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Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation

2012

Department of the Treasury
Internal Revenue Service

Note The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2012, or tax year beginning

, 2012, and ending

INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION
4790 IRVINE BLVD., STE 105-PMB 424
IRVINE, CA 92620

A Employer identification number
20-7008090

B Telephone number (see the instructions)
714-389-6521

C If exemption application is pending, check here ☐

D 1 Foreign organizations, check here ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☒ Name change

H Check type of organization. ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 8,637,133.
J Accounting method ☐ Cash ☒ Accrual
(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

REVENUE

1 Contributions, gifts, grants, etc., received (att sch)

6,844,113.

2 ☐ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

27,481.

27,481.

27,481.

5a Gross rents

104,750.

104,750.

104,750.

b Net rental income or (loss) 104,750.

6a Net gain/(loss) from sale of assets not on line 10

6,361.

b Gross sales price for all assets on line 6a

6,361.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

23.

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

6,982,705.

138,592.

132,254.

13 Compensation of officers, directors, trustees, etc

60,729.

6,073.

6,073.

14 Other employee salaries and wages

195,669.

157,710.

15 Pension plans, employee benefits

16a Legal fees (attach schedule)

b Accounting fees (attach sch)

c Other prof fees (attach sch) SEE ST 1

42,531.

4,363.

4,363.

21,266.

17 Interest

18 Taxes (attach schedule) (see instrs) SEE STM 2

24,503.

835.

835.

14,018.

19 Depreciation (attach sch) and depletion

3,452.

20 Occupancy

21 Travel, conferences, and meetings

13,294.

4,940.

22 Printing and publications

23 Other expenses (attach schedule)

SEE STATEMENT 3

149,200.

4,158.

4,158.

122,923.

24 Total operating and administrative expenses. Add lines 13 through 23

489,378.

15,429.

15,429.

326,930.

25 Contributions, gifts, grants paid

26 Total expenses and disbursements. Add lines 24 and 25

489,378.

15,429.

15,429.

326,930.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

6,493,327.

b Net investment income (if negative, enter 0-)

123,163.

c Adjusted net income (if negative, enter 0-)

116,825.

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing		1,221,265.	1,221,265.
	2 Savings and temporary cash investments	2,039,606.		
	3 Accounts receivable 1,024.			
	Less allowance for doubtful accounts		1,024.	1,024.
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch.)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges		21,026.	21,026.
	10a Investments — U.S. and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule)			
LIABILITIES	11 Investments — land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule) STATEMENT 4		2,288,421.	2,288,421.
	14 Land, buildings, and equipment basis 5,106,491.			
	Less accumulated depreciation (attach schedule) SEE STMT 5 3,452.		5,103,039.	5,103,039.
	15 Other assets (describe SEE STATEMENT 6)		2,358.	2,358.
	16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	2,039,606.	8,637,133.	8,637,133.
	17 Accounts payable and accrued expenses		16,613.	
	18 Grants payable			
NET ASSETS OR FUND BALANCES	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe SEE STATEMENT 7)		28,463.	
	23 Total liabilities (add lines 17 through 22)	0.	45,076.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	2,039,606.	8,592,057.	
NET ASSETS OR FUND BALANCES	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see instructions)	2,039,606.	8,592,057.	
NET ASSETS OR FUND BALANCES	31 Total liabilities and net assets/fund balances (see instructions)	2,039,606.	8,637,133.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,039,606.
2	Enter amount from Part I, line 27a	2	6,493,327.
3	Other increases not included in line 2 (itemize) SEE STATEMENT 8	3	59,124.
4	Add lines 1, 2, and 3	4	8,592,057.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	8,592,057.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a US TRUST		P	VARIOUS	VARIOUS
b US TRUST		P	5/21/12	VARIOUS
c CAPITAL GAIN DIVIDENDS				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 62,696.		62,673.	23.
b 18.		18.	0.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than 0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			23.
b			0.
c			6,338.
d			
e			

2 Capital gain net income or (net capital loss)	— [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	6,361.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	— [If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8]	3	23.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2011	1,625,119.	834,851.	1.946598
2010	38,311.	111,001.	0.345141
2009	1,819,908.	42,366.	42.956805
2008	1,818,282.	47,863.	37.989303
2007	1,825,385.	43,955.	41.528495

2 Total of line 1, column (d)	2	124.766342
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	24.953268
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,883,207.
5 Multiply line 4 by line 3	5	46,992,169.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,232.
7 Add lines 5 and 6	7	46,993,401.
8 Enter qualifying distributions from Part XII, line 4	8	5,415,099.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter. _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	2,463.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	2,463.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	2,463.
6 Credits/Payments			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a		
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c	2,000.	
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	2,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	55.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	518.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be Credited to 2013 estimated tax	11		
	Refunded		

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0. SEE STATEMENT 9		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>	X	
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>	X	
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) CA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>	X	
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i> SEE STATEMENT 10	X	

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>HTTP://ICANSBC.ORG/</u>	13	X	
14	The books are in care of <u>EDWARD ROSSI</u> Telephone no <u>714-389-6521</u> Located at <u>4790 IRVINE BLVD, SUITE 105-PMB 424 IRVINE CA</u> ZIP + 4 <u>92620</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u> <u>N/A</u>			
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country				

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If 'Yes,' list the years <u>20</u> <u>20</u> <u>20</u> <u>20</u>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20</u> <u>20</u> <u>20</u> <u>20</u>		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If 'Yes,' did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4 b	X

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Form 990-PF (2012)

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5 a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5 b N/A

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

6 a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6 b X

If 'Yes' to 6b, file Form 8870

7 a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7 b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
EDWARD ROSSI 4790 IRVINE BLVD, #105 PMB 424 IRVINE, CA 92620	TRUSTEE 10.00	0.	0.	0.
JAMES KEARNS 4790 IRVINE BLVD #105 PMB 424 IRVINE, CA 92620	TRUSTEE 10.00	0.	0.	0.
NANCYBELL COE 4790 IRVINE BLVD #105 PMB 424 IRVINE, CA 92620	TRUSTEE 10.00	0.	0.	0.
TRACY HENNIGER 4790 IRVINE BLVD, #105 PMB 424 IRVINE, CA 92620	EXECUTIVE DI 40.00	54,929.	4,582.	1,218.

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). If none, enter 'NONE.'

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

Total number of other employees paid over \$50,000

0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1 a	924,585.
b Average of monthly cash balances	1 b	987,300.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b, and c)	1 d	1,911,885.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,911,885.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	28,678.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,883,207.
6 Minimum investment return. Enter 5% of line 5	6	94,160.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☒ and do not complete this part.)

1 Minimum investment return from Part X, line 6	N/A	1	
2 a Tax on investment income for 2012 from Part VI, line 5	2 a		
b Income tax for 2012 (This does not include the tax from Part VI.)	2 b		
c Add lines 2a and 2b	2 c		
3 Distributable amount before adjustments. Subtract line 2c from line 1	3		
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5		
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7		

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a	326,930.
b Program-related investments — total from Part IX-B	1 b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	5,088,169.
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	5,415,099.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,415,099.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

N/A

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20 __, 20 __, 20 __				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2012 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount — see instructions				
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount — see instructions				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling

b Check box to indicate whether the foundation is a private operating foundation described in section ☒ 4942(j)(3) or ☐ 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2012	(b) 2011	(c) 2010	(d) 2009	
94,160.				94,160.

b 85% of line 2a

80,036.				80,036.
---------	--	--	--	---------

c Qualifying distributions from Part XII, line 4 for each year listed

5,415,099.	1,625,119.	38,311.	1,819,908.	8,898,437.
------------	------------	---------	------------	------------

d Amounts included in line 2c not used directly for active conduct of exempt activities

93,872.	1,583,456.	24,538.	1,819,908.	3,521,774.
---------	------------	---------	------------	------------

e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c

5,321,227.	41,663.	13,773.		5,376,663.
------------	---------	---------	--	------------

3 Complete 3a, b, or c for the alternative test relied upon

a 'Assets' alternative test — enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

62,773.	27,828.	3,700.	1,412.	95,713.
---------	---------	--------	--------	---------

c 'Support' alternative test — enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year — see instructions.)**1 Information Regarding Foundation Managers:**

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV. Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
Total				3 a
b Approved for future payment				
Total				3 b

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, Form 990-EZ, or Form 990-PF**

OMB No 1545-0047

2012

Name of the organization **INCREDIBLE CHILDREN'S ART NETWORK**
FKA THE TOPSY TURVY PRIVY FOUNDATION

Employer identification number
20-7008090

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)() (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33-1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ _____

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

BAA 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) (2012)

Name of organization

Employer identification number

INCREDIBLE CHILDREN'S ART NETWORK

20-7008090

Part I Contributors (see instructions) Use duplicate copies of Part I if additional space is needed

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	ST. FRANCIS CHARIT LEAD ANN TR 4790 IRVINE BLVD STE 105-424 IRVINE, CA 92620	\$ 803,684.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	ST. PATRICK CHARIT LEAD ANN TR 4790 IRVINE BLVD STE 105-424 IRVINE, CA 92620	\$ 1,020,832.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	JOHNSON OHANA CHARITABLE FOUNDATION 2020 UNION STREET SAN FRANCISCO, CA 94123	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4	PLK TRUST DTD MARCH 7, 1974 4790 IRVINE BLVD STE 105-424 IRVINE, CA 92620	\$ 5,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

INCREDIBLE CHILDREN'S ART NETWORK

20-7008090

Part II **Noncash Property** (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A		
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

INCREDIBLE CHILDREN'S ART NETWORK

Employer identification number

20-7008090

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8) or (10)**organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entryFor organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year (Enter this information once. See instructions.)

► \$ N/A

Use duplicate copies of Part III if additional space is needed

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

BAA

Application for Change in Accounting Method

OMB No 1545 0152

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions) 20-7008090	
INCREDIBLE CHILDREN'S ART NETWORK		Principal business activity code number (see instructions)	
Number, street, and room or suite no. If a P.O. box, see the instructions 4790 IRVINE BLVD., STE 105-PMB 424		Tax year of change begins (MM/DD/YYYY) 1/01/2012	
City or town, state, and ZIP Code IRVINE, CA 92620		Tax year of change ends (MM/DD/YYYY) 12/31/2012	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions) EDWARD ROSSI	
		Contact person's telephone number 714-389-6521	

If the applicant is a member of a consolidated group, check this box ☐If Form 2848, Power of Attorney and Declaration of Representative, is attached (see instructions for when Form 2848 is required), check this box ☐**Check the box to indicate the applicant.**

- | | |
|---|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Cooperative (Section 1381) |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> Controlled foreign corporation (Section 957) | <input type="checkbox"/> S corporation |
| <input type="checkbox"/> 10/50 corporation (Section 904(d)(2)(E)) | <input type="checkbox"/> Insurance company (Section 816(a)) |
| <input type="checkbox"/> Qualified personal service corporation (Section 448(d)(2)) | <input type="checkbox"/> Insurance company (Section 831) |
| | <input type="checkbox"/> Other (specify) _____ |

☒ Exempt organization Enter Code section **501(C)3****Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)**

- | |
|---|
| <input type="checkbox"/> Depreciation or Amortization |
| <input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions |
| <input type="checkbox"/> Other (specify) _____ |

Caution: To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested.

The taxpayer must attach all applicable supplemental statements requested throughout this form.

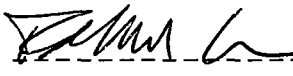
Part I Information For Automatic Change Request		Yes	No
1 Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested change has no designated automatic accounting method change number, check 'Other,' and provide both a description of the change and citation of the IRS guidance providing the automatic change. See instructions. (a) Change No 122 (b) Other <input type="checkbox"/> Description _____			
2 Do any of the scope limitations described in section 4.02 of Rev Proc 2008-52 cause automatic consent to be unavailable for the applicant's requested change? If 'Yes,' attach an explanation			X
Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable)			
Part II Information for All Requests		Yes	No
3 Did or will the applicant cease to engage in the trade or business to which the requested change relates, or terminate its existence, in the tax year of change (see instructions)? If 'Yes,' the applicant is not eligible to make the change under automatic change request procedures			X
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If 'No,' go to line 5			X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?			

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and, to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer

Preparer (other than filer/applicant)


TRUSTEE
 Signature and date


9/9/13
 Signature of individual preparing the application and date

EDWARD ROSSI, TRUSTEE
 Name and title (print or type)

MARILYN MILLARE
 Name of individual preparing the application (print or type)

HMWC CPAS AND BUSINESS ADVISORS
17501 EAST 17TH STREET, SUITE 100
TUSTIN, CA 92780-7924
 Name of firm preparing the application

Part II Information For All Requests (continued)

	Yes	No
4c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?		
d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If 'Yes,' attach the consent statement from the director		
e Is the request to change the method of accounting being filed under the 90-day or 120-day window period? If 'Yes,' check the box for the applicable window period and attach the required statement (see instructions) <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day Date examination ended ▶ _____		
f If you answered 'Yes' to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
5a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? If 'Yes,' enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		X
b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member) (see instructions)? If 'Yes,' attach an explanation		
6 If the applicant answered 'Yes' to line 4a and/or 5a with respect to any present or former consolidated group, attach a statement that provides each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court		
7 If, for federal income tax purposes, the applicant is either an entity (including a limited liability company) treated as a partnership or an S corporation, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If 'Yes,' the applicant is not eligible to make the change		
8a Does the applicable revenue procedure (advance consent or automatic consent) state that the applicant does not receive audit protection for the requested change (see instructions)?		X
b If 'Yes,' attach an explanation		
9a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in method of accounting within the past 5 years (including the year of the requested change)?		X
b If 'Yes,' for each trade or business, attach a description of each requested change in method of accounting (including the tax year of change) and state whether the applicant received consent		
c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement granting a change was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, attach an explanation		
10a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in method of accounting, or technical advice?		X
b If 'Yes,' for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in method of accounting, or technical advice), and the specific issue(s) in the request(s)		
11 Is the applicant requesting to change its overall method of accounting?	X	
If 'Yes,' check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of this form		
Present method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		
Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)		

Part II Information For All Requests (continued)

	Yes	No
12 If the applicant is either (i) not changing its overall method of accounting, or (ii) is changing its overall method of accounting and also changing to a special method of accounting for one or more items, attach a detailed and complete description for each of the following		
a The item(s) being changed		
b The applicant's present method for the item(s) being changed		
c The applicant's proposed method for the item(s) being changed		
d The applicant's present overall method of accounting (cash, accrual, or hybrid)		
13 Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe whether each trade or business is accounted for separately, the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income, the overall method of accounting for each trade or business, and which trade or business is requesting to change its accounting method as part of this application or a separate application. SEE ATTACHMENT 1		
14 Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions If 'No,' attach an explanation	X	
15 a Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?		X
b If 'Yes,' for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application		
16 Does the applicant request a conference with the IRS National Office if the IRS proposes an adverse response?		X
17 If the applicant is changing to either the overall cash method, an overall accrual method, or is changing its method of accounting for any property subject to section 263A, any long-term contract subject to section 460, or inventories subject to section 474, enter the applicant's gross receipts for the 3 tax years preceding the tax year of change		
1st preceding year ended mo 12 yr 2011	2nd preceding year ended mo 12 yr 2010	3rd preceding year ended mo 12 yr 2009
\$ 1,826,061.	\$ 1,835,578.	\$ 1,824,670.

Part III Information For Advance Consent Request

	Yes	No
18 Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If 'Yes,' attach an explanation describing why the applicant is submitting its request under advance consent request procedures		
19 Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. Also, include either a discussion of the contrary authorities or a statement that no contrary authority exists		
20 Attach a copy of all documents related to the proposed change (see instructions)		
21 Attach a statement of the applicant's reasons for the proposed change		
22 If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If 'No,' attach an explanation		
23 a Enter the amount of user fee attached to this application (see instructions) ▶ \$		
b If the applicant qualifies for a reduced user fee, attach the required information or certification (see instructions)		

Part IV Section 481(a) Adjustment

	Yes	No
24 Does the applicable revenue procedure, revenue ruling, notice, regulation, or other published guidance require the applicant to implement the requested change in method of accounting on a cut-off basis rather than a section 481(a) adjustment? If 'Yes,' do not complete lines 25, 26, and 27 below		X
25 Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income ▶ \$ 0. Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant		

Part IV Section 481(a) Adjustment

Yes	No
	X
	X

- 26 If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?
- 27 Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties?
If 'Yes', attach an explanation

Schedule A – Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed)**Part I Change in Overall Method** (see instructions)

- 1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state 'None'. Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g.

a Income accrued but not received

Amount
\$ NONE

b Income received or reported before it was earned (such as advanced payments). Attach a description of the income and the legal basis for the proposed method.

NONE

c Expenses accrued but not paid (such as accounts payable)

NONE

d Prepaid expenses previously deducted

NONE

e Supplies on hand previously deducted and/or not previously reported

NONE

f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II.

NONE

g Other amounts (specify). Attach a description of the item and the legal basis for its inclusion in the calculation of the section 481(a) adjustment.

NONE

h **Net section 481(a) adjustment** (Combine lines 1a – 1g.) Indicate whether the adjustment is an increase (+) or decrease (-) in income. Also enter the net amount of this section 481(a) adjustment amount on Part IV, line 25.

\$ 0.

- 2 Is the applicant also requesting the recurring item exception under section 461(h)(3)?

☐ Yes ☒ No

- 3 Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. Also attach a statement specifying the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, attach a statement explaining the differences.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1 A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2 An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B – Change in Reporting Advance Payments (see instructions)

- 1 If the applicant is requesting to change to the Deferral Method for advance payments described in section 5.02 of Rev Proc 2004-34, 2004-1 CB 991, attach the following information:
- a A statement explaining how the advance payments meet the definition in section 2.01 of Rev Proc 2004-34.
- b If the applicant is filing under the automatic change procedures of Rev Proc 2008-52, the information required by section 8.02(3)(a)-(c) of Rev Proc 2004-34.
- c If the applicant is filing under the advance consent provisions of Rev Proc 97-27, the information required by section 8.03(2)(a)-(f) of Rev Proc 2004-34.
- 2 If the applicant is requesting to change to the deferral method for advance payments described in Regulations section 1.451-5(b)(1)(ii), attach the following:
- a A statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
- b A statement explaining what portions of the advance payments, if any, are attributable to services, whether such services are integral to the provisions of goods or items, and whether any portions of the advance payments that are attributable to non-integral services are less than five percent of the total contract prices. See Regulations sections 1.451-5(a)(2)(i) and (3).
- c A statement explaining that the advance payments will be included in income no later than when included in gross receipts for purposes of the applicant's financial reports. See Regulations section 1.451-5(b)(1)(ii).
- d A statement explaining whether the inventoriable goods exception of Regulations section 1.451-5(c) applies and if so, when substantial advance payments will be received under the contracts, and how the exception will limit the deferral of income.

Schedule C – Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIIC) pools, vehicle-pool method, etc.)
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIIC method, etc.)
 - d Determining the current-year cost of goods in the ending inventory (i.e., most recent acquisitions, earliest acquisitions during the current year, average cost of current-year acquisitions, or other permitted method)
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation.
- 3 If the proposed change is not requested for all the LIFO inventory, attach a statement specifying the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, attach a statement specifying the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, identify which inventory items are valued under each method.
- 6 If changing to the IPIIC method, attach a completed Form 970.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, state the reasons for the separate facilities, the location of each facility, and a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see the instructions))**Section A – Allocation and Capitalization Methods**

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method)
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method)

Section B – Direct and Indirect Costs Required To Be Allocated

Check the appropriate boxes showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark 'N/A' in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs)		

BAA

Form 3115 (Rev 12-2009)

Part III Method of Cost Allocation (see instructions) (continued)**Section C — Other Costs Not Required To Be Allocated** (Complete Section C only if the applicant is requesting to change its method for these costs)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included in Section B, line 26		
3 Bidding expenses not included in Section B, line 22		
4 General and administrative costs not included in Section B		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included in Section B, line 11		
11 Other costs (Attach a list of these costs)		

Schedule E — Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section
Applicants must provide this information for each item or class of property for which a change is requested

Note: See the *List of Automatic Accounting Method Changes* in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400L, 1400I, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions)

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? ☐ Yes ☐ No
If 'Yes,' the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii)
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? ☐ Yes ☐ No
If 'Yes,' enter the applicable section _____
- 3 Has a depreciation, amortization, or expense election been made for the property (e.g., the election under section 168(f)(1), 179, or 179C)? ☐ Yes ☐ No
If 'Yes,' state the election made _____
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity
- b If the property is residential rental property, did the applicant live in the property before renting it? ☐ Yes ☐ No
- c Is the property public utility property? ☐ Yes ☐ No
- 5 To the extent not already provided in the applicant's description of its present method, attach a statement explaining how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc).
- 6 If the property is not currently treated as depreciable or amortizable property, attach a statement of the facts supporting the proposed change to depreciate or amortize the property
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, the following information for both the present (if applicable) and proposed methods
- a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g))
- b The applicable asset class from Rev Proc 87-56, 1987-2 CB 674, for each asset depreciated under section 168 (MACRS) or under section 1400L, the applicable asset class from Rev Proc 83-35, 1983-1 CB 745, for each asset depreciated under former section 168 (ACRS), an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant
- c The facts to support the asset class for the proposed method
- d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1))
- e The useful life, recovery period, or amortization period of the property
- f The applicable convention of the property
- g A statement of whether or not the additional first-year special depreciation allowance (for example, as provided by section 168(k), 168(l), 168(m), 168(n), 1400L(b), or 1400N(d)) was or will be claimed for the property. If not, also provide an explanation as to why no special depreciation allowance was or will be claimed

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FORM 3115 ATTACHMENTS
INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION

PAGE 1

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ATTACHMENT 1
FORM 3115, PART II, LINE 13
DESCRIPTION OF TRADE OR BUSINESS

PRIVATE OPERATING FOUNDATION PROVIDING AFTER SCHOOL ART AND MUSIC EDUCATIONAL PROGRAMS.

Topsy Turvy Privy Foundation

Year End: December 31, 2011

Tax Grouping TB

TB

Account	Prelim	Adj's	Reclass	Rep	Annotation	Rep 12/10	%Chg
Balance Sheet							
100 WELLS FARGO - PMA PACKAGE	1,840,789.62	(1,805,685.20)	0.00	35,104.42	A	1,840,789.62	(98)
102 WELLS FARGO - VALUE CHECKIN	0.00	1,799,486.00	0.00	1,799,486.00	A2	0.00	0
106 SAVINGS - WELLS FARGO	0.00	205,015.16	0.00	205,015.16	A3	0.00	0
A Cash	1,840,789.62	198,815.96	0.00	2,039,605.58		1,840,789.62	11
Total Assets	1,840,789.62	198,815.96	0.00	2,039,605.58		1,840,789.62	11
Total Liabilities	0.00	0.00	0.00	0.00		0.00	0
300 NET ASSETS	(1,840,789.62)	0.00	0.00	(1,840,789.62)	py	(47,463.28)	3778
K Equity	(1,840,789.62)	0.00	0.00	(1,840,789.62)		(47,463.28)	3778
Total Equity	(1,840,789.62)	0.00	0.00	(1,840,789.62)		(47,463.28)	3778
Net Income	0.00	(198,815.96)	0.00	(198,815.96)		(1,793,326.34)	(89)
Total Liabilities and Equity	(1,840,789.62)	(198,815.96)	0.00	(2,039,605.58)		(1,840,789.62)	11
Income Statement							
400 CONTRIBUTION INCOME	0.00	(1,824,516.00)	0.00	(1,824,516.00)	A2	(1,835,316.00)	(1)
405 INTEREST INCOME	0.00	(1,544.71)	0.00	(1,544.71)	w	(262.04)	489
W Revenue	0.00	(1,826,060.71)	0.00	(1,826,060.71)		(1,835,578.04)	(1)
Total Revenue	0.00	(1,826,060.71)	0.00	(1,826,060.71)		(1,835,578.04)	(1)
500 ACCOUNTING	0.00	1,785.00	0.00	1,785.00		1,750.00	2
505 BANK FEES	0.00	50.00	0.00	50.00		50.00	0
506 LEGAL	0.00	492.00	0.00	492.00		9,430.00	(95)
507 DUES & SUBSCRIPTION	0.00	2,000.00	0.00	2,000.00		0.00	0
508 EMPLOYEE EXPENSE	0.00	40,000.00	0.00	40,000.00		0.00	0
509 LOGO	0.00	1,500.00	0.00	1,500.00		0.00	0
510 MEETING	0.00	4,263.36	0.00	4,263.36		9,797.45	(56)
512 MUSICAL INSTRUMENT	0.00	8,971.88	0.00	8,971.88		0.00	0
515 INSURANCE	0.00	2,419.00	0.00	2,419.00		6,081.00	(60)
520 PAYROLL EXPENSE	0.00	29,185.00	0.00	29,185.00	x	0.00	0
521 PAYROLL TAX	0.00	2,785.40	0.00	2,785.40		0.00	0
525 PAYROLL PROCESSING FEES	0.00	630.75	0.00	630.75		0.00	0
575 RENT EXPENSE	0.00	2,280.00	0.00	2,280.00		0.00	0
600 CONTRIBUTION MADE	0.00	1,530,000.00	0.00	1,530,000.00	A	0.00	0
606 RESEARCH REPORT	0.00	0.00	0.00	0.00		10,800.00	(100)
607 SECURITY	0.00	305.00	0.00	305.00		0.00	0
615 TRADEMARKS	0.00	577.36	0.00	577.36		4,343.25	(87)
X11 Other Deductions	0.00	1,627,244.75	0.00	1,627,244.75		42,251.70	3751
Total Operating Expense	0.00	1,627,244.75	0.00	1,627,244.75		42,251.70	3751
Net Income	0.00	(198,815.96)	0.00	(198,815.96)		(1,793,326.34)	(89)

FEDERAL STATEMENTS
INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION

STATEMENT 1
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	\$ 42,531.	\$ 4,363.	\$ 4,363.	\$ 21,266.
TOTAL	<u>\$ 42,531.</u>	<u>\$ 4,363.</u>	<u>\$ 4,363.</u>	<u>\$ 21,266.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	\$ 2,463.			
PAYROLL TAXES	22,040.	\$ 835.	\$ 835.	\$ 14,018.
TOTAL	<u>\$ 24,503.</u>	<u>\$ 835.</u>	<u>\$ 835.</u>	<u>\$ 14,018.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BUILDING PURCHASE	\$ 22,775.			\$ 22,775.
EMPLOYEE BENEFITS	14,067.			3,218.
EXHIBITIONS	2,993.			2,993.
FACILITIES AND EQUIPMENT RENTAL	22,799.			16,318.
GUEST ARTISTS	2,850.			2,850.
INSURANCE	11,199.			19,375.
INVESTMENT FEES	4,158.	\$ 4,158.	\$ 4,158.	
OFFICE EXPENSE	3,760.			2,439.
OFFICES SUPPLIES AND EQUIPMENT	31,237.			27,743.
OTHER OPERATING EXPENSES	11,419.			10,978.
PAYROLL PROCESSING FEES	10,316.			6,692.
PROFESSIONAL DEVELOPMENT	3,711.			2,407.
PROGRAM DEVELOPMENT	2,030.			1,317.
UTILITIES	2,723.			1,766.
WEB DESIGN	3,163.			2,052.
TOTAL	<u>\$ 149,200.</u>	<u>\$ 4,158.</u>	<u>\$ 4,158.</u>	<u>\$ 122,923.</u>

FEDERAL STATEMENTS
INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION

STATEMENT 4
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
<u>OTHER PUBLICLY TRADED SECURITIES</u>			
PUBLICLY TRADED SECURITIES	MKT VAL	\$ 2,288,421.	\$ 2,288,421.
	TOTAL	<u>\$ 2,288,421.</u>	<u>\$ 2,288,421.</u>

STATEMENT 5
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 9,908.	\$ 1,416.	\$ 8,492.	\$ 8,492.
MACHINERY AND EQUIPMENT	8,414.	2,036.	6,378.	6,378.
BUILDINGS	5,088,169.	0.	5,088,169.	5,088,169.
TOTAL	<u>\$ 5,106,491.</u>	<u>\$ 3,452.</u>	<u>\$ 5,103,039.</u>	<u>\$ 5,103,039.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
OTHER ASSETS	\$ 2,358.	\$ 2,358.
TOTAL	<u>\$ 2,358.</u>	<u>\$ 2,358.</u>

STATEMENT 7
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

SECURITY DEPOSIT	\$ 26,000.
FEDERAL EXCISE TAX PAYABLE	2,463.
TOTAL	<u>\$ 28,463.</u>

STATEMENT 8
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

NET UNREALIZED GAINS OR LOSSES ON INVESTMENTS	\$ 59,124.
TOTAL	<u>\$ 59,124.</u>

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FEDERAL STATEMENTS
INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION

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STATEMENT 9
FORM 990-PF, PART VII-A, LINE 2
ACTIVITIES NOT PREVIOUSLY REPORTED TO THE IRS

PLEASE REFER TO PART IX-A ITEM 2

STATEMENT 10
FORM 990-PF, PART VII-A, LINE 10
SUBSTANTIAL CONTRIBUTORS DURING THE TAX YEAR

<u>NAME OF SUBSTANTIAL CONTRIBUTOR</u>	<u>ADDRESS OF SUBSTANTIAL CONTRIBUTOR</u>
--	---

PLK TRUST DTD 3/7/1974	4790 IRVINE BLVD STE 105-424 IRVINE, CA 92620
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**RESTATED TRUST AGREEMENT
OF
INCREDIBLE CHILDREN'S ART NETWORK**

Prepared By:
JAMES E. DAVIDSON
FELL, MARKING, ABKIN, MONTGOMERY, GRANET & RANEY, LLP
222 East Carrillo Street, Suite 400
Santa Barbara, California 93101-2142
805-963-0755

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RESTATED TRUST AGREEMENT
OF
INCREDIBLE CHILDREN'S ART NETWORK
(FORMERLY KNOWN AS THE TOPSY TURVY PRIVY FOUNDATION)

WHEREAS, under date of July 6, 2006, JAMES P. KEARNS executed a Trust Agreement, as Settlor ("the Settlor"), referred to as "The Topsy Turvy Privy Foundation", of which JAMES P. KEARNS, EDWARD ROSSI, and AMY B. SCHNEIDER acted as Trustees (referred to as "the Trust"); and

WHEREAS, subsequently, AMY B. SCHNEIDER resigned as Trustee, and NANCYBELL COE was elected as Trustee to replace her; and

WHEREAS, pursuant to section 3.5C of the Trust, the Trustees retained the power to amend the Trust (provided that section 3.5C of the Trust states that no amendment to the Trust may modify sections 3.1B and 3.2B of the original Trust Agreement), and

WHEREAS, The Topsy Turvy Privy Foundation previously funded the activities of Incredible Children's Art Network, Inc. (to which it licensed the name), and now desires to operate those programs directly; and

WHEREAS the Trustees, with the concurrence of the Settlor, have agreed to change the name of the Foundation to "Incredible Children's Art Network"; and

WHEREAS, the Trustees, with the concurrence of the Settlor, now desire to amend the Trust as herein provided;

NOW THEREFORE, in accordance with the powers reserved to the Trustees in the Trust, the Trustees, with the concurrence of the Settlor, hereby amend the Trust to read and provide in full as hereinafter set forth.

RESTATED TRUST AGREEMENT
OF
INCREDIBLE CHILDREN'S ART NETWORK

ARTICLE 1.
CREATION OF TRUST

1.1. Trust Agreement

The Settlor, JAMES P. KEARNS of the County of Santa Barbara, State of California (the "Settlor"), and JAMES P. KEARNS, EDWARD ROSSI, and NANCYBELL COE (the "Trustees"), hereby agree that by this instrument they have established a charitable foundation in trust form to be known as INCREDIBLE CHILDREN'S ART NETWORK ("the Foundation"). By his execution of this Trust Agreement, the Settlor agrees with the Trustees that the Trustees hold in trust all property belonging to the Trust. The Trustees agree that they will administer and distribute that property and any further contributions to the Trust Estate IN TRUST, as a charitable foundation, according to the terms and provisions of this Restated Trust Agreement.

1.2. The Trust Estate

A. *Current Assets.* The assets held pursuant to this Trust Agreement from time to time shall be referred to as the "Trust Estate" and shall be held by the Trustees pursuant to the provisions of this Trust Agreement with the income and principal administered and distributed as provided in the balance of this Trust Agreement.

B. *Additional Contributions.* Any person or entity may at any time during the life of the Foundation deliver cash, shares of stock, bonds, notes and any other type of personal property, or real estate, to the Trustees, and any person may leave any such property to the Trustees by devise or bequest, and if accepted by the Trustees the same shall be held, administered and disbursed by the Trustees as a part of the Foundation established by the terms of this Trust Agreement.

C. *Disposition.* Any property accepted by the Trustees as an additional contribution to the Trust Estate may be retained or sold as the Trustees, in their discretion, may deem advisable.

1.3. Purposes

In creating the Foundation, the overriding purpose of the Settlor is to form a charitable trust that is tax exempt under Internal Revenue Code section 501(c)(3) (hereinafter referred to as the "Code"), and contributions to which are deductible under Code sections 170, 2055 and 2522. It is the intention of the Settlor that the Foundation shall be fully exempt for purposes of United States and California income tax, gift tax, estate tax, and generation-skipping transfer tax. Each provision of this Trust Agreement is to be interpreted so as to achieve this overriding purpose.

The property belonging to the Foundation shall be used (a) primarily to act as a private operating foundation to build community through high-quality arts and other programs, which currently include art and music education programs being conducted in schools in Santa Barbara County, California (the Foundation's "primary purpose") and (b) secondarily, to make distributions to tax-exempt Charitable Organizations for their Charitable Purposes, as defined below (the Foundation's "secondary purpose").

1.4. Activities and Definitions

A. To comply with its primary purpose, it is the intention of the parties that the Foundation shall be a private operating foundation, as that term is described in section 4942(j)(3) of the Internal Revenue Code. The Foundation intends to conduct its activities in such a way so as to meet the requirements of that section, including (a) making qualifying distributions in a sufficient amount directly for the active conduct of the charitable activities described in the preceding section, (b) meeting either the "direct conduct of charitable activities test", "the extra distributions test", or the "public support test".

B. To implement its secondary purpose, the following definitions shall apply.

A. *Charitable Organization.* The phrase "Charitable Organization" means an organization that is, at the time of a distribution to it, described in Code sections 170(c), 2055(a), and 2522(a), or in the corresponding provisions of any later federal tax laws.

B. *Charitable Purposes.* The phrase "Charitable Purposes" shall mean any allowable purpose under Code section 170(c), or in the corresponding provisions of any later federal tax laws.

ARTICLE 2. OPERATIONS AND RESTRICTIONS

2.1. Distributions

The Trustees shall make distributions from the income, principal (or both) of the Foundation to qualify and to continue to qualify as a private operating foundation and to conduct those activities that implement its primary purpose. In aid of its primary purpose the Foundation may purchase or rent real property for office and programmatic purposes, employ staff, and devise and implement specific programs for community development and arts education, including but not limited to those programs previously conducted by Incredible Children's Art Network, Inc., formerly a California nonprofit corporation. The Trustees are also authorized to make grants to any Charitable Organization for its Charitable Purposes.

2.2. Donor Advised Fund

The Trustees are authorized in their discretion to establish one or more Donor Advised Funds at the Santa Barbara Foundation, Santa Barbara, California, or any other *bona fide* community foundation, and make distributions thereto.

2.3. Restrictions

No part of the principal or net earnings of this Foundation shall inure or be payable to or for the benefit of any private person or individual; no part of the activities of this Foundation shall be the carrying on of propaganda, or otherwise attempting to influence legislation; and no part of the activities of this Foundation shall be the participation, or intervention (including the publishing or distributing of statements), in any political campaign on behalf of (or in opposition to) any candidate for public office.

2.4. Assets Dedicated to Charity

A. *Dedication.* All Foundation property is irrevocably dedicated to the purposes described in Sections 1.3 and 1.4 above. No part of the net earnings of the Foundation shall inure to the benefit of any of its trustees, officers, employees or other individuals, except for reasonable compensation and reimbursement of expenses associated with the operation of the Foundation, as authorized herein.

B. *No Lobbying.* No substantial part of the activities of the Foundation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation; this Foundation shall not participate or intervene in (including publishing or distributing statements) of any political campaign on behalf of any candidate for public office.

C. *Perpetual Existence.* The Foundation shall continue forever unless terminated by unanimous vote of the Trustees.

D. *Termination.* If the Foundation is terminated this paragraph shall apply. On the winding up and dissolution of the Foundation, after paying or adequately providing for the debts, obligations, and liabilities of the Foundation, the remaining assets of the Foundation shall be distributed to such organization (or organizations) organized and operated exclusively for charitable, scientific and education purposes and for the prevention of cruelty to children or animals which has established its tax-exempt status under Code Section 501(c)(3), or corresponding provisions of any future federal internal revenue law.

2.5. Private Foundation Restrictions

A. The Foundation will distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Code Section 4942 or by corresponding provisions of any later federal tax laws.

B. The Foundation will not engage in any act of self-dealing as defined in Code Section 4941(d) or in corresponding provisions of any later federal tax laws.

C. The Foundation will not retain any excess business holdings as defined in Code Section 4943(c) or in corresponding provisions of any later federal tax laws.

D. The Foundation will not make investments in a manner that would subject it to tax under Code Section 4944 (so-called "jeopardy investments") or under corresponding provisions of any later federal tax laws.

E. The Foundation will not make any taxable expenditures as defined in Code Section 4945(d) or in corresponding provisions of any later federal tax laws.

ARTICLE 3. PROVISIONS RELATING TO TRUSTEES

3.1. Trustees

A. *Initial Trustees.* The initial Trustees hereunder shall be JAMES P. KEARNS, EDWARD ROSSI, and NANCYBELL COE, acting jointly, subject to the Procedural Rules authorized herein.

B. *Additional Trustees.* DILLON KEARNS and CAILIN KEARNS, children of the Settlor, shall each become Trustees upon attaining age 30 (and the number of Trustees expanded accordingly), unless the Trustees determine that they are of sufficient age and maturity to act in that capacity at an earlier date and

are elected as Trustees. JAMES P. KEARNS shall continue to serve as Trustee unless removed for cause (as the same shall be defined in the Procedural Rules), and the same shall apply to DILLON KEARNS and CAILIN KEARNS, once they commence serving as Trustees.

3.2. Successor Trustees

A. *Vacancies.* Should any Trustee at any time become unable to serve as Trustee because of death, disability, or other cause, or should any Trustee resign, the remaining Trustees shall have the right to elect a successor.

B. *Kearns Descendants.* Vacancies in the office of Trustee shall be filled by the direct descendants of JAMES P. KEARNS in their birth order, provided that such descendant has reached age 30, unless the Trustees vote unanimously to block the appointment of a direct descendant as Trustee.

3.3. Disability

A "disability" means a condition whereby the Trustee, due to advanced age, mental, emotional or physical illness, infirmity or other condition, has become unable to adequately discharge his or her duties as Trustee, either because the Trustee (a) is physically impaired to a substantial extent, or (b) due to a mental or emotional condition is unable to make reasonable business or financial decisions. In determining the disability of a Trustee, the remaining Trustees shall make reasonable efforts to obtain a certificate (or other written statement) from two licensed physicians who are familiar with the condition of a Trustee. To the extent such certificates are available, the Trustees shall rely on them.

3.4. Compensation

Trustees may be reimbursed out of the Trust Estate for expenses incurred by them in the performance of their duties, and shall be entitled to receive reasonable compensation for their services consistent with maintaining the tax-exempt status of the Foundation. No bond shall be required of any person serving as a Trustee for the faithful performance of such Trustee's duties.

3.5. Organization of the Trustees

A. *Procedural Rules.* From time to time the Trustees may adopt procedural rules for the conduct of the business of the Foundation, and its organization ("Procedural Rules"). As examples (but not by way of limitation), such rules may fix the number of Trustees required for the transaction of the business of the Foundation, set rules for the conduct of meetings and actions of the Trustees, set policy for the operation of its programs to implement the Foundation's primary purpose, and determine the procedures for determination and distribution of grants to Charitable Organizations.

B. *Function.* The Trustees shall determine how the income and principal of the Trust Estate shall be disbursed in order to accomplish the purposes of the Foundation.

C. *Amendment.* The provisions of this Trust Agreement, and of the Procedural Rules of the Foundation, may be amended whenever the Trustees deem such action advisable for the more efficient administration of the Foundation or to enable the purposes of the Foundation to be accomplished more effectively. No amendment shall alter the intention of the Settlor stated in this Trust Agreement that the Foundation be operated exclusively for Charitable Purposes, nor authorize distributions to an organization that is not a Charitable Organization, nor permit the operation of the Foundation in any manner that is not authorized by Code section 501(c)(3).

ARTICLE 4. POWERS OF TRUSTEES

The Trustees shall have the following rights and powers to carry out the purposes of this Foundation, subject to the limitations stated elsewhere in this Trust Agreement. These powers may be exercised in the discretion of the Trustees during the continuance of the Foundation and until termination and complete distribution of all of its property. These powers are in addition to any additional powers which are now or hereafter conferred by law.

4.1. General Powers

Subject to the following section, the Trustees shall have all of the powers and authority conferred upon Trustees by the laws of the State of California. Without limiting the generality of the foregoing, the Trustees shall have the power: (i) in their discretion, to retain any or all of the property comprising the Trust Estate, to invest and reinvest the Trust Estate, and to purchase or otherwise acquire every kind of property; (ii) to acquire and hold Trust property in the name of the Foundation or in the name of a nominee, with or without indicating the Trust character of the property; and (iii) to perform any and all other acts and things deemed by the Trustees necessary or advisable in the management of the Trust Estate that may be done by an absolute owner of property.

4.2. Restrictions on Powers

Nothing in this Trust Agreement shall be construed to restrict the Trustees from investing the Trust Estate in a manner that could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of Trust assets. The Trustees are prohibited from exercising any power or discretion granted under the laws of the State of California that would be inconsistent with the qualification of this Trust as a charitable trust under the Code and the Regulations.

4.3. General Investment Powers

The Trustees shall have the following specific powers pertaining to investing and reinvesting the Trust Estate:

A. Power to Retain Property

To continue to hold any property as long as the Trustees deem advisable, and to invest and reinvest the Foundation's property in bonds, stocks, mortgages, notes, bank deposits, options, futures, limited partnership interests, hedge funds, private equity investments, shares of real estate investment trusts and registered investment companies, or other property of any kind, real or personal, domestic or foreign.

B. Power to Manage Securities

To have all the rights, powers and privileges of an owner, including but not by way of limitation, the power to vote, give proxies, and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers, liquidations, sales and leases, and incident to such participation to deposit securities with and transfer title to any protective or other committee on such terms as the Trustees may deem advisable; to exercise or sell stock subscriptions or conversion rights; and to delegate investment discretion to an investment advisor.

C. Power to Sell, Exchange, Repair

To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve, and repair Trust property.

D. Power to Lease

To lease Trust property for terms within or beyond the term of this Trust Agreement and for any purpose, including exploration for and removal of gas, oil, and other minerals; and to enter into community oil leases, pooling and unitization agreements.

E. Power to Employ Advisors and Counsel

To employ, at the expense of the Trust, attorneys, accountants, custodians, investment managers, and other necessary and proper representatives or agents to assist the Trustees in the administration of the Trust. The Trustees shall be entitled to rely upon the professional advice of any such agents or representatives whose services, in the discretion of the Trustees, are necessary or convenient to the administration of this Trust.

4.4. Investment of Trust Assets

The California Prudent Investor Act shall apply to this Trust (Probate Code Section 16045, et. seq.).

4.5. Principal and Income Determinations

The determination by the Trustees of all matters with respect to what shall constitute the principal of the Trust and what shall constitute the income thereof, and the amounts distributable under the terms of this Trust Agreement shall be governed by the provisions of the California Uniform Principal and Income Act from time to time existing, except as to any of such matters that may be provided otherwise for in this Trust Agreement.

4.6. Additional Powers

The following miscellaneous provisions and powers are specifically granted to the Trustees:

A. Power to Litigate

To initiate or defend, at the expense of the Foundation, any litigation relating to the Foundation or any of its property, that the Trustees consider advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the Foundation.

B. Power to Insure

To carry insurance of the kinds and in the amounts as the Trustees consider advisable at the expense of the Foundation, to protect the Foundation and the Trustees personally against any hazard.

C. Power to Contract

To enter into contracts with one or more individuals, stock brokerage firms, associations and/or corporations (acting as broker), in such form and on such terms as the Trustees in their discretion shall determine Including, but not limited to, contracts to implement its primary purpose, for opening discretionary accounts, granting to such individuals, firms associations and/or corporations the authority to purchase, sell and otherwise deal in securities and commodities.

D. Bank Accounts

To establish bank accounts, both checking and savings, at any institution that the Trustees deem advisable and to set forth the number of signatories required on each account.

ARTICLE 5. MISCELLANEOUS PROVISIONS

The following general provisions shall apply to this Trust Agreement:

5.1. Construction

The headings, titles and subtitles of this Trust Agreement are inserted solely for convenient reference and may be ignored in any construction of this instrument. All references to specific statutes, codes or regulations shall include any successors.

5.2. Governing Law

This Foundation has been formed and accepted by the Trustees in the State of California, and its validity, construction and all rights thereunder shall be governed by the laws of that State.

5.3. Power to Compromise Claims

The Trustees may submit claims in favor of or against the Foundation to arbitration, and contest, prosecute, abandon or adjust such claims, with or without consideration.

5.4. Power to Retain Investment Property

The Trustees may continue to hold any property and to operate at the risk of the Foundation any property that the Trustees receive or acquire as an asset of the Foundation as long as the Trustees deem advisable.

5.5. Severability

If any provision of this Trust Agreement is unenforceable, the remaining provisions shall nevertheless be carried into effect.

5.6. Defend the Trust

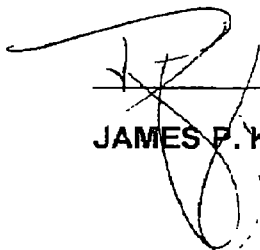
The Trustees are hereby authorized to defend, at the expense of the Trust Estate, any contest or other attack of any nature on this trust or any of its provisions.

5.7. Counterparts

This Trust Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument, binding all parties hereto, notwithstanding that all of the parties are not signatories to the original or the same counterpart.

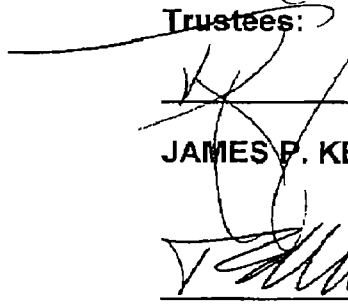
THIS TRUST AGREEMENT has been executed on
31 May 2012, at Santa Barbara, California.

Settlor:

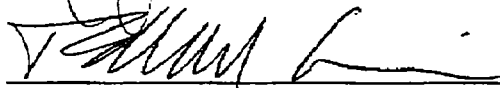


JAMES P. KEARNS

Trustees:



JAMES P. KEARNS



EDWARD ROSSI



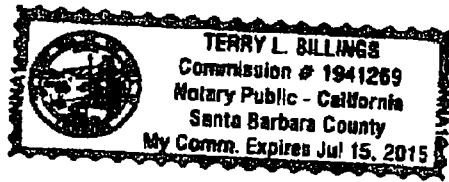
NANCYBELL COE

STATE OF CALIFORNIA)
) ss
COUNTY OF SANTA BARBARA)

On May 31, 2012, before me,
Terry L. Billings, a Notary Public, personally appeared
JAMES P. KEARNS, personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

WITNESS my hand and official seal.

(Seal)



Terry L. Billings
NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss
 COUNTY OF SANTA BARBARA)

On May 31, 2012, before me,
Terry L. Billings, a Notary Public, personally appeared
 NANCYBELL COE, personally known to me (or proved to me on the basis of
 satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
 within instrument and acknowledged to me that he/she/they executed the same in
 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
 instrument the person(s), or the entity upon behalf of which the person(s) acted,
 executed the instrument.

WITNESS my hand and official seal.

(Seal)



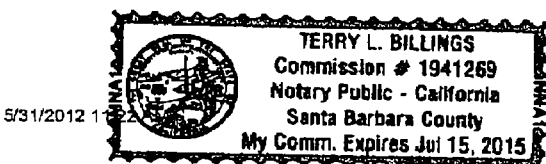
Terry L. Billings
 NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss
 COUNTY OF Santa Barbara)

On May 31, 2012, before me,
Terry L. Billings, a Notary Public, personally appeared
 EDWARD ROSSI, personally known to me (or proved to me on the basis of
 satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the
 within instrument and acknowledged to me that he/she/they executed the same in
 his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
 instrument the person(s), or the entity upon behalf of which the person(s) acted,
 executed the instrument.

WITNESS my hand and official seal.

(Seal)



Terry L. Billings
 NOTARY PUBLIC

2013 FEDERAL BOOK DEPRECIATION SCHEDULE

INCREDIBLE CHILDREN'S ART NETWORK
FKA THE TOPSY TURVY PRIVY FOUNDATION

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179 BONUS	SPECIAL DEPR ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990-PF																
BUILDINGS																
1	BUILDING CANON PERDIDO	7/19/12		5,088,169							5,088,169		S/L	31.5		161,529
TOTAL BUILDINGS																
				5,088,169		0	0	0	0	0	5,088,169	0				161,529
FURNITURE AND FIXTURES																
2	CRENZAS (2)	6/15/12		1,247							1,247	178	200DB HY	7	24490	305
3	FURNITURE	7/06/12		8,661							8,661	1,238	200DB HY	7	24490	2,121
TOTAL FURNITURE AND FIXTURE																
				9,908		0	0	0	0	0	9,908	1,416				2,426
MACHINERY AND EQUIPMENT																
4	APPLE IMAC	7/02/12		1,300							1,300	433	200DB HY	3	44440	578
5	OFFICE EQUIPMENT	7/06/12		5,760							5,760	1,152	200DB HY	5	32000	1,843
6	LAPTOP	8/23/12		1,354							1,354	451	200DB HY	3	44440	602
TOTAL MACHINERY AND EQUIPME																
				8,414		0	0	0	0	0	8,414	2,036				3,023
TOTAL DEPRECIATION																
				5,106,491		0	0	0	0	0	5,106,491	3,452				166,978
GRAND TOTAL DEPRECIATION																
				5,106,491		0	0	0	0	0	5,106,491	3,452				166,978