

CLIENT'S COPY

MAY 12, 2003

WILLARY FOUNDATION C/O PNC BANK, N. A.
C/O PNC BANK, N. A.
P. O. BOX 937
SCRANTON, PA 18501

DEAR SIR:

ENCLOSED ARE THE ORGANIZATION'S 2002 EXEMPT ORGANIZATION RETURN AND 2003 ESTIMATED TAX PAYMENT INFORMATION. THE RETURN SHOULD BE SIGNED, DATED, AND MAILED.

SPECIFIC FILING INSTRUCTIONS ARE AS FOLLOWS.

FORM 990-PF RETURN:

FORM 990-PF HAS A BALANCE DUE OF \$511. THIS AMOUNT SHOULD BE DEPOSITED WITH A FEDERAL TAX DEPOSIT COUPON (FORM 8109) IN AN AUTHORIZED COMMERCIAL BANK DEPOSITORY OR FEDERAL RESERVE BANK (DO NOT SEND REMITTANCE TO THE IRS) ON OR BEFORE MAY 15, 2003. PAYMENT SHOULD BE MADE BY CHECK OR MONEY ORDER. ON FORM 8109, BE SURE TO DARKEN THE BOXES FOR 990-PF AND THE FOURTH QUARTER. WRITE THE ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER AND "2002 FORM 990-PF" ON THE REMITTANCE.

THE 990-PF RETURN INCLUDES A PENALTY FOR UNDERPAYMENT OF ESTIMATED TAX FROM FORM 2220 OF \$12.

PLEASE SIGN AND MAIL ON OR BEFORE MAY 15, 2003.

MAIL TO - INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0027

ESTIMATED TAX PAYMENTS FOR FORM 990-PF:

DEPOSIT THE 1ST INSTALLMENT AMOUNT BY MAY 15, 2003. DEPOSIT THE 2ND, 3RD AND 4TH INSTALLMENT AMOUNTS ON OR BEFORE THE DUE DATES.

FOR YOUR REFERENCE WE HAVE LISTED ALL ESTIMATED TAX PAYMENTS AND THEIR ORIGINAL DUE DATES BELOW.

INSTALLMENT NO. 1 BY 05/15/03 \$400
INSTALLMENT NO. 2 BY 06/16/03 \$400

INSTALLMENT NO. 3 BY 09/15/03 \$400
INSTALLMENT NO. 4 BY 12/15/03 \$400

THE ESTIMATED TAX PAYMENTS SHOULD BE MADE BY CHECK OR MONEY ORDER AND MUST BE DEPOSITED WITH AN AUTHORIZED COMMERCIAL BANK DEPOSITORY OR FEDERAL RESERVE BANK. INCLUDE FORM 8109 FOR EACH INSTALLMENT WHEN IT IS DUE. DO NOT SEND REMITTANCE TO THE IRS. ON FORM 8109, BE SURE TO DARKEN THE BOXES FOR 990-PF AND THE FIRST QUARTER. WRITE THE ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER AND "2003 FORM 990-PF" ON THE CHECK OR MONEY ORDER.

PLEASE NOTE THAT THE FORM 990-PF RETURN CONTAINS EXCESS DISTRIBUTION CARRYOVER OF \$61,960. THIS MAY BE APPLIED TO TAX YEAR 2003 AND SUBSEQUENT YEARS.

WE SINCERELY APPRECIATE THE OPPORTUNITY TO SERVE YOU. PLEASE CONTACT US IF YOU HAVE ANY QUESTIONS CONCERNING THE TAX RETURN.

PLEASE REVIEW THE RETURN FOR COMPLETENESS AND ACCURACY.

WE HAVE ENCLOSED MAILING ENVELOPES FOR YOUR CONVENIENCE IN FILING THE RETURN.

WE RECOMMEND THAT YOU USE CERTIFIED MAIL WITH POST MARKED RECEIPT FOR PROOF OF TIMELY FILING.

A COPY OF THE RETURN IS ENCLOSED FOR YOUR FILES. WE SUGGEST THAT YOU RETAIN THIS COPY INDEFINITELY.

VERY TRULY YOURS,

KEVIN E. ROGERS CPA
VICE PRESIDENT / MANAGER

2003 ESTIMATED TAX FILING INSTRUCTIONS

FORM 990-W

FOR THE YEAR ENDING
DECEMBER 31, 2003

Prepared for	WILLARY FOUNDATION C/O PNC BANK, N. A. C/O PNC BANK, N. A. P. O. BOX 937 SCRANTON, PA 18501																																			
Prepared by	PNC BANK, N. A. P. O. BOX 937 SCRANTON, PA 18501																																			
Amount of tax	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Total Estimated Tax</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">1,600</td> <td style="width: 10%;"></td> <td style="width: 10%; text-align: right;">0</td> </tr> <tr> <td>Less credit from prior year</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">0</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Less amount already paid on 2003 estimate</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">0</td> <td></td> <td style="text-align: right;">0</td> </tr> <tr> <td>Balance due</td> <td style="text-align: right;">\$</td> <td style="text-align: right;">1,600</td> <td></td> <td style="text-align: right;">0</td> </tr> </table> <p>Payable in full or in installments as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Installment</th> <th style="text-align: left;">Amount</th> <th style="text-align: left;">Due Date</th> </tr> </thead> <tbody> <tr> <td>No. 1</td> <td>\$ 400</td> <td>MAY 15, 2003</td> </tr> <tr> <td>No. 2</td> <td>\$ 400</td> <td>JUNE 16, 2003</td> </tr> <tr> <td>No. 3</td> <td>\$ 400</td> <td>SEPTEMBER 15, 2003</td> </tr> <tr> <td>No. 4</td> <td>\$ 400</td> <td>DECEMBER 15, 2003</td> </tr> </tbody> </table>	Total Estimated Tax	\$	1,600		0	Less credit from prior year	\$	0		0	Less amount already paid on 2003 estimate	\$	0		0	Balance due	\$	1,600		0	Installment	Amount	Due Date	No. 1	\$ 400	MAY 15, 2003	No. 2	\$ 400	JUNE 16, 2003	No. 3	\$ 400	SEPTEMBER 15, 2003	No. 4	\$ 400	DECEMBER 15, 2003
Total Estimated Tax	\$	1,600		0																																
Less credit from prior year	\$	0		0																																
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Installment	Amount	Due Date																																		
No. 1	\$ 400	MAY 15, 2003																																		
No. 2	\$ 400	JUNE 16, 2003																																		
No. 3	\$ 400	SEPTEMBER 15, 2003																																		
No. 4	\$ 400	DECEMBER 15, 2003																																		
Make check payable to	PAYMENT MUST BE DEPOSITED WITH DEPOSIT COUPON FORM 8109 IN AN AUTHORIZED COMMERCIAL BANK DEPOSITORY OR FEDERAL RESERVE BANK.																																			
Mail voucher and check (if applicable) to	DO NOT SEND REMITTANCE TO THE IRS. ON FORM 8109, BE SURE TO DARKEN THE BOX FOR 990-PF.																																			
Special Instructions	WRITE THE ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER AND "2003 FORM 990-PF" ON THE CHECK OR MONEY ORDER.																																			

Form **990-W**

**Estimated Tax on Unrelated Business Taxable
Income for Tax-Exempt Organizations**

OMB No. 1545-0976

(WORKSHEET)
Department of the Treasury
Internal Revenue Service

(and on Investment Income for Private Foundations) FORM 990-PF
(Keep for your records - Do not send to the Internal Revenue Service.)

2003

1	Unrelated business taxable income expected in the tax year	1	
2	Tax on the amount on line 1. (See instructions for tax computation.)	2	
3	Alternative minimum tax (see instructions)	3	
4	Total (Add lines 2 and 3.)	4	
5	Estimated tax credits (see instructions)	5	
6	Balance (Subtract line 5 from line 4.)	6	
7	Other taxes	7	
8	Total (Add lines 6 and 7.)	8	
9	Credit for Federal tax paid on fuels (see instructions)	9	
10a	Subtract line 9 from line 8. Note: If less than \$500, the organization is not required to make estimated tax payments. (Private foundations, see instructions.)	10a	
b	Enter the tax shown on the 2002 return (see instructions). (Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 10a on line 10c	10b	1,474.
c	2003 Estimated Tax. Enter the smaller of line 10a or line 10b. If the organization is required to skip line 10b, enter the amount from line 10a on line 10c. ADJUSTED TO	10c	1,600.

		(a)	(b)	(c)	(d)	
11	Installment due dates (see instructions)	11	05/15/03	06/16/03	09/15/03	12/15/03
12	Required installments. Enter 25% of line 10c in columns (a) through (d) unless the organization uses the annualized income installment method, the adjusted seasonal installment method, or is a "large organization." (see instructions)	12	400.	400.	400.	400.
13	2002 Overpayment. (see instructions)	13				
14	Payment due. (Subtract line 13 from line 12.)	14	400.	400.	400.	400.

LHA For Paperwork Reduction Act Notice, see instructions.

Form **990-W** (2003)

TAX RETURN FILING INSTRUCTIONS

FORM 990-PF

FOR THE YEAR ENDING
DECEMBER 31, 2002

Prepared for	WILLARY FOUNDATION C/O PNC BANK, N. A. C/O PNC BANK, N. A. P. O. BOX 937 SCRANTON, PA 18501
Prepared by	PNC BANK, N. A. P. O. BOX 937 SCRANTON, PA 18501
Amount due or refund	BALANCE DUE OF \$511
Make check payable to	PAYMENT MUST BE DEPOSITED WITH DEPOSIT COUPON FORM 8109 IN AN AUTHORIZED COMMERCIAL BANK DEPOSITORY OR FEDERAL RESERVE BANK.
Mail tax return and check (if applicable) to	INTERNAL REVENUE SERVICE CENTER OGDEN, UT 84201-0027
Return must be mailed on or before	MAY 15, 2003
Special Instructions	THE RETURN SHOULD BE SIGNED AND DATED. PAYMENT SHOULD BE MADE BY CHECK OR MONEY ORDER. ON FORM 8109, BE SURE TO DARKEN THE BOXES FOR 990-PF AND THE FOURTH QUARTER. WRITE THE ORGANIZATION'S EMPLOYER IDENTIFICATION NUMBER AND "2002 FORM 990-PF" ON THE REMITTANCE.

Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

2002

Department of the Treasury
Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year **2002**, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization WILLARY FOUNDATION C/O PNC BANK, N. A.		A Employer identification number 23-7014785
	C/O PNC BANK, N. A. Number and street (or P.O. box number if mail is not delivered to street address) Room/suite P. O. BOX 937		B Telephone number (570) 961-7137
	City or town, state, and ZIP code SCRANTON, PA 18501		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 4,275,527.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>			

	Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received <small>Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B</small>			N/A	
	2 Distributions from split-interest trusts				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	106,546.	106,546.		STATEMENT 1
	5a Gross rents				
	b (Net rental income or (loss))				
	6a Net gain or (loss) from sale of assets not on line 10	41,127.			
	b Gross sales price for all assets on line 6a 665,445.				
	7 Capital gain net income (from Part IV, line 2)		41,127.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		147,673.	147,673.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	20,817.	0.		10,408.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 2	850.	0.		850.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 3	3,732.	307.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	4,797.	0.		4,797.
	22 Printing and publications				
	23 Other expenses STMT 4	4,020.	0.		4,020.
	24 Total operating and administrative expenses. Add lines 13 through 23	34,216.	307.		20,075.
	25 Contributions, gifts, grants paid	281,228.			281,228.
26 Total expenses and disbursements. Add lines 24 and 25	315,444.	307.		301,303.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<167,771.>				
b Net investment income (if negative, enter -0-)		147,366.			
c Adjusted net income (if negative, enter -0-)			N/A		

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	204,795.	256,047.	256,047.
	3 Accounts receivable 9			
	Less: allowance for doubtful accounts 9			
	4 Pledges receivable 9			
	Less: allowance for doubtful accounts 9			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable 9			
	Less: allowance for doubtful accounts 9			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 5	1,079,988.	980,050.	1,118,225.
	b Investments - corporate stock STMT 6	1,537,302.	1,318,217.	2,795,911.
	c Investments - corporate bonds STMT 7	0.	100,000.	105,344.
11 Investments - land, buildings, and equipment: basis 9				
Less: accumulated depreciation 9				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis 9				
Less: accumulated depreciation 9				
15 Other assets (describe 9)				
16 Total assets (to be completed by all filers)	2,822,085.	2,654,314.	4,275,527.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe 9)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here 9 <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here 9 <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	2,201,906.	2,201,906.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	620,179.	452,408.	
30 Total net assets or fund balances	2,822,085.	2,654,314.		
31 Total liabilities and net assets/fund balances	2,822,085.	2,654,314.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,822,085.
2 Enter amount from Part I, line 27a	2	<167,771. >
3 Other increases not included in line 2 (itemize) 9	3	0.
4 Add lines 1, 2, and 3	4	2,654,314.
5 Decreases not included in line 2 (itemize) 9	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,654,314.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE ATTACHED	P	VARIOUS	VARIOUS
b SEE ATTACHED	P	VARIOUS	VARIOUS
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 111,574.		223,199.	<111,625.>
b 553,871.		401,119.	152,752.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			<111,625.>
b			152,752.
c			
d			
e			

2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	41,127.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2001	211,581.	5,422,970.	.0390157
2000	303,780.	5,924,448.	.0512757
1999	242,873.	5,772,825.	.0420718
1998	307,635.	4,859,226.	.0633095
1997	56,725.	4,127,043.	.0137447

2 Total of line 1, column (d)	2	.2094174
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	.0418835
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5	4	4,667,800.
5 Multiply line 4 by line 3	5	195,504.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,474.
7 Add lines 5 and 6	7	196,978.
8 Enter qualifying distributions from Part XII, line 4	8	301,303.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary-see instructions)		OVERPAY		
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			1	1,474.
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	1,474.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			5	1,474.
6 Credits/Payments:				
a 2002 estimated tax payments and 2001 overpayment credited to 2002	6a		975.	
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d		7	975.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	12.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	511.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10		
11 Enter the amount of line 10 to be: Credited to 2003 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>		11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.</i>		X
1c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. <input type="checkbox"/> \$ _____ (2) On organization managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. <input type="checkbox"/> \$ _____		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>9</u> <u>PENNSYLVANIA</u>		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses.</i>		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address <input checked="" type="checkbox"/> <u>WWW.WILLARY.ORG</u>	X	
12 The books are in care of <input checked="" type="checkbox"/> <u>PNC BANK, N. A.</u> Telephone no. <input checked="" type="checkbox"/> <u>(570) 961-7337</u> Located at <input checked="" type="checkbox"/> <u>PO BOX 937, SCRANTON, PENNSYLVANIA</u> ZIP+4 <input checked="" type="checkbox"/> <u>18501</u>		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input checked="" type="checkbox"/> <u>N/A</u>		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the organization (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	
c Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <input type="checkbox"/>		
b Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <input type="checkbox"/>		
3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2002.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4a	X
b Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4b	X
5a During the year did the organization pay or incur any amount to:		
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	5b	
c If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945-5(d).		
6a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you answered "Yes" to 6b, also file Form 8870.	6b	X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation:

(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, other allowances
SEE STATEMENT 8		20,817.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If 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, other allowances
NONE				

Total number of other employees paid over \$50,000 9 0

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services 9 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 DIRECT SUPPORT OF QUALIFIED CHARITABLE ORGANIZATIONS	300,751.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 <u>N/A</u>	
2	
3 All other program-related investments. See instructions.	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a Average monthly fair market value of securities	1a	4,738,883.	
b Average of monthly cash balances	1b		
c Fair market value of all other assets	1c		
d Total (add lines 1a, b, and c)	1d	4,738,883.	
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.	
2 Acquisition indebtedness applicable to line 1 assets	2	0.	
3 Subtract line 2 from line 1d	3	4,738,883.	
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	71,083.	
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,667,800.	
6 Minimum investment return. Enter 5% of line 5	6	233,390.	

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	233,390.	
2a Tax on investment income for 2002 from Part VI, line 5	2a	1,474.	
b Income tax for 2002. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	1,474.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	231,916.	
4a Recoveries of amounts treated as qualifying distributions	4a	0.	
b Income distributions from section 4947(a)(2) trusts	4b	0.	
c Add lines 4a and 4b	4c	0.	
5 Add lines 3 and 4c	5	231,916.	
6 Deduction from distributable amount (see instructions)	6	0.	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	231,916.	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:			
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	301,303.	
b Program-related investments - Total from Part IX-B	1b	0.	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2		
3 Amounts set aside for specific charitable projects that satisfy the:			
a Suitability test (prior IRS approval required)	3a		
b Cash distribution test (attach the required schedule)	3b		
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	301,303.	
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,474.	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	299,829.	

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				231,916.
2 Undistributed income, if any, as of the end of 2001:				
a Enter amount for 2001 only			7,427.	
b Total for prior years: _____, _____, _____,		0.		
3 Excess distributions carryover, if any, to 2002:				
a From 1997				
b From 1998				
c From 1999				
d From 2000				
e From 2001				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2002 from Part XII, line 4: 9 \$ <u>301,303.</u>				
a Applied to 2001, but not more than line 2a ...			7,427.	
b Applied to undistributed income of prior years (Election required - see instructions) ...		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2002 distributable amount				231,916.
e Remaining amount distributed out of corpus	61,960.			
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	61,960.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2001. Subtract line 4a from line 2a. Taxable amount - see instr. ...			0.	
f Undistributed income for 2002. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2003				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2003. Subtract lines 7 and 8 from line 6a	61,960.			
10 Analysis of line 9:				
a Excess from 1998 ...				
b Excess from 1999 ...				
c Excess from 2000 ...				
d Excess from 2001 ...				
e Excess from 2002 ...	61,960.			

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling 9

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 25 of the instructions.)

1 Information Regarding Foundation Managers:
a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
 NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
 NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
 Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
 M. LINDA DONOAN PNC ADVISORS PO BOX 937 SCRANTON PA 18501-0937

b The form in which applications should be submitted and information and materials they should include:
 FOUNDATION'S GRANT APPLICATION FORM

c Any submission deadlines:

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
SEE STATEMENT 9				
Total			9 3a	281,228.
b Approved for future payment				
NONE				
Total			9 3b	0.

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM **990-PF**

2002

Name **WI LLARY FOUNDATI ON C/O PNC BANK, N. A.**
C/O PNC BANK, N. A.

Employer identification number
23-7014785

Note: In most cases, the corporation **does not** need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Reasons For Filing - Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the annualized income installment method.
- 2 The corporation is using the adjusted seasonal installment method.
- 3 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part II Figuring the Underpayment

4 Total tax (see instructions)	4	1,474.
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5a	
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or of section 167(g) for property depreciated under the income forecast method	5b	
c Credit for Federal tax paid on fuels (see instructions)	5c	
d Total. Add lines 5a through 5c	5d	
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	6	1,474.
7 Enter the tax shown on the corporation's 2001 income tax return. Caution: If zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8	7	4,225.
8 Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6	8	1,474.

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	05/15/02	06/15/02	09/15/02	12/15/02
10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column	10	369.	368.	369.	368.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11	975.			
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12		606.	238.	
13 Add lines 11 and 12	13		606.	238.	
14 Add amounts on lines 16 and 17 of the preceding column	14				131.
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	975.	606.	238.	0.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17			131.	368.
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18	606.	238.		

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2002 and before 1/1/2003 ...	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 6\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 12/31/2002 and before 4/1/2003 ...	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 5\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 3/31/2003 and before 7/1/2003 ...	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times \%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 6/30/2003 and before 10/1/2003 ...	27	SEE ATTACHED WORKSHEET		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times \%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 9/30/2003 and before 1/1/2004 ...	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 12/31/2003 and before 2/16/2004	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{366}$	32	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	33	\$	\$	\$
34 Penalty. Add columns (a) through (d), of line 33. Enter the total here and on Form 1120; line 33, Form 1120-A; line 29; or the comparable line for other income tax returns	34			\$ 12.

* For underpayments paid after March 31, 2003: For lines 26, 28, 30 and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

