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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization SAN JUAN REGIONAL MEDICAL CENTER Doing Business As Number and street (or P O box if mail is not delivered to street address) 801 WEST MAPLE STREET Room/suite City or town, state or country, and ZIP + 4 FARMINGTON, NM 87401	D Employer identification number 85-0127924 E Telephone number (505) 325-5011 G Gross receipts \$ 271,947,840
	F Name and address of principal officer RICK WALLACE 801 WEST MAPLE STREET FARMINGTON, NM 87401	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number
	I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ☐ (insert no) ☐ 4947(a)(1) or ☐ 527	
	J Website: WWW.SANJUANREGIONAL.COM	
	K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other	L Year of formation 1953

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	12
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	10
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,961
	6 Total number of volunteers (estimate if necessary)	6	196
	7a	1,854,979	
	7b	158,477	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	1,541,754	3,330,805
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	251,696,747	263,233,116
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	3,294,619	5,289,552
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0	0
		256,533,120	271,853,473
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	497,882	545,532
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	123,698,748	139,489,221
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ☐ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	112,050,508	120,915,820
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	236,247,138	260,950,573
	19 Revenue less expenses Subtract line 18 from line 12	20,285,982	10,902,900
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	307,589,892	333,796,571
	21 Total liabilities (Part X, line 26)	94,585,208	106,809,500
	22 Net assets or fund balances Subtract line 21 from line 20	213,004,684	226,987,071

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			2012-05-01 Date	
	RICK WALLACE PRESIDENT/CEO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ☐	PTIN
	Firm's name ERNST & YOUNG US LLP				Firm's EIN
	Firm's address TWO NORTH CENTRAL AVENUE STE 2300 PHOENIX, AZ 85004				Phone no (602) 322-3000
May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No					

Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1

Briefly describe the organization's mission

SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTH CARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4

Describe the 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 \$ 240,669,458 including grants of \$ 0) (Revenue \$ 261,378,137)

ALL ACTIVITY IS DIRECTLY RELATED TO PROVIDING PATIENT MEDICAL SERVICES AND QUALITY HEALTH CARE TO THE COMMUNITY AND SURROUNDING RURAL AREAS SEE SCHEDULE O FOR OVERVIEW AND PROGRAMS

4b

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

4c

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

4d

Other program services (Describe in Schedule O)

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

4e

Total program service expenses \$ 240,669,458

Part IV

Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	4 Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III 	5	No
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I 	6	No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V 	10	No
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. 	11a Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII. 	11b	No
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII. 	11c	No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX. 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. 	11e Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X. 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII 	12a	No
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional 	12b Yes	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	No
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Parts I and IV	14b	No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S ? If "Yes," complete Schedule F, Parts II and IV	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S ? If "Yes," complete Schedule F, Parts III and IV	16	No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H 	20a Yes	
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	Yes	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		No
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		No
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		No
25a	Section 501(c)(3) 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>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
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>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	Yes	
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
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>	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
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>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
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>	34	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	Yes	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>			
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>	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance			
Check if Schedule O contains a response to any question in this Part V ☐			
		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	415
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return.	2a	1,961
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	Yes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b	Yes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	No
b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7 Organizations that may receive deductible contributions under section 170(c).			
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	No
d	If "Yes," indicate the number of Forms 8282 filed during the year.	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	No
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?			
8			
9 Sponsoring organizations maintaining donor advised funds.			
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter			
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b	
11 Section 501(c)(12) organizations. Enter			
a	Gross income from members or shareholders.	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	
13 Section 501(c)(29) qualified nonprofit health insurance issuers.			
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b	
c	Enter the amount of reserves on hand.	13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?			
14a			
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b	No

Part VI

Governance, Management, and Disclosure For each “Yes” response to lines 2 through 7b below, and for a “No” response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI ☒

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	12	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	10	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization’s mailing address? If “Yes,” provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
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?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If “No,” go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If “Yes,” describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization’s CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)	15b	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If “Yes,” 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?	16b		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed NM
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another’s website ☒ 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. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization. J MICHAEL PHILIPS 801 WEST MAPLE STREET FARMINGTON, NM 87401 (505) 609-6025

Part VII

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

Check if Schedule O contains a response to any question in this Part VII

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

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

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, 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 neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(1) MICHAEL JAKINO CHAIRMAN	6.0	X		X				0	0	0
(2) SANDY WILLIAMS 1ST VICE CHAIRMAN	6.0	X		X				0	0	0
(3) NORMAN TUCKER 2ND VICE CHAIRMAN	6.0	X		X				0	0	0
(4) RONALD CALCOTE MD SECRETARY	6.0	X		X				9,728	0	0
(5) JAMES SHAHEEN TREASURER	6.0	X		X				0	0	0
(6) JOSEPH RASOR MEMBER	6.0	X						0	0	0
(7) JEFF BOWMAN MEMBER	6.0	X						0	0	0
(8) PAUL DESHAYES MEMBER	6.0	X						0	0	0
(9) CHARLENE SCOTT MEMBER	6.0	X						0	0	0
(10) DWAYNE GIBBS MD CHIEF OF STAFF	6.0	X						133,799	0	0
(11) CHARLES HOFFMAN MD VICE CHIEF OF STAFF	40.0	X						380,675	0	25,454
(12) RICHARD MENNING AUXILIARY REP	6.0	X						0	0	0
(13) SARA KAYNOR IMMEDIATE PAST CHAIRMAN	6.0	X						0	0	0
(14) RICK WALLACE PRESIDENT/CEO	40.0			X				372,555	0	46,052
(15) JOHN BUFFINGTON COO	40.0			X				439,855	0	57,647
(16) J MICHAEL PHILIPS CSO	40.0			X				362,033	0	52,594

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(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			
(17) SUZANNE SMITH CHIEF NURSING OFFICER	40 0				X			233,597	0	40,604
(18) EDWARD MAURIN MD DOCTOR	40 0					X		639,987	0	33,704
(19) CHARLES WILKINS MD DOCTOR	40 0					X		626,454	0	32,839
(20) LUTHER WEATHERS III MD DOCTOR	40 0					X		555,147	0	25,372
(21) ROBERT SPRUNG MD DOCTOR	40 0					X		466,359	0	25,614
(22) MARC FLITTER MD DOCTOR	40 0					X		574,608		35,254
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								4,794,797	0	375,134

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization187

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
OKLAND CONSTRUCTION 1099 MAIN ST DURANGO, CO 81301	CONSTRUCTION	6,312,708
FOUR CORNERS ANESTHESIA 1515 E 20TH ST SUITE A FARMINGTON, NM 87401	ANESTHESIA SERVICES	1,704,004
ARAMARK CLINICAL TECHNOLOGIES PO BOX 100401 PASADENA, CA 91189	BIOMED/HOUSEKEEPING	1,650,530
TOTAL RENAL CARE 6000 FELDWOOD COLLEGE PARK, GA 30349	DIALYSIS SERVICES	1,582,955
CREDIT BUREAU OF FARMINGTON 509 E 20TH STREET FARMINGTON, NM 87401	COLLECTIONS	811,012

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization27

Part VIII

Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	3,054,159			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	276,646			
	g	Noncash contributions included in lines 1a-1f \$		254,076			
	h	Total. Add lines 1a-1f		3,330,805			
	Program Service Revenue	2a	NET PATIENT SERVICES REVENUE	622110	257,618,575	257,618,575	
b		MEDICAL OFFICE BLDG RENTAL	531120	400,466	400,466		
c		CAFETERIA	722210	1,176,533	1,176,533		
d		REFERENCE LABORATORY	621511	1,854,979		1,854,979	
e		ALL OTHER PROGRAM SERVICE REVENUE	900099	2,182,563	2,182,563		
f		All other program service revenue					
g		Total. Add lines 2a-2f		263,233,116			
Other Revenue		3	Investment income (including dividends, interest and other similar amounts)		3,822,062		3,822,062
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
	6a	Gross Rents	(i) Real	(ii) Personal			
		b	Less rental expenses				
		c	Rental income or (loss)				
		d	Net rental income or (loss)				
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
		d	Net gain or (loss)				
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
		b	Less direct expenses	b			
		c	Net income or (loss) from fundraising events		0		
	9a	Gross income from gaming activities See Part IV, line 19	a				
		b	Less direct expenses	b			
		c	Net income or (loss) from gaming activities		0		
	10a	Gross sales of inventory, less returns and allowances	a				
		b	Less cost of goods sold	b			
		c	Net income or (loss) from sales of inventory		0		
11a	Miscellaneous Revenue	Business Code					
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d		0			
	12	Total revenue. See Instructions		271,853,473	261,378,137	1,854,979	5,289,552

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	545,532	545,532		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	2,964,985	0	2,964,985	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	157,729	157,729	0	0
7	Other salaries and wages	106,093,384	101,789,454	4,303,930	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	4,628,950	4,269,924	359,026	0
9	Other employee benefits	18,347,428	16,955,678	1,391,750	0
10	Payroll taxes	7,296,745	6,829,865	466,880	0
a	Fees for services (non-employees) Management	0			
b	Legal	257,390	40,038	217,352	0
c	Accounting	283,775	255,473	28,302	0
d	Lobbying	54,658	54,658	0	0
e	Professional fundraising services See Part IV, line 17	0			0
f	Investment management fees	433,731	0	433,731	0
g	Other	18,807,030	17,084,130	1,722,900	0
12	Advertising and promotion	668,350	56,226	612,124	0
13	Office expenses	42,415,818	39,975,908	2,439,910	0
14	Information technology	2,901,886	0	2,901,886	0
15	Royalties	0			
16	Occupancy	3,872,128	3,647,817	224,311	0
17	Travel	443,906	240,035	203,871	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,187,612	976,034	211,578	0
20	Interest	2,555,932	2,301,023	254,909	0
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	11,802,426	10,625,344	1,177,082	0
23	Insurance	4,142,408	3,775,820	366,588	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT EXPENSE	31,088,770	31,088,770	0	0
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	260,950,573	240,669,458	20,281,115	0
26	Joint costs. Check here ☒ if following SOP 98-2 (ASC 958-720) 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)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				16,717,138	1	15,379,305
	2	Savings and temporary cash investments				10,349,992	2	7,205,526
	3	Pledges and grants receivable, net				326,970	3	336,523
	4	Accounts receivable, net				23,398,409	4	28,548,327
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Schedule L					6	
	7	Notes and loans receivable, net				2,914,691	7	2,696,387
	8	Inventories for sale or use				3,183,135	8	3,562,331
	9	Prepaid expenses and deferred charges				2,441,814	9	3,158,268
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a	284,775,795				
	b	Less: accumulated depreciation	10b	127,856,495	146,205,806	10c	156,919,300	
	11	Investments—publicly traded securities			92,506,241	11	106,815,387	
	12	Investments—other securities. See Part IV, line 11			7,828,155	12	7,365,653	
	13	Investments—program-related. See Part IV, line 11				13		
	14	Intangible assets				14		
	15	Other assets. See Part IV, line 11			1,717,541	15	1,809,564	
	16	Total assets. Add lines 1 through 15 (must equal line 34)			307,589,892	16	333,796,571	
Liabilities	17	Accounts payable and accrued expenses			26,045,028	17	26,039,957	
	18	Grants payable				18		
	19	Deferred revenue				19		
	20	Tax-exempt bond liabilities			60,822,390	20	67,636,747	
	21	Escrow or custodial 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			5,385,041	23	10,791,375	
	24	Unsecured notes and loans payable to unrelated third parties				24		
	25	Other liabilities. Complete Part X of Schedule D			2,332,749	25	2,341,421	
	26	Total liabilities. Add lines 17 through 25			94,585,208	26	106,809,500	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.							
	27	Unrestricted net assets			213,004,684	27	226,987,071	
	28	Temporarily restricted net assets				28		
	29	Permanently restricted net assets				29		
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds				30		
	31	Paid-in or capital surplus, or land, building or equipment fund				31		
	32	Retained earnings, endowment, accumulated income, or other funds				32		
	33	Total net assets or fund balances			213,004,684	33	226,987,071	
	34	Total liabilities and net assets/fund balances			307,589,892	34	333,796,571	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	271,853,473
2	Total expenses (must equal Part IX, column (A), line 25)	2	260,950,573
3	Revenue less expenses Subtract line 2 from line 1	3	10,902,900
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	213,004,684
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,079,487
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	226,987,071

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 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? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separated basis		
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?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER	Employer identification number 85-0127924
--	--

Part I

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

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

- 1

☐

A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - 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 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?
- h

☐

Provide the following information about the supported organization(s)

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

(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 or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (See instructions)					12	
13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶						

Section C. Computation of Public Support Percentage		
14 Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f))	14	
15 Public Support Percentage for 2009 Schedule A, Part II, line 14	15	
16a 33 1/3% support test—2010. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
b 33 1/3% support test—2009. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
17a 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
b 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶		
18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶		

Part IIIPart III

Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6)						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(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 section501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
15	Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a	33 1/3% support tests—2010. 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—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶		

Part IV

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

Facts And Circumstances Test

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

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

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER	Employer identification number 85-0127924
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization’s direct and indirect political campaign activities in Part IV	
2	Political expenditures	▶ \$ _____
3	Volunteer hours	_____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$ _____
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$ _____
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	☐ Yes ☐ No
4a	Was a correction made?	☐ Yes ☐ No
b	If "Yes," describe in Part IV	

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$ _____
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$ _____
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$ _____
4	Did the filing organization file Form 1120-POL for this year?	☐ Yes ☐ No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization’s funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

A

Check

☐

if the filing organization belongs to an affiliated group

B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		☐ Yes	☐ No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	a Volunteers?		No	
	b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		No	
	c Media advertisements?		No	
	d Mailings to members, legislators, or the public?		No	
	e Publications, or published or broadcast statements?		No	
	f Grants to other organizations for lobbying purposes?		No	
	g Direct contact with legislators, their staffs, government officials, or a legislative body?	Yes		41,832
	h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
	i Other activities? If "Yes," describe in Part IV	Yes		12,826
	j Total lines 1c through 1i			54,658
	2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No	
	b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
SCHEDULE C, PART II-B		LINE 1G - SAN JUAN REGIONAL MEDICAL CENTER PAID NEW MEXICO GOVERNMENT AFFAIRS \$41,832 FOR A LOBBYIST IN SANTA FE, NEW MEXICO WHO MONITORS NEW MEXICO STATE LEGISLATIVE ISSUES WITH REGARD TO HOSPITAL ISSUES, KEEPS SAN JUAN REGIONAL MEDICAL CENTER APPRISED OF THOSE ISSUES AND TAKES FEEDBACK TO THE STATE LEGISLATURE. LINE 1I - A PORTION OF THE DUES PAID TO HEALTHCARE ASSOCIATIONS BY SAN JUAN REGIONAL MEDICAL CENTER WAS ALLOCABLE TO LOBBYING ACTIVITIES. 1) NEW MEXICO HOSPITALS AND HEALTH SYSTEMS ASSOCIATION - \$8,690. 2) AMERICAN HOSPITAL ASSOCIATION - \$4,136.

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

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

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit ☐ Yes ☐ No	

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

1

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

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

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
2a	Total number of conservation easements
2b	Total acreage restricted by conservation easements
2c	Number of conservation easements on a certified historic structure included in (a)
2d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

Number of states where property subject to conservation easement is located ► _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

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.

1a

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

b

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

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2010

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

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
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 the 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

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
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) Accumulated depreciation	(d) Book value
1a Land		5,889,671		5,889,671
b Buildings		101,526,328	27,234,817	74,291,511
c Leasehold improvements		65,946,028	33,483,209	32,462,819
d Equipment		100,578,505	67,138,469	33,440,036
e Other		10,835,263	0	10,835,263
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				156,919,300

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	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

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	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

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 Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
ASC 740 FOOTNOTE	SCHEDULE D, PART X, LINE 2	ACCOUNTING STANDARDS CODIFICATION (ASC) 740, INCOME TAXES, PRESCRIBES CRITERIA FOR THE FINANCIAL STATEMENT RECOGNITION AND MEASUREMENT OF A TAX POSITION TAKEN OR EXPECTED TO BE TAKEN IN A TAX RETURN ASC 740 ALSO PROVIDES GUIDANCE ON DERECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES, ACCOUNTING IN INTERIM PERIODS, DISCLOSURE, AND TRANSITION IN ACCORDANCE WITH THIS ACCOUNTING GUIDANCE, MANAGEMENT HAS REVIEWED ALL OPEN TAX YEARS AND HAS DETERMINED THAT THE COMPANY HAS NO SIGNIFICANT UNCERTAIN TAX POSITIONS

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**
▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I

Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	Yes	
b	If "Yes," is it a written policy?	Yes	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year ☒ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care to low income individuals? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care ☐ 100% ☐ 150% ☐ 200% ☒ Other <u>400. %</u> b Does the organization use FPG to determine eligibility for providing <i>discounted</i> 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 Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	Yes	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	Yes	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		No
6a	Does the organization prepare a community benefit report during the tax year?	Yes	
6b	If "Yes," did the organization make it available to the public? Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H	Yes	

7

Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)		838	2,360,042	1,455,336	904,706	0 390 %
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs		838	2,360,042	1,455,336	904,706	0 390 %
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)		11,525	682,794		682,794	0 300 %
f Health professions education (from Worksheet 5)		216	981,503		981,503	0 430 %
g Subsidized health services (from Worksheet 6)		170,655	164,264,701	133,240,081	31,024,620	13 500 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)			371,934		371,934	0 160 %
j Total Other Benefits		182,396	166,300,932	133,240,081	33,060,851	14 390 %
k Total. Add lines 7d and 7j		183,234	168,660,974	134,695,417	33,965,557	14 780 %

Part II

Community Building Activities during the tax year, and describe in Part VI how its community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing					
2	Economic development					
3	Community support		1,550		1,550	0 %
4	Environmental improvements					
5	Leadership development and training for community members					
6	Coalition building					
7	Community health improvement advocacy					
8	Workforce development		2,094,811		2,094,811	0 910 %
9	Other					
10	Total		2,096,361		2,096,361	0 910 %

Part III

Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	Yes
2	Enter the amount of the organization's bad debt expense (at cost)	2	12,054,758
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3	3,013,690
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	57,684,968
6	Enter Medicare allowable costs of care relating to payments on line 5	6	63,359,062
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-5,674,094
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	Yes
9b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	Yes

Part IV

Management Companies and Joint Ventures

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership%	(e) Physicians' profit % or stock ownership %
1 FOUR CORNERS ASC	AMBULATORY SURGERY CENTER	38 000 %	0 %	62 000 %
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

Schedule H (Form 990) 2010

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 21

Name and address	Type of Facility (Describe)
1 See Additional Data Table	
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Part VI

Supplemental Information

Complete this part to provide the following information

- 1
- Required descriptions.** Provide the description required for Part I, lines 3c, 6a, and 7, Part II, Part III, lines 4, 8, and 9b, and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B
- 3
- Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy
- 4
- Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves
- 5
- Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g, open medical staff, community board, use of surplus funds, etc)
- 6
- Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served
- 7
- State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report

Identifier	ReturnReference	Explanation
PART I, LINE 6A		AN ANNUAL REPORT IS PREPARED AND MAILED TO THE CITIZENS OF FARMINGTON, NM AND THE SURROUNDING COMMUNITIES IN THE ANNUAL REPORT IS FINANCIAL INFORMATION FOR THE HOSPITAL, STORIES OF CARE, AND INFORMATION ABOUT NEW PROGRAMS OR SERVICES PROVIDED BY THE HOSPITAL

Identifier	ReturnReference	Explanation
PART I, LINE 7		SJPMC USES A COST ACCOUNTING SYSTEM WHICH IS A PART OF ITS HOSPITAL INFORMATION SYSTEM THE SYSTEM ADDRESSES ALL PATIENT SEGMENTS

Identifier	ReturnReference	Explanation
PART I, LINE 7E		THE AMOUNTS SUMMARIZED INCLUDE PROGRAMS FOR COMMUNITY HEALTH EDUCATION WHICH INCLUDES HEALTH FAIRS AND HEALTH EDUCATION SEMINARS LACTATION CONSULTATION AND OUTPATIENT DIETITIAN SERVICES

Identifier	ReturnReference	Explanation
PART I, LINE 7G		SAN JUAN REGIONAL MEDICAL CENTER PROVIDES NUMEROUS SUBSIDIZED HEALTH SERVICES TO THE COMMUNITY THESE SUBSIDIZED HEALTH SERVICES ARE EMERGENCY AND TRAUMA SERVICES 2,602,788 AMBULATORY CARE CENTERS 16,031,035 ORTHOPEDICS 2,011,604 ONCOLOGY 47,080 BEHAVIORAL HEALTH-IP 1,227,193 CARDIAC REHAB 283,373 OUTPATIENT NURSING/WOUND CARE 2,073,948 OUTPATIENT THERAPIES 1,192,580 OBSTETRIC/NURSERY 2,260,343 OTHER 3,294,676 ----- TOTAL 31,024,620 =====

Identifier	ReturnReference	Explanation
PART I, LINE 7, COLUMN F		THE AMOUNT OF BAD DEBT EXPENSE WHICH IS SUBTRACTED FROM TOTAL EXPENSES IN THE DENOMINATOR FOR DETERMINING BENEFITS AS A PERCENTAGE OF TOTAL EXPENSES FOR THIS COLUMN IS \$31,088,770 COMMUNITY BUILDING ACTIVITIES PART II THE FEDERAL GOVERNMENT THROUGH HRSA HAS DESIGNATED SAN JUAN COUNTY AS A SHORTAGE AREA FOR PHYSICIANS IN ORDER TO REDUCE THIS SHORTAGE SAN JUAN REGIONAL MEDICAL CENTER HAS BEEN RECRUITING FOR PHYSICIANS AND IN THIS EFFORT SPENT OVER \$2,000,000 IN FY 2011

Identifier	ReturnReference	Explanation
PART III, LINE 4		THERE IS NO FOOTNOTE IN THE ORGANIZATIONS AUDITED FINANCIALS REGARDING BAD DEBT EXPENSE THE COST OF OUR BAD DEBT EXPENSE WAS CALCULATED USING A COST-TO-CHARGE RATIO THE AMOUNT IN LINE 3 IS AN ESTIMATE BASED ON MANAGEMENT'S BELIEF OF THE PERCENTAGE OF ADDITIONAL FINANCIAL ASSISTANCE COST IF THE PATIENTS WOULD COMPLETE THE FINANCIAL ASSISTANCE APPLICATION THIS AMOUNT IS CURRENTLY ESTIMATED AT 25% THAT IS INCLUDED IN THE COST OF BAD DEBT

Identifier	ReturnReference	Explanation
PART III, LINE 8		THE AMOUNT OF MEDICARE SHORTFALL REPORTED ON LINE 7 IS \$(5,674,094) THIS AMOUNT IS A RESULT OF THE TOTAL REVENUE AND ALLOWABLE COST CALCULATION ON OUR FY 11 COST REPORT THE HOSPITAL'S ACTUAL EXPENSES ARE ENTERED INTO THE COST REPORT SOFTWARE AND THE ALLOWABLE COSTS ARE DETERMINED BY THE MEDICARE REGULATIONS THIS MEDICARE SHORTFALL SHOULD BE TREATED AS COMMUNITY BENEFIT BECAUSE, ABSENT THIS PROGRAM, MANY INDIVIDUALS WOULD QUALIFY FOR FINANCIAL ASSISTANCE AND OTHER NEEDS-BASED PROGRAMS BY ACCEPTING PAYMENT BELOW COST TO TREAT THESE INDIVIDUALS, THE BURDENS OF THE GOVERNMENT ARE RELIEVED, AND THE AMOUNT SPENT TO COVER THE MEDICARE SHORTFALL IS MONEY NOT AVAILABLE TO COVER FINANCIAL ASSISTANCE AND OTHER COMMUNITY BENEFIT NEEDS PART III, LINE 9B SJRMC POLICY ON PATIENT ACCOUNTS COLLECTIONS STATES "SJRMC WILL NOT ATTEMPT TO COLLECT FROM A PATIENT WHO IS APPLYING FOR THE SAN JUAN COUNTY INDIGENT FUND AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS " THE POLICY ALSO STATES "SJRMC WILL NOT COLLECT FROM A PATIENT APPLYING FOR THE COMMUNITY SERVICE FUND (FINANCIAL ASSISTANCE) AS LONG AS THE PATIENT IS COOPERATING WITH THE APPLICATION PROCESS "

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT		A COMMUNITY NEEDS ASSESSMENT IS CONDUCTED BY SAN JUAN REGIONAL MEDICAL CENTER TO DETERMINE THE HEALTH NEEDS FOR SAN JUAN COUNTY-AND THE FOUR CORNERS REGION-AS PERCEIVED BY THOSE SERVED BY THE HOSPITAL THE NEEDS ASSESSMENT IS CONDUCTED VIA TELEPHONE SURVEYS IN BOTH ENGLISH AND SPANISH, INTERVIEWS CONDUCTED WITH NATIVE AMERICAN RESPONDENTS, AND A SERIES OF FOCUS GROUPS THE SURVEY IS ALSO SHARED WITH KEY COMMUNITY GROUPS IN A SERIES OF OPEN FORUMS THE MOST RECENT ASSESSMENT OCCURRED IN CY 2011 (FY 2012) THE NEEDS WHICH WERE IDENTIFIED FROM THIS SURVEY INCLUDE CANCER BARRIERS TO ACCESSING HEALTHCARE SERVICES IMMUNIZATION & INFECTIOUS DISEASES DIABETES MENTAL HEALTH OBESITY AND WEIGHT LOSS ORAL HEALTH PRENATAL CARE RESPIRATORY DISEASE ROUTINE CHECKUPS AND PREVENTIVE SCREENINGS SEXUALLY TRANSMITTED DISEASES TEEN BIRTHS AND UNWED MOTHERS UNINTENTIONAL INJURY SUBSTANCE/TOBACCO USE THE SAN JUAN REGIONAL MEDICAL CENTER BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION CONDUCTS THE SURVEY FOR THE PURPOSE OF DETERMINING HOW BEST TO DIRECT RESOURCES TO IMPROVE THE HEALTH OF THE FOUR CORNERS WITH THREE GOALS IN MIND - TO IMPROVE RESIDENTS' HEALTH STATUS, INCREASE THEIR LIFE SPANS, AND ELEVATE THEIR OVERALL QUALITY OF LIFE - TO REDUCE HEALTH DISPARITIES AMONG RESIDENTS BY IDENTIFYING POPULATION SEGMENTS WHO ARE MOST AT-RISK FOR VARIOUS DISEASES AND INJURIES INTERVENTION PLANS AIMED AT TARGETING THESE INDIVIDUALS ARE ALSO DEVELOPED TO COMBAT SOME OF THE SOCIO-ECONOMIC FACTORS WHICH HAVE HISTORICALLY HAD A NEGATIVE IMPACT ON RESIDENTS' HEALTH - TO INCREASE ACCESSIBILITY TO PREVENTIVE SERVICES FOR ALL COMMUNITY RESIDENTS MORE ACCESSIBLE PREVENTIVE SERVICES WILL PROVE BENEFICIAL IN ACCOMPLISHING THE FIRST GOAL (IMPROVING HEALTH STATUS, INCREASING LIFE SPANS, AND ELEVATING QUALITY OF LIFE), AS WELL AS LOWERING THE COSTS ASSOCIATED WITH CARING FOR LATE-STAGE DISEASES RESULTING FROM A LACK OF PREVENTIVE CARE

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE		SAN JUAN REGIONAL MEDICAL CENTER EMPLOYS A NUMBER OF FINANCIAL COUNSELORS AND CUSTOMER SERVICE REPRESENTATIVES, WHO WORK ALONGSIDE PATIENTS TO HELP THEM NAVIGATE THEIR PAYMENT, BILLING, AND ASSISTANCE OPTIONS INFORMATION IS DISSEMINATED TO PATIENTS THROUGH ONLINE AND PAPER RESOURCES LOCATED THROUGHOUT THE HOSPITAL A WIDELY DISTRIBUTED BROCHURE TITLED, "PAYING FOR HOSPITAL SERVICES AT SAN JUAN REGIONAL MEDICAL CENTER," IS SPECIFICALLY DESIGNED TO HELP PATIENTS UNDERSTAND THEIR HOSPITAL BILL AND INFORM THEM OF THEIR OPTIONS FOR PAYMENT AND ASSISTANCE, INCLUDING INFORMATION ON THE AVAILABILITY OF INDIAN HEALTH SERVICE ASSISTANCE, CASH DISCOUNTS, BILL REDUCTION THROUGH A COMMUNITY SERVICE FUND, SPECIAL FUNDS THROUGH THE SAN JUAN COUNTY INDIGENT FUND, OR MEDICAL HARDSHIP WAIVERS THE HOSPITAL'S VISION IS TO BE KNOWN AS THE MOST PERSONALIZED QUALITY HEALTHCARE PROVIDER SAN JUAN REGIONAL MEDICAL CENTER IS ALSO A VALUES-DRIVEN ORGANIZATION WITH A CENTURY OF SERVICE TO THE FOUR CORNERS REGION-DRIVEN BY A SIMPLE YET POWERFUL PRINCIPLE DO THE RIGHT THING FOR THE PATIENT NO MATTER WHAT AN INTEGRAL PART OF THIS SACRED TRUST THE COMMUNITY HAS IN ITS HOSPITAL IS ENSURING THAT NO PATIENT FEELS ALONE AND DISCONNECTED DURING AND AFTER THEIR TREATMENT THEREFORE, IT IS IN THE SPIRIT OF THE HOSPITAL'S VISION AND MISSION TO ENSURE THAT PATIENTS RECEIVE A HIGH LEVEL OF ASSISTANCE WHEN FIGURING OUT THEIR BILL AND OPTIONS NOT ONLY DOES THE HOSPITAL HAVE FINANCIAL COUNSELORS TO EDUCATE ITS PATIENTS, IT HAS AN IN-HOUSE MASH PROGRAM FOR SELF-PAY INDIVIDUALS THROUGH THE MASH PROGRAM, PATIENT ADVOCATES STAND HAND-IN-HAND WITH PATIENTS TO EXPLORE EVERY POSSIBILITY OF ASSISTANCE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION		SAN JUAN REGIONAL MEDICAL CENTER SERVES THE FOUR CORNERS REGION OF THE UNITED STATES, WHICH IS MOSTLY RURAL THE HOSPITAL IS LOCATED IN THE REGION'S LARGEST CITY AND ONLY METROPOLITAN AREA, WHICH IS FARMINGTON, NEW MEXICO OTHER CITIES IN THE REGION INCLUDE CORTEZ AND DURANGO IN COLORADO, MONTICELLO AND BLANDING IN UTAH, KAYENTA AND CHINLE IN ARIZONA, AND SHIPROCK, AZTEC, AND BLOOMFIELD IN NEW MEXICO THIS REGION ALSO INCLUDES THE NAVAJO NATION STATISTICS GATHERED FOR THE HOSPITAL'S COMMUNITY NEEDS ASSESSMENT IN 2008 FOR SAN JUAN COUNTY (POPULATION 130,044)-WHICH IS THE PRINCIPAL COUNTY SERVED BY SAN JUAN REGIONAL MEDICAL CENTER-INDICATE THE FOLLOWING POPULATION CHARACTERISTICS MEN 49 6% WOMEN 50 4% AGES 18 AND UNDER 29% AGES 65+ 10 8% WHITE 51 6% AMERICAN INDIAN & ALASKA NATIVE 36 6% HISPANIC 19 1% THE MEDIAN HOUSEHOLD INCOME FOR SAN JUAN COUNTY IS \$46,007

Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH		IN THE CONSTANT EFFORT TO MEET COMMUNITY NEED, SJRMC SEEKS TO IMPROVE PHYSICIAN ACCESS THROUGH A VIGOROUS RECRUITING PROGRAM AND TO PROVIDE COMMUNITY EDUCATION AND MANY OTHER COMMUNITY BENEFIT PROGRAMS IN FISCAL YEAR 2011, SAN JUAN REGIONAL MEDICAL CENTER PROVIDED BENEFITS TO THE POOR AND THE BROADER COMMUNITY OF OVER \$36 MILLION PROGRAM PERSONS SERVED COMMUNITY BENEFIT TRADITIONAL FINANCIAL ASSISTANCE 490 904,706 COMMUNITY HEALTH EDUCATION 9,526 230,031 DIABETES EDUCATION AND SUPPORT PROGRAMS 1,162 207,275 COMMUNITY FLU VACCINES 857 13,522 HEALTH CARE SUPPORT SERVICES 22,000 231,028 HEALTH PROFESSIONS EDUCATION PHYSICIANS AND MEDICAL STUDENTS 185 502,995 NURSES/NURSING STUDENTS 31 236,615 SUBSIDIZED HEALTH SERVICES EMERGENCY SERVICES 21,944 2,603,041 WOMEN'S AND CHILDREN SERVICES 3,514 2,484,500 RENAL DIALYSIS SERVICES 869 158,203 BEHAVIORAL HEALTH SERVICES 816 1,227,193 OUTPATIENT SERVICES 128,617 19,297,563 OTHER SUBSIDIZED HEALTH SERVICES 5,254,120 SAN JUAN UNITED WAY (CORPORATE MATCH) 114,614* FINANCIAL AND IN-KIND CONTRIBUTIONS 50 371,934 OTHER COMMUNITY SERVICES 14,385 2,224,578 ----- -- ----- TOTAL 204,446 36,061,918 OUR FINANCIAL AND IN-KIND CONTRIBUTIONS WENT TO VARIOUS LOCAL CHARITIES SUCH AS NAVAJO MINISTRIES, FAMILY CRISIS CENTER, LOCAL SCHOOL DISTRICTS, SENIOR CENTERS AND TOTAH BEHAVIORAL HEALTH

Additional Data

Software ID:

Software Version:

EIN: 85-0127924

Name: SAN JUAN REGIONAL MEDICAL CENTER

Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility (list in order of size, measured by total revenue per facility, from largest to smallest)	
How many non-hospital facilities did the organization operate during the tax year? <u>21</u>	
Name and address	Type of Facility (Describe)
SJRMCD CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON, NM 87401	MEDICAL CLINIC
SJRMCD INTERNAL MEDICINE 407 S SCHWARTZ SUITE 101 FARMINGTON, NM 87401	MEDICAL CLINIC
SJRMCD BLOOMFIELD CLINIC 100 N CHURCH STREET BLOOMFIELD, NM 87413	MEDICAL CLINIC
SAN JUAN NEURODIAGNOSTIC CENTER 2700 FARMINGTON AVENUE SUITE G FARMINGTON, NM 87401	MEDICAL CLINIC
SAN JUAN PEDIATRICS 622 WEST MAPLE STREET SUITE F FARMINGTON, NM 87401	MEDICAL CLINIC
FOUR CORNERS NEUROSURGERY 555 S SCHWARTZ AVENUE FARMINGTON, NM 87401	MEDICAL CLINIC
SJRMCD MIDWIFERY CLINIC 655 WEST PINON FARMINGTON, NM 87401	MEDICAL CLINIC
OUTPATIENT BEHAVIORAL HEALTH CLINIC 1930 SAN JUAN BLVD SUITE K FARMINGTON, NM 87401	MEDICAL CLINIC
URGENT CARE CENTER 4820 E MAIN STREET FARMINGTON, NM 87402	URGENT CARE CENTER
SJR WOUND CARE CENTER 4820 E MAIN FARMINGTON, NM 87402	WOUND CARE CENTER
SJR CANCER TREATMENT CENTER 731 W ANIMAS STREET FARMINGTON, NM 87401	CANCER TREATMENT
SJRMCD OUTPATIENT DIAGNOSTIC CENTER 2300 E 30TH STREET BLDG C FARMINGTON, NM 87401	DIAGNOSTIC CENTER
SJRMCD EMS STATION - MEDIC #1 730 S LAKE STREET FARMINGTON, NM 87401	EMS STATION
SJRMCD EMS STATION - MEDIC #2 902 W BROADWAY BLOOMFIELD, NM 87412	EMS STATION
SJRMCD EMS STATION - MEDIC #3 484 S OLIVER STREET AZTEC, NM 87410	EMS STATION
SJRMCD EMS STATION - MEDIC #4 4 CR 3660 KIRTLAND, NM 87117	EMS STATION
SJRMCD EMS STATION - MEDIC #5 3782 ENGLISH RD FARMINGTON, NM 87410	EMS STATION
SJRMCD EMS STATION - MEDIC #6 2014 E 16TH STREET FARMINGTON, NM 87401	EMS STATION
SJRMCD EMS STATION - MEDIC #10 737 W ANIMAS STREET FARMINGTON, NM 87401	EMS STATION
SJRMCD AZTEC CLINIC 120 Llano AZTEC, NM 87410	Clinic
GENERAL SURGERY CLINIC 630 WEST MAPLE FARMINGTON, NM 87401	CLINIC

Schedule I
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Grants and Other Assistance to Organizations,
Governments and Individuals in the United States

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

OMB No 1545-0047

2010

Open to Public
Inspection

Employer identification number
85-0127924

Part I

General Information on Grants and Assistance

- 1

Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

☒ Yes ☐ No
- 2

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

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed. ▶ ☐

1 (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
See Additional Data Table							

2

Enter total number of section 501(c)(3) and government organizations

15

3

Enter total number of other organizations

0

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Form 990, Schedule I	Description of Organization's Procedures for Monitoring the Use of Grants	Event Funding/Sponsorship Request GUIDELINES San Juan Regional Medical Center (SJRMC) recognizes the value of community partnerships and, on a limited basis, offers support to its community partners by sharing our resources including the time and talent of our physicians and employees, as well as our financial and in-kind support San Juan Regional Medical Center has established criteria to ensure alignment with our mission and to allow us to strategically focus our limited resources in order to maximize their impact Sponsorship requests are evaluated based on, but not limited to, the following criteria - Alignment with SJRMC's mission To personalize healthcare and create enthusiasm and vitality in healing - Alignment and opportunity to promote strategic service lines and business objectives - Community and neighborhood development - Magnitude of impact and reach (number of individuals served) - Depth and breadth of partnership with requesting organization All requests must be received at least 4 weeks in advance of the sponsorship deadline Sponsorship requests are reviewed through our Marketing Department The request should provide appropriate and complete details regarding the sponsorship request Please be prepared to provide the additional information about your request, if needed Sponsorship requests of more than \$3,000 must be reviewed by the Partnership Committee of SJRMC's Board of Directors I APPLICANT INFORMATION - Must be written on official letterhead - Name of person or organization requesting funding and/or sponsorship - Name, email address, and phone number of primary contact for the request/ individual filling out the request II EVENT DETAILS 1 Description (250 words maximum) - Describe how the event being sponsored relates to SJRMC's mission - Describe the purpose of the event being sponsored and the target audience 2 Logistics - If available, provide the title, date, and time of the event - If available and applicable, list the proposed event layout (e g , panel, conference, seminar, etc) and agenda for the event 3 Funding - Indicate amount requested from SJRMC - Describe the expenses SJRMC's funds will be used to cover - Provide what other organizations are supporting your event (indicating amounts requested, which are pending, and which are confirmed) - What will SJRMC receive in exchange for its contribution PLEASE SUBMIT ALL MATERIALS TO Roberta Rogers, Marketing Manager c/o San Juan Regional Medical Center 657 West Maple Street Farmington, NM 87401 e-mail rrogers@sjrmc net (505) 609-2240

Software ID:
Software Version:
EIN: 85-0127924
Name: SAN JUAN REGIONAL MEDICAL CENTER

Form 990,Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
SAN JUAN COLLEGE4601 COLLEGE FARMINGTON,NM 87402	85-0295969	SCHOOL	55,000				PROGRAM SUPPORT -
LADIES CHARITY GOLF CLASSIC5701 TEE DR FARMINGTON,NM 87402	74-2828869	501(C)(3)	7,000				PROGRAM SUPPORT -
SAN JUAN COLLEGE FOUNDATION4601 COLLEGE FARMINGTON,NM 87402	85-0295969	501(C)(3)	65,000				DEV MEDICAL ASST
SAN JUAN ROTARY CLUBP O BOX 2105 FARMINGTON,NM 87499	27-0412204	501(C)(3)	7,500				PROGRAM SUPPORT -
SAN JUAN COLLEGE4601 COLLEGE FARMINGTON,NM 87402	85-0295969	SCHOOL		91,936	COST	EQUIPMENT	PROGRAM SUPPORT -
SAN JUAN COUNTY FAIR ASSOCIATIONPO BOX 187 FARMINGTON,NM 874990187	85-0315651	501(C)(3)	7,574				DONATE TO FOOD
SAN JUAN UNITED WAY903 WAPACHE FARMINGTON,NM 87401	85-0165322	501(C)(3)	114,614				PROGRAM SUPPORT -
KNOWLEDGE EQUIPS INC PO BOX 178 AZTEC,NM 87410	26-3130570	501(C)(3)	15,000				PROGRAM SUPPORT -
FOUR CORNERS PROFESSIONAL CONF308 N LOCKE FARMINGTON,NM 87401	87-0022801	501(C)(3)	15,000				DONATION FOR
SAN JUAN ECONOMIC DEVELOPMENT5101 COLLEGE FARMINGTON,NM 87401	85-0171302	501(C)(3)	11,000				PROGRAM SUPPORT -
LEADERSHIP NEW MEXICO 320 GOLD SW STE 221 ALBUQUERQUE,NM 87102	85-0437219	501(C)(3)	6,000				PROGRAM SUPPORT -
MASADA HOUSE2404 E 20TH ST FARMINGTON,NM 87401	26-4661551	501(C)(3)	30,000				PROGRAM SUPPORT -

Form 990, Schedule I, Part II, Grants and Other Assistance to Governments and Organizations in the United States

(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
HOPE CHILDRENS FUNDPO BOX 110 FARMINGTON, NM 87499	85-0330156	501(C)(3)	15,000				PROGRAM SUPPORT -
BLOOMFIELD SENIOR CENTER124 WASH BLOOMFIELD, NM 87413	85-6004832	501(C)(3)	16,000				PROGRAM SUPPORT -
SANE812 W MAPLE FARMINGTON, NM 87401	20-3187125	501(C)(3)	68,908				PROGRAM SUPPORT -

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I

Questions Regarding Compensation

	Yes	No
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 ☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e g , maid, chauffeur, chef)		
1b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all 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 ☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a Receive a severance payment or change-of-control payment from the organization or a related organization?		No
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
c Participate in, or receive payment from, an equity-based compensation arrangement?		No
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a The organization?		No
b Any related organization?		No
If "Yes," to line 5a or 5b, describe in Part III		
6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a The organization?		No
b Any related organization?		No
If "Yes," to line 6a or 6b, describe in Part III		
7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	Yes	
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		No
9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) 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) Retirement and other 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 reportable compensation				
(1) CHARLES HOFFMAN MD	(i) (ii)	336,333 0	44,342 0	0 0	7,350 0	18,104 0	406,129 0	0 0
(2) RICK WALLACE	(i) (ii)	344,468 0	20,000 0	8,087 0	30,744 0	15,308 0	418,607 0	0 0
(3) JOHN BUFFINGTON	(i) (ii)	322,137 0	101,100 0	16,618 0	39,543 0	18,104 0	497,502 0	0 0
(4) J MICHAEL PHILIPS	(i) (ii)	263,067 0	82,306 0	16,660 0	34,490 0	18,104 0	414,627 0	0 0
(5) SUZANNE SMITH	(i) (ii)	184,046 0	48,299 0	1,252 0	22,500 0	18,104 0	274,201 0	0 0
(6) EDWARD MAURIN MD	(i) (ii)	627,747 0	12,240 0	0 0	15,600 0	18,104 0	673,691 0	0 0
(7) CHARLES WILKINS MD	(i) (ii)	586,604 0	23,150 0	16,700 0	14,735 0	18,104 0	659,293 0	0 0
(8) LUTHER WEATHERS III MD	(i) (ii)	534,940 0	20,100 0	107 0	7,350 0	18,022 0	580,519 0	0 0
(9) ROBERT SPRUNG MD	(i) (ii)	446,187 0	20,000 0	172 0	7,350 0	18,264 0	491,973 0	0 0
(10) MARC FLITTER MD	(i) (ii)	567,761	6,180	667	17,150	18,104	609,862	0
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

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.

Identifier	Return Reference	Explanation
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	SAN JUAN REGIONAL MEDICAL CENTER HAS A 457F DEFERRED COMPENSATION PLAN THAT ALLOWS CERTAIN EXECUTIVES TO CONTRIBUTE MONEY ON A PRE-TAX BASIS INTO INVESTMENTS AND TO ACCUMULATE TAX-DEFERRED EARNINGS. THE FOLLOWING PRE-TAX CALENDAR YEAR 2010 CONTRIBUTIONS TO THE 457(F) PLAN ARE INCLUDED IN SCHEDULEJ, PART II, COL C AS DEFERRED COMPENSATION: RUTH BROOKS \$ 6,925 JOHN BUFFINGTON \$22,393 THOMAS DEAN \$ 8,836 ROBERT FABREY \$16,286 DOUGLAS FRARY \$ 7,746 WILLIAM NOEL \$ 6,720 J MICHAEL PHILIPS \$17,340 SUZANNE SMITH \$ 8,014 RICK WALLACE \$23,394 CATHERINE ZAHARKO \$ 6,391.
NON-FIXED PAYMENTS	SCHEDULE J, PART I, LINE 7	SAN JUAN REGIONAL MEDICAL CENTER (SJPMC) HAS A SENIOR MANAGEMENT INCENTIVE COMPENSATION PLAN FOR SELECTED SENIOR MANAGEMENT POSITIONS. AN AWARD TARGET IS ESTABLISHED FOR EACH PARTICIPANT. PERFORMANCE IS BASED ON EIGHT GOALS, TWO OF WHICH ARE HOSPITAL EXCESS OF REVENUES OVER EXPENSES PERCENTAGE AND TOTAL HOSPITAL EARNINGS. THE AWARD IS A PERCENTAGE OF BASE PAY IF CERTAIN TARGETS ARE MET.
SUPPLEMENTAL COMPENSATION INFORMATION		THE COMPENSATION REPORTED FOR DWAYNE GIBBS MD IS FOR A DIRECTORSHIP STIPEND, NOT FOR SERVICES RENDERED AS A BOARD MEMBER. THE COMPENSATION REPORTED FOR RONALD CALCOTE MD IS FOR A MEDICAL DIRECTOR FET PROGRAM, NOT FOR SERVICES RENDERED AS A BOARD MEMBER. THE COMPENSATION REPORTED FOR CHARLES HOFFMAN MD IS FROM HIS CURRENT EMPLOYMENT, NOT FOR SERVICES RENDERED AS A BOARD MEMBER.

Schedule K (Form 990)	Supplemental Information on Tax Exempt Bonds ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Schedule O (Form 990). ▶ Attach to Form 990. ▶ See separate instructions.										OMB No 1545-0047	
											2010	
	Department of the Treasury Internal Revenue Service											Open to Public Inspection
Name of the organization SAN JUAN REGIONAL MEDICAL CENTER										Employer identification number 85-0127924		

Part I

Bond Issues

(a) Issuer Name	(b) Issuer EIN	(c) CUSIP #	(d) Date Issued	(e) Issue Price	(f) Description of Purpose	(g) Defeased		(h) On Behalf of Issuer		(i) Pool financing	
						Yes	No	Yes	No	Yes	No
A CITY OF FARMINGTON NM - 2007A	85-6000129	311428BN5	06-28-2007	12,290,518	CONSTRUCTION OF CANCER TRMT CENTER		X		X		X
B CITY OF FARMINGTON NM - 2004A	85-6000129	311428AZ9	03-25-2004	16,982,883	CONSTRUCTION OF TOWER/NEW EQUIP		X		X		X
C NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010A2010	84-0426875		12-21-2010	25,773,000	REFUND 2004B, FINANCE EQUIP & CONST		X		X		X
D NM HOSPITAL EQUIPMENT LOAN COUNCIL - 2010B	84-0426875	647370FK6	12-21-2010	8,800,000	CONST MOB PEDS/NEURO RETIRE 07B		X		X		X

Part II

Proceeds

		A		B		C		D	
1	Amount of bonds retired	1,135,000		540,000		0		0	
2	Amount of bonds legally defeased	0		0		0		0	
3	Total proceeds of issue	12,457,932		17,087,788		25,773,063		8,800,248	
4	Gross proceeds in reserve funds	0		0		0		0	
5	Capitalized interest from proceeds	151,201		0		0		13,498	
6	Proceeds in refunding escrow	0		0		0		0	
7	Issuance costs from proceeds	245,810		339,658		205,429		13,200	
8	Credit enhancement from proceeds	0		0		0		0	
9	Working capital expenditures from proceeds	0		0		0		0	
10	Capital expenditures from proceeds	12,212,122		16,748,130		1,714,115		6,446,891	
11	Other spent proceeds	0		0		0		0	
12	Other unspent proceeds	0		0		485,064		3,523,109	
13	Year of substantial completion	2010		2007		2011		2011	
14	Were the bonds issued as part of a current refunding issue?	Yes	No	Yes	No	Yes	No	Yes	No
			X		X		X	X	
15	Were the bonds issued as part of an advance refunding issue?		X		X		X		X
16	Has the final allocation of proceeds been made?	X		X		X		X	
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III

Private Business Use

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

Part III

Private Business Use (Continued)

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use?		X		X		X		X
b	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X		X		X
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0 %		0 %		0 %		0 %	
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0 %		0 %		0 %		0 %	
6	Total of lines 4 and 5	0 %		0 %		0 %		0 %	
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X		X		X	

Part IV

Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X	X			X		X
2	Is the bond issue a variable rate issue?		X		X		X	X	
3a	Has the organization or the governmental issuer entered into a hedge with respect to the bond issue?		X		X		X		X
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was a hedge terminated?								
4a	Were gross proceeds invested in a GIC?		X		X		X		X
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6	Did the bond issue qualify for an exception to rebate?		X		X		X		X

Part V

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule K (see instructions)

Identifier	Return Reference	Explanation
PART II, LINE 3, COLUMN A-D		THE EXCESS OF "TOTAL PROCEEDS" OVER "ISSUE PRICE" IS DUE TO INVESTMENT EARNINGS
PART I, LINE C		THE 2010 LEASE PROJECT OBLIGATION PORTION OF THIS ISSUE IN THE AMOUNT OF \$8,103,000 HAS NOT BEEN DESIGNATED AS A QUALIFIED TAX-EXEMPT OBLIGATION

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I

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

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

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

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

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III

Grants or Assistance Benefitting Interested Persons.

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

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ANNA BUFFINGTON	JOHN BUFFINGTON / COO	112,923	EMPLOYEE PAY		No
(2) ERIC BUFFINGTON	JOHN BUFFINGTON / COO	44,806	EMPLOYEE PAY		No
(3) FOUR CORNERS RADIOLOGY ASSOCIATES	RUTH BROOKS/KEY EMPLOYEE	221,008	MEDICAL SERVICES		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2010

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining oncash contribution amounts
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles .	X	1	56,355	COST/SELLING PRICE
7 Boats and planes				
8 Intellectual property . .				
9 Securities—Publicly traded				
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests .				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other . .				
15 Real estate—Residential .				
16 Real estate—Commercial				
17 Real estate—Other . .				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts . .				
23 Scientific specimens . .				
24 Archeological artifacts .				
FIXED ASSETS -				
25 Other ► (SAN JUAN)	X	4	197,721	COST/SELLING PRICE
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

290

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30aYesNo

31 If "Yes," describe the arrangement in Part II

31Yes

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32aYesNo

33 If "Yes," describe in Part II

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization SAN JUAN REGIONAL MEDICAL CENTER	Employer identification number 85-0127924
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Identifier	Return Reference	Explanation
VOLUNTEERS	FORM 990, PART I, LINE 6	SJPMC HAS A TOTAL OF 196 VOLUNTEERS THAT PROVIDE SERVICE TO THE FOLLOWING AREAS ADMINISTRATIVE SUPPORT, CANCER TREATMENT CENTER, CARDIAC REHABILITATION, COURIER/PATIENT TRANSPORT, CRAFTY CREATIONS, DIETARY , GIFT MARKET, INFORMATION DESK, MAIL CALL, MEDICAL RECORDS AND AUXILIARY MEMBERSHIP

Identifier	Return Reference	Explanation
PROGRAM SERVICE ACCOMPLISHMENTS	FORM 990, PART III, LINE 4	SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) IS A MODERN ACUTE-CARE HOSPITAL LOCATED IN ONE OF THE MOST RURAL AREAS OF THE AMERICAN SOUTHWEST. SAN JUAN COUNTY, NM. A 2010 ESTIMATE OF THE POPULATION OF SAN JUAN COUNTY SHOWS THE COUNTY POPULATION HAS GROWN 14.3% FROM THE YEAR 2000 TO 2010 AND NOW NUMBERS APPROXIMATELY 130,044, 37% OF WHICH IS AMERICAN INDIAN AND ALASKA NATIVE PERSONS. SJRMC IS A SOLE COMMUNITY PROVIDER AND DISPROPORTIONATE SHARE HOSPITAL PROVIDING NEEDED HEALTHCARE TO RESIDENTS OF THE FOUR CORNERS REGION OF NEW MEXICO, ARIZONA, UTAH AND COLORADO. SAN JUAN REGIONAL MEDICAL CENTER'S MISSION IS TO PERSONALIZE HEALTHCARE AND CREATE ENTHUSIASM AND VITALITY IN HEALING. OUR CORE VALUES ARE ACTIVELY TAUGHT, AND REINFORCED, TO STAFF, MANAGEMENT AND PHYSICIANS SO THAT THE ORGANIZATION MAY ACHIEVE EXCELLENCE AND CONSISTENCY IN PATIENT CARE. SJRMC IS A COMMUNITY GOVERNED HOSPITAL THAT WAS FOUNDED IN 1910 BY DRS. A. M. SMITH AND G. W. SAMMONS. THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF UP TO THREE REPRESENTATIVES FROM EACH OF 90 NON-PROFIT ORGANIZATIONS IN SAN JUAN COUNTY. THE CORPORATION MEETS QUARTERLY, AND, AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT 9 MEMBERS TO THE GOVERNING BOARD OF DIRECTORS. THE CORPORATION RECEIVES REPORTS FROM THE BOARD OF DIRECTORS AND HOSPITAL ADMINISTRATION ON HOSPITAL OPERATIONS INCLUDING QUALITY AND FINANCE AND PROVIDES FEEDBACK ON COMMUNITY HEALTH ISSUES. SJRMC PROVIDES MEDICAL, SURGICAL, PEDIATRICS, ONCOLOGY, OBSTETRICS, CARDIOLOGY, AND BEHAVIORAL HEALTH INPATIENT CARE. AMBULATORY CARE INCLUDES DAY SURGERY, URGENT CARE, OUTPATIENT DIAGNOSTIC AND TREATMENT SERVICES. SJRMC IS A LEVEL III TRAUMA CENTER THAT PROVIDES GROUND AMBULANCE AND AIR AMBULANCE SERVICE WITH A HELICOPTER AND A FIXED WING AIRCRAFT AS WELL AS SERVICES THROUGH ITS EMERGENCY DEPARTMENT TO ALL PERSONS REGARDLESS OF THEIR ABILITY TO PAY. SOME OF OUR OUTPATIENT SERVICES ARE PHYSICIAN CLINICS SPECIALIZING IN CARDIOLOGY, BEHAVIORAL HEALTH, INTERNAL MEDICINE, NEUROSURGERY, NEURODIAGNOSTICS, URGENT CARE CENTER AND PEDIATRICS. OUR FINANCIAL AND IN-KIND CONTRIBUTIONS WENT TO VARIOUS LOCAL CHARITIES SUCH AS NAVAJO MINISTRIES, FAMILY CRISIS CENTER, LOCAL SCHOOL DISTRICTS, SENIOR CENTERS AND TOTAL BEHAVIORAL HEALTH. THE OTHER COMMUNITY SERVICES NOTED ABOVE PROVIDE CARE FOR SURGERY, GASTROINTESTINAL, ORTHOPEDICS, ONCOLOGY, NEURO AND CARDIAC REHAB.

Identifier	Return Reference	Explanation
BUSINESS AND FAMILY RELATIONSHIPS	FORM 990, PART VI, LINE 2	DWAYNE GIBBS, M D AND RONALD CALCOTE, M D HAVE A BUSINESS RELATIONSHIP

Identifier	Return Reference	Explanation
MEMBERS AND THEIR RIGHTS	FORM 990, PART VI, LINES 6 AND 7A	SAN JUAN REGIONAL MEDICAL CENTER IS A COMMUNITY-GOVERNED HOSPITAL THE HOSPITAL CORPORATION IS AN ADVISORY BODY COMPOSED OF TWO REPRESENTATIVES FROM ABOUT 90 NON-PROFIT ORGANIZATION MEMBERS IN SAN JUAN COUNTY AFTER TEN YEARS OF SERVICE AS A REPRESENTATIVE, AN INDIVIDUAL MAY BE DESIGNATED BY THE CORPORATION AS A SENIOR CORPORATE DELEGATE AND SHALL NO LONGER BE CONSIDERED TO BE THE REPRESENTATIVE OF THE MEMBER ORGANIZATION THE MEMBER ORGANIZATION MAY THEN DESIGNATE ANOTHER REPRESENTATIVE IN ADDITION TO THE SENIOR CORPORATE DELEGATE THE HOSPITAL CORPORATION MEETS QUARTERLY AT THEIR ANNUAL MEETING, THEY NOMINATE AND ELECT NINE VOTING MEMBERS TO SJRMC'S BOARD OF DIRECTORS OF THE NINE, THREE MUST BE ELECTED FROM THE MEMBER REPRESENTATIVES OR SENIOR CORPORATE DELEGATES IN ADDITION TO THE NINE ELECTED DIRECTORS, THE SJRMC CHIEF OF THE STAFF AND VICE CHIEF OF STAFF AND A HOSPITAL AUXILIARY APPOINTEE ALSO SERVE AS SJRMC DIRECTORS FOR A TOTAL OF TWELVE VOTING MEMBERS OF THE BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS USED BY MANAGEMENT AND/OR GOVERNING BODY TO REVIEW	FORM 990	FORM 990, PART VI, LINE 11 THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON DATA PROVIDED BY MANAGEMENT A DRAFT COPY OF THE 990 IS PROVIDED TO MANAGEMENT FOR REVIEW A MEETING IS CONDUCTED BY THE ACCOUNTING FIRM TO REVIEW THE RETURN IN DETAIL WITH MANAGEMENT ANY QUESTIONS ARE ADDRESSED AND ANY NECESSARY CHANGES ARE MADE TO THE RETURN THE FINAL DRAFT OF THE FORM 990 IS PROVIDED TO THE AUDIT COMMITTEE ALONG WITH A BRIEF EDUCATION SESSION CONDUCTED BY THE ACCOUNTING FIRM TO DISCUSS THE HIGHLIGHTS OF THE FORM THE FINAL DRAFT OF THE FORM 990 IS THEN PROVIDED TO EACH BOARD MEMBER PRIOR TO FILING

Identifier	Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST	FORM 990, PART VI, LINE 12C	SAN JUAN REGIONAL MEDICAL CENTER HAS A CONFLICT OF INTEREST POLICY THAT EACH BOARD MEMBER, OFFICER AND KEY EMPLOYEE IS REQUIRED TO FILL OUT ON AN ANNUAL BASIS THIS CONFLICT OF INTEREST POLICY SPECIFICALLY ASKS QUESTIONS REGARDING BUSINESS AND PERSONAL RELATIONSHIPS THAT THEY MAY HAVE WITH ANY OTHER BOARD MEMBER, OFFICER AND KEY EMPLOYEE OF ANY BUSINESS THAT DEALS WITH SAN JUAN REGIONAL MEDICAL CENTER OR ANY OF ITS AFFILIATES IF A CONFLICT IS IDENTIFIED, IT MUST BE REPORTED TO THE COMPLIANCE OFFICER, AND IF IT CONSTITUTES A BREACH OF EMPLOYMENT, IT MAY LEAD TO DISCIPLINARY ACTION

Identifier	Return Reference	Explanation
PROCESS FOR DETERMINING COMPENSATION	FORM 990, PART VI, LINES 15A & 15B	THE BOARD OF DIRECTORS FOR SAN JUAN REGIONAL MEDICAL CENTER USES THE FOLLOWING COMPARABLE DATA WHEN DETERMINING THE COMPENSATION FOR THE CEO AND SENIOR MANAGEMENT, REGIONAL / LOCAL AREA NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, NATIONAL NOT-FOR-PROFIT HEALTHCARE ORGANIZATIONS OF COMPARABLE SIZE, AND OTHER RELEVANT COMPARATORS (E G , FOR PROFIT HEALTHCARE AND/OR GENERAL INDUSTRY ORGANIZATIONS) OF COMPARABLE SIZE AND COMPLEXITY, ONLY WHEN COMPETITIVE CIRCUMSTANCES WARRANT THESE MARKETS. ADDITIONALLY, THE BOARD BI-ANNUALLY HAS AN INDEPENDENT OUTSIDE FIRM COMPARE THE CEO'S COMPENSATION WITH OTHER HEALTHCARE ORGANIZATIONS TO REMAIN COMPETITIVE. THE PROCESS WAS LAST COMPLETED IN 2009. THE PROCESS IS DOCUMENTED IN THE BOARD MINUTES WHEN PRESENTED TO THEM.

Identifier	Return Reference	Explanation
AVAILABILITY OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND	FINANCIAL STATEMENTS TO THE GENERAL PUBLIC	FORM 990, PART VI, LINE 19 SAN JUAN REGIONAL MEDICAL CENTER MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY , AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
HOURS DEVOTED TO RELATED ORGANIZATIONS	PART VII	NORMAN TUCKER, JOSEPH RASOR, AND RICHARD MENNING EACH DEVOTED 2 HOURS PER WEEK AS BOARD MEMBERS TO SAN JUAN REGIONAL REHABILITATION HOSPITAL INC, A RELATED TAX-EXEMPT ORGANIZATION

Identifier	Return Reference	Explanation
OTHER CHANGES IN FUND BALANCE	FORM 990, PART XI, LINE 5	NET UNREALIZED GAIN \$3,079,487

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) SAN JUAN HEALTH PARTNERS INC 801 WEST MAPLE FARMINGTON, NM 87401 27-2367549	INACTIVE	NM	501(C)(3)	3	NA		
(2) SAN JUAN REGIONAL REHABILITATION HOSP 525 SOUTH SCHWARTZ 2 FARMINGTON, NM 87401 85-0441767	HEALTHCARE	NM	501(C)(3)	3	NA		

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproporionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) SJR HOLDING COMPANY INC 801 W MAPLE STREET FARMINGTON, NM87401 20-1126483	SUPPORT SERVICES	NM	SJPMC	C-CORP	597,414	1,587,850	100 000 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

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?

a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b Gift, grant, or capital contribution to other organization(s)

c Gift, grant, or capital contribution from other organization(s)

d Loans or loan guarantees to or for other organization(s)

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

i Lease of facilities, equipment, or other assets to other organization(s)

j Lease of facilities, equipment, or other assets from other organization(s)

k Performance of services or membership or fundraising solicitations for other organization(s)

l Performance of services or membership or fundraising solicitations by other organization(s)

m Sharing of facilities, equipment, mailing lists, or other assets

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

q Other transfer of cash or property to other organization(s)

r Other transfer of cash or property from other organization(s)

Yes

No

1a

No

1b

No

1c

Yes

1d

No

1e

No

1f

No

1g

No

1h

No

1i

No

1j

No

1k

No

1l

No

1m

No

1n

No

1o

No

1p

Yes

1q

No

1r

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) SJR HOLDING COMPANY INC	C	500,000	
(2) SAN JUAN REGIONAL REHABILITATION HOSPITAL	P	112,524	
(3) SAN JUAN REGIONAL REHABILITATION HOSPITAL	P	221,109	
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

[illegible]

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
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CONSOLIDATED FINANCIAL STATEMENTS

San Juan Regional Medical Center, Inc. and Affiliates
Years Ended June 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Financial Statements
and Other Financial Information

Years Ended June 30, 2011 and 2010

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Report of Independent Auditors

Board of Directors
San Juan Regional Medical Center, Inc

We have audited the accompanying consolidated balance sheets of San Juan Regional Medical Center, Inc and Affiliates (the Company) as of June 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of San Juan Regional Medical Center, Inc and Affiliates at June 30, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

October 26, 2011

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Balance Sheets

	June 30	
	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$ 16,390,042	\$ 18,048,892
Short-term investments	8,528,264	13,378,133
Current portion of assets whose use is limited	336,523	326,970
Patient accounts receivable, net of allowance for doubtful accounts of \$18,100,000 in 2011 and \$13,100,000 in 2010	29,345,237	24,133,104
Other receivables	2,656,567	2,873,527
Inventories	3,562,331	3,183,135
Prepaid expenses and other	3,199,249	2,459,891
Total current assets	64,018,213	64,403,652
Long-term investments	29,489,170	25,490,221
Assets whose use is limited, less current portion	77,948,947	65,795,736
Property and equipment, net	158,261,286	147,628,955
Notes receivable, joint ventures, and other	4,862,556	4,842,355
Total assets	<u>\$ 334,580,172</u>	<u>\$ 308,160,919</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 4,370,420	\$ 5,115,984
Accrued expenses	22,168,306	21,342,248
Current portion of long-term debt	4,178,554	2,361,658
Estimated third-party payor settlements, net	2,239,990	2,254,580
Total current liabilities	32,957,270	31,074,470
Long-term debt, less current portion	74,249,568	63,845,773
Other long-term liabilities	386,263	235,992
Total liabilities	107,593,101	95,156,235
Net assets	226,987,071	213,004,684
Total liabilities and net assets	<u>\$ 334,580,172</u>	<u>\$ 308,160,919</u>

See accompanying notes.

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2011	2010
Revenue		
Net patient service	\$ 263,139,133	\$ 249,446,601
Investment income	8,962,168	5,421,016
Other	6,557,485	4,882,682
Total revenue	278,658,786	259,750,299
Expenses		
Salaries and wages	111,842,734	98,537,039
Employee benefits	30,872,293	28,149,304
Supplies, services, and other	51,009,632	47,847,537
Purchased services	22,862,360	21,936,750
Provision for doubtful accounts	31,179,036	27,287,028
Depreciation and amortization	11,888,886	10,821,218
Rent and leases	2,913,395	3,039,327
Interest	2,555,932	2,416,347
Total expenses	265,124,268	240,034,550
Excess of revenues over expenses	13,534,518	19,715,749
Contributions designated for fixed assets	447,869	1,334,446
Increase in net assets	13,982,387	21,050,195
Net assets, beginning of year	213,004,684	191,954,489
Net assets, end of year	\$ 226,987,071	\$ 213,004,684

See accompanying notes.

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended June 30	
	2011	2010
Operating activities		
Increase in net assets	\$ 13,982,387	\$ 21,050,195
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Provision for doubtful accounts	31,179,036	27,287,028
Depreciation and amortization	11,888,886	10,821,218
Impairment loss on property	—	904,441
Contributions of property and equipment	(254,076)	(1,334,446)
Gain on sale of equipment	(6,895)	(93,308)
Change in equity of joint ventures	54,863	173,476
Increase in investments designated as trading	(11,311,844)	(27,100,266)
Change in other long-term liabilities	150,271	195,291
Changes in current assets and liabilities		
Patient accounts receivable	(36,391,169)	(26,917,966)
Other receivables	216,960	(428,210)
Inventories and prepaid expenses	(1,118,554)	(585,782)
Accounts payable	(745,564)	525,415
Accrued expenses	826,058	3,740,711
Estimated third-party payor settlements	(14,590)	(1,280,227)
Net cash provided by operating activities	8,455,769	6,957,570
Investing activities		
Purchases of property and equipment	(21,915,754)	(8,890,767)
Proceeds from sales of equipment	101,262	260,570
Net cash used in investing activities	(21,814,492)	(8,630,197)
Financing activities		
Proceeds of long-term debt	34,382,753	—
Deferred financing costs	(520,818)	—
Repayment of long-term debt	(22,162,062)	(2,833,790)
Net cash provided by (used in) financing activities	11,699,873	(2,833,790)
Net decrease in cash and cash equivalents	(1,658,850)	(4,506,417)
Cash and cash equivalents, beginning of year	18,048,892	22,555,309
Cash and cash equivalents, end of year	\$ 16,390,042	\$ 18,048,892
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 2,314,241	\$ 2,397,209
Net assets transferred from County	\$ 197,720	\$ 1,334,446

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2011

1. Organization

San Juan Regional Medical Center, Inc (the Hospital) is a New Mexico not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income. The Hospital is located in Farmington, New Mexico, and was incorporated in 1952 to furnish medical and surgical care to the residents of San Juan County (the County), New Mexico.

San Juan Regional Rehabilitation Hospital, Inc (SJRRH) is a New Mexico not-for-profit organization located in Farmington, New Mexico, and is exempt from federal and state income taxes on related income. The Hospital is the sole member of SJRRH. SJRRH provides rehabilitation services primarily to the residents of the County.

SJR Holding Company, Inc (SJH) is a New Mexico for-profit corporation and a wholly owned subsidiary of the Hospital. SJH's ownership interest in an ambulatory surgery center is SJH's only activity.

2. Summary of Significant Accounting Policies

Consolidation

The accompanying consolidated financial statements include the accounts of the Hospital, SJRRH, and SJH (collectively referred to as the Company). Intercompany transactions have been eliminated in consolidation.

New Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board (FASB) issued an accounting standard that will require the measurement of the amount of charity care provided to be based on the direct and indirect costs of providing that care. The accounting standard will be effective for the Company beginning July 1, 2011, with retrospective application for all periods presented.

In August 2010, the FASB issued an accounting standard relating to the accounting and disclosure of insurance claims and related insurance recoveries. The accounting standard will require companies to report the estimated ultimate cost of malpractice claims as a liability and any anticipated insurance recoveries will be reported as an asset on the statement of financial

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

position. The malpractice liability cannot be reported net of anticipated insurance recoveries. The accounting standard will be effective for the Company on July 1, 2011. In May 2011, the FASB issued an accounting standard that further amends fair value measurement and disclosure requirements in U.S. generally accepted accounting principles. The accounting standard will require additional disclosure relating to transfers of any financial instruments between Level 1 and Level 2 of the fair value hierarchy, disclosure of the fair value hierarchy level for items that not recorded at fair value in the financial statements but are required to disclose the fair value of the item, and disclosure of additional quantitative information about the unobservable inputs used in the fair value measurement of financial instruments categorized within Level 3 of the fair value hierarchy. The accounting standard will be effective for the Company on July 1, 2012.

In July 2011, the FASB issued an accounting standard relating to the presentation and disclosure of patient service revenue, provision for doubtful accounts and the allowance for doubtful accounts for certain health care entities. The accounting standard will require health care providers to report the provision for doubtful accounts as a reduction of net patient service revenue in the consolidated statement of operations. In addition, the notes to the financial statements will include additional disclosures relating to the methods used to recognize net patient service revenue, amount of net patient service revenue recognized by major payor source, methods used to analyze the allowance for doubtful accounts by major payor source, and any significant changes to the allowance for doubtful accounts. The standard will be effective for the Company on July 1, 2011.

Management is currently evaluating the effect of adopting these accounting standards on the consolidated financial statements.

Use of Estimates

The preparation of the Company's consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Cash Equivalents

Cash equivalents include investments in highly liquid debt instruments with original maturities of three months or less, excluding assets whose use is limited by the Hospital and SJRRH Boards of Directors' (the Boards) designation or by other arrangements under trust agreements

The Company holds its cash in bank accounts with balances in excess of federal deposit insurance limits

Investments and Assets Whose Use Is Limited

Investments in equity securities (other than those accounted for under the equity method) and all investments in debt securities are measured at fair value. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses. Unrealized gains and losses on investments are included in the excess of revenues over expenses, as the investments are classified as trading securities.

Short-Term Investments

Short-term investments include certificates of deposit, money market investments, and other investment securities that will be liquidated within the next fiscal year.

Assets Whose Use Is Limited

Assets whose use is limited consist primarily of assets designated by the Boards for future capital improvements, over which the Boards retain control and may, at their discretion, use for other purposes, assets set aside under insurance funding arrangements, and assets restricted under the terms of the outstanding hospital revenue bond issues. Amounts required to meet current liabilities have been classified as current in the consolidated balance sheets at June 30, 2011 and 2010.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Inventories

Inventories consist of drugs and medical supplies and are stated at the lower of cost (which approximates the first-in, first-out method) or market value

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset (which ranges from three to 40 years) and is computed using the straight-line method. Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the consolidated financial statements. Interest cost incurred on borrowed funds, net of interest earned on assets held by trustee during the period of construction of capital projects, is capitalized as a component of the cost of acquiring those assets.

Net Patient Accounts Receivable and Service Revenue

Net patient accounts receivable have been adjusted to the estimated amounts expected to be received based on contracted rates for the services rendered. These estimated amounts are subject to further adjustments upon review by third-party payors.

The Company has agreements with third-party payors that provide for payments to the Company at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments.

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard or discounted rates. Historically, a significant portion of the uninsured patients will be unable or unwilling to pay for the services provided. Accordingly, the Hospital

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

records an allowance for doubtful accounts and provision for doubtful accounts related to uninsured patients in the period the services are provided, based on historical collection experience

Other Non-Patient Revenues

Other non-patient revenues include gains and losses on the sales of assets, contributions, cafeteria sales, rental income, and revenues from other miscellaneous sources

Contributions

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received. The gifts are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and recognized as a component of other revenue, unless the donation was for property and equipment, in which case it is recognized as a change in net assets between permanently and temporarily restricted. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions.

Excess of Revenue over Expenses

The consolidated statements of operations and changes in net assets include excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include contributions restricted for the acquisition of property and equipment and contributed property.

Uncertainty in Income Taxes

Accounting Standards Codification (ASC) 740, *Income Taxes*, prescribes criteria for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. In accordance with this accounting guidance, management has reviewed all open tax years and has determined that the Company has no significant uncertain tax positions.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Company has completed an evaluation of all subsequent events through October 26, 2011, which is the issuance date of these consolidated financial statements, and has concluded that no subsequent events have occurred that required recognition or disclosure

3. Net Patient Service Revenue

The Company has the following estimated percentage of net patient revenue by major payor group, excluding professional income from physician clinics

	2011	2010
Medicare	31%	30%
Managed care	30	32
Medicaid	10	12
Commercial insurance	14	12
Self-pay	15	14
	100%	100%

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

Medicare

Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Substantially all other services rendered to Medicare beneficiaries are paid at prospectively determined rates including inpatient non-acute services, certain outpatient services, and certain capital costs and medical education costs.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

3. Net Patient Service Revenue (continued)

Medicaid

Approximately 43% and 47% of services provided to Medicaid program beneficiaries in 2011 and 2010, respectively, were reimbursed by the State of New Mexico. Inpatient acute care services rendered to New Mexico Medicaid program beneficiaries not covered by a managed care program are paid at prospectively determined rates per discharge. Most outpatient services were reimbursed on a cost reimbursement methodology until November 1, 2010, when the State implemented an outpatient prospective payment system (OPPS). Services paid for on a cost reimbursement methodology were paid at a tentative rate, with final settlement to be determined after submission of an annual cost report by the Company and audits thereof by the fiscal intermediary.

The Hospital participates in the New Mexico “Salud!” Medicaid managed care program. Approximately 46% and 42% of services provided to Medicaid program beneficiaries in 2011 and 2010, respectively, were paid under the Salud! program by third-party health plans. Inpatient services paid under the Salud! program are reimbursed on a fee-for-service basis. Outpatient services were reimbursed on a percentage-of-charge method until November 1, 2010, when the Salud! programs began implementing OPPS.

Approximately 11% of services provided to Medicaid program beneficiaries in 2011 and 2010 were paid by Medicaid programs of other states under various fee-for-service and percentage-of-charge methods. The prospectively determined payment rates are determined by each state and are accepted by the Hospital as payment in full as a condition of participation.

Medicare and Medicaid Cost Report Settlements

The Hospital’s and SJRRH’s Medicare cost reports have reached final settlement through June 30, 2007. The Hospital’s and SJRRH’s Medicaid cost reports have been final-settled through June 30, 2009. It is management’s opinion that estimated Medicare and Medicaid settlements accrued at June 30, 2011, are adequate to provide for the settlement of any unaudited cost reports. Estimates are continually monitored and reviewed, and as settlements are made or estimates adjusted, differences are reflected in current operations. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

3. Net Patient Service Revenue (continued)

Other

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

4. Concentration of Credit Risk

The Company grants credit without collateral to patients, most of whom are local residents and are insured under third-party payor agreements. The following reflects the estimated percentage of gross patient accounts receivable at June 30 by major payor group.

	2011	2010
Medicare	22%	21%
Managed care	19	23
Medicaid	9	10
Commercial insurance	22	20
Self-pay (including doubtful accounts and charity care)	28	26
	100%	100%

5. Sole Community Provider Support

The Company receives support from the U.S. federal government, the State of New Mexico, and the County for the care of indigent patients. The Company received approximately \$19,895,000 in 2011 and \$17,543,000 in 2010 related to the care of indigent patients. The amounts received for indigent patient care are included in net patient service revenue in the applicable year. The continuation of this program depends on the future availability of funding from the U.S. federal government, the State of New Mexico, and the County.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

6. Charity Care

The Company provides care to all patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. A patient is classified as a charity patient according to certain policies established by the Company regarding the ability of the patient to pay. Because the Company does not pursue collection of amounts determined to qualify as charity care, such amounts are not recorded as revenue. Partial payments to which the Company is entitled from public assistance and other programs on behalf of patients that meet the charity care policy of the Company are reported as net patient service revenue. Charity care services, when measured at established rates, total approximately \$6,177,000 and \$6,207,000 in 2011 and 2010, respectively. In addition, contractual discounts from state and county public assistance programs on behalf of patients that meet the Company's charity care policy total approximately \$58,000,000 and \$51,195,000 in 2011 and 2010, respectively.

7. Investments

Assets Whose Use is Limited

Assets whose use is limited were restricted for the following purposes at June 30

	2011	2010
Board-designated for future capital improvements	\$ 72,390,706	\$ 65,528,196
Bond proceeds designated for capital expansion	5,171,978	—
Bond reserve account	336,523	358,518
Deferred compensation trust agreement	386,263	235,992
	78,285,470	66,122,706
Less current portion required for current liabilities and amounts designated by the Board of Directors for current expenditures	336,523	326,970
Assets whose use is limited, less current portion	<u>\$ 77,948,947</u>	<u>\$ 65,795,736</u>

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

7. Investments (continued)

The composition of assets limited as to use at June 30, measured at fair value, follows

	2011	2010
Cash and equivalents	\$ 16,880,815	\$ 11,661,975
U S Treasury and government obligations	23,707,438	26,330,629
Equity securities	24,532,722	18,742,484
Corporate debt securities	13,164,495	9,387,618
Assets whose use is limited	<u>\$ 78,285,470</u>	<u>\$ 66,122,706</u>

The composition of investments at June 30, measured at fair value, follows

	2011	2010
Certificates of deposit	\$ 1,771,633	\$ 2,942,789
Cash and equivalents	594,065	494,572
Government obligations	170,588	—
Corporate debt securities	35,481,148	35,430,993
	<u>38,017,434</u>	<u>38,868,354</u>
Less short-term investments	8,528,264	13,378,133
Long-term investments	<u>\$ 29,489,170</u>	<u>\$ 25,490,221</u>

Investment income from assets whose use is limited and investments, consists of the following for the years ended June 30

	2011	2010
Interest income on marketable securities and cash and equivalents	\$ 3,575,975	\$ 3,043,932
Realized and unrealized gains on marketable securities, net	4,540,081	1,451,041
Income from joint ventures and other	846,112	926,043
	<u>\$ 8,962,168</u>	<u>\$ 5,421,016</u>

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements

The Company adopted ASC 820, *Fair Value Measurements and Disclosures*, on July 1, 2008, for all financial assets and liabilities that are recognized or disclosed at fair value in the financial statements. This statement defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis. ASC 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 – Pricing is based on observable inputs such as quoted prices in active markets. Financial assets and liabilities in Level 1 include U.S. Treasury securities, listed equities, and mutual funds.
- Level 2 – Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial assets and liabilities in this category generally include corporate bonds and loans and federal agency securities.
- Level 3 – Pricing inputs are generally unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require management's judgment or estimation of assumptions that market participants would use in pricing the assets or liabilities. The fair values are therefore determined using factors that involve considerable judgment and interpretations, including but not limited to private and public comparables, third-party appraisals, discounted cash flow models, and fund manager estimates.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in ASC 820. The three valuation techniques are identified in the tables below. Where more than one technique is noted, individual assets or liabilities were valued using one or more of the noted techniques. The valuation techniques are as follows:

- a) *Market approach* Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities
- b) *Cost approach* Amount that would be required to replace the service capacity of an asset (replacement cost)
- c) *Income approach* Techniques to convert future amounts to a single present amount based on market expectations, including present value techniques, option pricing, and excess earnings models

The following table summarizes the holdings that are classified in cash and cash equivalents, short-term investments, current portion of assets whose use is limited, long-term investments, and assets whose use is limited as presented on the consolidated balance sheets as of June 30, 2011 and 2010.

		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
	June 30				
2011					
Cash and cash equivalents	\$ 33,864,921	\$ 33,864,921	\$ —	\$ —	a
Certificate of deposit	1,771,633	—	1,771,633	—	c
Corporate debt securities	48,645,643	—	48,645,643	—	a, c
U S Treasury securities	9,695,252	9,695,252	—	—	a, c
Equity securities	24,532,722	24,532,722	—	—	a
U S government agencies	14,182,775	—	14,182,775	—	a
Total	<u>\$ 132,692,946</u>	<u>\$ 68,092,895</u>	<u>\$ 64,600,051</u>	<u>\$ —</u>	

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

8. Fair Value Measurements (continued)

		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Valuation Technique (a,b,c)
	June 30				
2010					
Cash and cash equivalents	\$ 30,205,439	\$ 30,205,439	\$ —	\$ —	a
Certificate of deposit	2,942,789	—	2,942,789	—	c
Corporate debt securities	44,818,611	—	44,818,611	—	a, c
U S Treasury securities	9,794,705	9,794,705	—	—	a, c
Equity securities	18,742,484	18,742,484	—	—	a
U S government agencies	16,535,924	—	16,535,924	—	a
Total	\$ 123,039,952	\$ 58,742,628	\$ 64,297,324	\$ —	

9. Property and Equipment

Property and equipment consisted of the following at June 30

	2011	2010
Land and improvements	\$ 11,870,469	\$ 11,808,323
Buildings and improvements	164,200,497	162,718,540
Equipment	95,216,542	87,181,914
	271,287,508	261,708,777
Less accumulated depreciation	129,908,820	118,630,794
	141,378,688	143,077,983
Construction in progress	16,882,598	4,550,972
	\$ 158,261,286	\$ 147,628,955

The San Juan Regional Medical Center original campus land, buildings, and equipment were leased from the County in 1952. The lease provides for a 99-year term ending October 2051, at \$1 per year. Buildings, improvements, and equipment added to San Juan Regional Medical Center's original campus since the inception of the lease will revert to the County at the end of the lease term.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

9. Property and Equipment (continued)

Since 2004, the Hospital and the County have initiated several additions and renovations related to the main campus building that the Hospital leases from the County (the Project). The Project was funded using the proceeds of the Series 2004A Bonds, Series 2004B Bonds, and \$8,000,000 of the Series 2007A Bonds, together with funding from the operations of the Hospital. The Project was also funded with the proceeds of \$26,685,000 of revenue bonds issued by the County in 2004 (the County Revenue Bonds).

The Hospital will not be required to make any payments to the County with respect to the contribution to the Project of assets constructed using the County Revenue Bonds proceeds. Therefore, the County Revenue Bonds have not been included as a liability of the Company. The portion of the Project funded with the County Revenue Bonds is being recognized as a transfer of net assets from the County as the Project is completed. In fiscal 2011 and 2010, the Hospital recorded \$197,720 and \$1,334,446, respectively, of construction in progress and a related transfer of net assets for the portion of the Project completed during the year with proceeds of the County Revenue Bonds and other contributed assets.

The Hospital initiated several projects for the construction of physician office buildings (collectively, the POB) to provide office space for physicians on the Medical Center main campus. Proceeds of the Series 2010B Bonds are being used for a POB for neurosurgery, neurology, and pediatric physicians.

In 2010, the Hospital recognized an impairment loss of approximately \$904,000 to reduce the carrying value of a building considered for sale to the estimated fair value.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

10. Notes Receivable, Joint Ventures, and Other

Notes receivable, joint ventures, and other consisted of the following at June 30

	2011	2010
Notes receivable from the sale of buildings	\$ 1,629,504	\$ 1,732,992
Investments in joint ventures	1,535,009	1,495,310
Deferred financing costs	1,433,619	1,341,596
Other	375,945	375,945
	4,974,077	4,945,843
Less portion included in current assets	111,521	103,488
	\$ 4,862,556	\$ 4,842,355

Deferred financing costs were incurred in connection with the issuance of long-term debt. These deferred costs are amortized on a straight-line basis over the term of the respective debt. The weighted-average amortization period for these deferred costs is 20 years.

In 2011, in connection with the issuance of new debt, the Company deferred \$521,000 of bond issuance costs. In connection with the retirement of the Series 2004B bonds in 2011, the Company wrote off \$229,000 of unamortized bond issuance costs.

Deferred financing costs consisted of the following at June 30

	2011	2010
Gross deferred financing costs	\$ 2,261,096	\$ 2,065,628
Less accumulated amortization	827,477	724,032
	\$ 1,433,619	\$ 1,341,596

Excluding the Series 2004B unamortized bond issuance costs written off in 2011, amortization expenses for these deferred costs were \$200,076 and \$94,866 in 2011 and 2010, respectively. Future scheduled amortization expense will be \$122,867 in each of the years 2012 through 2016.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt

Long-term debt consisted of the following at June 30

	2011	2010
Series 2010A bonds, principal payments are due annually for \$15,134,000 of the bonds in installments ranging from \$578,000 to \$2,050,000 plus interest at a fixed rate of 5.06% through December 1, 2025. Principal payments are due semiannually for \$2,536,000 of the bonds in installments ranging from \$137,716 to \$372,597 plus interest at a fixed rate of 2.67% through December 1, 2017.	\$ 17,670,000	\$ —
Series 2010B bonds, principal payments are due annually in installments ranging from \$155,000 to \$515,000 through June 1, 2040. The bonds currently bear interest at a variable rate due semiannually. The variable rate was approximately 0.18% at June 30, 2011.	8,800,000	—
2010 tax-exempt lease payable to a capital corporation, principal payments are due semiannually in installments ranging from \$281,866 to \$381,488 through December 30, 2020. The lease bears interest at a fixed rate of 3.19% and is collateralized by equipment.	6,304,134	—
2010 tax-exempt lease payable to a capital corporation, principal payments are due semiannually in installments ranging from \$100,050 to \$117,075 through 2017. The lease bears interest at a fixed rate of 2.42% and is collateralized by equipment.	1,416,950	—
Series 2007A revenue bonds, principal payments are due annually in installments ranging from \$220,000 to \$955,000 through June 10, 2027. The bonds bear interest at a fixed rate of 5.50%. The unamortized premium on the Series 2007A Bonds was \$209,214 at June 30, 2011.	11,074,214	11,544,040
Series 2007B revenue bonds, principal payments are due annually in installments ranging from \$100,000 to \$663,000 through June 1, 2040. The bonds currently bear interest at a variable rate. The variable rate was approximately 0.19% at June 30, 2011.	9,100,000	11,920,000

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

	2011	2010
Series 2004A revenue bonds, principal payments are due beginning in 2011 in installments ranging from \$540,000 to \$2,260,000 through June 1, 2023. The bonds bear interest fixed annually at rates ranging from 3.300% to 5.125%. The unamortized premium on the Series 2004A Bonds was \$352,533 at June 30, 2011.	\$ 16,312,533	\$ 16,873,350
Series 2004B revenue bonds, interest-only payments due through 2022, principal payments are due beginning in 2023 in installments ranging from \$1,445,000 to \$2,995,000 through June 1, 2028. These bonds were redeemed in 2011.	—	15,000,000
Series 1997A revenue bonds, principal payments are due annually in installments ranging from \$805,000 to \$1,555,000 through June 1, 2016. The bonds bear interest fixed annually at rates ranging from 4.9% to 5.0%.	4,680,000	5,485,000
Financial obligation to a limited liability company, minimum lease payments ranging from \$25,373 to \$33,292 are due monthly through February 2019. The minimum lease payments are treated as payments of principal and interest at an effective rate of 7.20%.	2,113,594	2,291,365
Note payable to a capital corporation, principal and interest payments of approximately \$23,500 due monthly through July 2015. The note, bearing a fixed rate of interest of 5.98% and collateralized by equipment, was redeemed in 2011.	—	2,106,749
Note payable to a bank, principal and interest payment of approximately \$7,345 due monthly through December 2013. The note bears a fixed rate of interest of 5.95% and is collateralized by property.	956,697	986,927
	78,428,122	66,207,431
Less current portion	4,178,554	2,361,658
	\$ 74,249,568	\$ 63,845,773

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

Future scheduled principal repayments on long-term debt at June 30, 2011, are as follows

2012	\$ 4,178,554
2013	4,194,317
2014	5,285,763
2015	4,599,871
2016	4,815,029
Thereafter	<u>54,792,841</u>
	77,866,375
Add unamortized premiums	<u>561,747</u>
	<u><u>\$ 78,428,122</u></u>

The Series 2010A Bond issuance during 2011 was a private placement. The proceeds were used to retire the Series 2004B Bonds and to finance equipment replacement.

During 2011, the Company issued \$8,800,000 of tax-exempt Recovery Zone Facility Bonds (Series 2010B Bonds). The proceeds were used to finance the construction of a physician medical office building and to purchase other equipment. The Series 2010B Bonds initially bear interest at a variable rate determined on a weekly basis. The Company has the option to tender the Series 2010B Bonds at par, or to change the interest rate period on the Series 2010B Bonds to another variable interest rate period or to a fixed interest rate. The holders of the Series 2010B Bonds may tender the Series 2010B Bonds for purchase under the terms and conditions set forth in the related agreements. In connection with the issuance of the Series 2010B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 20, 2013, for approximately \$8,916,000 to purchase the outstanding Series 2010B Bonds, if not remarketed. The Company also has the option to redeem the Series 2010B Bonds under certain conditions set forth in the related agreements.

During 2011, the Company issued \$8,103,000 in tax-exempt financing with a capital corporation. The proceeds were used to finance the acquisition of a replacement helicopter and to finance cardiac catheterization lab construction and equipment.

During 2007, the Company issued \$12,000,000 in Hospital Revenue Bonds (Series 2007A Bonds) and \$12,300,000 in Hospital Revenue Bonds (Series 2007B Bonds). The Series 2007A Bonds were issued at a premium of approximately \$290,500. The proceeds of the Series 2007A Bonds and the Series 2007B Bonds are being used to finance various capital asset purchases and to pay for costs of issuance of the bonds.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

The Series 2007A Bonds maturing on or after June 1, 2018, are subject to optional redemption prior to their respective maturities on June 1, 2017, and thereafter, in whole or in part at any time, at par

The Series 2007B Bonds initially bore interest at a variable rate determined on a weekly basis. The Company has the option to tender the Series 2007B Bonds at par, or to change the interest rate period on the Series 2007B Bonds to another variable interest rate period or to a fixed interest rate. The holders of the Series 2007B Bonds may tender the Series 2007B Bonds for purchase under the terms and conditions set forth in the related agreements. In connection with the issuance of the Series 2007B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expires December 20, 2013, for approximately \$9,321,000 to purchase the outstanding Series 2007B Bonds, if not remarketed. The Company also has the option to redeem the Series 2007B Bonds under certain conditions set forth in the related agreements. On December 21, 2010, the Company called \$2,720,000 of the Series B Bonds.

In 2004, the Company issued \$16,500,000 in Hospital Revenue Bonds (Series 2004A Bonds) and \$15,000,000 in Hospital Revenue Bonds (Series 2004B Bonds). The Series 2004A Bonds were issued at a premium of approximately \$483,000. The proceeds of the Series 2004A Bonds and the Series 2004B Bonds were used to finance the Project and to pay for costs of issuance of the bonds.

The Series 2004A Bonds maturing on or after June 1, 2015, are subject to redemption at the option of the Hospital prior to their respective maturities on June 1, 2014, and thereafter, in whole or in part at any time, at par.

The Series 2004B Bonds initially bore interest at a variable rate determined on a weekly basis. The Company had the option to tender the Series 2004B Bonds at par, or to change the interest rate period on the Series 2004B Bonds to another variable interest rate period or to a fixed interest rate. The holders of the Series 2004B Bonds could tender the Series 2004B Bonds for purchase under the terms and conditions set forth in the related agreements. In connection with the issuance of the Series 2004B Bonds, the Company entered into an irrevocable direct-pay letter of credit with a bank, which expired August 15, 2011, for approximately \$15,000,000 to purchase the outstanding Series 2004B Bonds, if not remarketed. The Company also had the option to redeem the Series 2004B Bonds under certain conditions set forth in the related agreements. The Series 2004B Bonds were retired in December 2010.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

11. Long-Term Debt (continued)

In 1997, the Hospital issued \$21,000,000 in Hospital Revenue Bonds (Series 1997A Bonds) The Series 1997A Bonds are callable without penalty

The Series 2010A Bonds, Series 2010B Bonds, Series 2007A Bonds, Series 2007B Bonds, Series 2004A Bonds, Series 2004B Bonds, and Series 1997A Bonds (collectively, the Bonds) are collateralized by a pledge of revenues and monies held in certain funds as required under the Bond Indenture throughout the term of the related agreements Bonds are subject to various covenants, including but not limited to maintenance of a minimum debt service coverage ratio

In March 2007, the Company entered into a sale agreement and a lease agreement for a building, the Outpatient Diagnostic Center (the ODC) The ODC building sale proceeds in the amount of \$2,768,000 were recorded as a financial obligation and are reflected in long-term debt, and the building was retained as a depreciable asset by the Company Payments on the lease are treated as a reduction of the financial obligation At June 30, 2011, the amount remaining on the obligation was \$2,113,594 The effective interest rate on the transaction was determined to be 7.2% The original lease term is twelve (12) years, through 2019 The Company has the option to extend the lease with two five-year extensions The Company has an option to purchase the ODC at fair market value at the end of each lease term in 2019, 2024, and 2029

12. Commitments and Contingencies

Malpractice Insurance Coverage

The Company's malpractice insurance coverage is based on a claims-made policy with a \$25,000 per claim deductible and \$18,000,000 aggregate coverage The Company is involved in litigation arising in the ordinary course of business Claims alleging malpractice have been asserted against the Company and are currently in various stages of litigation Additional claims may be asserted against the Company arising from services provided to patients through June 30, 2011 The Company has accrued for estimated malpractice costs for various claims up to the deductible amount of the Company's malpractice insurance coverage as well as an estimate of incurred but not reported claims not covered by its claims-made policy at June 30, 2011 The Company has recorded a total present value liability of \$3,295,000, discounted at 3%, for estimated malpractice costs at June 30, 2011 (undiscounted liability is \$3,657,000) It is the opinion of management that estimated malpractice costs accrued at June 30, 2011 and 2010, are adequate to provide for potential losses resulting from pending, threatened, or unknown claims

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

Workers' Compensation Coverage

The Company has a self-funded program to provide workers' compensation coverage for its employees. To meet the State of New Mexico insurance reserve requirements, the Hospital obtained a surety bond in the amount of \$1,875,000.

Operating Leases

Future minimum rental payments required for the next five years for all operating leases that have initial or remaining noncancelable lease terms in excess of one year at June 30, 2011, are as follows:

	Minimum Lease Payments
2012	\$ 1,419,844
2013	1,005,850
2014	880,266
2015	171,646
2016	13,882
Thereafter	133,776
	<u>\$ 3,625,264</u>

Physician Income Guarantees

For physician income guarantees, the Company records an asset and liability for the estimated fair value of the physician income guarantees. The assets are amortized using the straight-line amortization method for the guarantee and service period. The unamortized portion of these physician guarantees, included in other assets, was \$1,879,000 and \$2,353,000 at June 30, 2011 and 2010, respectively. The maximum amount of unpaid physician income guarantees was approximately \$556,000 at June 30, 2011.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

12. Commitments and Contingencies (continued)

Health Care Regulatory Environment

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Violations of these laws and regulations could result in exclusion from government health care programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed and paid. Management believes that it has established adequate reserves to investigate, defend, and ultimately resolve any alleged instances of noncompliance. Compliance with such laws and regulations can be subject to future government review as well as to regulatory actions unknown or unasserted at this time.

13. Employee Health Insurance Plan

The Company is self-insured for employee medical coverage. However, the Company purchased insurance that will pay up to \$2,000,000 per individual for medical expenses that exceed \$250,000 per individual per plan year. Expenses related to self-insured employee medical claims totaled approximately \$14,376,000 in 2011 and \$13,445,000 in 2010.

14. Employee Benefit Plans

The Company operates and supports a tax-sheltered annuity program. All individuals employed full-time or part-time for one year are eligible to participate, and participants are eligible for full vesting of all Company contributions after five years of employment. Contributions charged to operations approximated \$1,881,000 in 2011 and \$1,534,000 in 2010. The Company's policy is to fund these costs as incurred.

The Company also sponsors a Money Purchase Pension Trust Plan (the Plan), which requires the Company to contribute 3% of each participant's annual compensation. Substantially all Company employees are eligible to participate in the Plan, regardless of length of service. Contributions to the Plan charged to operations approximated \$2,879,000 in 2011 and \$2,488,000 in 2010.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

14. Employee Benefit Plans (continued)

Beginning in 2010, the Company sponsors a 457(f) Deferred Compensation Program to attract and retain a select group of management or highly compensated employees. The funds are available to the Company until vesting has occurred, at which time they accrue to the benefit of the employee. Full vesting occurs after five years of employment or upon reaching age 62. The assets and liabilities for this program approximated \$386,300 and \$215,300 at June 30, 2011 and 2010, respectively.

15. Functional Expenses

The Company provides general health care services to residents within its geographic region. Expenses related to providing these services are as follows:

	<u>2011</u>	<u>2010</u>
Health care services	\$ 244,630,841	\$ 219,917,668
General and administrative	20,493,427	20,116,882
	<u>\$ 265,124,268</u>	<u>\$ 240,034,550</u>

16. Fair Value of Financial Instruments

The following methods and assumptions were used by the Company in estimating the fair value of its financial instruments:

Cash and cash equivalents The carrying amount reported in the consolidated balance sheets for cash and cash equivalents approximates its fair value.

Assets whose use is limited The carrying amount reported in the consolidated balance sheets is fair value.

Accounts payable and accrued expenses The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements The carrying amount reported in the consolidated balance sheet for estimated third-party payor settlements approximates its fair value.

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements (continued)

16. Fair Value of Financial Instruments (continued)

Long-term debt The fair value of the Company's debt is based upon published or quoted market prices. At June 30, 2011, the carrying value of long-term debt reported in the Company's balance sheet was approximately \$78,428,000, and the fair value of the Company's debt approximated \$79,785,900.

Other Financial Information

Independent Auditors' Report on Other Financial Information

Board of Directors
San Juan Regional Medical Center, Inc

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating balance sheet as of June 30, 2011, and consolidating statement of operations and changes in net assets for the year then ended are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

October 26, 2011

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2011

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	\$ 15,379,305	\$ 971,505	\$ 39,232	\$ —	\$ 16,390,042
Short-term investments	7,205,526	1,322,738	—	—	8,528,264
Current portion of assets whose use is limited	336,523	—	—	—	336,523
Patient accounts receivable, net	28,548,327	808,370	—	(11,460)	29,345,237
Other receivables	2,696,387	10	—	(39,830)	2,656,567
Inventories	3,562,331	—	—	—	3,562,331
Prepaid expenses and other	3,158,268	40,981	—	—	3,199,249
Total current assets	60,886,667	3,143,604	39,232	(51,290)	64,018,213
Long-term investments	27,348,458	2,140,712	—	—	29,489,170
Assets whose use is limited, less current portion	77,948,947	—	—	—	77,948,947
Property and equipment, net	156,919,300	1,341,986	—	—	158,261,286
Notes receivable, joint ventures, and other	10,693,199	—	1,539,269	(7,369,912)	4,862,556
Total assets	<u>\$333,796,571</u>	<u>\$ 6,626,302</u>	<u>\$ 1,578,501</u>	<u>\$ (7,421,202)</u>	<u>\$334,580,172</u>
Liabilities and net assets					
Current liabilities					
Accounts payable	\$ 4,322,246	\$ 57,523	\$ (9,349)	\$ —	\$ 4,370,420
Accrued expenses	21,717,711	501,885	—	(51,290)	22,168,306
Current portion of long-term debt	4,178,554	—	—	—	4,178,554
Estimated third-party payor settlements, net	1,955,158	284,832	—	—	2,239,990
Total current liabilities	32,173,669	844,240	(9,349)	(51,290)	32,957,270
Long-term debt, less current portion	74,249,568	—	—	—	74,249,568
Other long-term liabilities	386,263	—	—	—	386,263
Total liabilities	106,809,500	844,240	(9,349)	(51,290)	107,593,101
Net assets	226,987,071	5,782,062	1,587,850	(7,369,912)	226,987,071
Total liabilities and net assets	<u>\$333,796,571</u>	<u>\$ 6,626,302</u>	<u>\$ 1,578,501</u>	<u>\$ (7,421,202)</u>	<u>\$334,580,172</u>

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2011

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Revenue					
Net patient service	\$259,473,554	\$ 4,069,778	\$ –	\$ (404,199)	\$263,139,133
Investment income, gains and losses	8,253,881	26,138	720,759	(38,610)	8,962,168
Other	6,757,656	3,647	–	(203,818)	6,557,485
Total revenue	274,485,091	4,099,563	720,759	(646,627)	278,658,786
Expenses					
Salaries and wages	109,216,098	2,938,301	–	(311,665)	111,842,734
Employee benefits	30,273,123	632,727	–	(33,557)	30,872,293
Supplies, services, and other	50,289,995	470,590	259,473	(10,426)	51,009,632
Purchased services	22,829,701	285,028	–	(252,369)	22,862,360
Provision for doubtful accounts	31,088,770	90,266	–	–	31,179,036
Depreciation and amortization	11,802,426	86,460	–	–	11,888,886
Rent and leases	2,894,528	18,867	–	–	2,913,395
Interest	2,555,932	–	–	–	2,555,932
Total expenses	260,950,573	4,522,239	259,473	(608,017)	265,124,268
Excess of revenues over expenses	13,534,518	(422,676)	461,286	(38,610)	13,534,518
Contributions designated for fixed assets	447,869	–	–	–	447,869
Dividends	–	–	(500,000)	500,000	–
Increase (decrease) in net assets	13,982,387	(422,676)	(38,714)	461,390	13,982,387
Net assets, beginning of year	213,004,684	6,204,738	1,626,564	(7,831,302)	213,004,684
Net assets, end of year	<u>\$226,987,071</u>	<u>\$ 5,782,062</u>	<u>\$ 1,587,850</u>	<u>\$ (7,369,912)</u>	<u>\$226,987,071</u>

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