

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2003**Open to Public Inspection**

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

A For the 2003 calendar year, or tax year beginning July 1, 2003, and ending June 30, 2004

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

C Name of organization: Friendship Community
 Number and street (or P.O. box if mail is not delivered to street address): 1149 E. Oregon Road
 City or town, state or country, and ZIP + 4: Lititz PA 17543

D Employer identification number: 23 1892383

E Telephone number: (717) 656-2466

F Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) ▶

G Website: ▶

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

K Check here ▶ ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 6,648,971

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 Group Exemption Number ▶
M 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 18 of the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Direct public support	1a	<u>496,373</u>	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c	<u>5,203,963</u>	
	d	Total (add lines 1a through 1c) (cash \$ <u>5,691,436</u> noncash \$ <u>8,900</u>)	1d	<u>5,700,336</u>	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	<u>875,937</u>	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	<u>2,557</u>	
	5	Dividends and interest from securities	5		
	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 ▶ <u>Unrealized gain on securities</u>)	7	<u>3,172</u>		
Expenses	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). If any amount is from gaming, check here ▶ <input type="checkbox"/>			
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a	<u>64,632</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>64,632</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		
Net Assets	11	Other revenue (from Part VII, line 103)	11	<u>2,337</u>	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	<u>6,648,971</u>	
	13	Program services (from line 44, column (B))	13	<u>5,917,933</u>	
	14	Management and general (from line 44, column (C))	14	<u>825,906</u>	
	15	Fundraising (from line 44, column (D))	15	<u>101,132</u>	
Net Assets	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses (add lines 16 and 44, column (A))	17	<u>6,844,971</u>	
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<u>196,000</u>	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	<u>1,727,050</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>1,531,050</u>		

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2003)

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139

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 22 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 \$ _____)				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule).				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages	3,633,212	3,149,803	425,394	58,015
27	Pension plan contributions	94,068	72,897	18,060	3,111
28	Other employee benefits	824,831	740,677	76,446	7,708
29	Payroll taxes	290,243	253,737	32,820	4,686
30	Professional fundraising fees				
31	Accounting fees	24,100		24,100	
32	Legal fees				
33	Supplies	88,847	83,008	5,401	438
34	Telephone	57,214	42,065	13,747	1,402
35	Postage and shipping	13,666	37	10,011	3,618
36	Occupancy	344,249	328,244	16,005	-0-
37	Equipment rental and maintenance	8,268	5,173	3,095	-0-
38	Printing and publications	46,723	-0-	31,001	15,722
39	Travel	106,020	94,440	10,369	1,211
40	Conferences, conventions, and meetings	60,548	81	59,242	1,225
41	Interest	157,692	137,943	19,749	-0-
42	Depreciation, depletion, etc. (attach schedule)	346,324	338,374	6,824	1,126
43	Other expenses not covered above (itemize): a				
b	See supporting schedule	748,966	672,454	73,642	2,870
c					
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15 .	6,844,971	5,917,933	825,906	101,132

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 25 of the instructions.)What is the organization's primary exempt purpose? See attached

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)

a	Intermediate Care Facilities - See Attached	(Grants and allocations \$ -0-)	1,923,330
b	Community Living Arrangements & Community Residential Facilities - See Attached	(Grants and allocations \$ -0-)	3,260,605
c	Friendship Ministries - See Attached	(Grants and allocations \$ -0-)	733,998
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)		5,917,933

Part IV Balance Sheets (See page 25 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
45	Cash—non-interest-bearing		45
46	Savings and temporary cash investments	223,415	46 156,645
47a	Accounts receivable	371,186	
47b	Less: allowance for doubtful accounts	-0-	47c 371,186
48a	Pledges receivable		
48b	Less: allowance for doubtful accounts	12,500	48c -0-
49	Grants receivable	682,321	49 582,495
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	24,384	53 12,663
54	Investments—securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	18,099	54 21,271
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	7,374,712	
57b	Less: accumulated depreciation (attach schedule)	2,634,772	57c 4,739,940
58	Other assets (describe ► Finance Cost Net of Amortization)	29,894	58 28,025
59	Total assets (add lines 45 through 58) (must equal line 74)	5,862,121	59 5,912,225
60	Accounts payable and accrued expenses	476,428	60 732,550
61	Grants payable	9,178	61 2,410
62	Deferred revenue	667,082	62 649,503
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)	2,956,801	64b 2,985,829
65	Other liabilities (describe ► Security deposits and revenue received in advance)	25,582	65 10,883
66	Total liabilities (add lines 60 through 65)	4,135,071	66 4,381,175
67	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
68	Unrestricted	1,574,146	68 1,460,405
69	Temporarily restricted	152,904	69 70,645
70	Permanently restricted		70
71	Capital stock, trust principal, or current funds		71
72	Paid-in or capital surplus, or land, building, and equipment fund		72
73	Retained earnings, endowment, accumulated income, or other funds		73
74	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).	1,727,050	74 1,531,050
75	Total liabilities and net assets / fund balances (add lines 66 and 73)	5,862,121	75 5,912,225

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 6/30/04 #23-1892383

Part VI Other Information (See page 28 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 Value of donated services is not determined . . . and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a Enter direct and 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? . . .	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	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	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, 2003 (See instructions.) 90b 198	90b	
91 The books are in care of Friendship Community Telephone no. (717) 656-2466 Located at 1149 E. Oregon Rd., 1492 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		

Friendship Community 6/30/04 #23-1892383

Part VII Analysis of Income-Producing Activities (See page 33 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					120,078
b Residential Community Living Programs					285,531
c Personal Care Homes / Supported Living					470,328
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	2,557	
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			14	3,172	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01,05	64,632	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a Miscellaneous					2,337
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				70,361	878,274
105 Total (add line 104, columns (B), (D), and (E))					948,635

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 34 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 34 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 34 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, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please

Date

Date

Check if

Preparer's SSN or PTIN (See Gen. Inst. W)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information—(See separate instructions.)

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

OMB No. 1545-0047

2003

Name of the organization

Friendship Community

Employer identification number

23-1892383

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<i>None</i>				
Total number of other employees paid over \$50,000 ▶				

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<i>None</i>		
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)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** ☐ An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	5,619,526	4,956,178	4,545,667	3,682,303	18,803,674
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	982,908	919,404	850,989	750,965	3,504,266
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	5,002	5,695	8,932	8,719	28,348
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	918	16,034	6,670	14,430	38,052
23 Total of lines 15 through 22.	6,608,354	5,897,311	5,412,258	4,456,417	22,374,340
24 Line 23 minus line 17.	5,625,446	4,977,907	4,561,269	3,705,452	18,870,074
25 Enter 1% of line 23	66,083	58,973	54,123	44,564	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. . . . ▶					26a 377,401
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 1999 through 2002 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 18,870,074
d Add: Amounts from column (e) for lines: 18 28,348 19 _____ 22 38,052 26b _____ ▶					26d 66,400
e Public support (line 26c minus line 26d total) ▶					26e 18,803,674
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 99.65%
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: (2002) _____ (2001) _____ (2000) _____ (1999) _____ 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: (2002) _____ (2001) _____ (2000) _____ (1999) _____ 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 1999 through 2002, 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.					

Friendship Community 6/30/04 #23-1892783

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?		
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?		
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.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		
b Admissions policies?		
c Employment of faculty or administrative staff?		
d Scholarships or other financial assistance?		
e Educational policies?		
f Use of facilities?		
g Athletic programs?		
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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		

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—		
Not over \$500,000	20% of the amount on line 40	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
Over \$17,000,000	\$1,000,000	
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) 2003	(b) 2002	(c) 2001	(d) 2000	(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 12 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 6/30/04 #23-1892383

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

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		

b Other transactions:

(ii) 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 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. 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, 2004

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, 2004.

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FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2004

FORM 990

PART III - STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE

Friendship Community is a Christian ministry supporting persons with developmental disabilities. It was founded in 1972 and currently serves 135 persons with 210 full and part time staff.

The vision of Friendship Community is to be a community which:

- * Affirms the worth of all people
- * Responds to families and individuals seeking a Christian program
- * Supports personal growth and wholeness
- * Advocates for community and church inclusion
- * Provides opportunities for spiritual growth and service

PART III (a) - INTERMEDIATE CARE FACILITIES

This program includes three homes that provide intermediate care for 17 individuals. Funding comes from the Pennsylvania Department of Public Welfare, Office of Mental Retardation for these programs. All residents are engaged in vocational programs outside the facility during the day.

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

This program includes 12 group homes which serve 43 individuals, family living for 11 individuals, supported apartment living for 9 individuals and offers a range of residential and social services providing an independent environment which helps develop living skills. Funding comes from the Lancaster and Lebanon County MH/MR Programs via an annual contract.

PART III (c) - FRIENDSHIP MINISTRIES

This is a privately funded church related service which includes counseling and networking, supervised living for 27 individuals, respite care and three personal care homes serving 24 individuals.

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FRIENDSHIP COMMUNITY
 EIN: 23-1892383
 YEAR ENDED JUNE 30, 2004

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	26,439	26,439	
Building/Leasehold Imp.	215,326	215,326	
Equipment/Furnishings	40,685	39,559	1,126
Adaptive Equipment	2,367	2,367	
Vehicles	59,899	59,899	
Finance Costs (Amort.)	1,608	1,608	
Total	<u>346,324</u>	<u>345,198</u>	<u>1,126</u>

LINE 43, OTHER EXPENSES

Description	Total	Program	Management	Fundraising
Purchased personnel	296,917	296,333	0	584
Resident programs	11,490	11,490	0	0
Purchased services	18,030	0	18,030	0
Staff development	24,509	19,347	4,451	711
Staff recruitment	17,531	13,289	4,242	0
Insurance	59,839	45,252	14,587	0
Food	141,523	141,523	0	0
Clothing	3,499	3,499	0	0
Resident Development	125,688	125,688	0	0
Memberships	15,881	1,667	13,169	1,045
Miscellaneous	34,059	14,366	19,163	530
Total	<u>748,966</u>	<u>672,454</u>	<u>73,642</u>	<u>2,870</u>

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FRIENDSHIP COMMUNITY
 EIN: 23-1892383
 YEAR ENDED JUNE 30, 2004

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	418,182	230,106	188,076
Building/Leasehold Imp.	5,280,583	1,640,047	3,640,536
Equipment/Furnishings	630,194	369,402	260,792
Adaptive Equipment	19,762	8,595	11,167
Vehicles	<u>565,259</u>	<u>386,622</u>	<u>178,637</u>
Total	<u>7,374,712</u>	<u>2,634,772</u>	<u>4,739,940</u>

LINE 64 Mortgages and notes payable:

Lender	Balance
Bank of Lancaster County	
4.9% bond payable secured by property	1,791,100
4.00% working capital loan secured by property	429,894
6.9% note payable secured by property	137,500
Eastern Mennonite Missions	
5.25% mortgages secured by property	546,669
5.50% unsecured notes payable	6,276
Mennonite Financial Federal Credit Union	
8.0% vehicle loans	5,147
6.0% vehicle loans	<u>69,243</u>
	<u>2,985,829</u>

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Friendship Community
 EIN 23-1892383
 Year Ended June 30, 2004

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	66,300	0	0
Brian French 1149 E Oregon Rd , Lititz PA 17543	Dir of Programs	40	44,330	2,660	0
Ruth Welch 1149 E Oregon Rd., Lititz PA 17543	Dir of New Initiatives	36	33,748	0	0
Myron Stoner 1149 E Oregon Rd , Lititz PA 17543	Dir of Finance	40	45,994	2,760	0
Irvin Enck 1149 E Oregon Rd , Lititz PA 17543	Dir of Bldg	40	40,000	2,400	0
Milt Stoltzfus 1149 E Oregon Rd , Lititz PA 17543	Dir of Develop	40	41,002	2,460	0
Robert Redcay 1149 E. Oregon Rd , Lititz PA 17543	Dir of HR	40	39,000	2,340	0

FRIENDSHIP COMMUNITY
Board of Directors
December 1, 2004

<u>Appointed by Eastern Mennonite Missions</u>	<u>Current Term Ends</u>	<u>Entry Year</u>
Jay C. Garber (Past President, 5th member) 2275 New Danville Pike Lancaster, PA 17603 Phone: 872-6298	(2006)	(1997)
Jay Hollinger 87 Pebble Creek Road Lititz, PA 17543 Phone: 627-6017	(2004)	(1995)
<u>Appointed by Lancaster Conference Bishop Board</u> Donald O. Nauman 31 Oakwood Lane Manheim, PA 17545 Phone: 665-3096	(2005)	(1996)
<u>Recommended by Friendship Board</u> Ken Laudermilch 478 E. Spruce Street New Holland, PA 17557 Phone: (610) 436-2928 (work) 355-2844 (home)	(2004)	(2001)
<u>Suggested by Friendship Community Board,</u> <u>Approved by Board of Bishops</u> William Rohrer (President) 355 E. Chestnut Street Lancaster, PA 17602 Phone: 397-7312	(2006)	(2002)
Georgia Martin (Secretary) 2124 Creek Hill Road Lancaster, PA 17601 Phone: 392-2823	(2006)	(1996)
J. Robert (Rob) Petersheim 303 Pin Oak Place Lancaster, PA 17602 Phone: 299-2053 Work: 394-0769	(2005)	(1996)

Board Members Cont.
Page 2

K. Eugene Forrey (Vice President) 312 Druid Hill Road Mountville, PA 17554 Phone: 892-1218 Fax: 285-5955	(2004)	(1998)
Beulah M. Landis 3245 Glengreen Drive Lancaster, PA 17601 Phone: 285-2027	(2005)	(1999)
Bob Peifer (Treasurer) 1222 Main Street Akron, PA 17501 Phone: (717) 859-1294 Day #: (717) 859-5555	(2006)	(2003)
Eunice Camargo-Ground 6235 Main Street East Petersburg, PA 17520 W. Phone: (717) 898-2251 Home: (717) 569-8585	(2006)	(2003)

(gs:12/04)