

Change in Accounting Period. New Fiscal Year End 9/30/13 & Change in Acctg Method. Cash to Accrual. Form 3115.

Form **990-EZ**

Change of Accounting Period **Short Form**
Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
 (except black lung benefit trust or private foundation)

OMB No 1545-1150

2012

Open to Public Inspection

Department of the Treasury
 Internal Revenue Service

► Sponsoring organizations of donor advised funds, organizations that operate one or more hospital facilities, and certain controlling organizations as defined in section 512(b)(13) must file Form 990 (see instructions). All other organizations with gross receipts less than \$200,000 and total assets less than \$500,000 at the end of the year may use this form.
 ► The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2012 calendar year, or tax year beginning **9/01**, 2012, and ending **9/30**, 2013

B Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C
 California Music Center
 PO Box 460095
 San Francisco, CA 94146

D Employer identification number
 51-0138643

E Telephone number
 415.252.1122

F Group Exemption Number

G Accounting Method: Cash Accrual Other (specify) _____

I Website: ► www.californiamusiccenter.org

J Tax-exempt status (check only one) – 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

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

K Check if the organization is not a section 509(a)(3) supporting organization or a section 527 organization and its gross receipts are normally not more than \$50,000. A Form 990-EZ or Form 990 return is not required though Form 990-N (e-postcard) may be required (see instructions). But if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6c, and 7b, to line 9 to determine gross receipts. If gross receipts are \$200,000 or more, or if total assets (Part II, line 25, column (B) below) are \$500,000 or more, file Form 990 instead of Form 990-EZ. ► \$ **14,245.**

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

Check if the organization used Schedule O to respond to any question in this Part I

RECEIPTS	1 Contributions, gifts, grants, and similar amounts received	1	12,600.
	2 Program service revenue including government fees and contracts	2	
	3 Membership dues and assessments	3	
	4 Investment income	4	1,645.
	5a Gross amount from sale of assets other than inventory	5a	
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)	5c	
	6 Gaming and fundraising events		
	a Gross income from gaming (attach Schedule G if greater than \$15,000)	6a	
	b Gross income from fundraising events (not including \$ _____ of contributions from fundraising events reported on line 1) (attach Schedule G if the sum of such gross income and contributions exceeds \$15,000)	6b	
c Less: direct expenses from gaming and fundraising events	6c		
d Net income or (loss) from gaming and fundraising events (add lines 6a and 6b and subtract line 6c)	6d		
7a Gross sales of inventory, less returns and allowances	7a		
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8 Other revenue (describe in Schedule O)	8		
9 Total revenue. Add lines 1, 2, 3, 4, 5c, 6d, 7c, and 8	9	14,245.	
10 Grants and similar amounts paid (list in Schedule O)	10		
11 Benefits paid to or for members	11		
12 Salaries, other compensation, and employee benefits	12	2,392.	
13 Professional fees and other payments to independent contractors	13	381.	
14 Occupancy, rent, utilities, and maintenance	14		
15 Printing, publications, postage, and shipping	15		
16 Other expenses (describe in Schedule O) See Schedule O	16	3,234.	
17 Total expenses. Add lines 10 through 16	17	6,007.	
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	8,238.	
19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	112,835.	
20 Other changes in net assets or fund balances (explain in Schedule O)	20		
21 Net assets or fund balances at end of year. Combine lines 18 through 20	21	121,073.	

RECEIVED
 FEB 18 2014
 OGDEN, UT
 IRS-OSS

SCANNED MAR 04 2014

Part II Balance Sheets. (see the instructions for Part II.)

Check if the organization used Schedule O to respond to any question in this Part II

	(A) Beginning of year	(B) End of year
22 Cash, savings, and investments	117,835.	126,073.
23 Land and buildings		
24 Other assets (describe in Schedule O)		
25 Total assets	117,835.	126,073.
26 Total liabilities (describe in Schedule O) See Schedule O	5,000.	5,000.
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	112,835.	121,073.

Part III Statement of Program Service Accomplishments (see the instrs for Part III.)

Check if the organization used Schedule O to respond to any question in this Part III

What is the organization's primary exempt purpose? See Schedule O

Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses
(Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

28 See Schedule O		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	28 a	4,505.
29 See Schedule O		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	29 a	1,200.
30 See Schedule O		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	30 a	302.
31 Other program services (describe in Schedule O)		
(Grants \$) If this amount includes foreign grants, check here <input type="checkbox"/>	31 a	
32 Total program service expenses (add lines 28a through 31a)	32	6,007.

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (see the instructions for Part IV.)

Check if the organization used Schedule O to respond to any question in this Part IV

(a) Name and Title	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC) (If not paid, enter -0-)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
Thomas Driscoll President	2	0.	0.	0.
Ruth Short Vice-President	1	0.	0.	0.
Dexter Lowry Secretary	1	0.	0.	0.
Rebecca McCray Treasurer	1	0.	0.	0.
Judith Preves Anderson Director	0	0.	0.	0.
Michael Gelfand Director	0	0.	0.	0.
Peter Gelfand Director	0	0.	0.	0.
Amnon Goldworth Director	0	0.	0.	0.
Heidi Kim Director	0	0.	0.	0.
Fredric Spitz Executive Director	10	2,222.	0.	0.

Part V Other Information (Note the Schedule A and personal benefit contract statement requirements in See Schedule O the instructions for Part V) Check if the organization used Schedule O to respond to any question in this Part V [X]

Table with columns for question number, description, and Yes/No checkboxes. Includes questions 33 through 41 regarding organizational activities, financials, and state filings.

42a The organization's books are in care of Fred Spitz Telephone no. 415.252.1122 Located at PO Box 460095 San Francisco CA ZIP + 4 94146

Table for questions 42b and 42c regarding foreign financial accounts and offices. Includes a 'See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.' note.

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here [] N/A and enter the amount of tax-exempt interest received or accrued during the tax year. 43 N/A

Table for questions 44a through 45b regarding donor advised funds, hospital facilities, tanning services, and controlled entities.

46 Did the organization engage, directly or indirectly, in political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I. Yes No
46

Part VI Section 501(c)(3) organizations only

All section 501(c)(3) organizations must answer questions 47-49b and 52, and complete the tables for lines 50 and 51.

Check if the organization used Schedule O to respond to any question in this Part VI

47 Did the organization engage in lobbying activities or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II Yes No
47

48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E **48**

49a Did the organization make any transfers to an exempt non-charitable related organization? **49a**

b If 'Yes,' was the related organization a section 527 organization? **49b**

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and title of each employee paid more than \$100,000	(b) Average hours per week devoted to position	(c) Reportable compensation (Forms W-2/1099-MISC)	(d) Health benefits, contributions to employee benefit plans, and deferred compensation	(e) Estimated amount of other compensation
None				

f Total number of other employees paid over \$100,000 ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation
None		

d Total number of other independent contractors each receiving over \$100,000 ▶

52 Did the organization complete Schedule A? **Note:** All section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A. ▶ Yes No

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

Sign Here Signature of officer *Fred Spitz* Date 2/13/14
 Type or print name and title **Fred Spitz** **Executive Director**

Paid Preparer Use Only Preparer's name Eva Konigsberg Preparer's signature *Eva Konigsberg* Date 2/12/14 Check if self-employed PTIN P00543367
 Firm's name ▶ SAVVY TAX, INC. Firm's EIN ▶ 27-1734510
 Firm's address ▶ 4200 PARK BLVD #531 Phone no (510) 928-5067
OAKLAND, CA 94602-1312

May the IRS discuss this return with the preparer shown above? See instructions ▶ Yes No

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2012

Open to Public Inspection

Name of the organization California Music Center	Employer identification number 51-0138643
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Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

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

- 1 A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I b Type II c Type III – Functionally integrated d Type III – Non-functionally integrated
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box _____
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

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

h Provide the following information about the supported organization(s).

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

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

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any 'unusual grants.')						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)).	14	%
15 Public support percentage from 2011 Schedule A, Part II, line 14	15	%
16a 33-1/3% support test – 2012. If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33-1/3% support test – 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test – 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test – 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization. ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

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

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

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions and membership fees received. (Do not include any 'unusual grants'.)	55,733.	83,090.	96,115.	92,365.	139,811.	467,114.
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose.	8,880.	5,280.	7,175.	11,063.	20,284.	52,682.
3 Gross receipts from activities that are not an unrelated trade or business under section 513.						0.
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf.						0.
5 The value of services or facilities furnished by a governmental unit to the organization without charge.						0.
6 Total. Add lines 1 through 5.	64,613.	88,370.	103,290.	103,428.	160,095.	519,796.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons.	0.	0.	0.	0.	0.	0.
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year.	0.	0.	0.	0.	0.	0.
c Add lines 7a and 7b.	0.	0.	0.	0.	0.	0.
8 Public support. (Subtract line 7c from line 6.)						519,796.

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6.	64,613.	88,370.	103,290.	103,428.	160,095.	519,796.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources.	171.	99.	169.	167.	1,827.	2,433.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975.						0.
c Add lines 10a and 10b.	171.	99.	169.	167.	1,827.	2,433.
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on.						0.
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) See Part IV.	-118.	583.	400.	1,113.		1,978.
13 Total support. (Add lns 9, 10c, 11, and 12.)	64,666.	89,052.	103,859.	104,708.	161,922.	524,207.

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f))	15	99.16 %
16 Public support percentage from 2011 Schedule A, Part III, line 15	16	0.00 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f))	17	0.46 %
18 Investment income percentage from 2011 Schedule A, Part III, line 17	18	0.00 %

19a 33-1/3% support tests – 2012. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33-1/3% support tests – 2011. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

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

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No. 1545-0047

2012

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

Open to Public
Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

California Music Center

Employer identification number

51-0138643

Form 990-EZ, Part III - Organization's Primary Exempt Purpose

FACILITATE / ENCOURAGE / PROMOTE MUSIC EDUCATION.

Form 990-EZ, Part III, Line 28 - Statement of Program Service Accomplishments

Irving M. Klein International String Competition. For the past 28 years, the Irving M. Klein International String Competition has attracted some of the world's finest young string players to San Francisco each June to compete for cash and performance prizes totaling over \$25,000. The Klein Competition has achieved international recognition as one of the most prestigious classical music competitions, recognized for the high caliber of the contestants, its unique, nurturing environment, and its commitment to the commissioning of new works.

Form 990-EZ, Part III, Line 29 - Statement of Program Service Accomplishments

"Strings Attached" House Concert Series. This series of recitals, usually 3-5 per year, features past Klein prizewinners in various chamber music settings. The events provide California Music Center with the opportunity to showcase the talent that comes out of the Klein Competition while connecting with its audience members and donors on a regular basis throughout the year.

Form 990-EZ, Part III, Line 30 - Statement of Program Service Accomplishments

Education Program. The CMC Education Program features past Klein winners and renowned teachers from the nation's best conservatories in public master classes and classroom visits to public and private schools.

Form 990-EZ, Part V - Regarding Transfers Associated with Personal Benefit Contracts

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? No

Application for Change in Accounting Method

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions)	
California Music Center		51-0138643	
Number, street, and room or suite no. If a P.O. box, see the instructions		Principal business activity code number (see instructions)	
PO Box 460095			
City or town, state, and ZIP Code		Tax year of change begins (MM/DD/YYYY)	
San Francisco, CA 94146		9/01/2013	
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Tax year of change ends (MM/DD/YYYY)	
		9/30/2013	
		Name of contact person (see instructions)	
		Fred Spitz	
		Contact person's telephone number	
		415.252.1122	

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

<p>Check the box to indicate the applicant.</p> <p><input type="checkbox"/> Individual</p> <p><input type="checkbox"/> Corporation</p> <p><input type="checkbox"/> Controlled foreign corporation (Section 957)</p> <p><input type="checkbox"/> 10/50 corporation (Section 904(d)(2)(E))</p> <p><input type="checkbox"/> Qualified personal service corporation (Section 448(d)(2))</p> <p><input checked="" type="checkbox"/> Exempt organization. Enter Code section 501c3</p>	<p><input type="checkbox"/> Cooperative (Section 1381)</p> <p><input type="checkbox"/> Partnership</p> <p><input type="checkbox"/> S corporation</p> <p><input type="checkbox"/> Insurance company (Section 816(a))</p> <p><input type="checkbox"/> Insurance company (Section 831)</p> <p><input type="checkbox"/> Other (specify) _____</p>	<p>Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)</p> <p><input type="checkbox"/> Depreciation or Amortization</p> <p><input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions</p> <p><input checked="" type="checkbox"/> Other (specify) Change from Cash to Accrual</p>
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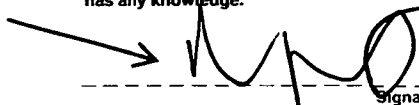
Caution: To be eligible for approval of the requested change in method of accounting, the taxpayer must provide all information that is relevant to the taxpayer or to the taxpayer's requested change in method of accounting. This includes all information requested on this Form 3115 (including its instructions), as well as any other information that is not specifically requested. The taxpayer must attach all applicable supplemental statements requested throughout this form.

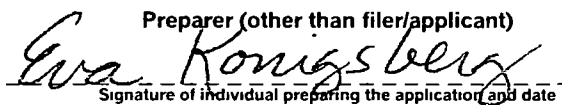
Part I	Information For Automatic Change Request	Yes	No
1	Enter the applicable designated automatic accounting method change number for the requested automatic change. Enter only one designated automatic accounting method change number, except as provided for in guidance published by the IRS. If the requested 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. <u>122</u> (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)?		X

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
Signature and date 2/13/14

 Preparer (other than filer/applicant)
Signature of individual preparing the application and date

Fred Spitz, Executive Director
Name and title (print or type)

Eva Konigsberg
Name of individual preparing the application (print or type)

SAVVY TAX, INC.
4200 PARK BLVD #531
OAKLAND, CA 94602-1312
Name of firm preparing the application

Part II Information For All Requests (continued)	Yes	No
<p>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)?</p>		X
<p>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)?</p> <p>If 'Yes,' attach the consent statement from the director.</p>		X
<p>e Is the request to change the method of accounting being filed under the 90-day or 120-day window period?</p> <p>If 'Yes,' check the box for the applicable window period and attach the required statement (see instructions).</p> <p><input type="checkbox"/> 90 day <input type="checkbox"/> 120 day: Date examination ended ▶ _____</p>		X
<p>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.</p> <p>Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____</p>		
<p>g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?</p>		X
<p>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?</p> <p>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.</p> <p>Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____</p>		X
<p>b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?</p>		
<p>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)?</p> <p>If 'Yes,' attach an explanation.</p>		
<p>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.</p>		
<p>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?</p> <p>If 'Yes,' the applicant is not eligible to make the change.</p>		
<p>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)?</p>		X
<p>b If 'Yes,' attach an explanation.</p>		
<p>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)?</p>		X
<p>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.</p>		
<p>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.</p>		
<p>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?</p>		X
<p>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)</p>		
<p>11 Is the applicant requesting to change its overall method of accounting?</p>	X	
<p>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.</p> <p>Present method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)</p> <p>Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)</p>		

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	
15a	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 08 yr 2013	2nd preceding year ended: mo 08 yr 2012	3rd preceding year ended: mo 08 yr 2011		
	\$ 147,677.	\$ 105,007.	\$ 104,408.		

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.				
23a	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
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?		X
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.		X

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.

	Amount
a Income accrued but not received	\$ 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:

- 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.
- 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)

- 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 statement explaining how the advance payments meet the definition in section 2.01 of Rev Proc 2004-34.
 - 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.
 - 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.
- 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 statement explaining how the advance payments meet the definition in Regulations section 1.451-5(a)(1).
 - 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).
 - 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).
 - 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 (IPIC) pools, vehicle-pool method, etc).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC 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 IPIC 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).

BAA

Form 3115 (Rev 12-2009)

Schedule D - Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. Also, attach a representative actual contract (without any deletion) for the requested change. If the applicant is a construction contractor, attach a detailed description of its construction activities.
2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)?
b If 'Yes,' do all the contracts qualify for the exception under section 460(e) (see instructions)?
c If line 2b is 'Yes,' is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)?
d If line 2c is 'No,' is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)?
3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)?
b If 'Yes,' attach an explanation of the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
c Attach a description of the applicant's manufacturing activities, including any required installation of manufactured goods
4 To determine a contract's completion factor using the percentage-of-completion method:
a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)?
b If line 4a is 'No,' is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))?
5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
2 Attach a description of the inventory goods (if any) NOT being changed.
3a Is the applicant subject to section 263A? If 'No,' go to line 4a.
b Is the applicant's present inventory valuation method in compliance with section 263A (see instructions)? If 'No,' attach a detailed explanation

4a Check the appropriate boxes below.

Identification methods:

- Specific identification
FIFO
LIFO
Other (attach explanation)

Valuation methods:

- Cost
Cost or market, whichever is lower
Retail cost
Retail, lower of cost or market
Other (attach explanation)

Table with 3 columns: Inventory Being Changed (Present method, Proposed method), Inventory Not Being Changed (Present method)

- b Enter the value at the end of the tax year preceding the year of change
5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information. (see instructions).
a Copies of Form(s) 970 filed to adopt or expand the use of the method
b Only for applicants requesting advance consent. A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
c Only for applicants requesting an automatic change. The statement required by section 22.01(5) of the Appendix of Rev Proc 2008-52 (or its successor).

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.)		

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, 1400I, 1400L, 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

Attachment 1
Form 3115, Part II, Line 13
Description of Trade or Business

FACILITATE / ENCOURAGE / PROMOTE MUSIC EDUCATION.
Applicant's organizational activities include --

IRVING M KLEIN INTERNATIONAL STRING COMPETITION: For the past 28 years, the Irving M. Klein International String Competition has attracted some of the world's finest young string players to San Francisco each June to compete for cash and performance prizes totaling over \$25,000. The Klein Competition has achieved international recognition as one of the most prestigious classical music competitions, recognized for the high caliber of the contestants, its unique, nurturing environment, and its commitment to the commissioning of new works.

EDUCATION PROGRAM: The CMC Education Program features past Klein winners and renowned teachers from the nation's best conservatories in public master classes and classroom visits to public and private schools.

"STRINGS ATTACHED" HOUSE CONCERT SERIES: This series of recitals, usually 3-5 per year, features past Klein prizewinners in various chamber music settings. The events provide California Music Center with the opportunity to showcase the talent that comes out of the Klein Competition while connecting with its audience members and donors on a regular basis throughout the year.

California Music Center		ID # 51-0138643								
Schedule A Analysis										
		Fiscal Year 2012: 9/1/2012 to 8/31/2013			Fiscal Year 2012: 9/1/2011 to 8/31/2012			Fiscal Year 2012: 9/1/2010 to 8/31/2011		
		Cash	Accrual	Difference	Cash	Accrual	Difference	Cash	Accrual	Difference
ASSETS:										
	Cash	117,835	117,835	-	84,006	84,006	-	78,572	78,572	-
	Accounts Receivable			-			-		1,345	(1,345)
	Fixed Assets	1,564	1,564	-	1,564	1,564	-	1,564	1,564	-
	Accumulated Depreciation	(1,564)	(1,564)	-	(1,564)	(1,564)	-	(1,564)	(1,564)	-
	TOTAL ASSETS:	117,835	117,835	-	84,006	84,006	-	78,572	79,917	(1,345)
LIABILITIES & NET ASSETS OR FUND BALANCES:										
	Payables			-			-			-
	Deferred Revenue	5,000	5,000	-			-			-
	Other Liabilities			-			-			-
	Temporarily Restricted Net Assets			-			-			-
	Unrestricted Net Assets	112,835	112,835	-	84,006	84,006	-	78,572	79,917	(1,345)
	TOTAL LIABIL. & FUND BALANCES:	117,835	117,835	-	84,006	84,006	-	78,572	79,917	(1,345)
		9/1/2012 to 8/31/2013			9/1/2011 to 8/31/2012			9/1/2010 to 8/31/2011		
		Cash	Accrual	Difference	Cash	Accrual	Difference	Cash	Accrual	Difference
Income										
	Contributions, Gifts, Grants	127,211	127,211	-	90,852	90,852	-	95,164	95,164	-
	Program Service Revenues	20,284	20,284	-	13,988	13,988	-	9,075	9,075	-
	Interest & Dividends	182	182	-	167	167	-	169	169	-
	Other Income			-			-			-
	TOTAL INCOME:	147,677	147,677	-	105,007	105,007	-	104,408	104,408	-
Expenses										
	Compensation (Salary & Payroll Tax)	27,993	27,993	-	25,676	25,676	-	18,333	18,333	-
	Occupancy (Rent & Housing)	2,004	2,004	-	1,833	1,833	-	2,479	2,479	-
	Competition Prizes	17,140	17,140	-	18,400	18,400	-	19,300	19,300	-
	Other Expenses	71,711	71,711	-	53,664	55,009	(1,345)	31,334	36,706	(5,372)
	TOTAL EXPENSES	118,848	118,848	-	99,573	100,918	(1,345)	71,446	76,818	(5,372)
	EXCESS OR DEFICIT for the YEAR	28,829	28,829	-	5,434	4,089	1,345	32,962	27,590	5,372

California Music Center				1:48 PM
Profit and Loss Standard				02/11/14
<u>September 2012 through August 2013</u>				Cash Basis
				Sep '12 - Aug '13
Ordinary Income/Expense				
Income				
			3200 — Earned Revenue	
			3210 — Ticket Income	
			3212 — Concerts and Events	1,400
			3211 — Competition Box Office	1,536
			Total 3210 — Ticket Income	2,936
			3220 — Prizewinner Performance Fees	8,700
			3201 — Competition Application Fees	8,648
			Total 3200 — Earned Revenue	20,284
			3300 — Contributed Income	
			3310 — Individuals	58,111
			3301 — Grants	69,100
			Total 3300 — Contributed Income	127,211
			Total Contributns & Prog Service Rev.	147,495
Expense				
			4100 — Operating Expenses	
			4195 — Office Expense	282
			4185 — Insurance	2,087
			4183 — Credit Card/Bank Fees	1,356
			4180 — Web Design/Maintenance	1,540
			4175 — Accounting	1,101
			4170 — Dues/Memberships/Fees	1,635
			4165 — Telephone	571
			4160 — Office Supplies	745
			4155 — Travel	4,758
			4150 — Housing	1,554
			4145 — Postage & Mailing	606
			4140 — Printing	1,578
			4130 — Event Production	
			4136 — Production Misc	14,644
			4130 — Event Production - Other	3,113
			Total 4130 — Event Production	17,757
			4125 — Food and Beverage	7,659
			4120 — Advertising & Promotion	3,931
			4190 — Rent	450

California Music Center				1:48 PM
Profit and Loss Standard				02/11/14
<u>September 2012 through August 2013</u>				Cash Basis
				Sep '12 - Aug '13
		Total 4100 — Operating Expenses		47,610
		4050 — Personnel		
		4080 — Contract Services		3,506
		4070 — Competition Prizes		17,140
		4060 — Artist Fees		22,150
		6568 — Payroll Taxes		2,184
		4051 — Salaries		25,809
		Total 4050 — Personnel		70,789
		7020 — Unrealized Loss		449
		Total Expense		118,848
		Net Ordinary Income		28,647
		Other Income/Expense		
		Other Income		
		7009 — Dividend income		96
		7010 — Interest Income		
		7015 — Interest Income WF Savings		19
		7012 — General Act.I BofLA		66
		7010 — Interest Income - Other		1
		Total 7010 — Interest Income		86
		Total Other Income		182
		Net Other Income		182
		Net Income		28,829

California Music Center		1:50 PM
Balance Sheet Standard		02/11/14
As of August 31, 2013		Cash Basis
		Aug 31, '13
ASSETS		
Current Assets		
Checking/Savings		
	Charles Schwab	74,126
	Wells Fargo Bank Savings	35,013
	Wells Fargo Bank Checking	8,696
	Total Checking/Savings	117,835
Accounts Receivable		
	11000 — Accounts Receivable	-
	Total Accounts Receivable	-
	Total Current Assets	117,835
Fixed Assets		
	1610 — Computers	1,564
	1690 — Accumulated depreciation	(1,564)
	Total Fixed Assets	-
	TOTAL ASSETS	117,835
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
	7030 — Deferred Income	5,000
	Total Other Current Liabilities	5,000
	Total Current Liabilities	5,000
	Total Liabilities	5,000
Equity		
	3100 — Retained Earnings	84,006
	Net Income	28,829
	Total Equity	112,835
	TOTAL LIABILITIES & EQUITY	117,835

**Form 990-EZ, Part I, Line 16
Other Expenses**

Credit Card & Donation Process	\$	129.
Event Production		2,142.
Insurance		40.
Office Expenses		48.
Travel		875.
Total	\$	<u>3,234.</u>

**Form 990-EZ, Part II, Line 26
Total Liabilities**

	<u>Beginning</u>	<u>Ending</u>
Deferred Revenue	\$ 5,000.	\$ 5,000.
Total	<u>\$ 5,000.</u>	<u>\$ 5,000.</u>

California Music Center

51-0138643

Part III, Line 12 - Other Income

Nature and Source	2012	2011	2010	2009	2008
Special Events		\$ 1,113.	\$ 400.	\$ 583.	\$ -118.
Total	\$ 0.	\$ 1,113.	\$ 400.	\$ 583.	\$ -118.