THE COLLECTIVE VISION OF SHS IS TO SUCCESSFULLY OPERATE AS A VALUES-DRIVEN, CHURCH-RELATED ORGANIZATION GOVERNED BY A PARTNERSHIP OF COMMUNITY MEMBERS, PHYSICIANS AND OTHER HEALTH CARE PROVIDERS SHS SEEKS TO LEAD COLLABORATIVE EFFORTS AMONG PROVIDERS, EMPLOYERS, HEALTH PLANS AND CONSUMERS WHO SHARE SIMILAR GOALS AND VALUES TO MEET THE CHALLENGES OF THE FUTURE SAMARITAN NORTH LINCOLN HOSPITAL IS ONE OF TWO LINCOLN COUNTY CRITICAL ACCESS HOSPITALS OF SHS PRIMARILY SERVING RESIDENTS OF NORTH LINCOLN COUNTY OTHER AFFILIATED HOSPITALS ARE GOOD SAMARITAN HOSPITAL SERVING RESIDENTS OF BENTON COUNTY, SAMARITAN ALBANY GENERAL HOSPITAL AND SAMARITAN LEBANON COMMUNITY HOSPITAL, SERVING RESIDENTS OF LINN COUNTY, AND SAMARITAN PACIFIC COMMUNITIES HOSPITAL, SERVING RESIDENTS OF SOUTH LINCOLN COUNTY

Form and Line Reference	Explanation
PART VI, LINE 7, REPORTS FILED WITH STATES	OR

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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

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☑ Yes ☐ No

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

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) NEIGHBORS FOR KIDS PO BOX 942 DEPOE BAY,OR 97341	93-1262846	501(C)(3)	6,000				TO SUPPORT THE AFTER SCHOOL PROGRAM FOR CHILDREN LOCATED IN LINCOLN COUNTY

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

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) CHILDCARE SERVICES	75		309,969	BOOK	PROVISION OF WAGES, BUILDING, UTILITIES, AND SUPPLIES FOR SAMARITAN EARLY LEARNING CTR, NET OF PROGRAM REVENUES
(2) HEALTH EDUCATION CAREER SUPPORT	310		40,664	BOOK	PROVISION OF WAGES, BUILDING, UTILITIES, AND SUPPLIES FOR AREA HEALTH EDUC CTR (AHEC), NET OF PROGRAM REVENUES
(3) TRANSPORTATION ASSISTANCE	54	658			
(4) PATIENT SUPPORT	1	20			
(5) SCHOLARSHIPS	3	3,000			

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

Return Reference	Explanation
PART I, LINE 2	AGENCIES IN THE COMMUNITY ARE INVITED TO SUBMIT GRANT PROPOSALS THROUGH AN APPLICATION PROCESS A COMMITTEE REVIEWS THE APPLICATIONS TO DETERMINE IF THE FUNDS REQUESTED WILL BE USED TO ADDRESS THE ORGANIZATION'S ESTABLISHED COMMUNITY HEALTH PRIORITIES, IDENTIFIED NEEDS, AND SUPPORTS THE ORGANIZATION'S MISSION ONCE APPROVED AND FUNDED, AGENCIES MUST SUBMIT A COMPLETE ANNUAL REPORT DESCRIBING HOW THE FUNDS WERE USED, THE NUMBER OF CLIENTS SERVED, AND HOW OUTCOMES WERE ACHIEVED

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

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**	Yes	
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**		No
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) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**	Yes	
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**		No
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 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
PART I, LINE 1A	IN CONNECTION WITH ITS EMPLOYEE WELLNESS PROGRAM, THE ORGANIZATION HAS A GYM/FITNESS FACILITY BENEFIT THAT IS AVAILABLE TO ALL EMPLOYEES WHO WORK AT LEAST 32 HOURS PER MONTH UNDER THIS PROGRAM, EMPLOYEES MUST MEET MINIMUM USAGE REQUIREMENTS IN ORDER TO QUALIFY FOR ONGOING BENEFITS IF AN EMPLOYEE PARTICIPATES AT A NON-SAMARITAN GYM, REIMBURSEMENT IS MADE FOR UP-FRONT FEES, AND THEN PERIODICALLY UPON COMPLETION OF AT LEAST 60 VISITS REIMBURSEMENT DOES NOT EXCEED $300 PER YEAR AND IS INCLUDED IN THE EMPLOYEE'S TAXABLE WAGES AND IS SUBJECT TO FEDERAL/STATE WITHHOLDING TAX ONE HIGHEST PAID EMPLOYEE RECEIVED THIS TAXABLE GYM BENEFIT IN 2013 IF AN EMPLOYEE PARTICIPATES AT A SAMARITAN FITNESS CENTER (SAMFIT), MEMBERSHIP IS FREE OF CHARGE (PROVIDED AS A NONTAXABLE FRINGE BENEFIT), BUT THE EMPLOYEE IS REQUIRED TO ATTEND THE GYM 50 TIMES DURING EACH PERIOD OF 6 CONSECUTIVE MONTHS TO MAINTAIN THIS BENEFIT NO PERSONS LISTED IN PART VII THAT ARE EMPLOYED BY THE FILING ORGANIZATION UTILIZED THE SAMFIT BENEFIT DURING 2013
PART I, LINE 3	THE CHIEF EXECUTIVE OFFICER IS EMPLOYED AND PAID BY A RELATED ORGANIZATION THE RELATED ORGANIZATION CONDUCTS A COMPENSATION ANALYSIS EACH YEAR TO COMPARE COMPENSATION OF ALL PAID POSITIONS TO MARKET SURVEYS OF COMPENSATION FOR SIMILAR POSITIONS IN OTHER ORGANIZATIONS PERIODICALLY, THE RELATED ORGANIZATION WILL ALSO USE WRITTEN EMPLOYMENT CONTRACTS, FORM 990 OF OTHER ORGANIZATIONS, AND INDEPENDENT COMPENSATION CONSULTANTS TO DETERMINE THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER
PART I, LINE 4B	4 B THE ORGANIZATION MAINTAINS A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN UNDER THIS PLAN, LARRY A MULLINS, DHA, ACCRUED DEFERRED COMPENSATION BENEFITS DURING 2013 HE ALSO RECEIVED A PAYMENT IN 2013 FROM THIS PLAN, WHICH IS INCLUDED IN HIS 2013 COMPENSATION ON SCHEDULE J AND FORM 990 $226,688 OF THIS PAYMENT WAS ACCRUED IN PRIOR YEARS AND WAS ALSO INCLUDED IN COMPENSATION DISCLOSED IN PRIOR YEARS AS REQUIRED ON SCHEDULE J AND FORM 990
PART I, LINE 5	ONE HIGHEST PAID EMPLOYEE WAS PAID COMPENSATION CONTINGENT ON THE GROSS CHARGES OF THE FILING ORGANIZATION

Additional Data

Software ID:
Software Version:
EIN: 93-1305493
Name: SAMARITAN NORTH LINCOLN HOSPITAL

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
LARRY A MULLINS	(I)	0	0	0	0	0	0	0
DHA BOARD	(II)	600,887	75,000	516,932	246,627	24,104	1,463,550	226,688
CHAIR/CEO SHS								
DEAN ORTON MD	(I)	148,885	0	542	10,726	19,714	179,867	0
BOARD	(II)	0	0	0	0	0	0	0
MEMBER/PHYSICIAN								
DAVID TRIEBES	(I)	0	0	0	0	0	0	0
BOARD VICE-	(II)	295,860	0	23,469	20,952	28,264	368,545	0
CHAIR/CEO AGH								
JOSEPH M CAHILL	(I)	0	0	0	0	0	0	0
CEO	(II)	166,220	0	716	12,459	25,827	205,222	0
DANIEL B SMITH VP	(I)	0	0	0	0	0	0	0
FINANCE/CFO SHS	(II)	299,635	0	7,665	20,952	29,455	357,707	0
LESLEY OGDEN MD	(I)	324,419	0	380	20,952	10,668	356,419	0
COO/PHYSICIAN	(II)	0	0	0	0	0	0	0
STEPHEN SHEA DO	(I)	446,154	0	3,365	20,952	26,924	497,395	0
PHYSICIAN	(II)	0	0	0	0	0	0	0
ARUN RAMAN MD	(I)	297,290	800	229	2,999	10,517	311,835	0
PHYSICIAN	(II)	0	0	0	0	0	0	0
MICHAEL HALFERTY	(I)	276,387	0	14,856	20,952	25,929	338,124	0
MD PHYSICIAN	(II)	0	0	0	0	0	0	0
ALEXA LAFAUNCE MD	(I)	269,899	13,000	32,141	20,952	10,587	346,579	0
PHYSICIAN	(II)	0	0	0	0	0	0	0
KARL ORDELHEIDE	(I)	401,558	0	2,687	20,952	12,076	437,273	0
MD PHYSICIAN	(II)	0	0	0	0	0	0	0

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.
▶ Information about Schedule L (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1 (a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected? Yes	No

2 Enter the amount of tax incurred by organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a, or Form 990, Part IV, line 26, or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization? To	From	(e) Original principal amount	(f) Balance due	(g) In default? Yes	No	(h) Approved by board or committee? Yes	No	(i) Written agreement? Yes	No
(1) A LAFAUNCE MD	EMPLOYEE	RECRUIT		X	90,000	80,552		No	Yes		Yes	
Total		▶ $				80,552						

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ROBERT MULLINS	FAM MBR, L MULLINS	105,701	EMP BY ORG		No

Part V Supplemental Information

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

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 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

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	SAMARITAN NORTH LINCOLN HOSPITAL (SNLH) HAS A SOLE CORPORATE MEMBER, SAMARITAN HEALTH SERVICES, INC , WHICH IS A SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	SAMARITAN NORTH LINCOLN HOSPITAL ELECTS MEMBERS OF ITS BOARD OF DIRECTORS THOSE ELECTED MEMBERS ARE THEN SUBMITTED TO THE SOLE CORPORATE MEMBER FOR APPROVAL

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE SOLE CORPORATE MEMBER HAS SEVERAL RESERVED POWERS OVER THE ORGANIZATION THESE RESERVED POWERS INCLUDE, BUT ARE NOT LIMITED TO, APPROVAL AT CERTAIN THRESHOLD LEVELS THE BORROWING OF FUNDS, MERGERS AND ACQUISITIONS, AND SALES OR TRANSFERS OF ASSETS IN ADDITION, THE SOLE CORPORATE MEMBER MUST APPROVE ANY CHANGE IN THE MISSION OF THE ORGANIZATION, THE ANNUAL BUDGET, AND ANY AMENDMENTS TO THE ARTICLES OF INCORPORATION OR BYLAWS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	A COPY OF THE ORGANIZATION'S FINAL FORM 990 (INCLUDING REQUIRED SCHEDULES), AS ULTIMATELY FILED WITH THE IRS, WAS PROVIDED TO EACH VOTING MEMBER OF THE SAMARITAN HEALTH SERVICES (SHS) AUDIT AND COMPLIANCE COMMITTEE PRIOR TO ITS FILING WITH THE IRS SHS IS A 501(C)(3) CORPORATION AND IS THE SOLE MEMBER OF THE FILING ORGANIZATION SHS'S CHIEF FINANCIAL OFFICER CONDUCTED THE FORM 990 REVIEW WITH THE COMMITTEE AND PROVIDED TIME FOR QUESTIONS FROM THE GROUP A FORMAL REPORT OF THIS COMMITTEE HAS BEEN MADE TO THE FULL BOARD OF DIRECTORS OF SHS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	BOARD MEMBER CONFLICTS OF INTEREST THE MEMBERS OF THE BOARD MUST ANNUALLY COMPLETE A CONFLICT OF INTEREST QUESTIONNAIRE, WHICH REQUIRES DISCLOSURE OF ANY CONFLICTS OR POTENTIAL CONFLICTS OF INTEREST THE COMPLETED QUESTIONNAIRES ARE REVIEWED BY THE CHIEF FINANCIAL OFFICER AND CORPORATE COMPLIANCE OFFICER IF A CONFLICT IS DISCLOSED THAT COULD PROHIBIT A MEMBER FROM SERVING ON THE BOARD, THIS IS EVALUATED BY THE AUDIT AND COMPLIANCE COMMITTEE OF THE SAMARITAN HEALTH SERVICES (SHS) BOARD OF DIRECTORS TO DETERMINE WHETHER THE MEMBER SHOULD CONTINUE TO SERVE ON THE BOARD IF A CONFLICT IS DISCLOSED THAT DOES NOT PROHIBIT A MEMBER FROM SERVING ON THE BOARD, THE CONFLICT IS MANAGED THROUGH A PROCESS SET FORTH IN THE ORGANIZATION'S BYLAWS THE BYLAWS PROHIBIT ANY BOARD MEMBER FROM VOTING ON AN ACTION WHERE AN INDIVIDUAL MEMBER HAS A CONFLICT OF INTEREST EMPLOYEE CONFLICTS OF INTEREST THE SHS CODE OF ETHICS AND CONDUCT POLICY REQUIRES THAT ALL SHS EMPLOYEES COMPLETE AN ANNUAL DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST THROUGH THE HUMAN RESOURCES SOFTWARE, PERFORMANCE MANAGER, THE DISCLOSURE REQUIREMENT NOTICE IS ASSIGNED TO ALL EMPLOYEES AND BY YEAR END ALL TASKS ARE TO BE COMPLETED IF THERE IS A PERCEIVED CONFLICT OF INTEREST IT IS REVIEWED BY THE CORPORATE COMPLIANCE OFFICER, LEGAL COUNSEL AND/OR SENIOR MANAGEMENT ACTUAL CONFLICTS OF INTEREST ARE REVIEWED AND DISCUSSED BY THE AUDIT AND COMPLIANCE COMMITTEE OF THE SAMARITAN HEALTH SERVICES BOARD OF DIRECTORS

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE CEO OF THE PARENT COMPANY, SAMARITAN HEALTH SERVICES (SHS) USES PUBLICLY AVAILABLE INFORMATION TO DETERMINE THE COMPENSATION FOR THE TOP MANAGEMENT OFFICIAL OF THE FILING ORGANIZATION HE CONSULTS WITH THE INDEPENDENT CONSULTANT AS TO THE REASONABLENESS OF THIS DATA TO ENSURE THAT THE TOP MANAGEMENT OFFICIAL'S COMPENSATION IS REASONABLE AS COMPARED TO SIMILARLY QUALIFIED PERSONS IN FUNCTIONALLY COMPARABLE POSITIONS AT SIMILARLY SITUATED ORGANIZATIONS PHYSICIAN EMPLOYEE COMPENSATION, INCLUDING PHYSICIANS WHO ARE BOARD MEMBERS, IS REVIEWED AT LEAST ANNUALLY BY SENIOR MANAGEMENT THIS REVIEW INCLUDES COMPARISON WITH PUBLISHED PHYSICIAN COMPENSATION STUDIES FOR ALL OTHER EMPLOYEES, THE ORGANIZATION PERFORMS AN ANALYSIS EACH YEAR TO COMPARE COMPENSATION OF ALL PAID POSITIONS TO MARKET SURVEYS OF COMPENSATION FOR SIMILAR POSITIONS IN OTHER ORGANIZATIONS

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	FINANCIAL STATEMENTS ARE MADE AVAILABLE UPON REQUEST SYSTEM-WIDE SUMMARIZED DATA IS ALSO PROVIDED IN THE ANNUAL REPORT TO THE COMMUNITY THIS REPORT IS MADE AVAILABLE IN ALL KIOSKS AND HIGH-TRAFFIC AREAS OF ALL HOSPITALS AND PHYSICIAN CLINICS, AS WELL AS COMMUNITY PLACES SUCH AS THE PUBLIC LIBRARY IT IS ALSO DISTRIBUTED TO THE BOARDS OF DIRECTORS AND DIRECTLY MAILED TO DONORS AND NEW RESIDENTS IN THE COMMUNITY ADDITIONALLY, THE REPORT IS MADE AVAILABLE AT ALL EVENTS, COMMUNITY OUTREACH PROJECTS, AND SCREENINGS ATTENDED THROUGHOUT THE YEAR GOVERNING DOCUMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST

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

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization
SAMARITAN NORTH LINCOLN HOSPITAL

Employer identification number
93-1305493

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

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) No
See Additional Data Table							

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
See Additional Data Table												

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) SAMARITAN HEALTH PLANS INC 3600 NW SAMARITAN DRIVE CORVALLIS, OR 97330 93-0860860	HEALTH INSURANCE CARRIER FOR THE COMMUNITY	OR	N/A	C					No

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		No
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		No
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	Yes	
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		No
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
(1) INTERCOMMUNITY HEALTH PLANS INC	L	3,635,001	COST

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: 93-1305493
Name: SAMARITAN NORTH LINCOLN HOSPITAL

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ALBANY GENERAL HOSPITAL PO BOX 3000 CORVALLIS, OR 973393000 93-0110095	HOSPITAL SERVICES FOR THE COMMUNITY	OR	501(C)(3)	3	SAMARITAN HEALTH SERVICES		No
(1) ALBANY GENERAL HOSPITAL FOUNDATION 1046 SIXTH AVENUE SW ALBANY, OR 97321 93-0712890	TO SUPPORT ALBANY GENERAL HOSPITAL	OR	501(C)(3)	7	ALBANY GENERAL HOSPITAL		No
(2) FIRSTCARE HEALTH FOUNDATION PO BOX 3000 CORVALLIS, OR 973393000 93-0900124	TO SUPPORT AFFILIATED EXEMPT ENTITIES	OR	501(C)(3)	11B, II	SAMARITAN HEALTH SERVICES		No
(3) FIRSTCARE MEDICAL FOUNDATION PO BOX 3000 CORVALLIS, OR 973393000 93-0932697	FUTURE CHARITABLE HEALTHCARE INITIATIVES (NO CURRENT YEAR ACTIVITY)	OR	501(C)(3)	9	SAMARITAN HEALTH SERVICES		No
(4) GOOD SAMARITAN HOSPITAL FOUNDATION PO BOX 1068 CORVALLIS, OR 97339 23-7252406	TO SUPPORT GOOD SAMARITAN HOSPITAL	OR	501(C)(3)	7	GOOD SAMARITAN HOSPITAL		No
(5) INTERCOMMUNITY HEALTH PLANS INC PO BOX 3000 CORVALLIS, OR 973393000 93-1124326	SERVE OREGON HEALTH PLAN FOR MEDICAID	OR	501(C)(4)	N/A	SAMARITAN HEALTH SERVICES		No
(6) LEBANON COMMUNITY HOSPITAL FOUNDATION PO BOX 739 LEBANON, OR 97355 93-1260080	TO SUPPORT LEBANON COMMUNITY HOSPITAL	OR	501(C)(3)	7	MID-VALLEY HEALTHCARE INC		No
(7) MID-VALLEY HEALTHCARE INC PO BOX 3000 CORVALLIS, OR 973393000 93-0396847	HOSPITAL SERVICES FOR THE COMMUNITY	OR	501(C)(3)	3	SAMARITAN HEALTH SERVICES		No
(8) PARADIGM INDEMNITY CORPORATION PO BOX 3000 CORVALLIS, OR 973393000 73-1668317	PURE NON-PROFIT CAPTIVE INSURANCE COMPANY	HI	501(C)(3)	11A, I	SAMARITAN HEALTH SERVICES		No
(9) SAMARITAN HEALTH SERVICES INC PO BOX 3000 CORVALLIS, OR 973393000 93-0951989	PROVIDE HEALTHCARE SUPPORT SERVICES	OR	501(C)(3)	11C, III-FI	N/A		No
(10) GOOD SAMARITAN HOSPITAL CORVALLIS PO BOX 3000 CORVALLIS, OR 973393000 93-0391573	HOSPITAL SERVICES FOR THE COMMUNITY	OR	501(C)(3)	3	SAMARITAN HEALTH SERVICES		No
(11) SAMARITAN PACIFIC HEALTH SERVICES 930 SW ABBEY STREET NEWPORT, OR 97365 93-1329784	HOSPITAL SERVICES FOR THE COMMUNITY	OR	501(C)(3)	3	SAMARITAN HEALTH SERVICES		No
(12) SAMARITAN SENIOR CARE INC PO BOX 3000 CORVALLIS, OR 973393000 93-1245534	FUTURE CHARITABLE HEALTHCARE INITIATIVES (NO CURRENT YEAR ACTIVITY)	OR	501(C)(3)	9	SAMARITAN HEALTH SERVICES		No
(13) NORTH LINCOLN HEALTH DISTRICT 3043 NE 28TH STREET LINCOLN CITY, OR 97367 93-0555769	HEALTHCARE DISTRICT	OR	GOV'T	6	N/A		No
(14) NORTH LINCOLN HOSPITAL FOUNDATION PO BOX 767 LINCOLN CITY, OR 97367 93-0867677	TO SUPPORT N LINCOLN HLTH DIST & SAMARITAN NORTH LINCOLN HOSPITAL	OR	501(C)(3)	11A, I	N/A		No

Form 990, Schedule R, Part III - Identification of Related Organizations Taxable as a Partnership

(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?		(i) Code V-UBI amount in Box 20 of K-1 (Form 1065)	(j) General or Managing Partner?		(k) Percentage ownership
							Yes	No		Yes	No	
SAMARITAN ENDOSCOPY CENTER LLC 3600 NW SAMARITAN DR CORVALLIS, OR 97330 20-2860067	MEDICAL SERVICES	OR	N/A									
CORVALLIS MEDICAL BUILDINGS LLC 3600 NW SAMARITAN DRIVE CORVALLIS, OR 97330 93-1257913	REAL ESTATE RENTAL	OR	N/A									
EAST LINN MRI LLC 3600 NW SAMARITAN DRIVE CORVALLIS, OR 97330 32-0229399	IMAGING	OR	N/A									
HULL IMAGING LLC 3600 NW SAMARITAN DRIVE CORVALLIS, OR 97330 20-3255479	IMAGING	OR	N/A									
CORVALLIS MRI A JOINT VENTURE 3615 NW SAMARITAN DRIVE CORVALLIS, OR 97330 93-0949704	IMAGING	OR	N/A									
MID-VALLEY MEDICAL PROPERTIES ASSOC LLC 1046 SIXTH AVE SW ALBANY, OR 97321 30-0508747	REAL ESTATE RENTAL	OR	N/A									
MID-VALLEY MEDICAL BUILDINGS LLC PO BOX 557 LEBANON, OR 97355 93-1126353	REAL ESTATE RENTAL	OR	N/A									
NORTHWEST MEDICAL ISOTOPES LLC 815 NW 9TH ST STE 256 CORVALLIS, OR 97330 27-3007752	RESEARCH	OR	N/A									
CASCADE VIEW MEDICAL OFFICE BUILDING LLC PO BOX 3000 CORVALLIS, OR 973393000 30-0658805	REAL ESTATE RENTAL	OR	N/A									
2750 HARRISON BLVD LLC 413 SW 13TH AVE STE 300 PORTLAND, OR 97205 27-4665571	REAL ESTATE RENTAL	OR	N/A									

KPMG

SAMARITAN HEALTH SERVICES, INC.

Consolidated Financial Statements

December 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 3800
1300 South West Fifth Avenue
Portland, OR 97201

Independent Auditors' Report

The Board of Directors
Samaritan Health Services, Inc

We have audited the accompanying consolidated financial statements of Samaritan Health Services, Inc , which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of operations and changes in unrestricted net assets, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U S generally accepted accounting principles, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits We conducted our audits in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Samaritan Health Services, Inc as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with U S generally accepted accounting principles

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules of consolidating financial information are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Portland, Oregon
March 27, 2014

SAMARITAN HEALTH SERVICES, INC.

Consolidated Balance Sheets

December 31, 2013 and 2012

(Dollars in thousands)

Assets		2013	2012
Current assets			
Cash and cash equivalents	$	141,202	157,922
Short-term investments		8,241	11,491
Patient accounts receivable, net of allowance for uncollectible accounts of $27,882 in 2013 and $21,260 in 2012		82,288	60,030
Other receivables		14,340	11,289
Inventories		12,718	11,611
Other current assets		5,413	6,672
Total current assets		264,202	259,015
Assets limited as to use			
Restricted by donor for capital acquisition		5,636	3,668
Restricted by donor for permanent endowment		4,843	4,574
Held by trustee		11,978	14,264
Statutory deposits and other restricted investments		4,100	2,849
Total assets limited as to use		26,557	25,355
Long-term investments		60,364	53,066
Property, plant, and equipment, net		269,738	260,552
Other assets		13,207	12,497
Total assets	$	634,068	610,485

(Continued)

SAMARITAN HEALTH SERVICES, INC.

Consolidated Balance Sheets

December 31, 2013 and 2012

(Dollars in thousands)

Liabilities and Net Assets		2013	2012
Current liabilities			
Accounts payable	$	35,243	32,159
Accrued salaries, wages, and benefits		46,846	45,728
Estimated third-party payor settlements		9,843	9,006
Liability for unpaid medical claims		10,482	14,735
Other current liabilities		13,303	7,847
Current portion of long-term debt		7,320	6,011
Total current liabilities		123,037	115,486
Long-term debt, less current portion		180,709	169,126
Professional liability, less current portion		8,785	6,666
Pension liability		21,921	38,551
Other liabilities		14,852	13,656
Total liabilities		349,304	343,485
Net assets			
Unrestricted		266,240	251,716
Unrestricted, noncontrolling interest		1,784	1,592
Temporarily restricted		11,897	9,118
Permanently restricted		4,843	4,574
Total net assets		284,764	267,000
Total liabilities and net assets	$	634,068	610,485

See accompanying notes to consolidated financial statements

SAMARITAN HEALTH SERVICES, INC.

Consolidated Statements of Operations and Changes in Unrestricted Net Assets

Years ended December 31, 2013 and 2012

(Dollars in thousands)

	2013	2012
Revenues		
Patient service revenue, net of contractual allowances and discounts	$ 557,559	557,472
Provision for bad debts	(26,665)	(30,615)
Net patient service revenue, less provision for bad debts	530,894	526,857
Premium revenue	197,857	172,348
Other operating revenue	38,115	31,206
Total revenues	766,866	730,411
Expenses		
Salaries and wages	335,223	322,151
Employee benefits	51,891	52,598
Medical services	116,853	100,250
Supplies	107,846	105,862
Purchased services	74,052	67,281
Utilities, insurance and other	53,636	43,990
Depreciation	28,949	25,929
Interest and amortization	8,107	7,858
Total expenses	776,557	725,919
(Deficit) excess of revenues over expenses from operations	(9,691)	4,492
Other income, net		
Investment income	3,544	7,022
Other income	1,413	1,984
Total other income, net	4,957	9,006
(Deficit) excess of revenues over expenses	(4,734)	13,498
Change in net unrealized gains and losses on investments	2,587	(1,047)
Net assets released from restrictions used for capital acquisition	1,091	2,387
Change in pension liability	16,934	(386)
Distributions to noncontrolling interest in joint ventures	(1,162)	(1,260)
Other	—	170
Change in unrestricted net assets	$ 14,716	13,362

See accompanying notes to consolidated financial statements

SAMARITAN HEALTH SERVICES, INC.

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2013 and 2012

(Dollars in thousands)

	Unrestricted net assets		Temporarily restricted net assets	Permanently restricted net assets	Total net assets
	Controlling interest	Noncontrolling interest			
December 31, 2011	$ 238,231	1,715	8,520	4,193	252,659
Excess of revenues over expenses	13,498	—	—	—	13,498
Change in net unrealized gains and losses on investments	(1,047)	—	188	—	(859)
Net assets released from restrictions	2,387	—	(3,084)	—	(697)
Change in pension liability	(386)	—	—	—	(386)
Noncontrolling interest in earnings of consolidated joint ventures	(1,137)	1,137	—	—	—
Distributions to noncontrolling interest in consolidated joint ventures	—	(1,260)	—	—	(1,260)
Contributions	—	—	3,494	381	3,875
Other	170	—	—	—	170
Change in net assets	13,485	(123)	598	381	14,341
December 31, 2012	251,716	1,592	9,118	4,574	267,000
Deficit of revenues over expenses	(4,734)	—	—	—	(4,734)
Change in net unrealized gains and losses on investments	2,587	—	297	—	2,884
Net assets released from restrictions	1,091	—	(3,024)	—	(1,933)
Change in pension liability	16,934	—	—	—	16,934
Noncontrolling interest in earnings of consolidated joint ventures	(1,354)	1,354	—	—	—
Distributions to noncontrolling interest in consolidated joint ventures	—	(1,162)	—	—	(1,162)
Contributions	—	—	5,506	269	5,775
Change in net assets	14,524	192	2,779	269	17,764
December 31, 2013	$ 266,240	1,784	11,897	4,843	284,764

See accompanying notes to consolidated financial statements

SAMARITAN HEALTH SERVICES, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2013 and 2012

(Dollars in thousands)

		2013	2012
Cash flows from operating activities			
Change in net assets	$	17,764	14,341
Adjustments to reconcile change in net assets to net cash from operating activities			
Depreciation and amortization		30,109	27,029
Net realized and unrealized gains on investments		(4,339)	(3,725)
Loss on disposal of assets and business		156	125
Equity income on joint ventures		(80)	(16)
Distributions to noncontrolling interest		1,162	1,260
Restricted contributions		(3,008)	(946)
Changes in operating assets and liabilities			
Patient accounts receivable		(22,258)	330
Other receivables		(2,745)	3,334
Supplies inventory		(1,107)	(668)
Other assets		44	(1,079)
Accounts payable		4,615	1,479
Accrued salaries, wages, and benefits		1,118	1,804
Estimated third-party payor settlements		837	414
Liability for unpaid medical claims		(4,253)	3,906
Professional liability, net of current portion		2,119	(2,873)
Pension liability		(16,630)	(2,051)
Other liabilities		6,652	3,124
Net cash from operating activities		10,156	45,788
Cash flows from investing activities			
Purchase of property, plant, and equipment		(25,280)	(28,491)
Proceeds from sale of property, plant, and equipment and business		699	335
Investment in joint ventures, net		125	20
Purchase of investments		(39,812)	(53,698)
Proceeds from sale of investments		38,901	61,334
Net cash from investing activities		(25,367)	(20,500)
Cash flows from financing activities			
Proceeds from long-term debt		3,276	694
Principal payments on long-term debt		(6,631)	(6,218)
Restricted contributions		3,008	946
Payment of financing fees		—	(79)
Distributions to noncontrolling interest in joint ventures		(1,162)	(1,260)
Net cash from financing activities		(1,509)	(5,917)
(Decrease) increase in cash and cash equivalents		(16,720)	19,371
Cash and cash equivalents, beginning of year		157,922	138,551
Cash and cash equivalents, end of year	$	141,202	157,922
Supplemental disclosure of cash flow information			
Cash paid for interest	$	8,447	8,272
Noncash transactions			
Equipment acquired under capital lease arrangements	$	16,247	18,876
Change in accounts payable related to acquisition of property, plant, and equipment		(1,531)	594

See accompanying notes to consolidated financial statements

(1) Organization and Basis of Consolidation

Samaritan Health Services, Inc (SHS) is an Oregon nonprofit corporation formed for the purpose of providing a comprehensive system of healthcare and healthcare related services to residents of the Willamette Valley, the Oregon coast and other Oregon communities The consolidated financial statements include SHS and its direct affiliates, the most significant of which are

- Good Samaritan Regional Medical Center (GSRMC)
- Mid-Valley Healthcare, Inc (MVH)
- Samaritan Albany General Hospital (SAGH)
- Samaritan North Lincoln Hospital (SNLH)
- Samaritan Pacific Communities Hospital (SPCH)
- InterCommunity Health Plans (IHP)
- Paradigm Indemnity Corporation (PIC)
- Samaritan Health Plans, Inc (SHP)
- Albany General Hospital Foundation (AGHF)
- Good Samaritan Hospital Foundation Corvallis (GSHF)
- Lebanon Community Hospital Foundation (LCHF)

The Obligated Group, which was formed to facilitate borrowing by the health system, includes SHS, GSRMC, MVH, and SAGH

All material interaffiliate accounts and transactions have been eliminated upon consolidation

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of consolidated financial statements in conformity with U S generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period Key estimates include the valuation allowances for patient accounts, fair value of investments, third-party payor settlements, liability for unpaid medical claims, professional liability, and pension liability Actual results could differ significantly from those estimates

(b) Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid investments with original maturities of three months or less The balance of cash was $138,499 and $157,712 as of December 31, 2013 and 2012, respectively

SHS maintains cash and cash equivalents on deposit at financial institutions, which often exceeds the limits insured by the Federal Deposit Insurance Corporation This exposes SHS to potential risk of loss in the event the financial institution becomes insolvent

(c) Inventories

Inventories, consisting principally of surgical, pharmacy and biomedical supplies, and home medical equipment, are carried at the lower of cost or market value

(d) Investments

Investments are measured at fair value in the consolidated balance sheets Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in excess of revenues over expenses unless the income or loss is restricted by donor or by law Unrealized gains and losses on investments are excluded from excess of revenues over expenses

A decline in fair value of a security below cost that is deemed to be other than temporary is recorded as an impairment loss and is included in excess of revenues over expenses A new cost basis is then established for the security To determine whether impairment is other than temporary, SHS considers whether it has the ability and intent to hold the investment until a market price recovery and whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, and the general market conditions in the geographic area or industry in which the investee operates

(e) Assets Limited as to Use

Assets limited as to use include assets restricted by donors for capital acquisition and permanent endowment funds, assets held by trustees under indenture agreements, statutory deposits for IHP and SHP, and other restricted investments

(f) Property, Plant, and Equipment

Property, plant, and equipment acquisitions are recorded at cost Donated property, plant, and equipment items are recorded on the basis of estimated fair value at the date of donation Maintenance and repairs are expensed as incurred When properties are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recorded as operating income or expense

Depreciation is computed using the straight-line method over estimated useful lives as follows land improvements, 5 to 20 years, building and improvements, 5 to 40 years, equipment, 3 to 20 years Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment Such amortization is included in depreciation in the consolidated statements of operations and changes in unrestricted net assets

Interest cost incurred on borrowed funds during the period of construction of significant capital assets is capitalized as a component of the cost of acquiring those assets During 2013 and 2012, no interest cost was capitalized

(Continued)

(g) Deferred Financing Costs

Financing costs associated with long-term debt have been deferred and are amortized over the life of the related debt using the effective interest method and are included in other assets in the consolidated balance sheets

(h) Liability for Unpaid Medical Claims and Medical Services Expense

Medical services expense is recognized in the period in which services are provided The liability for unpaid medical claims includes an estimate of the cost of services provided which have been incurred but not reported, which is based on actuarial projections of costs using historical paid claims data Estimates are regularly monitored and reviewed and, as settlements are made or estimates adjusted, differences are reflected in current operations Such estimates are subject to the impact of changes in the regulatory environment and economic conditions Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided While the ultimate amount of paid claims is dependent on future developments, management is of the opinion that the liability for claims is adequate to cover such claims

(i) Professional Liability

The accrual for estimated professional liability claims includes an estimate of the ultimate costs for both reported claims and claims which have been incurred but not reported, which is based on actuarial projections of costs using historical paid claims data Estimates are regularly monitored and reviewed and, as settlements are made or estimates adjusted, differences are reflected in current operations Such estimates are subject to the impact of changes in the regulatory environment and economic conditions Given the inherent variability of such estimates, the actual liability could differ significantly from the amounts provided While the ultimate amount of paid claims is dependent on future developments, management is of the opinion that the liability for claims is adequate to cover such claims

(j) Impairment of Long-Lived Assets

Long-lived assets, such as property, plant, and equipment, and purchased intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable or the remaining lives should be adjusted No impairment has been recognized in 2013 or 2012

(k) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose Permanently restricted net assets have been restricted by donors to be maintained in perpetuity Income from temporarily and permanently restricted net assets is accounted for in accordance with donor instructions

(l) (Deficit) Excess of Revenues over Expenses from Operations

(Deficit) excess of revenues over expenses from operations excludes certain items that SHS deems to be outside the scope of its primary business Investment income includes interest income, dividends, and realized gains and losses on investments Other income primarily includes rental income

(m) (Deficit) Excess of Revenues over Expenses

The performance indicator for SHS is the (deficit) excess of revenues over expenses Changes in unrestricted net assets, which are excluded from (deficit) excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets), and change in pension liability

(n) Net Patient Service Revenue and Charity Care

SHS has agreements with third-party payors that provide for payments at amounts different from its established rates Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments Patient service revenue is reported net of contractual allowances and discounts at the estimated net realizable amounts from patients, third-party payors and others for services rendered

Contractual adjustments arising under reimbursement arrangements with third-party payors are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined

SHS provides care without charge or at amounts less than its established rates to patients who meet certain criteria under its charity care policy Since SHS does not pursue collection of amounts determined to qualify as charity care, they are excluded from patient service revenue

(o) Provision for Bad Debts and Allowance for Uncollectible Accounts

Accounts receivable are reduced by an allowance for uncollectible accounts In evaluating the collectability of accounts receivable, SHS analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts

For receivables associated with self-pay patients (which include patients without insurance), SHS records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible

For third-party receivables associated with services provided to patients who have third-party coverage, SHS analyzes contractually due amounts and provides an allowance for uncollectible

accounts and a provision for bad debts, which primarily relates to self-pay patient balances that will remain after payments from the third-party payor have been collected

The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts

(p) Premium Revenue

Premium revenue from IHP and SHP consists of premiums paid by individuals and agencies of the federal and state governments for healthcare services Premium revenue is recognized during the month for which the premium is associated

IHP administers healthcare benefits to certain members of the Oregon Health Plan, placing emphasis on preventative medicine and health education programs for the benefit of the members During 2012, IHP was selected to provide the infrastructure and delivery system for a community Coordinated Care Organization (CCO) In August 2012, this CCO took over for the previous Medicaid plan managed by IHP

SHP Medicare premiums include revenue based on predetermined prepaid rates under Medicare contracts and are subject to audit and possible retroactive adjustments Provision has been made for estimated retroactive adjustments In 2013 and 2012, SHP premium revenue includes $1,571 and $512, respectively, relating to favorable settlements of prior years' reimbursement from Medicare

IHP had 35,627 and 36,526 enrollees and SHP had 5,413 and 5,618 enrollees at December 31, 2013 and 2012, respectively

(q) Income Taxes

SHS and its affiliates are exempt from taxation under the provisions of the Internal Revenue Code and are generally not subject to federal or state income taxes, except for SHP, which is a taxable Oregon nonprofit corporation Income tax benefit (expense) of $229 and $(744) in 2013 and 2012, respectively, has been recorded in utilities, insurance, and other in the consolidated statements of operations and changes in unrestricted net assets

In addition, SHS is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the consolidated financial statements taken as a whole

U S generally accepted accounting principles require the SHS' management to evaluate tax positions and recognize a tax liability (or asset) if SHS has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service Management has analyzed tax positions taken by SHS and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of

a liability (or asset) or disclosure in the financial statements SHS is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress SHS' management believes it is no longer subject to income tax examinations for years prior to 2010

(r) Donor-Restricted Gifts

Unconditional promises to give cash and other assets to SHS and its affiliates are reported at fair value at the date the promise is received Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in unrestricted net assets as net assets released from restrictions Donor-restricted contributions whose restrictions are met within the same year as received are recorded as unrestricted contributions

(s) Healthcare Reform

As a result of recently enacted federal and state healthcare reform legislation, substantial changes are anticipated in the U S healthcare system Such legislation includes numerous provisions affecting the delivery of healthcare services, the financing of healthcare costs, reimbursement of healthcare providers, and the legal obligations of health insurers, providers, and employers In 2012, the Centers for Medicaid and Medicare (CMS) approved Oregon's 1115 Medicaid Waiver that was necessary to implement Medicaid transformation in Oregon As the results of these actions are implemented, they may significantly impact SHS' future operations

(3) Net Patient Service Revenue

SHS has agreements with third-party payors that provide for payments at amounts different from its established rates A summary of the payment arrangements with major third-party payors follows

- Medicare

  Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries at GSRMC and SAGH are paid based on prospectively determined rates These rates vary according to a patient classification system that is based on the resources used to treat Medicare patients in those classifications Disproportionate share hospital and graduate medical education adjustments are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary

  Three of SHS' facilities (MVH, SPCH, and SNLH) are Critical Access Hospitals (CAH) CAHs are exempt from both inpatient and outpatient prospective payment systems Inpatient and outpatient services rendered to Medicare program beneficiaries at CAHs are reimbursed based on costs CAHs are reimbursed based on tentative rates with final settlement determined after submission of annual

(Dollars in thousands)

cost reports and audits thereof by the Medicare fiscal intermediary. Under Medicare, CAH cost reimbursement is not subject to the lower of costs or charges

- Medicaid

  Services rendered to Medicaid program beneficiaries at GSRMC and SAGH are paid at prospectively determined rates. The hospitals are reimbursed at a tentative rate for inpatient outlier cases with final settlement determined after submission of annual cost reports and audits thereof by the state's Medicaid agency.

  Inpatient and outpatient services rendered to Medicaid program beneficiaries at CAHs are reimbursed based on costs. CAHs are reimbursed based on tentative rates with final settlement determined after submission of annual cost reports and audits thereof by the state's Medicaid agency. Under Medicaid, CAH cost reimbursement is subject to the lower of costs or charges.

Revenue from the Medicare and Medicaid programs accounted for approximately 37% and 10%, respectively, of SHS' net patient service revenue in 2013 and 36% and 10%, respectively, of SHS' net patient service revenue in 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. In 2013 and 2012, net patient service revenue includes $7,224 and $4,365, respectively, relating to favorable settlements of prior years' reimbursement from the Medicare and Medicaid programs.

SHS has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Patient service revenue consists of the following:

		2013	2012
Gross patient charges	$	1,014,169	985,030
Deductions from gross patient charges			
Contractual allowances and discounts		410,030	386,207
Charity allowances, based on charges		46,580	41,351
Provision for bad debts		26,665	30,615
		483,275	458,173
Total	$	530,894	526,857

SHS' allowance for uncollectible accounts has decreased as a percentage of patient receivables. These changes were the result of increased estimates for charity care, offset by negative trends experienced in

(Continued)

(Dollars in thousands)

collections of patient self-pay receivables SHS does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors

SHS grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements The mix of net receivables from patients and third-party payors consists of the following at December 31

	2013	2012
Medicare	32%	27%
Medicaid	11	12
Patients	3	1
Other third-party payors, primarily commercial	54	60
	100%	100%

SHS has contracted to sell certain patient accounts receivable accounts to a third party The contracts include a right for the third party to recourse the receivables to SHS in the event of patient default SHS has estimated a reserve for such recourse of $3,719 and $4,091, respectively, at December 31, 2013 and 2012 in patient accounts receivable, net in the consolidated balance sheets

(4) Samaritan North Lincoln Affiliation Agreement

On January 1, 2001, SHS entered into a long-term lease of a hospital facility and certain equipment with North Lincoln Health District (NLH-District) whereby SHS operates the hospital as Samaritan North Lincoln Hospital (SNLH) SHS has agreed to lease SNLH from NLH-District for a period of 30 years, with a termination date of December 31, 2030 Both parties have the right to terminate the lease without cause with five years' written notice at any time after December 31, 2005 Both parties have the right to terminate the lease for cause with one year's written notice

Effective January 1, 2001, NLH-District made a net working capital transfer to SHS of certain current assets and current liabilities related to the operation of SNLH Upon termination of the lease agreement, SHS is required to remit the balance of the adjusted net working capital account back to NLH-District Neither party has elected to terminate the contract as of December 31, 2013 The net working capital transfer balance of $4,185 and $4,055 is included in other liabilities in the consolidated balance sheets as of December 31, 2013 and 2012, respectively

All payments made by SHS to NLH-District as a contribution towards maintaining the SNLH facility and equipment are to be held in a Capital Improvement and Replacement Fund (CIRF) The CIRF, as well as equipment purchased through the CIRF, is the property of NLH-District, however, under the terms of the agreement, SHS has the right to direct the use of CIRF funds to purchase equipment and other capital additions for SNLH Effective in 2009, SNLH agreed to transfer 10% of the net income attributable to SNLH to NLH-District to fund the CIRF SNLH has recorded a liability for such a transfer of $6 in 2013 and $0 in 2012

As provided by the agreement, NLH-District is required to make payments to SHS for 90% of NLH-District's maximum annual authorized property tax operating levy SNLH has recorded $1,050 and $1,026 as other operating revenue related to these property tax operating levy amounts provided by NLH-District during 2013 and 2012, respectively SNLH has recorded $646 and $635 related to this operating tax levy in other receivables in the consolidated balance sheets as of December 31, 2013 and 2012, respectively

(5) Samaritan Pacific Communities Affiliation Agreement

On January 1, 2002, SHS entered into a long-term management agreement with Pacific Communities Health District (PCH-District) whereby SHS operates the hospital as Samaritan Pacific Health Services dba Samaritan Pacific Communities Hospital (SPCH) SHS has agreed to operate SPCH for a period of 30 years, with a termination date of December 31, 2031 Both parties have the right to terminate the agreement without cause with five years' written notice at any time after December 31, 2006 Both parties have the right to terminate the lease for cause with one year's written notice

Effective January 1, 2002, PCH-District made a net working capital transfer to SHS of certain current assets and current liabilities related to the operation of SPCH Upon termination of the agreement, SHS is required to remit the balance of the adjusted net working capital account back to PCH-District and sell PCH-District all fixed assets acquired after commencement of the agreement at half of net book value Neither party has elected to terminate the contract as of December 31, 2013 The net working capital transfer balance of $4,843 and $4,861 is included in other liabilities in the consolidated balance sheets as of December 31, 2013 and 2012, respectively

As provided by the agreement, PCH-District is required to make payments to SHS for 70% of PCH-District's maximum annual authorized property tax operating levy SPCH has recorded $811 and $797 as other operating revenue related to the property tax operating levy amount provided by PCH-District during 2013 and 2012, respectively Receivables of $12 and $497 related to this operating tax levy are included in other receivables in the consolidated balance sheets as of December 31, 2013 and 2012, respectively

(6) Charity Care and Other Community Benefit Services

As part of its charitable mission to enhance and improve health in the community, SHS provides healthcare services to people in need, including charity care for those patients needing financial assistance and services to patients covered by Medicare, Medicaid, and other public programs where the costs of care exceed reimbursement from these programs In addition, SHS sponsors other activities that benefit the community

(Dollars in thousands)

The following represents the estimated cost of providing these services and activities, along with descriptions of selected activities during 2013 and 2012

	2013		
	Community benefit costs	**Offsetting revenue**	**Net community benefit costs**
Charity care and public programs			
Charity care	$ 22,860	—	22,860
Medicaid	105,250	82,971	22,279
Medicare	276,125	216,145	59,980
Other public programs	10,426	8,284	2,142
	414,661	307,400	107,261
Other benefits to the community			
Community health improvement services	1,849	277	1,572
Health professions education	5,767	6	5,761
Subsidized health services	39,375	28,360	11,015
Cash and in-kind contributions to charitable organizations	2,540	15	2,525
Other community benefit activities	2,727	731	1,996
	52,258	29,389	22,869
Total	$ 466,919	336,789	130,130

(Continued)

(Dollars in thousands)

	2012		
	Community benefit costs	Offsetting revenue	Net community benefit costs
Charity care and public programs			
Charity care	$ 20,379	—	20,379
Medicaid	88,449	70,457	17,992
Medicare	280,832	224,408	56,424
Other public programs	8,674	6,162	2,512
	398,334	301,027	97,307
Other benefits to the community			
Community health improvement services	1,470	272	1,198
Health professions education	4,659	10	4,649
Subsidized health services	64,161	45,788	18,373
Cash and in-kind contributions to charitable organizations	2,727	194	2,533
Other community benefit activities	2,487	693	1,794
	75,504	46,957	28,547
Total	$ 473,838	347,984	125,854

(a) Charity Care and Public Programs

Charity Care Consistent with its charitable mission, SHS provides medically necessary patient care services that are discounted or free of charge to uninsured or underinsured persons who qualify for assistance due to insufficient resources The criteria for charity care assistance is determined based on eligibility for insurance coverage, household income, qualified assets, catastrophic medical events, eligibility for other means-tested government programs, and/or other information supporting a patient's inability to pay for services provided In addition to a 10% discount for all uninsured patients, SHS makes full subsidies available for patients whose household income is at or below 150% of the federal poverty level (FPL), for patients above 150% of the FPL but below 200%, discounts are available on a sliding scale

Medicaid, Medicare, and Other Public Programs In addition to charity care, SHS provides services under various public programs for financially needy patients The cost of providing services to Medicaid beneficiaries, including patients covered by Oregon's and other states' Medicaid programs, generally exceeds the reimbursement from these programs SHS serves a significant population of Medicare beneficiaries, including those covered under traditional Medicare as well as Medicare managed care programs The cost of treating these Medicare patients at certain of SHS' hospitals exceeds government payments received Other public programs include Tricare, Veteran's Administration, and other government-sponsored programs The cost of healthcare services for patients covered under these programs generally exceeds reimbursement

(Continued)

The estimated cost of services provided under these programs is determined based on the relationship of total operating costs to gross charges, called the cost-to-charge ratio Total operating costs for purposes of this ratio exclude the provision for uncollectible accounts as well as costs associated with community benefit activities, such as community health services, medical education, and cash or in-kind contributions to other charitable organizations, as described below Total cost is then offset with any related reimbursements to arrive at net community benefit cost

(b) Other Benefits to the Community

Community health improvement services include community health education and clinics, such as classes and workshops on health topics for little or no charge, health screenings, support groups, resource centers, and medical libraries

Health professions education includes programs to train medical students, nurses, and other health professionals, including students in imaging, pharmacy, physical rehabilitation, laboratory, and other areas

Subsidized health services are clinical programs provided despite a financial loss (after excluding the cost of charity care, bad debt, and unreimbursed cost of Medicaid and Medicare) because the service is needed in the community Examples include emergency and trauma care, hospice and home health care, women's and children's services, behavioral health services, and outpatient clinic services

Cash and in-kind contributions to charitable organizations include grants to community organizations that are selected by SHS through an application process through each hospital's social accountability committee Applications from community organizations are evaluated based on meeting identified community health needs Organizations that receive funding are required to report on their use of the funds Cash contributions also include funds donated to community organizations that provide health related services in the hospital service areas In-kind contributions include providing free medications to individuals in need who are identified through community outreach programs and regular free health clinics

Other community benefit activities include research, community building activities, and community benefit operations Research includes health-related studies or trials whose results benefit the public Community building activities include community support, coalition building, and workforce development activities Community benefit operations include SHS staff whose function is to coordinate and lead efforts to promote and track the organization's community benefit activities

(Dollars in thousands)

(7) Investments

Investments comprise the following at December 31

	2013	2012
Cash and cash equivalents	$ 5,799	11,858
Certificates of deposit	4,232	5,629
Mutual funds		
Domestic equities	19,665	12,151
International equities	9,720	8,947
Domestic debt securities	17,930	11,704
International debt securities	1,081	—
Fixed income		
U S agency obligations	15,710	19,940
Domestic corporate bonds	17,724	16,981
International corporate bonds	928	2,077
Municipals	2,373	625
	95,162	89,912
Less		
Short-term investments	8,241	11,491
Assets limited as to use	26,557	25,355
Long-term investments	$ 60,364	53,066

Assets limited as to use that are held by trustee include funds received from bond issuances This includes amounts held for future interest and principal payments of $1,918 and $1,033, respectively, and a debt reserve fund of $10,060 and $10,462, respectively, at December 31, 2013 and 2012 Trustee held funds intended to fund projects were fully released in 2013

IHP, as required by the Oregon Health Plan, has deposits with the state of Oregon of $3,000 and $2,499 as of December 31, 2013 and 2012, respectively SHP is required to keep investments on deposit in the states where it is licensed and has deposits of $275 as of December 31, 2013 and 2012 Additionally, restricted reserves include a $750 deposit required by a financial institution for a standby letter of credit for SHP

(Continued)

(Dollars in thousands)

Investment income is comprised of the following for the years ended December 31

		2013	2012
Investment income, net			
Interest income	$	2,089	2,438
Net realized gains and losses on sales of investments		1,455	4,584
	$	3,544	7,022
Other changes in net assets			
Change in net unrealized gains and losses on investments	$	2,884	(859)

There were no significant gross unrealized losses at December 31, 2013 or 2012

(8) Fair Value of Financial Instruments

FASB ASC 820 provides the framework for measuring fair value That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) The three levels of the fair value hierarchy under FASB ASC 820 are described as follows

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SHS has the ability to access

Level 2 – Inputs to the valuation methodology include

- Quoted prices for similar assets or liabilities in active markets,
- Quoted prices for identical or similar assets or liabilities in inactive markets,
- Inputs other than quoted prices that are observable for the asset or liability, and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs

Following is a description of the valuation methodologies used for assets measured at fair value There have been no changes in the methodologies used at December 31, 2013 and 2012

Cash and Cash Equivalents Valued at fair value based on face value or cost plus accrued interest, which approximates fair value because of the short maturity of these investments

(Dollars in thousands)

Certificates of Deposit Valued at fair value based on quoted market prices

Mutual Funds Valued at the net asset value of shares held by at year end, based on published market quotations on active markets

Fixed Income Valued at fair value based on quoted market prices in an active market

Hedge Fund Valued at fair value of the underlying investments

Long-Term Debt Valued at fair value using interest rates that SHS would receive on essentially risk free assets

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values Furthermore, while SHS believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date

The following table presents the balances of financial assets and liabilities measured or disclosed at fair value on a recurring basis at December 31, 2013

	Fair value	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$ 5,799	5,799	—	—
Certificates of deposit	4,232	—	4,232	
Mutual funds				—
Domestic equities	19,665	19,665	—	—
International equities	9,720	9,720	—	—
Domestic debt securities	17,930	17,930	—	—
International debt securities	1,081	1,081	—	—
Fixed income				
U S government obligations	15,710	15,710	—	—
Domestic corporate obligations	17,724	—	17,724	—
International corporate obligations	928	—	928	—
Municipals	2,373	—	2,373	—
Total assets	$ 95,162	69,905	25,257	—
Liabilities				
Long-term debt	$ 188,043	—	188,043	—
Total liabilities	$ 188,043	—	188,043	—

(Continued)

(Dollars in thousands)

The following table presents the balances of financial assets and liabilities measured or disclosed at fair value on a recurring basis at December 31, 2012

Certificates of deposit	5,629	—	5,629	—
Mutual funds				
Domestic equities	12,151	12,151	—	—
International equities	8,947	8,947	—	—
Domestic debt securities	11,704	11,704	—	—
Fixed income				
U S government obligations	19,940	19,940	—	—
Domestic corporate obligations	16,981	—	16,981	—
International corporate obligations	2,077	—	2,077	—
Municipals	625	—	625	—
Total assets	$ 89,912	64,600	25,312	—
Liabilities				
Long-term debt	$ 186,978	—	186,978	—
Total liabilities	$ 186,978	—	186,978	—

The following table presents a reconciliation of the beginning and ending balances of Level 3 assets for the years ended December 31, 2012

		2012
Balance, beginning of year	$	1,336
Realized and unrealized gain (loss)		
Included in earnings		—
Included in changes in net assets		72
Purchases, issuances, and settlements, net		(1,408)
Balance, end of year	$	—

(Continued)

(Dollars in thousands)

(9) Property, Plant, and Equipment

Property, plant, and equipment comprise the following at December 31

	2013	2012
Land and land improvements	$ 30,746	30,034
Buildings and leasehold improvements	282,847	270,699
Furniture and equipment	174,856	122,784
Equipment under capital lease obligations	10,981	30,073
Construction in progress	9,064	24,501
	508,494	478,091
Less accumulated depreciation	231,632	200,154
Less accumulated amortization	7,124	17,385
	$ 269,738	260,552

There were capital expenditure purchase commitments outstanding as of December 31, 2013 for various construction and equipment projects The estimated cost to complete such projects at December 31, 2013 was $21,337 of which $14,131 was contractually committed

(10) Line of Credit

SHS may borrow up to $16,000 under its line of credit agreement No amounts were borrowed during 2013 and there were no outstanding balances at December 31, 2013 Interest is payable at 3 25% at December 31, 2013 Additionally, SHS has a letter of credit of $4,000, which was required by the City of Corvallis and is supported by the line of credit No amounts were drawn during 2013

(Dollars in thousands)

(11) Long-Term Debt

Long-term debt comprises the following at December 31

	2013	2012
Oregon Facilities Authority Revenue Refunding Bonds, Series 2010, 4.00% to 5.25%, principal maturing in varying annual amounts, due October 2040, secured by an interest in gross revenues	$ 122,055	122,055
Hospital Facilities Authority of Benton County, Oregon Revenue and Refunding Bonds, Series 1998, 3.70% to 5.10%, principal maturing in varying annual amounts, due October 2028, secured by an interest in gross revenues	6,180	6,180
Oregon Facilities Authority, SNAP Revenue Bond, Series A, 4.355% resetting every five years, principal maturing in varying monthly amounts, due September 2034, unsecured	12,427	13,363
Loan payable, 4.31%, interest payable monthly, due March 2032, secured by real estate	2,829	2,929
Loan payable, 5.97%, payable in monthly installments of $42, due September 2020, secured by real estate	2,810	3,137
Loan payable, 6.37%, payable in monthly installments of $62, due December 2017, secured by real estate	2,092	2,684
Loan payable, 5.01%, payable in monthly installments of $12, due with balloon payment of $1,514 in 2023, secured by real estate	2,023	—
Obligations under capital leases and other, secured by related equipment	36,204	24,227
Other debt	1,409	562
	188,029	175,137
Less current portion	7,320	6,011
	$ 180,709	169,126

The Obligated Group is required to satisfy certain measures of financial performance as long as the bonds are outstanding under the Master Trust Indenture At December 31, 2013 and 2012, management believes that the Obligated Group was in compliance with the terms of its debt agreements

The Oregon Facilities Authority Revenue Refunding Bonds, Series 2010 (2010 Bonds), were issued in March 2010 in the amount of $122,055 Interest payments on the 2010 Bonds are made monthly to an account held by the trustee Interest is paid semi-annually and principal is paid annually beginning October 2014 and carry interest rates ranging from 4.00% to 5.25% The 2010 Bonds maturing in the years 2030, 2035 and 2040 (the 2010 Term Bonds) are subject to mandatory redemption and sinking fund requirements beginning October 1, 2026 The proceeds from the 2010 Bonds were used to refund a portion of the Hospital Facilities Authority of Benton County Bonds Oregon Revenue and Refunding Bonds,

(Continued)

(Dollars in thousands)

Series 1998 (1998 Bonds), refinance other long-term and short-term debt obligations, finance certain capital construction projects, primarily an ambulatory surgery building on the GSRMC campus, and to pay expenses incurred with the issuance

The Oregon Facilities Authority SNAP Revenue Bond, Series A bonds (Samaritan Health Services Project) (2009 Bonds) were issued in September 2009 in the amount of $15,800 Payments on the 2009 Bonds are made monthly and carry an initial interest rate of 4 355% The rate is reset every five years beginning December 30, 2017 based on the change in the five year U S Treasury Constant Maturity Note Index over the period plus a base rate of 4 46% The proceeds from the 2009 Bonds were restricted for capital expenditures, primarily the construction of a facility that is owned by SHS and leased to Western University Health Sciences, and to pay expenses incurred with the issuance

Included in capital leases is $31,852 and $17,687 at December 31, 2013 and 2012, respectively, related to a capital lease with Key Government Finance, Inc The debt is a maximum $45,045 master lease facility with 51 7% secured under the Master Trust Indenture and 48 3% secured as purchase-money security interest Each draw is individually payable over a ten year period The interest rate on each draw is 3 24% plus the change in the KeyCorp Cost of Funds Index for 72 months (ranging from 3 35% to 4 16% on the draws outstanding at December 31, 2013)

Total interest cost in 2013 and 2012 was $8,598 and $8,375, respectively

Scheduled principal repayments on long-term debt and payments on capital lease obligations are as follows

	Long-term debt	Capital lease obligations
2014	$ 2,803	5,696
2015	3,063	5,308
2016	3,229	4,835
2017	3,372	4,267
2018	3,521	4,095
Thereafter	135,836	17,914
	$ 151,824	42,115
Less amount representing interest under capital lease obligations		(5,911)
		$ 36,204

(Continued)

(Dollars in thousands)

(12) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31

		2013	2012
Operating programs support	$	5,145	4,610
Capital acquisition		5,744	3,668
Other		1,008	840
Total temporarily restricted net assets	$	11,897	9,118

The foundations' endowments consist of twelve individual funds established for a variety of purposes The endowments include both donor-restricted endowment funds and unrestricted funds designated by the boards of trustees of each of the foundations to function as endowments Net assets associated with endowment funds, including funds designated by the boards of trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions The foundations have adopted investment and spending policies for endowment assets to ensure appropriations for distributions are consistent with the foundations' objective of maintaining the corpus

(13) Retirement Plans

(a) Retirement Plan

Employees aged 18 or older and having completed one year of service (12 months with at least 1,000 hours) are eligible to participate in the Samaritan Health Services Retirement Plan (SHS Retirement Plan), a defined contribution pension plan Employer contributions are 4% of gross earnings, with an additional 4% of earnings in excess of the FICA wage base

Employer contributions under this plan were $12,942 and $11,792 in 2013 and 2012, respectively, and are included in employee benefits in the consolidated statements of operations and changes in unrestricted net assets

(b) Tax Sheltered Annuity Plan

Employees aged 18 or older and having completed one year of service (12 months with at least 1,000 hours) are eligible to participate in the Samaritan Health Services Tax Sheltered Annuity Plan (SHS TSA Plan) The level of contribution depends on, among other things, the level of employee contributions to individual tax sheltered annuity accounts, matching up to 2% of the employees' gross earnings

Employer contributions under this plan were $5,003 in both 2013 and 2012 and are included in employee benefits in the consolidated statements of operations and changes in unrestricted net assets

(c) Defined Benefit Plan

GSRMC has a noncontributory defined benefit pension plan (the Plan) The retirement benefits of all participants in the Plan were frozen effective December 31, 2011 (Freeze Date) No benefit service

(Continued)

(Dollars in thousands)

after the Freeze Date will be taken into account in determining a participant's retirement benefits After the Freeze Date, future retirement benefits are provided by the SHS Retirement Plan and the SHS TSA Plan GSRMC's policy has been to contribute for each plan year an amount between the minimum and maximum contribution allowed under Internal Revenue Service (IRS) regulations

SHS recognizes the funded status of the defined benefit pension as a net asset or liability on its consolidated balance sheets Actuarial gains and losses are generally amortized subject to the corridor, over the average remaining service life of the employees

The following table sets forth the Plan's funded status at December 31, 2013 and 2012

		2013	2012
Change in projected benefit obligation			
Projected benefit obligation at beginning of year	$	110,847	100,619
Interest cost		4,066	4,199
Actuarial (gain) loss		(10,912)	8,152
Benefits paid		(2,504)	(2,123)
Projected benefit obligation at end of year		101,497	110,847
Change in fair value of plan assets			
Fair value of plan assets at beginning of year		72,296	60,017
Actual return on plan assets		6,852	8,234
Employer contributions		3,000	6,300
Administrative expenses		(68)	(132)
Benefits paid		(2,504)	(2,123)
Fair value of plan assets at end of year		79,576	72,296
Funded status	$	(21,921)	(38,551)

(Continued)

(Dollars in thousands)

		2013	2012
Amounts recognized in the consolidated balance sheets consist of			
Recognized accrued pension liability	$	1,585	1,281
Actuarial loss not yet recognized as a component of net periodic benefit cost		20,336	37,270
Total pension liability		21,921	38,551
Net amount recognized	$	21,921	38,551
Amounts recognized as changes in net assets consist of			
Actuarial (gain) loss	$	(12,548)	4,523
Amortization of net loss		(4,386)	(4,137)
Net amount recognized	$	(16,934)	386
Accumulated benefit obligation at end of year	$	101,497	110,847

The following table sets forth the components of net periodic benefit cost in 2013 and 2012, which is included in employee benefits in the consolidated statements of operations and changes in unrestricted net assets

		2013	2012
Interest cost	$	4,066	4,199
Expected return on plan assets		(5,148)	(4,472)
Amortization of actuarial loss		4,386	4,137
Net periodic benefit cost	$	3,304	3,864

The estimated net actuarial loss that will be amortized from net assets into net periodic pension cost during 2014 is $1,778

Assumptions used to determine benefit obligations at December 31 were as follows

	2013	2012
Benefit obligation		
Discount rate	4 61%	3 72%
Rate of increase in future compensation levels	n/a	n/a
Net periodic benefit cost		
Discount rate	3 72%	4 23%
Expected long-term rate of return on plan assets	7 10	7 10
Rate of increase in future compensation levels	n/a	n/a

(Continued)

(Dollars in thousands)

The expected long-term rate of return on plan assets is the expected weighted average rate of return on the funds invested currently and on funds to be invested in the future in order to provide for the benefits included in the projected benefit obligation The assumptions are based on capital market assumptions and the Plan's target asset allocation SHS monitors the expected long-term rate of return to determine if changes in those parameters cause the estimate to be outside of a reasonable range of expected returns, or if actual Plan returns over an extended period of time suggest that general market assumptions are not representative of expected Plan results

The Plan's asset allocation at December 31 was as follows

	2013	2012
Cash	1%	1%
Domestic equities	35	34
International equities	15	15
Domestic debt securities	34	36
International debt securities	10	—
Hedge fund	—	9
Real estate properties	5	5
Total	100%	100%

Pension plan assets are managed according to an investment policy adopted by the Samaritan Health Services, Inc Retirement Plan Trustees The board of directors establishes overall investment objectives and delegates the authority for executing the policy to the Retirement Plan Trustees Professional investment managers are retained to manage specific asset classes and professional consulting is utilized for investment performance reporting The primary objective is to achieve the highest possible total return commensurate with safety and preservation of capital in real, inflation adjusted terms The objective includes having funds invested for the long-term, which protects the principal and produces returns sufficient to meet future benefit obligations The investment policy provides for an asset allocation that includes equities, fixed income instruments, and real estate The target allocation of these asset classes are 55% equity and diversified inflation, 40% fixed income, and 5% real estate

(Continued)

(Dollars in thousands)

In accordance with FASB ASC 820-10-50, financial assets and financial liabilities measured at fair value are grouped in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to estimate fair value These levels and associated valuation methodologies are described in note 8 The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2013

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 403	403	—	—
Mutual funds				
Domestic equities	28,073	28,073	—	—
International equities	6,449	6,449	—	—
Domestic debt securities	27,072	27,072	—	
International debt securities	7,837	7,837	—	—
Private international equity fund	5,812	—	5,812	—
Real estate properties	3,930	—	—	3,930
	$ 79,576	69,834	5,812	3,930

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2012

	Fair value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 714	714	—	—
Mutual funds				
Domestic equities	24,903	24,903	—	—
International equities	5,600	5,600	—	—
Domestic debt securities	25,648	25,648	—	—
Private international equity fund	5,347	—	5,347	—
Hedge fund	6,426	—	6,426	—
Real estate properties	3,658	—	—	3,658
	$ 72,296	56,865	11,773	3,658

(Continued)

(Dollars in thousands)

The following table presents a reconciliation of the beginning and ending balances of Level 3 assets

	2013	2012
Balance, beginning of year	$ 3,658	3,442
Realized and unrealized gains, net	427	366
Purchases, issuances, and settlements, net	(155)	(150)
Balance, end of year	$ 3,930	3,658

SHS expects to contribute $3,000 to the Plan in 2014

The following benefit payments are expected to be paid as follows

2014	$ 3,538
2015	4,250
2016	4,817
2017	5,217
2018	5,728
2019–2023	32,919
	$ 56,469

(14) Commitments and Contingencies

(a) Professional Liability and Other Claims

SHS is self-insured for professional and general liability coverage through PIC, a captive insurance company wholly owned by SHS Insurance coverage in excess of self-insured levels is carried through outside excess commercial reinsurers on a claims-made basis

There are known claims and incidents that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from services provided to patients SHS has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims The amount recorded as a liability for estimated losses from professional liability incidents, claims, and other was $12,159 and $9,479 as of December 31, 2013 and 2012, respectively, and, in management's opinion, provides an adequate reserve for loss contingencies

(b) Operating Lease Commitments

SHS leases various equipment and facilities under operating leases expiring at various dates through February 2045 Total rental expense in 2013 and 2012 for all operating leases was $6,654 and $5,710, respectively

(Continued)

(Dollars in thousands)

Future minimum lease payments under noncancelable operating leases with terms in excess of one year are as follows for the year ending December 31

2014	$	4,042
2015		3,109
2016		2,461
2017		1,471
2018		1,079
Thereafter		2,679
	$	14,841

(c) Collective Bargaining Agreements

Approximately 32% of SHS employees are covered under collective bargaining agreements, including nurses, professional employees, and service employees, with 11% of SHS employees under contracts expiring in 2014

(d) Litigation

SHS is involved in litigation and regulatory matters arising in the normal course of business After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the SHS' future financial position or results from operations

The healthcare industry is governed by various laws and regulations of federal, state, and local governments These laws and regulations are subject to ongoing government review and interpretation, and include matters such as licensure, accreditation, reimbursement for patient services, and referrals for Medicare and Medicaid beneficiaries Compliance with these laws and regulations is required for participation in government healthcare programs Certain governmental agencies routinely investigate and pursue allegations concerning possible overpayments resulting from violation of fraud and abuse statutes by healthcare providers These investigations may result in settlements involving fines and penalties as well as repayment of improper reimbursement SHS has implemented procedures for monitoring and enforcing compliance with laws and regulations and is not aware of instances of noncompliance

(Continued)

(Dollars in thousands)

(15) Related-Party Disclosures

SHS has invested in certain joint ventures The following joint ventures are consolidated into the financial statements of SHS and in the aggregate have total assets of $4,686 and $5,166 as of December 31, 2013 and 2012, respectively, and earnings of $3,279 and $2,753 in 2013 and 2012, respectively

	Ownership
Corvallis Medical Office Building, LLC	54 5%
Corvallis MRI Joint Venture	50 0
East Linn MRI, LLC	60 0
Hull Imaging, LLC	60 0
Samaritan Endoscopy Center, LLC	66 7

The following joint ventures are accounted for on the equity method and have in the aggregate contributed earnings of $99 and $90 in 2013 and 2012, respectively, which are included in other income, net in the consolidated statements of operations and changes in unrestricted net assets

		Rent paid by SHS	
	Ownership	2013	2012
Cascade View Medical Office Building, LLC	26 3%	353	299
Mid Valley Buildings, LLC	20 0	411	421
Mid-Valley Medical Property Associates, LLC	36 8	174	184
Northwest Medical Isotopes, LLC	42 6	n/a	n/a
2750 Harrison Blvd, LLC	40 7	n/a	n/a

(16) Functional Expenses

SHS provides healthcare services to residents within its geographic locations Expenses related to providing these services are as follows

	2013	2012
Healthcare services	$ 538,020	506,938
Medical services	116,853	100,250
General and administrative	121,684	118,731
	$ 776,557	725,919

(17) Subsequent Events

SHS evaluated subsequent events after the balance sheet date of December 31, 2013 through March 27, 2014 which was the date the consolidated financial statements were issued Management is not aware of any subsequent events requiring disclosure

Schedule I

SAMARITAN HEALTH SERVICES, INC.

Supplementary Schedule – Balance Sheet Information

December 31, 2013 and 2012

(Dollars in thousands)

Assets	Obligated group	Nonobligated group	Eliminating entries	2013	2012
Current assets					
Cash and cash equivalents	$ 106,531	34,671	—	141,202	157,922
Short-term investments	—	8,241	—	8,241	11,491
Patient accounts receivable, net of allowance	79,182	17,209	(14,103)	82,288	60,030
Other receivables	7,535	6,805	—	14,340	11,289
Receivable from affiliates	(8,738)	8,738	—	—	—
Inventories	9,172	3,546	—	12,718	11,611
Other current assets	4,577	836	—	5,413	6,672
Total current assets	198,259	80,046	(14,103)	264,202	259,015
Assets limited as to use					
Restricted by donor for capital acquisition	—	5,636	—	5,636	3,668
Restricted by donor for permanent endowment	—	4,843	—	4,843	4,574
Held by trustee	11,978	—	—	11,978	14,264
Statutory deposits	75	4,025	—	4,100	2,849
Total assets limited as to use	12,053	14,504	—	26,557	25,355
Long-term investments	30,862	29,502	—	60,364	53,066
Property, plant, and equipment, net	263,146	6,592	—	269,738	260,552
Other assets	28,478	5,634	(20,905)	13,207	12,497
Total assets	$ 532,798	136,278	(35,008)	634,068	610,485

(Continued)

Schedule I

SAMARITAN HEALTH SERVICES, INC.

Supplementary Schedule – Balance Sheet Information

December 31, 2013 and 2012

(Dollars in thousands)

Liabilities and Net Assets	Obligated group	Nonobligated group	Eliminating entries	2013	2012
Current liabilities					
Accounts payable	$ 30,409	4,834	—	35,243	32,159
Accrued salaries, wages, and benefits	42,053	4,793	—	46,846	45,728
Estimated third-party payor settlements	6,707	3,136	—	9,843	9,006
Liability for unpaid medical claims	3,968	20,618	(14,104)	10,482	14,735
Other current liabilities	2,806	10,497	—	13,303	7,847
Current portion of long-term debt	12,298	22	(5,000)	7,320	6,011
Total current liabilities	98,241	43,900	(19,104)	123,037	115,486
Long-term debt, less current portion	180,709	1,500	(1,500)	180,709	169,126
Professional liability, less current portion	3,268	5,517	—	8,785	6,666
Pension liability	21,921	—	—	21,921	38,551
Other liabilities	5,824	9,028	—	14,852	13,656
Total liabilities	309,963	59,945	(20,604)	349,304	343,485
Net assets					
Unrestricted	206,647	59,593	—	266,240	251,716
Unrestricted, noncontrolling interest	1,784	—	—	1,784	1,592
Temporarily restricted	10,921	11,897	(10,921)	11,897	9,118
Permanently restricted	3,483	4,843	(3,483)	4,843	4,574
Total net assets	222,835	76,333	(14,404)	284,764	267,000
Total liabilities and net assets	$ 532,798	136,278	(35,008)	634,068	610,485

See accompanying independent auditors' report

Schedule II

SAMARITAN HEALTH SERVICES, INC.

Supplementary Schedule – Statement of Operations Information

Years ended December 31, 2013 and 2012

(Dollars in thousands)

	Obligated group	Nonobligated group	Eliminating entries	2013	2012
Revenues					
Patient service revenue, net contractual allowances and discounts	$ 521,052	100,842	(64,335)	557,559	557,472
Provision for bad debts	(19,541)	(7,124)	—	(26,665)	(30,615)
Net patient service revenue, less provision for bad debts	501,511	93,718	(64,335)	530,894	526,857
Premium revenue	18,678	187,238	(8,059)	197,857	172,348
Other operating revenue	49,789	8,916	(20,590)	38,115	31,206
Total revenues	569,978	289,872	(92,984)	766,866	730,411
Expenses					
Salaries and wages	277,715	58,309	(801)	335,223	322,151
Employee benefits	42,803	17,147	(8,059)	51,891	52,598
Medical services	27,337	152,553	(63,037)	116,853	100,250
Supplies	92,685	17,139	(1,978)	107,846	105,862
Purchased services	61,546	26,655	(14,149)	74,052	67,281
Utilities, insurance and other	44,544	14,052	(4,960)	53,636	43,990
Depreciation	27,320	1,629	—	28,949	25,929
Interest and amortization	8,137	120	(150)	8,107	7,858
Total expenses	582,087	287,604	(93,134)	776,557	725,919
Excess of revenues over expenses from operations	(12,109)	2,268	150	(9,691)	4,492
Other income, net					
Investment income	2,544	1,150	(150)	3,544	7,022
Other income	1,188	225	—	1,413	1,984
Total other income, net	3,732	1,375	(150)	4,957	9,006
Excess of revenues over expenses	(8,377)	3,643	—	(4,734)	13,498
Change in net unrealized gains and losses on investments	1,591	996	—	2,587	(1,047)
Net assets released from restrictions used for capital acquisition	—	1,091	—	1,091	2,387
Net assets transferred for capital	1,091	(1,091)	—	—	—
Intercompany transfers	(276)	276	—	—	—
Change in pension liability	16,934	—	—	16,934	(386)
Distributions to noncontrolling interest in joint ventures	(1,162)	—	—	(1,162)	(1,260)
Other	—	—	—	—	170
Change in unrestricted net assets	$ 9,801	4,915	—	14,716	13,362

See accompanying independent auditors' report