

Return of Organization Exempt From Income Tax

2006

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning , 2006, and ending

<p>B Check if applicable</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>C <small>Please use IRS label or print or type. See specific instructions.</small></p> <p>Mendocino Coast Hospital Foundation 700 River Drive Fort Bragg, CA 95437</p>	<p>D Employer identification number 68-0041554</p> <p>E Telephone number</p> <p>F Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____</p>
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Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H (a) Is this a group return for affiliates? Yes No

H (b) If 'Yes,' enter number of affiliates _____

H (c) Are all affiliates included? Yes No
(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Web site: **N/A**

J Organization type (check only one) 501(c) **3** (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number _____

M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **1,097,164.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1	Contributions, gifts, grants, and similar amounts received.			
	a Contributions to donor advised funds	1a		
	b Direct public support (not included on line 1a)	1b	183,359.	
	c Indirect public support (not included on line 1a)	1c		
	d Government contributions (grants) (not included on line 1a)	1d		
	e Total (add lines 1a through 1d) (cash \$ 183,359. noncash \$ _____)	1e		183,359.
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4		
5	Dividends and interest from securities	5		
6a	Gross rents	6a		
	b Less: rental expenses	6b		
	c Net rental income or (loss). Subtract line 6b from line 6a	6c		
7	Other investment income (describe See Statement 1)	7		145,477.
			(A) Securities	(B) Other
8a	Gross amount from sales of assets other than inventory	8a		
	b Less: cost or other basis and sales expenses	8b		
	c Gain or (loss) (attach schedule)	8c		
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a	768,328.	
	b Less: direct expenses other than fundraising expenses	9b	476,605.	
	c Net income or (loss) from special events. Subtract line 9b from line 9a	9c		291,723.
			Statement 2	
10a	Gross sales of inventory, less returns and allowances	10a		
	b Less: cost of goods sold	10b		
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		620,559.
13	Program services (from line 44, column (B))	13		214,538.
14	Management and general (from line 44, column (C))	14		103,521.
15	Fundraising (from line 44, column (D))	15		46,019.
16	Payments to affiliates (attach schedule)	16		
17	Total expenses. Add lines 16 and 44, column (A)	17		364,078.
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		256,481.
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		2,592,221.
20	Other changes in net assets or fund balances (attach explanation) See Statement 3	20		56,845.
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		2,905,547.

SCANNED APR 9 3 2007

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a				
22b Other grants and allocations (att sch) See Stmt 4 (cash \$ 214,538. non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b	214,538.	214,538.		
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch)	25a	38,305.	0.	19,153.	19,152.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	25b	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c	0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c	26	30,357.		30,357.	
27 Pension plan contributions not included on lines 25a, b, and c	27				
28 Employee benefits not included on lines 25a - 27	28	18,964.		18,964.	
29 Payroll taxes	29	11,738.		11,738.	
30 Professional fundraising fees	30				
31 Accounting fees	31	8,995.		8,995.	
32 Legal fees	32				
33 Supplies	33	4,832.		4,832.	
34 Telephone	34				
35 Postage and shipping	35	1,696.		1,696.	
36 Occupancy	36	6,577.		6,577.	
37 Equipment rental and maintenance	37	100.		100.	
38 Printing and publications	38				
39 Travel	39	1,746.		1,746.	
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	2,701.		2,701.	
43 Other expenses not covered above (itemize)					
a See Statement 5	43a	23,529.		-3,338.	26,867.
b -----	43b				
c -----	43c				
d -----	43d				
e -----	43e				
f -----	43f				
g -----	43g				
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	364,078.	214,538.	103,521.	46,019.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ <u>See Statement 6</u> All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>Provide the local Rural Hospital District with the means to maintain/supplement patient care.</u> ----- ----- ----- (Grants and allocations \$ <u>182,968.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	182,968.
b <u>Support a healthcare organization in the New Orleans disaster area in its efforts to continue servicing their local community.</u> ----- ----- ----- (Grants and allocations \$ <u>31,570.</u>) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	31,570.
c ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (Grants and allocations \$ _____) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	214,538.

BAA

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	675,543.	45	494,623.
	46 Savings and temporary cash investments	21,404.	46	198,044.
	47a Accounts receivable	694.		
	b Less. allowance for doubtful accounts		47c	694.
	48a Pledges receivable			
	b Less. allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less. allowance for doubtful accounts		51c	
	52 Inventories for sale or use	4,037.	52	4,037.
	53 Prepaid expenses and deferred charges	18,000.	53	
	54a Investments — publicly-traded securities Stmt 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,085,677.	54a	1,597,302.
b Investments — other securities (attach sch) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b		
55a Investments — land, buildings, & equipment, basis				
b Less. accumulated depreciation (attach schedule)		55c		
56 Investments — other (attach schedule)	See Stmt 8	56	781,942.	
57a Land, buildings, and equipment, basis	28,335.			
b Less. accumulated depreciation (attach schedule) Statement 9	19,709.	57c	8,626.	
58 Other assets, including program-related investments (describe ▶ See Statement 10)	292.	58	292.	
59 Total assets (must equal line 74). Add lines 45 through 58	2,736,385.	59	3,085,560.	
LIABILITIES	60 Accounts payable and accrued expenses	67,621.	60	95,852.
	61 Grants payable	76,542.	61	83,239.
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ See Statement 11)	1.	65	922.
66 Total liabilities. Add lines 60 through 65	144,164.	66	180,013.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	2,592,221.	67	2,423,538.
	68 Temporarily restricted		68	482,009.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	2,592,221.	73	2,905,547.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	2,736,385.	74	3,085,560.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	620,559.
b	Amounts included on line a but not on Part I, line 12.			
	1 Net unrealized gains on investments	b1		
	2 Donated services and use of facilities	b2		
	3 Recoveries of prior year grants	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	620,559.
d	Amounts included on Part I, line 12, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	620,559.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements		a	364,078.
b	Amounts included on line a but not on Part I, line 17.			
	1 Donated services and use of facilities	b1		
	2 Prior year adjustments reported on Part I, line 20	b2		
	3 Losses reported on Part I, line 20	b3		
	4 Other (specify): _____	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	364,078.
d	Amounts included on Part I, line 17, but not on line a :			
	1 Investment expenses not included on Part I, line 6b	d1		
	2 Other (specify): _____	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	364,078.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
See Statement 12		38,305.	0.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

75a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings ▶ 10			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	75b		<input checked="" type="checkbox"/> X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of 'related organization' If 'Yes,' attach a statement that includes the information described in the instructions.	75c		<input checked="" type="checkbox"/> X
d Does the organization have a written conflict of interest policy?	75d	<input checked="" type="checkbox"/> X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation plans	(E) Expense account and other allowances
None				

Part VI Other Information (See the instructions.)

76 Did the organization make a change in its activities or methods of conducting activities? If 'Yes,' attach a detailed statement of each change			
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	76		<input checked="" type="checkbox"/> X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	77		<input checked="" type="checkbox"/> X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	78a		<input checked="" type="checkbox"/> X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	78b	N/A	
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?	79		<input checked="" type="checkbox"/> X
b If 'Yes,' enter the name of the organization ▶ <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.	80a		<input checked="" type="checkbox"/> X
81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a	0.	
b Did the organization file Form 1120-POL for this year?	81b		<input checked="" type="checkbox"/> X

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
82b	N/A		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
83b			
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
84b	N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
85a	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85b	N/A		
c	Dues, assessments, and similar amounts from members		
85c	N/A		
d	Section 162(e) lobbying and political expenditures		
85d	N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85e	N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85f	N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85g	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
85h	N/A		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		
86a	N/A		
b	Gross receipts, included on line 12, for public use of club facilities		
86b	N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		
87a	N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
87b	N/A		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI		X
88b			
89a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>0.</u> , section 4912 ▶ <u>0.</u> , section 4955 ▶ <u>0.</u>		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89b			
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ <u>0.</u>		
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ <u>0.</u>		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90a	List the states with which a copy of this return is filed ▶ <u>None</u>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		0
90b			
91a	The books are in care of ▶ <u>Eve Yeomans</u> Telephone number ▶ _____ Located at ▶ <u>700 River Drive, Fort Bragg, CA,</u> ZIP + 4 ▶ <u>95437</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country ▶ _____		
91b		Yes	No
			X

See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States?

	Yes	No
91 c		X

If 'Yes,' enter the name of the foreign country

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here

N/A

and enter the amount of tax-exempt interest received or accrued during the tax year

92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income			14	145,477.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			1	291,723.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				437,200.	
105 Total (add line 104, columns (B), (D), and (E))					437,200.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
All	All net proceeds are used to supplement the local district hospital and other local healthcare organizations, enabling this rural healthcare community to provide services that might otherwise be unavailable to its residents.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C)	(D)	(E)
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with

a Did the organization, during the year, receive any funds, directly or indirectly, to pay

b Did the organization, during the year, pay premiums, directly or indirectly

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity

Yes	No
	X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	-----			
b	-----			
c	-----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
	X

Please Sign Here

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.

Signature of officer: *Wm J. ...* Date: 11/19/07

Executive Director

Paid Preparer's Use Only

Preparer's signature: *Wendy S Boise* Date: 11/9/07 Check if self employed: Preparer's SSN or PTIN (See General Instruction W): N/A

Firm's name (or yours if self-employed), address, and ZIP + 4: Wendy S. Boise, CPA
325 E Redwood Ave.
Ft. Bragg, CA 95437 EIN: N/A Phone no: 707.964.0105

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Organization Exempt Under
Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No 1545 0047

2006

Name of the organization: **Mendocino Coast Hospital Foundation** Employer identification number: **68-0041554**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50,000 ▶		0		

Part II - A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		0

Part II - B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None		
Total number of other contractors receiving over \$50,000 for other services ▶		0

Part III Statements About Activities (See instructions.)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		N/A
c Did the organization make a distribution to a donor, donor advisor, or related person?		N/A
d Enter the total number of donor advised funds owned at the end of the tax year ▶ <u>N/A</u>		N/A
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ <u>N/A</u>		N/A
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ <u>0</u>		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ <u>0.</u>		0.

Part IV Reason for Non-Private Foundation Status (See instructions.)

I certify that the organization is not a private foundation because it is. (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc. 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization. ▶
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	N/A				
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24 N/A				26a
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c
d Add: Amounts from column (e) for lines:	18	19			26d
	22	26b			
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12:	N/A				
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year:	(2005)	(2004)	(2003)	(2002)	
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.	(2005)	(2004)	(2003)	(2002)	
c Add: Amounts from column (e) for lines:	15	16			27c
	17	20	21		
d Add: Line 27a total and line 27b total					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. **N/A**

Part V Private School Questionnaire (See instructions.)
 (To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.) ----- ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.		

Mendocino Coast Hospital Foundation

68-0041554

Statement 1
Form 990, Part I, Line 7
Other Investment Income

Investment inc.-realized

Total \$ 145,477.
 \$ 145,477.

Statement 2
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Winesong! annual tasting and auction	768,187.	0.	768,187.	473,416.	294,771.
Other Public awareness events	141.	0.	141.	3,189.	-3,048.
Total	<u>\$ 768,328.</u>	<u>\$ 0.</u>	<u>\$ 768,328.</u>	<u>\$ 476,605.</u>	<u>\$ 291,723.</u>

Statement 3
Form 990, Part I, Line 20
Other Changes in Net Assets or Fund Balances

Prior year alloc not transferred

Unrealized change FMV investments

Total \$ -32,291.
 \$ 89,136.
56,845.

Statement 4
Form 990, Part II, Line 22b
Other Grants and Allocations

Cash Grants and Allocations

Class of Activity: Health services support
 Donee's Name: Mendocino Coast Hospital
 Donee's Address: 700 River Drive
 Fort Bragg, CA 95437
 Relationship of Donee: Supported organization
 Amount Given: \$ 182,968.

Class of Activity: Health services support
 Donee's Name: Touro Infirmary Foundation
 Donee's Address: 1401 Foucher St
 New Orleans, LA 70115
 Relationship of Donee: none
 Amount Given: 31,570.

Total Grants and Allocations \$ 214,538.

Mendocino Coast Hospital Foundation

68-0041554

Statement 5
Form 990, Part II, Line 43
Other Expenses

	(A)	(B)	(C)	(D)
	Total	Program Services	Management & General	Fundraising
Board & Meetings	501.		501.	
Computer support	1,838.		1,838.	
Direct/special fndrsng costs	24,337.			24,337.
Dues & subscriptions	2,548.		2,548.	
Education	806.		806.	
Fund dev/planned giv	2,530.			2,530.
Less cost alloc to spec event	-11,388.		-11,388.	
Miscellaneous	349.		349.	
Property tax	164.		164.	
Publicity	320.		320.	
Recognitions/receptions	1,524.		1,524.	
Total	\$ 23,529.	\$ 0.	\$ -3,338.	\$ 26,867.

Statement 6
Form 990, Part III
Organization's Primary Exempt Purpose

To support the local hospital district with grants and funding for equipment, facilities and educational expenditures.

Statement 7
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Amount</u>
Corporate bonds	Market Value	\$ 210,381.
	Total	\$ 210,381.

<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Amount</u>
Mutual Funds	Market Value	1,248,938.
	Total	\$ 1,248,938.

<u>U.S. Government Obligations</u>	<u>Valuation Method</u>	<u>Amount</u>
Gov't securities	Market Value	137,983.
	Total	\$ 137,983.

Mendocino Coast Hospital Foundation

68-0041554

Statement 7 (continued)
Form 990, Part IV, Line 54a
Investments - Publicly Traded Securities

U.S. Government Obligations	Valuation Method	Amount
	Publicly Traded Securities	\$ <u>1,597,302.</u>

Statement 8
Form 990, Part IV, Line 56
Investments - Other

Description of Investment	Valuation Method	Book Value
Long-term Certificates of deposit	Market Value	\$ 741,942.
Annuity	Market Value	
Limited Liability Partnership Int	Cost	40,000.
	Total	\$ <u>781,942.</u>

Statement 9
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Furniture and Fixtures	\$ 28,335.	\$ 19,709.	\$ 8,626.
	Total	\$ 19,709.	\$ <u>8,626.</u>

Statement 10
Form 990, Part IV, Line 58
Other Assets

Insurance deposit		\$ 292.
	Total	\$ <u>292.</u>

Statement 11
Form 990, Part IV, Line 65
Other Liabilities

Rounding		\$ 3.
Sales tax payable		919.
	Total	\$ <u>922.</u>

Mendocino Coast Hospital Foundation

68-0041554

Statement 12
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Tom Becker 43300 Little River Airport Rd Little River, CA 95456	Director 1	\$ 0.	\$ 0.	\$ 0.
Gayle Ensign 44901 Woodstock Dr Mendocino, CA 95460	Director 0	0.	0.	0.
Marilyn Leroy 90 West Redwood Ave Fort Bragg, CA 95437	Treasurer 2	0.	0.	0.
Joan Selchau P.O. Box 2422 Mendocino, CA 95460	President 2	0.	0.	0.
Bob Christofferson 44781 Baywood Dr Mendocino, CA 95460	Director 1	0.	0.	0.
Robert Cimmiyotti 17450 Redwood Springs Dr Fort Bragg, CA 95437	Vice President 1	0.	0.	0.
Janet Morris 700 River Dr Fort Bragg, CA 95437	Director 1	0.	0.	0.
James C Rainie 445 N McPherson Fort Bragg, CA 95437	Secretary 2	0.	0.	0.
Gene Mattiuzzo 31100 Simpson Lane Fort Bragg, CA 95437	Director 1	0.	0.	0.
Eve Yeomans P.O. Box 1273 Fort Bragg, CA 95437	Exec. Director 32	38,305.	0.	0.
Total		\$ 38,305.	\$ 0.	\$ 0.