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CLIENT'S COPY

DRAFT

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)

**2010**

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 2010 calendar year, or tax year beginning OCT 1, 2010 and ending SEP 30, 2011**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b> MONTALVO ASSOCIATION Doing Business As Number and street (or P.O. box if mail is not delivered to street address) Room/suite P.O. BOX 158 City or town, state or country, and ZIP + 4 SARATOGA, CA 95071 <b>F Name and address of principal officer:</b> ANGELA MCCONNELL SAME AS C ABOVE	<b>D Employer identification number</b> 94-1249283 <b>E Telephone number</b> (408) 961-5800 <b>G Gross receipts \$</b> 5,553,307. <b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c) Group exemption number</b> ▶
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J Website:</b> ▶ WWW.MONTALVOARTS.ORG		
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> 1952 <b>M State of legal domicile:</b> CA

Part I Summary			
	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO FOSTER COMMUNITY ENGAGEMENT THROUGH THE CREATION AND PRESENTATION OF MULTIDISCIPLINARY ART.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) .....	<b>3</b>	28
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) .....	<b>4</b>	28
	<b>5</b> Total number of individuals employed in calendar year 2010 (Part V, line 2a) .....	<b>5</b>	53
	<b>6</b> Total number of volunteers (estimate if necessary) .....	<b>6</b>	528
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 .....	<b>7a</b>	0.
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 .....	<b>7b</b>	0.
Revenue		Prior Year	Current Year
	<b>8</b> Contributions and grants (Part VIII, line 1h) .....	3,231,432.	3,476,833.
	<b>9</b> Program service revenue (Part VIII, line 2g) .....	462,237.	940,558.
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) .....	49,323.	71,117.
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) .....	445,969.	344,824.
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) .....	4,188,961.	4,833,332.
Expenses			
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) .....	0.	0.
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) .....	0.	0.
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) .....	1,977,728.	2,247,079.
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) .....	0.	4,750.
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 582,449.		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) .....	1,849,622.	2,435,822.
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) .....	3,827,350.	4,687,651.
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12 .....	361,611.	145,681.
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	<b>20</b> Total assets (Part X, line 16) .....	13,443,363.	13,660,550.
	<b>21</b> Total liabilities (Part X, line 26) .....	469,979.	605,248.
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20 .....	12,973,384.	13,055,302.

<b>Part II Signature Block</b>				
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.				
<b>Sign Here</b>	▶ Signature of officer	Date		
	▶ ANGELA MCCONNELL, EXECUTIVE DIRECTOR			
	Type or print name and title			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN
	LAWRENCE S. KUECHLER		05/16/12	
	Firm's name ▶ BERGER LEWIS ACCOUNTANCY CORP.	Firm's EIN ▶		
	Firm's address ▶ 55 ALMADEN BLVD., STE 600 SAN JOSE, CA 95113	Phone no. (408) 494-1200		

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

Part III Statement of Program Service Accomplishments

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

1 Briefly describe the organization's mission: TO CREATE AND PRESENT MULTIDISCIPLINARY ARTS, NURTURE ARTISTS, AND USE OUR HISTORIC VILLA, 17 BUILDINGS AND 175 ACRES TO FOSTER COMMUNITY ENGAGEMENT.

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

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

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 1,396,408. including grants of \$ ) (Revenue \$ 787,226.) PERFORMING ARTS SERIES - THE LIVELY PERFORMING ARTS PROGRAM CONSISTS OF MORE THAN 50 MUSIC CONCERTS AND THEATRICAL PERFORMANCES PRESENTED IN THE 1200-SEAT GARDEN THEATRE AND THE INTIMATE, 300-SEAT CARRIAGE HOUSE THEATRE. IN 2009, A VILLA CHAMBER MUSIC SERIES WAS BEGUN IN THE GRAND HALL OF THE VILLA. MONTALVO ALSO PRESENTS CHILDREN'S PERFORMING ARTS PROGRAMS IN THE CARRIAGE HOUSE THEATRE. AND, THROUGH THE ARTISTS RESIDENCY PROGRAM, MONTALVO COMMISSIONS COMPOSERS TO CREATE NEW WORKS OF CONTEMPORARY CLASSICAL MUSIC. IN 2010-2011 20,000 PEOPLE WERE SERVED DURING THE YEAR.

4b (Code: ) (Expenses \$ 952,202. including grants of \$ ) (Revenue \$ ) HISTORIC VILLA AND EXTANT BUILDINGS - ANCHORED BY THE HISTORIC VILLA MONTALVO AND THE SALLY AND DON LUCAS ARTISTS RESIDENCY PROGRAM COMPOUND OF STUDIOS, THE COMPLEX ALSO INCLUDES NEW AND HISTORIC BUILDINGS ON THE MONTALVO GROUNDS. DOCENT-LED TOURS OF THE VILLA AND GROUNDS ARE AVAILABLE TO THE PUBLIC. GARDENS AND GROUNDS - THE ESTATE'S 175 ACRE GROUNDS INCLUDE THE FORMAL ITALIANATE GARDENS, THE HISTORIC CACTUS GARDEN, THE OVAL GARDEN, THE LOVE TEMPLE, THE BELVEDERE TEMPLE, AND OVER 5 MILES OF HIKING TRAILS COMPRISE THAT ARE ALL OPEN TO THE PUBLIC.

4c (Code: ) (Expenses \$ 800,509. including grants of \$ ) (Revenue \$ 1,729.) SALLY AND DON LUCAS ARTISTS RESIDENCY PROGRAM - THE LUCAS ARTISTS RESIDENCY PROGRAM OFFERS SELECTED ARTISTS PRIVATE HOUSING IN ONE OF THE 10 DISCIPLINE-SPECIFIC LIVE/WORK STUDIOS, A PROFESSIONAL STAFF THAT IS SUPPORTIVE OF THE CREATIVE PROCESS, AND AN ENVIRONMENT CONDUCIVE TO BOTH INDIVIDUAL PRACTICE AND THE ENERGETIC EXCHANGE OF IDEAS AMONG INTERNTAIONAL AND CULTURALLY DIVERSE FELLOWS. THE REIDENCY HAS WARNED INTERNATIONAL RECOGNIZTION AS A MODEL OF CURATORIAL PRACTICE SUPPORTING NEW AND CHALLENGING CONTEMPORARY WORK. AROUND 2,500 PEOPLE WERE SERVED DURING THE YEAR.

4d Other program services. (Describe in Schedule O.) (Expenses \$ 407,344. including grants of \$ ) (Revenue \$ 153,125.)

4e Total program service expenses 3,556,463.

**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 Schedule B, Schedule of Contributors?	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	<b>Section 501(c)(3) organizations.</b> 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>	N/A	
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		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 term, permanent, 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, and program service activities outside the United States? <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 hospitals? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? <b>Note.</b> Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> 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
<b>23</b> 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	
<b>24a</b> 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
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> 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
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> 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
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> 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):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> 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
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	X	
<b>30</b> 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
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> 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
<b>33</b> 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
<b>34</b> 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
<b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>a</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>36 Section 501(c)(3) organizations.</b> 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
<b>37</b> 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
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

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 corresponding Yes/No columns and data entry fields.

**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

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year		
	<b>1a</b>		28
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	<b>1b</b>		28
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>7b</b>			
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>8a</b>			
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>8b</b>			
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

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

		Yes	No
<b>10a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10b</b>			
<b>11a</b>	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>11a</b>			
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12b</b>			
<b>c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>12c</b>			
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15a</b>			
<b>b</b>	Other officers or key employees of the organization	X	
<b>15b</b>			
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b>	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
<b>16b</b>			

**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 (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
 Own website  Another's website  Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **CHRISTA STINER - (408)961-5805**  
**15400 MONTALVO ROAD, SARATOGA, CA 95070**

**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 (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			
KATHY MAXFIELD BOARD PRESIDENT	5.00	X		X				0.	0.	0.
TOM CROTTY BOARD VP/PAST PRESIDENT	5.00	X		X				0.	0.	0.
MICHAEL COLE BOARD TREASURER	5.00	X		X				0.	0.	0.
JUDY MARCUS BOARD SECRETARY	5.00	X		X				0.	0.	0.
MARSHA BAIRD PRESIDENT, MONTALVO SERVICE GROUP	5.00	X		X				0.	0.	0.
BARRY ARIKO TRUSTEE	4.00	X						0.	0.	0.
JANICE CHAFFIN TRUSTEE	4.00	X						0.	0.	0.
GEORGE DE URIOSTE TRUSTEE	4.00	X						0.	0.	0.
JENNIFER DINAPOLI TRUSTEE	4.00	X						0.	0.	0.
SUE FETTCHENHAUER TRUSTEE	4.00	X						1,400.	0.	0.
SUSAN FINOCCHIO TRUSTEE	4.00	X						0.	0.	0.
J. MIKE FULTON TRUSTEE	4.00	X						0.	0.	0.
MIKE HACKWORTH TRUSTEE	4.00	X						0.	0.	0.
SYDENE KOBER TRUSTEE	4.00	X						0.	0.	0.
CAROL JEANS TRUSTEE	4.00	X						0.	0.	0.
LAURA JASON TRUSTEE	4.00	X						0.	0.	0.
REID LINNEY TRUSTEE	4.00	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 (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			
JAMES MACGREGOR TRUSTEE	4.00	X					0.	0.	0.	
PAUL MEHUS TRUSTEE	4.00	X					0.	0.	0.	
CARMEN SIGLER TRUSTEE	4.00	X					0.	0.	0.	
BRYAN STOLLE TRUSTEE	4.00	X					0.	0.	0.	
MARTHA SWARTZ TRUSTEE	4.00	X					0.	0.	0.	
CATHIE THERMOND TRUSTEE	4.00	X					0.	0.	0.	
CHARMAINE WARMENHOVEN TRUSTEE	5.00	X					0.	0.	0.	
MARK WAXMAN TRUSTEE	4.00	X					0.	0.	0.	
STEPHEN WRIGHT TRUSTEE	4.00	X					0.	0.	0.	
<b>1b Sub-total</b>							1,400.	0.	0.	
<b>c Total from continuation sheets to Part VII, Section A</b>							279,116.	0.	6,760.	
<b>d Total (add lines 1b and 1c)</b>							280,516.	0.	6,760.	

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

	Yes	No
3 Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		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? If "Yes," complete Schedule J for such individual	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? If "Yes," complete Schedule J for such person		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. **NONE**

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

SEE PART VII, SECTION A CONTINUATION SHEETS



**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					
	b	Membership dues					
	c	Fundraising events	230,584.				
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	3,246,249.				
	g	Noncash contributions included in lines 1a-1f: \$	210,923.				
	h	<b>Total.</b> Add lines 1a-1f	3,476,833.				
	Program Service Revenue	2 a	<b>ART PROGRAMS</b>	940,558.	940,558.		
b							
c							
d							
e							
f		All other program service revenue					
g		<b>Total.</b> Add lines 2a-2f	940,558.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	43,019.			43,019.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross Rents	594,222.				
		Less: rental expenses	293,853.				
		Rental income or (loss)	300,369.				
	d	Net rental income or (loss)	300,369.			300,369.	
	7 a	Gross amount from sales of assets other than inventory	238,967.				
		Less: cost or other basis and sales expenses	210,869.				
		Gain or (loss)	28,098.				
		Net gain or (loss)	28,098.				28,098.
	8 a	Gross income from fundraising events (not including \$ 230,584. of contributions reported on line 1c). See Part IV, line 18	172,932.				
		Less: direct expenses	172,932.				
		Net income or (loss) from fundraising events	0.				
	9 a	Gross income from gaming activities. See Part IV, line 19	2,600.				
Less: direct expenses		1,000.					
Net income or (loss) from gaming activities		1,600.				1,600.	
10 a	Gross sales of inventory, less returns and allowances	82,654.					
	Less: cost of goods sold	41,321.					
	Net income or (loss) from sales of inventory	41,333.				41,333.	
Miscellaneous Revenue		Business Code					
11 a	<b>OTHER INCOME</b>	711300	1,522.	1,522.			
b							
c							
d	All other revenue						
e	<b>Total.</b> Add lines 11a-11d		1,522.				
12	<b>Total revenue.</b> See instructions.		4,833,332.	942,080.	0.	414,419.	

**Part IX Statement of Functional Expenses**

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

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 .....				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 .....				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	327,207.	81,801.	171,455.	73,951.
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 .....	1,585,264.	1,096,694.	206,567.	282,003.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) .....				
9 Other employee benefits .....	179,100.	128,959.	8,621.	41,520.
10 Payroll taxes .....	155,508.	104,816.	18,190.	32,502.
11 Fees for services (non-employees):				
a Management .....				
b Legal .....				
c Accounting .....	36,601.		36,601.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17 .....	4,750.			4,750.
f Investment management fees .....	13,347.		13,347.	
g Other .....	81,272.	11,409.		69,863.
12 Advertising and promotion .....	142,222.	141,143.		1,079.
13 Office expenses .....	206,338.	163,754.	21,942.	20,642.
14 Information technology .....	2,731.	2,493.	119.	119.
15 Royalties .....				
16 Occupancy .....	336,916.	307,662.	14,627.	14,627.
17 Travel .....	8,197.	7,089.	882.	226.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....	2,377.	1,257.	1,120.	
20 Interest .....				
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	431,849.	378,245.	26,802.	26,802.
23 Insurance .....	77,472.	70,794.	3,339.	3,339.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a <b>ARTIST FEES/HOSPITALITY</b> .....	728,943.	723,168.		5,775.
b <b>PRODUCTION</b> .....	309,016.	309,016.		
c <b>CULTIVATION/HOSPITALITY</b> .....	34,021.	25,470.	3,356.	5,195.
d <b>DONATED GOODS</b> .....	19,522.	2,455.	17,067.	
e <b>MISCELLANEOUS</b> .....	4,998.	238.	4,704.	56.
f All other expenses .....				
25 <b>Total functional expenses.</b> Add lines 1 through 24f	4,687,651.	3,556,463.	548,739.	582,449.
26 <b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation .....				

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	1,700.	1	2,200.	
	<b>2</b> Savings and temporary cash investments .....	739,299.	2	370,331.	
	<b>3</b> Pledges and grants receivable, net .....	1,983,314.	3	2,694,105.	
	<b>4</b> Accounts receivable, net .....	1,020.	4	14,329.	
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5		
	<b>6</b> 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		
	<b>7</b> Notes and loans receivable, net .....		7		
	<b>8</b> Inventories for sale or use .....	3,746.	8	4,670.	
	<b>9</b> Prepaid expenses and deferred charges .....	31,362.	9	133,252.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 16,567,014.			
	<b>b</b> Less: accumulated depreciation .....	10b 7,649,415.	9,259,044.	10c	8,917,599.
	<b>11</b> Investments - publicly traded securities .....	1,422,406.	11	1,522,571.	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....	1,472.	12	1,493.	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		13		
	<b>14</b> Intangible assets .....		14		
	<b>15</b> Other assets. See Part IV, line 11 .....		15		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	13,443,363.	16	13,660,550.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	225,711.	17	354,243.	
	<b>18</b> Grants payable .....		18		
	<b>19</b> Deferred revenue .....	234,268.	19	240,505.	
	<b>20</b> Tax-exempt bond liabilities .....		20		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		21		
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		23		
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		24		
	<b>25</b> Other liabilities. Complete Part X of Schedule D .....	10,000.	25	10,500.	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	469,979.	26	605,248.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	10,342,261.	27	9,540,889.	
	<b>28</b> Temporarily restricted net assets .....	1,979,866.	28	2,763,156.	
	<b>29</b> Permanently restricted net assets .....	651,257.	29	751,257.	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		30		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		31		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		32		
	<b>33 Total net assets or fund balances</b> .....	12,973,384.	33	13,055,302.	
<b>34 Total liabilities and net assets/fund balances</b> .....	13,443,363.	34	13,660,550.		

**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	4,833,332.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,687,651.
3	Revenue less expenses. Subtract line 2 from line 1	3	145,681.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	12,973,384.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-63,763.
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	13,055,302.

**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 (2010)

DRAFT

**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

**2010**

Open to Public Inspection

Name of the organization **MONTALVO ASSOCIATION** Employer identification number **94-1249283**

**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? .....		
(ii) A family member of a person described in (i) above? .....		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....		
- h Provide the following information about the supported organization(s).

(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	
<b>Total</b>									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2010

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	4213681.	2741139.	3089660.	3231432.	3483255.	16759167.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	4213681.	2741139.	3089660.	3231432.	3483255.	16759167.
<b>5</b> 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) .....						7500713.
<b>6 Public support.</b> Subtract line 5 from line 4.						9258454.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>7</b> Amounts from line 4 .....	4213681.	2741139.	3089660.	3231432.	3483255.	16759167.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....	111,900.	99,324.	42,217.	37,293.	43,019.	333,753.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....		154,774.	244,802.	288,352.	300,369.	988,297.
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>11 Total support.</b> Add lines 7 through 10						18081217.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	5,390,122.
<b>13 First five years.</b> 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 <b>stop here</b> .....	<input type="checkbox"/>					

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	51.20	%
<b>15</b> Public support percentage from 2009 Schedule A, Part II, line 14 .....	<b>15</b>	61.23	%
<b>16a 33 1/3% support test - 2010.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input checked="" type="checkbox"/>		
<b>b 33 1/3% support test - 2009.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2010.</b> 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 <b>stop here.</b> 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>b 10% -facts-and-circumstances test - 2009.</b> 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 <b>stop here.</b> 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>18 Private foundation.</b> 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) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> 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 .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</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 .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support</b> (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**

<b>15</b> Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>		%
<b>16</b> Public support percentage from 2009 Schedule A, Part III, line 15 .....	<b>16</b>		%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2010</b> (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>		%
<b>18</b> Investment income percentage from <b>2009</b> Schedule A, Part III, line 17 .....	<b>18</b>		%

**19a 33 1/3% support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

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

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

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

OMB No. 1545-0047

**2010**

Name of the organization

MONTALVO ASSOCIATION

Employer identification number

94-1249283

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, aggregate 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 aggregate 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 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) (2010)

<b>Name of organization</b>  MONTALVO ASSOCIATION	<b>Employer identification number</b>  94-1249283
---	---

**Part I Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/> <hr/>	\$ 72,875.	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/> <hr/>	\$ 85,425.	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/> <hr/>	\$ 80,000.	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/> <hr/>	\$ 1,813,000.	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/> <hr/>	\$ 104,680.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	<hr/> <hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization  
**MONTALVO ASSOCIATION**

Employer identification number  
**94-1249283**

**Part II Noncash Property** (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
5	\$30,500 CASH; \$74,180 RUGS AND DONATED FLIGHT	\$ 74,180.	09/30/11
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____
		\$ _____	_____

Name of organization

Employer identification number

**MONTALVO ASSOCIATION**

**94-1249283**

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating 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. See instructions.) ▶ \$

(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, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2010**

Open to Public  
Inspection

Name of the organization

**MONTALVO ASSOCIATION**

Employer identification number

**94-1249283**

**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	<b>1c</b>
d Additions during the year	<b>1d</b>
e Distributions during the year	<b>1e</b>
f Ending balance	<b>1f</b>

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	672,505.	554,996.	554,996.		
b Contributions	100,000.	96,261.			
c Net investment earnings, gains, and losses	-2,004.	21,248.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	5,971.				
g End of year balance	764,530.	672,505.	554,996.		

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment  %
- b Permanent endowment  98.26 %
- c Term endowment  1.74 %

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 investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		53,000.		53,000.
b Buildings		15,401,889.	6,813,871.	8,588,018.
c Leasehold improvements				
d Equipment		660,678.	593,423.	67,255.
e Other		451,447.	242,121.	209,326.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				<b>8,917,599.</b>

**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)		
<b>Total.</b> (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)		
<b>Total.</b> (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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶	

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

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DEPOSITS	10,500.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶	10,500.

**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	4,833,332.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	4,687,651.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	145,681.
4	Net unrealized gains (losses) on investments	4	-53,263.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-10,500.
9	Total adjustments (net). Add lines 4 through 8	9	-63,763.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	81,918.

**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	5,153,009.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-53,263.
b	Donated services and use of facilities	2b	37,766.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	335,174.
e	Add lines 2a through 2d	2e	319,677.
3	Subtract line 2e from line 1	3	4,833,332.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	4,833,332.

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

1	Total expenses and losses per audited financial statements	1	5,060,591.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	37,766.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	335,174.
e	Add lines 2a through 2d	2e	372,940.
3	Subtract line 2e from line 1	3	4,687,651.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	4,687,651.

**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: COLLECTIONS - COLLECTION ITEMS ACQUIRED EITHER THROUGH**

**PURCHASE OR DONATION ARE NOT CAPITALIZED. PURCHASES OF COLLECTION ITEMS**

**ARE RECORDED AS DECREASES IN UNRESTRICTED NET ASSETS IF PURCHASED WITH**

**UNRESTRICTED ASSETS AND AS DECREASES IN TEMPORARILY RESTRICTED OR**

**PERMANENTLY RESTRICTED NET ASSETS IF PURCHASED WITH DONOR-RESTRICTED**

**ASSETS. CONTRIBUTIONS OF COLLECTION ITEMS ARE NOT RECOGNIZED IN THE**

**STATEMENT OF ACTIVITIES. PROCEEDS FROM DEACCESSIONS OR INSURANCE**

**RECOVERIES ARE REFLECTED IN THE STATEMENT OF ACTIVITIES BASED ON THE**

**Part XIV** Supplemental Information (continued)

ABSENCE OR EXISTENCE AND NATURE OF DONOR-IMPOSED RESTRICTIONS.

PART III, LINE 4: 2 SCULPTURES, DISPLAYED ON THE GROUNDS, IN FULL VIEW OF PARK VISITORS; SCULPTURE, AS A VISUAL ART, IS PART OF OUR STATED MISSION, TO PRESENT ART OF ALL TYPES AND USING OUR GROUNDS IN INNOVATIVE WAYS TO ENGAGE PEOPLE IN THE CREATIVE PROCESS.

PART V, LINE 4: THE INCOME FROM MONTALVO'S PERMANENTLY RESTRICTED ENDOWMENT FUNDS IS USED TO SUPPORT ARTISTIC PROGRAMS, MAINTAIN/RENOVATE THE HISTORIC VILLA AND GROUNDS, AND PAY OPERATING EXPENSES AS PER THE ORGANIZATION'S ENDOWMENT DISBURSEMENT POLICY.

PART X, LINE 2: UNCERTAINTY IN INCOME TAXES - ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA 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 ASSOCIATION IN THEIR FEDERAL AND STATE EXEMPT ORGANIZATION TAX RETURNS ARE MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATION.

THE ASSOCIATION FILES INFORMATION RETURNS IN THE U.S. FEDERAL JURISDICTION AND STATE OF CALIFORNIA. THE ASSOCIATION'S FEDERAL RETURNS FOR THE YEARS ENDED SEPTEMBER 30, 2008 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE. THE COMPANY'S CALIFORNIA RETURNS FOR THE TAX YEARS ENDED SEPTEMBER 30, 2007 AND BEYOND REMAIN SUBJECT TO EXAMINATION BY THE FRANCHISE TAX BOARD.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

**Part XIV** Supplemental Information (continued)

COLLECTION ITEMS PURCHASED -10,500.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

COST OF SALES 41,321.

RENTAL EXPENSE 293,853.

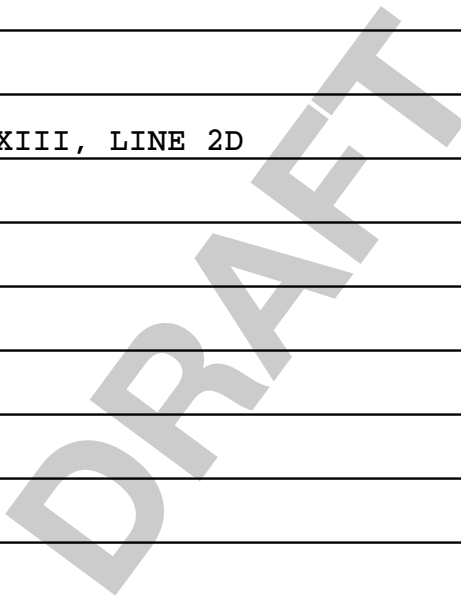
TOTAL TO SCHEDULE D, PART XII, LINE 2D 335,174.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

COST OF SALES 41,321.

RENTAL EXPENSE 293,853.

TOTAL TO SCHEDULE D, PART XIII, LINE 2D 335,174.



**SCHEDULE G**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

OMB No. 1545-0047

**2010**

**Open To Public  
Inspection**

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.

Name of the organization

**MONTALVO ASSOCIATION**

Employer identification number

**94-1249283**

**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			
<b>Total</b> .....						

**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
		FOOD & WINE	OCTOBER GALA	2	(add col. (a) through col. (c))
		(event type)	(event type)	(total number)	
Revenue	<b>1</b> Gross receipts .....	175,167.	95,397.	132,952.	403,516.
	<b>2</b> Less: Charitable contributions .....	119,381.	53,080.	58,123.	230,584.
	<b>3</b> Gross income (line 1 minus line 2) .....	55,786.	42,317.	74,829.	172,932.
Direct Expenses	<b>4</b> Cash prizes .....				
	<b>5</b> Noncash prizes .....				
	<b>6</b> Rent/facility costs .....		12,732.		12,732.
	<b>7</b> Food and beverages .....	14,533.	4,936.	70,504.	89,973.
	<b>8</b> Entertainment .....		3,050.	2,725.	5,775.
	<b>9</b> Other direct expenses .....	41,253.	21,599.	1,600.	64,452.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				( 172,932 )
	<b>11</b> 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	<b>1</b> Gross revenue .....				
Direct Expenses	<b>2</b> Cash prizes .....				
	<b>3</b> Noncash prizes .....				
	<b>4</b> Rent/facility costs .....				
	<b>5</b> Other direct expenses .....				
	<b>6</b> 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	
	<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) .....				( _____ )
	<b>8</b> 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:
 

<b>13a</b>			%
<b>13b</b>			%
- 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

**2010**

Open to Public Inspection

Name of the organization

**MONTALVO ASSOCIATION**

Employer identification number

**94-1249283**

**Part I Questions Regarding Compensation**

		Yes	No
<b>1a</b>	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 type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</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	<b>1b</b>	
<b>2</b>	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?	<b>2</b>	
<b>3</b>	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <input checked="" type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations <input checked="" type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b>	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:		
<b>a</b>	Receive a severance payment or change-of-control payment from the organization or a related organization?	<b>4a</b>	X
<b>b</b>	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	<b>4b</b>	X
<b>c</b>	Participate in, or receive payment from, an equity-based compensation arrangement?	<b>4c</b>	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b>			
<b>5</b>	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:		
<b>a</b>	The organization?	<b>5a</b>	X
<b>b</b>	Any related organization?	<b>5b</b>	X
If "Yes" to line 5a or 5b, describe in Part III.			
<b>6</b>	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:		
<b>a</b>	The organization?	<b>6a</b>	X
<b>b</b>	Any related organization?	<b>6b</b>	X
If "Yes" to line 6a or 6b, describe in Part III.			
<b>7</b>	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	<b>7</b>	X
<b>8</b>	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	<b>8</b>	X
<b>9</b>	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	<b>9</b>	

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

Schedule J (Form 990) 2010

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

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

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 ANGELA MCCONNELL	(i)	175,000.	0.	0.	0.	1,437.	176,437.	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)							



**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2010**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

Name of the organization **MONTALVO ASSOCIATION** Employer identification number **94-1249283**

**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	5	14,150.	FAIR MARKET VALUE
2 Art - Historical treasures .....				
3 Art - Fractional interests .....				
4 Books and publications .....				
5 Clothing and household goods .....				
6 Cars and other vehicles .....	X	1	2,100.	KELLEY BLUE BOOK
7 Boats and planes .....				
8 Intellectual property .....				
9 Securities - Publicly traded .....	X	2	1,072.	FAIR MARKET VALUE
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 .....	X	2	6,922.	COST
20 Drugs and medical supplies .....				
21 Taxidermy .....				
22 Historical artifacts .....				
23 Scientific specimens .....				
24 Archeological artifacts .....				
25 Other ▶ ( <u>EQUIPMENT &amp; S</u> ) .....	X	17	135,194.	COST
26 Other ▶ ( <u>AUCTION ITEMS</u> ) .....	X	54	51,185.	FMV
27 Other ▶ ( <u>PLANTS</u> ) .....	X	1	300.	COST
28 Other ▶ ( ) .....				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement ..... **29** **0**

	Yes	No
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? .....		X
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? .....	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....		X
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.		

**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

**2010**

Open to Public  
Inspection

Name of the organization

MONTALVO ASSOCIATION

Employer identification number

94-1249283

FORM 990, PART III, LINE 2, NEW PROGRAM SERVICES:

THE ORGANIZATION ADDED A SUMMER CONCERT SERIES IN THE LILIAN FONTAINE GARDEN THEATER, IN COLLABORATION WITH THE SOBRATO ARTS FOUNDATION FOR EDUCATION PROGRAM, ARTTEC. THE ORGANIZATION ALSO ESTABLISHED AN ON-GOING RELATIONSHIP WITH SHAKESPEARE SANTA CRUZ, PROVIDING HOUSING FOR THEIR ARTISTS AS WELL AS PRESENTING PUBLIC PERFORMANCES AND STUDENT MATINEES IN THE GARDEN THEATER.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

EDUCATION AND OUTREACH - THE EDUCATION PROGRAMS SERVE 15,000 STUDENTS AND CONSIST OF A BROAD RANGE OF ARTS-RELATED PROGRAMS, CLASSES AND SPECIAL EVENTS FOR ALL AGES. EDUCATION PROGRAMMING INCLUDES THE FAMILY PERFORMING ARTS SERIES, MASTER CLASS SERIES TAUGHT BY RESIDENT ARTISTS AND VISITING ARTISTS, PROFESSIONAL DEVELOPMENT FOR TEACHERS, STUDENT SCHOOL PROGRAMS, VISUAL AND PERFORMING ARTS CAMPS, AND THE WELLS FARGO PERFORMING ARTS SERIES FOR STUDENTS.

EXPENSES \$ 230,639. INCLUDING GRANTS OF \$ 0. REVENUE \$ 140,567.

VISUAL ARTS PUBLIC PROGRAMMING AND EXHIBITION - THE VISUAL ARTS PROGRAM ENCOMPASSES A YEAR-ROUND SERIES OF EXHIBITIONS MOUNTED IN THE PROJECT SPACE GALLERY, ARTS-RELATED COMMUNITY PROGRAMS, AND SCULPTURE ON THE GROUNDS, WHICH INCLUDES BOTH EXISTING AND COMMISSIONED WORKS OF ART INSTALLED THROUGH THE PROPERTY.

EXPENSES \$ 176,705. INCLUDING GRANTS OF \$ 0. REVENUE \$ 12,558.

FORM 990, PART VI, SECTION B, LINE 11: MONTALVO USES THE FOLLOWING PROCESS

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

Schedule O (Form 990 or 990-EZ) (2010)

032211  
01-24-11

Name of the organization MONTALVO ASSOCIATION	Employer identification number 94-1249283
--	--

TO REVIEW THE ANNUAL TAX FORM 990:

1. THE ANNUAL TAX FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM BASED ON FINANCIAL AND MANAGEMENT INFORMATION MONTALVO STAFF PROVIDES. MONTALVO STAFF REVIEW AND APPROVE THE COMPLETED FORM 990.

2. THE COMPLETED FORM 990 IS PRESENTED TO THE EXECUTIVE COMMITTEE AND THE FINANCE COMMITTEE BY THE EXECUTIVE DIRECTOR AND THE FINANCE DIRECTOR. THE COMMITTEES, IN COMBINED SESSION, ARE GIVEN THE OPPORTUNITY TO ASK QUESTIONS OF THE EXECUTIVE DIRECTOR AND THE FINANCE DIRECTOR BEFORE THEIR FINAL REVIEW AND APPROVAL. AFTER DISCUSSION A MOTION WILL BE MADE TO APPROVE THE SUBMISSION OF THE FORM 990. UPON PASSAGE OF THE MOTION, THE APPROVAL PROCESS IS COMPLETE FOR THE FORM 990 AND THE 990 IS FILED.

3. ONCE THE REVIEW BY THE EXECUTIVE AND FINANCE COMMITTEES IS COMPLETE, THE FORM 990 IS DISTRIBUTED TO ALL MEMBERS OF THE MONTALVO BOARD.

FORM 990, PART VI, SECTION B, LINE 12C: TRUSTEES AND KEY OFFICERS ARE REQUIRED ANNUALLY TO COMPLETE A DISCLOSURE FORM IDENTIFYING POTENTIAL CONFLICTS OF INTEREST.

1. THE FORM TITLED "DISCLOSURE STATEMENT OF POTENTIAL CONFLICTS OF INTEREST" IS COMPLETED AND SIGNED BY ANY TRUSTEE OR KEY OFFICER WITH A POTENTIAL CONFLICT AS SOON AS THIS POTENTIAL ARISES.

2. THE POTENTIAL CONFLICT IS DISCLOSED AND DETERMINATION IS MADE WHETHER AN ACTUAL, POTENTIAL OR PERCEIVED CONFLICT OF INTEREST MAY EXIST, AND IF SO, MONTALVO'S POSITION WITH RESPECT THERETO. ANY STEPS TAKEN BY MONTALVO TO

Name of the organization MONTALVO ASSOCIATION	Employer identification number 94-1249283
--	--

ADDRESS THE CONFLICT SITUATION ARE DOCUMENTED IN WRITING.

3. VIOLATION OF THE CONFLICT OF INTEREST POLICY CONSTITUTES UNACCEPTABLE CONDUCT THAT MAY BE SUBJECT TO DISCIPLINARY ACTION, UP TO AND INCLUDING DISMISSAL OF THE TRUSTEE FROM THE BOARD, OR TERMINATION OF EMPLOYMENT FOR KEY EMPLOYEE.

FORM 990, PART VI, SECTION B, LINE 15: A PROCESS ESTABLISHED IN 2009 TO SET THE COMPENSATION FOR OUR NEW EXECUTIVE DIRECTOR WAS AS FOLLOWS:

1. A RANGE OF TOTAL COMPENSATION IS DETERMINED BASED ON COMPARABLE DATA FROM OTHER LOCAL ARTS ORGANIZATIONS AND COMPARABLE POSITIONS LISTED IN THE ANNUAL COMPENSATION AND BENEFITS SURVEY FOR NORTHERN CALIFORNIA BY THE CENTRE FOR NONPROFIT MANAGEMENT.

2. FOR KEY EMPLOYEES OTHER THAN THE EXECUTIVE DIRECTOR, SALARY CHANGES ARE DETERMINED BY THE EXECUTIVE DIRECTOR AFTER REVIEW OF JOB PERFORMANCE, CHANGES IN ORGANIZATIONAL RESPONSIBILITIES, AND REVIEW OF COMPENSATION LEVELS AT COMPARABLE LOCAL NONPROFIT ORGANIZATIONS. THE EXECUTIVE DIRECTOR BRINGS SALARY CHANGE RECOMMENDATIONS TO THE COMPENSATION COMMITTEE FOR REVIEW, DISCUSSION AND APPROVAL.

3. SALARY CHANGES FOR THE EXECUTIVE DIRECTOR ARE MADE BY THE COMPENSATION COMMITTEE DURING THE ANNUAL REVIEW PROCESS, WHICH INCLUDES PERFORMANCE AGAINST ANNUAL MISSION OBJECTIVES AND FINANCIAL GOALS.

4. THE COMPENSATION COMMITTEE CONSISTS OF FIVE TRUSTEES, INCLUDING THE BOARD PRESIDENT, PAST PRESIDENT, FINANCE COMMITTEE CHAIR AND MEMBERS OF THE

Name of the organization <b>MONTALVO ASSOCIATION</b>	Employer identification number <b>94-1249283</b>
---	---

FINANCE AND AUDIT COMMITTEES.

5. THE COMPENSATION COMMITTEE APPROVES THE SALARY CHANGE.

FORM 990, PART VI, SECTION C, LINE 19: THE FOLLOWING GOVERNING DOCUMENTS ARE POSTED ON THE MONTALVO WEBSITE AT WWW.MONTALVOARTS.ORG: AUDITED FINANCIAL STATEMENTS, 990 TAX RETURN, BYLAWS, CODE OF ETHICS, RECORD RETENTION POLICY, GIFT ACCEPTANCE POLICY AND WHISTLEBLOWER POLICY. THESE DOCUMENTS ARE ALSO AVAILABLE ON REQUEST, AND ARE REFERENCED ON THE GUIDESTAR WEBSITE AS BEING POSTED ON THE MONTALVO WEBSITE AND AVAILABLE ON REQUEST.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:	
NET UNREALIZED LOSSES ON INVESTMENTS:	-53,263.
COLLECTION ITEMS PURCHASED	-10,500.
TOTAL TO FORM 990, PART XI, LINE 5	-63,763.

2010 DEPRECIATION AND AMORTIZATION REPORT

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
	BUILDINGS											
1	ARTISTS RESIDENCY BUILDING	VARIES		.000	16	8565998.			8565998.	2001848.		318,873.
2	IMPROVEMENTS	VARIES		.000	16	4863568.			4863568.	2727882.		159,253.
3	CARRIAGE HOUSE	VARIES		.000	16	1263208.			1263208.	1074624.		76,525.
5	GALLERY	VARIES		.000	16	455,873.			455,873.	369,596.		18,964.
7	LAND IMPROVEMENTS	VARIES		.000	16	253,242.			253,242.	53,644.		12,662.
	* 990 PAGE 10 TOTAL BUILDINGS					15401889.		0.	15401889.	6227594.	0.	586,277.
	FURNITURE & FIXTURES											
6	FURNITURE AND FIXTURE	VARIES		.000	16	364,067.			364,067.	232,737.		9,384.
	* 990 PAGE 10 TOTAL FURNITURE & FIXTUR					364,067.		0.	364,067.	232,737.	0.	9,384.
	MACHINERY & EQUIPMENT											
4	OFFICE EQUIPMENT	VARIES		.000	16	584,712.			584,712.	492,724.		25,218.
	* 990 PAGE 10 TOTAL MACHINERY & EQUIPM					584,712.		0.	584,712.	492,724.	0.	25,218.
	TRANSPORTATION EQUIPMENT											
8	VEHICLE	VARIES		.000	16	75,966.			75,966.	74,511.		970.
	* 990 PAGE 10 TOTAL TRANSPORTATION EQU					75,966.		0.	75,966.	74,511.	0.	970.
	LAND											
9	LAND	VARIES		.000	16	53,000.			53,000.			0.

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990 PAGE 10

990

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
	* 990 PAGE 10 TOTAL LAND					53,000.		0.	53,000.	0.	0.	0.
13	OTHER CONSTRUCTION IN PROGRESS		MC	.000		87,380.			87,380.			0.
	* 990 PAGE 10 TOTAL OTHER					87,380.		0.	87,380.	0.	0.	0.
	* GRAND TOTAL 990 PAGE 10 DEPR					16567014.		0.	16567014.	7027566.	0.	621,849.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box  **X**

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

<b>Part II</b>	<b>Additional (Not Automatic) 3-Month Extension of Time.</b> Only file the original (no copies needed).	
Type or print  File by the extended due date for filing your return. See instructions.	Name of exempt organization <b>MONTALVO ASSOCIATION</b>	Employer identification number <b>94-1249283</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. BOX 158</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SARATOGA, CA 95071</b>	

Enter the Return code for the return that this application is for (file a separate application for each return) ..... **01**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01		
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

**CHRISTA STINER**

• The books are in the care of ▶ **15400 MONTALVO ROAD - SARATOGA, CA 95070**

Telephone No. ▶ **(408) 961-5805** FAX No. ▶ **(408) 961-5850**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **AUGUST 15, 2012**.

5 For calendar year \_\_\_\_\_, or other tax year beginning **OCT 1, 2010**, and ending **SEP 30, 2011**.

6 If the tax year entered in line 5 is for less than 12 months, check reason:  Initial return  Final return

Change in accounting period

7 State in detail why you need the extension \_\_\_\_\_

**ADDITIONAL TIME IS NEEDED TO PREPARE A COMPLETE AND ACCURATE INFORMATION RETURN.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b>	\$	0.
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b>	\$	0.
<b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b>	\$	0.

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ \_\_\_\_\_ Title ▶ **CPA** Date ▶ \_\_\_\_\_