

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

**1998**

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 **1998**, or tax year beginning \_\_\_\_\_, **1998**, and ending \_\_\_\_\_, **19**

Use the IRS label. Otherwise, please print or type. See Specific Instructions.	Name of organization <b>WILLARY FOUNDATION C/O PNC BANK, N. A.</b>	A Employer identification number <b>23-7014785</b>
	C/O PNC BANK, N. A.	B Telephone number <b>(570) 961-7137</b>
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite <b>P. O. BOX 937</b>	C If exemption application is pending, check here ... <input type="checkbox"/>
	City or town, state, and ZIP + 4 <b>SCRANTON, PA 18501</b>	D 1. Foreign organizations, check here ... <input type="checkbox"/> 2. 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		E If private foundation status was terminated under section 507(b)(1)(A), check here ... <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 5,477,508.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ... <input type="checkbox"/>
		G If address changed, 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				
	2 Contributions from split-interest trusts				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	113,840.	113,840.		
	5a Gross rents				
	b (Net rental income or (loss) _____)				
	6 Net gain or (loss) from sale of assets not on line 10	129,974.	129,974.		
	7 Capital gain net income (from Part IV, line 2)		129,974.		
	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	243,814.	243,814.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	19,675.	9,838.		9,837.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 1	2,170.	0.		2,170.
	c Other professional fees STMT 2	3,000.	0.		3,000.
	17 Interest				
	18 Taxes STMT 3	11,879.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,880.	0.		1,880.
	22 Printing and publications	120.	0.		120.
	23 Other expenses STMT 4	2,676.	0.		2,676.
	24 Total operating and administrative expenses. Add lines 13 through 23	41,400.	9,838.		19,683.
	25 Contributions, gifts, grants paid	290,292.			290,292.
26 Total expenses and disbursements. Add lines 24 and 25	331,692.	9,838.		309,975.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	<87,878.>				
b Net investment income (if negative, enter "-0-")		233,976.			
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.		
	2	Savings and temporary cash investments		335,623.	135,305.	135,305.
	3	Accounts receivable <u>9</u>				
		Less: allowance for doubtful accounts <u>9</u>				
	4	Pledges receivable <u>9</u>				
		Less: allowance for doubtful accounts <u>9</u>				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable <u>9</u>				
		Less: allowance for doubtful accounts <u>9</u>				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations STMT 5		927,786.	1,179,544.	1,270,508.
	b	Investments - corporate stock STMT 6		1,107,294.	1,162,397.	4,071,695.
	c	Investments - corporate bonds				
11	Investments - land, buildings, and equipment: basis <u>9</u>					
	Less: accumulated depreciation <u>9</u>					
12	Investments - mortgage loans					
13	Investments - other STMT 7		194,419.	0.	0.	
14	Land, buildings, and equipment: basis <u>9</u>					
	Less: accumulated depreciation <u>9</u>					
15	Other assets (describe <u>9</u> )					
16	<b>Total assets (to be completed by all filers)</b>		2,565,124.	2,477,246.	5,477,508.	
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 <u>9</u> )				
23	<b>Total liabilities (add lines 17 through 22)</b>		0.	0.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <u>9</u> <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 <u>9</u> <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		363,218.	275,340.		
30	<b>Total net assets or fund balances</b>		2,565,124.	2,477,246.		
31	<b>Total liabilities and net assets/fund balances</b>		2,565,124.	2,477,246.		

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	2,565,124.
2	Enter amount from Part I, line 27a	2	<87,878.>
3	Other increases not included in line 2 (itemize) <u>9</u>	3	0.
4	Add lines 1, 2, and 3	4	2,477,246.
5	Decreases not included in line 2 (itemize) <u>9</u>	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	2,477,246.

<b>Part IV Capital Gains and Losses for Tax on Investment Income</b>			
(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 1000 SHS LILLY ELI & CO.	P	07/03/90	02/12/98
b 225,000 USA TREASURY NOTE	P	02/08/95	02/15/98
c 7578.273 SHS BLACKROCK SMALL CAP. VALUE	P	01/31/95	08/12/98
d 6612.639 SHS BLACKROCK SMALL CAP GROWTH	P	01/31/95	08/12/98
e CAPITAL GAINS DIVIDENDS			
(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 64,528.		10,716.	53,812.
b 225,000.		224,543.	457.
c 127,012.		101,086.	25,926.
d 130,401.		104,955.	25,446.
e 24,333.			24,333.
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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	
a			53,812.
b			457.
c			25,926.
d			25,446.
e			24,333.
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	j		2 129,974.
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	k		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))
1997	56,725.	4,127,043.	.0137447
1996	78,284.	3,405,965.	.0229844
1995	6,726.	2,833,400.	.0023738
1994	6,453.	1,351,125.	.0047760
1993	26,868.	904,780.	.0296956
2 Total of line 1, column (d)			2 .0735745
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 .0147149
4 Enter the net value of noncharitable-use assets for 1998 from Part X, line 5			4 4,859,226.
5 Multiply line 4 by line 3			5 71,503.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,340.
7 Add lines 5 and 6			7 73,843.
8 Enter qualifying distributions from Part XII, line 4			8 309,975.

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.

<b>Part VI Excise Tax on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)</b>	
<b>1a</b> 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)	
<b>b</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 2,340.
<b>c</b> All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of line 12b	
<b>2</b> Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2 0.
<b>3</b> Add lines 1 and 2	3 2,340.
<b>4</b> Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4 0.
<b>5</b> Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5 2,340.
<b>6</b> Credits/Payments:	
<b>a</b> 1998 estimated tax payments and 1997 overpayment credited to 1998	6a 7,480.
<b>b</b> Exempt foreign organizations - tax withheld at source	6b
<b>c</b> Tax paid with application for extension of time to file (Form 2758)	6c
<b>d</b> Backup withholding erroneously withheld	6d
<b>7</b> Total credits and payments. Add lines 6a through 6d	7 7,480.
<b>8</b> Enter any PENALTY for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8
<b>9</b> TAX DUE. If the total of lines 5 and 8 is more than line 7, enter AMOUNT OWED	9
<b>10</b> OVERPAYMENT. If line 7 is more than the total of lines 5 and 8, enter the AMOUNT OVERPAID	10 5,140.
<b>11</b> Enter the amount of line 10 to be: Credited to 1999 estimated tax 1,200. Refunded	11 3,940.

<b>Part VII-A Statements Regarding Activities</b>		Yes	No
<b>1a</b> 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
<b>1b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.			X
<b>1c</b> Did the organization file Form 1120-POL for this year?			X
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. \$ 0. (2) On the organization managers. \$ 0.			
<b>e</b> Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on the organization managers. \$ 0.			
<b>2</b> Has the organization engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2		X
<b>3</b> 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? If "Yes," attach a conformed copy of the changes	3		X
<b>4a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	4a		X
<b>4b</b> If "Yes," has it filed a tax return on Form 990-T for this year? N/A	4b		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		X
<b>6</b> 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?	6	X	
<b>7</b> Did the organization have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	7	X	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) 9 PENNSYLVANI A			
<b>8b</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? If "No," attach explanation	8b	X	
<b>9</b> 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 1998 or taxable year beginning in 1998 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes" attach a schedule listing their names and addresses.	10		X
<b>11a</b> Did anyone request to see either the organization's annual return or its exemption application (or both)?	11a		X
<b>11b</b> If "Yes," did the organization comply pursuant to the instructions? (See General Instruction Q.) N/A	11b		
<b>12</b> The books are in care of PNC BANK, N. A. Telephone no. (570) 961-7337 Located at PO BOX 937, SCRANTON, PENNSYLVANI A ZIP+4 18501			
<b>13</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	13		N/A

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.

1 Self-dealing (section 4941):

a 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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(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.)

b If the answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exemptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 18 of the instructions)? N/A
Organizations relying on a current notice regarding disaster assistance check here

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 1998? 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 1998, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 1998? X No
If "Yes," list the years 19, 19, 19, 19

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.) N/A

c If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here. 19, 19, 19, 19

3 Taxes on excess business holdings (section 4943):

a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? X No

b If "Yes," did it have excess business holdings in 1998 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 1998.) N/A

4 Taxes on investments that jeopardize charitable purposes (section 4944):

a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? 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 1998? X

5 Taxes on taxable expenditures (section 4945) and political expenditures (section 4955):

a 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))? X No
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? X No
(3) Provide a grant to an individual for travel, study, or other similar purposes? X 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)? X 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? X 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)? N/A
Organizations relying on a current notice regarding disaster assistance check here

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? N/A X Yes X No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

Table with 3 columns: Question ID, Yes, No. Rows include 1a, 1b, 1c, 2a, 2b, 2c, 3a, 3b, 4a, 4b, 5a, 5b.

**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		19,675.	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 SUPORT OF QUALI FI ED CHARI TABLE ORGANI ZATI ONS	309,975.
2	
3	
4	

**Part IX-B Summary of Program-Related Investments**

Describe any program-related investments made by the foundation during the tax year.	Amount
1 N/A	
2	
3	

**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	4,933,224.
b Average of monthly cash balances	1b	0.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	4,933,224.
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	4,933,224.
4 Cash deemed held for charitable activities - Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	73,998.
5 Net value of noncharitable-use assets - Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,859,226.
6 Minimum investment return. (Enter 5% of line 5.)	6	242,961.

**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	242,961.
2a Tax on investment income for 1998 from Part VI, line 5	2a	2,340.	
b Income tax for 1998. (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b	2c	2,340.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	240,621.	
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	240,621.	
6 Deduction from distributable amount	6	0.	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	240,621.	

**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	309,975.
b Program-related investments - total of lines 1-3 of 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	309,975.
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	2,340.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	307,635.

**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 1997	(c) 1997	(d) 1998
<b>1</b> Distributable amount for 1998 from Part XI, line 7 .....				240,621.
<b>2</b> Undistributed income, if any, as of the end of 1997:				
<b>a</b> Enter amount for 1997 only .....			2,041.	
<b>b</b> Total for prior years: 19 __, 19 __, 19 __ .....		0.		
<b>3</b> Excess distributions carryover, if any, to 1998:				
<b>a</b> From 1993 .....				
<b>b</b> From 1994 .....				
<b>c</b> From 1995 .....				
<b>d</b> From 1996 .....				
<b>e</b> From 1997 .....				
<b>f</b> Total of lines 3a through e .....	0.			
<b>4</b> Qualifying distributions for 1998 from Part XII, line 4: <b>9</b> \$ <u>309,975.</u>				
<b>a</b> Applied to 1997, but not more than line 2a .....			2,041.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions) .....		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions) .....	0.			
<b>d</b> Applied to 1998 distributable amount .....				240,621.
<b>e</b> Remaining amount distributed out of corpus .....	67,313.			
<b>5</b> Excess distributions carryover applied to 1998 (If an amount appears in column (d), the same amount must be shown in column (a).) .....	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 .....	67,313.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b .....		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions .....		0.		
<b>e</b> Undistributed income for 1997. Subtract line 4a from line 2a. Taxable amount - see instr. .....			0.	
<b>f</b> Undistributed income for 1998. Subtract lines 4d and 5 from line 1. This amount must be distributed in 1999 .....				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) .....	0.			
<b>8</b> Excess distributions carryover from 1993 not applied on line 5 or line 7 .....	0.			
<b>9</b> Excess distributions carryover to 1999. Subtract lines 7 and 8 from line 6a .....	67,313.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 1994 .....				
<b>b</b> Excess from 1995 .....				
<b>c</b> Excess from 1996 .....				
<b>d</b> Excess from 1997 .....				
<b>e</b> Excess from 1998 .....	67,313.			



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 1998, 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	Prior 3 years			(e) Total
	(a) 1998	(b) 1997	(c) 1996	(d) 1995	
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)

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., 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:

b The form in which applications should be submitted and information and materials they should include:

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 XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting organization to a noncharitable exempt organization of: (1) Cash (2) Other assets b Other Transactions: (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities or equipment (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

2a 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... b If "Yes," complete the following schedule.

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

Part XVIII Public Inspection

1 Enter the date the notice of availability of the annual return appeared in a newspaper 9 05/05/99
2 Enter the name of the newspaper 9 THE SCRANTON TIMES
3 Check here 9 [X] to indicate that you have attached a copy of the newspaper notice required by the instructions.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.
Signature of officer or trustee, Date, Title, Preparer's signature, Date, Check if self-employed 9 [ ], Preparer's social security no., Firm's name (or yours if self-employed) and address, EIN 9, ZIP + 4 9 18501

FORM 990-PF ACCOUNTING FEES STATEMENT 1

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX PREPARATION	770.	0.		770.
ACCOUNTING SERVICES	1,400.	0.		1,400.
TOTAL	2,170.	0.		2,170.

TO FORM 990-PF, PG 1, LN 16B

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONSULTANTS	3,000.	0.		3,000.
TOTAL	3,000.	0.		3,000.

TO FORM 990-PF, PG 1, LN 16C

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES/ESTIMATES	11,879.	0.		0.
TOTAL	11,879.	0.		0.

TO FORM 990-PF, PG 1, LN 18

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING	49.	0.		49.
POSTAGE	40.	0.		40.
MEMBERSHIP DUES	400.	0.		400.
INSURANCE	2,187.	0.		2,187.
TOTAL	2,676.	0.		2,676.

TO FORM 990-PF, PG 1, LN 23





