

Form 990-T

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

OMB No 1545-0047

For calendar year 2019 or other tax year beginning JUL 1, 2019, and ending JUN 30, 2020

2019

Department of the Treasury Internal Revenue Service

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

Header section containing: A Check box if address changed; B Exempt under section 501(c)(3); Name of organization: PATHWAY ENTERPRISES, INC; Number, street, and room or suite no.: 1600 SKY PARK DRIVE; City or town, state or province, country, and ZIP or foreign postal code: MEDFORD, OR 97504; D Employer identification number: 93-0891433; E Unrelated business activity code: 531110

C Book value of all assets at end of year: 8,578,031; F Group exemption number; G Check organization type: [X] 501(c) corporation

H Enter the number of the organization's unrelated trades or businesses: 1. Describe the only (or first) unrelated trade or business here: RENTAL INCOME

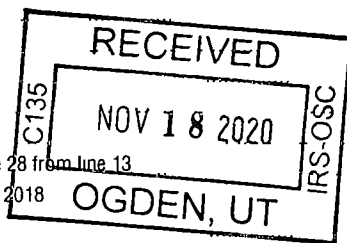
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? [X] No

J The books are in care of: THE ORGANIZATION. Telephone number: 541-973-2728

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows include: 1a Gross receipts or sales; 2 Cost of goods sold; 3 Gross profit; 4a Capital gain net income; 5 Income (loss) from a partnership or an S corporation; 6 Rent income; 7 Unrelated debt-financed income; 8 Interest, annuities, royalties, and rents from a controlled organization; 9 Investment income; 10 Exploited exempt activity income; 11 Advertising income; 12 Other income; 13 Total. Combine lines 3 through 12. Values: 36,774; 31,953; 4,821.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) (Deductions must be directly connected with the unrelated business income)

Table with 2 columns: Description, Amount. Rows include: 14 Compensation of officers, directors, and trustees; 15 Salaries and wages; 16 Repairs and maintenance; 17 Bad debts; 18 Interest; 19 Taxes and licenses; 20 Depreciation; 21 Less depreciation claimed on Schedule A and elsewhere on return; 22 Depletion; 23 Contributions to deferred compensation plans; 24 Employee benefit programs; 25 Excess exempt expenses; 26 Excess readership costs; 27 Other deductions; 28 Total deductions. Add lines 14 through 27. Value: 266.; 29 Unrelated business taxable income before net operating loss deduction. Subtract line 28 from line 13. Value: 4,555.; 30 Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions); 31 Unrelated business taxable income. Subtract line 30 from line 29. Value: 4,555.



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Part III Total Unrelated Business Taxable Income

Table with 2 columns: Description and Amount. Rows include: 32 Total of unrelated business taxable income computed from all unrelated trades or businesses (see instructions) 4,555.; 33 Amounts paid for disallowed fringes; 34 Charitable contributions (see instructions for limitation rules) 0.; 35 Total unrelated business taxable income before pre-2018 NOLs and specific deduction Subtract line 34 from the sum of lines 32 and 33 4,555.; 36 Deduction for net operating loss arising in tax years beginning before January 1, 2018 (see instructions); 37 Total of unrelated business taxable income before specific deduction. Subtract line 36 from line 35 4,555.; 38 Specific deduction (Generally \$1,000, but see line 38 instructions for exceptions) 1,000.; 39 Unrelated business taxable income. Subtract line 38 from line 37. If line 38 is greater than line 37, enter the smaller of zero or line 37 3,555.

Part IV Tax Computation

Table with 2 columns: Description and Amount. Rows include: 40 Organizations Taxable as Corporations. Multiply line 39 by 21% (0.21) 747.; 41 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 39 from: Tax rate schedule or Schedule D (Form 1041); 42 Proxy tax. See instructions; 43 Alternative minimum tax (trusts only); 44 Tax on Noncompliant Facility Income. See instructions; 45 Total. Add lines 42, 43, and 44 to line 40 or 41, whichever applies 747.

Part V Tax and Payments

Table with 2 columns: Description and Amount. Rows include: 46a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116); 46b Other credits (see instructions); 46c General business credit Attach Form 3800; 46d Credit for prior year minimum tax (attach Form 8801 or 8827); 46e Total credits. Add lines 46a through 46d; 47 Subtract line 46e from line 45 747.; 48 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule); 49 Total tax. Add lines 47 and 48 (see instructions) 747.; 50 2019 net 965 tax liability paid from Form 965-A or Form 965-B, Part II, column (k), line 3 0.; 51a Payments: A 2018 overpayment credited to 2019; 51b 2019 estimated tax payments; 51c Tax deposited with Form 8868; 51d Foreign organizations: Tax paid or withheld at source (see instructions); 51e Backup withholding (see instructions); 51f Credit for small employer health insurance premiums (attach Form 8941); 51g Other credits, adjustments, and payments: Form 2439 Form 4136 Other Total; 52 Total payments. Add lines 51a through 51g; 53 Estimated tax penalty (see instructions). Check if Form 2220 is attached 24.; 54 Tax due. If line 52 is less than the total of lines 49, 50, and 53, enter amount owed 771.; 55 Overpayment If line 52 is larger than the total of lines 49, 50, and 53, enter amount overpaid; 56 Enter the amount of line 55 you want: Credited to 2020 estimated tax Refunded

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 2 columns: Question and Yes/No. Rows include: 57 At any time during the 2019 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; 58 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.; 59 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Sign Here: Signature of officer (APRIL STITH), Date (11/10/2020), Title (PRESIDENT & CEO). May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No. Paid Preparer Use Only: Print/Type preparer's name (APRIL STITH), Preparer's signature (April Stith), Date (10/29/20), Check self-employed, PTIN (P01245039), Firm's name (MOSS ADAMS LLP), Firm's EIN (91-0189318), Firm's address (221 STEWART AVENUE SUITE 301 MEDFORD, OR 97501), Phone no (541-857-1040).

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

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 schedule)	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						

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)		(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)
			STATEMENT 3	STATEMENT 4
(1) 1600 SKY PARK DRIVE, MEDFORD OR		75,730.	15,396.	50,406.
(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))
STATEMENT 5	STATEMENT 6			
(1) 476,284.	980,884.	48.56%	36,774.	31,953.
(2)		%		
(3)		%		
(4)		%		
STATEMENT 1		STATEMENT 2	Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
			36,774.	31,953.
Totals				
Total dividends-received deductions included in column 8				0.

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)			0.	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)		0.
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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 (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				

Enter here and on page 1, Part I, line 9, column (A)		0.	Enter here and on page 1, Part I, line 9, column (B)			0.
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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 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)						

Enter here and on page 1, Part I, line 10, col (A)		0.	Enter here and on page 1, Part I, line 10, col (B)		0.	Enter here and on page 1, Part II, line 25		0.
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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 (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, col (A)		0.	Enter here and on page 1, Part I, line 10, col (B)		0.	Enter here and on page 1, Part II, line 25		0.
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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 (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col (A) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.				Enter here and on page 1, Part II, line 26 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)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FORM 990-T SCHEDULE E - UNRELATED DEBT-FINANCED INCOME STATEMENT 1
 AVERAGE ACQUISITION DEBT

DESCRIPTION OF DEBT-FINANCED PROPERTY	ACTIVITY NUMBER	AMOUNT OF OUTSTANDING DEBT
1600 SKY PARK DRIVE, MEDFORD OR	1	
BEGINNING FIRST MONTH		502,296.
BEGINNING SECOND MONTH		497,617.
BEGINNING THIRD MONTH		492,920.
BEGINNING FOURTH MONTH		488,204.
BEGINNING FIFTH MONTH		483,469.
BEGINNING SIXTH MONTH		478,715.
BEGINNING SEVENTH MONTH		473,943.
BEGINNING EIGHTH MONTH		469,152.
BEGINNING NINTH MONTH		464,342.
BEGINNING TENTH MONTH		459,512.
BEGINNING ELEVENTH MONTH		454,664.
BEGINNING TWELFTH MONTH		450,570.
TOTAL OF ALL MONTHS		5,715,404.
NUMBER OF MONTHS IN YEAR		12
AVERAGE AQUISITION DEBT		476,284.

TOTALS TO FORM 990-T, SCHEDULE E, COLUMN 4

FORM 990-T SCHEDULE E - UNRELATED DEBT-FINANCED INCOME STATEMENT 2
 AVERAGE ADJUSTED BASIS

DESCRIPTION OF DEBT-FINANCED PROPERTY	ACTIVITY NUMBER	AMOUNT
1600 SKY PARK DRIVE, MEDFORD OR	1	
AVERAGE ADJUSTED BASIS OF PROPERTY FIRST DAY OF YEAR		995,784.
AVERAGE ADJUSTED BASIS OF PROPERTY LAST DAY OF YEAR		965,984.
AVERAGE ADJUSTED BASIS OF PROPERTY FOR THE YEAR		980,884.

TOTAL TO FORM 990-T, SCHEDULE E, COLUMN 5

FORM 990-T		SCHEDULE E - DEPRECIATION DEDUCTION		STATEMENT 3
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL	
DEPRECIATION EXPENSE		15,396.		
- SUBTOTAL -	1			15,396.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(A)				15,396.

FORM 990-T		SCHEDULE E - OTHER DEDUCTIONS		STATEMENT 4
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL	
UTILITIES		13,959.		
BUILDING REPAIRS & MAINTENANCE		14,363.		
MORTGAGE INTEREST		8,368.		
LICENSES & PERMITS		4,742.		
PROPERTY TAXES		8,974.		
- SUBTOTAL -	1			50,406.
TOTAL OF FORM 990-T, SCHEDULE E, COLUMN 3(B)				50,406.

