

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

2001

Open to Public Inspection

Department of the Treasury
 Internal Revenue Service

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

A For the 2001 calendar year, or tax year beginning 7/01/01, and ending 6/30/02

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

C Name of organization: Delaware County Literacy Council
 Number and street (or P O box if mail is not delivered to street address) Room/suite:
2217 Providence Avenue
 City or town, state or country and ZIP + 4:
Chester PA 19013

D Employer ID number: 23-7423599

E Telephone number: 610-876-4811

F Accounting method: Accrual Cash Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter no. of affiliates: N/A

H(c) Are all affiliates included? N/A Yes No (If "No" att. a list. See instr.)

H(d) Is this a separate return filed by an organization covered by a group ruling? N/A Yes No

I Enter 4-digit GEN: _____

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

G Web site: _____

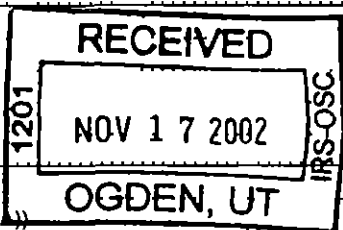
J Organization type (check only one): 501(c) (3) < (insert no.) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b and 10b to line 12: 493,505

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

Revenue	1 Contributions, gifts, grants, and similar amounts received				
	a Direct public support	1a	18,842		
	b Indirect public support	1b	92,609		
	c Government contributions (grants)	1c	372,903		
	d Total (add lines 1a through 1c) (cash \$ <u>484,354</u> noncash \$ _____)	1d		484,354	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		466	
	5 Dividends and interest from securities	5			
	6a Gross rents	6a	8,685		
	b Less rental expenses See Stmt 1	6b	9,530		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		-845	
7 Other investment income (describe _____)	7				
8a Gross amount from sales of assets other than inventory	(A) Securities	8a			
	(B) Other	8b			
		8c			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			
9 Special events and activities (attach schedule)	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b Less direct expenses other than fundraising expenses	9b			
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a Gross sales of inventory, less returns and allowances		10a			
	b Less cost of goods sold	10b			
	c Gross profit or (loss) from sales of inventory (att. sch.) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11				
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		483,975		
Expenses	13 Program services (from line 44, column (B))	13		369,371	
	14 Management and general (from line 44, column (C))	14		113,564	
	15 Fundraising (from line 44, column (D))	15			
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 13 and 14, column (A))	17		482,935	
A Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,040		
Net Assets	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		134,914	
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		135,954	



P 16

SCANNED DEC 10 '02

Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B) (C) and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See Specific Instructions on page 21.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22				
23	Specific assistance to individuals	23				
24	Benefits paid to or for members	24				
25	Compensation of officers, directors, etc	25	35,347	29,854	5,493	
26	Other salaries and wages	26	259,658	219,308	40,350	
27	Pension plan contributions	27				
28	Other employee benefits	28	27,218	22,988	4,230	
29	Payroll taxes	29	25,947	21,915	4,032	
30	Professional fundraising fees	30				
31	Accounting fees	31	7,090		7,090	
32	Legal fees	32				
33	Supplies	33	16,118	16,118		
34	Telephone	34	9,641	8,143	1,498	
35	Postage and shipping	35				
36	Occupancy	36				
37	Equipment rental and maintenance	37	2,181		2,181	
38	Printing and publications	38	633	535	98	
39	Travel	39				
40	Conferences, conventions, and meetings	40	5,876	5,876		
41	Interest	41				
42	Depreciation, depletion, etc (att. sch)	42	8,568		8,568	
43	Other expenses not covered above (itemize) a	43a				
	b See Statement 2	43b	84,658	44,634	40,024	
	c	43c				
	d	43d				
	e	43e				
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	482,935	369,371	113,564	0

Joint Costs Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes" enter (i) the aggregate amount of these joint costs \$ _____ (ii) the amount allocated to Program services \$ _____
 (iii) the amount allocated to Management and general \$ _____ and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others.)
▶ Adult reading instruction All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.) a Provide reading and writing instruction to adults reading at a lower level or learning how to read (Grants and allocations \$ _____)	369,371
b Donated facilities used as classrooms to provide the students a place for reading instruction - \$23,400 (Grants and allocations \$ _____)	
c Donated volunteer instruction hours for teaching adults to read - \$230,000 (Grants and allocations \$ _____)	
d Donated volunteer board of directors business hours - \$8,400 (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44 column (B) Program services)	369,371

Part IV Balance Sheets (See Specific Instructions on page 24)

Note	Where required, attached schedules and amounts within the description column should be for end-of-year amounts only	(A) Beginning of year	(B) End of year
45	Cash-non-interest-bearing		45
46	Savings and temporary cash investments	32,202	46 18,008
47a	Accounts receivable	47a 9,195	
b	Less allowance for doubtful accounts	47b	47c 9,195
48a	Pledges receivable	48a	
b	Less allowance for doubtful accounts	48b	48c
49	Grants receivable		49
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50
51a	Other notes and loans receivable (attach schedule)	51a	
b	Less allowance for doubtful accounts	51b	51c
52	Inventories for sale or use		52
53	Prepaid expenses and deferred charges	8,758	53 5,762
54	Investments—securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
55a	Investments—land, buildings, and equipment basis	55a	
b	Less accumulated depreciation (attach schedule)	55b	55c
56	Investments—other (attach schedule)		56
57a	Land, buildings, and equipment basis	57a 242,207	
b	Less accumulated depreciation (attach schedule)	57b 47,577	57c 194,630
58	Other assets (describe _____)		58
59	Total assets (add lines 45 through 58) (must equal line 74)	269,978	59 227,595
60	Accounts payable and accrued expenses	53,562	60 16,809
61	Grants payable		61
62	Deferred revenue		62 1,250
63	Loans from officers directors, trustees and key employees (attach schedule) See Worksheet	6,536	63 1,236
64a	Tax-exempt bond liabilities (attach schedule)		64a
b	Mortgages and other notes payable (attach schedule) See Worksheet	74,966	64b 72,346
65	Other liabilities (describe _____)		65
66	Total liabilities (add lines 60 through 65)	135,064	66 91,641
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67	Unrestricted	84,813	67 135,954
68	Temporarily restricted	50,101	68
69	Permanently restricted		69
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
70	Capital stock, trust principal or current funds		70
71	Paid-in or capital surplus, or land building, and equipment fund		71
72	Retained earnings, endowment, accumulated income, or other funds		72
73	Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	134,914	73 135,954
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	269,978	74 227,595

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26)

a	Total revenue, gains, and other support per audited financial statements ▶	a	493,505
b	Amounts included on line a but not on line 12 Form 990		
	(1) Net unrealized gains on investments \$		
	(2) Donated services and use of facilities \$		
	(3) Recoveries of prior year grants \$		
	(4) Other (specify) See Stmt 3		
	\$ 9,530		
	Add amounts on lines (1) through (4) ▶	b	9,530
c	Line a minus line b ▶	c	483,975
d	Amounts included on line 12, Form 990 but not on line a		
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify)		
	\$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total revenue per line 12 Form 990 (line c plus line d) ▶	e	483,975

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶	a	492,465
b	Amounts included on line a but not on line 17, Form 990		
	(1) Donated services and use of facilities \$		
	(2) Prior year adjustments reported on line 20, Form 990 \$		
	(3) Losses reported on line 20 Form 990 \$		
	(4) Other (specify) See Stmt 4		
	\$ 9,530		
	Add amounts on lines (1) through (4) ▶	b	9,530
c	Line a minus line b ▶	c	482,935
d	Amounts included on line 17, Form 990 but not on line a		
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify)		
	\$		
	Add amounts on lines (1) and (2) ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	482,935

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see Specific Instructions on page 26)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
David Belanger Glen Riddle, PA	President 2	0	0	0
Connell O'Brien Drexel Hill, PA	VP/Treasurer 2	0	0	0
Patricia C. Lewis-West Chester, PA	Secretary 1	0	0	0
Diane Moore Thornton, PA	 1	0	0	0
Maria E. Barholetti Ridley Park, PA	 1	0	0	0
Joe Ann Croft Brookhaven, PA	 1	0	0	0
Martin Finsterbusch Morton, PA	 1	0	0	0
Thomas M. Hayward Rosemont, PA	 1	0	0	0
Gloria Parente Springfield, PA	 1	0	0	0
See Statement 5				

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule-see Specific Instructions on page 27

Part VI Other Information (See Specific Instructions on page 27)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes" attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross inc. of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instr	81a	
b	Did the organization file Form 1120-POL for this year?	N/A	81b
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	261,800
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes" did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	85a
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	85b
c	Dues, assessments and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	85g
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed <u>PA</u>		
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions)	90b	18
91	The books are in care of <u>Patricia R. Gaul</u> Telephone no <u>610-876-4811</u> Located at <u>2217 Providence Avenue, Chester, PA</u> ZIP + 4 <u>19013</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32)

	Unrelated business income		Excluded by sec 512 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	466	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property			16	-845	
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D) and (E))			0	-379	0
105 Total (add line 104, columns (B), (D), and (E))					-379

Note Line 105 plus line 1d Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
●	
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33)

(A) Name, address and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on pg 33)

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

Note If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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, this information is true and correct. I am a preparer of this return and my knowledge is based on all information of which preparer has any knowledge.

11.12.02

Date

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2001

Name of the organization

Delaware County Literacy Council

Employer identification number

23-7423599

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50 000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee ben plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over \$50 000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instr List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$ 50 000	(b) Type of service	(c) Compensation
None		
Total number of others receiving over \$50,000 for professional services ▶		

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

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ _____ (Must equal amount on line 38, Part VI-A, or line 1 of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization either directly or indirectly engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of exp if more than \$1 000)?	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4 Do you have a section 403(b) annuity plan for your employees?		X
Note Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

See Stmt 6

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A Federal, state or local government or governmental unit Section 170(b)(1)(A)(v)
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state **▶**
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 11b A community trust Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A)
- 12 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 charitable, etc., 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) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6) if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	510,927	455,564	443,828	278,511	1,688,830
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable etc. purpose					
18 Gross inc from int. dividends amounts received from pymt on securities loans (section 512(a)(5)) rents, royalties & unrelated busn taxable inc (less sec 511 taxes) from businesses acquired by the organization after June 30, 1975	10,814	7,597	1,511	1,807	21,729
19 Net income from unrelated business activities not included in line 18					
20 Tax revn levied for the organization's ben & either paid to it or expended on its behalf					
21 The value of serv or fac furnished to the org by a governmental unit without charge. Do not incl the value of serv or fac generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of cap assets.					
23 Total of lines 15 through 22	521,741	463,161	445,339	280,318	1,710,559
24 Line 23 minus line 17	521,741	463,161	445,339	280,318	1,710,559
25 Enter 1% of line 23	5,217	4,632	4,453	2,803	

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e) line 24	▶ 26a	34,211
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts.		▶ 26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e).		▶ 26c	1,710,559
d Add Amounts from column (e) for lines 18 _____ 19 _____	21,729	▶ 26d	21,729
22 _____ 26b _____		▶ 26e	1,688,830
e Public support (line 26c minus line 26d total)		▶ 26f	98.7297%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

27 Organizations described on line 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A

(2000)	(1999)	(1998)	(1997)
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year.			
c Add Amounts from column (e) for lines 15 _____ 16 _____	17 _____ 20 _____	18 _____ 21 _____	▶ 27c _____
d Add Line 27a total _____ and line 27b total _____			▶ 27d _____
e Public support (line 27c total minus line 27d total)			▶ 27e _____
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e).		▶ 27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		▶ 27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		▶ 27h	%

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws other governing instrument, or in a resolution of its governing body?			
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No" please explain (If you need more space, attach a separate statement)			
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions programs and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d		
33 Does the organization discriminate by race in any way with respect to			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50 1975-2 C B 587 covering racial nondiscrimination? If "No" attach an explanation	35		

Part VI-A **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions)

(To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

Check **a** if the organization belongs to an affiliated group Check **b** if you checked "a" and "limited control" provisions apply

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table-		
If the amount on line 40 is-		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is-		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B **Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instr)

N/A

During the year, did the organization attempt to influence national state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (include compensation in expenses reported on lines c through h)
- c Media advertisements
- d Mailings to members, legislators or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators their staffs government officials, or a legislative body
- h Rallies demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount

If "Yes" to any of the above also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (X)

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

Name Delaware County Literacy Council	Employer Identification Number 23-7423599
---	---

Form 990, Part IV, Line 63 - Additional Information

Name of lender	Title
(1) Patricia R. Gaul	Executive Director
(2) Patricia R. Gaul	Executive Director
(3) Martin Finsterbusch	Board Member
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)			N/A	
(2)	4,000		N/A	
(3)	11,000		N/A	
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) N/A	Reimburse expenses
(2) N/A	Payment of operating expenses
(3) N/A	Payment of operating expenses
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) N/A	736	736
(2) N/A	4,000	
(3) N/A	1,800	500
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	6,536	1,236

Name Delaware County Literacy Council Employer Identification Number
23-7423599

Form 990, Part IV, Line 64b - Additional Information

Name of lender	Relationship to disqualified person
(1) <u>First Keystone Federal Savings</u>	<u>N/A</u>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <u>75,000</u>	<u>6/30/01</u>	<u>6/30/16</u>	<u>\$725.43 Monthly Payment</u>	<u>8.200</u>
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <u>Office building</u>	<u>Debt consolidation</u>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	<u>74,966</u>	<u>72,346</u>
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	74,966	72,346

Statement 1 - Form 990, Part I, Line 6b - Rental Expenses

<u>Description</u>	<u>Deduction</u>
Interest	1,217
Insurance	1,235
Repairs	3,020
Utilities	1,835
Depreciation	913
Licenses and Permits	214
Equipment lease	1,096
Total	<u>9,530</u>

Federal Statements

Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Bank Charges	337		337	
Books & Instructional Material	22,269	22,269		
Building repairs and Maintenance	9,899		9,899	
Consulting	1,919		1,919	
Equipment Lease	4,384		4,384	
Insurance	9,591		9,591	
Interest	4,869		4,869	
Licenses	857	857		
Membership	3,302	3,302		
Payroll Service	1,862	1,573	289	
Penalties	1,068		1,068	
Special Assistance	1,674	1,674		
Special Events	1,767	1,767		
Staff Recognition	330		330	
Subcontracting/Teaching	13,192	13,192		
Utilities	7,338		7,338	
Total	<u>\$ 84,658</u>	<u>\$ 44,634</u>	<u>\$ 40,024</u>	<u>\$ 0</u>

Federal Statements

Statement 3 - Form 990, Part IV-A - Other Revenue Included in Financial Statements

Description	Amount
Rental expenses	\$ 9,530
Total	\$ 9,530

Statement 4 - Form 990, Part IV-B - Other Expenses Included in Financial Statements

Description	Amount
Rental expenses	\$ 9,530
Total	\$ 9,530

Statement 5 - Form 990, Part V - List of Officers, Directors, Trustees, and Key Employees

Name	Address				
	Title	Average Hours	Compensation	Benefits	Expenses
Cynthia Perchalski		Springfield, PA 1			
Phuoc Pooley		Aston, PA 1			
Neil Roosevelt		Wilmington, DE 1			
John Shelton		Chester, PA 1			
Martin Spiegel		Swarthmore, PA 1			
Josephine Tsai		Media, PA 1			
Patricia R. Gaul	Exec Dir	West Chester, PA 35	35,347	3,630	

Statement 6 - Schedule A, Part III, Question 2d - Payment of Compensation

SEE PAGE 4, PART V