

Return of Organization Exempt from Income Tax

2002

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

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, 2002, and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: DELPHI ACADEMY OF BOSTON, INC. D Employer identification number: 04-2699036. E Telephone number: (617) 333-9610. F Accounting method: Accrual.

G Web site. H and I are not applicable to section 527 organizations. H (a) Is this a group return for affiliates? H (b) if Yes enter number of affiliates. H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling?

J Organization type: 501(c) 3. K Check here if the organization's gross receipts are normally not more than \$25,000. L Gross receipts: 1,410,828.

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

Table with 21 rows and 3 columns. Row 1: Contributions, gifts, grants, and similar amounts received. Row 12: Total revenue (1,410,828). Row 17: Total expenses (1,320,078). Row 18: Excess or (deficit) for the year (90,750). Row 19: Net assets or fund balances at beginning of year (821,697). Row 21: Net assets or fund balances at end of year (912,447).

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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

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 (att sch) (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25 128,828	0	128,828	0
26 Other salaries and wages	26 529,106	529,106	0	0
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29 44,708	35,954	8,754	0
30 Professional fundraising fees	30			
31 Accounting fees	31 3,613	3,613	0	0
32 Legal fees	32 2,224	1,724	500	0
33 Supplies	33 3,769	3,769	0	0
34 Telephone	34 3,497	3,497	0	0
35 Postage and shipping	35 4,828	4,828	0	0
36 Occupancy	36 137,027	137,027	0	0
37 Equipment rental and maintenance	37 0	0	0	0
38 Printing and publications	38			
39 Travel	39 4,801	4,801	0	0
40 Conferences, conventions, and meetings	40			
41 Interest	41 1,051	1,051	0	0
42 Depreciation, depletion, etc (attach schedule)	42 40,682	40,682	0	0
43 Other expenses not covered above (itemize)				
a ADVERTISING	43a 109,129	109,129	0	0
b CURRICULUM COSTS	43b 164,462	164,462	0	0
c DUES & LICENSES	43c 3,139	3,139	0	0
d FUNDRAISING EXPENSES	43d 23,108	0	0	23,108
e See Other Expenses Stmt	43e 116,106	116,106	0	0
44 Total functional expenses (add lines 22-43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 1,320,078	1,158,888	138,082	23,108

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

What is the organization's primary exempt purpose? <u>PRIVATE SCHOOL</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts but optional for others)
a DELPHI ACADEMY OF BOSTON, INC, A MASSACHUSETTS NONPROFIT CORPORATION, IS ORGANIZED EXCLUSIVELY FOR EDUCATIONAL AND CHARITABLE PURPOSES. SEE ATTACHED SHEET FOR CONTINUATION (Grants and allocations \$ 0)	1,158,888
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	1,158,888

Part IV Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year	
Note. Where required, attached schedules and amounts within the description column should be for end of-year amounts only					
ASSETS	45	Cash – non-interest-bearing	3,075	45	13,438
	46	Savings and temporary cash investments	458,247	46	587,913
	47a	Accounts receivable			
		b Less allowance for doubtful accounts	409		
			5,255	47c	409
	48a	Pledges receivable			
		b Less allowance for doubtful accounts			
	49	Grants receivable		49	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a	Other notes & loans receivable (attach sch)			
		b Less allowance for doubtful accounts			
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges		53	
	54	Investments – securities (attach schedule)		54	
		<input type="checkbox"/> Cost <input type="checkbox"/> FMV			
	55a	Investments – land, buildings, & equipment basis			
		b Less accumulated depreciation (attach schedule)			
	56	Investments – other (attach schedule)	L-56 Stmt 191,473	56	178,672
	57a	Land, buildings, and equipment basis	645,612		
	b Less accumulated depreciation (attach schedule) L-57 Stmt	300,561			
		328,114	57c	345,051	
58	Other assets (describe ▶ _____)		58		
59	Total assets (add lines 45 through 58) (must equal line 74)	986,164	59	1,125,483	
LIABILITIES	60	Accounts payable and accrued expenses	9,613	60	16,701
	61	Grants payable		61	
	62	Deferred revenue	154,854	62	196,335
	63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a	Tax exempt bond liabilities (attach schedule)		64a	
		b Mortgages and other notes payable (attach schedule)		64b	
	65	Other liabilities (describe ▶ _____)		65	
66	Total liabilities (add lines 60 through 65)	164,467	66	213,036	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
	67	Unrestricted	821,697	67	912,447
	68	Temporarily restricted		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)	821,697	73	912,447
	74	Total liabilities and net assets/fund balances (add lines 66 and 73)	986,164	74	1,125,483

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 instructions)

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

a	Total revenue, gains, and other support per audited financial statements	a	1,433,937
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)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	1,433,937
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$ -23,109		
(2)	Other (specify)		
	----- \$		
	Add amounts on lines (1) and (2)	d	-23,109
e	Total revenue per line 12, Form 990 (line c plus line d)	e	1,410,828

a	Total expenses and losses per audited financial statements	a	1,320,078
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)		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	1,320,078
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	1,320,078

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
ELLEN GARRISON DORCHESTER, MA 02124	PRESIDENT 47	62,141	0	0
PHYLLIS NUCCIO RANDOLPH, MA	TREASURER 40	30,633	0	0
CORRINE PERKINS DORCHESTER, MA	VP/SECRETARY 46	36,054	0	0
ELLEN GARRISON DORCHESTER, MA 02124	DIRECTOR 47	0	0	0
CORRINE PERKINS DORCHESTER, MA	DIRECTOR 46	0	0	0
PHYLLIS NUCCIO RANDOLPH, MA	DIRECTOR 40	0	0	0

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 instructions

Part VI Other Information (See 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 income of \$1,000 or more during the year covered by this return?		X
78b	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 _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a	Enter direct or indirect political expenditures See line 81 instructions	81a	0
81b	Did the organization file Form 1120-POL for this year?		X
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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	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?		84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	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		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	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
85h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86	501(c)(7) organizations 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) organizations 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 ▶ 0, section 4912 ▶ 0, section 4955 ▶ 0		
89b	501(c)(3) and 501(c)(4) organizations 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		▶	
90a	List the states with which a copy of this return is filed▶ MASSACHUSETTS		
90b	Number of employees employed in the pay period that includes March 12, 2002 (See instructions)	90b	28
91	The books are in care of▶ CORRINE PERKINS Telephone number▶ (617) 333-9610 Located at▶ 564 BLUE HILL AVENUE, MILTON MA ZIP + 4▶ 02186-2610		
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 instructions)

Note. Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 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 TUITION & FEES					1,372,286
b BOOK SALES	611110		03		627
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					19,247
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					-23,109
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))					1,369,051
105 Total (add line 104, columns (B), (D), and (E))					1,369,051

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 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)
93a	THE EXEMPT ORGANIZATION'S SCHOOL ACTIVITIES FURTHER ITS EXEMPT PURPOSE BY PROVIDING INSTRUCTION & TRAINING TO INDIVIDUAL STUDENTS
	See Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See instructions) N/A

(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
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See 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)

Please Sign Here

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.

Signature of officer: *Corrine Perkins* Date: 5/3-03

Type or print name and title: Corrine Perkins Vice President

Paid Preparer's Use Only

Preparer's signature: *S N Brown CPA* Date: 05/01/03

Check if self employed: Preparer's SSN or PTIN (see General Instruction W): P00313352

Firm's name (or yours if self employed) address and ZIP + 4: S N BROWN, CPAs 150 Wood Rd - Suite 304 Braintree MA 02184-2504

EIN: 04-2818385 Phone no: (781) 848-0636

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No 1545-0047

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

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

DELPHI ACADEMY OF BOSTON, INC

Employer identification number

04-2699036

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See 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 benefit plans and deferred compensation	(e) Expense account and other allowances
NONE				

Total number of other employees paid over \$50,000 ▶ NONE				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions 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 ▶ NONE		

Part III Statements About Activities (See 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. ▶ \$ <u>0</u> (Must equal amounts 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? See Part V, Form 990		X
d	Payment of compensation (or payment or reimbursement of expenses 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			

Part IV Reason for Non-Private Foundation Status (See 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 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 instructions)

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

N/A

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.)					
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 income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11.

a Enter 2% of amount in column (e), line 24 ▶ **26 a**

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 ▶ **26 b**

c Total support for section 509(a)(1) test. Enter line 24, column (e) ▶ **26 c**

d Add: Amounts from column (e) for lines **18** _____ **19** _____ **22** _____ **26 b** _____ ▶ **26 d**

e Public support (line 26c minus line 26d total) ▶ **26 e**

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ **26 f** %

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:
 (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:
 (2001) _____ (2000) _____ (1999) _____ (1998) _____

c Add: Amounts from column (e) for lines **15** _____ **16** _____ **17** _____ **20** _____ **21** _____ ▶ **27 c**

d Add: Line 27a total _____ and line 27b total _____ ▶ **27 d**

e Public support (line 27c total minus line 27d total) ▶ **27 e**

f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶ **27 f**

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ **27 g** %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ **27 h** %

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 instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	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?	X	
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?	X	
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) <u>THE SCHOOL PUBLISHES THEIR NONDISCRIMINATION POLICY</u> <u>YEARLY IN THE LOCAL NEWSPAPERS</u>	X	
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d Copies of all material used by the organization or on its behalf to solicit contributions?	X	
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?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
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?		X
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		X
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	X	

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term 'expenditures' means amounts paid or incurred)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	0
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0
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		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	0
43	Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	0
44	Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	0
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)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in) ▶	(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 non taxable 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 instructions)

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 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

Depreciation and Amortization
(Including Information on Listed Property)

2002
67

Department of the Treasury
Internal Revenue Service

▶ See separate instructions
▶ Attach to your tax return.

Name(s) shown on return
DELPHI ACADEMY OF BOSTON, INC

Identifying number
04-2699036

Business or activity to which this form relates
Form 990 / Form 990EZ

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 instructions for a higher limit for certain businesses	1	\$24,000
2	Total cost of section 179 property placed in service (see 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 instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
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 instrs)	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 property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	33,232
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		7,648	5 0 yrs	HY	200DB	1,530
c 7 year property		33,284	7 0 yrs	HY	200DB	4,755
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			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				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 instructions)

21	Listed property Enter amount from line 28	21	1,165
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 instructions	22	40,682
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	

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, completely 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 instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No		24b If 'Yes,' is the evidence written?		<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)			
Type of property (list vehicles first)	Date placed in service	Business/investment use percentage	Cost or other basis	Basis for depreciation (business/investment use only)	Recovery period	Method/Convention	Depreciation deduction	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 (see instructions)							25				
26 Property used more than 50% in a qualified business use (see instructions)											
PHONE SYSTEM-TOSHIBA	04/10/02	100 00	8,156	8,156	7 00	200DB/HY	1,165				
27 Property used 50% or less in a qualified business use (see instructions)											
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	1,165			
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 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)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
30 Total business/investment miles driven during the year (do not include commuting miles - see instructions)												
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												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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 (see instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See 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? (see instructions)		
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)	(b)	(c)	(d)	(e)	(f)
Description of costs	Date amortization begins	Amortizable amount	Code section	Amortization period or percentage	Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see instructions)					
43 Amortization of costs that began before your 2002 tax year				43	
44 Total. Add amounts in column (f) See instructions for where to report				44	

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

Other expenses not covered above (itemize)	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
INSURANCE	8,829	8,829	0	0
JANITORIAL/MAINTENANCE	16,649	16,649	0	0
LICENSE FEE	85,477	85,477	0	0
STAFF TRAINING	5,151	5,151	0	0
Total	116,106	116,106	0	0

Form 990, Page 3, Part IV, Line 56

Investments - Other Statement

Line 56 – Investments - Other:	Beginning of Year	End of Year
NORTHEAST INVESTORS TRUST MUTUAL FUNDS	116,924	120,702
MUTUAL OF AMERICA	74,549	57,970
Total	191,473	178,672

Form 990, Page 3, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
FURNITURE & FIXTURES	6,429	6,429	0
MACHINERY & EQUIPMENT	13,789	13,789	0
IMPROVEMENTS	284,206	155,058	129,148
MISCELLANEOUS	14,053	14,053	0
COMPUTER EQUIPMENT	280	280	0
COMPUTER EQUIPMENT	1,180	1,180	0
COMPUTER EQUIPMENT	2,011	2,011	0
CONSTRUCTION	83,178	14,489	68,689
CONSTRUCTION	31,736	5,325	26,411
CONSTRUCTION	18,837	3,039	15,798
EQUIPMENT	1,411	1,348	63
EQUIPMENT	1,943	1,856	87
EQUIPMENT	1,061	1,014	47
EQUIPMENT	1,000	955	45
CARPETS	5,562	5,314	248
CARPETS	630	602	28
FURNITURE	119	114	5
FURNITURE	1,153	1,102	51
FURNITURE	7,255	6,931	324
FURNITURE	586	560	26
PLAYGROUND	12,736	12,168	568
EQUIPMENT	60	50	10
COMPUTERS	16,400	15,455	945
COPIER	3,240	3,053	187
EQUIPMENT	547	452	95

Form 990, Page 3, Part IV, Lines 57a & 57b
Land, Buildings and Equipment Statement

Continued

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
IMPROVEMENTS	3,975	2,733	1,242
FURN & FIXT	3,213	1,808	1,405
IMPROVEMENTS	48,490	7,032	41,458
COMPUTERS	13,493	7,017	6,476
COPIER	14,803	6,674	8,129
FURNITURE	941	365	576
FURNITURE	2,206	855	1,351
IMPROVEMENTS	26,646	3,807	22,839
PHONE SYSTEM	8,156	1,165	6,991
COMPUTER EQUIP	7,648	1,530	6,118
FURNITURE	6,639	948	5,691
Total	<u>645,612</u>	<u>300,561</u>	<u>345,051</u>

Form 990, Page 6, Part VIII

Relationship of Activities to the Accomplishment of Exempt Purposes Statement

Line Number ▼	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)
93b	THE EXEMPT ORGANIZATION'S BOOK SALES FURTHER ITS EXEMPT PURPOSE OF PROVIDING EDUCATIONAL MATERIALS TO STUDENTS
95	THE EXEMPT ORGANIZATION'S USE OF INTEREST BEARING ACCOUNTS FURTHER ITS EXEMPT PURPOSE BY PROVIDING ADDITIONAL FUNDS FOR THE SCHOOL'S USE

Additional Information For Tax Return

DELPHI ACADEMY OF BOSTON, INC

04-2699036

Form 990 p 2 Accomplishments-a

IN FULFILLING ITS EXPEMT PURPOSE DURING 2002, THE ORGANIZATION OPERATED A DAY SCHOOL IN MILTON, MASSACHUSETTS (THE DELPHI ACADEMY OF BOSTON)

TO FULFILL ITS EXEMPT PURPOSE IN THE FUTURE, THE ORGANIZATION WILL CONCENTRATE ON THE EXPANSION AND QUALITY OF ITS K-8 GRANT EDUCATIONAL PROGRAM AT ITS DAY SCHOOL

DELPHI ACADEMY OF BOSTON, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2002

S. N. BROWN

DELPHI ACADEMY OF BOSTON, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2002

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S. N. BROWN

CERTIFIED PUBLIC ACCOUNTANTS

SHELDON N BROWN, C PA

150 WOOD ROAD
SUITE 304
BRAintree, MASSACHUSETTS 02184

INDEPENDENT AUDITORS' REPORT

TEL (781) 848-0636
FAX (781) 849-9595

To the Board of Trustees of
Delphi Academy of Boston, Inc.

RICHARD T BOWE, C PA (ASSOCIATE)

We have audited the accompanying statement of financial position of Delphi Academy of Boston, Inc. (A Massachusetts non-profit organization) as of December 31, 2002, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delphi Academy of Boston, Inc. as of December 31, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on Schedule I is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Braintree, Massachusetts
March 20, 2003



DELPHI ACADEMY OF BOSTON, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2002

ASSETS			
<u>CURRENT ASSETS</u>	<u>OPERATING FUNDS</u>	<u>PLANT FUNDS</u>	<u>TOTAL ALL FUNDS</u>
Cash	\$ 601,351	\$ -	\$ 601,351
Investments	178,672	-	178,672
Accounts receivable	<u>409</u>	<u>-</u>	<u>409</u>
Total current assets	<u>780,432</u>	<u>-</u>	<u>780,432</u>
<u>FIXED ASSETS</u>			
Equipment, books & reference materials	-	145,644	145,644
Leasehold improvements	<u>-</u>	<u>499,968</u>	<u>499,968</u>
	-	645,612	645,612
Less accumulated depreciation	<u>-</u>	<u>300,561</u>	<u>300,561</u>
Total fixed assets	<u>-</u>	<u>345,051</u>	<u>345,051</u>
TOTAL ASSETS	<u>\$ 780,432</u>	<u>\$ 345,051</u>	<u>\$1,125,483</u>

LIABILITIES AND NET ASSETS			
<u>CURRENT LIABILITIES</u>			
Deferred tuition revenue	\$ 196,335	\$ -	\$ 196,335
Accrued fees & payroll taxes	<u>16,701</u>	<u>-</u>	<u>16,701</u>
Total current liabilities	<u>213,036</u>	<u>-</u>	<u>213,036</u>
<u>NET ASSETS</u>			
Unrestricted net assets	567,396	-	567,396
Net investment in plant	<u>-</u>	<u>345,051</u>	<u>345,051</u>
Total net assets	<u>567,396</u>	<u>345,051</u>	<u>912,447</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 780,432</u>	<u>\$ 345,051</u>	<u>\$1,125,483</u>

The accompanying notes to financial statements are an integral part of these statements.

DELPHI ACADEMY OF BOSTON, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>OPERATING FUNDS</u>	<u>PLANT FUNDS</u>	<u>TOTAL ALL FUNDS</u>
<u>REVENUES AND OTHER SUPPORT:</u>			
Tuition & fees	\$1,372,286	\$ -	\$1,372,286
Contributions	41,253	-	41,253
Grants	524	-	524
Book sales	627	-	627
Interest/dividend income	<u>19,247</u>	<u>-</u>	<u>19,247</u>
Total support & revenues	<u>1,433,937</u>	<u>-</u>	<u>1,433,937</u>
<u>EXPENSES</u>			
<u>Program Services:</u>			
Instruction and student activities	702,643	-	702,643
Occupancy	137,027	-	137,027
Consulting fees	5,837	-	5,837
Curriculum costs	164,470	-	164,470
Promotions	109,129	-	109,129
Other program services	<u>127,833</u>	<u>40,682</u>	<u>168,515</u>
Total program services	<u>1,246,939</u>	<u>40,682</u>	<u>1,287,621</u>
<u>Supporting Services:</u>			
General administration expense	9,349	-	9,349
Fund raising	<u>23,108</u>	<u>-</u>	<u>23,108</u>
Total supporting services	<u>32,457</u>	<u>-</u>	<u>32,457</u>
Total expenses	<u>1,279,396</u>	<u>40,682</u>	<u>1,320,078</u>
Unrealized loss on investment	(23,109)	-	(23,109)
Fixed asset additions	<u>(57,619)</u>	<u>57,619</u>	<u>-</u>
Change in net assets	73,813	16,937	90,750
<u>NET ASSETS, BEGINNING OF YEAR</u>	<u>493,583</u>	<u>328,114</u>	<u>821,697</u>
<u>NET ASSETS, END OF YEAR</u>	<u>\$ 567,396</u>	<u>\$345,051</u>	<u>\$ 912,447</u>

The accompanying notes to financial statements are an integral part of these statements.

DELPHI ACADEMY OF BOSTON, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>OPERATING FUNDS</u>	<u>PLANT FUNDS</u>	<u>TOTAL ALL FUNDS</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Changes in net assets	\$ 73,813	\$ 16,937	\$ 90,750
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	-	40,682	40,682
Unrealized loss on investment	23,109	-	23,109
Changes in assets and liabilities:			
Accounts receivable	4,846	-	4,846
Accrued fees & payroll taxes	7,088	-	7,088
Deferred tuition revenue	<u>41,481</u>	<u>-</u>	<u>41,481</u>
Total adjustments	76,524	40,682	117,206
Net cash provided by operating activities	<u>150,337</u>	<u>57,619</u>	<u>207,956</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Additions to property and equipment	-	(57,619)	(57,619)
Purchase of investments	<u>(10,308)</u>	<u>-</u>	<u>(10,308)</u>
Net cash utilized in investing activities	<u>(10,308)</u>	<u>(57,619)</u>	<u>(67,927)</u>
<u>NET INCREASE IN CASH</u>	140,029	-	140,029
<u>CASH BALANCE, BEGINNING OF YEAR</u>	<u>461,322</u>	<u>-</u>	<u>461,322</u>
<u>CASH BALANCE, END OF YEAR</u>	<u>\$601,351</u>	<u>\$ -</u>	<u>\$601,351</u>
<u>SUPPLEMENTAL CASH FLOW INFORMATION</u>			
Cash paid during the year for interest	\$ 1,051	\$ -	\$ 1,051

The accompanying notes to financial statements are
an integral part of these statements.

DELPHI ACADEMY OF BOSTON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

The private school is a non-profit organization which provides specialized learning techniques to enhance the education of its students. The school is supported primarily through tuition and contributions.

Method of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

The accounts of the Organization are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

Investments

The school adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Other matters

Tuition income is recorded as earned for each school year. Tuition received in advance for the ensuing school year is deferred and included in liabilities in the financial statements.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income tax status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

DELPHI ACADEMY OF BOSTON, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For purposes of the statements of cash flows, cash and cash equivalents are considered to be all unrestricted highly liquid investments with maturities of three months or less at the time of acquisition.

Fixed assets

Fixed assets are stated at cost. Depreciation is provided in amounts estimated to allocate the cost of the assets over their expected useful lives. Depreciation expense for 2002 was \$40,682.

NOTE 2 - LONG TERM LEASE

The Organization conducts its operations from facilities that are leased under a 5 year lease expiring in August, 2004. The Organization pays for all heat, light, power, repairs, alterations, additions and improvements during the term of the lease. Occupancy expenses under this lease were \$137,027 for the year ended 2002.

Future obligations over the term of the Organization's long-term lease (excluding utilities, etc.) as of December 31, 2002 are:

<u>Year ended</u> <u>December 31</u>	<u>Amount</u>
2003	180,000
2004	<u>105,000</u>
	<u>\$285,000</u>

NOTE 3 - INVESTMENTS

Investments, at fair value, consist of the following:

Mutual funds (cost of \$283,416)	\$178,672
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NOTE 4 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash in bank accounts in excess of the established limit insured by the Federal Deposit Insurance Corporation (FDIC).

DELPHI ACADEMY OF BOSTON, INC.
 SUPPLEMENTAL SCHEDULE OF OTHER PROGRAM
 SERVICES AND GENERAL ADMINISTRATION EXPENSES
 FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>OPERATING FUNDS</u>	<u>PLANT FUNDS</u>	<u>TOTAL ALL FUNDS</u>
<u>OTHER PROGRAM SERVICES:</u>			
Supplies	\$ 3,769	\$ -	\$ 3,769
Janitorial/estate maintenance	16,641	-	16,641
License royalties	85,477	-	85,477
Postage	4,828	-	4,828
Dues & licenses	3,138	-	3,138
Insurance	8,829	-	8,829
Staff training	5,151	-	5,151
Depreciation	<u>-</u>	<u>40,682</u>	<u>40,682</u>
 Total other program services	 <u>\$127,833</u>	 <u>\$ 40,682</u>	 <u>\$ 168,515</u>
<u>GENERAL ADMINISTRATION EXPENSES:</u>			
Telephone	\$ 3,497	\$ -	\$ 3,497
Travel	4,801	-	4,801
Interest expense	<u>1,051</u>	<u>-</u>	<u>1,051</u>
 Total administration expenses	 <u>\$ 9,349</u>	 <u>\$ -</u>	 <u>\$ 9,349</u>

The accompanying notes to financial statements are
 an integral part of these statements.

S. N. BROWN