

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)

2002

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 2002 calendar year, or tax year beginning 7/01/02, and ending 6/30/03

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): 2217 Providence Avenue Room/suite:
 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 ▶

H(c) Are all affiliates included? 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? 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 ▶

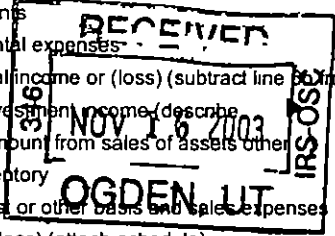
J Organization type (check only one) 501(c)(3) (insert no) 4947(a)(1) or 527

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 ▶ 595,194

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

1	Contributions, gifts, grants, and similar amounts received			
a	Direct public support	1a	<u>10,119</u>	
b	Indirect public support	1b	<u>160,828</u>	
c	Government contributions (grants)	1c	<u>418,061</u>	
d	Total (add lines 1a through 1c) (cash \$ <u>589,008</u> noncash \$)	1d	<u>589,008</u>	
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	<u>416</u>	
5	Dividends and interest from securities	5		
6a	Gross rents	6a	<u>5,770</u>	
b	Less rental expenses	6b	<u>10,301</u>	
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	<u>-4,531</u>	
7	Other investment income (describe)	7		
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
b	Less cost or other basis and sales expenses	8a		
c	Gain or (loss) (attach schedule)	8b	<u>1,521</u>	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	<u>-1,521</u>	
9	Special events and activities (attach schedule)	8d	<u>-1,521</u>	
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	<u>583,372</u>	
13	Program services (from line 44, column (B))	13	<u>458,890</u>	
14	Management and general (from line 44, column (C))	14	<u>124,453</u>	
15	Fundraising (from line 44 column (D))	15		
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 16 and 44, column (A))	17	<u>583,343</u>	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<u>29</u>	
19	Net assets or fund balances at beginning of year (from line 73 column (A))	19	<u>135,954</u>	
20	Other changes in net assets or fund balances (attach explanation)	20	<u>16,084</u>	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	<u>152,067</u>	



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EXPENSES

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Part II Statement of

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations

Functional Expenses

and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 21 of the instructions)

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	32,100	28,229	3,871
26	Other salaries and wages	26	330,820	290,925	39,895
27	Pension plan contributions	27			
28	Other employee benefits	28	51,521	45,308	6,213
29	Payroll taxes	29	30,980	27,244	3,736
30	Professional fundraising fees	30			
31	Accounting fees	31	6,605		6,605
32	Legal fees	32			
33	Supplies	33	14,814	14,814	
34	Telephone	34	8,848	7,781	1,067
35	Postage and shipping	35			
36	Occupancy	36	1,800	1,800	
37	Equipment rental and maintenance	37	2,392		2,392
38	Printing and publications	38	3,791	3,334	457
39	Travel	39			
40	Conferences, conventions and meetings	40	2,396	2,396	
41	Interest	41			
42	Depreciation depletion, etc (attach schedule)	42	10,437		10,437
43	Other expenses not covered above (itemize) a	43a			
	b See Statement 4	43b	86,839	37,059	49,780
	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	583,343	458,890	124,453

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 page 24 of the instructions)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) & (4) orgs, & 4947(a)(1) trusts but optional for others)
<p>► 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.)</p> <p>a Provide reading and writing instruction to adults reading at a lower level or learning how to read (Grants and allocations \$ _____)</p>	458,890
<p>b Donated facilities used as classrooms to provide the students a place for reading instruction - \$19,800 (Grants and allocations \$ _____)</p>	
<p>c Donated volunteer instruction hours for teaching adults to read - \$280,000 (Grants and allocations \$ _____)</p>	
<p>d Donated volunteer board of directors business hours - \$10,000 (Grants and allocations \$ _____)</p>	
<p>e Other program services (attach schedule) (Grants and allocations \$ _____)</p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B) Program services)</p>	458,890

Part IV Balance Sheets (See page 24 of the instructions)

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	18,008	46	50,769
47a	Accounts receivable	5,389		
b	Less allowance for doubtful accounts		47c	5,389
47b		9,195		
48a	Pledges receivable			
b	Less allowance for doubtful accounts		48c	
48b				
49	Grants receivable		49	15,264
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)			
b	Less allowance for doubtful accounts		51c	
51b				
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	5,762	53	9,525
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
55a	Investments-land, buildings, and equipment basis			
b	Less accumulated depreciation (attach schedule)		55c	
55b				
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment basis	250,074		
b	Less accumulated depreciation (attach schedule)			
57b		57,979	57c	192,095
58	Other assets (describe)		58	
59	Total assets (add lines 45 through 58) (must equal line 74)	227,595	59	273,042
60	Accounts payable and accrued expenses	16,809	60	30,272
61	Grants payable		61	
62	Deferred revenue	1,250	62	
63	Loans from officers, directors, trustees and key employees (attach schedule) See Worksheet	1,236	63	1,236
64a	Tax-exempt bond liabilities (attach schedule)		64a	
b	Mortgages and other notes payable (attach schedule) See Worksheet	72,346	64b	89,467
65	Other liabilities (describe)		65	
66	Total liabilities (add lines 60 through 65)	91,641	66	120,975
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
67	Unrestricted	135,954	67	137,712
68	Temporarily restricted		68	14,355
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)	135,954	73	152,067
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	227,595	74	273,042

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 VI Other Information (See page 27 of the instructions)		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?		
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		
b	Did the organization file Form 1120-POL for this year?		N/A
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?	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			309,800
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		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
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
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
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
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
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		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0, section 4912 <input type="checkbox"/> 0, section 4955 <input type="checkbox"/> 0		
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		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 <input type="checkbox"/> PA		
b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)		90b
91	The books are in care of <input type="checkbox"/> Patricia R. Gaul Located at <input type="checkbox"/> 2217 Providence Avenue, Chester, PA Telephone no <input type="checkbox"/> 610-876-4811 ZIP + 4 <input type="checkbox"/> 19013		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92		

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note	Enter gross amounts unless otherwise indicated	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	
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	416	
96	Dividends and interest from securities					
97	Net rental income or (loss) from real estate					
	a debt-financed property			16	-4,531	
	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					-1,521
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	-4,115	-1,521
105	Total (add line 104 columns (B), (D), and (E))					-5,636

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 page 32 of the instructions)

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 page 32 of the instructions)

(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 page 33 of the instructions)

- (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 it is true, correct and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Please

11-11-03

Date

EXECUTIVE DIRECTOR

SCHEDULE A
(Form 990 or 990-EZ)

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)

OMB No 1545-0047

2002

Department of the Treasury
Internal Revenue Service

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

Name of the organization

Employer identification number

Delaware County Literacy Council

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) 2002

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 i 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 expense 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

See Stmt 10

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.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 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 5 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	484,354	510,927	455,564	443,828	1,894,673
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	9,151	10,814	7,597	1,511	29,073
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	493,505	521,741	463,161	445,339	1,923,746
24 Line 23 minus line 17	493,505	521,741	463,161	445,339	1,923,746
25 Enter 1% of line 23	4,935	5,217	4,632	4,453	

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	▶ 26a	38,475
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 1998 through 2001 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	1,923,746
d Add Amounts from column (e) for lines 18 <u>29,073</u> 19 _____ 22 _____ 26b _____		▶ 26d	29,073
e Public support (line 26c minus line 26d total)		▶ 26e	1,894,673
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶ 26f	98.4887%

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

	(2001)	(2000)	(1999)	(1998)	
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. N/A					
c Add Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 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 1998 through 2001, 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?			
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?			
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs and scholarships?			
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)			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?			
b	Admissions policies?			
c	Employment of faculty or administrative staff?			
d	Scholarships or other financial assistance?			
e	Educational policies?			
f	Use of facilities?			
g	Athletic programs?			
h	Other extracurricular activities? If you answered "Yes" to any of the above please explain (If you need more space, attach a separate statement)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?			
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			
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			

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) 2002	(b) 2001	(c) 2000	(d) 1999	(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 11 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

Name Delaware County Literacy Council Employer Identification Number 23-7423599

Form 990, Part IV, Line 63 - Additional Information

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

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

Security provided by borrower	Purpose of loan
(1) <u>N/A</u>	<u>Reimburse expenses</u>
(2) <u>N/A</u>	<u>Payment of operating expenses</u>
(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>N/A</u>	<u>736</u>	<u>736</u>
(2) <u>N/A</u>	<u>500</u>	<u>500</u>
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	1,236	1,236

Mortgages and Other Notes Payable

Form
990/990-PF

2002

For calendar year 2002 or tax year beginning 7/01/02 and ending 6/30/03

Name <u>Delaware County Literacy Council</u>	Employer Identification Number <u>23-7423599</u>
---	---

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) <u>First Keystone Federal Savings</u>	<u>N/A</u>
(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) <u>50,000</u>	<u>4/25/01</u>	<u>4/25/10</u>	<u>1/120 Principal + Interest</u>	<u>7.000</u>
(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) <u>Land and Building</u>	<u>Operations</u>
(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>72,346</u>	<u>69,467</u>
(2)		<u>20,000</u>
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	72,346	89,467

Depreciation and Amortization

OMB No 1545-0172

Form **4562**

(Including Information on Listed Property)

2002

Department of the Treasury
Internal Revenue Service

▶ See separate instructions

▶ Attach to your tax return

Attachment
Sequence No **67**

Name(s) shown on return Delaware County Literacy Council

Identifying number
23-7423599

Business or activity to which this form relates

Indirect Depreciation

Part I Election To Expense Certain Tangible Property Under Section 179

Note If you have any listed property, complete Part V before you complete Part I

1 Maximum amount See page 2 of the instructions for a higher limit for certain businesses	1	24,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	200,000
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less enter -0- If married filing separately see pg 2 of the instr	5	
(a) Description of property		
(b) Cost (business use only)		
(c) Elected cost		
6		
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2003 Add lines 9 and 10 less line 12	13	

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)

14 Special depreciation allowance for qualified prop (other than listed prop) placed in service during the tax year (see pg 3 of the instr)	14	
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	1,582

Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2002	17	7,998
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here	<input type="checkbox"/>	

Section B-Assets Placed in Service During 2002 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		6,379	5.0	HY	200DB	1,276
c 7-year property		4,038	7.0	HY	200DB	577
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

Section C-Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

20a Class life					S/L
b 12-year			12 yrs		S/L
c 40-year			40 yrs	MM	S/L

Part IV Summary (see page 6 of the instructions)

21 Listed property Enter amount from line 28	21	
22 Total Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations-see instr	22	11,433
23 For assets shown above and placed in service during the current year enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions

Form **4562** (2002)

DAA

There are no amounts for Page 2

Federal Statements

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

<u>Description</u>	<u>Deduction</u>
Interest	1,245
Insurance	1,297
Repairs	3,472
Utilities	2,016
Depreciation	993
Licenses and Permits	26
Equipment lease	1,252
Total	<u>10,301</u>

Federal Statements

Statement 2 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
Retrofit Van	Purchase		5/17/02	6/30/03	\$	1,800	279	-1,521
1 Computer	Purchase		3/17/98	6/30/03		750	750	
Total					\$ 0	2,550	1,029	-1,521

Statement 3 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances

<u>Description</u>	<u>Amount</u>
Prior Year Adjustment-Voided Checks	\$ 16,084
Total	<u>\$ 16,084</u>

Federal Statements

Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Books & Instructional				
Material	11,720	11,720		
Building repairs and				
Maintenance	14,994		14,994	
Consulting	1,666		1,666	
Equipment Lease	5,009		5,009	
Insurance	13,695		13,695	
Interest	4,981		4,981	
Licenses	106	106		
Membership	5,021	5,021		
Payroll Service	1,591	1,399	192	
Penalties	584		584	
Special Assistance	5,747	5,747		
Special Events	2,873	2,873		
Staff Recognition	593		593	
Subcontracting/Teaching	10,193	10,193		
Utilities	8,066		8,066	
Total	<u>\$ 86,839</u>	<u>\$ 37,059</u>	<u>\$ 49,780</u>	<u>\$ 0</u>

Federal Statements**Statement 5 - Form 990, Part IV-A - Other Revenue Included in Financial Statements**

Description	Amount
Rental expenses	\$ 10,301
Total	<u>\$ 10,301</u>

Statement 6 - Form 990, Part IV-A - Other Revenue Included on Return

Description	Amount
Loss on Sale of Assets	\$ -1,521
Total	<u>\$ -1,521</u>

Statement 7 - Form 990, Part IV-B - Other Expenses Included in Financial Statements

Description	Amount
Rental expenses	\$ 10,301
Total	<u>\$ 10,301</u>

Statement 8 - Form 990, Part IV-B - Other Expenses Included on Return

Description	Amount
Loss on Sale of Assets	\$ -1,521
Total	<u>\$ -1,521</u>

Federal Statements

Statement 9 - Form 990, Part V - List of Officers, Directors, Trustees, and Key Employees

Name		Title		Average Hours	City, State, Zip
Comp	Benefits	Expenses	Address		
David Belanger	0	0	0	2	Glen Riddle, PA
Maria E. Bartheoletti	0	0	0	2	Ridley Park, PA
Patricia C Lewis-West	0	0	0	1	Chester, PA
Neil Roosevelt	0	0	0	1	Wilmington, DE
Connell O'Brien	0	0	0	1	Drexel Hill, PA
Diane Moore	0	0	0	1	Thornton, PA
Joe Ann Craft	0	0	0	1	Brookhaven, PA
Martin Finsterbusch	0	0	0	1	Morton, PA
Thomas M. Hayward	0	0	0	1	Rosemont, PA
John Shelton	0	0	0	1	Chester, PA
Josephine Tsai	0	0	0	1	Media, PA
Carol Roosevelt	0	0	0	1	Wilmington, DE
Patricia R. Gaul	32,100	4,446	0	35	West Chester, PA

**Statement 10 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of
Exp**

SEE PAGE 4, PART V

Year Ending June 30, 2003

23-7423599

Delaware County Literacy Council
2217 Providence Avenue
Chester, PA 19013

**Electing out of the 30% Bonus Depreciation Allowance
for All Eligible Depreciable Property**

The taxpayer elects out of the 30% first-year bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after September 10, 2001 and before May 6, 2003. This election applies to all qualified 30% bonus depreciation property placed in service during the tax year.

Year Ending June 30, 2003

23-7423599

Delaware County Literacy Council
2217 Providence Avenue
Chester, PA 19013

**Electing out of the 50% Bonus Depreciation Allowance
for All Eligible Depreciable Property**

The taxpayer elects out of the first-year bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after May 5, 2003. This election applies to all qualified 50% bonus depreciation property placed in service during the tax year.

Federal Asset Report

Indirect Depreciation

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Sec 168(k)	Basis for Depr	PerConv Meth	Prior	Current
5-year GDS Property										
46	2 Computers	3/21/03	2,101				2,101	5 HY 200DB	0	420
47	6 Computers - HP 533W	11/29/02	4,188				4,188	5 HY 200DB	0	838
50	TV/VCR	11/29/02	90				90	5 HY 200DB	0	18
			<u>6,379</u>				<u>6,379</u>		<u>0</u>	<u>1,276</u>
7-year GDS Property										
45	File Cabinets	1/17/03	715				715	7 HY 200DB	0	102
48	File Cabinets	11/16/02	2,323				2,323	7 HY 200DB	0	332
51	Epson 5500 Projector (Used)	12/23/02	1,000				1,000	7 HY 200DB	0	143
			<u>4,038</u>				<u>4,038</u>		<u>0</u>	<u>577</u>
Prior MACRS										
1	Building	4/01/96	94,500				94,500	39 MMS/L	14,881	2,423
3	Building Improvements	4/01/96	14,048				14,048	39 MMS/L	2,208	360
4	Improvements	6/27/97	4,833				4,833	39 MMS/L	625	124
5	Improvements	12/11/96	729				729	39 MMS/L	104	19
6	Equipment	4/01/96	2,735				2,735	7 HY 200DB	2,609	126
7	Building Improvements	9/30/97	15,048				15,048	39 MMS/L	1,849	386
8	Building Improvements	12/31/97	11,866				11,866	39 MMS/L	1,382	304
9	Building Improvements	3/31/98	6,032				6,032	39 MMS/L	664	155
10	Building Improvements	6/30/98	1,710				1,710	39 MMS/L	177	44
11	Battery Pack for Telephone System	3/01/98	889				889	7 HY 200DB	691	79
12	1 Computer	3/17/98	750				750	5 HY 200DB	707	43
13	Building Improvements	9/30/98	1,195				1,195	39 MMS/L	116	31
14	Building Improvements	12/31/98	3,765				3,765	39 MMS/L	342	97
15	Building Improvements	12/31/98	2,000				2,000	39 MMS/L	169	51
16	Building Improvements	6/30/99	1,900				1,900	39 MMS/L	148	49
17	Computer Equipments - Microcenter	11/03/98	216				216	5 HY 200DB	179	25
18	Stools/Rolling Cabinets	2/15/99	479				479	7 HY 200DB	329	43
19	5 Computers	2/18/99	225				225	5 HY 200DB	186	26
20	Printer	3/01/99	100				100	5 HY 200DB	83	12
21	New Computer for Computer Lab	4/20/99	4,520				4,520	5 HY 200DB	3,739	521
22	Table/Desks for all Offices	5/20/99	2,791				2,791	7 HY 200DB	1,919	249
23	New Tables/Desks for all Offices	6/15/99	1,200				1,200	7 HY 200DB	825	107
24	New Computers for Computer Lab	6/28/99	1,650				1,650	5 HY 200DB	1,365	190
25	Office Furniture	6/30/99	5,752				5,752	7 HY 200DB	3,955	513
26	Sears Computer	6/30/99	500				500	5 HY 200DB	414	58
27	Staples - Printer	11/16/98	570				570	5 HY 200DB	471	66
28	Computer at Pat Gauls Desk	11/04/98	1,069				1,069	5 HY 200DB	884	123
29	Building Improvements	8/17/99	975				975	39 MMS/L	72	25
30	New Air Conditioning	9/30/99	7,275				7,275	39 MMS/L	521	187
31	Roof	9/28/99	1,350				1,350	39 MMS/L	97	35
32	Double Sided Sutters	12/31/99	2,825				2,825	39 MMS/L	184	72
33	Carpet	9/30/99	1,968				1,968	39 MMS/L	141	50
34	Office Furniture	9/08/99	600				600	7 HY 200DB	338	75
35	New Computers	9/30/99	1,335				1,335	5 HY 200DB	951	154
36	New Sears Computers	12/31/99	2,000				2,000	5 HY 200DB	1,424	230
37	Digital Camera and Case	12/31/99	520				520	5 HY 200DB	370	60
38	Computer Equipment	8/10/00	500				500	5 HY 200DB	260	96
39	Computer Equipment	9/01/00	1,000				1,000	5 HY 200DB	520	192
40	Shutters	8/09/00	700				700	39 MMS/L	34	18
41	Shutters	12/08/00	1,000				1,000	39 MMS/L	40	26
42	Parking Lots Improvements	4/20/02	19,912				19,912	39 MMS/L	106	511
49	1 Computer	3/17/98	750				750	5 HY 200DB	707	43
	Sold/Scrapped 6/30/03									
			<u>223,782</u>				<u>223,782</u>		<u>46,786</u>	<u>7,998</u>
Other Depreciation:										
2	Land	4/01/96	10,000				10,000	0 -- Land	0	0
43	Retrofit Van	5/17/02	1,800				1,800	7 MO S/L	21	257
	Sold/Scrapped 6/30/03									
44	Van	12/13/01	6,625				6,625	5 MO S/L	773	1,325

Federal Asset Report Indirect Depreciation

Asset	Description	Date In Service	Cost	Bus %	Sec 179	Sec 168(k)	Basis for Depr	PerConv Meth	Pnor	Current
	Total Other Depreciation		<u>18,425</u>				<u>18,425</u>		<u>794</u>	<u>1,582</u>
	Total ACRS and Other Depreciation		<u>18,425</u>				<u>18,425</u>		<u>794</u>	<u>1,582</u>
	Grand Totals		252,624				252,624		47,580	11,433
	Less Dispositions		<u>2,550</u>							
	Net Grand Totals		<u>250,074</u>							