

# FOR PUBLIC DISCLOSURE

EXTENDED TO JUNE 15, 2020

Form **990-T**

## Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No. 1545-0687

For calendar year 2018 or other tax year beginning AUG 1, 2018, and ending JUL 31, 2019

# 2018

Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form990T](http://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

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(6) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) NATIONAL ACADEMY OF RECORDING  ARTS & SCIENCES, INC.  Number, street, and room or suite no. If a P.O. box, see instructions. 3030 OLYMPIC BOULEVARD  City or town, state or province, country, and ZIP or foreign postal code SANTA MONICA, CA 90404-5073	<b>D</b> Employer identification number (Employees' trust, see instructions.)  95-6052058  <b>E</b> Unrelated business activity code (See instructions.)  541800
---	----------------------	---	--

**C** Book value of all assets at end of year: 138,315,613.

**F** Group exemption number (See instructions.) ▶

**G** Check organization type ▶  501(c) corporation  501(c) trust  401(a) trust  Other trust

**H** Enter the number of the organization's unrelated trades or businesses. ▶ 1 Describe the only (or first) unrelated trade or business here ▶ ADVERTISING INCOME. If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V.

**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 ▶ WAYNE J. ZAHNER Telephone number ▶ (310) 392-3777

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales			
b	Less returns and allowances			
		<b>c</b> Balance ▶		
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from a partnership or an S corporation (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)	106,039.	214,460.	-108,421.
12	Other income (See instructions; attach schedule)			
13	<b>Total.</b> Combine lines 3 through 12	106,039.	214,460.	-108,421.

**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) (see instructions)	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	22a	
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	<b>Total deductions.</b> Add lines 14 through 28	29	0.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	-108,421.
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32	Unrelated business taxable income. Subtract line 31 from line 30	32	-108,421.

# FOR PUBLIC DISCLOSURE

Form **8868**  
(Rev. January 2019)

## Application for Automatic Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury  
Internal Revenue Service

▶ **File a separate application for each return.**  
▶ **Go to [www.irs.gov/Form8868](http://www.irs.gov/Form8868) for the latest information.**

**Electronic filing (e-file).** You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits](http://www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits).

**Automatic 6-Month Extension of Time.** Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

		Enter filer's identifying number
File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions. <b>NATIONAL ACADEMY OF RECORDING ARTS &amp; SCIENCES, INC.</b>	Employer identification number (EIN) or  95-6052058
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>3030 OLYMPIC BOULEVARD</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>SANTA MONICA, CA 90404-5073</b>	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 7

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

WAYNE J. ZAHNER

- The books are in the care of ▶ 3030 OLYMPIC BOULEVARD - SANTA MONICA, CA 90404-5073  
Telephone No. ▶ (310) 392-3777 Fax No. ▶ \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box . If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 6-month extension of time until JUNE 15, 2020, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning AUG 1, 2018, and ending JUL 31, 2019.

2 If the tax year entered in line 1 is for less than 12 months, check reason:  Initial return  Final return  
 Change in accounting period

<b>3a</b> If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>3a</b>	\$	0.
<b>b</b> If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	<b>3b</b>	\$	0.
<b>c Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>3c</b>	\$	0.

**Caution:** If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2019)

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING

Form 990-T (2018)

ARTS & SCIENCES, INC.

95-6052058

Page 2

Part III Total Unrelated Business Taxable Income			
33	Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) .....	33	-108,421.
34	Amounts paid for disallowed fringes .....	34	
35	Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions) <span style="float: right;">STMT 2</span> .....	35	0.
36	Total of unrelated business taxable income before specific deduction. Subtract line 35 from the sum of lines 33 and 34 .....	36	-108,421.
37	Specific deduction (Generally \$1,000, but see line 37 instructions for exceptions) .....	37	1,000.
38	<b>Unrelated business taxable income.</b> Subtract line 37 from line 36. If line 37 is greater than line 36, enter the smaller of zero or line 36 .....	38	-108,421.

Part IV Tax Computation			
39	Organizations Taxable as Corporations. Multiply line 38 by 21% (0.21) .....	39	0.
40	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 38 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) .....	40	
41	Proxy tax. See instructions .....	41	
42	Alternative minimum tax (trusts only) .....	42	
43	Tax on Noncompliant Facility Income. See instructions .....	43	
44	<b>Total.</b> Add lines 41, 42, and 43 to line 39 or 40, whichever applies .....	44	0.

Part V Tax and Payments			
45a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) .....	45a	
b	Other credits (see instructions) .....	45b	
c	General business credit. Attach Form 3800 .....	45c	
d	Credit for prior year minimum tax (attach Form 8801 or 8827) .....	45d	
e	<b>Total credits.</b> Add lines 45a through 45d .....	45e	
46	Subtract line 45e from line 44 .....	46	0.
47	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) .....	47	
48	<b>Total tax.</b> Add lines 46 and 47 (see instructions) .....	48	0.
49	2018 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 2 .....	49	0.
50a	Payments: A 2017 overpayment credited to 2018 .....	50a	
b	2018 estimated tax payments .....	50b	
c	Tax deposited with Form 8868 .....	50c	
d	Foreign organizations: Tax paid or withheld at source (see instructions) .....	50d	
e	Backup withholding (see instructions) .....	50e	
f	Credit for small employer health insurance premiums (attach Form 8941) .....	50f	
g	Other credits, adjustments, and payments: <input type="checkbox"/> Form 2439 .....	50g	
	<input type="checkbox"/> Form 4136 <input type="checkbox"/> Other .....		
	Total ▶		
51	<b>Total payments.</b> Add lines 50a through 50g .....	51	
52	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/> .....	52	
53	<b>Tax due.</b> If line 51 is less than the total of lines 48, 49, and 52, enter amount owed .....	53	
54	<b>Overpayment.</b> If line 51 is larger than the total of lines 48, 49, and 52, enter amount overpaid .....	54	
55	Enter the amount of line 54 you want: <b>Credited to 2019 estimated tax</b> ▶	55	
	<b>Refunded</b> ▶		

Part VI Statements Regarding Certain Activities and Other Information (see instructions)			
56	At any time during the 2018 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
57	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
58	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		X

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.	
	Signature of officer: <i>Haynes J. Zahner</i>   Date: 07/13/2020   Title: CHIEF FINANCIAL OFFICER	May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Paid Preparer Use Only</b>	Print/type preparer's name: JOAN S. MCMAHON   Preparer's signature: <i>Joan McMahon</i>   Date: 7/16/20	Check <input type="checkbox"/> if self-employed   PTIN: P00966494
	Firm's name: DELOITTE TAX LLP   Firm's EIN: 86-1065772	Firm's address: 555 MISSION STREET, SAN FRANCISCO, CA 94105   Phone no.: (415) 783-4000

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING

Form 990-T (2018) ARTS & SCIENCES, INC.

95-6052058

Page 3

**Schedule A - Cost of Goods Sold.** Enter method of inventory valuation ▶ N/A

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">1 Inventory at beginning of year .....</td><td style="width: 50%; text-align: center;">1</td></tr> <tr><td>2 Purchases .....</td><td style="text-align: center;">2</td></tr> <tr><td>3 Cost of labor .....</td><td style="text-align: center;">3</td></tr> <tr><td>4a Additional section 263A costs (attach schedule) .....</td><td style="text-align: center;">4a</td></tr> <tr><td>    b Other costs (attach schedule) .....</td><td style="text-align: center;">4b</td></tr> <tr><td>5 Total. Add lines 1 through 4b .....</td><td style="text-align: center;">5</td></tr> </table>	1 Inventory at beginning of year .....	1	2 Purchases .....	2	3 Cost of labor .....	3	4a Additional section 263A costs (attach schedule) .....	4a	b Other costs (attach schedule) .....	4b	5 Total. Add lines 1 through 4b .....	5	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%;">6 Inventory at end of year .....</td><td style="width: 50%; text-align: center;">6</td></tr> <tr><td>7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 .....</td><td style="text-align: center;">7</td></tr> <tr><td>8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....</td><td style="text-align: center;"> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%; text-align: center;">Yes</td><td style="width: 50%; text-align: center;">No</td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table> </td></tr> </table>	6 Inventory at end of year .....	6	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 .....	7	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%; text-align: center;">Yes</td><td style="width: 50%; text-align: center;">No</td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table>	Yes	No		
1 Inventory at beginning of year .....	1																						
2 Purchases .....	2																						
3 Cost of labor .....	3																						
4a Additional section 263A costs (attach schedule) .....	4a																						
b Other costs (attach schedule) .....	4b																						
5 Total. Add lines 1 through 4b .....	5																						
6 Inventory at end of year .....	6																						
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 .....	7																						
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 50%; text-align: center;">Yes</td><td style="width: 50%; text-align: center;">No</td></tr> <tr><td style="height: 20px;"></td><td style="height: 20px;"></td></tr> </table>	Yes	No																				
Yes	No																						

**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		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)	
(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)		
(1)			
(2)			
(3)			
(4)			
Total	0.	Total	0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶ 0.

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0.

**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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(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)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> .....			0.	0.
<b>Total dividends-received deductions</b> included in column 8 .....			▶	0.

Form 990-T (2018)

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING

Form 990-T (2018) ARTS & SCIENCES, INC.

95-6052058

Page 4

## 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)				
<b>Totals</b>			0.	0.

## 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 (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>		0.		0.

## 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 cols. 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)						
<b>Totals</b>		0.	0.			0.

## 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 (column 6 minus column 5, but not more than column 4).
(1) WEB ADVERTISING	106,039.	214,460.				
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>		106,039.	214,460.	-108,421.		0.

Form 990-T (2018)

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING

Form 990-T (2018) ARTS & SCIENCES, INC.

95-6052058

Page 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 (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals from Part I</b> ▶	106,039.	214,460.				0.
	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.
<b>Totals, Part II (lines 1-5)</b> ▶	106,039.	214,460.				0.

**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
(1)		%	
(2)		%	
(3)		%	
(4)		%	
<b>Total.</b> Enter here and on page 1, Part II, line 14 ▶			0.

Form 990-T (2018)

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING ARTS & SCI

95-6052058

---

FOOTNOTES

STATEMENT 1

---

THE RECORDING ACADEMY HOSTS A WEB SITE DEDICATED TO HIGHLIGHTING NEWS AND EVENTS RELATED TO ARTIST AND TECHNICAL DEVELOPMENTS WITHIN THE RECORDING INDUSTRY AS WELL AS CULTURAL AND EDUCATIONAL EVENTS. THE RECORDING ACADEMY SELLS BANNER ADVERTISEMENTS AND VIDEO ADVERTISEMENTS ON THE WEBSITE.

# FOR PUBLIC DISCLOSURE

NATIONAL ACADEMY OF RECORDING ARTS & SCI

95-6052058

IN DECEMBER OF 2019, IRC SEC 512(A)(7) WAS REPEALED. AS A RESULT, TAXPAYER HAS ADJUSTED THEIR NET OPERATING LOSS CARRYFORWARD AMOUNTS TO REMOVE ANY UTILIZATION OF PRIOR YEAR LOSSES RELATED TO UNRELATED BUSINESS TAXABLE INCOME INCLUDED FOR FRINGE BENEFITS.

FORM 990-T	NET OPERATING LOSS DEDUCTION			STATEMENT 2
TAX YEAR	LOSS SUSTAINED	LOSS PREVIOUSLY APPLIED	LOSS REMAINING	AVAILABLE THIS YEAR
07/31/18	80,163.	0.	80,163.	80,163.
NOL CARRYOVER AVAILABLE THIS YEAR			80,163.	80,163.