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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2010 Open to Public Inspection
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A For the 2010 calendar year, or tax year beginning 07-01-2010 and ending 06-30-2011		
B Check if applicable ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization Marian Community Clinics Inc	D Employer identification number 77-0447575
	Doing Business As	E Telephone number (805) 739-3688
	Number and street (or P O box if mail is not delivered to street address) 1400 E CHURCH STREET	Room/suite
	G Gross receipts \$ 2,440,458	
	City or town, state or country, and ZIP + 4 SANTA MARIA, CA 93454	
	F Name and address of principal officer SUE ANDERSEN 1400 EAST CHURCH STREET SANTA MARIA, CA 93454	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.CHWHEALTH.ORG		
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶		L Year of formation 1997
		M State of legal domicile CA

Part I		Summary	
Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROVIDE ACCESS TO LOW COST, QUALITY MEDICAL SERVICES TO THE SANTA MARIA AND GUADALUPE COMMUNITIES REGARDLESS OF THE PATIENTS ABILITY TO PAY FOR THE SERVICES		
	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	7
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	6
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	36
6 Total number of volunteers (estimate if necessary)	6	0	
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	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	53,785	5,000
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,338,972	2,435,458
	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)	14,727	0
		2,407,484	2,440,458
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	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)	1,301,539	2,050,076
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ☒ 0		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)		
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	2,156,618	2,328,031
	19 Revenue less expenses Subtract line 18 from line 12	3,458,157	4,378,107
Net Assets or Fund Balances		-1,050,673	-1,937,649
		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	1,387,555	1,727,858
	21 Total liabilities (Part X, line 26)	2,064,229	4,331,671
22 Net assets or fund balances Subtract line 21 from line 20	-676,674	-2,603,813	

Part II Signature Block					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.					
Sign Here	▶ Signature of officer			2012-04-30 Date	
	▶ SUE ANDERSEN CFO Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ☐	PTIN
	Firm's name ▶ KPMG LLP				Firm's EIN ▶
	Firm's address ▶ 55 SECOND STREET SUITE 1400 SAN FRANCISCO, CA 94105				Phone no ▶ (415) 963-5100
May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No					

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

MARIAN COMMUNITY CLINICS', SPONSORED BY CHW DBA MARIAN MEDICAL CENTER, MISSION IS TO PROVIDE ACCESS TO LOW COST, QUALITY MEDICAL SERVICES TO THE SANTA MARIA AND GUALDALUPE COMMUNITIES REGARDLESS OF THE PATIENTS ABILITY TO PAY FOR THE SERVICES

2

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

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

3

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

If "Yes," describe these changes on Schedule O

4

Describe the exempt purpose achievements for each of the organization's three largest program services by expenses

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a

(Code) (Expenses \$ 3,944,185 including grants of \$ 0) (Revenue \$ 2,435,458)

THIS IS A CLINIC THAT PROVIDES LOW COST MEDICAL SERVICES TO MANY PATIENTS IN THE COMMUNITY WHO OTHERWISE COULD NOT AFFORD TREATMENT WE SERVE PATIENTS IN THE GUADALUPE AND SANTA MARIA CLINICS MOST OF THESE PATIENTS ARE SPANISH SPEAKING STAFF INCLUDES FOUR PRIMARY CARE PRACTITIONERS PLUS SUPPORT STAFF IN ADDITION TO PROVIDING PRIMARY CARE SERVICES, THE CLINIC ALSO PROVIDES ORTHOPEDIC AND OBSTETRICS SERVICES

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 \$ 3,944,185

Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i> 	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)? 	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</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? <i>If "Yes," complete Schedule C, Part II.</i>	4	No
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>	5	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</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? <i>If "Yes," complete Schedule D, Part II.</i> 	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i> 	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? <i>If "Yes," complete Schedule D, Part IV.</i> 	9	No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i> 	10	No
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i> 	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? <i>If "Yes," complete Schedule D, Part VII.</i> 	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? <i>If "Yes," complete Schedule D, Part VIII.</i> 	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? <i>If "Yes," complete Schedule D, Part IX.</i> 	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i> 	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)? <i>If "Yes," complete Schedule D, Part X.</i> 	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i> 	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i> 	12b	Yes
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</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? <i>If "Yes," complete Schedule F, Parts II and IV.</i>	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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	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? <i>If "Yes," complete Schedule G, Part I (see instructions).</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? <i>If "Yes," complete Schedule G, Part II.</i>	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>	19	No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions).	20b	

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V ☐		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a2
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1cYes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	2a36
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aNo
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, securities account, or other financial account)?	4aNo
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?	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
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?	6aNo
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?	7aNo
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?	7cNo
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?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7fNo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders.	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	11b
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b
c	Enter the amount of reserves on hand.	13c
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14aNo
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 7		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 6		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization’s assets?	5		No
6	Does the organization have members or stockholders?	6	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	Yes	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization’s mailing address? If “Yes,” provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		No
b	If “Yes,” does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990			
12a	Does the organization have a written conflict of interest policy? If “No,” go to line 13	12a	Yes	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If “Yes,” describe in Schedule O how this is done	12c	Yes	
13	Does the organization have a written whistleblower policy?	13	Yes	
14	Does the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization’s CEO, Executive Director, or top management official	15a		No
b	Other officers or key employees of the organization If “Yes” to line 15a or 15b, describe the process in Schedule O (See instructions)	15b		No
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If “Yes,” has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization’s exempt status with respect to such arrangements?	16b		

Section C. Disclosure	
17	List the States with which a copy of this Form 990 is required to be filed CA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply. ☐ Own website ☐ Another's website ☒ Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization BILL FINLEY 1400 E CHURCH STREET SANTA MARIA, CA 93454 (805) 739-3686

Part VII

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

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

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

- 1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

•

List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

•

List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

•

List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

•

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Dr Carrick Adam Board Member	1 0	X						0	0	0
(2) Dr Carolyn Baldiviez Board Member	1 0	X						0	0	0
(3) Leo Corona Board Member	1 0	X						0	0	0
(4) Raul Segura Board Member	1 0	X						0	0	0
(5) Eugene Alarcon President	1 0	X		X				0	0	0
(6) Sister Pius Fahlstrom OSF Vice President	1 0	X		X				0	0	5,515
(7) Sister Louis Provo OSF Secretary/Treasurer	1 0	X		X				0	0	0
(8) Sue Andersen VP/CFO	6 0			X				0	346,630	42,696
(9) Lupe Terrones Director of Clinics	40 0			X				0	87,209	21,526
(10) Chuck Cova Service Area Leader	1 0				X			0	592,758	67,310
(11) Dr Mark C Juretic General Manager/Physician	40 0				X			224,262	25,875	0
(12) Dr Ilona A Baran Physician	58 0					X		243,487	13,000	0
(13) Dr Kenneth W Fogelberg Physician	74 0					X		215,114	63,907	0
(14) Dr Thor Gjerdrum Physician	20 0					X		139,002	0	0
(15) Dr John Lamarca Physician	32 0					X		160,000	0	0

Part VII

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b	Sub-Total ▶									
c	Total from continuation sheets to Part VII, Section A ▶									
d	Total (add lines 1b and 1c) ▶							981,865	1,129,379	137,047

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization▶5

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CENTRAL COAST ORTHOPEDIC GRP 2342 PROFESSIONAL PKWY SUITE 200 SANTA MARIA, CA 93455	Physician Services	196,510
ALAN ROINESTAD CONSTRUCTION 2646 INDUSTRIAL PKWY 100 SANTA MARIA, CA 93455	GENERAL CONTRACTOR	114,623

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

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	5,000			
	f All other contributions, gifts, grants, and similar amounts not included above 1f				
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f	5,000			
	Program Service Revenue		Business Code		
2a PATIENT REVENUE		621400	1,979,602	1,979,602	0
b MEDICARE / MEDICAID PAYMENTS		621400	455,856	455,856	
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f		2,435,458			
Other Revenue		3 Investment income (including dividends, interest and other similar amounts)		0	
	4 Income from investment of tax-exempt bond proceeds . . .		0		
	5 Royalties		0		
	6a Gross Rents	(i) Real	(ii) Personal		
	b Less rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other		
	b Less cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss)			0	
	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		2,440,458	2,435,458	0	0

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	0			
2	Grants and other assistance to individuals in the U S See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0			
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees	252,013	215,341	36,672	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	18,404	18,404		
7	Other salaries and wages	1,459,896	1,284,129	175,767	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0			
9	Other employee benefits	154,574	136,025	18,549	
10	Payroll taxes	165,189	145,366	19,823	
a	Fees for services (non-employees) Management	0			
b	Legal	0			
c	Accounting	0			
d	Lobbying	0			
e	Professional fundraising services See Part IV, line 17	0			
f	Investment management fees	0			
g	Other	1,398,299	1,395,389	2,910	
12	Advertising and promotion	2,413		2,413	
13	Office expenses	133,274	116,863	16,411	
14	Information technology	274		274	
15	Royalties	0			
16	Occupancy	247,523	247,523		
17	Travel	19,688		19,688	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19	Conferences, conventions, and meetings	24,971		24,971	
20	Interest	0			
21	Payments to affiliates	0			
22	Depreciation, depletion, and amortization	21,727		21,727	
23	Insurance	87,728		87,728	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	BAD DEBT	167,156	167,156		0
b	LICENSES & TAXES	3,078	2,448	630	
c	DUES & SUBSCRIPTIONS	6,359		6,359	
d	MEDICAL SUPPLIES	207,231	207,231		
e	FOOD SUPPLIES	701	701		
f	All other expenses	7,609	7,609		0
25	Total functional expenses. Add lines 1 through 24f	4,378,107	3,944,185	433,922	0
26	Joint costs. Check here ☐ if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

						(A)		(B)
						Beginning of year		End of year
Assets	1	Cash—non-interest-bearing				500	1	500
	2	Savings and temporary cash investments				724,380	2	952,580
	3	Pledges and grants receivable, net					3	
	4	Accounts receivable, net				457,134	4	290,325
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L					5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L					6	
	7	Notes and loans receivable, net				62,573	7	18,876
	8	Inventories for sale or use					8	
	9	Prepaid expenses and deferred charges				12,860	9	146,284
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	491,639	130,108	10c	319,293	
	b	Less accumulated depreciation	10b	172,346				
	11	Investments—publicly traded securities					11	
	12	Investments—other securities See Part IV, line 11					12	
	13	Investments—program-related See Part IV, line 11					13	
	14	Intangible assets					14	
	15	Other assets See Part IV, line 11					15	
	16	Total assets. Add lines 1 through 15 (must equal line 34)				1,387,555	16	1,727,858
Liabilities	17	Accounts payable and accrued expenses				208,896	17	251,800
	18	Grants payable					18	
	19	Deferred revenue					19	
	20	Tax-exempt bond liabilities					20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D					21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L					22	
	23	Secured mortgages and notes payable to unrelated third parties					23	
	24	Unsecured notes and loans payable to unrelated third parties					24	
	25	Other liabilities Complete Part X of Schedule D				1,855,333	25	4,079,871
	26	Total liabilities. Add lines 17 through 25				2,064,229	26	4,331,671
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				-676,674	27	-2,603,813
	28	Temporarily restricted net assets					28	
	29	Permanently restricted net assets					29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.							
	30	Capital stock or trust principal, or current funds					30	
	31	Paid-in or capital surplus, or land, building or equipment fund					31	
	32	Retained earnings, endowment, accumulated income, or other funds					32	
	33	Total net assets or fund balances				-676,674	33	-2,603,813
	34	Total liabilities and net assets/fund balances				1,387,555	34	1,727,858

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,440,458
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,378,107
3	Revenue less expenses Subtract line 2 from line 1	3	-1,937,649
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-676,674
5	Other changes in net assets or fund balances (explain in Schedule O)	5	10,510
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	-2,603,813

Part XII Financial Statements and Reporting

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

		Yes	No
1	Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both ☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization Manan Community Clinics Inc	Employer identification number 77-0447575
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Part I

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

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

- 1

☐

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

☐

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

☒

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other
- e

☐

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

☐

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

☐

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

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?
- h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

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

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

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

Part IIIPart III

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

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

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11 and 12)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section501(c)(3) organization, check this box and stop here						

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

Section D. Computation of Investment Income Percentage			
17	Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	
18	Investment income percentage from 2009 Schedule A, Part III, line 17	18	
19a	33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization ▶		
b	33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization ▶		
20	Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions ▶		

Part IV

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

Facts And Circumstances Test

Explanation
The organization is not licensed as a hospital it is licensed as a healthcare clinic and provides medical services to the community it serves

Schedule A (Form 990 or 990-EZ) 2010

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2010

Open to Public
Inspection

Name of the organization
Marian Community Clinics Inc

Employer identification number
77-0447575

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

3

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

4

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

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6

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

7

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

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii)

Assets included in Form 990, Part X

► \$ _____

2

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

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

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

Cat No 52283D

Schedule D (Form 990) 2010

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

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

☐ Yes

☐ No

b

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

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

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

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance				
b	Contributions				
c	Investment earnings or losses				
d	Grants or scholarships				
e	Other expenditures for facilities and programs				
f	Administrative expenses				
g	End of year balance				

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations

(ii)

related organizations

b

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

	Yes	No
3a(i)		
3a(ii)		
3b		

4

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

Part VI

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

Description of investment	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		251,775	42,762	209,013
d Equipment		234,350	124,923	109,427
e Other		5,514	4,661	853
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				319,293

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	2,440,458
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,378,107
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-1,937,649
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	10,510
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	10,510
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-1,927,139

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	2,434,119
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	2,434,119
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	6,339
c	Add lines 4a and 4b	4c	6,339
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	2,440,458

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	4,361,258
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	4,361,258
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	16,849
c	Add lines 4a and 4b	4c	16,849
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	4,378,107

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
Schedule D, Part X, Line 2		Marian Community Clinics, Inc. has no uncertain tax positions that would be material to the financial statements and its open tax years subject to examination are 2008, 2009, and 2010.
Part XII, Line 4B and Part XIII Line 4B		Prior period adjustments

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2010

Open to Public Inspection

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

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

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization
Marian Community Clinics Inc

Employer identification number
77-0447575

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ 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)		
1b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☐ Compensation committee ☐ 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:		
4a	Receive a severance payment or change-of-control payment from the organization or a related organization?		No
4b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	Yes	
4c	Participate in, or receive payment from, an equity-based compensation arrangement?		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
5a	The organization?		No
5b	Any related organization?		No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
6a	The organization?		No
6b	Any related organization?		No
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

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

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

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Sue Andersen	(i)	0	0	0	0	0	0	0
	(ii)	266,676	56,989	22,965	25,718	16,978	389,326	0
(2) Chuck Cova	(i)	0	0	0	0	0	0	0
	(ii)	372,454	204,126	16,178	39,894	27,416	660,068	0
(3) Dr Mark C Juretic	(i)	218,172	0	6,090	0	0	224,262	0
	(ii)	25,875	0	0	0	0	25,875	0
(4) Dr Ilona A Baran	(i)	238,861	0	4,626	0	0	243,487	0
	(ii)	13,000	0	0	0	0	13,000	0
(5) Dr Kenneth W Fogelberg	(i)	215,114	0	0	0	0	215,114	0
	(ii)	63,907	0	0	0	0	63,907	0
(6) Dr John Lamarca	(i)	153,462	0	6,538	0	0	160,000	0
	(ii)	0	0	0	0	0	0	0
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
PART I, LINE 3		The Clinic relied on a related organization, Catholic Healthcare West that used a compensation committee, compensation survey or study, and approval by the board or compensation committee to establish the Clinic's top management official's compensation. See Schedule O disclosure for Form 990, Part VI, Section B, Line 15a for additional information.
Part I, line 4a		The organization's key employees and certain officers and highly compensated employees participate in a severance plan that provides market-standard compensation, ranging from payments of 1 week to 2 years of base compensation, depending on the executive's position, in the event of a position elimination or other involuntary termination, in accordance with the guidelines of the plan. No payments were made to any listed persons during 2010 pursuant to this plan.
Part I, Line 4b		Certain listed persons participate in the CHW Excess Benefit Plan, a nonqualified supplemental benefit plan limited to participants in the CHW retirement plan whose benefits are affected by the limitations imposed by Sections 401(a)(17) and 415 of the Internal Revenue Code. Benefit service under this plan was frozen as of January 1, 2008. No payments were made to any listed persons during 2010 pursuant to this plan. Certain listed persons hired prior to June 30, 2006 are eligible to participate in the CHW Executive Deferred Compensation Plan, a nonqualified 457(f) plan that is subject to substantial risk of forfeiture, as required by the IRS. The 2007 Executive Deferred Compensation Plan is intended to provide a benefit approximating the difference, if any, between the benefit provided under the CHW excess benefit plan and the benefit provided under the qualified benefit plan that substantially replaced the excess plan. No benefit will vest under the 457(f) plan before the latter of the attainment of age 62 while employed or the completion of 15 years of service. Certain listed persons participate in the CHW Key Employee Share Option Plan (KEYSOP), which was frozen in May 2002. The KEYSOP program was established in 2001 with the purpose of providing income deferral opportunities to employees eligible for the company's key employee retention program. No payments were made to any listed persons during 2010 pursuant to this plan.
Part II - Supplemental disclosures		The organization's executive compensation philosophy is designed to assist the organization in attracting and retaining the caliber of executives required to enable the organization to fulfill its mission of providing high quality healthcare for all persons regardless of their ability to pay for services, improving the quality of life in the communities the organization serves, promoting employee satisfaction, and ensuring financial stability. A substantial portion of executive compensation is performance based and is linked to organizational goals approved in advance by the Compensation and Benefits Committee. These goals include attainment of annual and long-term financial performance, certain healthcare quality standards and the organization's commitment to serving the poor and disenfranchised in the communities it serves.
Sch J-2		Compensation by Drs Juretic, Baran, and Fogelberg is for Medical Directorship services and physician services provided to the supported organization's Marian Medical Center and the filing organization. The organization does not compensate director/officer, Pius Fahlstrom, OSF, for her services as a board member. All compensation and benefits reported for directors represent compensation as an employee by the related organization, CHW.

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
2010
Open to Public Inspection

Name of the organization
Marian Community Clinics Inc

Employer identification number
77-0447575

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

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

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

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

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

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

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

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

Part IV

Business Transactions Involving Interested Persons.

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

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) MARGARET SEGURA	SPOUSE OF BM, RAUL SEGURA	18,404	COMPENSATION		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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2010

Open to Public
Inspection

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.

Name of the organization
Marian Community Clinics Inc

Employer identification number

77-0447575

Identifier	Return Reference	Explanation
FORM 990, PART VI - GOVERNANCE, MANAGEMENT, DISCLOSURE		FORM 990, PART VI, SECTION A, LINE 6 The organization has a sole corporate member, Catholi c Healthcare West, a 501(c)(3) exempt organization FORM 990, PART VI, SECTION A, LINE 7a CHW, as the sole corporate member, ratifies the selection of members and the CHW Board app roves new Board members of the foundation FORM 990, PART VI, SECTION A, LINE 7b Reserved rights of the corporate member include adoption of mission and philosophy statements, amen dment or restatement of articles of incorporation and bylaw s, dissolution of the corporati on, acquisition of another corporation, creation of a new subsidiary, merger or consolidat ion with another corporation, participation as a general or limited partner in any venture , incurring long-term indebtedness in excess of normal operating requirements, ratificatio n of board member appointments and dismissals, selection and removal of independent audito rs, and transactions outside the ordinary course of business FORM 990, PART VI, SECTION B , LINE 11A The organization's CFO and Controller w orked closely with AN INDEPENDENT ACCOUN TING FIRM engaged to review the return and present each section of the final draft of Form 990 to the executive committee of the Board The complete copy of the return was provided to the organization's board of directors by a representative of the executive committee o f the Board before the return was filed with the IRS FORM 990, PART VI, SECTION B, LINE 1 2C The Organization has adopted CHW's Conflicts of Interest Policy The Organization's Boa rd is charged with monitoring proposed or ongoing transactions for conflicts of interest a nd addressing any potential or actual conflicts Pursuant to the conflicts of interest pol icy, an annual conflict of interest disclosure statement, aimed at determining any family and business relationships and transactions, or other transactions that may pose a potenti al conflict, is distributed to all covered persons (e g , board members, officers and exec utive leadership, key employees and all management personnel whose responsibilities includ e business decisions which may give rise to conflicts of interest) Covered persons are al so required to disclose real or potential conflicts at the time such conflicts arise When an individual becomes a covered person and annually thereafter, each covered person is re quired to submit an updated disclosure statement and to sign a statement affirming that he /she (1) has received a copy of the conflicts of interest policy, (2) has read the policy and understands said policy, and (3) agrees to comply with all requirements of the policy , including completing the conflicts of interest disclosure statement The completed quest ionnaires are review ed by CHW's Legal Department and any persons with actual or potential conflicts are informed via w ritten communication The procedures for addressing any confl ict of interest related to a proposed transaction include, but are not limited to, the foll ow ing (1) the conflicting interest is fully disclosed to the board, (2) the interested pe rson responds to factual questions related to the substance of the transaction or arrangem ent being considered, after w hich he/she shall leave the meeting, (3) the person with the conflict of interest is excluded from the discussion and approval of such transaction, (4) if w arranted, alternatives to the proposed transaction are investigated, and competitive bids or comparable valuations are obtained, (5) any conflicting issues arising during the course of a board meeting which cannot be resolved are to be referred to an independent co mmittee of the Board of Directors, and (6) the transaction or action must be approved by a majority of disinterested persons All conflicts of interest, w hether resolved or unresol ved, are reported in the Organization's Form 990 FORM 990, PART VI, SECTION B, LINE 15 FO R 2010 COMPENSATION, The RELATED organization's human resources department conductED an an nual review and analysis to provide benchmarking data for the total compensation and benef its package of the key employees Appropriate comparability data for similar jobs in peer companies (both taxable and tax-exempt) WERE obtained The CFO and President of the RELATE D organization approveD all merit increases and salary changes Although the organization employs personnel, the CFO is compensated by Catholic Healthcare West (CHW) dba Marian Med ical Center CHW's Human Resources department conductED an annual review and analysis to p rovide benchmarking data for the total compensation and benefits package of the CFO Appro priate comparability data for similar jobs in peer companies (both taxable and tax-exempt) WERE obtained from independent third-party survey sources FORM 990, PART VI, SECTION C, L INE 19 Federal tax law s do not mandate that the organization's governing documents, confli ct of interest policy and financial statements be made available for public inspection Th e organization makes its financial statements avai

Identifier	Return Reference	Explanation
FORM 990, PART VI - GOVERNANCE, MANAGEMENT, DISCLOSURE		lable upon request

Identifier	Return Reference	Explanation
Form 990, Part XI, Line 5		Prior period adjustments, \$10,510

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Sister Plus Fahlstrom, OSF TITLE Vice President HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Sue Andersen TITLE VP/CFO HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Chuck Cova TITLE Service Area Leader HOURS 40

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Dr Mark C Juretic TITLE General Manager/Physician HOURS 4

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

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

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
Manan Community Clinics Inc

Employer identification number
77-0447575

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) CHW dba Marian Medical Center 1400 E Church Street Santa Maria, CA 93454 94-1196203	Hospital	CA	501(c)(3)	3	NA		

Part III

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

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

Part IV

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

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations

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

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

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

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

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

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

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

e Loans or loan guarantees by other organization(s)

f Sale of assets to other organization(s)

g Purchase of assets from other organization(s)

h Exchange of assets

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

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

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

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

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

n Sharing of paid employees

o Reimbursement paid to other organization for expenses

p Reimbursement paid by other organization for expenses

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

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

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

No

No

No

No

No

No

No

No

No

No

No

Yes

Yes

No

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) NONE			
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2010

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

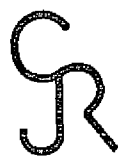
[illegible]

Part VII **Supplemental Information**

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

Identifier	Return Reference	Explanation
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MARIAN COMMUNITY CLINICS, INC.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

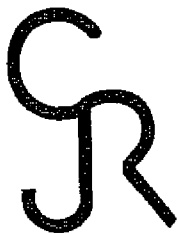


CARLOS J. REYNOSO
CERTIFIED PUBLIC ACCOUNTANT

MARIAN COMMUNITY CLINICS, INC.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

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Carlos J. Reynoso
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of
Marian Community Clinics, Inc.**

I have audited the accompanying balance sheet of Marian Community Clinics, Inc. (a nonprofit organization) as of June 30, 2011, and the related statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Marian Community Clinics, Inc. as of June 30, 2011, and the results of its operations, changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

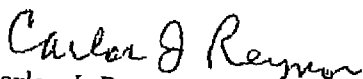
In accordance with Government Auditing Standards, I have also issued my report dated, April 10, 2012 on my consideration of Marian Community Clinics, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

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To the Board of Directors
Page Two

That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.


Carlos J. Reynoso, CPA

April 10 , 2012

MARIAN COMMUNITY CLINICS, INC.
BALANCE SHEET
JUNE 30, 2011

ASSETS

Current Assets

Cash in bank - Note 2	\$ 953,079
Patient accounts receivable, net of allowance for doubtful accounts and contractual allowances of \$ 380,047 - Notes 1 and 3	<u>429,272</u>
Total currents assets	1,382,351
Property and equipment, net - Notes 1 and 4	319,293

Other Assets

Security deposits	7,336
Note receivable	<u>18,876</u>
Total assets	\$ <u>1,727,856</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 251,815
Due to Marian Medical Center	<u>4,079,854</u>
Total current liabilities	4,331,669

Net Assets

Unrestricted	(2,603,813)
Total liabilities and net assets	\$ <u>1,727,856</u>

See accompanying notes to the financial statements

MARIAN COMMUNITY CLINICS, INC.
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

Revenue and Other Support

Net patient service revenue - Note 1	\$ 2,020,168
Other revenue	<u>413,951</u>
Total revenue and other support	<u>2,434,119</u>

Expenses

Salaries	1,694,835
Benefits	295,690
Supplies	403,136
Purchased services	1,778,714
Depreciation and amortization - Note 1	21,727
Provision for bad debts	<u>167,156</u>
Total expenses	<u>4,361,258</u>
Change in net assets	(1,927,139)
Net assets, beginning of year	<u>(676,674)</u>
Net assets, end of year	<u>\$(2,603,813)</u>

See accompanying notes to the financial statements

MARIAN COMMUNITY CLINICS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

Cash Flows from Operating Activities

Change in net assets	\$ (1,927,139)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	21,727
Note receivable foregiven-malpractice insurance	43,697
Provision for bad debts and contractual allowances	156,435
(Increase) decrease in:	
Grants, contracts, and accounts receivable	(128,573)
Prepaid expenses	12,860
Security deposits	(7,336)
Increase (decrease) in:	
Accounts payable and accrued expenses	42,919
Due to Marian Medical Center	<u>2,224,521</u>
Net cash provided by operating activities	439,111

Cash Flows Provided by Investing Activities

Acquisition of property and equipment	<u>(210,912)</u>
Net decrease in cash in bank	228,199
Cash in bank, beginning of year	<u>724,880</u>
Cash in bank, end of year	<u>\$ 953,079</u>

See accompanying notes to the financial statements

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Description of Organization and Summary of Significant Accounting Policies

Organization - Marian Community Clinics, Inc. (the Clinic), located in Guadalupe, California, is a not-for-profit organization that operates clinics in the cities of Guadalupe and Santa Maria. The Clinic in San Luis Obispo will be opened in fiscal year 2011-2012. The Clinic was incorporated on January 15, 1997. The Clinic acquired the assets of two not-for-profit organizations and commenced operations on February 1, 1997.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant Estimates - The Clinics considers its estimates for contractual allowances and bad debt allowance to be significant estimates as described below since industry and market conditions make it reasonably possible that estimates will change within one year of the date of financial statements and the effect of the change would be material.

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 and is computed using the straight-line method. Property and equipment acquired through donations are recorded at fair market value at the date received. The organization capitalizes all acquisitions of property and equipment with a value of greater than \$3,000.

Revenue Recognition - It is the policy of the Clinic to recognize revenue from grants and contracts to the extent of expenditures incurred not to exceed grant and contract awards. Patient revenue and third-party payer revenue is recorded at the Clinic's established rates with sliding fee scale adjustments, third-party contractual allowances, and adjustments which are deducted to arrive at net patient revenue.

Allowance for Doubtful Accounts - The Clinic uses the allowance method to record its bad debts. The clinic estimates that the uncollectible amount of accounts receivable for the Guadalupe Clinic is 78%, for the Clinic is 50% and for the OBGYN Clinics is 40%.

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
Page Two

Note 1 - Description of Organization and Summary of Significant Accounting Policies.-
(Continuation)

Classification of Net Assets - Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Clinic and changes therein are classified and reported as applicable as follows:

* **Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contributions.

* **Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Clinic and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Clinic does not have any temporarily restricted net assets.

* **Permanently Restricted Net Assets** - Net Assets subject to donor-imposed stipulations that they be maintained permanently by the Clinic. Generally, the donors of these assets permit the Clinic to use all or part of the income earned on any related investments for general or specific purposes. The Clinic does not have any permanently restricted net assets.

Tax-Exempt Status - The Clinic is a not-for-profit corporation organized as described in Section 501 (C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes under applicable provisions of the Internal Revenue Service and California Revenue Codes. The Clinics has no uncertain tax positions that would be material to the financial statements and its open tax years subject to examination are 2008, 2009 and 2010.

Related Organization

Marian Community Clinics, Inc. is supported by Marian Medical Center which is a member of Catholic Health Care West, a system of 41 hospitals and medical centers in California, Arizona and Nevada. Catholic Health Care West is a not-for-profit hospital provider. Marian Medical Center provides administration and management services to the Clinic.

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
Page Three

Note 1 - Description of Organization and Summary of Significant Accounting Policies.-
(Continuation)

Subsequent Events

In May 2009, a new accounting standard was issued which established principles setting forth the period after the balance sheet date during which management is required to evaluate events and transactions that may occur for potential recognition or disclosure in financial statements. This new standard applies to interim and annual financial periods ending after June 15, 2009. For the purposes of this accounting standard, the Clinic has evaluate subsequent events through April 10,2012 which is the date the financial statements were available to be issued.

Note 2 - Cash Deposits in Excess of Federally Insured Limits

The Clinic's bank accounts are held at one bank and from time to time exceed the \$250,000 federally insured limit by the Federal Deposit Insurance Corporation.

Note 3 - Patients Accounts Receivable and Concentration of Credit Risk

Patients accounts receivable at June 30, 2011, were comprised from the following sources:

Santa Maria Clinic	\$ 107,412
Guadalupe Clinic	60,640
Orthopedics	67,296
OB/GYN	97,562
CMCH	337,536
Accrued revenue due from State of California scope of service change - Medi-Cal FY 2002-2005	<u>138,873</u>
Total	809,319
Less allowance for doubtful accounts	(94,017)
Less contractual allowances	<u>(286,030)</u>
Accounts receivable - net	<u>\$ 429,272</u>

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
Page Four

Note 4 - Property and Equipment

At June 30, 2011, the cost and related accumulated depreciation and amortization for property and equipment was as follows:

Equipment	\$ 234,350
Leasehold improvements	<u>257,289</u>
Total property and equipment	491,639
Less accumulated depreciation	<u>172,346</u>
Property and equipment, net	<u>\$ 319,293</u>

Note 5 - Services from Marian Medical Center

The Clinic compensated Marian Medical Center for management services in the year ended June 30, 2011 in the amount of \$ 99,085.

Note 6 - Charity Care

The Clinic has a policy of providing charity care to indigent patients. These services, which are excluded from revenues, amounted to \$ 25,278 when measured at Clinic's established rates.

Note 7 - Risk Management

The Clinic manages its risk of loss by purchasing commercial insurance for professional liability, general liability, non-owned vehicles and worker's compensation insurance.

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
Page Five

Note 8 - Commitments and Contingencies

Operating leases - The Clinic leases facilities under operating leases which renew automatically each year. Total rental expense in 2011 for all operating leases was approximately \$236,000. In addition, the Clinic entered into long term leases for its Guadalupe Clinic and its San Luis Obispo Clinic. Future minimum rental payments required for succeeding fiscal years are as follows:

<u>Year</u>	
2012	\$130,564
2013	\$113,964
2014	\$ 79,164
2015	\$ 79,164
2016	\$ 62,672

Program Funding - The Clinic has received revenue under state and county grants that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. Continuing program funding is contingent upon availability of funds from funding sources and project performance. Funds are awarded on an annual basis upon receipt and approval of program applications.

Medicare/Medi-Cal Cost Report

The Clinic's Guadalupe office has elected to participate in the Rural Health Program. Under this program the Clinic is required to file a cost report at the end of its fiscal year. The purpose of this report is to determine whether interim payments received from Medicare and Medi-Cal exceed or are insufficient to cover expenses incurred for services provided to eligible patients of this program. This cost report is subject to review and audit by both the Medicare Fiscal Intermediary and Medi-Cal. As of June 30, 2011, management is of the opinion that settlement of this fiscal year's report would not be significant to the financial statements. No accrual has been made in the financial statements.

MARIAN COMMUNITY CLINICS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011
Page Six

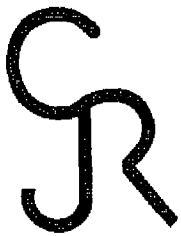
Note 9 - Subsequent Event

Effective July 1, 2011, the Obstetrical Clinic facility at 1510 East Main Street was sold for \$166,000 in a bulk sale. The purchase price will be paid over 36 months at \$5,125.60 per month including interest at 7% per annum. the Clinic will retain the accounts receivable. The installment obligation is secured by the acquired assets and accounts receivable generated from the operation of the professional practice.

Note 10 - Going Concern

At the end of fiscal year 2011 \$4,079,854 was owed by the clinics to Marian Medical Center for expenses (payroll and accounts payable) which were paid through the hospital. As cash is received at the clinic it is used to reimburse the hospital. The hospital understands that the clinics run at a deficit and will not require payments over and above the cash on hand. From CHW/Dignity Health's perspective all Marian entities, including the clinics, are considered one service area and any cash shortfall is funded as an entire service area. The Marian Clinics were established to service the underserved and to help keep primary care providers in the area and it was never expected to produce an excess of income over expenses. The hospital has committed to insuring it is an ongoing concern and will continue to fund any shortfalls.

OTHER



Carlos J. Reynoso
Certified Public Accountant

**REPORT ON ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors of
Marian Community Clinics, Inc.**

I have audited the financial statements of Marian Community Clinics, Inc. (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued my report thereon dated, April 10, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Marian Community Clinics, Inc.'s internal control over financial reporting as a basis for designing my audit procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the Marian Community Clinics, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not prevent, or detected and corrected on a timely basis.

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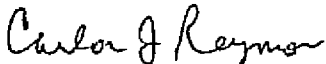
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My consideration of internal control over financial reporting was for the limited purpose describe in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marian Community Clinics, Inc's. financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Carlos J. Reynoso, CPA

April 10 , 2012