Form **990**

Department of the Treasury
Internal Revenue Service

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)

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

OMB No 1545-0047

2002

Open to Public Inspection

A For the 2002 calendar year, or tax year period beginning and ending

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: DELPHI SCHOOLS, INC.

Number and street (or P O box if mail is not delivered to street address): 20950 S.W. ROCK CREEK ROAD — Room/suite

City or town, state or country, and ZIP + 4: SHERIDAN, OR 97378

D Employer identification number: 93-0630376

E Telephone number: (503)843-3521

F Accounting method: [ ] Cash [X] Accrual [ ] 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 [X] No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? N/A [ ] Yes [ ] No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [X] No

G Web site ▶WWW.DELPHIAN.ORG

J Organization type (check only one) ▶ [X] 501(c) (3) ◀ (insert no) [ ] 4947(a)(1) or [ ] 527

I Enter 4-digit GEN ▶

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**

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 10,189,152.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received				
	a	Direct public support	1a	195,687.		
	b	Indirect public support	1b	336,877.		
	c	Government contributions (grants)	1c			
	d	Total (add lines 1a through 1c) (cash $ 532,564. noncash $)			1d	532,564.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	9,400,047.
	3	Membership dues and assessments			3	
	4	Interest on savings and temporary cash investments			4	96,778.
	5	Dividends and interest from securities			5	11,742.
	6 a	Gross rents SEE STATEMENT 1	6a	38,678.		
	b	Less rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	38,678.
	7	Other investment income (describe ▶)			7	
	8 a	Gross amount from sale of assets other than inventory — (A) Securities: ; (B) Other	8a	13,140.		
	b	Less cost or other basis and sales expenses	8b			
	c	Gain or (loss) (attach schedule)	8c	13,140.		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B)) STMT 2			8d	13,140.
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including $ of contributions reported on line 1a)	9a			
	b	Less direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a	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 (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	96,203.
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	10,189,152.
Expenses	13	Program services (from line 44, column (B))			13	9,390,999.
	14	Management and general (from line 44, column (C))			14	675,119.
	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	10,066,118.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	123,034.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	3,595,939.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3			20	<45,448.>
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	3,673,525.

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223001 01 22 03 LHA **For Paperwork Reduction Act Notice, see the separate instructions** 2203 Form 990 (2002)

21370512 756026 27020 2002.05040 DELPHI SCHOOLS, INC. 27020__1

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 (attach schedule) cash $ 99,999. noncash $	22	99,999.	99,999.	STATEMENT 6	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc	25	236,149.	94,460.	141,689.	0.
26 Other salaries and wages	26	3,685,889.	3,501,595.	184,294.	
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	294,171.	279,462.	14,709.	
30 Professional fundraising fees	30				
31 Accounting fees	31	12,000.	6,000.	6,000.	
32 Legal fees	32	73,008.	36,504.	36,504.	
33 Supplies	33	51,290.	47,700.	3,590.	
34 Telephone	34	73,651.	69,968.	3,683.	
35 Postage and shipping	35	40,286.	38,272.	2,014.	
36 Occupancy	36	1,643,158.	1,528,137.	115,021.	
37 Equipment rental and maintenance	37	36,771.	34,312.	2,459.	
38 Printing and publications	38				
39 Travel	39	18,994.	9,497.	9,497.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	2,832.	2,690.	142.	
42 Depreciation, depletion, etc (attach schedule)	42	227,084.	211,188.	15,896.	
43 Other expenses not covered above (itemize)					
a	43a				
b	43b				
c	43c				
d	43d				
e SEE STATEMENT 4	43e	3,570,836.	3,431,215.	139,621.	
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13 15	44	10,066,118.	9,390,999.	675,119.	0.

Joint Costs Check ▶ ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs $ ________, (ii) the amount allocated to Program services $ ________,

(iii) the amount allocated to Management and general $ ________, and (iv) the amount allocated to Fundraising $

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ▶

OPERATES EXCLUSIVELY AS AN EDUCATIONAL INSTITUTION.

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.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts but optional for others)
a SEE STATEMENT 5 (Grants and allocations $)	9,390,999.
b (Grants and allocations $)	
c (Grants and allocations $)	
d (Grants and allocations $)	
e Other program services (attach schedule) (Grants and allocations $)	
f **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	9,390,999.

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Part IV Balance Sheets

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
Assets					
45 Cash - non interest bearing			271,319.	45	295,540.
46 Savings and temporary cash investments			4,527,875.	46	4,338,282.
47 a Accounts receivable	47a	9,602.			
b Less allowance for doubtful accounts	47b		21,720.	47c	9,602.
48 a Pledges receivable	48a				
b Less allowance for doubtful accounts	48b			48c	
49 Grants receivable				49	
50 Receivables from officers, directors, trustees, and key employees				50	
51 a Other notes and loans receivable	51a				
b Less allowance for doubtful accounts	51b			51c	
52 Inventories for sale or use			54,900.	52	57,817.
53 Prepaid expenses and deferred charges			84,336.	53	70,497.
54 Investments - securities STMT 7 ▶ ☐ Cost ☒ FMV			253,531.	54	339,121.
55 a Investments - land, buildings, and equipment: basis	55a				
b Less accumulated depreciation	55b			55c	
56 Investments - other SEE STATEMENT 8			3,824.	56	2,960.
57 a Land, buildings, and equipment: basis	57a	3,182,587.			
b Less accumulated depreciation	57b	1,745,503.	1,099,836.	57c	1,437,084.
58 Other assets (describe ▶ SEE STATEMENT 9)			51,821.	58	54,235.
59 **Total assets** (add lines 45 through 58) (must equal line 74)			6,369,162.	59	6,605,138.
Liabilities					
60 Accounts payable and accrued expenses			325,188.	60	373,921.
61 Grants payable				61	
62 Deferred revenue				62	
63 Loans from officers, directors, trustees, and key employees				63	
64 a Tax-exempt bond liabilities				64a	
b Mortgages and other notes payable STMT 10			26,465.	64b	15,040.
65 Other liabilities (describe ▶ ADVANCED TUITION)			2,421,570.	65	2,542,652.
66 **Total liabilities** (add lines 60 through 65)			2,773,223.	66	2,931,613.
Net Assets or Fund Balances					
Organizations that follow SFAS 117, check here ▶ ☒ and complete lines 67 through 69 and lines 73 and 74					
67 Unrestricted			3,595,939.	67	3,673,525.
68 Temporarily restricted				68	
69 Permanently restricted				69	
Organizations that do not follow SFAS 117, check here ▶ ☐ 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)			3,595,939.	73	3,673,525.
74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			6,369,162.	74	6,605,138.

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

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains, and other support per audited financial statements	a	10143704.
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) $ <45,448.>		
	Add amounts on lines (1) through (4)	b	<45,448.>
c	Line a minus line b	c	10189152.
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 $		
(2)	Other (specify) $		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	10189152.

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

a	Total expenses and losses per audited financial statements	a	10066118.
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	0.
c	Line a minus line b	c	10066118.
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	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	10066118.

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

(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 & deferred compensation	(E) Expense account and other allowances
GREGORY OTT 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	PRESIDENT 50 HOURS	72,385.	2,121.	0.
JANET HOLLANDER 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	VP FOR ADMINISTRATION 41 HOURS	41,430.	4,050.	0.
MARK SIEGEL 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	VP FOR PUBLIC AFFAIRS 50 HOURS	37,711.	4,857.	0.
ROSEMARY DIDEAR 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	VICE PRESIDENT 60 HOURS	43,559.	2,751.	0.
JOHN NOSKO 20950 SW ROCK CREEK ROAD SHERIDAN, OR 97378	SECRETARY/TREASURER 50 HOURS	41,064.	2,994.	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? If "Yes," attach schedule ☐ Yes ☒ No

Part VI Other Information

			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	76		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	77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	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?	80a		X
b	If "Yes," enter the name of the organization ▶ N/A and check whether it is [ ] exempt or [X] nonexempt			
81 a	Enter direct or indirect political expenditures See line 81 instructions — 81a: 0.			
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) — 82b: N/A			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b		
85	*501(c)(4), (5), or (6) organizations* a Were substantially all dues nondeductible by members? N/A	85a		
b	Did the organization make only in-house lobbying expenditures of $2,000 or less? N/A	85b		
	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			
c	Dues, assessments, and similar amounts from members — 85c: N/A			
d	Section 162(e) lobbying and political expenditures — 85d: N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e: N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f: N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g		
h	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? N/A	85h		
86	*501(c)(7) organizations* Enter a Initiation fees and capital contributions included on line 12 — 86a: N/A			
b	Gross receipts, included on line 12, for public use of club facilities — 86b: N/A			
87	*501(c)(12) organizations* Enter a Gross income from members or shareholders — 87a: N/A			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) — 87b: N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Part IX	88		X
89 a	*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.			
b	*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	89b		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0.			
d	Enter Amount of tax on line 89c, above, reimbursed by the organization ▶ 0.			
90 a	List the states with which a copy of this return is filed ▶ OREGON AND CALIFORNIA			
b	Number of employees employed in the pay period that includes March 12, 2002 — 90b: 295			
91	The books are in care of ▶ JEANNE MCKEVITT Telephone no ▶ 503-843-3521			
	Located at ▶ 20950 S.W. ROCK CREEK ROAD, SHERIDAN, OREGON ZIP + 4 ▶ 97378			
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: N/A			

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 section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a TUITION					5,832,354.
b BOARDING FEES					3,381,778.
c YEARBOOK/MISC ACTV FEES					160,295.
d BOOK SALES					25,620.
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	96,778.	
96 Dividends and interest from securities			14	11,742.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	38,678.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18		13,140.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a REFERRAL FEES	541900	2,419.			
b BOOKSTORE & TRANSPORT.			03	93,784.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		2,419.		240,982.	9,413,187.

105 Total (add line 104, columns (B), (D), and (E)) ▶ 9,656,588.

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).
	SEE STATEMENT 11

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).*

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.

▶ J Nosko | 5/14/03 | ▶ John J Nosko - SEC/TREAS

Signature of officer | Date | Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Patricia J Schmitt | Date 5/13/03 | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN P00159208

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PERKINS & COMPANY, P.C.
1211 SW FIFTH AVE., SUITE 1200
PORTLAND, OREGON 97204-3712

EIN ▶

Phone no. ▶ 503-221-0336

223161 01-22-03

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions)

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

OMB No 1545-0047

2002

Name of the organization: DELPHI SCHOOLS, INC.

Employer identification number: 93 0630376

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 benefit plans & deferred compensation	(e) Expense account and other allowances
HAROLD HAWKINS 20950 S.W. ROCK CREEK ROAD, SHERIDAN	HEADMASTER 60	60,180.		
NANCY HAWKINS 20950 S.W. ROCK CREEK ROAD, SHERIDAN	DEP HDMSTR 60	62,425.		
Total number of other employees paid over $50,000 ▶	0			

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

(See page 2 of the 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 ▶ 0		

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 amounts on line 38, Part VI-A, or line i of Part VI-B)**	1		X
	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			
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)* SEE STATEMENT 12			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc ? (See **Note** below)	3		X
4	Do you have a section 403(b) annuity plan for your employees?	4		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 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)

Schedule A (Form 990 or 990-EZ) 2002

223111
01-22-03

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	0.	0.	0.	0.	0.
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 ▶ 26a N/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 sum of all these excess amounts ▶ 26b N/A

c Total support for section 509(a)(1) test Enter line 24, column (e) ▶ 26c N/A

d Add Amounts from column (e) for lines 18 ______ 19 ______ 22 ______ 26b ______ ▶ 26d N/A

e Public support (line 26c minus line 26d total) ▶ 26e N/A

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

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 ______ ▶ 27c N/A

d Add Line 27a total ______ and line 27b total ______ ▶ 27d N/A

e Public support (line 27c total minus line 27d total) ▶ 27e N/A

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) ▶ 27f N/A

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

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

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)

			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?	29	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?	30	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?	31	X	
	If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement.) THE EXEMPT ORGANIZATION HAS PUBLISHED NOTICE IN THE REQUIRED FORM STATING ITS RACIALLY NONDISCRIMINATORY POLICIES IN NEWSPAPERS OF GENERAL CIRCULATION AT LEAST ONCE ANNUALLY OR DURING ITS REGISTRATION PERIOD.			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	X	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	X	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	X	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	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?	33a		X
b	Admissions policies?	33b		X
c	Employment of faculty or administrative staff?	33c		X
d	Scholarships or other financial assistance?	33d		X
e	Educational policies?	33e		X
f	Use of facilities?	33f		X
g	Athletic programs?	33g		X
h	Other extracurricular activities?	33h		X
	If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a		X
b	Has the organization's right to such aid ever been revoked or suspended?	34b		X
	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	35	X	

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

(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 (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
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	41		
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		

If the amount on line 40 is -	The lobbying nontaxable amount is -
Not over $500 000	20% of the amount on line 40
Over $500 000 but not over $1 000 000	$100 000 plus 15% of the excess over $500 000
Over $1 000 000 but not over $1 500 000	$175 000 plus 10% of the excess over $1 000 000
Over $1 500 000 but not over $17,000 000	$225 000 plus 5% of the excess over $1 500 000
Over $17 000 000	$1 000 000

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)

Lobbying Expenditures During 4-Year Averaging Period N/A

Calendar year (or fiscal year beginning in) ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

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 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:	Yes	No	Amount
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)			0.

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

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

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

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule N/A

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
SUBLEASE OF LAND	1	38,678.
TOTAL TO FORM 990, PART I, LINE 6A		38,678.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION			DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
2 LAWN MOWERS			VARIOUS	04/30/02	DONATED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	2,790.	6,850.	0.	6,850.	2,790.

DESCRIPTION			DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
DEERE #2840 TRACTOR			06/01/90	06/18/02	DONATED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	7,350.	9,300.	0.	9,300.	7,350.

DESCRIPTION			DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
1992 DODGE 350 VAN			01/01/93	07/30/02	DONATED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	1,000.	16,199.	0.	16,199.	1,000.

DESCRIPTION			DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
'79 20-PASS MINIBUS			08/01/88	09/24/02	DONATED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	2,000.	11,000.	0.	11,000.	2,000.
TO FM 990, PART I, LN 8	13,140.	43,349.	0.	43,349.	13,140.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT 3

DESCRIPTION	AMOUNT
NET UNREALIZED LOSS ON INVESTMENTS	<45,448.>
TOTAL TO FORM 990, PART I, LINE 20	<45,448.>

FORM 990	OTHER EXPENSES	STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
STAFF TRAINING	38,228.	36,317.	1,911.	
LAUNDRY	463.	463.		
FOOD	346,844.	346,844.		
HOT LUNCH PROGRAM	33,886.	33,886.		
EDUCATIONAL EXPENSE	415,111.	415,111.		
YEARBOOK	10,833.	10,833.		
BOOKS FOR RESALE	22,075.	22,075.		
SNACKBAR FOR RESALE	67,706.	67,706.		
FIELD REP	132,865.	132,865.		
BUILDING MAINTENANCE	81,394.	75,696.	5,698.	
JANITORIAL	32,909.	30,605.	2,304.	
ESTATES EQUIPMENT	26,221.	24,386.	1,835.	
ESTATES MAINTENANCE	11,136.	10,356.	780.	
UTILITIES	240,360.	228,342.	12,018.	
INSURANCE	346,185.	242,330.	103,855.	
LICENSE FEES	478,573.	478,573.		
TAXES AND LICENSES	9,547.	8,974.	573.	
DUES	7,975.	7,975.		
BANK CHARGES	46,113.	46,113.		
ADVERTISING	503,063.	503,063.		
MISCELLANEOUS	21,923.	21,320.	603.	
TRANSPORTATION	7,591.	7,060.	531.	
TOURS	36,751.	36,751.		
CURRICULUM FEES AND MATERIALS	402,528.	402,528.		
GAS	19,525.	18,549.	976.	
PHOTOCOPYING	21,094.	20,039.	1,055.	
COMPUTER SUPPLIES	44,254.	42,041.	2,213.	
GIFTS	3,351.	3,351.		
SITE TESTING	149,804.	149,804.		
OTHER PROFESSIONAL SERVICES	9,454.	4,727.	4,727.	
EMPLOYEE PLAN	2,665.	2,532.	133.	
UBI TAX	409.		409.	
TOTAL TO FM 990, LN 43	3,570,836.	3,431,215.	139,621.	

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE ONE

DELPHI SCHOOLS, INC., AN OREGON NONPROFIT CORPORATION, IS ORGANIZED EXCLUSIVELY FOR EDUCATIONAL AND CHARITABLE PURPOSES.
IN FULFILLING ITS EXEMPT PURPOSE DURING 2002, IT CONTINUED DEVELOPMENT OF THE DELPHI PROGRAM (A COMPREHENSIVE, CURRICULUM-BASED SYSTEM FOR THE ADMINISTRATION AND INSTRUCTIONAL COMPONENTS INHERENT IN OPERATING CERTAIN LICENSED "DELPHI ACADEMY" PRIVATE SCHOOLS) TO SIX PRIVATE SCHOOLS OPERATED BY SECTION 501(C)(3) ORGANIZATIONS, AND DIRECTLY OWNED/OPERATED THREE OF THE DELPHI PROGRAM SCHOOLS-- A BOARDING SCHOOL IN SHERIDAN, OREGON (THE DELPHIAN SCHOOL), A DAY SCHOOL IN LOS ANGELES, CALIFORNIA (THE DELPHI ACADEMY OF LOS ANGELES), AND A DAY SCHOOL IN SANTA CLARA, CALIFORNIA (THE DELPHI ACADEMY OF SAN FRANCISCO BAY). APPROXIMATELY 596 STUDENTS ARE ENROLLED.
TO FULFILL ITS EXEMPT PURPOSE IN THE FUTURE, DELPHI SCHOOLS INC., WILL CONCENTRATE ON THE ONGOING DEVELOPMENT OF ITS DELPHI PROGRAM, AS WELL AS ON THE EXPANSION AND IMPROVEMENT OF THE QUALITY OF COURSE OFFERINGS AT ITS OWN THREE DELPHI PROGRAM SCHOOLS.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE A		9,390,999.

FORM 990 CASH GRANTS AND ALLOCATIONS STATEMENT 6

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
TO MEET LOAN COVENANT	PHOCIS, INC.	20950 SW ROCK CREEK ROAD, SHERIDAN, OREGON	DONOR/SUPPORT ORGANIZATION	99,999.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22				99,999.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 7

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE DEBT SECURITIES		206,301.			206,301.
MUTUAL FUNDS				84,520.	84,520.
EQUITY SECURITIES				48,300.	48,300.
TO 990, LN 54 COL B		206,301.		132,820.	339,121.

FORM 990 OTHER INVESTMENTS STATEMENT 8

DESCRIPTION	VALUATION METHOD	AMOUNT
INVESTMENTS IN RARE COINS	MARKET VALUE	2,960.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		2,960.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	AMOUNT
ACCRUED INTEREST	36,110.
RENT RECEIVABLE	18,125.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	54,235.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 10

LENDER'S NAME	TERMS OF REPAYMENT
GE CAPITAL	$2,184 ANNUALLY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
04/03/98	04/03/03	7,883.	13.65%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
GESTETNER DIGITAL COPIER 3225	PURCHASE COPIER

RELATIONSHIP OF LENDER
UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	707.

LENDER'S NAME	TERMS OF REPAYMENT
GREAT AMERICAN LEASING CORP.	$4,985 ANNUALLY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
03/11/99	03/11/04	19,295.	11.10%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
MAIL EQUIPMENT	PURCHASE MAIL EQUIPMENT

RELATIONSHIP OF LENDER
UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	5,813.

LENDER'S NAME	TERMS OF REPAYMENT
CANON, INC	$4,423 ANNUALLY

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
04/05/00	04/05/05	15,000.	16.47%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
CANON COPIER 6551	PURCHASE COPIER

RELATIONSHIP OF LENDER

UNRELATED PARTY

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	8,520.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		15,040.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 11

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE EXEMPT ORGANIZATION'S SCHOOL ACTIVITIES FURTHER ITS EXEMPT PURPOSE BY PROVIDING EDUCATIONAL INSTRUCTION TO YOUNG STUDENTS. FINANCIAL AID AND SCHOLARSHIPS: THE ORGANIZATION INVITES ALL STUDENTS TO APPLY FOR FINANCIAL AID AND SCHOLARHIPS, IN THE FORM OF TUITION DISCOUNTS, ON A RACIALLY NONDISCRIMINATORY BASIS. AN INDEPENDENT NATIONAL ORGANIZATION EVALUATES EACH STUDENT'S APPLICATION ON THE BASIS OF FINANCIAL NEED. FOR THE 2001-2002 SCHOOL YEAR, THE ORGANIZATION OFFERED 101 ELIGIBLE STUDENTS A TOTAL OF $508,049 IN FINANCIAL AID AND SCHOLARSHIPS. FINANCIAL AID AND SCHOLARSHIPS ARE ARE BASED ON NEED AND ACADEMIC MERIT. NO CASH PAYMENTS OR GRANTS WERE MADE TO ANY STUDENT.
93B	THE TAX EXEMPT ORGANIZATION'S BOARDING SCHOOL ACTIVITIES FURTHER ITS EXEMPT PURPOSES BY PROVIDING THE FACILITY WHERE EDUCATIONAL ACTIVITIES ARE CARRIED ON.
93C	THE EXEMPT ORGANIZATION'S APPLICATIONS, YEARBOOK AND ACTIVITIES FEES RESULT FROM STUDENT SERVICES WHICH ARE AN INTEGRAL PART OF ITS OVERALL EDUCATIONAL PROGRAMS.
93D	THE EXEMPT ORGANIZATION'S BOOK SALES FURTHER ITS EXEMPT PURPOSES BY PROVIDING EDUCATIONAL INSTRUCTIONAL MATERIALS TO STUDENTS AND OTHER SCHOOLS.
100	GAIN FROM SALE OF MISC FIXED ASSETS USED BY THE ORGANIZATION IN FURTHERANCE OF ITS EXEMPT PURPOSE

SCHEDULE A STATEMENT REGARDING ACTIVITIES WITH SUBSTANTIAL CONTRIBUTORS, TRUSTEES, DIRECTORS, CREATORS, KEY EMPLOYEES, ETC,. PART III, LINE 2 STATEMENT 12

SCHEDULE A, PART III, (FORM 990) QUESTION 2C:
ALL EMPLOYEES ARE REQUIRED TO ACCEPT ROOM AND BOARD ON THE PREMISES, OR AS A CONDITION OF THEIR EMPLOYMENT, RESPECTIVELY. THE REGULATIONS STATE THAT THE VALUE OF SUCH ITEMS ARE TO BE REPORTED ON FORM 990 TO THE EXTENT THAT SUCH AMOUNTS ARE INCLUDABLE IN THE GROSS INCOME OF THE EMPLOYEE. SECTION 119 OF THE INTERNAL REVENUE CODE OF 1986 EXCLUDES SUCH AMOUNTS FROM THE GROSS INCOME OF THE EMPLOYEES. THE VALUE OF THIS ROOM AND BOARD IS THEREFORE NOT PROVIDED ON FORM 990 PART V, COLUMN E, OR SCHEDULE A, PART 1, COLUMN E.
SCHEDULE A, PART III, (FORM 990), QUESTION 2D: IN ADDITION TO FORM 990 PART V, COMPENSATION IS PAID TO THE FOLLOWING FAMILY MEMBERS:
SUZAN OTT, DIRECTOR OF DEVELOPMENT, OFFICER'S SPOUSE: $32,060
NOWELL DIDEAR, UPPER SCHOOL SUPERVISOR, OFFICER'S SPOUSE: $20,515
JULIE NOSKO, HEAD OF ADMINISTRATION, OFFICER'S SPOUSE: $29,729
EVE DARLING, DIR OF NETWORK STANDARDS, DIRECTOR'S DAUGHTER-IN-LAW: $23,051
THOMAS KEOUGH, UPPER SCHOOL SUPERVISOR, DIRECTOR'S SON: $20,151
TREVOR OTT, INSTRUCTOR, DIRECTOR'S SON: $16,354
LINDA SIEGEL, DEAN OF STUDENTS, DIRECTOR'S SPOUSE: $31,990
JORDAN SIEGEL, INSTRUCTOR, DIRECTOR'S DAUGHTER: $17,176
SIMON SIEGEL, WORK-STUDY POSITION, DIRECTOR'S SON: $994

DELPHI SCHOOLS, INC
93-0630376
DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT
YEAR-END 12/31/02

DESCRIPTION	CURRENT YEAR DEPRECIATION
FURNITURE AND FIXTURES	17,992
EQUIPMENT	85,556
LEASEHOLD IMPROVEMENTS	115,889
EQUIPMENT UNDER CAPITAL LEASE	7,647
TOTAL TO FORM 990, PART II, LINE 42	227,084

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND FIXTURES	343,843	281,146	62,697
EQUIPMENT	1,145,307	796,017	349,290
LEASEHOLD IMPROVEMENTS	1,651,259	642,341	1,008,918
EQUIPMENT UNDER CAPITAL LEASE	42,178	25,999	16,179
TOTAL TO FORM 990, PART IV, LINE 57	3,182,587	1,745,503	1,437,084