

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)

OMB No 1545-0047

2002

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2002 calendar year, or tax year beginning July 1, 2002, and ending June 30, 2003

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

Friendship Community

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

1149 E. Oregon Rd.

City or town, state or country, and ZIP + 4

Lehigh PA 17543

D Employer identification number

23-1892383

E Telephone number

(717) 656-2466F Accounting method: ☐ Cash ☒ 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).

G Web site: ▶ friendshipcommunity.netJ Organization type (check only one) ▶ ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527K 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.

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

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

H(c) Are all affiliates included? ☐ Yes ☐ No

(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Enter 4-digit GEN ▶

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 6,608,354M Check ☒ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	<u>474,780</u>		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	<u>5,144,746</u>		
	d	Total (add lines 1a through 1c) (cash \$ <u>5,617,526</u> noncash \$ <u>2,000</u>)	1d	<u>5,619,526</u>		
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	<u>922,531</u>		
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5	<u>5,002</u>		
	6a	Gross rents	6a			
b	Less: rental expenses	6b				
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c				
7	Other investment income (describe ▶)	7				
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b	Less: cost or other basis and sales expenses	8a			
	c	Gain or (loss) (attach schedule)	8b			
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
	8d		8d			
	9	Special events and activities (attach schedule)				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a	<u>60,377</u>		
	b	Less: direct expenses other than fundraising expenses	9b	<u>-0-</u>		
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c	<u>60,377</u>		
	10a	Gross sales of inventory less returns and allowances	10a			
b	Less: cost of goods sold	10b				
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
11	Other revenue (from Part VII, line 103)	11	<u>918</u>			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	<u>6,608,354</u>			
Expenses	13	Program services (from line 44, column (B))	13	<u>5,728,712</u>		
	14	Management and general (from line 44, column (C))	14	<u>703,227</u>		
	15	Fundraising (from line 44, column (D))	15	<u>91,597</u>		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 13 and 14, column (A))	17	<u>6,523,596</u>		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<u>84,758</u>		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	<u>1,642,292</u>		
	20	Other changes in net assets or fund balances (attach explanation)	20			
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	<u>1,727,050</u>		

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 (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22				
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				
26	Other salaries and wages	26	3,424,979	3,016,248	356,622	52,109
27	Pension plan contributions	27	89,814	56,713	11,180	1,921
28	Other employee benefits	28	678,921	609,420	63,266	6,235
29	Payroll taxes	29	269,391	236,877	28,261	4,253
30	Professional fundraising fees	30				
31	Accounting fees	31	17,801		17,801	
32	Legal fees	32				
33	Supplies	33	90,068	83,786	5,380	902
34	Telephone	34	55,228	35,496	18,192	1,540
35	Postage and shipping	35	13,300		9,100	4,200
36	Occupancy	36	313,344	296,929	16,415	
37	Equipment rental and maintenance	37	19,065	4,626	12,975	1,464
38	Printing and publications	38	37,481		25,163	12,318
39	Travel	39	90,061	81,254	7,408	1,399
40	Conferences, conventions, and meetings	40	45,238	335	43,580	1,323
41	Interest	41	158,484	147,442	11,042	
42	Depreciation, depletion, etc. (attach schedule)	42	345,575	344,193		1,382
43	Other expenses not covered above (itemize): a	43a				
b	See Supporting Schedule	43b	894,846	815,453	76,842	2,551
c		43c				
d		43d				
e		43e				
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	6,523,596	5,728,772	703,227	91,597

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 24 of the instructions.)

What is the organization's primary exempt purpose? <u>See Attached</u>		Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a	Intermediate Care Facilities - See Attached (Grants and allocations \$ -0-)	1,625,634
b	Community living Arrangements & Community Residential Facilities - See Attached (Grants and allocations \$ -0-)	3,404,295
c	Friendship Ministries - See Attached (Grants and allocations \$ -0-)	698,843
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)	5,728,772

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

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year	(B) End of year
Assets			
45	Cash—non-interest-bearing		45
46	Savings and temporary cash investments	136,655	46 223,415
47a	Accounts receivable	192,381	
47b	Less: allowance for doubtful accounts	-0-	47c 192,381
48a	Pledges receivable	12,500	
48b	Less: allowance for doubtful accounts	-0-	48c 12,500
49	Grants receivable	703,000	49 682,321
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50
51a	Other notes and loans receivable (attach schedule)		
51b	Less: allowance for doubtful accounts		51c
52	Inventories for sale or use		52
53	Prepaid expenses and deferred charges	13,390	53 24,384
54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	19,679	54 18,099
55a	Investments—land, buildings, and equipment: basis		
55b	Less: accumulated depreciation (attach schedule)		55c
56	Investments—other (attach schedule)		56
57a	Land, buildings, and equipment: basis	7,000,394	
57b	Less: accumulated depreciation (attach schedule)	2,321,267	57c 4,679,127
58	Other assets (describe <u>Finance Cost Note Amortization</u>)	33,717	58 29,894
59	Total assets (add lines 45 through 58) (must equal line 74)	6,074,625	59 5,862,121
Liabilities			
60	Accounts payable and accrued expenses	393,798	60 476,428
61	Grants payable	28,173	61 9,178
62	Deferred revenue	711,162	62 667,082
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63
64a	Tax-exempt bond liabilities (attach schedule)		64a
64b	Mortgages and other notes payable (attach schedule)	3,273,629	64b 2,956,801
65	Other liabilities (describe <u>Security Deposits & Revenue received in advance</u>)	25,571	65 25,582
66	Total liabilities (add lines 60 through 65)	4,432,333	66 4,135,071
Net Assets or Fund Balances			
	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
67	Unrestricted	1,505,637	67 1,574,146
68	Temporarily restricted	136,655	68 152,904
69	Permanently restricted		69
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.		
70	Capital stock, trust principal, or current funds		70
71	Paid-in or capital surplus, or land, building, and equipment fund		71
72	Retained earnings, endowment, accumulated income, or other funds		72
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).	1,642,292	73 1,727,050
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	6,074,625	74 5,862,121

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.

Friendship Community 6/30/03 #23-1892383

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

<p>a Total revenue, gains, and other support per audited financial statements . . . ▶</p> <p>b Amounts included on line a but not on line 12, Form 990:</p> <p>(1) Net unrealized gains on investments . . . \$ _____</p> <p>(2) Donated services and use of facilities . . . \$ _____</p> <p>(3) Recoveries of prior year grants . . . \$ _____</p> <p>(4) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) through (4) ▶</p> <p>c Line a minus line b ▶</p> <p>d Amounts included on line 12, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____</p> <p>(2) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶</p>	<p>a 6,608,354</p> <p>b</p> <p>c</p> <p>d</p> <p>e 6,608,354</p>	<p>a Total expenses and losses per audited financial statements . . . ▶</p> <p>b Amounts included on line a but not on line 17, Form 990:</p> <p>(1) Donated services and use of facilities . . . \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 . . . \$ _____</p> <p>(4) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) through (4) ▶</p> <p>c Line a minus line b ▶</p> <p>d Amounts included on line 17, Form 990 but not on line a:</p> <p>(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____</p> <p>(2) Other (specify): _____ \$ _____</p> <p>Add amounts on lines (1) and (2) ▶</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶</p>	<p>a 6,523,596</p> <p>b</p> <p>c</p> <p>d</p> <p>e 6,523,596</p>
--	---	---	---

Part V **List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 26 of the instructions.)

[illegible]

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **▶** ☐ Yes ☒ No
If "Yes," attach schedule—see page 26 of the instructions.

Part VI Other Information (See page 27 of the instructions.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.	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
78a 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	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement.	79	X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a Enter direct or indirect political expenditures. See line 81 instructions. 81a None	81a	
b Did the organization file Form 1120-POL for this year?	81b	X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? Value of program services is not determinable	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	82b	
83a 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
84a 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?	84b	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c Dues, assessments, and similar amounts from members 85c	85c	
d Section 162(e) lobbying and political expenditures 85d	85d	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e	85e	
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f	85f	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	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?	85h	
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a	86a	
b Gross receipts, included on line 12, for public use of club facilities 86b	86b	
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a	87a	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b	87b	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88	88	X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 -0- ; section 4912 -0- ; section 4955 -0-		
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction. 89b	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-		
90a List the states with which a copy of this return is filed Pennsylvania		
b Number of employees employed in the pay period that includes March 12, 2002 (See instructions.) 90b 181	90b	
91 The books are in care of Friendship Community Telephone no. 717 656-2466 Located at 1149 E Oregon Rd, Lititz PA ZIP + 4 17543		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year 92		

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Intermediate Care Facilities					139,633
b Residential Community Living Programs					317,201
c Personal Care Homes/Supported Living					465,697
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	5,002	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01,05	60,377	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a Miscellaneous					918
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				65,379	923,449
105 Total (add line 104, columns (B), (D), and (E))					988,828

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).
93	Room & Board for mentally retarded persons served in our residential programs

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
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true and correct.

Date

2-8-04

Department of the Treasury
Internal Revenue Service

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

2002

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

Name of the organization

Employer identification number

23 : 1892383

(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
None				
Total number of other employees paid over \$50,000				

(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		

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)

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.)

- a** Sale, exchange, or leasing of property? **2a** ☐ Yes ☒ No
- b** Lending of money or other extension of credit? **2b** ☐ Yes ☒ No
- c** Furnishing of goods, services, or facilities? **2c** ☐ Yes ☒ No
- d** Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? **2d** ☐ Yes ☒ No
- e** Transfer of any part of its income or assets? **2e** ☐ Yes ☒ No

- 3** Does the organization make grants for scholarships, fellowships, student loans, etc.? (See **Note** below.) . . . **3** ☐ Yes ☒ No

- 4** Do you have a section 403(b) annuity plan for your employees? **4** ☒ Yes ☐ No

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 33⅓%** 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 33⅓%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.****Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,956,178	4,545,667	3,682,303	3,153,370	16,337,518
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	919,404	850,989	750,965	569,225	3,090,583
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	5,695	8,932	8,719	10,347	33,693
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	16,034	6,670	14,430	12,818	49,952
23 Total of lines 15 through 22	5,897,311	5,412,258	4,456,417	3,745,760	19,511,746
24 Line 23 minus line 17	4,977,907	4,561,269	3,705,452	3,176,535	16,421,163
25 Enter 1% of line 23	58,973	54,123	44,564	37,458	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24.					26a 328,423
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b - 0 -
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 16,421,163
d Add: Amounts from column (e) for lines: 18 33,693 19 - 0 - 22 49,952 26b - 0 - ▶					26d 83,645
e Public support (line 26c minus line 26d total) ▶					26e 16,337,518
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 99.49 %
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
d Add: Line 27a total and line 27b total ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
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	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement.)	31	
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)	33h	
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
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	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

 Check ☒ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39).	40		
41 Lobbying nontaxable amount. Enter the amount from the following table—			
If the amount on line 40 is— 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	41		
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			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount.					
46 Lobbying ceiling amount (150% of line 45(e)).					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e)).					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

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.)			

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

Friendship Community 6/30/03 #23-1892383

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

N/A

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? _____

a Transfers from the reporting organization to a noncharitable exempt organization of:

	Yes	No
51a(i)		
a(ii)		
b(i)		
b(ii)		
b(iii)		
b(iv)		
b(v)		
b(vi)		
c		

(i) Cash

(ii) Other assets

b Other transactions.

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c			
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.		

[illegible]

52a 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.

[illegible]

FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2003

FORM 990

PART I - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS

Line 1d - Total Contributions.

The Organization meets the 33.33% support test of the Regulations under section 170(b) (1) (A) (vi). The Organization did not receive any contributions which exceeded 2% of the total contributions reported on Line 1d from any contributor for the year ended June 30, 2003.

FILE: P:\MSTONER\MISCELLANEOUS\990SUP

::

FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2003

FORM 990

PART III - STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE

Friendship Community strives to be an expression of caring for the needs of mentally retarded persons and their families. Friendship Community provides a continuum of residential, respite care, and other related services for the mentally retarded. See additional detail under Part III (a) to (c).

PART III (a) - INTERMEDIATE CARE FACILITIES

This program provides intermediate care for mentally retarded persons. All residents are engaged in strictly vocational programs outside the facility during the day.

PART III (b) - COMMUNITY LIVING ARRANGEMENTS & COMMUNITY RESIDENTIAL FACILITIES

This program provides group homes for mentally retarded persons and offers a range of residential and social services. The independent environment helps develop living skills. Respite care and family living programs are also available.

PART III (c) - FRIENDSHIP MINISTRIES

This is a privately funded church related service which includes counseling and networking, supervised living, respite care, and three personal care homes

FILE: P.\MSTONER\MISCELLANEOUS\990SUP

::

FRIENDSHIP COMMUNITY
 EIN: 23-1892383
 YEAR ENDED JUNE 30, 2003

FORM 990

PART II - STATEMENT OF FUNCTIONAL EXPENSES

LINE 42, DEPRECIATION, DEPLETION, ETC.

Friendship Community depreciates its assets using the straight-line method over their estimated useful lives as listed in the Uniform Chart of Accounts and Definitions for Hospitals published by the American Hospital Association.

Description	Total	Program	Fundraising
Land Improvements	26,837	26,837	
Building/Leasehold Imp.	210,256	210,256	
Equipment/Furnishings	39,478	38,096	1,382
Adaptive Equipment	2,099	2,099	
Vehicles	65,297	65,297	
Finance Costs (Amort.)	1,608	1,608	
Total	<u>345,575</u>	<u>344,193</u>	<u>1,382</u>

LINE 43, OTHER EXPENSES

Description	Total	Program	Management	Fundraising
Purchased personnel	229,309	229,059	0	250
Resident programs	12,570	12,570	0	0
Purchased services	268,555	244,697	23,858	0
Staff development	25,017	21,482	3,307	228
Staff recruitment	13,377	10,368	3,009	0
Insurance	52,234	37,903	14,331	0
Food	130,989	130,989	0	0
Clothing	3,300	3,300	0	0
Resident Development	115,855	115,855	0	0
Memberships	14,935	1,256	12,472	1,207
Miscellaneous	28,705	7,974	19,865	866
Total	<u>894,846</u>	<u>815,453</u>	<u>76,842</u>	<u>2,551</u>

FILE: P:\MSTONER\MISCELLANEOUS\990SUP

::

FRIENDSHIP COMMUNITY
 EIN: 23-1892383
 YEAR ENDED JUNE 30, 2003

FORM 990

PART VI - BALANCE SHEETS

LINE 57 Land, buildings, and equipment:

Description	Cost	Accum Deprec	Book Value
Land	460,732	0	460,732
Land Improvements	414,723	203,667	211,056
Building/Leasehold Imp.	5,128,297	1,424,977	3,703,320
Equipment/Furnishings	510,379	330,067	180,312
Adaptive Equipment	19,762	6,228	13,534
Vehicles	466,501	356,328	110,173
Total	<u>7,000,394</u>	<u>2,321,267</u>	<u>4,679,127</u>

LINE 64 Mortgages and notes payable:

Lender	Balance
Bank of Lancaster County	
4.9% bond payable secured by property	1,869,484
4.00% working capital loan secured by property	416,894
6.9% note payable secured by property	150,000
Eastern Mennonite Missions	
5.25% mortgages secured by property	469,014
5.50% unsecured notes payable	8,474
Mennonite Financial Federal Credit Union	
8.5% vehicle loans	4,822
8.0% vehicle loans	10,052
7.0% vehicle loans	631
6.0% vehicle loans	9,435
Ford Motor Credit 5.99% vehicle loan	<u>17,995</u>
	<u>2,956,801</u>

FILE: P:\MSTONER\MISCELLANEOUS\990SUP

Frndship Community
 EIN 23-1892383
 Year Ended June 30, 2003

Form 990

PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

Name and Address	Title	Hours	Col C Compensation	Col D EBP & DC	Col E Exp & Other
BOARD - SEE ATTACHED LIST		all 1hour/wk	all \$0	all \$0	all \$0
George Stoltzfus 1149 E Oregon Rd , Lititz PA 17543	Exec Director	40	65,000	0	0
Brian French 1149 E Oregon Rd , Lititz PA 17543	Dir of Programs	40	43,328	2,600	0
Sandy VanOrman 1149 E Oregon Rd , Lititz PA 17543	Dir of Programs	40	42,399	2,544	0
Myron Stoner 1149 E Oregon Rd , Lititz PA 17543	Dir of Finance	40	45,617	2,737	0
Irvin Enck 1149 E Oregon Rd , Lititz PA 17543	Dir of Bldg	40	38,979	2,339	0
MIlt Stoltzfus 1149 E Oregon Rd , Lititz PA 17543	Dir of Develop	40	39,912	2,395	0
Robert Redcay 1149 E Oregon Rd , Lititz PA 17543	Dir of HR	40	37,632	2,258	0

) These need to be checked against the bylaws for consistency. Gs

FRIENDSHIP COMMUNITY
Board of Directors
July 16, 2003

23-1892383 6/30/03

Appointed by Eastern Mennonite Missions Current Term Ends Entry Year

Jay C. Garber (Past President, 5th member)	(2006)	
2275 New Danville Pike		(1997)
Lancaster, PA 17603		
Phone: 872-6298		
 Jeff Mohler	 (2005)	
3252 Blue Rock Road		(1999)
Lancaster, PA 17603-9791		
Phone: 290-8634 (H) 871-8634		
299-7101 (W)		
 Jay Hollinger	 (2004)	
87 Pebble Creek Road		(1995)
Lititz, PA 17543		
Phone: 627-6017		

) Appointed by Lancaster Conference Bishop Board

Donald O. Nauman	(2005)	
31 Oakwood Lane		(1996)
Manheim, PA 17545		
Phone: 665-3096		
 Glenn L. Stoltzfus, M.D.	 (2004)	
2120 Lyndell Drive		(1995)
Lancaster, PA 17601		
Phone: 295-4981		

Recommended by Friendship Board

Roy Zimmerman (President)	(2004)	
2206 Mount Zion Road		(1999)
Lebanon, PA 17046		
Phone: (H) 933-4047		
(W) 272-2057 Ext. 311		
 Ken Laudermilch	 (2004)	
478 E. Spruce Street		(2001)
New Holland, PA 17557		
Phone: (610) 436-2928 (work)		
355-2844 (home)		

) Board Members Cont.
Page 2

Suggested by Friendship Community Board,
Approved by Board of Bishops

William Rohrer(**Vice President**) (2006)
355 E. Chestnut Street (2002)
Lancaster, PA 17602
Phone: 397-7312

Georgia Martin (**Secretary**) (2006)
2124 Creek Hill Road (1996)
Lancaster, PA 17601
Phone: 392-2823

J. Robert (Rob) Petersheim (**Treasurer**) (2005)
1307 Clark Street (1996)
Lancaster, PA 17602
Phone: 299-2053
Work: 394-0769

) K. Eugene Forrey (2004)
312 Druid Hill Road (1998)
Mountville, PA 17554
Phone: 285-4046
Fax: 285-5955

Beulah M. Landis (2005)
3245 Glengreen Drive (1999)
Lancaster, PA 17601
Phone: 285-2027

Linda Raffensberger (2004)
127 Mayfield Drive (2002)
Lititz, PA 17543
Phone: 625-2128
WORK 597-9088

Bob Peifer (2006)
1222 Main Street (2003)
Akron, PA 17501
Phone: (717) 859-1294
Day #: (717) 859-5555

Eunice Camargo-Ground (2006)
635 Main Street (2003)
East Petersburg, PA 17520
W. Phone: (717) 898-2251
Home: (717) 569-8585