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Form **990-T****Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))

OMB No 1545 0687

2017Department of the Treasury
Internal Revenue Service

For calendar year 2017 or other tax year beginning _____, 2017, and ending _____

▶ Go to www.irs.gov/Form990T for instructions and the latest information.

▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

A ☐ Check box if address changed	Print or Type GOSPEL RECORDINGS, INC 41823 ENTERPRISE CIRCLE N #200 TEMECULA, CA 92590	☐ Check box if name changed and see instructions	D Employer identification number (Employees' trust, see instructions) 95-6539977
B Exempt under section ☒ 501(c)(3) ☐ 408(e) ☐ 408A ☐ 529(a) ☐ 220(e) ☐ 530(a)		E Unrelated business activity codes (See instructions) 531120	
C Book value of all assets at end of year 2,421,187.	F Group exemption number (See instructions) ▶		
G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust			

H Describe the organization's primary unrelated business activity
▶ **LEASING OF COMMERCIAL OFFICE SPACE**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ☐ Yes ☒ No
If 'Yes,' enter the name and identifying number of the parent corporation ▶

J The books are in care of ▶ **RALPH LOPER** Telephone number ▶ 951-719-1650

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales				
b Less returns and allowances	c Balance ▶	1 c		
2 Cost of goods sold (Schedule A, line 7)		2		
3 Gross profit Subtract line 2 from line 1c		3		
4 a Capital gain net income (attach Schedule D)		4 a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)		4 b		
c Capital loss deduction for trusts		4 c		
5 Income (loss) from partnerships and S corporations (attach statement)		5		
6 Rent income (Schedule C)		6		
7 Unrelated debt-financed income (Schedule E)		7	41,874.	58,028.
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)		8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)		9		
10 Exploited exempt activity income (Schedule I)		10		
11 Advertising income (Schedule J)		11		
12 Other income (See instructions, attach schedule)		12		
13 Total. Combine lines 3 through 12		13	41,874.	58,028.

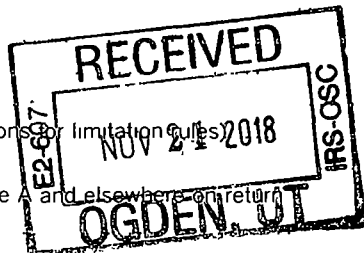
Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)		
14 Compensation of officers, directors, and trustees (Schedule K)		14
15 Salaries and wages		15
16 Repairs and maintenance		16
17 Bad debts		17
18 Interest (attach schedule)		18
19 Taxes and licenses		19
20 Charitable contributions (See instructions for limitation rules)		20
21 Depreciation (attach Form 4562)		21
22 Less depreciation claimed on Schedule A and elsewhere on return		22 a
23 Depletion		23
24 Contributions to deferred compensation plans		24
25 Employee benefit programs		25
26 Excess exempt expenses (Schedule I)		26
27 Excess readership costs (Schedule J)		27
28 Other deductions (attach schedule)		28
29 Total deductions. Add lines 14 through 28		29
30 Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13		30
31 Net operating loss deduction (limited to the amount on line 30) See Statement 1		31
32 Unrelated business taxable income before specific deduction Subtract line 31 from line 30		32
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)		33
34 Unrelated business taxable income Subtract line 33 from line 32 If line 33 is greater than line 32, enter the smaller of zero or line 32		34

BAA For Paperwork Reduction Act Notice, see instructions.

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35 Organizations Taxable as Corporations. See instructions for tax computation		
Controlled group members (sections 1561 and 1563) check here ☐ See instructions and		
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order)		
(1) \$	(2) \$	(3) \$
b Enter organization's share of (1) Additional 5% tax (not more than \$11,750)	\$	
(2) Additional 3% tax (not more than \$100,000)	\$	
c Income tax on the amount on line 34	35 c	0.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from ☐ Tax rate schedule or ☐ Schedule D (Form 1041)	36	
37 Proxy tax. See instructions	37	
38 Alternative minimum tax	38	
39 Tax on Non-Compliant Facility Income. See instructions	39	
40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	0.

41 a Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	41 a		
b Other credits (see instructions)	41 b		
c General business credit Attach Form 3800 (see instructions)	41 c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	41 d		
e Total credits. Add lines 41a through 41d		41 e	0.
42 Subtract line 41e from line 40		42	0.
43 Other taxes Check if from ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)		43	
44 Total tax. Add lines 42 and 43		44	0.
45 a Payments A 2016 overpayment credited to 2017	45 a		
b 2017 estimated tax payments	45 b		
c Tax deposited with Form 8868	45 c		
d Foreign organizations Tax paid or withheld at source (see instructions)	45 d		
e Backup withholding (see instructions)	45 e		
f Credit for small employer health insurance premiums (Attach Form 8941)	45 f		
g Other credits and payments ☐ Form 2439 ☐ Form 4136 ☐ Other ☐ Total	45 g		
46 Total payments. Add lines 45a through 45g		46	0.
47 Estimated tax penalty (see instructions) Check if Form 2220 is attached		47	
48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed		48	
49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid		49	
50 Enter the amount of line 49 you want Credited to 2018 estimated tax ☐ Refunded ☐		50	

51	At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ _____	Yes	No
52	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file		X
53	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ 0.		

Sign Here	Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: <u>[Signature]</u> Date: <u>10-18-18</u>		Executive Dir. Title: _____		May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No	
	Print/Type preparer's name Michael Klein, CPA, EA		Preparer's signature: <u>[Signature]</u> Date: <u>10/5/18</u>		Check ☐ if self-employed PTIN: P01084572	
Paid Preparer Use Only	Firm's name: NIGRO & NIGRO PC				Firm's EIN: 30-0636241	
	Firm's address: 25220 Hancock Ave Ste 400 MURRIETA, CA 92562-9739				Phone no: (951) 698-8783	

Schedule A – Cost of Goods Sold. Enter method of inventory valuation ▶

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3 Cost of labor	3				
4a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach sch.)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
5 Total. Add lines 1 through 4b	5				X

Schedule C – Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶

Schedule E – Unrelated Debt-Financed Income (see instructions)

1 Description of debt-financed property		2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property See St 2	
			(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)
(1) OFFICE SPACE, ENTERPRISE CIR, TEMECUL		41,874.		58,028.
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		100.0000 %	41,874.	58,028.
(2)		%		
(3)		%		
(4)		%		
Totals ▶			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
			41,874.	58,028.
Total dividends-received deductions included in column 8 ▶				

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Schedule F – Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B)

Totals**Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization** (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)

Totals**Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income** (see instructions)

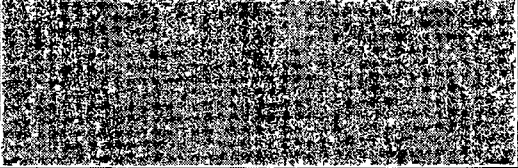
1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
		Enter here and on page 1, Part I, line 10, column (A)	Enter here and on page 1, Part I, line 10, column (B)			Enter here and on page 1, Part II, line 26

Totals**Schedule J – Advertising Income** (See instructions)**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (col 6 minus col 5, but not more than col 4)
(1)						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (col 6 minus col 5, but not more than col 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
	Enter here and on page 1, Part I, line 11, column (A)	Enter here and on page 1, Part I, line 11, column (B)				Enter here and on page 1, Part II, line 27
Totals, Part II (lines 1–5)						

Schedule K – Compensation of Officers, Directors, and Trustees (see instructions)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		00	
		00	
		00	
		00	
Total. Enter here and on page 1, Part II, line 14			

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SCHEDULE D

(Form 1120)

Department of the Treasury
Internal Revenue Service**Capital Gains and Losses**

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, or certain Forms 990-T.

▶ Go to www.irs.gov/Form1120 for instructions and the latest information.

OMB No 1545-0123

2017Name **GOSPEL RECORDINGS, INC**

Employer identification number

95-6539977**Part I Short-Term Capital Gains and Losses – Assets Held One Year or Less****See instructions for how to figure the amounts to enter on the lines below.**

This form may be easier to complete if you round off cents to whole dollars

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part I, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
1a Totals for all short-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 1b.				
1b Totals for all transactions reported on Form(s) 8949 with Box A checked				
2 Totals for all transactions reported on Form(s) 8949 with Box B checked				
3 Totals for all transactions reported on Form(s) 8949 with Box C checked				
4 Short-term capital gain from installment sales from Form 6252, line 26 or 37				4
5 Short-term capital gain or (loss) from like-kind exchanges from Form 8824				5
6 Unused capital loss carryover (attach computation) See Statement 3				6 430,217.
7 Net short-term capital gain or (loss). Combine lines 1a through 6 in column h.				7 -430,217.

Part II Long-Term Capital Gains and Losses – Assets Held More Than One Year**See instructions for how to figure the amounts to enter on the lines below.**

This form may be easier to complete if you round off cents to whole dollars

	(d) Proceeds (sales price)	(e) Cost (or other basis)	(g) Adjustments to gain or loss from Form(s) 8949, Part II, line 2, column (g)	(h) Gain or (loss) Subtract column (e) from column (d) and combine the result with column (g)
8a Totals for all long-term transactions reported on Form 1099-B for which basis was reported to the IRS and for which you have no adjustments (see instructions). However, if you choose to report all these transactions on Form 8949, leave this line blank and go to line 8b.				
8b Totals for all transactions reported on Form(s) 8949 with Box D checked				
9 Totals for all transactions reported on Form(s) 8949 with Box E checked				
10 Totals for all transactions reported on Form(s) 8949 with Box F checked				
11 Enter gain from Form 4797, line 7 or 9				11
12 Long-term capital gain from installment sales from Form 6252, line 26 or 37				12
13 Long-term capital gain or (loss) from like-kind exchanges from Form 8824				13
14 Capital gain distributions (see instructions)				14
15 Net long-term capital gain or (loss). Combine lines 8a through 14 in column h.				15

Part III Summary of Parts I and II

16 Enter excess of net short-term capital gain (line 7) over net long-term capital loss (line 15)	16	
17 Net capital gain. Enter excess of net long-term capital gain (line 15) over net short-term capital loss (line 7).	17	
18 Add lines 16 and 17. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns. If the corporation has qualified timber gain, also complete Part IV.	18	0.

Note: If losses exceed gains, see **Capital losses** in the instructions.

GOSPEL RECORDINGS, INC

95-6539977

Statement 1
Form 990-T, Part II, Line 31
Net Operating Loss Deduction

Loss Year Ending	Original Loss	Loss Previously Used	Loss Available
12/31/16	\$ 22,424.	\$ 0.	\$ 22,424.
Net Operating Loss Available			\$ 22,424.
Taxable Income			\$ -16,154.
Net Operating Loss Deduction (Limited to Taxable Income)			\$ 0.

Statement 2
Form 990-T, Schedule E, Line 3b
Other Deductions Allocable to Debt-Financed Property

OFFICE SPACE, ENTERPRISE CIR, TEMECULA

Cleaning and Maintenance	\$ 2,269.
Insurance	1,957.
Interest	18,226.
Repairs	1,750.
Taxes	3,326.
Utilities	6,573.
ALLOCATED DEPRECIATION	23,927.
Total	\$ 58,028.