

Form <h1 style="text-align: center;">CT-12</h1> For Oregon Corporations and Certain Trusts	<h2 style="margin: 0;">Charitable Activities Section</h2> <h3 style="margin: 0;">Oregon Department of Justice</h3> <p style="font-size: small; margin: 0;"> 1515 SW 5th Avenue, Suite 410 VOICE (971) 673-1880 Portland, OR 97201-5451 TDD (800) 735-2900 E-Mail: charitable.activities@doj.state.or.us FAX (971) 673-1882 Web site: http://www.doj.state.or.us </p>	For Accounting Periods Beginning in: <h1 style="text-align: center;">2008</h1>
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Section I. General Information

1. REGISTRATION #16189 SALEM HOSPITAL P.O. BOX 14001 SALEM, OR 97309 503-561-5200 10/01/08	<p style="text-align: right;">Cross Through Incorrect Items and Correct Here: (See instructions for change of name or accounting period.)</p> Registration #: _____ Organization Name: _____ Address: 890 OAK STREET SE City, State, Zip: SALEM, OR 97301 Phone: _____ Fax: _____ Email: _____ Period Beginning: 09/30/09 Period Ending: _____
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2. Did a certified public accountant audit your financial records? - If yes, attach a copy of the auditor's report, financial statements, accompanying notes, schedules, or management letters supplementing the report or financial statements. Yes No
3. Is the organization a party to a contract involving person-to-person, advertising, vending machine or telephone fund-raising in Oregon? Yes No
 If yes, write the name of the fund-raising firm(s) who conducts the campaign(s): _____
4. Has the organization or any officer, director, trustee, or key employee of the organization ever been involved in a voluntary agreement with any government agency, such as a state attorney general, secretary of state, or local district attorney, or in a legal action in any court regarding charitable solicitation, administration, management, or fiduciary practices? If yes, attach copies of the agreement and a written explanation. Yes No
5. During this reporting period, did the organization amend its articles of incorporation, bylaws, or trust documents, OR did the organization receive a determination letter from the Internal Revenue Service indicating a new or amended tax-exempt status? If yes, attach a copy of the amended document or letter. Yes No
6. Is the organization ceasing operations and is this the final report? (If yes, see instructions on how to close your registration.) Yes No
7. Provide contact information for the person responsible for retaining the organization's records.

Name	Position	Phone	Mailing Address & Email Address
JEREMIAH DODRILL	CONTROLLER	503-561-5200	890 OAK STREET SE, SALEM, OR 97301

8. List of Officers, Directors, Trustees and Key Employees - List each person who held one of these positions at any time during the year even if they did not receive any compensation from the organization. Attach additional sheets if necessary. If an IRS form is attached that includes substantially the same information, the phrase "See IRS Form" may be entered in lieu of completing this section. (Oregon law requires a minimum of three directors.)

(A) Name, mailing address, daytime phone number and email address	(B) Title & average weekly hours devoted to position	(C) Compensation (enter \$0 if position unpaid)
Name: SEE ATTACHED IRS FORM 990 Address: _____ Phone: _____ Email: _____	<div style="font-size: 2em; font-weight: bold; opacity: 0.5;">RECEIVED</div>	
Name: _____ Address: _____ Phone: _____ Email: _____	<div style="font-size: 1.2em; font-weight: bold;">AUG 13 2010</div>	
Name: _____ Address: _____ Phone: _____ Email: _____	<div style="font-size: 1.2em; font-weight: bold;">DEPARTMENT OF JUSTICE PORTLAND LEGAL</div>	

Section II. Fee Calculation

9.	Total Revenue. (From Line 12 (current year) on Form 990; Line 9 on Form 990-EZ; Part I, Line 12a on Form 990-PF; Line 9 on Form 1041 or Form 1041-A; or see page 3 of the instructions if no federal tax return was prepared. Attach explanation if Total Revenue is \$0.)	9.	493,777,287																			
10.	Revenue Fee (See chart below. Minimum fee is \$10, even if total revenue is a negative amount.)	10.		200																		
	<table border="1"> <thead> <tr> <th>Amount on Line 9</th> <th>Revenue Fee</th> </tr> </thead> <tbody> <tr><td>\$0</td><td>\$10</td></tr> <tr><td>\$25,000</td><td>\$25</td></tr> <tr><td>\$50,000</td><td>\$45</td></tr> <tr><td>\$100,000</td><td>\$75</td></tr> <tr><td>\$250,000</td><td>\$100</td></tr> <tr><td>\$500,000</td><td>\$135</td></tr> <tr><td>\$750,000</td><td>\$170</td></tr> <tr><td>\$1,000,000 or more</td><td>\$200</td></tr> </tbody> </table>	Amount on Line 9	Revenue Fee	\$0	\$10	\$25,000	\$25	\$50,000	\$45	\$100,000	\$75	\$250,000	\$100	\$500,000	\$135	\$750,000	\$170	\$1,000,000 or more	\$200			
Amount on Line 9	Revenue Fee																					
\$0	\$10																					
\$25,000	\$25																					
\$50,000	\$45																					
\$100,000	\$75																					
\$250,000	\$100																					
\$500,000	\$135																					
\$750,000	\$170																					
\$1,000,000 or more	\$200																					
11.	Net Assets or Fund Balances at End of the Reporting Period. (From Line 22 (end of year) on Form 990 Line 21 on Form 990-EZ or Part III, Line 6 on Form 990-PF; or see page 4 to calculate.)	11.	426,248,178																			
12.	Net Fixed Assets Used to Conduct Charitable Activities . . . (Generally, from Part X, Line 10c on Form 990, Line 23B on Form 990-EZ or Part II, Line 14b on Form 990-PF; or see page 4 to calculate. See instructions if organization owns income-producing assets.)	12.	475,972,838																			
13.	Amount Subject to Net Assets or Fund Balances Fee (Line 11 minus Line 12. If Line 11 minus Line 12 is less than \$50,000, write \$0.)	13.		0																		
14.	Net Assets or Fund Balances Fee. (Line 13 multiplied by .0001. If the fee is less than \$5, enter \$0. Not to exceed \$1,000. Round cents to the nearest whole dollar.)	14.		0																		
15.	Are you filing this report late? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (If yes, the late fee is a minimum of \$20. You may owe more depending on how late the report is. See instruction 15 for additional information.)	15.																				
16.	Total Amount Due. (Add Lines 10, 14, and 15. Make check payable to the Oregon Department of Justice.)	16.		200																		
17.	Attach a copy of the organization's federal tax return and all supporting schedules and attachments that were filed with the IRS with the exception that Form 990 & 990EZ filers do not need to attach a copy of their Schedule B. Also, if the organization did not file with the IRS, but had Total Revenue of \$25,000 or more, or Net Assets or Fund Balances of \$50,000 or more, see the instructions as the organization is required to complete certain IRS Forms for Oregon purposes only. If the attached return was not filed with the IRS, then mark any such return as "For Oregon Purposes Only."																					

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including all accompanying forms, schedules, and attachments, and to the best of my knowledge and belief, it is true, correct, and complete.		
		8-11-10	
Paid Preparer's Use Only	Signature of officer	Date	Title
		8-11-10	503-585-7774
	Preparer's name AKT LLP	680 HAWTHORNE AVE SE, STE #140, SALEM, OR 97301	Address

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2008 calendar year, or tax year beginning **OCT 1, 2008** and ending **SEP 30, 2009**

B Check if applicable: <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization SALEM HOSPITAL Doing Business As	D Employer identification number 93-0579722
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 890 OAK STREET SE	E Telephone number (503) 561-5150
City or town, state or country, and ZIP + 4 SALEM, OR 97301		G Gross receipts \$ 496,083,053.	
F Name and address of principal officer: AARON R. CRANE SAME AS C ABOVE		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: WWW.SALEMHOSPITAL.ORG			
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: 1970 M State of legal domicile: OR	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: TO IMPROVE THE HEALTH AND WELL BEING OF THE PEOPLE IN THE COMMUNITIES WE SERVE		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	12
	5 Total number of employees (Part V, line 2a)	5	3308
	6 Total number of volunteers (estimate if necessary)	6	327
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	5,832,830.
b Net unrelated business taxable income from Form 990-T, line 34	7b	-2,655,283.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,925,459.	2,964,282.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	435,833,449.	476,679,235.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	14,412,920.	13,881,535.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	3,267,929.	252,235.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	456,439,757.	493,777,287.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	340,971.	168,357.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	215,622,138.	249,024,290.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	209,005,962.	223,901,751.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	424,969,071.	473,094,398.	
19 Revenue less expenses. Subtract line 18 from line 12	31,470,686.	20,682,889.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	764,952,054.	812,419,065.
	22 Net assets or fund balances. Subtract line 21 from line 20	358,485,288.	386,170,887.
		406,466,766.	426,248,178.

Part II Signature Block

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

Sign Here

Signature of officer: **AARON R. CRANE, SENIOR VICE PRESIDENT/CFO** Date: _____

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: **JOYLYN M. ANKENY, CPA** Date: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: **AKT LLP**
680 HAWTHORNE AVE SE, SUITE 140
SALEM, OR 97301-5096

Check if self-employed: Preparer's identifying number (see instructions): _____

EIN: _____ Phone no.: **(503) 585-7774**

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

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission: TO IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE

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 [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts 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 \$ 351,169,505. including grants of \$) (Revenue \$) SALEM HOSPITAL IS ONE OF THE LARGEST OF OREGON'S 57 ACUTE CARE HOSPITALS AND OPERATES THE BUSIEST EMERGENCY DEPARTMENT IN OREGON. THERE ARE 465 PHYSICIANS ON THE ACTIVE MEDICAL STAFF, REPRESENTING 46 DIFFERENT SPECIALTIES, WHO ADMIT PATIENTS TO THE HOSPITAL. MORE THAN 447 VOLUNTEERS PROVIDE NON-MEDICAL SUPPORT FOR THE HOSPITAL. 2009 STATISTICS: BIRTHS - 3,319, DIAGNOSTIC IMAGING PROCEDURES - 245,259, ED AND URGENT CARE VISITS - 114,760, HOME CARE VISITS - 46,005, INPATIENT ADMISSIONS - 20,898, LABORATORY PROCEDURES - 1,322,437, SLEEP DISORDER CENTER PROCEDURES - 2,798, SURGERIES - 11,629. THE PRIMARY SERVICE AREA IS THE GREATER WILLAMETTE VALLEY WITH APPROXIMATELY 400,000 RESIDENTS.

4b (Code:) (Expenses \$ 66710798. including grants of \$) (Revenue \$) SALEM HOSPITAL PROVIDES HEALTHCARE TO PEOPLE IN OUR COMMUNITY REGARDLESS OF THEIR ABILITY TO PAY. IN FY2008, PROVISION OF SERVICES TO INDIVIDUALS WHO CANNOT AFFORD TO PAY ACCOUNTED FOR THE LARGEST PORTION OF THE COMMUNITY BENEFIT, \$66.7 MILLION. CHARITY CARE TOTALED \$20.7 MILLION; MEDICARE UNDERPAID SALEM HOSPITAL BY \$36.5 MILLION. MEDICAID UNDERPAID BY \$9.3 MILLION. OTHER GOVERNMENT PROGRAMS, SUCH AS MID-VALLEY BEHAVIORAL CARE NETWORK, TRICARE AND VETERANS, UNDERPAID BY \$158,000. SALEM HOSPITAL DOES NOT PURSUE LEGAL ACTION FOR NON-PAYMENT OF BILLS AGAINST CHARITY CARE PATIENTS WHO HAVE DEMONSTRATED THAT THEY HAVE NEITHER SUFFICIENT INCOME NOR ASSETS TO MEET THEIR FINANCIAL OBLIGATIONS.

4c (Code:) (Expenses \$ 2,926,386. including grants of \$ 168,357.) (Revenue \$) SALEM HOSPITAL ACTIVELY PARTICIPATES IN COMMUNITY HEALTH IMPROVEMENT SERVICES. IN FY2008, SALEM HOSPITAL GAVE \$2 MILLION FOR UNFUNDED OR UNDERFUNDED HEALTH SERVICES, INCLUDING IMPROVING ACCESS TO CARE THROUGH PHYSICIAN RECRUITING, COMMUNITY HEALTH EDUCATION AND PREVENTION PROGRAMS. THE HOSPITAL HAS AN ACTIVE SPEAKERS BUREAU PROVIDING FREE HEALTH LECTURES TO COMMUNITY GROUPS. HEALTH SCREENINGS, SUPPORT GROUPS AND EDUCATION CLASSES ARE OFFERED ON AN ON-GOING BASIS. MORE THAN 350,000 PEOPLE IN THE AREA BENEFITED FROM HOSPITAL- SPONSORED ACTIVITIES. SALEM HOSPITAL PROVIDES CASH AND IN-KIND DONATIONS TO COMMUNITY PROGRAMS SUCH AS MEDASSIST, SALEM FREE CLINIC AND NORTHWEST HUMAN SERVICES. FY2008, SALEM HOSPITAL GAVE NEARLY \$1 MILLION IN SUPPORT OF THESE AND OTHER HEALTH PROGRAMS.

4d Other program services. (Describe in Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 420,806,689. (Must equal Part IX, Line 25, column (B).)

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)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
13	Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	X	
21	Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	X	
22	Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		X
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?		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		X
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? <i>If "Yes," complete Schedule L, Part I</i>		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		X
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		X
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	X	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	1a 355		
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		
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 3308		
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 this return. (see instructions)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
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)?		X
b	If "Yes," enter the name of the foreign country: See the instructions for exceptions and 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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
	5c		
6a	Did the organization solicit any contributions that were not tax deductible?		X
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 provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
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?		X
	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
	7h		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
	8		
9	Section 501(c)(3) and other 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: N/A		
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: N/A		
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 N/A	12b	

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	15	
b	Enter the number of voting members that are independent	12	
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?		X
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?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11	Is there any officer, director or 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		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
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?	X	
b	Other officers or key employees of the organization?	X	
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?	X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		X

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 Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization: SALEM HOSPITAL - (503) 561-3500 890 OAK STREET SE, SALEM, OR 97301

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

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- 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, and 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 the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(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			
KATHERINE KEENE CHAIRPERSON	15.00	X					0.	0.	0.	
GEORGE HAPP TRUSTEE	10.00	X					0.	0.	0.	
BRUCE CARTER, M.D. TRUSTEE	15.00	X					0.	0.	0.	
KENNETH SHERMAN, JR. TRUSTEE	10.00	X					0.	0.	0.	
DAVID ELMGREN, M.D. TRUSTEE	15.00	X					0.	0.	0.	
CHUCK HUDKINS TRUSTEE	15.00	X					0.	0.	0.	
GARY KAUFMAN TRUSTEE	10.00	X					0.	0.	0.	
BONNIE DRIGGERS, R.N. VICE-CHAIRPERSON	15.00	X					0.	0.	0.	
THERESA TAAFFE TRUSTEE	10.00	X					0.	0.	0.	
JENNIFER NEHRING, M.D. TRUSTEE	10.00	X					0.	0.	0.	
ALAN WYNN SECRETARY/TREASURER	15.00	X					0.	0.	0.	
MIKE MACLARAN TRUSTEE	10.00	X					0.	0.	0.	
ALAN COSTIC TRUSTEE	10.00	X					0.	0.	0.	
LANE SHETTERLY TRUSTEE	10.00	X					0.	0.	0.	
ROBERT WELLS TRUSTEE	10.00	X					0.	0.	0.	
NORMAN GRUBER PRESIDENT	40.00			X			1,176,745.	0.	32,529.	
WILLIAM HOLLOWAY, M.D. CHIEF MEDICAL OFFICER	40.00			X			604,654.	0.	27,090.	

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(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			
AARON CRANE CHIEF FINANCIAL OFFICER	40.00			X				541,759.	0.	27,075.
CHERYL NESTER-WOLFE CHIEF NURSING OFFICER	40.00			X				403,779.	0.	21,913.
JACK CAYNON GENERAL COUNSEL	40.00				X			475,980.	0.	26,998.
BEVERLY BOW VP HUMAN RESOURCES	40.00				X			433,967.	0.	54,284.
KENNETH KUDLA CHIEF INFORMATION OFFICER	40.00				X			325,781.	0.	34,092.
VIRGINIA POSEY VP/PATIENT CARE	40.00				X			311,975.	0.	41,116.
ERIC BUCKLAND VP/ADMIN - WV	40.00				X			301,409.	0.	21,405.
PATRICIA HARGER VP STRATEGIC PLANNING	40.00				X			284,652.	0.	26,806.
ANNE DIAMOND VP SERVICE LINE OPR.	40.00				X			199,549.	0.	23,811.
MARTIN MORRIS EXEC DIR FOUNDATION	40.00				X			175,766.	0.	19,654.
1b Total								7,075,752.	0.	504,876.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization ▶ 193

	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		X
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	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person		X

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.

(A) Name and business address	(B) Description of services	(C) Compensation
PHOENIX HEALTH SYSTEMS, 910 CLOPPER ROAD STE 165S, GAITHERBURG, MD 20878	IT SUPPORT SERVICES	3,772,553.
HURON CONSULTING 4795 PAYSHERE CIRCLE, CHICAGO, IL 60674	REVENUE CYCLE CONSULTANTS	2,232,550.
PEACEHEALTH LABORATORIES PO BOX 77003, EUGENE, OR 97401	LAB SERVICES	1,375,535.
AVASCEND LLC ONE PARK PLACE, ANNAPOLIS, MD 21401	PARKING MGMT SVCS	1,175,956.
SALEM EMERGENCY PHYSICIANS 890 OAK STREET BUILDING A, SALEM, OR 97301	URGENT CARE COVERAGE	1,043,328.

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization ▶ 61

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d	2,881,112.				
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	83,170.				
	g Noncash contributions included in lines 1a-1f: \$					
	h Total. Add lines 1a-1f	2964282.				
Program Service Revenue	2 a PATIENT PAYMENTS	Business Code 621110	464,350,077.	464,350,077.		
	b PHARMACY	446110	4572809.	3325038.	1,247,771.	
	c NUTRITION SERVICES	722210	3370220.	1571200.	1,799,020.	
	d REGIONAL LAB	621500	2786039.		2,786,039.	
	e OTHER HOSPITAL SERVICE	900099	1600090.	1600090.		
	f All other program service revenue					
	g Total. Add lines 2a-2f		476,679,235.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		12,554,302.	4265121.	8,289,181.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real	1,052,310.			
		(ii) Personal				
		b Less: rental expenses	800075.			
	c Rental income or (loss)	252235.				
	d Net rental income or (loss)		252,235.		252,235.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other	2,832,924.			
		b Less: cost or other basis and sales expenses		1,505,691.		
	c Gain or (loss)		1,327,233.			
	d Net gain or (loss)		1327233.		1,327,233.	
	8 a 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						
9 a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b					
c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a					
b Less: cost of goods sold	b					
c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code				
11 a						
b						
c						
d All other revenue						
e Total. Add lines 11a-11d						
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			493,777,287.	475,111,526.	5,832,830.	
					9,868,649.	

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) but are not required to complete columns (B), (C), and (D).

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 U.S. See Part IV, line 21	168,357.	168,357.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,972,640.		5,972,640.	
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	189399053.	180020863.	9,378,190.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	39,551,230.	37,078,749.	2,472,481.	
10 Payroll taxes	14,101,367.	13,031,514.	1,069,853.	
11 Fees for services (non-employees):				
a Management	1,205,360.	1,205,360.		
b Legal	589,521.	96,895.	492,626.	
c Accounting	286,439.	50.	286,389.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	24,488,304.	18,484,731.	6,003,573.	
12 Advertising and promotion	547,980.	5,123.	542,857.	
13 Office expenses	8,463,753.	4,330,164.	4,133,589.	
14 Information technology	7,359,939.	496,525.	6,863,414.	
15 Royalties				
16 Occupancy	11,014,716.	9,287,497.	1,727,219.	
17 Travel	898,742.	686,372.	212,370.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	611,412.	487,799.	123,613.	
20 Interest	7,889,811.	7,889,811.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	28,272,175.	28,272,175.		
23 Insurance	4,276,550.	4,276,550.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PATIENT SUPPLIES	78,361,278.	77,289,429.	1,071,849.	
b LOSS ON EXTINGUISHMENT	29,657,872.	29,657,872.		
c OTHER PURCHASED SERVICE	15,497,492.	7,104,739.	8,392,753.	
d RECRUITING	2,551,241.	305,338.	2,245,903.	
e SPECIAL EVENTS	646,447.	183,188.	463,259.	
f All other expenses	1,282,719.	447,588.	835,131.	
25 Total functional expenses. Add lines 1 through 24f	473094398.	420806689.	52,287,709.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ...				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	14,885.	1	20,510.
	2 Savings and temporary cash investments	12,377,245.	2	3,714,444.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	64,609,868.	4	62,547,150.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net	8,873,978.	7	5,496,367.
	8 Inventories for sale or use	4,666,050.	8	5,570,748.
	9 Prepaid expenses and deferred charges	3,756,713.	9	4,476,861.
	10a Land, buildings, and equipment: cost basis ...	10a 736,805,273.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 260,832,435.	10c	475,972,838.
	11 Investments - publicly traded securities	246,224,031.	11	228,000,875.
	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	212,815,222.	15	26,619,272.
16 Total assets. Add lines 1 through 15 (must equal line 34)	764,952,054.	16	812,419,065.	
Liabilities	17 Accounts payable and accrued expenses	46,189,406.	17	47,303,691.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities	132,629,209.	20	309,630,032.
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 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	161,577,321.	23	3,847,163.
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	18,089,352.	25	25,390,001.
	26 Total liabilities. Add lines 17 through 25	358,485,288.	26	386,170,887.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	403,211,558.	27	423,884,504.
	28 Temporarily restricted net assets	3,255,208.	28	2,363,674.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	406,466,766.	33	426,248,178.	
34 Total liabilities and net assets/fund balances	764,952,054.	34	812,419,065.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b	Were the organization's financial statements audited by an independent accountant?	X	
c	If "Yes" to lines 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?	X	
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?		X
b	If "Yes," did the organization undergo the required audit or audits?		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: **SALEM HOSPITAL** Employer identification number: **93-0579722**

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: (Please check only one organization.)

- 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). (Attach Schedule H.)
- 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 the Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 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 - Other

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?

- (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?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

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

h Provide the following information about the organizations the organization supports.

(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 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.)

Section A. Public Support

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 - 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

Table with 7 columns: (a) 2004, (b) 2005, (c) 2006, (d) 2007, (e) 2008, (f) Total. Rows include: 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); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 3 columns: Description, Percentage, and % symbol. Rows include: 14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)); 15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f; 16a 33 1/3% support test - 2008; b 33 1/3% support test - 2007; 17a 10% -facts-and-circumstances test - 2008; b 10% -facts-and-circumstances test - 2007; 18 Private foundation.

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 - 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 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3% support tests - 2008. 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 - 2007. 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

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization **SALEM HOSPITAL** Employer identification number **93-0579722**

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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	
- Complete lines 2a-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	2d
- Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____
- Number of states where property subject to conservation easement is located ▶ _____
- Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?
- Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____
- Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ _____
- 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)?
- In Part XIV, 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.

- If the organization elected, as permitted under SFAS 116, 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 XIV, the text of the footnote to its financial statements that describes these items.
- If the organization elected, as permitted under SFAS 116, 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	▶ \$ _____
- 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 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 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 XIV.

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 Trust, Escrow and Custodial Arrangements. Complete if 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 XIV 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 XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or 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 year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

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 XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		16,201,456.		16,201,456.
b Buildings	15,462,422.	430247503.	101453563.	344256362.
c Leasehold improvements				
d Equipment		257132986.	156896051.	100236935.
e Other		17,760,906.	2,482,821.	15,278,085.
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				475972838.

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	493,777,287.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	473,094,398.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	20,682,889.
4	Net unrealized gains (losses) on investments	4	7,094,246.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-7,995,723.
9	Total adjustments (net). Add lines 4-8	9	-901,477.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	19,781,412.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	503748250.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	7,094,246.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	2,876,717.
e	Add lines 2a through 2d	2e	9,970,963.
3	Subtract line 2e from line 1	3	493777287.
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 XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	493777287.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	483075304.
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	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	9,980,906.
e	Add lines 2a through 2d	2e	9,980,906.
3	Subtract line 2e from line 1	3	473094398.
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 XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	473094398.

Part XIV Supplemental Information

Complete this part to 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; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT: -5605124.

CHANGE IN NET BENEFIT COST: -1499065.

CHANGE IN BENEFICIAL INTEREST IN FOUNDATION: -891534.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSES NETTED WITH REVENUES: 2876717.

Part XIV Supplemental Information *(continued)*

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN FAIR VALUE OF INTEREST RATE SWAP AGREEMENT: 5605124.

CHANGE IN POSTRETIREMENT BENEFIT OBLIGATION: 1499065.

EXPENSES NETTED WITH REVENUES: 2876717.

**SCHEDULE H
(Form 990)**

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public
Inspection

Name of the organization **SALEM HOSPITAL** Employer identification number **93-0579722**

Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)

- 1a Does the organization have a charity care policy? If "No," skip to question 6a
- b If "Yes," is it a written policy?
- 2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals.
 - Applied uniformly to all hospitals
 - Applied uniformly to most hospitals
 - Generally tailored to individual hospitals
- 3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.
 - a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care:
 - 100%
 - 150%
 - 200%
 - Other _____ %
 - b Does the organization use FPG to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care:
 - 200%
 - 250%
 - 300%
 - 350%
 - 400%
 - Other _____ %
 - c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.
- 4 Does the organization's policy provide free or discounted care to the "medically indigent"?
- 5a Does the organization budget amounts for free or discounted care provided under its charity care policy?
- b If "Yes," did the organization's charity care expenses exceed the budgeted amount?
- 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 eligible for free or discounted care?
- 6a Does the organization prepare an annual community benefit report?
- b If "Yes," does the organization make it available to the public?

	Yes	No
1a		
1b		
2		
3a		
3b		
4		
5a		
5b		
5c		
6a		
6b		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

	(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
Charity Care and Means-Tested Government Programs						
a Charity care at cost (from Worksheets 1 and 2)						
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j Total Other Benefits						
k Total (line 7d and 7j)						

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

▶ **Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.**

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Name of the organization
SALEM HOSPITAL
Employer identification number
93-0579722

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" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
MEDICAL FOUNDATION OF MARION & POLK COUNTIES - 698 1TH ST #230 - SALEM, OR 97309	93-0504197	501(C)(3)	12,500.	0.	N/A	N/A	IMPROVE ACCESS TO HEALTHCARE
SALEM HOSPITAL FOUNDATION 890 OAK STREET SE SALEM, OR 97301	23-7002687	501(C)(3)	5,000.	0.	N/A	N/A	COMMUNITY HEALTH EDUCATION
TRAVEL SALEM 181 HIGH STREET SALEM, OR 97301	93-0865678	501(C)(6)	5,000.	0.	N/A	N/A	COMMUNITY BUILDING
HABITAT FOR HUMANITY OF THE MID-WILLAMETTE VALLEY - 1220 12TH STREET - SALEM, OR 97301	93-1025497	501(C)(3)	15,000.	0.	N/A	N/A	COMMUNITY BUILDING
SALEM SCHOOLS FOUNDATION P.O. BOX 993 SALEM, OR 97308	93-0831467	501(C)(3)	6,500.	0.	N/A	N/A	HEALTHY KIDS INITIATIVES
SALEM FREE MEDICAL CLINIC 3850 PORTLAND ROAD NE SALEM, OR 97301	20-3549992	501(C)(3)	12,000.	0.	N/A	N/A	ACCESS TO CARE

2 Enter total number of section 501(c)(3) and government organizations **7.**

3 Enter total number of other organizations **0.**

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Continuation Sheet for Schedule I (Form 990)
 Attach to Form 990 to list additional information for
 Part II and Part III, Schedule I (Form 990).

SCHEDULE I-1
 (Form 990)
 Department of the Treasury
 Internal Revenue Service

Name of the organization: **SALEM HOSPITAL**
 Employer identification number: **93-0579722**

Part I Continuation of Grants and Organizations in the U.S. (Schedule I (Form 990), Part II.)							
(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
MARION COUNTY TREASURER 3180 CENTER STREET NE SALEM, OR 97301	93-6002307	MARION COUNTY	79,613.	0.	N/A	N/A	ACCESS TO MEDICAL SERVICES
WILLAMETTE FAMILY MEDICAL CENTER 755 MEDICAL CENTER DR. SALEM, OR 97301	93-1180397	501(C)(3)	0.	557,732.	FMV	FREE RENT	ACCESS TO MEDICAL SERVICES

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2008

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

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

SALEM HOSPITAL

Employer identification number

93-0579722

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If line 1a is 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

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

- a** Receive a severance payment or change of control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

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 must complete lines 5-8.

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?
- b** Any related organization?

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?
- b** Any related organization?

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

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

	Yes	No
1b		
2		
4a		X
4b	X	
4c		X
5a		X
5b		X
6a		X
6b	X	
7	X	
8		X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(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				
NORMAN GRUBER	(i)	555,794.	53,130.	567,821.	0.	32,529.	384,874.
	(ii)	0.	0.	0.	0.	0.	0.
WILLIAM HOLLOWAY, M.D.	(i)	435,035.	21,707.	147,912.	0.	27,090.	89,567.
	(ii)	0.	0.	0.	0.	0.	0.
AARON CRANE	(i)	350,163.	17,472.	174,124.	0.	27,075.	129,028.
	(ii)	0.	0.	0.	0.	0.	0.
CHERYL NESTER-WOLFE	(i)	316,451.	15,750.	71,578.	6,125.	15,788.	47,921.
	(ii)	0.	0.	0.	0.	0.	0.
JACK CAYNON	(i)	283,494.	14,151.	178,335.	0.	26,998.	104,878.
	(ii)	0.	0.	0.	0.	0.	0.
BEVERLY BOW	(i)	225,167.	11,235.	197,565.	26,250.	28,034.	128,327.
	(ii)	0.	0.	0.	0.	0.	0.
KENNETH KUDLA	(i)	256,186.	12,451.	57,144.	20,063.	14,029.	26,169.
	(ii)	0.	0.	0.	0.	0.	0.
VIRGINIA POSEY	(i)	178,956.	9,500.	123,519.	22,575.	18,541.	61,403.
	(ii)	0.	0.	0.	0.	0.	0.
ERIC BUCKLAND	(i)	157,682.	0.	143,727.	0.	21,405.	100,144.
	(ii)	0.	0.	0.	0.	0.	0.
PATRICIA HARGER	(i)	208,368.	10,401.	65,883.	0.	26,806.	37,652.
	(ii)	0.	0.	0.	0.	0.	0.
ANNE DIAMOND	(i)	171,796.	24,542.	3,211.	0.	23,811.	0.
	(ii)	0.	0.	0.	0.	0.	0.
MARTIN MORRIS	(i)	166,839.	8,325.	602.	0.	19,654.	0.
	(ii)	0.	0.	0.	0.	0.	0.
JOHN HANNIG, M.D.	(i)	238,758.	77,472.	21,607.	0.	22,192.	0.
	(ii)	0.	0.	0.	0.	0.	0.
CHERYL LUGENBILL, M.D.	(i)	220,356.	27,021.	69,044.	12,000.	12,583.	0.
	(ii)	0.	0.	0.	0.	0.	0.
CHARLES MCGEE, M.D.	(i)	238,758.	68,326.	4,153.	0.	22,260.	0.
	(ii)	0.	0.	0.	0.	0.	0.
JUDY MARVIN, M.D.	(i)	268,127.	61,767.	32,619.	11,372.	26,121.	31,723.
	(ii)	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

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

PART I, LINE 6: THE PURPOSE OF THE SALEM HOSPITAL ANNUAL LEADERSHIP INCENTIVE PLAN IS TO FURTHER THE CHARITABLE MISSION OF SALEM HOSPITAL ("SH"), AND ITS AFFILIATES AND SUBSIDIARIES, BY PROMOTING EFFECTIVE LEADERSHIP OF OPERATIONS, DELIVERY OF HIGH QUALITY CARE AND SERVICE, AND RESPONSIBLE USE OF RESOURCES IN MEETING COMMUNITY NEEDS. PLAN PAYMENT IS CONTINGENT UPON MEETING THREE REQUIREMENTS, INCLUDING FULL JOINT COMMISSION ACCREDITATION, A MINIMUM OPERATING MARGIN REQUIREMENT, AND MAINTAINING TAX-EXEMPT STATUS. THE PLAN IS OVERSEEN BY THE BOARD OF TRUSTEES AND IS BASED ON OBJECTIVE TARGETS IN AREAS INCLUDING QUALITY OF CARE, PATIENT SATISFACTION, AND FINANCIAL PERFORMANCE.

PART I, LINE 7: THE GOVERNANCE COMMITTEE OF THE BOARD OF TRUSTEES, IN CONSULTATION WITH INDEPENDENT COMPENSATION CONSULTANTS, REVIEWS CEO TOTAL COMPENSATION AND PERFORMANCE ANNUALLY. AS PART OF THE COMMITTEE'S ACTIONS, A NON-FIXED BONUS MAY BE AWARDED TO THE CEO.

SCHEDULE K
(Form 990)
Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds
Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a.
Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Name of the organization: **SALEM HOSPITAL**
Employer identification number: **93-0579722**

Part I Bond Issues (Required for 2008)	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS										
THE HOSPITAL FACILITY										
A AUTHORITY OF THE CITY OF	93-0579722	794458CC1	11/15/06	1525072	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY										
B AUTHORITY OF THE CITY OF	93-0579722	794458CD9	11/15/06	1621138	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY										
C AUTHORITY OF THE CITY OF	93-0579722	794458CE7	11/15/06	1686944	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY										
D AUTHORITY OF THE CITY OF	93-0579722	794458CF4	11/15/06	1783556	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY										
E AUTHORITY OF THE CITY OF	93-0579722	794458CG2	11/15/06	1889951	CONSTRUCTION & FFE		X			X

Part II Proceeds (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

SCHEDULE K
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Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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Name of the organization: **SALEM HOSPITAL**
Employer identification number: **93-0579722**

Part I Bond Issues (Required for 2008)	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS										
THE HOSPITAL FACILITY A AUTHORITY OF THE CITY OF	93-0579722	794458CH0	11/15/06	1971067	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY B AUTHORITY OF THE CITY OF	93-0579722	794458CJ6	11/15/06	37,966,522	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY C AUTHORITY OF THE CITY OF	93-0579722	794458CK3	11/15/06	15,230,453	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY D AUTHORITY OF THE CITY OF	93-0579722	794458CL1	11/15/06	59,447,995	CONSTRUCTION & FFE		X			X
THE HOSPITAL FACILITY E AUTHORITY OF THE CITY OF	93-0579722	794458CP2	10/08/08	6367510	CONSTRUCTION & EQUI REFUNDING,		X			X

Part II Proceeds (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										
9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

Supplemental Information on Tax-Exempt Bonds

Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

Name of the organization
SALEM HOSPITAL
Employer identification number
93-0579722

Part I Bond Issues (Required for 2008)	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS										
A	THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF	93-0579722	794458CQ0	10/08/08	6841657	REFUNDING, CONSTRUCTION & EQUI		X		X
B	THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF	93-0579722	794458CR8	10/08/08	786,623	REFUNDING, CONSTRUCTION & EQUI		X		X
C	THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF	93-0579722	794458CS6	10/08/08	7420748	REFUNDING, CONSTRUCTION & EQUI		X		X
D	THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF	93-0579722	794458CT4	10/08/08	710,193	REFUNDING, CONSTRUCTION & EQUI		X		X
E	THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF	93-0579722	794458CU1	10/08/08	2108220	REFUNDING, CONSTRUCTION & EQUI		X		X

Part II Proceeds (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Total proceeds of issue									
2	Gross proceeds in reserve funds									
3	Proceeds in refunding or defeasance escrows									
4	Other unspent proceeds									
5	Issuance costs from proceeds									
6	Working capital expenditures from proceeds									
7	Capital expenditures from proceeds									
8	Year of substantial completion									
9	Were the bonds issued as part of a current refunding issue?									
10	Were the bonds issued as part of an advance refunding issue?									
11	Has the final allocation of proceeds been made?									
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?									

Part III Private Business Use (Optional for 2008)	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?									
2	Are there any lease arrangements with respect to the financed property which may result in private business use?									

**SCHEDULE K
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

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Open to Public
Inspection

Name of the organization

SALEM HOSPITAL

Employer identification number
93-0579722

Part I Bond Issues (Required for 2008) SEE SCHEDULE O FOR COLUMN (F) CONTINUATIONS

(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
						Yes	No	Yes	No
THE HOSPITAL FACILITY A AUTHORITY OF THE CITY OF 93-0579722794458CV9			10/08/08	6885952.	REFUNDING, CONSTRUCTION & EQUI		X		X
THE HOSPITAL FACILITY B AUTHORITY OF THE CITY OF 93-0579722794458CW7			10/08/08	7941633.	REFUNDING, CONSTRUCTION & EQUI		X		X
THE HOSPITAL FACILITY C AUTHORITY OF THE CITY OF 93-0579722794458CX5			10/08/08	21,425,235.	REFUNDING, CONSTRUCTION & EQUI		X		X
THE HOSPITAL FACILITY D AUTHORITY OF THE CITY OF 93-0579722794458CY3			10/08/08	75,000,000.	REFUNDING, CONSTRUCTION & EQUI		X		X
THE HOSPITAL FACILITY E AUTHORITY OF THE CITY OF 93-0579722794458CZ0			10/08/08	50,000,000.	REFUNDING, CONSTRUCTION & EQUI		X		X

Part II Proceeds (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Total proceeds of issue										
2 Gross proceeds in reserve funds										
3 Proceeds in refunding or defeasance escrows										
4 Other unspent proceeds										
5 Issuance costs from proceeds										
6 Working capital expenditures from proceeds										
7 Capital expenditures from proceeds										
8 Year of substantial completion										

9 Were the bonds issued as part of a current refunding issue?										
10 Were the bonds issued as part of an advance refunding issue?										
11 Has the final allocation of proceeds been made?										
12 Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use (Optional for 2008)

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2 Are there any lease arrangements with respect to the financed property which may result in private business use?										

SCHEDULE O

(Form 990)

Department of the Treasury
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Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

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FORM 990, PART VI, SECTION A, LINE 10: THE GOVERNANCE COMMITTEE OF THE BOARD OF TRUSTEES REVIEWS THE 990. IT IS THEN FORWARDED TO THE ENTIRE BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION B, LINE 12C: ON AN ANNUAL BASIS THE SECRETARY OF THE HOSPITAL SHALL SEND TO EACH PERSON WHO IS A TRUSTEE, OFFICER, OR MEMBER OF A COMMITTEE, AND TO THOSE EMPLOYEES OF THE HOSPITAL AS THE BOARD MAY DETERMINE, A COPY OF THE POLICY REGARDING CONFLICTS OF INTEREST, TOGETHER WITH A QUESTIONNAIRE INQUIRING AS TO CONFLICTS, TO BE COMPLETED AND RETURNED TO THE SECRETARY BY THE TRUSTEE, OFFICER, COMMITTEE MEMBER OR EMPLOYEE PRIOR TO THE BEGINNING OF EACH CALENDAR YEAR.

FORM 990, PART VI, SECTION B, LINE 15: EXECUTIVE COMPENSATION AT SALEM HOSPITAL IS DESIGNED TO ALLOW THE ORGANIZATION TO RECRUIT AND RETAIN QUALIFIED SENIOR LEADERS. THE GOVERNANCE COMMITTEE OF THE SALEM HOSPITAL BOARD OF TRUSTEES, NONE OF WHOM IS A SALEM HOSPITAL EMPLOYEE, ENGAGES ONE OR MORE INDEPENDENT CONSULTANTS TO PROVIDE MARKET DATA ON EXECUTIVE COMPENSATION, INCLUDING BENEFITS, FOR THE CEO AND OTHER EXECUTIVES IN SIMILAR ROLES AT COMPARABLE ORGANIZATIONS. THIS INFORMATION IS USED BY THE GOVERNANCE COMMITTEE IN ITS DISCUSSIONS AND DECISIONS ON CEO COMPENSATION. THE CEO, IN CONJUNCTION WITH OTHER SALARY SURVEY OR PUBLIC INFORMATION AND THE INDEPENDENT CONSULTANT, ENSURES THAT EACH EXECUTIVE'S COMPENSATION IS COMPETITIVE IN THE MARKET FOR SIMILAR POSITIONS AT COMPARABLE ORGANIZATIONS.

FORM 990, PART VI, SECTION C, LINE 19: THE CONFLICT OF INTEREST POLICY AND

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Name of the organization

SALEM HOSPITAL

Employer identification number

93-0579722

GOVERNING DOCUMENTS ARE AVAILABLE ON THE HOSPITAL WEBSITE.

SCHEDULE K, PART I, BOND ISSUES:

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

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SALEM HOSPITAL

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REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

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2008

Open to Public
Inspection

Name of the organization

SALEM HOSPITAL

Employer identification number

93-0579722

(A) ISSUER NAME:

THE HOSPITAL FACILITY AUTHORITY OF THE CITY OF SALEM, OREGON REVENUE BONDS

(F) DESCRIPTION OF PURPOSE:

REFUNDING, CONSTRUCTION & EQUIPMENT

Part V Transactions With Related Organizations

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

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to other organization(s)	X	
c Gift, grant, or capital contribution from other organization(s)	X	
d Loans or loan guarantees to or for other organization(s)	X	
e Loans or loan guarantees by other organization(s)		X
f Sale of assets to other organization(s)		X
g Purchase of assets from other organization(s)		X
h Exchange of assets		X
i Lease of facilities, equipment, or other assets to other organization(s)		X
j Lease of facilities, equipment, or other assets from other organization(s)		X
k Performance of services or membership or fundraising solicitations for other organization(s)		X
l Performance of services or membership or fundraising solicitations by other organization(s)		X
m Sharing of facilities, equipment, mailing lists, or other assets	X	
n Sharing of paid employees	X	
o Reimbursement paid to other organization for expenses		X
p Reimbursement paid by other organization for expenses	X	
q Other transfer of cash or property to other organization(s)		X
r Other transfer of cash or property from other organization(s)		X

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 other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) SALEM HOSPITAL FOUNDATION	C	2,881,112.
(2) SALEM HOSPITAL FOUNDATION	D	714,808.
(3) WILLAMETTE VALLEY PROFESSIONAL SERVICES	D	1,130,480.
(4) WILLAMETTE VALLEY INSURANCE COMPANY	D	105,648.
(5) WEST VALLEY HOSPITAL	D	6,758,847.
(6) WEST VALLEY HOSPITAL	P	1,704,240.

