

Form 990

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)

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2011 calendar year, or tax year beginning JUL 1, 2011 and ending JUN 30, 2012

Form sections B through M: B Check if applicable; C Name of organization (SAN JOSE MUSEUM OF ART ASSOCIATION); D Employer identification number (23-7062028); E Telephone number (408-271-6840); F Name and address of principal officer (SUSAN KRANE); G Gross receipts (\$5,298,207); H(a) Is this a group return for affiliates? (No); H(b) Are all affiliates included? (No); I Tax-exempt status (501(c)(3)); J Website (WWW.SJMUSART.ORG); K Form of organization (Corporation); L Year of formation (1969); M State of legal domicile (CA)

Part I Summary

Table with 4 columns: Description, Prior Year, Current Year, and Net Assets or Fund Balances. Rows include: 1 Mission statement; 2-7 Governance; 8-12 Revenue; 13-19 Expenses; 20-22 Net Assets or Fund Balances.

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.

Signature of officer: SUSAN KRANE, EXECUTIVE DIRECTOR. Date: [Blank]

Preparer information: Lawrence S. Kuechler, Berger Lewis Accountancy Corp., 55 Almaden Blvd., Ste 600, San Jose, CA 95113. Date: 03/22/13. EIN: 94-2763139. Phone: (408) 494-1200.

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

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: SEE SCHEDULE O

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

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

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 1,601,693. including grants of \$) (Revenue \$ 354,904.) EXHIBITIONS

THE SAN JOSE MUSEUM OF ART IS A LEADING SHOWCASE IN THE BAY AREA FOR MODERN AND CONTEMPORARY ART. THE MUSEUM HAS EARNED A REPUTATION FOR ITS FRESH, DISTINCTIVE APPROACH TO EXHIBITIONS. THROUGH ITS EXHIBITIONS AND RELATED PROGRAMS, SJMA HELPS VISITORS MAKE REAL-LIFE CONNECTIONS TO ART AND VISUAL CULTURE AND PROVIDES A DEEPER UNDERSTANDING OF MODERN AND CONTEMPORARY ART, ARCHITECTURE, AND DESIGN. THE MUSEUM CHANNELS THE DIVERSITY AND ENERGY OF SILICON VALLEY INTO INNOVATIVE AND DYNAMIC EXHIBITIONS. ITS GLOBAL OUTLOOK PROVIDES VISITORS WITH NEW OPPORTUNITIES TO LEARN ABOUT AND MAKE MEANINGFUL CONNECTIONS WITH ART, EACH OTHER, AND THE WORLD. THE MUSEUM PRESENTS NINE TO TWELVE

4b (Code:) (Expenses \$ 574,033. including grants of \$) (Revenue \$ 54,148.) EDUCATIONAL PROGRAMS

THE MUSEUM EXPERIENCE AND EDUCATION DEPARTMENT IS DEDICATED TO PROVIDING ENRICHING VISUAL-ART EXPERIENCES TO A BROAD SPECTRUM OF THE COMMUNITY. THE DEPARTMENT IS WIDELY KNOWN FOR ITS COMMITMENT TO ACCESSIBILITY; HANDS ON FAMILY ACTIVITY STATIONS IN THE GALLERIES; AND INNOVATIVE APPROACHES TO INTERPRETATION. SJMA IS THE LARGEST PROVIDER OF ARTS EDUCATION IN THE SCHOOLS IN GREATER SANTA CLARA COUNTY. SJMA IS DEDICATED TO FURTHERING ONLINE LEARNING AND TO OPENING 21ST-CENTURY DOORWAYS TO ART. THE MUSEUM PIONEERS DYNAMIC NEW WAYS OF PROVIDING HISTORICAL CONTEXT AND OF AMPLIFYING AUDIENCES' EXPERIENCES. SJMA WAS RECENTLY NAMED ONE OF THE 2012 TOP NONPROFITS IN THE BAY AREA BY MAJOR

4c (Code:) (Expenses \$ 150,157. including grants of \$) (Revenue \$ 75,114.) MUSEUM STORE

THE MUSEUM STORE IS LOCATED OFF THE MAIN LOBBY OF SJMA. THIS ACTIVE GIFT AND BOOK STORE CARRIES MISSION-RELATED PRODUCTS THAT ARE EDUCATIONAL, FOSTER CREATIVITY, AND ENCOURAGE THE APPRECIATION OF ART. THE MUSEUM STORE ALSO FEATURES CUSTOM PRODUCTS BY AREA ARTISTS AND CRAFTSMEN AS WELL AS MERCHANDISE RELEVANT TO EACH CURRENT SEASON OF EXHIBITIONS. THE STORE IS STAFFED BY MUSEUM EMPLOYEES AS WELL AS AN ACTIVE CONTINGENT OF LONGTIME VOLUNTEERS.

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

4e Total program service expenses 2,325,883.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
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>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	X	
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	X	
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>	X	
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>		X
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>		X
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>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
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>	X	
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>	X	
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>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
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</i>		X
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>	X	
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>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 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>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 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>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
25b 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>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	X	
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
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):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		X
28c 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>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	X	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
35b 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>		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
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	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

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

Main form area containing questions 1a through 14b with input fields and Yes/No columns.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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 [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (25), 1b (25), 2, 3, 4, 5, 6, 7a, 7b, 8a, 8b, 9.

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

Table with 3 columns: Question, Yes, No. Rows include: 10a, 10b, 11a, 11b, 12a, 12b, 12c, 13, 14, 15a, 15b, 16a, 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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: BRIAN SPANG - (408)271-6873
110 SOUTH MARKET STREET, SAN JOSE, CA 95113-2383

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. 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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) MICHAEL NEVENS PRESIDENT	4.00	X		X				0.	0.	0.
(2) HILDY SHANDELL VICE PRESIDENT	3.00	X		X				0.	0.	0.
(3) WILLIAM FAULKNER SECRETARY	3.00	X		X				0.	0.	0.
(4) ANNEKE DURY CHIEF FINANCIAL OFFICER	3.00	X		X				0.	0.	0.
(5) MIKE BEWLEY TRUSTEE	3.00	X						0.	0.	0.
(6) ROGER BOWIE TRUSTEE	0.50	X						0.	0.	0.
(7) PETER CROSS TRUSTEE	2.00	X						0.	0.	0.
(8) RUSSELL DAULTON TRUSTEE	0.50	X						0.	0.	0.
(9) EILEEN FERNANDES TRUSTEE	0.50	X						0.	0.	0.
(10) TAD FREESE TRUSTEE	2.00	X						0.	0.	0.
(11) LINDA GOLDBERG TRUSTEE	0.50	X						0.	0.	0.
(12) MICHELE KLEIN TRUSTEE	0.50	X						0.	0.	0.
(13) PETER W. LIPMAN TRUSTEE	3.00	X						0.	0.	0.
(14) CHRIS MENGARELLI TRUSTEE	0.50	X						0.	0.	0.
(15) SHAUNA MIKA TRUSTEE	0.50	X						0.	0.	0.
(16) EVELYN NEELY TRUSTEE	0.50	X						0.	0.	0.
(17) CAROL PARKER TRUSTEE	2.00	X						0.	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 (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) CORNELIA PENDLETON TRUSTEE	3.00	X						0.	0.	0.
(19) ELIZABETH RYONO TRUSTEE	1.00	X						0.	0.	0.
(20) PAUL SCEARCE TRUSTEE	0.50	X						0.	0.	0.
(21) DAVID SOWARD TRUSTEE	0.50	X						0.	0.	0.
(22) STEVE SPENO TRUSTEE	0.00	X						0.	0.	0.
(23) GEORGETTE TANENBAUM TRUSTEE	0.50	X						0.	0.	0.
(24) HORACIO TERAN TRUSTEE	1.00	X						0.	0.	0.
(25) BRUCE WORSTER TRUSTEE	3.00	X						0.	0.	0.
(26) SUSAN KRANE EXECUTIVE DIRECTOR	40.00			X				237,035.	0.	6,823.
1b Sub-total								237,035.	0.	6,823.
c Total from continuation sheets to Part VII, Section A								201,336.	0.	9,509.
d Total (add lines 1b and 1c)								438,371.	0.	16,332.

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

	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>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
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>		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
CREATIVE SECURITY COMPANY, INC. 150 S. AUTUMN, SUITE B, SAN JOSE, CA 95110	SECURITY SERVICES	176,884.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

SEE PART VII, SECTION A CONTINUATION SHEETS

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) BRIAN SPANG FINANCE DIRECTOR	40.00			X				80,923.	0.	3,854.
(28) DEBORAH NORBERG DEPUTY DIRECTOR OPERATIONS	40.00				X			120,413.	0.	5,655.
Total to Part VII, Section A, line 1c								201,336.		9,509.

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b 203,064.					
	c Fundraising events	1c 43,215.					
	d Related organizations	1d					
	e Government grants (contributions)	1e 792,139.					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2,086,797.					
	g Noncash contributions included in lines 1a-1f: \$	173,631.					
	h Total. Add lines 1a-1f		3,125,215.				
	Program Service Revenue	2 a PUBLIC PROGRAMS	Business Code 713990	288,371.	288,371.		
b TRAVELING EXHIBITIONS		713990	66,055.	66,055.			
c ART CLASS CONTRACTS &		713990	54,148.	54,148.			
d							
e							
f All other program service revenue							
g Total. Add lines 2a-2f			408,574.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		231,491.			231,491.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	151,487.				
		(ii) Personal	0.				
		c Rental income or (loss)	151,487.				
	d Net rental income or (loss)		151,487.			151,487.	
	7 a Gross amount from sales of assets other than inventory	(i) Securities	985,143.				
		(ii) Other					
		b Less: cost or other basis and sales expenses	962,199.				
	c Gain or (loss)	22,944.					
	d Net gain or (loss)		22,944.			22,944.	
	8 a Gross income from fundraising events (not including \$ 43,215. of contributions reported on line 1c). See Part IV, line 18	a	197,300.				
		b Less: direct expenses	197,300.				
		c Net income or (loss) from fundraising events		0.			
9 a Gross income from gaming activities. See Part IV, line 19	a						
	b Less: direct expenses						
	c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a	198,519.					
	b Less: cost of goods sold	105,470.					
	c Net income or (loss) from sales of inventory		93,049.	75,114.	17,935.		
Miscellaneous Revenue		Business Code					
11 a MISC REVENUE	713990	478.	478.				
	b						
	c						
	d All other revenue						
	e Total. Add lines 11a-11d		478.				
12 Total revenue. See instructions.		4,033,238.	484,166.	17,935.	405,922.		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	344,519.	154,437.	112,864.	77,218.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,366,889.	1,060,985.	175,488.	130,416.
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	33,421.	28,151.	788.	4,482.
9 Other employee benefits	77,020.	57,994.	7,042.	11,984.
10 Payroll taxes	137,205.	102,556.	13,267.	21,382.
11 Fees for services (non-employees):				
a Management	119,564.	41,848.	47,825.	29,891.
b Legal				
c Accounting	38,000.		38,000.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	32,208.		32,208.	
g Other	370,260.	305,862.	47,126.	17,272.
12 Advertising and promotion	67,045.	61,863.	3,534.	1,648.
13 Office expenses	219,934.	89,009.	75,753.	55,172.
14 Information technology	26,033.	13,281.	6,821.	5,931.
15 Royalties				
16 Occupancy				
17 Travel	107,414.	79,103.	24,561.	3,750.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	949.	200.	498.	251.
20 Interest	111.		111.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	35,338.	31,804.	1,767.	1,767.
23 Insurance	39,399.	37,279.	1,060.	1,060.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SHIPPING AND STORAGE	100,766.	95,966.	4,800.	
b EXHIBITION COST	78,850.	78,834.	16.	
c PURCHASED ART COLLECTIO	41,341.	41,341.		
d IN-KIND SUPPORT	36,868.	14,030.	7,643.	15,195.
e All other expenses	31,784.	31,340.	347.	97.
25 Total functional expenses. Add lines 1 through 24e	3,304,918.	2,325,883.	601,519.	377,516.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash - non-interest-bearing	448,794.	1	588,096.
	2	Savings and temporary cash investments	547,664.	2	936,075.
	3	Pledges and grants receivable, net	1,632,904.	3	1,490,572.
	4	Accounts receivable, net	13,234.	4	29,707.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	256,000.	5	259,750.
	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)		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	80,492.	8	79,894.
	9	Prepaid expenses and deferred charges	52,589.	9	84,853.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 1,710,296.		
	b	Less: accumulated depreciation	10b 1,645,503.	10c	64,793.
	11	Investments - publicly traded securities	7,296,759.	11	7,338,780.
	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	930,117.	15	930,117.
16	Total assets. Add lines 1 through 15 (must equal line 34)	11,358,684.	16	11,802,637.	
Liabilities	17	Accounts payable and accrued expenses	335,540.	17	280,271.
	18	Grants payable		18	
	19	Deferred revenue	104,850.	19	88,826.
	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	6,264.	23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
26	Total liabilities. Add lines 17 through 25	446,654.	26	369,097.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	464,813.	27	595,214.
	28	Temporarily restricted net assets	2,265,038.	28	2,631,187.
	29	Permanently restricted net assets	8,182,179.	29	8,207,139.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	10,912,030.	33	11,433,540.	
34	Total liabilities and net assets/fund balances	11,358,684.	34	11,802,637.	

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	4,033,238.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,304,918.
3	Revenue less expenses. Subtract line 2 from line 1	3	728,320.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	10,912,030.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-206,810.
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	11,433,540.

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: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If "Yes" to line 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.	X	
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: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate 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?		X
3b	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.		

Form 990 (2011)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization **SAN JOSE MUSEUM OF ART ASSOCIATION** Employer identification number **23-7062028**

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?

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

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(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									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2011

132021 01-24-12

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) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	3299778.	3576283.	3894759.	4015868.	3125215.	17911903.
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 ...	2059200.	1638001.	1404000.	1169999.	1217969.	7489169.
4 Total. Add lines 1 through 3	5358978.	5214284.	5298759.	5185867.	4343184.	25401072.
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)						2112673.
6 Public support. Subtract line 5 from line 4.						23288399.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	5358978.	5214284.	5298759.	5185867.	4343184.	25401072.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ...	578,577.	363,197.	301,003.	437,626.	365,526.	2045929.
9 Net income from unrelated business activities, whether or not the business is regularly carried on ...	5,711.	8,994.	15,502.	13,255.	17,935.	61,397.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	133,849.	36,467.	21,660.	30,277.	17,452.	239,705.
11 Total support. Add lines 7 through 10						27748103.
12 Gross receipts from related activities, etc. (see instructions)					12	3,527,231.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	83.93	%
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	82.75	%
16a 33 1/3% support test - 2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			<input checked="" type="checkbox"/>
b 33 1/3% support test - 2010. If the organization did not check a 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			<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2010. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
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			<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

- 19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

2011

Name of the organization

SAN JOSE MUSEUM OF ART ASSOCIATION

Employer identification number

23-7062028

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization SAN JOSE MUSEUM OF ART ASSOCIATION	Employer identification number 23-7062028
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	 <hr/> <hr/> <hr/>	\$ <u>615,262.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	 <hr/> <hr/> <hr/>	\$ <u>138,219.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	 <hr/> <hr/> <hr/>	\$ <u>190,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	 <hr/> <hr/> <hr/>	\$ <u>150,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	 <hr/> <hr/> <hr/>	\$ <u>191,806.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	 <hr/> <hr/> <hr/>	\$ <u>222,499.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization SAN JOSE MUSEUM OF ART ASSOCIATION	Employer identification number 23-7062028
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
6	\$1,368 STOCK; \$221,131 CASH <hr/> <hr/> <hr/>	\$ 1,368.	02/21/12
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	
	<hr/> <hr/> <hr/>	\$ _____	

Name of organization SAN JOSE MUSEUM OF ART ASSOCIATION	Employer identification number 23-7062028
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Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ _____
 Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization **SAN JOSE MUSEUM OF ART ASSOCIATION** Employer identification number **23-7062028**

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can 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?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

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

Preservation of land for public use (e.g., recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 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 Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 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 (ASC 958), 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 (ASC 958), 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 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1

▶ \$ _____

b Assets included in Form 990, Part X

▶ \$ _____

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

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

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

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

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

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	9,664,184.	7,761,146.	7,318,526.	7,318,526.	
b Contributions	24,960.	623,772.	239,881.		
c Net investment earnings, gains, and losses	10,910.	1,279,266.	202,739.		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	9,700,054.	9,664,184.	7,761,146.	7,318,526.	

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment %
 - b Permanent endowment 84.61 %
 - c Temporarily restricted endowment 15.39 %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|-----|----|
| (i) unrelated organizations | | X |
| (ii) related organizations | | X |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | | |

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		613,310.	574,579.	38,731.
d Equipment		745,768.	740,477.	5,291.
e Other		351,218.	330,447.	20,771.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				64,793.

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶		

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶		

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

(a) Description	(b) Book value
(1) BENEFICIAL INTEREST IN PERPETUAL TRUST	930,117.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	930,117.

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	4,033,238.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	3,304,918.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	728,320.
4	Net unrealized gains (losses) on investments	4	-206,810.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	-206,810.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	521,510.

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	5,695,141.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-206,810.
b	Donated services and use of facilities	2b	1,795,451.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	105,470.
e	Add lines 2a through 2d	2e	1,694,111.
3	Subtract line 2e from line 1	3	4,001,030.
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	32,208.
c	Add lines 4a and 4b	4c	32,208.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,033,238.

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

1	Total expenses and losses per audited financial statements	1	5,173,631.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	1,795,451.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	105,470.
e	Add lines 2a through 2d	2e	1,900,921.
3	Subtract line 2e from line 1	3	3,272,710.
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	32,208.
c	Add lines 4a and 4b	4c	32,208.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	3,304,918.

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, line 2; 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.

PART III, LINE 1A: PERMANENT ART COLLECTION - THE COLLECTION CONSISTS OF

TWENTIETH AND TWENTY-FIRST CENTURY ARTWORK, INCLUDING PAINTINGS,

SCULPTURES, INSTALLATIONS, NEW MEDIA, PHOTOGRAPHY, DRAWINGS AND PRINTS,

ACQUIRED THROUGH PURCHASE OR CONTRIBUTION. THE COLLECTION IS NOT

RECOGNIZED AS AN ASSET IN THE STATEMENT OF FINANCIAL POSITION. EACH WORK

OF ART IS INVENTORIED AND CARED FOR, AND ACTIVITIES VERIFYING THE

COLLECTION'S INTEGRITY ARE PERFORMED CONTINUOUSLY. PURCHASES OF ART ARE

RECORDED AS NON-OPERATING DECREASES IN THE UNRESTRICTED NET ASSETS IN THE

Part XIV Supplemental Information (continued)

YEAR IN WHICH ITEMS ARE ACQUIRED. CONTRIBUTED COLLECTION ITEMS ARE NOT REFLECTED IN THE FINANCIAL STATEMENTS. PROCEEDS FROM ANY DEACCESSIONS OR INSURANCE RECOVERIES ARE REQUIRED TO BE USED TO ACQUIRE OTHER WORKS OF ART.

PART III, LINE 4: THE MUSEUM'S BURGEONING PERMANENT COLLECTION INCLUDES OVER 2,000 MODERN AND CONTEMPORARY WORKS OF ART: PAINTINGS, SCULPTURE, INSTALLATION, NEW MEDIA, PHOTOGRAPHY, DRAWINGS, PRINTS, AND ARTISTS' BOOKS. SJMA IS THE ONLY COLLECTING ART INSTITUTION IN THE CITY AND THE ONLY MUSEUM IN THE SOUTH BAY AND PENINSULA DEDICATED EXCLUSIVELY TO ACQUIRING THE ART OF OUR TIMES. WIDELY KNOWN AND DEEPLY RESPECTED FOR SUPPORTING CALIFORNIA ARTISTS, SJMA HAS EARNED A REPUTATION FOR ACQUIRING NOW-PIVOTAL ARTISTS EARLY IN THEIR CAREERS. AS SAN JOSE HAS GROWN FROM AN AGRICULTURAL COMMUNITY INTO THE CAPITAL OF SILICON VALLEY, SJMA HAS EXPANDED THE FOCUS OF ITS COLLECTION TO REFLECT THE HIGH-TECH INTERESTS, DYNAMIC CULTURAL DIVERSITY, AND INTERNATIONAL SCOPE OF ITS COMMUNITIES. THE MUSEUM REMAINS COMMITTED TO THE WORK OF CALIFORNIA ARTISTS, YET NOW ALSO STRIVES TO BRING GREATER NATIONAL AND INTERNATIONAL CONTEXT TO THE COLLECTION FOR THE FUTURE. ALTHOUGH THE MUSEUM HAS NO ACQUISITIONS ENDOWMENT, IT HAS A HISTORY OF ATTRACTING SIGNIFICANT GIFTS OF ARTWORK FROM GENEROUS COLLECTORS AND ARTISTS WHO RESPECT THE DISTINCTIVENESS OF ITS PROGRAMS, ACCESSIBILITY, AND COLLECTIONS. IN RECOGNITION OF THE GREAT CAPACITY OF THE MUSEUMS IN SAN FRANCISCO (THE CULTURAL EPICENTER FOR THE BAY AREA), SJMA HAS DEFINED ITS COLLECTIONS IN CONTRADISTINCTION TO THOSE OF SUCH LARGER, WEALTHIER, AND MORE ESTABLISHED INSTITUTIONS. LOCATED SEVERAL BLOCKS FROM SAN JOSE STATE UNIVERSITY AND WITHIN 30 MINUTES OF APPROXIMATELY 14 OTHER COLLEGES AND COMMUNITY COLLEGES, SJMA IS A PRIMARY RESOURCE FOR UNIVERSITY STUDENTS AS WELL AS FOR THE AUDIENCES OF THE

Part XIV Supplemental Information (continued)

REGION, WHICH HAS THE GREATEST PROJECTED POPULATION GROWTH IN THE BAY AREA. IN CONCERT WITH THE REVISED 2009 MISSION STATEMENT, ACQUISITIONS WILL FOCUS ON FURTHER REFLECTING THE CREATIVITY, INNOVATION, DIVERSITY, AND GLOBALISM THAT CHARACTERIZE SILICON VALLEY.

THE MUSEUM'S PERMANENT COLLECTION HAS GROWN AT AN UNPRECEDENTED PACE OVER THE LAST DECADE, IN SCALE AND QUALITY. MORE THAN 35% OF THE WORKS IN THE COLLECTION HAVE BEEN ACQUIRED IN THE PAST DECADE AND 15% IN THE PAST FIVE YEARS ALONE. SJMA NOW BOASTS MANY WORKS OF MAJOR SIGNIFICANCE. ITS PERMANENT COLLECTION HAS BECOME A VALUABLE RESOURCE AND LEGACY FOR THE COMMUNITY. THE COLLECTION FEATURES PRIMARILY AMERICAN ART OF THE POST-WORLD WAR II PERIOD, PARTICULARLY BAY-AREA ART, NEW MEDIA, PHOTOGRAPHY, AND CONTEMPORARY REPRESENTATIONAL PAINTING.

SJMA HAS INSTITUTED NEW PLANS TO SHOWCASE THE COLLECTION AND TO INCREASE COMMUNITY AWARENESS OF THIS VALUABLE RESOURCE. THE MUSEUM DOES NOT HAVE DEDICATED PERMANENT-COLLECTION INSTALLATIONS, (DUE TO BOTH THE PARTICULARS OF ITS FACILITIES AND THE LACK OF A COHESIVE CHRONOLOGY IN ITS RELATIVELY YOUNG HOLDINGS). SJMA THUS FOCUSES ON PRESENTING SELECT GROUPINGS OF WORKS FROM THE COLLECTION TO FURTHER ART-HISTORICAL KNOWLEDGE AND EDUCATIONAL COMPARISONS. IN THE PAST TWO YEARS ALONE, SJMA HAS PRESENTED EIGHT LONG-TERM EXHIBITIONS DRAWN EXCLUSIVELY FROM THE COLLECTION, INCLUDING MANY WORKS THAT HAD NOT BEEN ON VIEW FOR SOME TIME. SJMA IS IMPLEMENTING TWO IMPORTANT COLLECTION INITIATIVES: (1) THEMATIC PERMANENT COLLECTION INSTALLATIONS, LINKED TO COMMUNITY INTERESTS AND ACCOMPANIED BY CROSS-DISCIPLINARY PUBLIC PROGRAMS AND PARTICIPATORY EDUCATIONAL FEATURES; AND (2) COMMISSIONS OF WORKS OF ART BY ARTISTS OF ASIAN AND LATINO HERITAGE THAT ARE SOCIALLY EMBEDDED AND ENGAGED WITH THE COMMUNITY.

Part XIV Supplemental Information (continued)

THROUGH THE PROGRAMMING OFFERED IN CONJUNCTION WITH THESE
 PERMANENT-COLLECTION PROJECTS, SJMA SEEKS TO INCREASE ITS AUDIENCES'
 UNDERSTANDING OF THE ARTISTIC PROCESS AND ENGAGE THE WEALTH OF COMMUNAL
 INTELLECTUAL CAPACITY.

PART V, LINE 4: GENERAL OPERATING FUNDS IN SUPPORT OF THE MUSEUM'S
 MISSION AS DIRECTED BY THE DONORS.

PART X, LINE 2: UNCERTAINTY IN INCOME TAXES - GENERALLY ACCEPTED
 ACCOUNTING PRINCIPLES PROVIDE ACCOUNTING AND DISCLOSURE GUIDANCE ABOUT
 POSITIONS TAKEN BY AN ORGANIZATION IN ITS TAX RETURNS THAT MIGHT BE
 UNCERTAIN. MANAGEMENT HAS CONSIDERED ITS TAX POSITIONS AND BELIEVES THAT
 ALL OF THE POSITIONS TAKEN BY THE MUSEUM IN ITS FEDERAL AND STATE EXEMPT
 ORGANIZATION TAX RETURNS ARE MORE LIKELY THAN NOT TO BE SUSTAINED UPON
 EXAMINATION.

THE MUSEUM FILES INFORMATION RETURNS IN THE U.S. FEDERAL JURISDICTION AND
 STATE OF CALIFORNIA. THE MUSEUM'S FEDERAL RETURNS FOR THE YEARS ENDED JUNE
 30, 2009 AND BEYOND REMAIN SUBJECT TO POSSIBLE EXAMINATION BY THE INTERNAL
 REVENUE SERVICE. THE MUSEUM'S CALIFORNIA RETURNS OF THE TAX YEARS ENDED
 JUNE 30, 2008 AND BEYOND REMAIN SUBJECT TO POSSIBLE EXAMINATION BY THE
 FRANCHISE TAX BOARD.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

COST OF GOODS SOLD 105,470.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

INVESTMENT EXPENSE 32,208.

Part XIV Supplemental Information (continued)

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

COST OF GOODS SOLD 105,470.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

INVESTMENT EXPENSE 32,208.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**Supplemental Information Regarding
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2011

**Open To Public
Inspection**

Name of the organization
SAN JOSE MUSEUM OF ART ASSOCIATION

Employer identification number
23-7062028

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.
- a** Mail solicitations
 - b** Internet and email solicitations
 - c** Phone solicitations
 - d** In-person solicitations
 - e** Solicitation of non-government grants
 - f** Solicitation of government grants
 - g** Special fundraising events
- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

- 3** List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.
-
-
-
-
-
-
-
-

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		ANNUAL BENEFIT FULL (event type)	(event type)	NONE (total number)	
Revenue	1	Gross receipts	240,515.		240,515.
	2	Less: Charitable contributions	43,215.		43,215.
	3	Gross income (line 1 minus line 2)	197,300.		197,300.
Direct Expenses	4	Cash prizes			
	5	Noncash prizes			
	6	Rent/facility costs	2,368.		2,368.
	7	Food and beverages	43,807.		43,807.
	8	Entertainment	14,301.		14,301.
	9	Other direct expenses	136,824.		136,824.
	10	Direct expense summary. Add lines 4 through 9 in column (d)			(197,300)
	11	Net income summary. Combine line 3, column (d), and line 10			0.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))	
Revenue	1	Gross revenue				
	2	Cash prizes				
Direct Expenses	3	Noncash prizes				
	4	Rent/facility costs				
	5	Other direct expenses				
	6	Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7	Direct expense summary. Add lines 2 through 5 in column (d)				()
	8	Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities: _____
 a Is the organization licensed to operate gaming activities in each of these states? Yes No
 b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? Yes No
 b If "Yes," explain: _____

- 11 Does the organization operate gaming activities with nonmembers? Yes No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No
- 13 Indicate the percentage of gaming activity operated in:

a The organization's facility			
b An outside facility			
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? Yes No

b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization

SAN JOSE MUSEUM OF ART ASSOCIATION

Employer identification number

23-7062028

Part I Questions Regarding Compensation

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

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

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

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

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

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

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2		X
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

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

Schedule J (Form 990) 2011

Part I 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) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SUSAN KRANE	(i) 234,300.	(ii) 2,735.	(iii) 0.	6,208.	615.	243,858.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
2	(i)						
	(ii)						
3	(i)						
	(ii)						
4	(i)						
	(ii)						
5	(i)						
	(ii)						
6	(i)						
	(ii)						
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Part II Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 1A: PAYMENTS WERE MADE IN ACCORDANCE WITH A WRITTEN EMPLOYMENT AGREEMENT APPROVED BY THE BOARD OF TRUSTEES.

Lined area for supplemental information input.

SCHEDULE L
(Form 990 or 990-EZ)

Transactions With Interested Persons

OMB No. 1545-0047

2011

Open To Public Inspection

Department of the Treasury
Internal Revenue Service

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

Name of the organization **SAN JOSE MUSEUM OF ART ASSOCIATION** Employer identification number **23-7062028**

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
SUSAN KRANE - PUR		X	250,000.	259,750.		X	X	No	X	No

Total ▶ \$ **259,750.**

Part III Grants or Assistance Benefiting 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 and type of assistance

SEE PART V FOR CONTINUATIONS

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

Part V Supplemental Information

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

SCHEDULE L, PART II, LOANS TO AND FROM INTERESTED PERSONS:

(A) NAME OF PERSON: SUSAN KRANE

(A) PURPOSE OF LOAN:

PURCHASE A PRIMARY RESIDENCE WITHIN SAN JOSE, CALIFORNIA METROPOLITAN AREA.

(B) LOAN TO OR FROM ORGANIZATION? = FROM

(C) ORIGINAL PRINCIPAL AMOUNT \$ 250,000. (D) BALANCE DUE \$ 259,750.

(E) LOAN IN DEFAULT? = NO

(F) APPROVED BY BOARD OR COMMITTEE? = YES

(G) WRITTEN AGREEMENT? = YES

**SCHEDULE M
(Form 990)**

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**
▶ **Attach to Form 990.**

OMB No. 1545-0047

2011

Open to Public Inspection

Name of the organization **SAN JOSE MUSEUM OF ART ASSOCIATION** Employer identification number **23-7062028**

Part I Types of Property

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art	X	100		REVENUE NOT REPORTED
2 Art - Historical treasures				
3 Art - Fractional interests	X	1		REVENUE NOT REPORTED
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	3	25,463.	SALES PRICE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ (AUCTION ITEMS)	X	11	111,300.	ESTIMATED FMV
26 Other ▶ (SOFTWARE)	X	1	28,058.	FMV
27 Other ▶ (DONATED WINE)	X	1	8,540.	FMV
28 Other ▶ (SUPPLIES)	X	2	270.	FMV

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement **29** **5**

- 30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?
- b If "Yes," describe the arrangement in Part II.
- 31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?
- 32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?
- b If "Yes," describe in Part II.
- 33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.

	Yes	No
30a		X
31	X	
32a		X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2011)

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

SCHEDULE M, LINE 33: THE ASSOCIATION EXPENSES ALL PURCHASED ART AND DOES NOT RECORD DONATED ART ITEMS. THIS REFLECTS THE PREFERRED METHOD OF ACCOUNTING FOR A PERMANENT COLLECTION AMONG MUSEUMS. THERE ARE TOTAL OF 101 WORKS OF ART THAT WERE CONTRIBUTED TO THE MUSEUM DURING THE FISCAL YEAR 2011-2012.

Multiple horizontal lines for supplemental information.

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 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public
Inspection

Name of the organization

SAN JOSE MUSEUM OF ART ASSOCIATION

Employer identification number

23-7062028

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

MISSION

THE SAN JOSE MUSEUM OF ART REFLECTS THE DIVERSE CULTURES AND INNOVATIVE SPIRIT OF SILICON VALLEY. THROUGH ITS EXHIBITIONS, PROGRAMS, SCHOLARSHIP, AND COLLECTIONS, SJMA CONNECTS THE PRESENT AND THE PAST, AND THE ART OF THE WEST COAST AND THE WORLD. THE MUSEUM FOSTERS AWARENESS OF ARTISTS' BROAD CONTRIBUTIONS TO SOCIETY: IT ENGAGES AUDIENCES WITH THE ART OF OUR TIME AND THE VITALITY OF THE CREATIVE PROCESS.

VISION

THE SAN JOSE MUSEUM OF ART WILL BE THE PREEMINENT MODERN AND CONTEMPORARY ART MUSEUM IN SILICON VALLEY. SJMA WILL ENRICH ITS COMMUNITIES THROUGH INVITING, INNOVATIVE PROGRAMS AND CREATIVE, INTERACTIVE EXPERIENCES. IT WILL PROVIDE DYNAMIC LEARNING OPPORTUNITIES FOR ADULTS AS WELL AS VITAL EDUCATIONAL SERVICES FOR YOUTHS AND FAMILIES, TO ENCOURAGE INQUIRY AND VISUAL THINKING. AS A CONSEQUENCE, SJMA WILL BE RECOGNIZED INTERNATIONALLY FOR HIGH-QUALITY PROGRAMS, FRESH COLLABORATIVE ENDEAVORS, A DISTINCTIVE PERMANENT COLLECTION, AND ADVENTUROUS APPROACHES. THE MUSEUM WILL CONNECT ART AND LIFE; WORK ACROSS CULTURAL BOUNDARIES; AND PROMOTE DEEPER AWARENESS, ENJOYMENT, AND KNOWLEDGE OF MODERN AND CONTEMPORARY ART, ARCHITECTURE, AND DESIGN. SJMA WILL BE A CULTURAL HUB FOR THE RESIDENTS OF THE REGION, A SPACE FOR PERSONAL REFLECTION, A GATHERING PLACE FOR CREATIVE THINKERS, AND A SOURCE OF VIBRANCY FOR THE CITY CENTER.

Name of the organization

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FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

EXHIBITIONS EACH YEAR, INCLUDING ONE PERSON AND THEMATIC GROUP EXHIBITIONS THAT INCLUDE A RANGE OF ARTWORKS, FROM TRADITIONAL PAINTING TO EXPLORATORY NEW MEDIA INSTALLATIONS. THE CURATORIAL STAFF ORGANIZES MOST OF THE EXHIBITIONS IN A GIVEN SEASON. IN HOUSE EXHIBITIONS ARE ACCOMPANIED BY SCHOLARLY PUBLICATIONS OR WEBSITES AND REGULARLY TRAVEL TO OTHER MUSEUMS ACROSS THE COUNTRY. GIVEN ITS LOCATION IN THE HEART OF THE HIGH TECHNOLOGY CULTURE OF SILICON VALLEY, THE MUSEUM HAS A SUBSTANTIAL COMMITMENT TO NEW WORK IN NEW MEDIA, AS WELL AS TO INITIATING SPECIAL PROJECTS AND COMMISSIONS THAT REFLECT THE ISSUES OF IMPORTANCE TO ITS COMMUNITIES.

IN FY 11-12, SJMA HAD ON VIEW ONE LONG-TERM EXHIBITION BRAVING THE ELEMENTS: LET'S LOOK AT ART IN A FAMILY-FOCUSED GALLERY; NON-TRAVELING TEMPORARY EXHIBITIONS ORGANIZED IN HOUSE (ROOTS IN THE AIR, BRANCHES BELOW: MODERN AND CONTEMPORARY ART FROM INDIA; BETA SPACE: KEVIN APPEL AND RUBEN OCHOA; BILL OWENS: ORDINARY FOLKS; BETA SPACE: ANNA SEW HOY; SO, WHO DO YOU THINK YOU ARE?; BOOK-ISH; THIS KIND OF BIRD FLIES BACKWARD: PAINTINGS BY JOAN BROWN; RENEGADE HUMOR; TO HELL AND BACK: SANDOW BIRK'S DIVINE COMEDY; FRANK LOBDELL: WONDERLAND; AND MEXICANISIMO THROUGH ARTISTS' EYES) AND ONE TRAVELING EXHIBITION DEVELOPED BY ANOTHER INSTITUTION (THE BIBLE ILLUMINATED: R. CRUMB'S BOOK OF GENESIS) AND ONE TRAVELING EXHIBITION, LEO VILLAREAL, CURATED IN HOUSE AND ACCOMPANIED BY A CATALOGUE CO-PUBLISHED BY SJMA AND HATJE CANTZ.

THE SCOPE OF SJMA'S COLLECTION AND THE NATURE OF EXHIBITIONS DRAWN FROM

132212
01-23-12

Schedule O (Form 990 or 990-EZ) (2011)

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THE COLLECTION ARE DESCRIBED IN SCHEDULE D PART III, LINE 4.

THROUGH THE REGULARLY CHANGING SCHEDULE OF INNOVATIVE EXHIBITIONS, BOTH TRAVELING EXHIBITIONS AND THOSE DRAWN FROM THE MUSEUM'S PERMANENT COLLECTION, SJMA SERVED 45,500 PEOPLE.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

NON-PROFIT WATCHDOG ORGANIZATION, GUIDESTAR. THE PANEL OF EXPERTS STATED, "WITH EXCELLENT LEADERSHIP, COMMUNITY PROGRAMMING, AND HIGH-QUALITY COLLECTIONS, THE SAN JOSE MUSEUM OF ART ASSOCIATION (SJMA) SUCCEEDS IN BEING A HIGH-IMPACT ORGANIZATION. THEIR PROGRAMMING UTILIZES EFFECTIVE COMMUNITY OUTREACH AND IS DEDICATED TO THE INCLUSION OF THE CULTURAL DIVERSITY OF THE SOUTH BAY. SJMA IS ABLE TO CELEBRATE, REFLECT, AND REPRESENT THE MULTICULTURAL SPIRIT OF THE SILICON VALLEY. THEIR STRATEGIC FOCUS HAS CREATED A SPACE THAT PROUDLY EXHIBITS THE HISTORICAL JOURNEY OF LOCAL AND INTERNATIONAL ART." SJMA HAS BEEN RECOGNIZED BY TWO "MUSE" AWARDS FROM THE AMERICAN ASSOCIATION OF MUSEUMS FOR ITS USE OF INTERACTIVE, TECH BASED ACTIVITIES IN THE GALLERIES AND ON THE WEB, E.G. YOUTUBE, FLICKR, FACEBOOK, PODCASTS, DIGITAL TIMELINES, AND IPOD TOUCH TOURS. THE MUSEUM PROUDLY OFFERS A SPECTRUM OF EDUCATIONAL PROGRAMMING THAT PROVIDES CRITICAL EARLY EXPOSURE TO THE VISUAL ARTS FOR TENS OF THOUSANDS OF STUDENTS IN GRADES KINDERGARTEN THROUGH TWELVE, FROM TOURS TO WORKSHOPS, IN-CLASS PRESENTATIONS, AND CURRICULUM GUIDES.

AT THE SAN JOSE MUSEUM OF ART, WE BELIEVE ARTS LEARNING IS A KEY COMPONENT IN THE DEVELOPMENT OF THE CREATIVITY AND CRITICAL THINKING THAT LEADS TO INNOVATION. THE MUSEUM PROVIDES ARTS EDUCATION FOR

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SCHOOLCHILDREN, EDUCATORS, UNIVERSITY FACULTY, AND COLLEGE STUDENTS. IN THE 2011 12 FISCAL YEAR, THE EDUCATION DEPARTMENT SERVED OVER 39,400 STUDENTS THROUGH MUSEUM VISITS FOR PRIMARY-SCHOOL, SECONDARY-SCHOOL, AND COLLEGE GROUPS IN ADDITION TO IN-SCHOOL ARTIST'S RESIDENCIES, DOCENT PRESENTATIONS, AND WEEK-LONG ART CAMPS. PUBLIC PROGRAMS SUCH AS LECTURES, GALLERY TOURS, ART-MAKING WORKSHOPS FOR ADULTS AND CHILDREN, AND FREE COMMUNITY DAYS PROMOTE LIFELONG LEARNING AND SERVE MULTIGENERATIONAL FAMILIES, CREATIVE ADULTS, AND COMMUNITY GROUPS. IN ADDITION, ADULT PROGRAMS INCLUDE AFTER-HOURS EVENTS THAT MAKE THE MUSEUM A SOCIAL HUB DOWNTOWN. MORE THAN 40,700 PEOPLE WERE SERVED IN THIS PAST FISCAL YEAR THROUGH MUSEUM EXPERIENCE AND EDUCATION PROGRAMS. A HALLMARK OF SJMA'S WELCOMING AND PLAYFUL ENVIRONMENT IS ITS PARTICIPATORY GALLERY ACTIVITIES, WHICH ARE CONCEIVED IN TANDEM WITH THE CURATORIAL AND MARKETING DEPARTMENTS. THEY OFTEN INCLUDE ARTISTS AND EDUCATORS TO ENCOURAGE DEEPER ENGAGEMENT WITH THE EXHIBITIONS AND TO PROMOTE A SENSE OF CREATIVE PLAY AND GIVE THE PUBLIC CLOSE ACCESS TO THE CREATIVE PROCESS.

SJMA'S WEBSITE ENABLES SMOOTH DELIVERY OF INFORMATION; PARTICIPATORY EDUCATIONAL MATERIAL AND CURATORIAL PROJECTS; AND THE INTEGRATION OF AN ACTIVE SOCIAL MEDIA PRESENCE. A TWO YEAR PROJECT TO PROVIDE WEB BASED ACCESS TO THE COLLECTION IS UNDERWAY.

SJMA'S EDUCATIONAL PROGRAMS REACHED AROUND 40,700 PEOPLE DURING THE YEAR.

FORM 990, PART VI, SECTION A, LINE 3: CONTRACTOR HIRED TO MANAGE

DEVELOPMENT TEAM DURING FY12 AFTER DEVELOPMENT DIRECTOR, TWICHELL'S

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DEPARTURE.

FORM 990, PART VI, SECTION A, LINE 4: AFTER STUDY BY A TASK FORCE OF TRUSTEES, THE BYLAWS WERE REVISED BY THE BOARD OF TRUSTEES ON JUNE 21, 2012, TO REFLECT A REORGANIZATION OF THE BOARD. THE NUMBER OF STANDING COMMITTEES WAS REVISED TO INCLUDE EXECUTIVE, FINANCE AND POLICY, ACQUISITIONS, DEVELOPMENT AND AUDIT COMMITTEES. THE MARKETING, EDUCATION AND FACILITIES COMMITTEES WERE ELIMINATED FROM THE LIST OF STANDING COMMITTEES.

THE MAKEUP OF THE EXECUTIVE COMMITTEE WAS CHANGED TO THE FOUR OFFICERS PLUS UP TO TWO OTHER TRUSTEES NOMINATED BY THE PRESIDENT AND APPROVED BY THE BOARD. LONG-RANGE PLANNING WAS ELIMINATED FROM EXECUTIVE COMMITTEE'S RESPONSIBILITIES; STRATEGIC PLANNING WILL BE HANDLED BY THE BOARD. CLAUSES WERE ADDED REGARDING EXECUTIVE COMMITTEE'S SPECIAL RESPONSIBILITIES FOR NOMINATING TRUSTEES AND OFFICERS, OVERSEEING BOARD PROCESSES AND COMMITTEES, ENSURING ADHERENCE TO CODE OF ETHICS, AND FOR ADVISING ON PERSONNEL POLICIES, COMPENSATION, BENEFITS AND EVALUATION.

THE FINANCE COMMITTEE WAS RENAMED THE FINANCE AND POLICY COMMITTEE. THIS COMMITTEE WILL OVERSEE POLICIES, PROCEDURES (THAT PREVIOUSLY WERE HANDLED BY THE EXECUTIVE COMMITTEE) AND WILL REVIEW THE IRS FORM 990, THE ALIGNMENT OF BUDGET AND FISCAL DECISIONS WITH STRATEGIC GOALS, COMPENSATION POLICIES, AND RISK MANAGEMENT ISSUES SUCH AS COLLECTION STEWARDSHIP. THE DESIGNATION OF CHIEF FINANCIAL OFFICER WAS CHANGED TO TREASURER.

THE COLLECTIONS COMMITTEE WAS RENAMED THE ACQUISITIONS COMMITTEE. NEW REQUIREMENTS WERE ADDED TO INCREASE BOARD OVERSIGHT: THE CHAIR MUST BE A

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TRUSTEE; ALL COMMITTEE MEMBERS MUST BE APPROVED BY THE BOARD; AND THE COMMITTEE'S APPROVAL OF ACQUISITIONS MUST BE RATIFIED BY THE BOARD.

A REQUIREMENT WAS ADDED THAT THE CHAIR OF THE AUDIT COMMITTEE MUST BE A TRUSTEE. THE RESPONSIBILITY OF RECEIVING AND REVIEWING MANAGEMENT'S RESPONSE TO AUDITOR'S MANAGEMENT LETTER IS ADDED TO THE LIST OF THE AUDIT COMMITTEES RESPONSIBILITIES.

FORM 990, PART VI, SECTION B, LINE 11: THE PROCESS THE SAN JOSE MUSEUM OF ART USES TO REVIEW THE FORM 990 IS SET FORTH IN ITS RISK MANAGEMENT AND FISCAL OPERATING POLICIES. PRIOR TO FILING WITH THE I.R.S., THE ANNUAL TAX RETURN FORM 990 IS REVIEWED BY THE FINANCE AND POLICY COMMITTEE AND PROVIDED TO ITS BOARD OF TRUSTEES.

FORM 990, PART VI, SECTION B, LINE 12C: ALL TRUSTEES, STAFF MEMBERS AND COMMUNITY MEMBERS OF BOARD COMMITTEES MUST FILL OUT AN ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT ASKS IF THE RESPONDENTS ARE AWARE OF ANY AFFILIATIONS, EMPLOYMENT OR OTHER MATTERS INVOLVING THE INDIVIDUAL OR ANY OF IMMEDIATE FAMILY THAT MIGHT BE PERCEIVED TO COMPROMISE YOUR OBLIGATIONS TO THE MUSEUM AND SHOULD THEREFORE BE REPORTED IN LIGHT OF THE CODE OF ETHICS. SPECIFICALLY, THE DISCLOSURE STATEMENT ASKS IF SJMA HAS A BUSINESS RELATIONSHIP WITH ANY ENTITY FROM WHICH THE INDIVIDUAL OR HIS/HER IMMEDIATE FAMILY MEMBERS HAVE RECEIVED ANY COMPENSATION, INCOME, LOANS OR GIFTS OR OF WHICH THE INDIVIDUAL OR HIS/HER IMMEDIATE FAMILY MEMBERS ARE A TRUSTEE, OFFICE, DIRECTOR OR EMPLOYEE. IN ADDITION, DISCLOSURE IS REQUIRED IF THE INDIVIDUAL OR IMMEDIATE FAMILY MEMBERS HOLD AN OWNERSHIP INTEREST IN A CLOSELY HELD COMPANY OR A 5% OWNERSHIP INTEREST IN A PUBLIC COMPANY WITH THE MUSEUM HAS A BUSINESS

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RELATIONSHIP. ALL RESPONDENTS ARE ASKED TO SUPPLEMENT THE INFORMATION IN THE EVENT OF ANY CHANGES BEFORE THE NEXT ANNUAL DISCLOSURE. ALL STAFF RESPONSES ARE REVIEWED BY THE EXECUTIVE DIRECTOR. ALL OTHER RESPONSES ARE REVIEWED BY THE SECRETARY OF THE BOARD OF TRUSTEES. IF A RESPONSE ON A DISCLOSURE IDENTIFIES A CONFLICT, THE INTERESTED TRUSTEE, STAFF MEMBER, OR VOLUNTEER (A COMMUNITY MEMBER OF A BOARD COMMITTEE) SHALL REFRAIN FROM ATTEMPTING TO INFLUENCE ANY DECISION OF THE BOARD, BOARD COMMITTEE, OR STAFF ON ANY MATTER WHICH MAY INVOLVE A POTENTIAL OR ACTUAL CONFLICT OF INTEREST AND SHALL ABSTAIN FROM VOTING ON ANY SUCH MATTER.

FORM 990, PART VI, SECTION B, LINE 15: THE BOARD OF TRUSTEES OF SJMA HAS ESTABLISHED A COMPENSATION PHILOSOPHY THAT BALANCES TWO OBJECTIVES: APPROPRIATE STEWARDSHIP OF ITS FINANCIAL RESOURCES; AND MAINTAINING THE VITALITY OF THE INSTITUTION AND EXCELLENCE OF ITS PROGRAMMING. THE RESULTING COMPENSATION DESIGN IS TO PAY IN THE TOP 50% OF COMPARABLE SALARIES FOR NEXT-STAGE PEER INSTITUTIONS. IN SJMA'S EXPERIENCE, THESE ARE THE MOST RELEVANT FACTORS IN COMPETITION FOR TALENT. INDIVIDUAL COMPENSATION IS THEN ESTABLISHED COMMENSURATE WITH EXPERIENCE, RELEVANT ACADEMIC CREDENTIALS AND PROFESSIONAL TRAINING. THE BOARD OF TRUSTEES HAS APPROVED THAT PHILOSOPHY IN LIGHT OF THE HIGH COST OF LIVING IN THE SAN FRANCISCO BAY AREA, IN AN EFFORT TO ATTRACT, RETAIN AND MOTIVATE THE TALENT NEEDED TO MAINTAIN THE REQUISITE STANDARDS OF QUALITY AND REPUTATION OF THE MUSEUM AS A LEADER IN THE FIELD.

IN ADDITION TO SALARY, SJMA ENDEAVORS TO PROVIDE HEALTH AND RETIREMENT BENEFITS COMMENSURATE WITH THE ABOVE PHILOSOPHY. HOWEVER, DUE TO THE CURRENT RECESSION, THE BOARD OF TRUSTEES SUSPENDED CONTRIBUTIONS TO RETIREMENT BENEFITS FOR FY 09-10. CONTRIBUTIONS HAVE BEEN REINSTATED IN FY

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10-11 AT A RATE OF 3%.

THE SALARY LEVELS OF THE EXECUTIVE DIRECTOR; DEPUTY DIRECTOR, DEVELOPMENT; THE DEPUTY DIRECTOR, OPERATIONS; AND THE DIRECTOR OF FINANCE WERE ESTABLISHED AND APPROVED BY THE BOARD OF TRUSTEES IN ACCORDANCE WITH THIS COMPENSATION PHILOSOPHY, BASED ON THE ANNUAL SALARY SURVEY OF THE ASSOCIATION OF ART MUSEUM DIRECTORS, WHICH IS THE STANDARD RESOURCE IN THE FIELD AND THE MOST COMPREHENSIVE, PUBLIC INDUSTRY DATA AVAILABLE. THE SALARY AND BENEFIT PACKAGE OF THE EXECUTIVE DIRECTOR WAS ESTABLISHED AFTER A REVIEW OF COMPARABLE EXECUTIVE COMPENSATION FURNISHED BY THE EXECUTIVE SEARCH FIRM ENGAGED BY THE BOARD AND APPROVED BY THE BOARD ON JULY 24, 2008. SALARY LEVELS FOR THESE POSITIONS WERE NOT INCREASED IN FY 11-12.

FORM 990, PART VI, SECTION C, LINE 19: THE SAN JOSE MUSEUM OF ART POSTS ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ON ITS WEBSITE.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:
NET UNREALIZED LOSSES ON INVESTMENTS: -206,810.

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FORM 990 PAGE 10

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Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	FURNITURE & FIXTURES AND FIXTURES	VARIES		.000	16	161,002.			161,002.	158,065.		1,149.
	* 990 PAGE 10 TOTAL											
2	FURNITURE & FIXTURES & MACHINERY & EQUIPMENT	VARIES		.000	16	161,002.		0.	161,002.	158,065.	0.	1,149.
	MACHINERY & EQUIPMENT	VARIES		.000	16	543,919.			543,919.	527,763.		10,865.
	* 990 PAGE 10 TOTAL											
3	NETWORK	VARIES		.000	16	201,849.			201,849.	201,849.		0.
	* 990 PAGE 10 TOTAL											
	MACHINERY & EQUIPMENT					745,768.		0.	745,768.	729,612.	0.	10,865.
	OTHER											
4	SOFTWARE	VARIES		.000	16	190,216.			190,216.	157,184.		14,049.
	LEASEHOLD IMPROVEMENTS	VARIES		.000	16	613,310.			613,310.	565,304.		9,275.
	* 990 PAGE 10 TOTAL											
	OTHER					803,526.		0.	803,526.	722,488.	0.	23,324.
	* GRAND TOTAL 990 PAGE 10 DEPR					1710296.		0.	1710296.	1610165.	0.	35,338.

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction