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Return of Organization Exempt From Income Tax

2009

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning JUL 1, 2009 and ending JUN 30, 2010

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization PATHWAYS PROPERTIES, INC.		D Employer identification number 61-1112077
		Doing Business As		E Telephone number 606-329-8588
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite P.O. BOX 790		G Gross receipts \$ 298,822.
City or town, state or country, and ZIP + 4 ASHLAND, KY 41105-0790		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
F Name and address of principal officer. ASHLAND, KY		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No		
I Tax exempt status: <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		If "No," attach a list (see instructions)		
J Website: ▶ N/A		H(c) Group exemption number ▶		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1986 M State of legal domicile: KY	

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities _____		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5	Total number of employees (Part V, line 2a)	5	0
	6	Total number of volunteers (estimate if necessary)	6	0
	7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9	Program service revenue (Part VIII, line 2g)	292,459.	298,179.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,206.	643.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	293,665.	298,822.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		
	14	Benefits paid to or for members (Part IX, column (A), line 4)		
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)		
	16a	Professional fundraising fees (Part IX, column (A), line 11e)		
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a and 11f-24f)	289,363.	272,064.	
18	Total expenses. Add lines 13 through 17. Must equal Part IX, column (A), line 25	289,363.	272,064.	
19	Revenue less expenses. Subtract line 18 from line 12	4,302.	26,758.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	730,457.	754,615.
	22	Net assets or fund balances. Subtract line 21 from line 20	824,533.	821,933.
			-94,076.	-67,318.

Part II Signature Block

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 ▶ *Thomas A Leach* Signature of officer | Date 10/7/10

Type or print name and title **Thomas A Leach, CFO**

Paid Preparer's Use Only

Preparer's signature ▶ *Lou Branfield, CPA* Date 10/4/10 Check if self-employed Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address and ZIP + 4 ▶ **KELLEY, GALLOWAY & CO., PSC** EIN ▶

▶ **P.O. BOX 990** Phone no. ▶ **6063291811**

▶ **ASHLAND, KY 41105-0990**

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

SCANNED NOV 01 2010

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Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission
OPERATING A HOUSING PROJECT FOR MENTALLY ILL AND DEVELOPMENTALLY DISABLED INDIVIDUALS IN ROWAN COUNTY, KENTUCKY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990 EZ?
If "Yes," describe these new services on Schedule O [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?
If "Yes," describe these changes on Schedule O [] Yes [X] No

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.
Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 218,841. including grants of \$) (Revenue \$ 298,179.)
PROVIDED THIRTY HOUSING UNITS FOR MENTALLY ILL AND DEVELOPMENTALLY DISABLED PERSONS IN THE ROWAN COUNTY, KY AREA.

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 218,841.

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>		
	• Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		
	• Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		
	• Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	X	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>		
		Yes	No
12A			X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
b A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1		X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	X	

Note. All Form 990 filers are required to complete Schedule O.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Table with columns for question ID, question text, and Yes/No columns. Includes rows for 1a-1c, 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7a-7h, 8, 9a-9b, 10a-10b, 11a-11b, and 12a-12b.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body		
1a		8
b Enter the number of voting members that are independent		
1b		8
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?		X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?		X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10b		
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	X	
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		X
12c		X
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official		X
b Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a		X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16b		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization **TOM LEACH - 606-329-8588**
P.O. BOX 790, ASHLAND, KY 41105-0790

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1 a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f					
Program Service Revenue	2 a RENT REVENUE	Business Code 531110	298,179.	298,179.		
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		298,179.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		643.		643.	
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6 a Gross Rents	(i) Real	(ii) Personal			
		b Less rental expenses				
		c Rental income or (loss)				
		d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
		b Less cost or other basis and sales expenses				
		c Gain or (loss)				
		d Net gain or (loss)				
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18	a				
		b Less direct expenses	b			
		c Net income or (loss) from fundraising events				
	9 a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses		b				
c Net income or (loss) from gaming activities						
10 a Gross sales of inventory, less returns and allowances	a					
	b Less cost of goods sold	b				
	c Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code				
11 a	a					
	b					
	c					
	d All other revenue					
e Total. Add lines 11a-11d						
12 Total revenue See instructions.			298,822.	298,179.	0.	
					643.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
 All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees)				
a Management	18,977.	18,977.		
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	18,764.		18,764.	
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	1,150.		1,150.	
20 Interest	71,026.	71,026.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	24,694.			
23 Insurance	4,542.	4,542.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a OPERATING AND MAINTENAN	62,540.	62,540.		
b HOME/ASSISTED LIVING	39,826.	39,826.		
c UTILITIES	21,930.	21,930.		
d AUDIT	4,100.		4,100.	
e OFFICE SUPPLIES	1,746.		1,746.	
f All other expenses	2,769.		2,769.	
25 Total functional expenses Add lines 1 through 24f	272,064.	218,841.	28,529.	0.
26 Joint costs Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1	Cash non-interest-bearing	19,651.	1	46,520.
	2	Savings and temporary cash investments	209,680.	2	170,551.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net		4	
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges		9	
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 1,125,373.		
	b	Less accumulated depreciation	10b 587,829.	10c 501,126.	537,544.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities See Part IV, line 11		12	
	13	Investments - program-related See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets See Part IV, line 11		15	
16	Total assets. Add lines 1 through 15 (must equal line 34)	730,457.	16	754,615.	
Liabilities	17	Accounts payable and accrued expenses	28,058.	17	41,481.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	796,475.	23	780,452.
	24	Unsecured notes and loans payable to unrelated third parties		24	
25	Other liabilities Complete Part X of Schedule D		25		
26	Total liabilities. Add lines 17 through 25	824,533.	26	821,933.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27	Unrestricted net assets	-94,076.	27	-67,318.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
33	Total net assets or fund balances	-94,076.	33	-67,318.	
34	Total liabilities and net assets/fund balances	730,457.	34	754,615.	

Form 990 (2009)

Part XI Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
 Separate basis Consolidated basis Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2009)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

Name of the organization **PATHWAYS PROPERTIES, INC.** Employer identification number **61-1112077**

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 to 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 - Other

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 it 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?

- (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?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X

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 col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
PATHWAYS, INC.	61-0661987	11A		X		X		X	0.
Total									0.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

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)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(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 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and 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 - 2008. 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 - 2009. 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 - 2008. 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)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support (Add lines 9, 10c, 11, and 12)						

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 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2009. 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 - 2008. 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 D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009
Open to Public
Inspection

Name of the organization

PATHWAYS PROPERTIES, INC.

Employer identification number

61-1112077

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
- (i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- (ii) Assets included in Form 990, Part X ▶ \$ _____
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
- a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____
- b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange programs
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIV and complete the following table
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21? Yes No
- b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the year end balance held as
- a Board designated or quasi-endowment ▶ _____ %
 - b Permanent endowment ▶ _____ %
 - c Term endowment ▶ _____ %
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | Yes | No |
|---|--------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	67,553.			67,553.
b Buildings	999,804.		530,964.	468,840.
c Leasehold improvements				
d Equipment	58,016.		56,865.	1,151.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				537,544.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	298,822.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	272,064.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	26,758.
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 through 8	9	0.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	26,758.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	298,822.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	298,822.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	298,822.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	272,064.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	272,064.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	272,064.

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No 1545-0047

2009

Open to Public
Inspection

Name of the organization

PATHWAYS PROPERTIES, INC.

Employer identification number

61-1112077

**FORM 990, PART VI, SECTION B, LINE 11: A COPY OF THE FORM 990 WILL BE
PROVIDED TO THE GOVERNING BODY FOR THEIR REVIEW.**

FORM 990, PART VI, SECTION C, LINE 19: COPIES ARE AVAILABLE UPON REQUEST.

Depreciation and Amortization 990 (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

See separate instructions. Attach to your tax return.

Business or activity to which this form relates

Identifying number

PATHWAYS PROPERTIES, INC.

FORM 990 PAGE 10

61-1112077

Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I.

Table with 5 columns: Line number, Description, (b) Cost, (c) Elected cost, and Amount. Includes lines 1-13 for Section 179 election.

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

Table with 3 columns: Line number, Description, and Amount. Includes lines 14-16 for special depreciation allowance.

Part III MACRS Depreciation (Do not include listed property) (See instructions)

Section A

Table with 3 columns: Line number, Description, and Amount. Includes lines 17-18 for MACRS deductions.

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Includes lines 19a-i.

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

Table with 7 columns: (a) Class life, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Includes lines 20a-c.

Part IV Summary (See instructions)

Table with 3 columns: Line number, Description, and Amount. Includes lines 21-23 for summary.

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use							25	
26 Property used more than 50% in a qualified business use								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use								
		%				S/L		
		%				S/L		
		%				S/L		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7, page 1								29

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle		(b) Vehicle		(c) Vehicle		(d) Vehicle		(e) Vehicle		(f) Vehicle	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year					
43 Amortization of costs that began before your 2009 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

All additions greater than or equal to \$1,000 (1/10 of TM at 26).
 Agreed date, description and cost to supporting documentation, noting useful life appears reasonable

1420

PPI
 SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

DATE	DESCRIPTION	COST	LIFE	June 30, 2010		
				MONTHLY EXPENSE	ANNUAL EXPENSE	ACCUM DEPREC
6/30/1990	COST CERTIFICATION	\$ 872,202.09	40.00	\$ 1,817.09	\$ 21,805.08	\$ 428,832.97
						\$ 443,369.12
Jun-93	IMPVTS	\$ 414.78	40.00	\$ 0.86	\$ 10.32	\$ 155.93
						\$ 258.85
Jun-07	MIKE'S PAINTING	\$ 4,425.00	40.00	\$ 9.22	\$ 110.64	\$ 1,226.11
						\$ 3,198.89
	CERAMIC TILE	\$ 3,566.38	40.00	\$ 7.43	\$ 88.16	\$ 906.46
						\$ 2,659.92
TOTAL 06/30/2008		\$ 880,608.25	40.00	\$ 1,834.60	\$ 22,015.20	\$ 431,121.46
33054	COST CERTIFICATION	\$ 872,202.09	40.00	\$ 1,817.09	\$ 21,805.08	\$ 450,638.05
						\$ 421,564.04
34121	IMPVTS	\$ 414.78	40.00	\$ 0.86	\$ 10.32	\$ 166.25
						\$ 248.53
35582	MIKE'S PAINTING	\$ 4,425.00	40.00	\$ 9.22	\$ 110.64	\$ 1,336.75
						\$ 3,088.25
	CERAMIC TILE	\$ 3,566.38	40.00	\$ 7.43	\$ 89.16	\$ 995.62
						\$ 2,570.76
6/30/2009		\$ 880,608.25	40.00	\$ 1,834.80	\$ 22,015.20	\$ 453,136.66
33064	COST CERTIFICATION	\$ 872,202.09	40.00	\$ 1,817.09	\$ 21,805.08	\$ 472,443.13
						\$ 398,758.96
34121	IMPVTS	\$ 414.78	40.00	\$ 0.86	\$ 10.32	\$ 176.57
						\$ 238.21
35582	MIKE'S PAINTING	\$ 4,425.00	40.00	\$ 9.22	\$ 110.64	\$ 1,447.39
						\$ 2,977.61
	CERAMIC TILE	\$ 3,568.38	40.00	\$ 7.43	\$ 89.16	\$ 1,084.78
						\$ 2,481.80
12/1/2009	BECKNELL CONST.	\$ 32,000.00	40.00	\$ 66.67	\$ 466.69	\$ 466.69
						\$ 31,533.31
4/17/2009	BECKNELL CONST.	\$ 20,280.00	40.00	\$ 42.27	\$ 42.27	\$ 42.27
						\$ 20,247.73
6/30/2010		\$ 832,898.25	240.00	\$ 1,943.54	\$ 22,524.18	\$ 475,660.82
TOTAL DEPRECIATION EXPENSE						\$ 2,131.80
TOTAL ANNUAL DEPRECIATION						\$ 24,736.71
TOTAL ACCUMULATED				\$ 587,871.25	\$ 587,828.98	\$ 42.27
MONTHLY EXPENSE				2131.80		
						42.27
						June 30, 2010
24,736.71		587,871.25				
24,694.44		587,828.98				
42.27						

24,736.71
 24,694.44
 42.27

Differences due to additions not being properly factored into calculations for year end. Tressa will be making correcting entries in July 2010.
 -PWF-

1410

PPI
SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

1410

DATE	DESCRIPTION	COST	LIFE	MONTHLY EXPENSE	ANNUAL EXPENSE
Jul-91	COST CERTIFICATION	\$67,553.00	N/A	N/A	N/A
Dec-91	LAND IMPROVEMENTS	\$ -	N/A	N/A	N/A
TOTAL 6/30/92		\$67,553.00	N/A	N/A	N/A
Aug-92	DWARF YEW TREES	\$ -	N/A	N/A	N/A
TOTAL 6/30/93		\$67,553.00	N/A	N/A	N/A
TOTAL 6/30/94		\$67,553.00	N/A	N/A	N/A
TOTAL 6/30/95		\$67,553.00	N/A	N/A	N/A
TOTAL 6/30/96		\$67,553.00	N/A	N/A	N/A
TOTAL 6/30/97		\$67,553.00	N/A	N/A	N/A
TOTAL 06/30/98		\$67,553.00	N/A	N/A	N/A
TOTAL 06/30/99		\$67,553.00	N/A	N/A	N/A
TOTAL 06/30/00		\$67,553.00	N/A	N/A	N/A
TOTAL 06/30/02		\$67,553.00	N/A	N/A	N/A
TOTAL 06/30/04		\$67,553.00	N/A	N/A	N/A
TOTAL 6/30/06		\$67,553.00	N/A	N/A	N/A
6/30/2009		\$67,553.00	N/A	N/A	N/A
6/30/2010		\$67,553.00	N/A	N/A	N/A

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SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

1420		June 30, 2010				
DATE	DESCRIPTION	COST	LIFE	MONTHLY EXPENSE	ANNUAL EXPENSE	ACCUM DEPREC
Aug-91	PHONES	\$ 1,700.00	10.00	\$ -	\$ -	\$ 1,700.00
Mar-92	EYESOX	143.64	10.00	\$ -	\$ -	\$ 143.64
TOTAL 06/30/99		\$ 1,843.64				
6/30/2010		\$ 1,843.64				\$ 1,843.64

PPI
SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

1440		June 30, 2010			
DATE	DESCRIPTION	COST	LIFE	MONTHLY ANNUAL EXPENSE	ACCUM DEPREC
6/30/1980	COST CERTIFICATION	\$ 478.92	10.00	\$ -	\$ 478.92
Jun-81	CARPET EQPT	\$ 2,247.00	10.00	\$ -	\$ 2,247.00
Mar-82	TYPEWRITER	\$ 652.00	10.00	\$ -	\$ 652.00
Apr-82	FIRE EXTINGUISHERS	\$ 392.00	10.00	\$ -	\$ 392.00
Jun-82	KITCHEN EQPT	\$ 587.82	10.00	\$ -	\$ 587.82
Jul-82	EQPT	\$ 115.34	10.00	\$ -	\$ 115.34
Jul-82	GW 486-50 COMPUTER	\$ 4,020.00	10.00	\$ -	\$ 4,020.00
May-83	6 BURNER RANGE	\$ 2,375.00	10.00	\$ -	\$ 2,375.00
May-83	HOBBART DISHWASHER	\$ 990.00	10.00	\$ -	\$ 990.00
May-83	2 PORTABLE EAC	\$ 1,249.98	10.00	\$ -	\$ 1,249.98
Jun-83	2 COIN WASHERS	\$ 319.88	10.00	\$ -	\$ 319.88
Jan-84	ELECTRIC DRYER	\$ 1,485.00	5.00	\$ -	\$ 1,485.00
Nov-84	COPIER	\$ 2,950.00	5.00	\$ -	\$ 2,950.00
May-85	FREEZER	\$ 2,957.86	5.00	\$ -	\$ 2,957.86
	P6 90 GW COMPUTER	6,786.00	5.00	\$ -	\$ 6,786.00
DEC-87	COPIER	777.62	5.00	\$ -	\$ 777.62
Jun-98	HP LASER (A/P)	5,107.00	5.00	\$ -	\$ 5,107.00
Jun-98	COMPUTER	\$ 33,501.42	3.00	\$ -	\$ 2,284.00
TOTAL 06/30/98		\$ 2,284.00		\$ -	\$ 2,284.00
Jun-99	COMPUTER	\$ 35,785.42	5.00	\$ -	\$ 4,193.95
TOTAL 08/30/99		\$ 4,193.95		\$ -	\$ 4,193.95
Mar-00	DISHWASHER	\$ 39,869.37	5.00	\$ -	\$ 1,790.68
TOTAL 06/30/00		\$ 1,790.68		\$ -	\$ 2,353.00
Jul-00	Range Hood	\$ 2,353.00	3.00	\$ -	\$ 1,248.66
Oct-00	GATEWAY CPU/SERVER	\$ 1,248.66	3.00	\$ -	\$ 1,252.80
Nov-00	platinum plus/memory	\$ 1,252.80	3.00	\$ -	\$ 3,772.00
Nov-00	heat pump	\$ 3,772.00	5.00	\$ -	\$ 1,366.00
Apr-01	Hobart Freezer	\$ 1,366.00	3.00	\$ -	\$ 709.10
May-05	HEAT PUMP	\$ 3,545.52	5.00	\$ 59.08	\$ 709.10
Dec-08	AIR DISTRIBUTORS	\$ 821.61	5.00	\$ 15.36	\$ 61.44
Mar-09	GE DRYER	\$ 56,239.64	5.00	\$ 74.45	\$ 52,543.04
6/30/2009				\$ 770.54	\$ 52,543.04
Dec-08	AIR DISTRIBUTORS	\$ 3,545.52	5.00	\$ 59.08	\$ 1,418.21
Mar-08	GE DRYER	\$ 921.61	5.00	\$ 15.36	\$ 245.78
Dec-09	WHIRLPOOL DRYER	\$ 559.11	5.00	\$ 9.32	\$ 65.24
6/30/2010		\$ 56,798.75		\$ 83.77	\$ 53,501.71

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SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

DATE	DESCRIPTION	COST	LIFE	June 30, 2010		
				MONTHLY EXPENSE	ANNUAL EXPENSE	ACCUM DEPREC
	1450					
30-Jun-90	AMERICAN DESK	33,680.42	10.00	-	-	33,680.42
1-Jul-94	RECLASSIFY 1460 TABLE	2,913.11	10.00	-	-	2,913.11
	ROUND TABLE	2,199.00	10.00	-	-	2,199.01
		759.00	10.00	-	-	759.00
		39,551.53				(0.00)
		39,551.53				0.00
	36708 Entertainment Center	1,294.00	5.00	-	-	(0.01)
30-Jun-10		40,845.53		-	-	-
TOTAL 06/30/99						
TOTAL 06/30/00						
						1,294.00
						40,845.54

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SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

1465

						June 30, 2010		
DATE	DESCRIPTION	COST	LIFE	MONTHLY EXPENSE	ANNUAL EXPENSE	ACCUM DEPREC		
6/30/1990	AMERICAN DESK	\$ 3,022.42	10.00	\$ -	\$ -	\$ 3,022.42	\$ -	\$ -
Jun-91	RANGE	\$ 703.00	10.00	\$ -	\$ -	\$ 703.00	\$ 0.00	\$ 0.00
Jun-91	DISHWASHER	\$ -	10.00	\$ -	\$ -	\$ -	\$ -	\$ -
Jun-91	FREEZER	\$ 475.00	10.00	\$ -	\$ -	\$ 475.00	\$ 0.00	\$ 0.00
Aug-91	GABLE	\$ 229.99	10.00	\$ -	\$ -	\$ 230.00	\$ (0.01)	\$ (0.01)
Jun-94	A&M SOFTWARE	\$ 4,930.00	10.00	\$ -	\$ -	\$ 4,930.00	\$ -	\$ -
TOTAL 06/30/99		\$ 9,360.41						
Jan-00	HP Color Laser Printer/Camera	\$ 1,619.88	3.00	\$ -	\$ -	\$ 1,619.88	\$ -	\$ -
Feb-00	Gateway Performance 700 PC	\$ 2,427.00	3.00	\$ -	\$ -	\$ 2,427.00	\$ (0.00)	\$ (0.00)
Dec-08	DOMIN-8 SERVER HUD SERVER	\$ 3,761.52	3.00	\$ 104.49	\$ 1,253.88	\$ 1,358.37	\$ 2,403.15	\$ 2,403.15
TOTAL 06/30/00		\$ 17,168.81		\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL 06/30/09		\$ 17,168.81		\$ 104.49	\$ 1,253.88	\$ 14,765.67		
6/30/2010		\$ 17,168.81	3.00	104.49	1253.88	\$ 2,612.25		
6/30/2010		\$ 17,168.81		104.49	1253.88	\$ 16,019.55		

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SCHEDULE OF FIXED ASSETS AND ACCUMULATED DEPRECIATION

1460				June 30, 2010		
DATE	DESCRIPTION	COST	LIFE	MONTHLY EXPENSE	ANNUAL EXPENSE	ACCUM DEPREC
Jul-91	MINI BLINDS	1,939.92	10.00	\$ -	\$ -	\$ 575.02
May-92	FURNISHINGS	<u>840.00</u>	10.00	\$ -	\$ -	\$ 185.50
TOTAL 6/30/92		<u>2,779.92</u>				
TOTAL 6/30/93		<u>2,779.92</u>				
Jun-94	LOUNGE CHAIR SEAT COVERS	133.19	10.00	\$ -	\$ -	\$ 7.77
TOTAL 6/30/94		<u>2,913.11</u>				
Jul-94	RECLASSIFY TO 1451	<u>(2,913.11)</u>		\$ -	\$ -	<u>\$(768.29)</u>
Jun-10		<u>-</u>		\$ -	\$ -	<u>\$ -</u>