

Return of Organization Exempt From Income Tax

OMB No 1545-0047

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

2004

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 2004 calendar year, or tax year beginning

JUL 01, 2004, and ending

JUN 30, 2005

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, number and street, city, town, street, and ZIP code

FRIENDSHIP COMMUNITY

1149 E OREGON ROAD

LITITZ PA 17543-

D Employer identification number

23-1892383

E Telephone number

717-656-2466

F Acctg. 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 Website: ▶ FRIENDSHIPCOMMUNITY.NET

J 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? (If "No," attach a list. See instructions.) ☐ Yes ☐ NoH(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number ▶

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 7,176,492.

M Check ☒ if 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 the instructions)

1 Contributions, gifts, grants, and similar amounts received					
a Direct public support	1a	501,412.			
b Indirect public support	1b				
c Government contributions (grants)	1c	5,623,770.			
d Total (add lines 1a through 1c) (cash \$ 6,125,182. noncash \$)	1d	6,125,182.			
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	956,894.			
3 Membership dues and assessments	3				
4 Interest on savings and temporary cash investments	4	1,047.			
5 Dividends and interest from securities	5				
6 a 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 ▶ UNREALIZED GAI)	7	1,953.			
8 a Gross amount from sales of assets other than inventory	(A) Securities	8a		(B) Other	
b Less: cost or other basis & sales expenses	8b				
c Gain or (loss) (attach schedule)	8c				
d Net gain or (loss) (combine line 8c, columns (A) and (B))	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	85,400.			
b Less direct expenses other than fundraising expenses	9b	22,959.			
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c	62,441.			
10 a Gross sales of inventory, less returns and allowances	10a				
b Less: cost of goods sold	10b				
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
11 Other revenue (from Part VII, line 103)	11	6,016.			
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	7,153,533.			
13 Program service expenses (from line 2, column (B))	13	6,261,560.			
14 Management and general (from line 4, column (C))	14	829,689.			
15 Fundraising (from line 4, column (D))	15	100,351.			
16 Payments to affiliates (attach schedule)	16				
17 Total expenses (add lines 13 and 14, column (A))	17	7,191,600.			
18 Excess or deficit for the year (subtract line 17 from line 12)	18	(38,067.)			
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,531,050.			
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	1,492,983.			

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2004)

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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 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	3777126.	3314706.	403103.
27	Pension plan contributions	27	111776.	92602.	15803.
28	Other employee benefits	28	952227.	860184.	82864.
29	Payroll taxes	29	282233.	248798.	28889.
30	Professional fundraising fees	30			
31	Accounting fees	31	24800.		24800.
32	Legal fees	32			
33	Supplies	33	85032.	78689.	5618.
34	Telephone	34	58490.	46302.	11539.
35	Postage and shipping	35	12480.		9808.
36	Occupancy	36	341516.	327438.	14078.
37	Equipment rental and maintenance	37	3732.	2250.	1482.
38	Printing and publications	38	38089.		25714.
39	Travel	39	103245.	97372.	4691.
40	Conferences, conventions, and meetings	40	59650.	92.	58607.
41	Interest	41	159418.	134980.	24438.
42	Depreciation, depletion, etc. (attach schedule)	42	358121	340469.	16916.
43	Other expenses not covered above (itemize) a SEE STMT	43a	823665.	717678.	101339.
b		43b			
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	7,191,600.	6,261,560.	829,689.

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 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) & (4) orgs. & 4947(a)(1) trusts, but optional for others.)

a	INTERMEDIATE CARE FACILITIES - SEE ATTACHED				
	(Grants and allocations \$ _____)				1919387.
b	COMMUNITY LIVING ARRANGEMENTS - SEE ATTACHED				
	(Grants and allocations \$ _____)				3521500.
c	FRIENDSHIP MINISTRIES - SEE ATTACHED				
	(Grants and allocations \$ _____)				820673.
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)				6261560.

Form **990** (2004)

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	156,645.	46 202,055.
	47 a Accounts receivable	242,962.	
	b Less: allowance for doubtful accounts		47 c 242,962.
	48 a Pledges receivable	17,500.	
	b Less: allowance for doubtful accounts		48 c 17,500.
	49 Grants receivable	582,495.	49 240,399.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50
	51 a Other notes and loans receivable (attach schedule)		
	b Less: allowance for doubtful accounts		51 c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	12,663.	53 19,807.
	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	21,271.	54 82,924.
	55 a Investments - land, buildings, and equipment: basis		
	b Less: accumulated depreciation (attach schedule)		55 c
56 Investments - other (attach schedule)		56	
57 a Land, buildings, and equipment: basis	7,432,144.		
b Less: accumulated depreciation (attach schedule)	2,955,214.	57 c 4,476,930.	
58 Other assets (describe) FINANCE COST NET OF AMORT	28,025.	58 26,158.	
59 Total assets (add lines 45 through 58) (must equal line 74)	5,912,225.	59 5,308,735.	
Liabilities	60 Accounts payable and accrued expenses	732,550.	60 511,735.
	61 Grants payable	2,410.	61
	62 Deferred revenue	649,503.	62 569,671.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63
	64 a Tax-exempt bond liabilities (attach schedule)		64 a
	b Mortgages and other notes payable (attach schedule)	2,985,829.	64 b 2,723,403.
	65 Other liabilities (describe) SECURITY DEPOSITS	10,883.	65 10,943.
66 Total liabilities (add lines 60 through 65)	4,381,175.	66 3,815,752.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	1,460,405.	67 1,359,928.
	68 Temporarily restricted	70,645.	68 112,935.
	69 Permanently restricted		69 20,120.
	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)	1,531,050.	73 1,492,983.
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	5,912,225.	74 5,308,735.	

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.

**Part IV-A Reconciliation of Revenue per Audited
Financial Statements with Revenue per
Return (See the instructions.)**

a Total revenue, gains, and other support per audited financial statements	a	7135533.
b Amounts included on line a but not on line 12, Form 990:		
(1) Net unrealized gains on investments \$		
(2) Donated services & use of facilities \$		
(3) Recoveries of prior year grants \$		
(4) Other (specify):		
\$		
Add amounts on lines (1) through (4)	b	
c Line a minus line b	c	7135533.
d Amounts included on line 12, Form 990 but not on line a :		
(1) Investment expenses not included on line 6b, Form 990 \$		
(2) Other (specify):		
\$		
Add amounts on lines (1) and (2)	d	
e Total revenue per line 12, Form 990 (line c plus line d)	e	7135533.

Part IV-B	Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
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a Total expenses and losses per audited financial statements	▶	a 7191600.
b Amounts included on line a but not on line 17, Form 990: (1) Donated services & use of facilities \$ _____ (2) Prior year adjustments reported on line 20, Form 990 \$ _____ (3) Losses reported on line 20, Form 990 \$ _____ (4) Other (specify) _____ _____ \$ _____	▶	
Add amounts on lines (1) through (4)	▶	b
c Line a minus line b	▶	c 7191600.
d Amounts included on line 17, Form 990 but not on line a: (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify) _____ _____ \$ _____	▶	
Add amounts on lines (1) and (2)	▶	d
e Total expenses per line 17, Form 990 (line c plus line d)	▶	e 7191600.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see 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? If "Yes," attach schedule - see the instructions.

► ☐ Yes ☒ No

Yes	No
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Form **990** (2004)

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

	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	
Note: Enter gross amounts unless otherwise indicated					
93 Program service revenue.					
a ICF PROGRAMS					142,500.
b CLA PROGRAMS					330,424.
c PCH & SUPP LIVING					483,970.
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from govt agencies					
94 Membership dues & assessments.					
95 Interest on savings and temporary cash investments			14	1,047.	
96 Dividends & 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	1,953.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	62,441.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a OTHER					6,016.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				65,441.	962,910.
105 Total (add line 104, columns (B), (D), and (E))					1,028,351.

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 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 AND BOARD FOR MENTALLY RETARDED PERSONS IN OUR PROGRAMS

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership int.	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions.)

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

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

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	Signature of officer GEORGE B STOLTZFUS		Date 2-15-06	
Paid Preparer's Use Only	Preparer's signature		Date	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4		EIN	Phone no

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

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

2004

FRIENDSHIP COMMUNITY

23-1892383

(See the instructions. List each one. If there are none, enter "None.")

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

(See the instructions. List each one (whether individuals or firms). If there are none, enter "None ")

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

Schedule A (Form 990 or 990-EZ) 2004

Part III **Statements About Activities** (See 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 1 of Part VI-B)	1		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities				
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d		X
e	Transfer of any part of its income or assets?	2e		X
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.)	3a		X
b	Do you have a section 403(b) annuity plan for your employees?	3b	X	
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a		X
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b		X

Part IV **Reason for Non-Private Foundation Status** (See 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 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 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	5700336	5619526	4956178	4545667	20821707
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	940569	982908	919404	850989	3693870
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	2557	5002	5695	8932	22186
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.	837	918	16034	6670	24459
23 Total of lines 15 through 22	6644299	6608354	5897311	5412258	24562222
24 Line 23 minus line 17	5703730	5625446	4977907	4561269	20868352
25 Enter 1% of line 23	66443	66084	58973	54123	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶	26a	417367
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c	20868352
d Add. Amounts from column (e) for lines: 18 <u>22186</u> 19 <u> </u> 22 <u>24459</u> 26b <u> </u> ▶	26d	46645
e Public support (line 26c minus line 26d total) ▶	26e	20821707
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f	99.78 %

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.

(2003) _____ (2002) _____ (2001) _____ (2000) _____

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 the year:

(2003) _____ (2002) _____ (2001) _____ (2000) _____

c Add: Amounts from column (e) for lines: 15 <u> </u> 16 <u> </u> 17 <u> </u> 20 <u> </u> 21 <u> </u> ▶	27c	
d Add Line 27a total <u> </u> and line 27b total <u> </u> ▶	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 2000 through 2003, 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 instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
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	
<hr/> <hr/> <hr/>		
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?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>		
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?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>		
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	
<hr/> <hr/> <hr/>		
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	

Schedule A (Form 990 or 990-EZ) 2004

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

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

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
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 -														
	<table border="0"> <tr> <td>If the amount on line 40 is -</td> <td>The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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	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	41	
If the amount on line 40 is -	The lobbying nontaxable amount is -														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(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

(For reporting only by organizations that did not complete Part VI-A) (See 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		X	
b	Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c	Media advertisements		X	
d	Mailings to members, legislators, or the public		X	
e	Publications, or published or broadcast statements		X	
f	Grants to other organizations for lobbying purposes		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
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.

Schedule A (Form 990 or 990-EZ) 2004

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?

- 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.

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

[illegible]

- ☐ Yes ☒ No

[illegible]

Name: FRIENDSHIP COMMUNITY

ID number: 23-1892383

Part I - Statement of Revenue, Expenses, and Changes in Net Assets Line 9

Special Events	(A)	(B)	(C)	Other	Total
Gross Receipts	85,400.				85,400.
Less: Contributions					
Gross Revenue	85,400.				85,400.
Less: Direct Expenses	22,959.				22,959.
Net Income or (loss)	62,441.				62,441.

Description of Events

(A) FUNDRAISING BANQUET AND FESTIVAL

(B)

(C)

Other

US 990**Other Functional Expenses: Page 2, Line 43****2004**

Description of the Asset	Total	Program Services	Management and General	Fundraising
PURCHASED PERSONNEL	292,415.	292,415.		
RESIDENT PROGRAMS	10,182.	10,182.		
PURCHASED SERVICES	29,086.		29,086.	
STAFF DEVELOPMENT	26,507.	21,875.	3,962.	670.
STAFF RECRUITMENT	18,128.	12,588.	5,540.	
INSURANCE	75,333.	46,391.	28,942.	
FOOD	146,754.	146,754.		
CLOTHING	3,681.	3,681.		
RESIDENT DEVELOPMENT	160,781.	160,781.		
MEMBERSHIPS	17,656.	1,110.	13,019.	3,527.
BAD DEBT	7,530.	7,530.		
MISCELLANEOUS	35,612.	14,371.	20,790.	451.
	823,665.	717,678.	101,339.	4,648.

US 990**Investments - Securities: Page 3, Line 54****2004**

Description	Book Value
MENNONITE TRUST	82,924. 82,924.

US 990 Land, Buildings and Equipment 990: Page 3, Line 57; 990-PF: Page 2, Line 14 2004			
Description	Cost / Basis	Accumulated Depreciation	Book Value
LAND	460,732.		460,732.
LAND IMPROVEMENTS	429,032.	248,705.	180,327.
BUILDINGS	5,294,927.	1,809,078.	3,485,849.
FURNISHINGS AND EQUIPMENT	666,254.	464,714.	201,540.
ADAPTIVE EQUIPMENT	19,762.	10,395.	9,367.
VEHICLES	561,437.	422,322.	139,115.
	7,432,144.	2,955,214.	4,476,930.

FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2005

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, 2005.

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FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2005

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, 2005

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	26,266	26,266	
Building/Leasehold Imp.	216,801	216,801	
Equipment/Furnishings	50,255	49,519	736
Adaptive Equipment	2,366	2,366	
Vehicles	60,825	60,825	
Finance Costs (Amort.)	1,608	<u>1,608</u>	<u></u>
Total	<u>358,121</u>	<u>357,385</u>	<u>736</u>

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FRIENDSHIP COMMUNITY
EIN: 23-1892383
YEAR ENDED JUNE 30, 2005

FORM 990

PART VI - BALANCE SHEETS

LINE 64 Mortgages and notes payable:

Lender	Balance
Bank of Lancaster County	
4.9% bond payable secured by property	1,708,464
6.00% working capital loan secured by property	332,188
6.9% note payable secured by property	87,500
Eastern Mennonite Missions	
5.00% mortgages secured by property	516,775
5.25% unsecured notes payable	3,935
Mennonite Financial Federal Credit Union	
6.0% vehicle loans	<u>74,541</u>
	<u><u>2,723,403</u></u>

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Friendship Community
 EIN 23-1892383
 Year Ended June 30, 2005

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	66,640	0	0
Brian French 1149 E Oregon Rd , Lititz PA 17543	Dir of Programs	40	45,166	2,710	0
Ruth Welch 1149 E Oregon Rd , Lititz PA 17543	Dir of New Initiatives	36	27,897	0	0
Myron Stoner 1149 E Oregon Rd , Lititz PA 17543	Dir of Finance	40	46,005	2,760	0
Irvin Enck 1149 E Oregon Rd , Lititz PA 17543	Dir of Bldg	40	38,784	2,327	0
Milt Stoltzfus 1149 E Oregon Rd , Lititz PA 17543	Dir of Develop.	40	41,340	2,480	0
Robert Redcay 1149 E Oregon Rd , Lititz PA 17543	Dir of HR	40	39,340	2,360	0

FRIENDSHIP COMMUNITY
Board of Directors
December 8, 2005

	<u>Current Term Ends</u>	<u>Entry Year</u>
William Rohrer (President) 355 E. Chestnut Street Lancaster, PA 17602 Phone: 397-7312 E-mail: roarlikealion@qwestonline.com Employment: Retired	(2005) (eligible to 2011)	(2002)
K. Eugene Forrey (Vice President) 312 Druid Hill Road Mountville, PA 17554 Phone: 285-4046 Fax: 285-5955 Employment: Owner, Cabinet Shop	(2007) (eligible to 2009)	(1998)
Georgia Martin (Secretary) 2124 Creek Hill Road Lancaster, PA 17601 Phone: 392-2823 E-mail: Samgeo@earthlink.net Employment: Retired	(2005) (eligible to 2005)	(1997)
Bob Peifer (Treasurer) 1222 Main Street Akron, PA 17501 Phone: (717) 859-1294 E-mail: Bob@cloisterTax.com Employment: Self-employed accountant/Tax preparations	(2006) (eligible to 2012)	(2003)
Jay C. Garber (5th member) 2275 New Danville Pike Lancaster, PA 17603 Phone: 872-6298 E-mail: garberlj@juno.com Employment: Retired	(2006) (eligible to 2008)	(1997)
Eunice Camargo-Ground 635 Main Street East Petersburg PA 17520 W. Phone: (717) 898-2251 Home: (717) 569-8585 E-mail: ecamargo1@juno.com Employment: Eastern Mennonite Missions department of Human Resources	(2006) (eligible to 2012)	(2003)

Board Members

Page 2

Beulah M. Landis (2008)(eligible to 2010)
3245 Glengreen Drive (1999)
Lancaster, PA 17601
Phone: 285-2027
E-mail: bmlandis@dejazzd.com
Employment: Retired

Charles Kahler (2008) (eligible to 2014)
2565 Spring Valley Rd (2005)
Lancaster, PA 17601 1917
Phone: (717) 392-8455
E-mail: Charles.Kahler@worldnet.att.net
Employment: Retired

Connie Bender (2008) (eligible to 2014)
808 East Jefferson Court (2005)
Lancaster, Pennsylvania 17602
Phone: 717 293-1513
Fax: 717 299-1074
E-mail: lrbender@aol.com
Employment: Self-employed, Farm Supply Business

(gs:12/05)