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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

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 07-01-2011 and ending 06-30-2012

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) | Room/suite
801 WEST MAPLE STREET

City or town, state or country, and ZIP + 4
FARMINGTON, NM 87401

D Employer identification number
85-0127924

E Telephone number
(505) 609-6110

G Gross receipts $ 250,913,779

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

M State of legal domicile NM

Part I Summary

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 2011 (Part V, line 2a)	**5**	2,027
6	Total number of volunteers (estimate if necessary)	**6**	200
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	0
b	Net unrelated business taxable income from Form 990-T, line 34	**7b**	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	3,330,805	4,078,279
9	Program service revenue (Part VIII, line 2g)	263,233,116	242,701,524
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,289,552	4,133,976
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	271,853,473	250,913,779
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	545,532	448,500
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)	139,489,221	147,758,101
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–24e)	120,915,820	93,565,003
18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	260,950,573	241,771,604
19	Revenue less expenses Subtract line 18 from line 12	10,902,900	9,142,175

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	333,796,571	351,253,027
21	Total liabilities (Part X, line 26)	106,809,500	118,166,894
22	Net assets or fund balances Subtract line 21 from line 20	226,987,071	233,086,133

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 — Date: 2013-05-02

RICK WALLACE PRESIDENT/CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed ▶☐ | Preparer's taxpayer identification number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: ERNST & YOUNG US LLP, TWO NORTH CENTRAL AVENUE STE 2300, PHOENIX, AZ 85004 | EIN ▶ | 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 . . . . . ☑

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 organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations 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 $ 223,407,247 including grants of $ 448,500) (Revenue $ 242,701,524)

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** ▶ $ 223,407,247

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	Yes	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	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 for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line10? *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, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Part I*	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, Part 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, Part 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*	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.** All Form 990 filers that operated one or more hospitals must attach audited financial statements	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? *If "Yes," complete Schedule I, Parts I and II*	**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? *If "Yes," complete Schedule I, Parts I and III*	**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? *If "Yes," complete Schedule J*	**23**	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25*	**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? *If "Yes," complete Schedule L, Part I*	**25a**		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	**25b**		No
26	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? *If "Yes," complete Schedule L, Part II*	**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? *If "Yes," complete Schedule L, Part III*	**27**		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28a**		No
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	**28b**	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? *If "Yes," complete Schedule L, Part IV*	**28c**		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	**29**	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	**30**		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	**31**		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	**32**		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? *If "Yes," complete Schedule R, Part I*	**33**		No
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	**34**	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	**35a**	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	**35b**	Yes	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	**36**		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? *If "Yes," complete Schedule R, Part VI*	**37**		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 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**	121		
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**	2,027			
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**		No
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*			**3b**		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities 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?			**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	**12b**				
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**					
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state			**13a**		
b	Enter the aggregate 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 aggregate amount of reserves on hand	**13c**				
14a	Did the organization receive any payments for indoor tanning services during the tax year?			**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* . .			**14b**		

Part VI **Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response 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	Did the organization have members or stockholders?		6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		7b		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	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13	Did the organization have a written whistleblower policy?	13	Yes	
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	Yes	
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b	Yes	

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 made 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 made 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, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL A JAKINO CHAIRMAN	6 0	X		X				0	0	0
(2) SANDY WILLIAMS 1ST VICE CHAIRMAN	6 0	X		X				0	0	0
(3) JAMES SHAHEEN 2ND VICE CHAIRMAN	6 0	X		X				0	0	0
(4) RONALD CALCOTE MD SECRETARY	6 0	X		X				7,700	0	0
(5) PAUL DESHAYES 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) CHARLENE SCOTT MEMBER	6 0	X						0	0	0
(9) CHRISTIAN MOORE MEMBER	6 0	X						0	0	0
(10) DWAYNE GIBBS MD CHIEF OF STAFF	6 0	X						111,840	0	0
(11) CHARLES HOFFMAN MD VICE CHIEF OF STAFF	40 0	X						384,414	0	25,950
(12) RICHARD MENNING AUXILIARY REP	6 0	X						0	0	0
(13) RICK WALLACE PRESIDENT/CEO	40 0			X				543,600	0	47,078
(14) JOHN BUFFINGTON COO	40 0			X				369,287	0	41,084
(15) J MICHAEL PHILIPS CSO	40 0			X				449,385	0	32,296
(16) SUZANNE SMITH CHIEF NURSING OFFICER	40 0				X			253,299	0	34,736
(17) EDWARD MAURIN DOCTOR	40 0					X		651,524	0	26,804

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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) TIBOR BOCO DOCTOR	40 0					X		613,053	0	21,346
(19) CHARLES E WILKINS DOCTOR	40 0					X		584,420	0	26,198
(20) MARC A FLITTER DOCTOR	40 0					X		576,615	0	28,354
(21) LUTHER B WEATHERS III DOCTOR	40 0					X		547,956	0	18,477
1b **Sub-Total**										
c **Total from continuation sheets to Part VII, Section A**										
d **Total (add lines 1b and 1c)**								5,093,093	0	302,323

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 220

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

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
ARAMARK CLINICAL TECHNOLOGIES PO BOX 100401 PASADENA, CA 91189	BOP-MED/HOUSEKEEPING	1,784,004
TOTAL RENAL CARE INC 6000 FELDWOOD COLLEGE PARK, GA 30349	DIALYSIS SERVICES	1,552,815
RESOURCE ANESTHESIOLOGY 10 COMMERCE DRIVE NEW ROCHELLE, NY 10801	ANESTHESIA SERVICES	1,364,609
QUEST DIAGNOSTICS INC 3924 COLLECTION CENTER CHICAGO, IL 60693	CLINICAL LAB SERVICE	983,184
FOUR CORNERS ANESTHESIA 1515 E 20TH ST FARMINGTON, NM 87401	ANESTHESIA SERVICES	505,004

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 14

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	4,012,279			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	66,000			
	g	Noncash contributions included in lines 1a-1f $ 1,074,609					
	h	**Total.** Add lines 1a-1f		4,078,279			
Program Service Revenue			Business Code				
	2a	NET PATIENT SERVICES REVENUE	622110	238,627,030	238,627,030		
	b	CAFETERIA	722210	1,186,531	1,186,531		
	c	MEDICAL OFFICE BLDG RENTAL	531120	422,482	422,482		
	d	ALL OTHER PROGRAM SERVICE REVENUE	900099	2,465,481	2,465,481		
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a–2f		242,701,524			
	3	Investment income (including dividends, interest and other similar amounts)		4,012,677			4,012,677
	4	Income from investment of tax-exempt bond proceeds		0			
	5	Royalties		0			
			(i) Real	(ii) Personal			
	6a	Gross rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
			(i) Securities	(ii) Other			
	7a	Gross amount from sales of assets other than inventory	101,721	19,578			
	b	Less cost or other basis and sales expenses	0	0			
	c	Gain or (loss)	101,721	19,578			
	d	Net gain or (loss)			121,299		121,299
Other Revenue	8a	Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
	c	Net income or (loss) from fundraising events			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		
		Miscellaneous Revenue		Business Code			
	11a						
	b						
	c						
	d	All other revenue					
	e	**Total.** Add lines 11a–11d			0		
	12	**Total revenue.** See Instructions			250,913,779	242,701,524	0	4,133,976

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)
Check if Schedule O contains a response to any question in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	448,500	448,500		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States 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	3,199,001		3,199,001	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	171,296	171,296		
7	Other salaries and wages	110,334,964	105,538,232	4,796,732	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,289,582	4,910,591	378,991	
9	Other employee benefits	21,245,692	19,700,110	1,545,582	
10	Payroll taxes	7,517,566	7,044,514	473,052	
11	Fees for services (non-employees)				
a	Management	0			
b	Legal	134,976	47,762	87,214	
c	Accounting	300,000	270,080	29,920	
d	Lobbying	55,910		55,910	
e	Professional fundraising *See Part IV, line 17* . .	0			
f	Investment management fees	558,937		558,937	
g	Other	19,711,619	19,561,116	150,503	
12	Advertising and promotion	691,161		691,161	
13	Office expenses	36,963,921	36,733,738	230,183	
14	Information technology	3,251,060		3,251,060	
15	Royalties . .	0			
16	Occupancy	3,636,675	3,438,126	198,549	
17	Travel	343,389	219,124	124,265	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	1,017,555	793,871	223,684	
20	Interest	2,868,574	2,582,485	286,089	
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	13,494,165	12,148,362	1,345,803	
23	Insurance	3,310,956	2,933,801	377,155	
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	EQUIPMENT RENTAL & MAINTENANCE	7,226,105	6,865,539	360,566	
b					
c					
d					
e					
f	All other expenses				
25	**Total functional expenses.** Add lines 1 through 24f	241,771,604	223,407,247	18,364,357	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) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		15,379,305	1	18,918,429
	2	Savings and temporary cash investments		7,205,526	2	6,962,125
	3	Pledges and grants receivable, net		336,523	3	268,472
	4	Accounts receivable, net		28,548,327	4	32,551,914
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		2,696,387	7	1,771,655
	8	Inventories for sale or use		3,562,331	8	3,590,660
	9	Prepaid expenses and deferred charges		3,158,268	9	3,906,581
	10a	Land, buildings, and equipment cost or other basis *Complete Part VI of Schedule D*	10a 295,514,083			
	b	Less accumulated depreciation	10b 139,651,162	156,919,300	10c	155,862,921
	11	Investments—publicly traded securities		106,815,387	11	109,468,043
	12	Investments—other securities See Part IV, line 11		7,365,653	12	7,489,563
	13	Investments—program-related See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets See Part IV, line 11		1,809,564	15	10,462,664
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		333,796,571	16	351,253,027
Liabilities	17	Accounts payable and accrued expenses		26,039,957	17	28,784,451
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		67,636,747	20	64,049,445
	21	Escrow or custodial account liability *Complete Part IV of Schedule D*		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons *Complete Part II of Schedule L*		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		10,791,375	23	9,064,974
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D		2,341,421	25	16,268,024
	26	**Total liabilities.** Add lines 17 through 25		106,809,500	26	118,166,894
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		226,987,071	27	233,086,133
	28	Temporarily restricted net assets		0	28	0
	29	Permanently restricted net assets		0	29	0
		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		226,987,071	33	233,086,133
	34	Total liabilities and net assets/fund balances		333,796,571	34	351,253,027

Part XI Reconcilliation 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	250,913,779
2	Total expenses (must equal Part IX, column (A), line 25)	2	241,771,604
3	Revenue less expenses Subtract line 2 from line 1	3	9,142,175
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . .	4	226,987,071
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,043,113
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	233,086,133

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? . .	2a		No
b	Were the organization's financial statements audited by an independent accountant?	2b	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	2c	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?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . .	3b		

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SCHEDULE A (Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

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 **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?

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

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U S ? Yes	(vi) No	(vii) Amount of support?
Total									

Part II **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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 (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
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 2011 (line 6 column (f) divided by line 11 column (f)) **14**

15 Public Support Percentage for 2010 Schedule A, Part II, line 14 **15**

16a **33 1/3% support test—2011.** 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—2010.** 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—2011.** 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—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

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

Part III **Support Schedule for Organizations Described in IRC 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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support** (Add lines 9, 10c, 11 and 12)						

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

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2011** (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from **2010** Schedule A, Part III, line 17	18	

19a **33 1/3% support tests—2011.** 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—2010.** 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 explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

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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

2011

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, line 35c (Proxy Tax), then

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

Name of the organization	Employer identification number
SAN JUAN REGIONAL MEDICAL CENTER	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 on behalf of or in opposition to candidates for public office 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 (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)

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		
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-		

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

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) 2008	(b) 2009	(c) 2010	(d) 2011	(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) Yes	(a) No	(b) 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		39,838
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		No	
i	Other activities? If "Yes," describe in Part IV	Yes		16,072
j	Total lines 1c through 1i			55,910
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
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B	LINE 1 G - SAN JUAN REGIONAL MEDICAL CENTER PAID NEW MEXICO GOVERNMENT AFFAIRS $39,838 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 ALLOCATED TO LOBBYING ACTIVITIES 1 NEW MEXICO HOSPITAL AND HEALTH SYSTEMS - $9,276 2 AMERICAN HOSPITAL ASSOCIATION - $6,796

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

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

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 ▶ $ _____

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

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if 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

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		5,914,671		5,914,671
b Buildings		109,144,188	30,409,349	78,734,839
c Leasehold improvements		69,477,063	36,167,389	33,309,674
d Equipment		108,565,758	73,074,424	35,491,334
e Other		2,412,403	0	2,412,403
Total. Add lines 1a-1e *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				155,862,921

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12)* ▶		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col.(B) line 15.)* . . . . . ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	0
PROF & GENERAL INSURANCE LIABILITY	12,474,000
DUE TO THIRD PARTY PAYORS	3,313,427
457(F) EXECUTIVE PENSION LIABILITY	480,597
Total. *(Column (b) should equal Form 990, Part X, col (B) line 25)* ▶	16,268,024

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

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

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SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I Charity Care and Certain Other Community Benefits at Cost

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

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care 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 Charity care at cost (from Worksheet 1)		692	2,477,586	1,406,872	1,070,714	0 440 %
b Medicaid (from Worksheet 3, column a)						
c Costs of other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs		692	2,477,586	1,406,872	1,070,714	0 440 %
Other Benefits						
e Community health improvement services and community benefit operations (from (Worksheet 4)		11,682	454,952	0	454,952	0 190 %
f Health professions education (from Worksheet 5)		77	1,453,420	0	1,453,420	0 600 %
g Subsidized health services (from Worksheet 6)		170,348	155,145,335	120,957,570	34,187,765	14 140 %
h Research (from Worksheet 7)						
i Cash and in-kind contributions for community benefit (from Worksheet 8)		10,652	241,791	250	241,541	0 100 %
j **Total** Other Benefits		192,759	157,295,498	120,957,820	36,337,678	15 030 %
k **Total.** Add lines 7d and 7j		193,451	159,773,084	122,364,692	37,408,392	15 470 %

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(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			1,104	0	1,104	0 %
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development			1,434,976	0	1,434,976	0 590 %
9 Other						
10 **Total**			1,436,080	0	1,436,080	0 590 %

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

				Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No 15?		1	Yes	
2	Enter the amount of the organization's bad debt expense	2	25,552,890		
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3	6,388,223		
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	60,018,319		
6	Enter Medicare allowable costs of care relating to payments on line 5	6	67,898,087		
7	Subtract line 6 from line 5 This is the surplus or (shortfall)	7	-7,879,768		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6 Check the box that describes the method used				

☑ Cost accounting system ☐ Cost to charge ratio ☐ Other

Section C. Collection Practices

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

Part IV Management Companies and Joint Ventures (see instructions)

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

Part V Facility Information

Section A. Hospital Facilities

(list in order of size from largest to smallest)

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

	Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
1	SAN JUAN REGIONAL MEDICAL CENTER 801 West Maple Street Farmington, NM 87401	X	X					X		

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices.

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

SAN JUAN REGIONAL MEDICAL CENTER

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)			
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8	1		
If "Yes," indicate what the Needs Assessment describes (check all that apply)			
a ☐ A definition of the community served by the hospital facility			
b ☐ Demographics of the community			
c ☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d ☐ How data was obtained			
e ☐ The health needs of the community			
f ☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g ☐ The process for identifying and prioritizing community health needs and services to meet those needs			
h ☐ The process for consulting with persons representing the community's interests			
i ☐ Information gaps that limit the hospital facility's ability to assess the community's health needs			
j ☐ Other (describe in Part VI)			
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ___			
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5 Did the hospital facility make its Needs Assessment widely available to the public?	5		
If "Yes," indicate how the Needs Assessment was made widely available (check all that apply)			
a ☐ Hospital facility's website			
b ☐ Available upon request from the hospital facility			
c ☐ Other (describe in Part VI)			
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply)			
a ☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b ☐ Execution of the implementation strategy			
c ☐ Development of a community-wide community benefit plan for the facility			
d ☐ Participation in community-wide community benefit plan			
e ☐ Inclusion of a community benefit section in operational plans			
f ☐ Adoption of a budget for provision of services that address the needs identified in the CHNA			
g ☐ Prioritization of health needs in the community			
h ☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i ☐ Other (describe in Part VI)			
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7		
Financial Assistance Policy			
Did the hospital facility have in place during the tax year a written financial assistance policy that			
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes	
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care?	9	Yes	
If "Yes," indicate the FPG family income limit for eligibility for free care 200 %			
If "No," explain in Part VI the criteria the hospital facility used			

Part V Facility Information *(continued)*

		Yes	No
10 Used FPG to determine eligibility for providing discounted care?	**10**	Yes	
If "Yes," indicate the FPG family income limit for eligibility for discounted care 400 %			
If "No," explain in Part VI the criteria the hospital facility used			
11 Explained the basis for calculating amounts charged to patients?	**11**	Yes	
If "Yes," indicate the factors used in determining such amounts (check all that apply)			
a ☑ Income level			
b ☑ Asset level			
c ☑ Medical indigency			
d ☑ Insurance status			
e ☑ Uninsured discount			
f ☑ Medicaid/Medicare			
g ☐ State regulation			
h ☐ Other (describe in Part VI)			
12 Explained the method for applying for financial assistance?	**12**	Yes	
13 Included measures to publicize the policy within the community served by the hospital facility?	**13**	Yes	
If "Yes," indicate how the hospital facility publicized the policy (check all that apply)			
a ☑ The policy was posted at all times on the hospital facility's web site			
b ☐ The policy was attached to all billing invoices			
c ☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d ☑ The policy was posted in the hospital facility's admissions offices			
e ☑ The policy was provided, in writing, to patients upon admission to the hospital facility			
f ☑ The policy was available upon request			
g ☐ Other (describe in Part VI)			

Billing and Collections

14 Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment?	**14**	Yes	
15 Check all of the following collection actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments or arrests			
e ☐ Other similar actions (describe in Part VI)			
16 Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP?	**16**		No
If "Yes," check all actions in which the hospital facility or a third party engaged			
a ☐ Reporting to credit agency			
b ☐ Lawsuits			
c ☐ Liens on residences			
d ☐ Body attachments			
e ☐ Other similar actions (describe in Part VI)			
17 Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply)			
a ☐ Notified patients of the financial assistance policy upon admission			
b ☐ Notified patients of the financial assistance policy prior to discharge			
c ☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d ☐ Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy			
e ☐ Other (describe in Part VI)			

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18 Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?	**18**	Yes	
If "No," indicate why			
a ☐ The hospital facility did not provide care for any emergency medical conditions			
b ☐ The hospital facility's policy was not in writing			
c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)			
d ☐ Other (describe in Part VI)			

Individuals Eligible for Financial Assistance

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

Part V Facility Information *(continued)*

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

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

	Name and address	Type of Facility (Describe)
1	See Additional Data Table	
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 descriptions 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, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21

2 **Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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
SCHEDULE H, 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
SCHEDULE H, PART I, LINE 7		SJRMC USES A COST ACCOUNTING SYSTEM WHICH IS A PART OF ITS HOSPITAL INFORMATION SYSTEM THE SYSTEM ADDRESSES ALL PATIENT SEGMENTS

Identifier	ReturnReference	Explanation
SCHEDULE H, 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
SCHEDULE H, 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 3,923,510 AMBULATORY CARE CENTERS 17,201,622 ORTHOPEDICS 1,928,927 ONCOLOGY 632,855 BEHAVIORAL HEALTH-IP 1,128,705 CARDIAC REHAB 299,617 OUTPATIENT NURSING/WOUND CARE 2,352,534 OUTPATIENT THERAPIES 1,637,090 OBSTETRIC/NURSERY 2,246,090 OTHER 2,836,815 ---------- TOTAL 34,187,765

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, 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 $1,434,976 IN FY 2012

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 4		THE FOOTNOTE THAT DESCRIBES BAD DEBT EXPENSE IS LOCATED ON PAGE 7 OF THE ATTACHED AUDITED FINANCIAL STATEMENTS THE AMOUNT ON 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 OUR BAD DEBT

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 8		THE AMOUNT OF MEDICARE SHORTFALL REPORTED ON LINE 7 IS $(7,879,768) THIS AMOUNT IS A RESULT OF THE TOTAL REVENUE AND ALLOWABLE COST CALCULATION ON OUR FY 12 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

Identifier	ReturnReference	Explanation
SCHEDULE H, PART III, LINE 9B		SJRMC POLICY ON PATIENT ACCOUNT 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	SCHEDULE H, PART VI, LINE 2	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	SCHEDULE H, PART VI, LINE 3	POLICY SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) WILL RENDER FINANCIAL ASSISTANCE TO PERSO NS WITH A DEMONSTRATED INABILITY TO PAY, REGARDLESS OF RACE, COLOR OR CREED FINANCIAL ASS ISTANCE REPRESENTS MEDICAL SERVICES PROVIDED TO A PERSON FOR WHICH THE HOSPITAL HAS NO EXP ECTATION OF RECEIVING FULL PAYMENT FINANCIAL ASSISTANCE ELIGIBILITY DOES NOT ALWAYS MEAN THAT A MEDICAL DEBT OWED TO THE HOSPITAL IS COMPLETELY ELIMINATED THERE MAY BE A RESIDUAL AMOUNT THE PATIENT OR HOUSEHOLD IS EXPECTED TO PAY PURPOSE WE RECOGNIZE THAT IT WILL BE NECESSARY TO IDENTIFY THE MEDICAL INDIGENT PATIENT AND ESTABLISH THE AMOUNT OF FINANCIAL ASSISTANCE TO BE RENDERED IN A MANNER MOST RESPONSIVE TO THE NEEDS OF THE COMMUNITY SJRMC WILL CLEARLY DISTINGUISH IT FROM BAD DEBT FINANCIAL ASSISTANCE WILL BE IDENTIFIED AND RE CORDED AS SUCH, AS EARLY AS POSSIBLE IN THE REGISTRATION AND COLLECTION PROCESS AN INDIVI DUAL WHO IS TOO POOR TO MEET HIS OR HER MEDICAL EXPENSES IS GENERALLY CATEGORIZED AS MEDIC ALLY INDIGENT THE TERM INCLUDES PEOPLE WHOSE INCOME IS SUFFICIENT TO PAY FOR BASIC LIVING EXPENSES BUT NOT ADEQUATE TO PAY FOR UNEXPECTED OR LARGE MEDICAL BILLS ELIGIBILITY WILL BE DECIDED ON A CASE-BY-CASE BASIS WHILE FAMILY SIZE AND HOUSEHOLD INCOME ARE THE PRIMARY DETERMINANTS, OTHER FACTORS, SUCH AS ASSETS NOT REQUIRED TO MAINTAIN A BASIC STANDARD OF LIVING, MAY BE CONSIDERED FUTURE EARNING CAPACITY MAY ALSO BE CONSIDERED GENERAL INFORMA TION ELIGIBILITY REQUIREMENTS (ROUTINE DETERMINATIONS) SJRMC WILL USE THE FOLLOWING ELIGI BILITY CRITERIA TO DETERMINE IF A PATIENT QUALIFIES FOR FINANCIAL ASSISTANCE AT SJRMC 1 THE PATIENT'S HOUSEHOLD AVERAGE MONTHLY INCOME AND/OR ASSISTANCE FROM ALL SOURCES FOR THE 12-MONTH PERIOD PRIOR TO RECEIVING SERVICES AT SJRMC, DID NOT EXCEED 400% OF THE MONTHLY F EDERAL POVERTY INCOME GUIDELINES THE NUMBER OF DEPENDENTS AND OTHERS IN THE HOUSEHOLD MUS T BE TAKEN INTO ACCOUNT IN MAKING THIS DETERMINATION * "PATIENT'S HOUSEHOLD INCOME AND/OR ASSISTANCE" INCLUDES ALL FUNDS RECEIVED BY ALL MEMBERS OF THE PATIENT'S HOUSEHOLD THAT SU PPORT THE HOUSEHOLD SPECIAL RULES PERTAINING TO HOUSEHOLD INCOME APPLY IN SITUATIONS WHER E AN UNMARRIED ADULT IS LIVING IN THE SAME HOME WITH ANOTHER ADULT * "HOUSEHOLD" IS DEFIN ED AS ALL DEPENDENTS AND OTHERS WHO LIVE IN THE SAME RESIDENCE AS THE PATIENT AND/OR GUARA NTOR * A "DEPENDENT" IS DEFINED AS A PERSON WHO CAN BE CLAIMED BY THE GUARANTOR AND/OR PA TIENT AS A DEPENDENT ON THEIR FEDERAL TAX RETURN * "OTHERS" IS DEFINED AS A PERSON WHO RE SIDES IN THE GUARANTOR AND/OR PATIENT'S RESIDENCE FOR A MINIMUM OF SIX CONSECUTIVE MONTHS DURING A 12-MONTH PERIOD THE GUARANTOR AND/OR PATIENT MAY OR MAY NOT BE ABLE TO CLAIM THI S PERSON AS A DEPENDENT ON THEIR FEDERAL TAX RETURN 2 THE PATIENT HAS NO MEDICAL INSURAN CE, LIABILITY OR OTHER THIRD-PARTY COVERAGE THAT WILL PAY FOR THE SERVICES THE PATIENT REC EIVED AT SJRMC RESIDUAL AMOUNTS AFTER ANY THIRD-PARTY PAYMENTS, SUCH AS DEDUCTIBLES, NON- COVERED AMOUNTS, CO-PAYMENTS AND CO-INSURANCE MAY BE CONSIDERED FOR FINANCIAL ASSISTANCE THE PATIENT MUST BE PERSONALLY RESPONSIBLE FOR PAYING ANY RESIDUAL AMOUNTS NOT COVERED BY A THIRD PARTY MEDICARE DEDUCTIBLES AND COINSURANCE MAY BE CONSIDERED FOR FINANCIAL ASSIST ANCE 3 THE PATIENT HAS ASSETS AND RESOURCES, EXCLUDING THEIR PRIMARY RESIDENCE AND AUTOM OBILE(S) OF $5,000 OR LESS RETIREMENT FUNDS WILL NORMALLY BE EXCLUDED AS ASSETS SJRMC RE SERVES THE RIGHT TO REQUIRE THE PATIENT TO BORROW AGAINST OR EVEN LIQUIDATE SOME OR ALL FU NDS EARMARKED FOR RETIREMENT TO SATISFY THE DEBT OWED TO SJRMC ELIGIBILITY CRITERIA (PRES UMPTIVE DETERMINATIONS) 1 KNOWN CIRCUMSTANCES SURROUNDING A PATIENT'S PERSONAL SITUATION SUPPORT THE CONCLUSION THAT THEY ARE MEDICALLY INDIGENT IN ADDITION, THE PATIENT IS EITH ER UNABLE TO APPLY FOR THE FINANCIAL ASSISTANCE AND/OR TO PROVIDE REQUIRED SUPPORTING DOCU MENTATION TO MAKE A ROUTINE DETERMINATION OF ELIGIBILITY 2 PRESUMPTIVE FINANCIAL ASSISTA NCE MAY ALSO BE APPROVED IN SITUATIONS WHERE THE PATIENT HAS A "MEDICAL HARDSHIP" A MEDIC AL HARDSHIP IS WHERE THE PATIENT DOES NOT MEET THE USUAL CRITERIA TO QUALIFY FOR A FINANCI AL ASSISTANCE ADJUSTMENT BASED ON BEING MEDICALLY INDIGENT HOWEVER, THEIR DEBT FOR A PART ICULAR MEDICAL EVENT, TO INCLUDE THE DEBT OF OTHER PROVIDERS BESIDES SJRMC, IS PROHIBITIVE BASED ON THEIR AVAILABLE INCOME AND ASSETS AS WELL AS THEIR FUTURE EARNING CAPACITY MEDI CAL HARDSHIP IS DEFINED AS A SITUATION WHERE THE CUMULATIVE MEDICAL DEBTS FOR ONE EPISODE OF CARE EXCEEDS 30% OF THE VALUE OF THE PATIENT'S (OR GUARANTOR, IF PATIENT IS A MINOR OR INCOMPETENT) AVAILABLE INCOME AND ASSETS NOT ESSENTIAL TO A BASIC LIFESTYLE FOR THE 12 MON THS PRIOR TO THE MEDICAL EVENT AN "EPISODE OF CARE" BEGINS WITH SERVICES BEING PERFORMED AT SJRMC AND ENDS THE SOONER OF A) SIX MONTHS AFTER THE INITIAL DATE OR B) DISCHARGE FROM AN INPATIENT STAY THE SERVICES PROVIDED MAY BE FOR MORE THAN ONE ILLNESS OR INJURY AS LON G AS THE SERVICES ARE FOR THE SAME PATIENT PROCED

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, LINE 3	URE 1 A REPRESENTATIVE FROM THE BILLING DEPARTMENT WILL REVIEW THE APPLICATION AND SUBMI T ACCOUNTS FOR REVIEW THAT MEET THE ELIGIBILITY REQUIREMENTS 2 REVIEW WILL BE PROVIDED B Y THE EXECUTIVE DIRECTOR, COORDINATOR OF CASE MANAGEMENT, AND A REPRESENTATIVE FROM THE FI NANCIAL DEPARTMENT ALL ELIGIBLE APPLICATIONS FOR FINANCIAL ASSISTANCE WILL BE CONSIDERED BASED ON INDIVIDUAL MERITS A APPROVAL FOR LESS THAN $20,000 WILL BE DECIDED AT THIS LEVE L B CASES WITH AMOUNTS GREATER THAN $20,000 WILL BE SUBMITTED WITH COMMITTEE RECOMMENDAT IONS FOR APPROVAL OR DENIAL OF FINANCIAL ASSISTANCE FUNDS TO THE BOARD OF DIRECTORS FOR TH EIR FINAL DECISION 3 APPROVED FINANCIAL ASSISTANCE ALLOWANCES WILL BE REPORTED TO THE BO ARD OF DIRECTORS 4 THE FINANCE DEPARTMENT WILL DO THE NECESSARY ADJUSTMENTS AND NOTIFICA TIONS TO THE PATIENT SAN JUAN REGIONAL MEDICAL CENTER EMPLOYS A NUMBER OF FINANCIAL COUNS ELORS AND CUSTOMER SERVICE REPRESENTATIVES WHO WORK ALONGSIDE PATIENTS TO HELP THEM NAVIGA TE 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 SP ECIFICALLY DESIGNED TO HELP PATIENTS UNDERSTAND THEIR HOSPITAL BILL AND INFORM THEM OF THE IR OPTIONS FOR PAYMENT AND ASSISTANCE, INCLUDING INFORMATION ON THE AVAILABILITY OF INDIAN HEALTH SERVICE ASSISTANCE, CASH DISCOUNTS, BILL REDUCTION THROUGH A COMMUNITY SERVICE FUN D, SPECIAL FUNDS THROUGH THE SAN JUAN COUNTY INDIGENT FUND, OR MEDICAL HARDSHIP WAIVERS T HE 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 SE RVICE TO THE FOUR CORNERS REGION-DRIVEN BY A SIMPLE YET POWERFUL PRINCIPLE DO THE RIGHT T HING FOR THE PATIENT NO MATTER WHAT AN INTEGRAL PART OF THIS SACRED TRUST THE COMMUNITY H AS IN ITS HOSPITAL IS ENSURING THAT NO PATIENT FEELS ALONE AND DISCONNECTED DURING AND AFT ER 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 A DVOCATES STAND HAND-IN-HAND WITH PATIENTS TO EXPLORE EVERY POSSIBILITY OF ASSISTANCE

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, LINE 4	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 2011 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	SCHEDULE H, PART VI, LINE 5	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 2012, SAN JUAN REGIONAL MEDICAL CENTER PROVIDED BENEFITS TO THE POOR AND THE BROADER COMMUNITY OF OVER $38 MILLION PROGRAM PERSONS SERVED COMMUNITY BENEFIT TRADITIONAL FINANCIAL ASSISTANCE 692 1,070,714 COMMUNITY HEALTH EDUCATION 11,594 191,107 DIABETES EDUCATION AND SUPPORT PROGRAMS 1,325 212,598 COMMUNITY FLU VACCINES 791 10,802 HEALTH CARE SUPPORT SERVICES 40,444 HEALTH PROFESSIONS EDUCATION PHYSICIANS AND MEDICAL STUDENTS 29 943,484 NURSES/NURSING STUDENTS 48 389,063 FUNDING FOR PROFESSIONAL EDUCATION 120,873 SUBSIDIZED HEALTH SERVICES EMERGENCY SERVICES 10,182 3,923,510 WOMEN'S AND CHILDREN SERVICES 2,113 2,246,090 BEHAVIORAL HEALTH SERVICES 856 1,128,705 OUTPATIENT SERVICES 142,779 21,191,246 OTHER SUBSIDIZED HEALTH SERVICES 12,390 5,698,214 SAN JUAN UNITED WAY (CORPORATE MATCH) 111,297 FINANCIAL AND IN-KIND CONTRIBUTIONS 10,652 130,244* OTHER COMMUNITY SERVICES 1,436,081 --------- ---------- TOTAL 193,451 38,844,472 * OUR FINANCIAL AND IN-KIND CONTRIBUTIONS WENT TO VARIOUS LOCAL CHARITIES SUCH AS NAVAJO MINISTRIES, AND LOCAL SCHOOL DISTRICTS

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 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)
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
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SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC

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 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)
SJRMC CARDIOLOGY 407 S SCHWARTZ SUITE 201 FARMINGTON,NM 87401	MEDICAL CLINIC

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Schedule I (Form 990)

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

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. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SAN JUAN COLLEGE 4601 COLLEGE BLVD FARMINGTON,NM 87402	85-0295969	SCHOOL	55,000				NURSING PROGRAM GRANT
(2) SAN JUAN COLLEGE 4601 COLLEGE BLVD FARMINGTON,NM 87402	85-0295969	SCHOOL	69,949				COMMUNITY REINVESTMENT - WORKFORCE PROGRAM
(3) SAN JUAN UNITED WAY 903 W APACHE ST FARMINGTON,NM 87401	85-0165322	501(C)(3)	111,297				UNITED WAY CONTRIBUTION - MATCH EMPLOYEE DONATIONS
(4) SAN JUAN UNITED WAY 903 W APACHE ST FARMINGTON,NM 87401	85-0165322	501(C)(3)	12,500				UNITED WAY - PROPANE PROJECT
(5) SAN JUAN ECONOMIC DEVELOPMENT SERVICE 5101 COLLEGE BLVD FARMINGTON,NM 87402	85-0171302	501(C)(3)	10,000				MOVING FORWARD CAMPAIGN - ANNUAL INVESTMENT
(6) CHILDHAVEN FOUNDATION807 W APACHE ST FARMINGTON,NM 87401	27-0048264	501(C)(3)	18,500				GRANT FOR SHELTER REMODEL
(7) RIVER REACH FOUNDATION400 E 38TH ST FARMINGTON,NM 87401	20-0350883	501(C)(3)	20,000				DONATION FOR FOUNDATION
(8) CITY OF FARMINGTON 901 FAIRGROUNDS RD FARMINGTON,NM 87401	85-6000129	GOVERNMENT	7,000				MEDIAN MAINTENANCE SPONSORSHIP
(9) SANE812 W MAPLE FARMINGTON,NM 87401	20-3187125	501(C)(3)	43,610				PROVIDE BUILDING AND BUILDING EXPENSE

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . ▶ 7

3 Enter total number of other organizations listed in the line 1 table . . . . . ▶ 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
DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS	SCHEDULE I, PART I, LINE 2	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

Additional Data

Return to Form

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 BLVD FARMINGTON,NM 87402	85-0295969	SCHOOL	55,000				NURSING PROGRAM GRANT
SAN JUAN COLLEGE4601 COLLEGE BLVD FARMINGTON,NM 87402	85-0295969	SCHOOL	69,949				COMMUNITY REINVESTMENT - WORKFORCE PROGRAM

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 UNITED WAY903 W APACHE ST FARMINGTON, NM 87401	85-0165322	501(C)(3)	111,297				UNITED WAY CONTRIBUTION - MATCH EMPLOYEE DONATIONS
SAN JUAN UNITED WAY903 W APACHE ST FARMINGTON, NM 87401	85-0165322	501(C)(3)	12,500				UNITED WAY - PROPANE PROJECT

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 ECONOMIC DEVELOPMENT SERVICE5101 COLLEGE BLVD FARMINGTON,NM 87402	85-0171302	501(C)(3)	10,000				MOVING FORWARD CAMPAIGN - ANNUAL INVESTMENT
CHILDHAVEN FOUNDATION807 W APACHE ST FARMINGTON,NM 87401	27-0048264	501(C)(3)	18,500				GRANT FOR SHELTER REMODEL

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
RIVER REACH FOUNDATION400 E 38TH ST FARMINGTON, NM 87401	20-0350883	501(C)(3)	20,000				DONATION FOR FOUNDATION
CITY OF FARMINGTON901 FAIRGROUNDS RD FARMINGTON, NM 87401	85-6000129	GOVERNMENT	7,000				MEDIAN MAINTENANCE SPONSORSHIP

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
SANE812 W MAPLE FARMINGTON, NM 87401	20-3187125	501(C)(3)	43,610				PROVIDE BUILDING AND BUILDING EXPENSE

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Schedule J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax idemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e g , maid, chauffeur, chef)			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement orprovision of all the expenses described above? If "No," complete Part III to explain	**1b**		
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?	**2**		
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 ☐ Written employment contract ☑ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ Approval by the board or compensation committee			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization			
a	Receive a severance payment or change-of-control payment?	**4a**		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of			
a	The organization?	**5a**		No
b	Any related organization?	**5b**		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of			
a	The organization?	**6a**		No
b	Any related organization?	**6b**		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		No
8	Were any amounts reported in Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	**8**		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	**9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

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

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(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)	380,271	4,108	35	7,396	18,554	410,364	0
	(ii)	0	0	0	0	0	0	0
(2) RICK WALLACE	(i)	410,539	116,401	16,660	28,608	18,470	590,678	0
	(ii)	0	0	0	0	0	0	0
(3) JOHN BUFFINGTON	(i)	268,535	84,146	16,606	22,530	18,554	410,371	0
	(ii)	0	0	0	0	0	0	0
(4) J MICHAEL PHILIPS	(i)	344,855	87,859	16,671	13,742	18,554	481,681	0
	(ii)	0	0	0	0	0	0	0
(5) SUZANNE SMITH	(i)	195,307	57,957	35	16,182	18,554	288,035	0
	(ii)	0	0	0	0	0	0	0
(6) EDWARD MAURIN	(i)	616,604	23,280	11,640	8,250	18,554	678,328	0
	(ii)	0	0	0	0	0	0	0
(7) TIBOR BOCO	(i)	588,011	25,000	42	2,792	18,554	634,399	0
	(ii)	0	0	0	0	0	0	0
(8) CHARLES E WILKINS	(i)	566,785	819	16,816	7,644	18,554	610,618	0
	(ii)	0	0	0	0	0	0	0
(9) MARC A FLITTER	(i)	556,041	3,390	17,184	9,800	18,554	604,969	0
	(ii)	0	0	0	0	0	0	0
(10) LUTHER B WEATHERS III	(i)	547,670	176	110	0	18,477	566,433	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN	SCHEDULE J, PART I, LINE 4B	SAN JUAN REGIONAL MEDICAL CENTER HAS A 457(F) 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 2011 CONTRIBUTIONS TO THE 457(F) PLAN ARE INCLUDED IN SCHEDULE J, PART II, COL C AS DEFERRED COMPENSATION JOHN BUFFINGTON $12,730 J MICHAEL PHILIPS $ 3,942 SUZANNE SMITH $ 8,786 RICK WALLACE $19,108
SUPPLEMENTAL COMPENSATION INFORMATION	MANAGEMENT INCENTIVE PLAN	SAN JUAN REGIONAL MEDICAL CENTER (SJRMC) 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 IN PART VII FOR DWAYNE GIBBS MD IS FOR A DIRECTORSHIP STIPEND, NOT FOR SERVICES RENDERED AS A BOARD MEMBER THE COMPENSATION REPORTED IN PART VII 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

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Schedule K (Form 990)

Department of the Treasury
Internal Revenue Service

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

2011

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 - 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 EQUP & 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	1,605,000	1,090,000	2,698,376	320,000
2	Amount of bonds 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	25,567,634	8,800,495
11	Other spent proceeds	0	0	0	0
12	Other unspent proceeds	0	0	0	0
13	Year of substantial completion	2010	2007	2011	2011

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?		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	If 'Yes' to line 3a, does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts relating to the financed property?								
c	Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
d	If 'Yes' to line 3c, does the organization routinely engage bond counsel or other outside counsel to review any research agreements relating to the financed property?								
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	0		0		0			
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	0		0		0		0	
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 Procedures To Undertake Corrective Action

Check the box if the organization established written procedures to ensure that violations of federal tax requirements are timely identified and corrected through the voluntary closing agreement program if self-remediation is not available under applicable regulations . . . . . ☑ Yes ☐ No

Part VI Supplemental Information

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

Identifier	Return Reference	Explanation
SCHEDULE K, PART II, LINE 3, COLUMNS A-D	0	THE EXCESS OF "TOTAL PROCEEDS" OVER "ISSUE PRICE" IS DUE TO INVESTMENT EARNINGS
SCHEDULE K, PART I, LINE C	0	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

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Schedule L (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions with Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶See separate instructions.

OMB No 1545-0047

2011

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	(c) Corrected? 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? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) 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	119,267	EMPLOYEE PAY		No
(2) ERIC BUFFINGTON	JOHN BUFFINGTON / COO	52,030	EMPLOYEE PAY		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)

Department of the Treasury
Internal Revenue Service

NonCash Contributions

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

OMB No 1545-0047

2011

Open to Public Inspection

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) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining 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				
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				
25	Other ▸ (FIXED ASSETS - SAN JUAN)	X	3	1,074,609	COST/SELLING PRICE
26	Other ▸ ( )				
27	Other ▸ ( )				
28	Other ▸ ( )				

			Yes	No
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	29	0	
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?	30a		No
b	If "Yes," describe the arrangement in Part II			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	Yes	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?	32a		No
b	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

2011

Open to Public Inspection

Name of the organization
SAN JUAN REGIONAL MEDICAL CENTER

Employer identification number
85-0127924

Identifier	Return Reference	Explanation
VOLUNTEERS	FORM 990, PART I, LINE 6	SJRMC HAS A TOTAL OF 200 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 TOTAH 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 11B 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 2012. 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	FORM 990, PART VII	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 RICHARD MENNING ALSO DEVOTES TIME TO THE SJRMC AUXILIARY

Identifier	Return Reference	Explanation
OTHER CHANGES IN FUND BALANCE	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES $(3,043,113)

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SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2011

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	HEALTHCARE	NM	501(C)(3)	3	SJRMC	Yes	
(2) SAN JUAN REGIONAL REHABILITATION HOSP 525 SOUTH SCHWARTZ 2 FARMINGTON, NM 87401 85-0441767	HEALTHCARE	NM	501(C)(3)	3	SJRMC	Yes	

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) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership

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, NM 87401 20-1126483	SUPPORT SERVICES	NM	SJRMC	C-CORP	581,548	1,537,960	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.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III or IV			
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		No
b Gift, grant, or capital contribution to related organization(s)	1b		No
c Gift, grant, or capital contribution from related organization(s)	1c	Yes	
d Loans or loan guarantees to or for related organization(s)	1d		No
e Loans or loan guarantees by related organization(s)	1e		No
f Sale of assets to related organization(s)	1f		No
g Purchase of assets from related organization(s)	1g		No
h Exchange of assets with related organization(s)	1h		No
i Lease of facilities, equipment, or other assets to related organization(s)	1i		No
j Lease of facilities, equipment, or other assets from related organization(s)	1j		No
k Performance of services or membership or fundraising solicitations for related organization(s)	1k		No
l Performance of services or membership or fundraising solicitations by related organization(s)	1l		No
m Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1m		No
n Sharing of paid employees with related organization(s)	1n		No
o Reimbursement paid to related organization(s) for expenses	1o		No
p Reimbursement paid by related organization(s) for expenses	1p	Yes	
q Other transfer of cash or property to related organization(s)	1q		No
r Other transfer of cash or property from related organization(s)	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	350,000	CASH
(2) SAN JUAN REGIONAL REHABILITATION HOSPITAL	P	112,524	FAIR VALUE
(3) SAN JUAN REGIONAL REHABILITATION HOSPITAL	P	281,828	COST
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

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

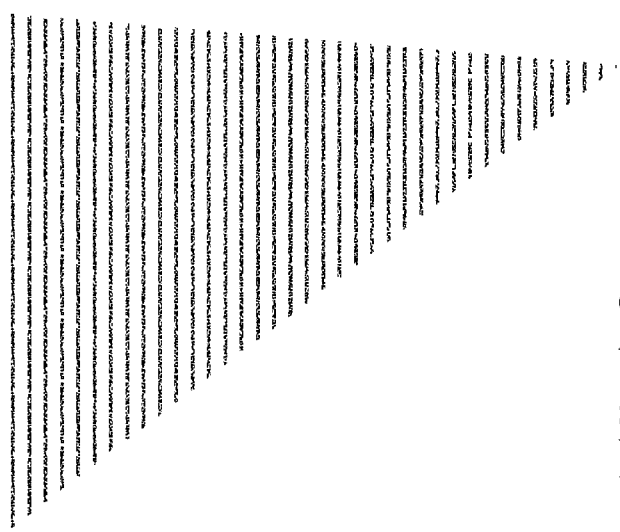
(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Schedule R (Form 990) 2011

Part VII Supplemental Information

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

Identifier	Return Reference	Explanation	



Consolidated Financial Statements and Supplementary Information

San Juan Regional Medical Center, Inc. and Affiliates
Years Ended June 30, 2012 and 2011
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2012 and 2011

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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, 2012 and 2011, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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, 2012 and 2011, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

October 15, 2012

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Balance Sheets

	June 30 2012	June 30 2011
Assets		
Current assets:		
Cash and cash equivalents	**$ 20,281,562**	$ 16,390,042
Short-term investments	**8,070,149**	8,528,264
Current portion of assets whose use is limited	**268,472**	336,523
Patient accounts receivable, net of allowance for doubtful accounts of $17,400,000 in 2012 and $18,100,000 in 2011	**33,327,747**	29,345,237
Other receivables	**1,712,177**	2,656,567
Current portion of insurance receivable	**2,769,000**	1,548,000
Inventories	**3,590,660**	3,562,331
Prepaid expenses and other	**3,960,442**	3,199,249
Total current assets	**73,980,209**	65,566,213
Long-term investments	**33,256,435**	29,489,170
Assets whose use is limited, less current portion	**72,426,824**	77,948,947
Insurance receivable, less current portion	**6,209,000**	4,792,000
Property and equipment, net	**157,123,949**	158,261,286
Notes receivable, joint ventures and other	**9,014,781**	4,862,556
Total assets	**$ 352,011,198**	$ 340,920,172
Liabilities and net assets		
Current liabilities:		
Accounts payable	**$ 3,038,907**	$ 4,370,420
Accrued expenses	**21,630,073**	18,873,306
Current portion of long-term debt	**7,365,945**	4,178,554
Current portion of professional and general insurance liability	**2,893,000**	1,698,000
Estimated third-party payor settlements, net	**3,518,215**	2,239,990
Total current liabilities	**38,446,140**	31,360,270
Long-term debt, less current portion	**65,748,474**	74,249,568
Professional and general insurance liability, less current portion	**9,581,000**	7,937,000
Other long-term liabilities	**5,149,452**	386,263
Total liabilities	**118,925,066**	113,933,101
Net assets	**233,086,132**	226,987,071
Total liabilities and net assets	**$ 352,011,198**	$ 340,920,172

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended June 30	
	2012	**2011**
Revenue:		
Patient service	**$ 268,645,080**	$ 263,139,133
Provision for doubtful accounts	**(25,608,360)**	(31,179,036)
Net patient service revenue	**243,036,720**	231,960,097
Investment income, gains and losses	**1,412,394**	8,962,168
Other	**6,651,611**	6,557,485
Total revenue	**251,100,725**	247,479,750
Expenses:		
Salaries and wages	**116,422,633**	111,842,734
Employee benefits	**34,734,442**	30,872,293
Supplies, services and other	**51,821,112**	51,009,632
Purchased services	**24,134,174**	22,862,360
Depreciation and amortization	**13,580,873**	11,888,886
Rent and leases	**2,511,465**	2,913,395
Interest	**2,868,574**	2,555,932
Total expenses	**246,073,273**	233,945,232
Excess of revenue over expenses	**5,027,452**	13,534,518
Contributions designated for fixed assets	**1,071,609**	447,869
Increase in net assets	**6,099,061**	13,982,387
Net assets, beginning of year	**226,987,071**	213,004,684
Net assets, end of year	**$ 233,086,132**	$ 226,987,071

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended Ended June 30 2012	2011
Operating activities		
Increase in net assets	**$ 6,099,061**	$ 13,982,387
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	**13,580,873**	11,888,886
Provision for doubtful accounts	**25,608,360**	31,179,036
Contributions of property and equipment	**(1,071,609)**	(254,076)
Gain on sale of fixed assets	**(19,578)**	(6,895)
Changes in assets and liabilities		
Patient accounts receivable	**(29,590,870)**	(36,391,169)
Other receivables	**944,390**	216,960
Inventories and prepaid expenses	**(789,522)**	(1,118,554)
Investments designated as trading, net	**2,281,024**	(11,311,844)
Notes receivable, joint ventures, and other	**(4,580,284)**	54,863
Accounts payable	**(1,331,513)**	(745,564)
Accrued expenses	**2,756,767**	(172,817)
Professional and general insurance reserves	**201,000**	998,875
Estimated third-party payor settlements	**1,278,225**	(14,590)
Other long-term liabilities	**4,763,189**	150,271
Net cash provided by operating activities	**20,129,513**	8,455,769
Investing activities		
Purchases of property and equipment	**(10,966,516)**	(21,915,754)
Proceeds from sales of fixed assets	**42,226**	101,262
Net cash used in investing activities	**(10,924,290)**	(21,814,492)
Financing activities		
Proceeds of long-term debt	**–**	34,382,753
Deferred financing costs	**–**	(520,818)
Repayment of long-term debt	**(5,313,703)**	(22,162,062)
Net cash (used in) provided by financing activities	**(5,313,703)**	11,699,873
Net increase (decrease) in cash and cash equivalents	**3,891,520**	(1,658,850)
Cash and cash equivalents, beginning of year	**16,390,042**	18,048,892
Cash and cash equivalents, end of year	**$ 20,281,562**	$ 16,390,042
Supplemental disclosure of cash flow information		
Cash paid during the period for interest	**$ 2,887,759**	$ 2,314,241
Net assets transferred from County	**$ 1,071,609**	$ 197,720

See accompanying notes

San Juan Regional Medical Center, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2012

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.

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.

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.

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 also 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; deferred compensation 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, 2012 and 2011.

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.

2. Summary of Significant Accounting Policies (continued)

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 collected. In evaluating the collectability of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts.

Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Company analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and co-payments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients, the Company records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

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.

2. Summary of Significant Accounting Policies (continued)

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.

Other Revenue

Other revenue includes gains and losses on the sales of assets, contributions, cafeteria sales, rental income, and revenue 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. 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 revenue over expenses, consistent with industry practice, include contributions restricted for the acquisition of property and equipment and contributed property.

2. Summary of Significant Accounting Policies (continued)

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.

Recent Accounting Pronouncements

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which clarifies that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The Company adopted the accounting standard in 2012 and applied it retrospectively. Accordingly, insurance recoveries of $6,340,000 for the year ended June 30, 2011 were reclassified from accrued expenses to current and long-term insurance receivable on the consolidated balance sheet.

In August 2010, the FASB issued ASU 2010-23, *Measuring Charity Care for Disclosure*, which requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care. This standard also requires disclosure of the method used to identify or determine such cost. The Company adopted the amended disclosure requirements in 2012.

In July 2011, the FASB issued ASU 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Healthcare Entities*, which requires health care entities that recognize significant amounts of patient service revenue at the time the services are rendered, even though a patient's ability to pay is not assessed, to reclassify the provision for doubtful accounts associated with patient service revenue from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts). The standard also requires enhanced disclosures of policies for recognizing patient service revenue and assessing provisions for doubtful accounts. The Company adopted the accounting standard in 2012 and applied its presentation and

2. Summary of Significant Accounting Policies (continued)

disclosure requirement retrospectively. Accordingly, the provision for doubtful accounts of $31,179,036 for the year ended June 30, 2011, was reclassified from operating expenses to a deduction from patient service revenue on the consolidated statement of operations.

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 not recorded at fair value in the financial statements but disclosure of the fair value of the item is required, 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. Management is currently evaluating the effect of adopting this accounting standard on the consolidated financial statements.

Subsequent Events

The Company has completed an evaluation of all subsequent events through October 15, 2012, 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:

	2012	2011
Medicare	**31%**	31%
Managed care	**31**	30
Medicaid	**10**	10
Commercial insurance	**14**	14
Self-pay	**14**	15
	100%	100%

3. Net Patient Service Revenue (continued)

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.

Medicaid

Approximately 45% and 43% of services provided to Medicaid program beneficiaries in 2012 and 2011, 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 Company also participates in the New Mexico "Salud!" Medicaid managed care program. Approximately 47% of services provided to Medicaid program beneficiaries in 2012 and 2011 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 8% and 10% of services provided to Medicaid program beneficiaries in 2012 and 2011, respectively, 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 Company as payment in full as a condition of participation.

3. Net Patient Service Revenue (continued)

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, 2012, 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.

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:

	2012	2011
Medicare	**22%**	22%
Managed care	**20**	19
Medicaid	**11**	9
Commercial insurance	**21**	22
Self-pay	**26**	28
	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 $19,689,000 in 2012 and $19,895,000 in 2011 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.

6. Charity Care

In support of its mission and philosophy, 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. The costs of these services were approximately $2,026,000 and $1,772,000 in 2012 and 2011, respectively. These estimates were determined using a ratio of cost-to-gross charges calculated from the Company's most recent consolidated statement of operations and applying that ratio to the gross charges associated with providing charity care for the period.

In addition, the Company provides care to patients under various federal, state and county public assistance programs such as Medicare, Medicaid, Indian Health, and county indigent programs. Public programs such as Medicare provide for the elderly. Public programs such as Medicaid and county indigent provide for the poor and indigent. The Indian Health program provides for Native Americans. The Section 1011 program of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 provides for patients who have entered the community illegally. These public programs do not always cover the costs of providing these services. The following summarizes the unreimbursed costs for services provided to these patients.

	2012	2011
Medicare patients	**$ 19,163,000**	$ 17,866,000
Medicaid patients	**12,136,000**	10,921,000
Indian Health patients	**2,285,000**	2,487,000
County indigent patients	**2,206,000**	3,393,000
Section 1011 patients	**132,000**	157,000
	$ 35,922,000	$ 34,824,000

7. Investments

Assets Whose Use is Limited

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

	2012	2011
Board-designated for future capital improvements	**$ 71,946,227**	$ 72,390,706
Bond proceeds designated for capital expansion	**–**	5,171,978
Bond reserve account	**268,472**	336,523
Deferred compensation trust agreement	**480,597**	386,263
	72,695,296	78,285,470
Less current portion required for current liabilities and amounts designated by the Board of Directors for current expenditures	**268,472**	336,523
Assets whose use is limited, less current portion	**$ 72,426,824**	$ 77,948,947

The composition of assets limited as to use at June 30 follows:

	2012	2011
Cash and equivalents	**$ 18,683,558**	$ 16,880,815
U.S. Treasury and government obligations	**25,031,499**	23,707,438
Equity securities	**18,903,718**	24,532,722
Corporate debt securities	**10,076,521**	13,164,495
Assets whose use is limited	**$ 72,695,296**	$ 78,285,470

The composition of investments at June 30 follows:

	2012	2011
Certificates of deposit	**$ 1,853,031**	$ 1,771,633
Cash and equivalents	**–**	594,065
Government obligations	**10,373,799**	170,588
Corporate debt securities	**29,099,754**	35,481,148
	41,326,584	38,017,434
Less short-term investments	**8,070,149**	8,528,264
Long-term investments	**$ 33,256,435**	$ 29,489,170

7. Investments (continued)

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

	2012	2011
Interest income on marketable securities and cash and equivalents	**$ 3,826,506**	$ 3,575,975
Realized and unrealized (losses) gains on marketable securities, net	**(3,007,998)**	4,540,081
Income from joint ventures and other	**593,886**	846,112
	$ 1,412,394	$ 8,962,168

8. Fair Value Measurements

The Company utilizes 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 for identical instruments such as quoted prices in active markets. Financial assets 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. Financial assets 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.

8. Fair Value Measurements (continued)

Assets measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are identified in the tables below. Where more than one technique is noted, individual assets 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.

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 financial instruments recorded at fair value that are classified in 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, 2012 and 2011.

	June 30	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)
2012					
Corporate debt securities	**$ 39,176,275**	**$ –**	**$ 39,176,275**	**$ –**	a, c
U.S. Treasury securities	**18,153,878**	**18,153,878**	**–**	**–**	a, c
Equity securities	**18,903,718**	**18,903,718**	**–**	**–**	a
U.S. government agencies	**17,251,420**	**–**	**17,251,420**	**–**	a
2011					
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

8. Fair Value Measurements (continued)

Fair Value Disclosures

The Company currently has no other financial instruments subject to fair value measurement on a recurring basis. Disclosures about fair value of financial instruments require disclosure of fair value information about those financial instruments, whether or not recognized in the balance sheets, but would be practicable to estimate that value. Management believes the carrying value of cash, accounts receivable, other receivables, accounts payable, and accrued expenses approximates fair value due to their short-term maturity. The fair value of the Company's debt is based upon published or quoted market prices. At June 30, 2012 and 2011, the fair value of long-term debt reported in the Company's balance sheet was approximately $75,443,000 and $73,114,000, respectively.

9. Property and Equipment

Property and equipment consisted of the following at June 30:

	2012	2011
Land and improvements	**$ 12,148,185**	$ 11,870,469
Buildings and improvements	**175,096,676**	164,200,497
Equipment	**109,256,880**	95,216,542
	296,501,741	271,287,508
Less accumulated depreciation	**141,790,195**	129,908,820
	154,711,546	141,378,688
Construction in progress	**2,412,403**	16,882,598
	$ 157,123,949	$ 158,261,286

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.

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

9. Property and Equipment (continued)

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. 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 2012 and 2011, the Company recorded approximately $1,072,000 and $198,000, 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.

10. Notes Receivable, Joint Ventures, and Other

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

	2012	2011
Medical service coverage guarantee	**$ 5,821,605**	$ –
Notes receivable from the sale of buildings	**1,511,376**	1,629,504
Investments in joint ventures	**1,420,579**	1,535,009
Deferred financing costs	**1,108,719**	1,433,619
Other	**375,945**	375,945
	10,238,224	4,974,077
Less portion included in current assets	**1,223,443**	111,521
	$ 9,014,781	$ 4,862,556

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.

10. Notes Receivable, Joint Ventures, and Other (continued)

Deferred financing costs consisted of the following at June 30:

	2012	2011
Gross deferred financing costs	**$ 2,057,933**	$ 2,261,096
Less accumulated amortization	**949,214**	827,477
	$ 1,108,719	$ 1,433,619

11. Long-Term Debt

Long-term debt consisted of the following at June 30:

	2012	2011
Series 2010A bonds, principal payments are due annually for $14,556,000 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 $1,710,337 of the bonds in installments ranging from $137,716 to $372,597 plus interest at a fixed rate of 2.67% through December 1, 2017.	**$ 16,266,337**	$ 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 2.80% at June 30, 2012.	**8,645,000**	8,800,000
2010 tax-exempt note 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.	**5,648,777**	6,304,134
2010 tax-exempt note 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.	**1,006,864**	1,416,950

11. Long-Term Debt (continued)

	2012	2011
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 $189,704 at June 30, 2012.	**$ 10,584,704**	$ 11,074,214
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 2.10% at June 30, 2012.	**8,985,000**	9,100,000
Series 2004A revenue bonds, principal payments are due 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 $323,404 at June 30, 2012.	**15,733,404**	16,312,533
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%.	**3,835,000**	4,680,000
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%.	**1,913,230**	2,113,594
Note payable to a bank, principal and interest payments due monthly. The note bears interest at a fixed rate of interest of 5.95% and was fully repaid in fiscal 2012.	**–**	956,697
Note payable to a limited liability company, principal payment of approximately $16,537 due monthly through December 2014. This is a non-interest-bearing note.	**496,103**	–
	73,114,419	78,428,122
Less current portion	**7,365,945**	4,178,554
	$ 65,748,474	$ 74,249,568

11. Long-Term Debt (continued)

Future scheduled principal repayments on long-term debt at June 30, 2012, are as follows:

2013	$ 7,365,945
2014	3,686,162
2015	3,748,234
2016	3,815,702
2017	4,915,276
Thereafter	49,069,992
	72,601,311
Add unamortized premiums	513,108
	$ 73,114,419

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 fiscal 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 19, 2014, 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 fiscal 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 fiscal 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.

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 19, 2014, 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 fiscal 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 were retired in December 2010.

In fiscal 1997, the Hospital issued $21,000,000 in Hospital Revenue Bonds (Series 1997A Bonds). The Series 1997A Bonds were callable without penalty. The 1997 series bonds were retired in August 2012.

The Series 2010A Bonds, Series 2010B Bonds, Series 2007A Bonds, Series 2007B Bonds, Series 2004A 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.

11. Long-Term Debt (continued)

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, 2012, the amount remaining on the obligation was $1,913,000. The effective interest rate on the transaction was determined to be 7.2%. The original lease term is 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 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, 2012. The Company has accrued for estimated malpractice costs as well as an estimate of incurred but not reported claims not covered by its claims-made policy at June 30, 2012. The reserves for unpaid losses and loss expenses are estimated using individual case-basis valuations and actuarial analysis. Those estimates are subject to the effects of trends in loss severity and frequency. The estimates are continually reviewed, and adjustments are recorded as experience develops or new information becomes known. The changes to the estimated ultimate loss amounts are included in current operating results.

During 2012, the Company was required to adopt the new accounting standards ASU 2010-24, Health Care Entities: Presentation of Insurance Claims and Related Insurance Recoveries. This amendment to ASC 954 prohibits the netting of malpractice claim liabilities with expected insurance recoveries. The Company's malpractice insurance coverage is based on a claims made policy with a $25,000 per claim deductible and $23,000,000 aggregate coverage with a Reciprocal Risk Retention Group (RRRG). Reserves for malpractice insurance risks were $12,474,000 and $9,635,000 as of June 30, 2012 and 2011, respectively, and have been discounted at 3%. Amounts receivable under the excess contracts were $8,978,000 and $6,340,000 as of June 30, 2012 and 2011, respectively. The current and long-term portions of the reserves and receivables are disclosed in the consolidated balance sheets. Expenses associated

12. Commitments and Contingencies (continued)

with malpractice insurance risks were $2,964,000 and $3,823,000 for the years ended June 30, 2012 and 2011, respectively, and are classified in *Supplies, services, and other* in the Company's consolidated statements of operations.

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, 2012, are as follows:

	Minimum Lease Payments
2013	$ 1,174,919
2014	882,666
2015	171,646
2016	13,882
2017	14,992
Thereafter	118,784
	$ 2,376,889

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 receivables*, was $1,211,000 and $1,879,000 at June 30, 2012 and 2011, respectively. The maximum amount of unpaid physician income guarantees was approximately $311,000 at June 30, 2012.

12. Commitments and Contingencies (continued)

Medical Coverage Income Guarantees

During fiscal 2012, the Company entered into a multiple-year service agreement for specialty medical coverage. To recognize the medical coverage income guarantees included in the agreement, the Company recorded an asset and liability for the estimated value of the guarantees for the contracted period. The assets are amortized using the straight-line amortization method for the guarantee and service period. The current unamortized portion of these guarantees, included in *Prepaid expenses and other*, was $1,103,000 at June 30, 2012; the noncurrent portion of the unamortized guarantee, included in *Notes receivable, joint ventures and other*, was $4,719,000. At June 30, 2012, the current portion of the unpaid guarantee, included in *Accrued expenses*, was $717,000; the noncurrent portion of the unpaid guarantee, included in *Other long-term liabilities*, was $4,669,000. The maximum amount of unpaid medical coverage income guarantees was approximately $5,386,000 at June 30, 2012.

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 $300,000 per individual per plan year. Expenses related to self-insured employee medical claims totaled approximately $17,338,000 in 2012 and $14,376,000 in 2011 and are classified in *Employee benefits* in the Company's consolidated statements of operations.

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 $2,083,000 in 2012 and $1,881,000 in 2011. 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 $3,339,000 and $2,879,000 in 2012 and 2011, respectively.

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 $480,600 and $386,300 at June 30, 2012 and 2011, 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:

	2012	2011
Health care services	**$ 227,383,664**	$ 213,451,802
General and administrative	**18,689,609**	20,493,430
	$ 246,073,273	$ 233,945,232

Supplementary Information

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Independent Auditors' Report on Supplementary Information

Board of Directors
San Juan Regional Medical Center, Inc.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating balance sheet as of June 30, 2012, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Ernst & Young LLP

October 15, 2012

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Balance Sheet

June 30, 2012

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 18,918,429	$ 1,306,427	$ 56,706	$ –	$ 20,281,562
Short-term investments	6,962,125	1,108,024			8,070,149
Current portion of assets whose use is limited	268,472	–			268,472
Patient accounts receivable, net	32,551,914	783,032		(7,199)	33,327,747
Other receivables	1,771,655	–	–	(59,478)	1,712,177
Current portion of insurance receivable	2,769,000	–	–	–	2,769,000
Inventories	3,590,660	–			3,590,660
Prepaid expenses and other	3,906,581	53,861		–	3,960,442
Total current assets	70,738,836	3,251,344	56,706	(66,677)	73,980,209
Long-term investments	30,931,681	2,324,754			33,256,435
Assets whose use is limited, less current portion	72,426,824	–			72,426,824
Insurance receivable, less current portion	6,209,000				6,209,000
Property and equipment, net	155,862,921	1,261,028			157,123,949
Notes receivable, joint ventures and other	15,083,765		1,424,833	(7,493,817)	9,014,781
Total assets	$ 351,253,027	$ 6,837,126	$ 1,481,539	$ (7,560,494)	$ 352,011,198
Liabilities and net assets					
Current liabilities					
Accounts payable	$ 3,065,852	$ 29,476	$ (56,421)		$ 3,038,907
Accrued expenses	21,049,744	647,006		(66,677)	21,630,073
Current portion of long-term debt	7,365,945	–			7,365,945
Current portion of professional and general insurance liability	2,893,000	–	–	–	2,893,000
Estimated third-party payor settlements, net	3,313,427	204,788			3,518,215
Total current liabilities	37,687,968	881,270	(56,421)	(66,677)	38,446,140
Long-term debt, less current portion	65,748,474	–		–	65,748,474
Professional and general insurance liability, less current portion	9,581,000	–	–	–	9,581,000
Other long-term liabilities	5,149,452			–	5,149,452
Total liabilities	118,166,894	881,270	(56,421)	(66,677)	118,925,066
Net assets	233,086,133	5,955,856	1,537,960	(7,493,817)	233,086,132
Total liabilities and net assets	$ 351,253,027	$ 6,837,126	$ 1,481,539	$ (7,560,494)	$ 352,011,198

San Juan Regional Medical Center, Inc. and Affiliates

Consolidating Statement of Operations and Changes in Net Assets

Year Ended June 30, 2012

	Hospital	SJRRH	SJH	Eliminations	Consolidated
Revenue					
Patient service	$ 264,179,920	$ 4,602,311	$ –	$ (137,151)	$ 268,645,080
Provision for doubtful accounts	(25,552,890)	(55,470)	–	–	(25,608,360)
Net patient service revenue	238,627,030	4,546,841	–	(137,151)	243,036,720
Investment income, gains and losses	1,377,295	40,059	468,945	(473,905)	1,412,394
Other	6,794,732	1,080	–	(144,201)	6,651,611
Total revenue	246,799,057	4,587,980	468,945	(755,257)	251,100,725
Expenses					
Salaries and wages	113,705,261	2,717,372	–	–	116,422,633
Employee benefits	34,052,840	681,602	–	–	34,734,442
Supplies, services and other	51,176,581	475,696	168,835	–	51,821,112
Purchased services	23,977,713	437,813	–	(281,352)	24,134,174
Depreciation and amortization	13,494,165	86,708	–	–	13,580,873
Rent and leases	2,496,470	14,995	–	–	2,511,465
Interest	2,868,574	–	–	–	2,868,574
Total expenses	241,771,604	4,414,186	168,835	(281,352)	246,073,273
Excess of revenue over expenses	5,027,453	173,794	300,110	(473,905)	5,027,452
Contributions designated for fixed assets	1,071,609	–	–	–	1,071,609
Dividends	–	–	(350,000)	350,000	–
Increase (decrease) in net assets	6,099,062	173,794	(49,890)	(123,905)	6,099,061
Net assets, beginning of year	226,987,071	5,782,062	1,587,850	(7,369,912)	226,987,071
Net assets, end of year	$ 233,086,133	$ 5,955,856	$ 1,537,960	$ (7,493,817)	$ 233,086,132

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