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2009

Open to Public  
InspectionDepartment 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)

► Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than \$500,000 and total assets less than \$1,250,000 at the end of the year may use this form

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

## A For the 2009 calendar year, or tax year beginning

, and ending

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

Please use IRS label or print or type.  
See Specific Instructions.

C Name of organization

THE LINGAP CHILDREN'S FOUNDATION

Number and street (or P O box, if mail is not delivered to street address)

Room/suite

P.O. BOX 1553

City, town, or country

State

ZIP + 4

JACKSON

MI

49204-1553

D Employer identification number

30-0312368

E Telephone number

517-529-9702

F Group Exemption

Number ►

- Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting Method:  Cash  Accrual  
Other (specify) ►I Website: ► [www.lingapcenter.org](http://www.lingapcenter.org)J Tax-exempt status (check only one) —  501(c) ( 3 ) □ (insert no)  4947(a)(1) or  527H Check ►  if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF)K Check ►  if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts. If \$500,000 or more, file Form 990 instead of Form 990-EZ

► \$

264,723

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

1	Contributions, gifts, grants, and similar amounts received . . . . .	1	240,130
2	Program service revenue including government fees and contracts . . . . .	2	
3	Membership dues and assessments . . . . .	3	
4	Investment income . . . . .	4	16,800
5a	Gross amount from sale of assets other than inventory . . . . .	5a	7,793
b	Less: cost or other basis and sales expenses . . . . .	5b	7,768
c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) . . . . .	5c	25
6	Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here ► <input type="checkbox"/>		
a	Gross revenue (not including \$ 1,000 of contributions reported on line 1) . . . . .	6a	0
b	Less: direct expenses other than fundraising expenses . . . . .	6b	0
c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a) . . . . .	6c	0
7a	Gross sales of inventory, less returns and allowances . . . . .	7a	
b	Less: cost of goods sold . . . . .	7b	
c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a) . . . . .	7c	0
8	Other revenue (describe ► ) . . . . .	8	0
9	<b>Total revenue.</b> Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 . . . . .	9	256,955
10	Grants and similar amounts paid (attach schedule) . . . . .	10	0
11	Benefits paid to or for members . . . . .	11	
12	Salaries, other compensation, and employee benefits . . . . .	12	
13	Professional fees and other payments to independent contractors . . . . .	13	6,195
14	Occupancy, rent, utilities, and maintenance . . . . .	14	
15	Printing, publications, postage, and shipping . . . . .	15	5,403
16	Other expenses (describe ► See Attached Statement ) . . . . .	16	73,593
17	<b>Total expenses.</b> Add lines 10 through 16 . . . . .	17	85,191
18	Excess or (deficit) for the year (Subtract line 17 from line 9) . . . . .	18	171,764
19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return) . . . . .	19	276,588
20	Other changes in net assets or fund balances (attach explanation) . . . . .	20	135,668
21	Net assets or fund balances at end of year. Combine lines 18 through 20 . . . . .	21	584,020

## Part II Balance Sheets. If Total assets on line 25, column (B) are \$1,250,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments . . . . .	276,588	22 584,020
23	Land and buildings . . . . .		23
24	Other assets (describe ► ) . . . . .	0	24 0
25	<b>Total assets</b> . . . . .	276,588	25 584,020
26	<b>Total liabilities</b> (describe ► ) . . . . .	0	26 0
27	<b>Net assets or fund balances</b> (line 27 of column (B) must agree with line 21) . . . . .	276,588	27 584,020

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

(HTA)

Form 990-EZ (2009)

g 8 - 9  
14



**Part V Other Information** (Note the statement requirements in the instructions for Part V.)

33 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity. 33  Yes  No

34 Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes. 34  Yes  No

35 If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T. 35a  Yes  No

a Did the organization have unrelated business gross income of \$1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements? 35b  Yes  No

b If "Yes," has it filed a tax return on Form 990-T for this year? 36  Yes  No

36 Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N. 37b  Yes  No

37 a Enter amount of political expenditures, direct or indirect, as described in the instructions. ► 37a 0

b Did the organization file Form 1120-POL for this year? 38a  Yes  No

38 a Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still outstanding at the end of the period covered by this return? 38b  Yes  No

b If "Yes," complete Schedule L, Part II and enter the total amount involved. 39a  Yes  No

39 Section 501(c)(7) organizations. Enter: 39b  Yes  No

a Initiation fees and capital contributions included on line 9. 40a  Yes  No

b Gross receipts, included on line 9, for public use of club facilities. 40b  Yes  No

40 a Section 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 Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I. 40c  Yes  No

c Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. 40d  Yes  No

d Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization. 40e  Yes  No

e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T. 40f  Yes  No

41 List the states with which a copy of this return is filed. ► MI

42 a The organization's books are in care of ► JOHN F. DRAKE Telephone no. ► (517) 529-9702

Located at ► 200 HILLWOOD CT. City JACKSON ST. MI ZIP + 4 ► 49249

b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 42b  Yes  No

If "Yes," enter the name of the foreign country: ► 42c  Yes  No

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

c At any time during the calendar year, did the organization maintain an office outside of the U.S.? 42d  Yes  No

If "Yes," enter the name of the foreign country: ► 42e  Yes  No

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041—Check here. ►  and enter the amount of tax-exempt interest received or accrued during the tax year. ► 43 N/A

44 Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ. 44  Yes  No

45 Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ. 45  Yes  No

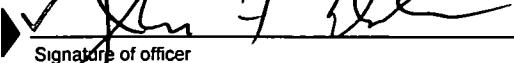
**Part VI Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46-49b and complete the tables for lines 50 and 51.

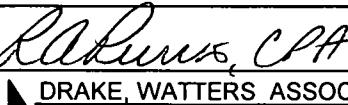
		Yes	No
46	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.	46	X
47	Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47	X
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	X
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a	X
b	If "Yes," was the related organization a section 527 organization?	49b	
50	Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."		

(a) Name and address of each employee paid more than \$100,000			(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
Name None	Str		Title			
City	ST	ZIP	Hr/WK	.00	0	0
Name	Str		Title			
City	ST	ZIP	Hr/WK	.00	0	0
Name	Str		Title			
City	ST	ZIP	Hr/WK	.00	0	0
Name	Str		Title			
City	ST	ZIP	Hr/WK	.00	0	0
Name	Str		Title			
City	ST	ZIP	Hr/WK	.00	0	0
f Total number of other employees paid over \$100,000				0		

51 Complete this table for the organization's five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than \$100,000			(b) Type of service	(c) Compensation
Name None	Str			
City	ST	ZIP		
Name	Str			
City	ST	ZIP		
Name	Str			
City	ST	ZIP		
Name	Str			
City	ST	ZIP		
Name	Str			
City	ST	ZIP		
d Total number of other independent contractors each receiving over \$100,000				0

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, this true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge		
		✓ 5-12-10	Date
<input checked="" type="checkbox"/> Signature of officer <input checked="" type="checkbox"/> JOHN F. DRAKE, PRESIDENT / SECRETARY <input type="checkbox"/> Type or print name and title			

Paid Preparer's Use Only	Preparer's signature		Date	Check if self-employed	Preparer's identifying number (See instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	DRAKE, WATTERS ASSOCIATES, PLLC 415 S. JACKSON ST., PO. BOX 906, JACKSON, MI 49204		<input type="checkbox"/>	587-28-0527
		EIN	► 41-2045985		
		Phone no	(517) 783-2886		

May the IRS discuss this return with the preparer shown above? See instructions . . . . .  Yes  No

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization

THE LINGAP CHILDREN'S FOUNDATION

Employer identification number

30-0312368

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  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 exempt 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). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 

a  Type I      b  Type II      c  Type III—Functionally integrated      d  Type III—Other

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . .

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . .

(ii) A family member of a person described in (i) above? . . . . .

(iii) A 35% controlled entity of a person described in (i) or (ii) above? . . . . .
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see Instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
									0
									0
									0
									0
									0
<b>Total</b>									0

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I )

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	100,072	143,197	212,427	212,460	240,130	908,286
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf. . . . .	0	0				0
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .	0	0				0
<b>4 Total.</b> Add lines 1 through 3 . . . . .	<b>100,072</b>	<b>143,197</b>	<b>212,427</b>	<b>212,460</b>	<b>240,130</b>	<b>908,286</b>
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) . . . . .						
<b>6 Public support.</b> Subtract line 5 from line 4						<b>908,286</b>

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4 . . . . .	100,072	143,197	212,427	212,460	240,130	908,286
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .	867	5,870	12,014	24,485	16,800	60,036
9 Net income from unrelated business activities, whether or not the business is regularly carried on . . . . .						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	0	0				0
<b>11 Total support.</b> Add lines 7 through 10 . . . . .						<b>968,322</b>
12 Gross receipts from related activities, etc. (see instructions) . . . . .					<b>12</b>	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . .	<b>14</b>	93.80%
15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . .	<b>15</b>	93.92%
<b>16a 33 1/3% support test-2009.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input checked="" type="checkbox"/>		
<b>b 33 1/3% support test-2008.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
<b>17a 10%-facts-and-circumstances test-2009.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test-2008.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a ,or 17b, check this box and see instructions ► <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**  
 (Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . . . .	0	0				0
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .	0	0				0
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						0
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						0
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .	0	0				0
6 Total. Add lines 1 through 5 . . . . .	0	0	0	0	0	0
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						0
c Add lines 7a and 7b . . . . .	0	0	0	0	0	0
8 Public support (Subtract line 7c from line 6.) . . . . .						0

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6 . . . . .	0	0	0	0	0	0
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						0
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						0
c Add lines 10a and 10b . . . . .	0	0	0	0	0	0
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						0
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .	0	0				0
13 Total support. (Add lines 9, 10c, 11, and 12.) . . . . .	0	0	0	0	0	0
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here . . . . . ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f)) . . . . .	15	0.00%
16 Public support percentage from 2008 Schedule A, Part III, line 15 . . . . .	16	0.00%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	0.00%
18 Investment income percentage from 2008 Schedule A, Part III, line 17 . . . . .	18	0.00%
19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization . . . . . ► <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions . . . . . ► <input type="checkbox"/>		

**Part I, Line 16 (990-EZ) - Other Expenses**

73,593

1 Travel	1	
2 Meals and entertainment	2	
3 Fundraising	3	6,097
4 Amortization	4	0
5 Conferences, conventions, and meetings	5	
6 Depreciation	6	0
7 Depletion	7	
8 Equipment rental and maintenance	8	
9 Interest	9	
10 Supplies	10	
11 Telephone	11	
12 Unrelated business income taxes	12	0
13 Credit card fees	13	3,529
14 Foreign withholding	14	218
15	15	
16 Insurance	16	8,689
17 Office expenses	17	
18 Travel and meals	18	
19 Taxes	19	20
20 Miscellaneous	20	40
21 Orphanage assistance and tuition	21	55,000
22	22	
23	23	
24	24	
25	25	
26	26	
27	27	
28	28	
29	29	

**Part I, Line 20 (990-EZ) - Other Changes in Net Assets or Fund Balances**

	Description	Amount
1	Unrealized Gain on Investments	135,668
2		
3		
4		
5		
6		
7		
8		
9		
10		

**THE LINGAP CHILDREN'S FOUNDATION**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2009**

## **CONTENTS**

	<u>PAGE</u>
ACCOUNTANTS' REVIEW REPORT	1
STATEMENT OF FINANCIAL POSITION	2
STATEMENT OF ACTIVITIES	3
STATEMENT OF FUNCTIONAL EXPENSES	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6-8

415 S. Jackson St.  
P.O. Box 906  
Jackson, MI 49204



(517) 783-2886  
Fax (517) 783-2938  
[www.dwapllc.com](http://www.dwapllc.com)

*Certified Public Accountants*

To the Board of Directors  
The Lingap Children's Foundation  
P.O. Box 1553  
Jackson, Michigan 49204

We have reviewed the accompanying statement of financial position of The Lingap Children's Foundation (a nonprofit organization) as of December 31, 2009 and the related statements of activities, functional expenses and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of The Lingap Children's Foundation.

A review consists principally of inquiries of Agency personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

*Drake, Watters & Associates, PLLC*

May 11, 2010  
Jackson, Michigan

THE LINGAP CHILDREN'S FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
December 31, 2009

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 104,531
Total current assets	<u>104,531</u>

**LONG-TERM INVESTMENTS:**

Marketable Securities	<u>479,489</u>
Total long-term investments	<u>479,489</u>
	\$ <u>584,020</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

LIABILITIES:	\$ -
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**NET ASSETS:**

Unrestricted	584,020
Temporarily restricted	-
Permanently restricted	-
Total net assets	<u>584,020</u>
	\$ <u>584,020</u>

See accountants' report and accompanying notes to the financial statements.

**THE LINGAP CHILDREN'S FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>MEMO TOTAL</u>
<b>PUBLIC SUPPORT AND REVENUE:</b>				
Public support.				
Contributions - general	\$ 215,959	\$ 14,648	\$ -	\$ 230,607
In-kind	9,523	-	-	9,523
Total public support	<u>225,482</u>	<u>14,648</u>	<u>-</u>	<u>240,130</u>
Revenue:				
Interest income	2,469	-	-	2,469
Dividend income	14,331	-	-	14,331
Realized gain on investments	25	-	-	25
Net unrealized gain on investments	135,668	-	-	135,668
Total revenue	<u>152,493</u>	<u>-</u>	<u>-</u>	<u>152,493</u>
Total public support and revenue	<u>377,975</u>	<u>14,648</u>	<u>-</u>	<u>392,623</u>
<b>RECLASSIFICATIONS:</b>				
Released from restrictions	<u>14,648</u>	<u>(14,648)</u>	<u>-</u>	<u>-</u>
Total reclassifications	<u>14,648</u>	<u>(14,648)</u>	<u>-</u>	<u>-</u>
<b>TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS</b>				
	<u>392,623</u>	<u>-</u>	<u>-</u>	<u>392,623</u>
<b>EXPENSES:</b>				
Programs	55,000	-	-	55,000
Management	24,094	-	-	24,094
Fundraising	6,097	-	-	6,097
Total expenses	<u>85,191</u>	<u>-</u>	<u>-</u>	<u>85,191</u>
<b>CHANGE IN NET ASSETS</b>				
	<u>307,432</u>	<u>-</u>	<u>-</u>	<u>307,432</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>				
	<u>276,588</u>	<u>-</u>	<u>-</u>	<u>276,588</u>
<b>NET ASSETS - END OF YEAR</b>				
	<u>\$ 584,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 584,020</u>

See accountants' report and accompanying notes to the financial statements.

**THE LINGAP CHILDREN'S FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>PROGRAM SERVICES</b>	<b>MANAGEMENT &amp; GENERAL</b>	<b>FUNDRAISING</b>	<b>TOTAL</b>
<b>EXPENSES:</b>				
Credit card fees	\$ -	\$ 3,529	\$ -	\$ 3,529
Foreign withholding	-	218	-	218
Professional expenses	-	6,195	-	6,195
Insurance	-	8,689	-	8,689
Postage and shipping	-	254	-	254
Rental expense	-	40	-	40
Special event and supplies	-	-	6,097	6,097
Printing	-	5,149	-	5,149
Tuition	7,112	-	-	7,112
Orphanage assistance	47,888	-	-	47,888
Taxes & licenses	-	20	-	20
<b>Total expenses</b>	<b>\$ 55,000</b>	<b>\$ 24,094</b>	<b>\$ 6,097</b>	<b>\$ 85,191</b>

See accountants' report and accompanying notes to the financial statements.

**THE LINGAP CHILDREN'S FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 307,432
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Donated securities	(5,023)
Reinvested shares	(3,895)
Non-income distributions received	1,136
Unrealized loss on securities	<u>(135,668)</u>
Net cash from operating activities	<u>163,982</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sale of securities	7,792
Realized gain on sale of securities	(25)
Purchase of securities	<u>(110,772)</u>
Net cash from investing activities	<u>(103,005)</u>

<b>NET CHANGE IN CASH</b>	<b>60,977</b>
<b>CASH - DECEMBER 31, 2008</b>	<u><b>43,554</b></u>
<b>CASH - DECEMBER 31, 2009</b>	<u><b>\$ 104,531</b></u>

See accountants' report and accompanying notes to the financial statements.

**THE LINGAP CHILDREN'S FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of The Lingap Children's Foundation (the Agency) is presented to assist in understanding the organization's financial statements. The financial statements and notes are the representation of the organization's management who is responsible for their integrity and objectivity.

**Organization's Programs and Activities**

The Agency provides food and shelter for abandoned or abused children in Toledo City, Philippines. The Agency nurtures and protects children in need, in addition to providing them a source of education for their future.

The Agency is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal, state and local income taxes. Contributions to the Agency qualify for the 50% charitable contributions limitation.

**Public Support and Revenue**

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, if a donor restriction is satisfied in the same reporting period that the contribution was made, such contribution is reported as unrestricted support in the statement of activities.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Statement of Financial Accounting Standards No 116 and 117. For financial reporting purposes net assets are classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements. Accordingly, actual results could differ from those estimates.

**THE LINGAP CHILDREN'S FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents**

The Lingap Children's Foundation considers all highly liquid investments that are both readily convertible to known amounts of cash; and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates to be reported as cash or cash equivalents.

The Organization's cash and cash equivalents are subject to potential concentrations of credit risk. Checking and money market accounts are maintained at various institutions and have bank statement balances and book balances totaling \$104,531 as of December 31, 2009. The bank balances are uncollateralized and are insured by the FDIC up to \$250,000 per institution. As of December 31, 2009, all amounts were FDIC insured.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Long-term Investments**

Investments in equity securities with readily determinable fair values are recorded at fair market value with gains and losses included in the statement of activities.

**2. INVESTMENTS**

The Organization invests principally in certificates of deposits, equity, and fixed income securities. The cost of investments and market values are as follows:

<u>Description</u>	<u>Cost</u>	<u>Market</u>
Unrestricted	\$ 372,672	\$ 479,489
Temporarily restricted	-	-
Permanently restricted	-	-
<b>Total</b>	<b>\$ 372,672</b>	<b>\$ 479,489</b>

**3. TEMPORARILY RESTRICTED NET ASSETS**

There are no temporarily or permanently restricted assets for 2009.

**THE LINGAP CHILDREN'S FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2009**

**4. DONATED SERVICES**

The Agency receives a significant amount of donated services from unpaid volunteers who assist in fundraising, and special projects. Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Accounting and website development services were periodically donated throughout 2009. The services were recorded as in-kind donations with a fair value of \$4,500.

**5. PROMOTIONAL COSTS**

It is the Agency's policy to expense promotional costs as they are incurred. The total amount of promotional costs for the year ended December 31, 2009 was \$0.

**6. ORPHANAGE ASSISTANCE AND TUITION**

The Agency provides assistance for operating expenses of The Lingap Center, an orphanage in Toledo City, Cebu, Philippines. The Agency also assists with tuition expenses. The total orphanage assistance cost and tuition expenses, for the year ended December 31, 2009 were \$47,888 and \$7,112 respectively.