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Return of Organization Exempt From Income TaxUnder 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.

OMB No 1545-1150

2009**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

A For the 2009 calendar year, or tax year beginning , and ending		C Name of organization THE LINGAP CHILDREN'S FOUNDATION		D Employer identification number 30-0312368
B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	Number and street (or P.O. box, if mail is not delivered to street address) P.O. BOX 1553	Room/suite	E Telephone number 517-529-9702
		City, town, or country JACKSON	State MI	F Group Exemption Number ▶
		ZIP + 4 49204-1553		

• 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**J** Tax-exempt status (check only one)— ☒ 501(c) (3) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

H 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.)

Revenue	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 \$ 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 Total revenue. Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8	9	256,955	
Expenses	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 Total expenses. Add lines 10 through 16	17	85,191
Net Assets	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	584,020
23 Land and buildings		
24 Other assets (describe ▶)	0	0
25 Total assets	276,588	584,020
26 Total liabilities (describe ▶)	0	0
27 Net assets or fund balances (line 27 of column (B) must agree with line 21)	276,588	584,020

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

Form **990-EZ** (2009)

SCANNED JUN 25 2010

g8-9 14

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

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity.		X
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes.		X
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.		
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?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
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.		X
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?		X
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?		X
b	If "Yes," complete Schedule L, Part II and enter the total amount involved. ▶ 38b 0		
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9. ▶ 39a 0		
b	Gross receipts, included on line 9, for public use of club facilities. ▶ 39b 0		
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.		X
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. ▶ 0		
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization. ▶ 0		
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.		X
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)?	Yes	No
	If "Yes," enter the name of the foreign country: ▶	42b	X
	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.? If "Yes," enter the name of the foreign country: ▶	42c	X
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ 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. ▶ 43 N/A		
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ.	Yes	No
		44	X
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.		X
		45	X

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.

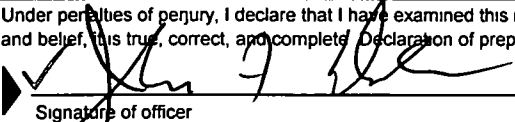
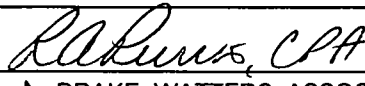
	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.	46	X
47 Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47	X
48 Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48	X
49 a 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 <u>None</u> Str _____	Title _____			
City <u>ST</u> ZIP _____	Hr/WK <u>.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name _____ Str _____	Title _____			
City <u>ST</u> ZIP _____	Hr/WK <u>.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name _____ Str _____	Title _____			
City <u>ST</u> ZIP _____	Hr/WK <u>.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name _____ Str _____	Title _____			
City <u>ST</u> ZIP _____	Hr/WK <u>.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Name _____ Str _____	Title _____			
City <u>ST</u> ZIP _____	Hr/WK <u>.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
f Total number of other employees paid over \$100,000		<u>0</u>		

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 <u>None</u> Str _____		
City <u>ST</u> ZIP _____		
Name _____ Str _____		
City <u>ST</u> ZIP _____		
Name _____ Str _____		
City <u>ST</u> ZIP _____		
Name _____ Str _____		
City <u>ST</u> ZIP _____		
Name _____ Str _____		
City <u>ST</u> ZIP _____		
d Total number of other independent contractors each receiving over \$100,000		<u>0</u>

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 return 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		<u>5-12-10</u> Date	
Paid Preparer's Use Only	Type or print name and title <u>JOHN F. DRAKE, PRESIDENT / SECRETARY</u>		Check if self-employed <input type="checkbox"/>	Preparer's identifying number (See instructions) <u>587-28-0527</u>
	Preparer's signature 	Date <u>5/11/10</u>		
	Firm's name (or yours if self-employed), address, and ZIP + 4 <u>DRAKE, WATTERS ASSOCIATES, PLLC</u> <u>415 S. JACKSON ST., PO. BOX 906, JACKSON, MI 49204</u>			

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?

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

h Provide the following information about the supported organization(s).

(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
									0
Total									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
4 Total. Add lines 1 through 3	100,072	143,197	212,427	212,460	240,130	908,286
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)						
6 Public support. Subtract line 5 from line 4						908,286

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
11 Total support. Add lines 7 through 10						968,322

12 Gross receipts from related activities, etc. (see instructions) **12****13 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** ☐**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	93.80%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	93.92%

16a 33 1/3% support test—2009. 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 ☒**b 33 1/3% support test—2008.** 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 ☐**17a 10%-facts-and-circumstances test—2009.** 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 ☐**b 10%-facts-and-circumstances test—2008.** 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 ☐**18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ☐

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	0				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. ☐
- 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. ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions. ☐

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

135,668

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

THE LINGAP CHILDREN'S FOUNDATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

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



(517) 783-2886
Fax (517) 783-2938
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	\$ <u>104,531</u>
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:	\$ <u>-</u>
---------------------	-------------

NET ASSETS:

Unrestricted	584,020
Temporarily restricted	-
Permanently restricted	<u>-</u>
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>
PUBLIC SUPPORT AND REVENUE:				
Public support:				
Contributions - general	\$ 215,959	\$ 14,648	\$ -	\$ 230,607
In-kind	<u>9,523</u>	<u>-</u>	<u>-</u>	<u>9,523</u>
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	<u>135,668</u>	<u>-</u>	<u>-</u>	<u>135,668</u>
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>
RECLASSIFICATIONS:				
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>
TOTAL SUPPORT, REVENUE AND RECLASSIFICATIONS	<u>392,623</u>	<u>-</u>	<u>-</u>	<u>392,623</u>
EXPENSES:				
Programs	55,000	-	-	55,000
Management	24,094	-	-	24,094
Fundraising	<u>6,097</u>	<u>-</u>	<u>-</u>	<u>6,097</u>
Total expenses	<u>85,191</u>	<u>-</u>	<u>-</u>	<u>85,191</u>
CHANGE IN NET ASSETS	<u>307,432</u>	<u>-</u>	<u>-</u>	<u>307,432</u>
NET ASSETS - BEGINNING OF YEAR	<u>276,588</u>	<u>-</u>	<u>-</u>	<u>276,588</u>
NET ASSETS - END OF YEAR	<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**

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT & GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
EXPENSES:				
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
	<u>-</u>	<u>20</u>	<u>-</u>	<u>20</u>
Total expenses	<u>\$ 55,000</u>	<u>\$ 24,094</u>	<u>\$ 6,097</u>	<u>\$ 85,191</u>

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>

NET CHANGE IN CASH 60,977

CASH - DECEMBER 31, 2008 43,554

CASH - DECEMBER 31, 2009 \$ 104,531

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	-	-
Total	<u>\$ 372,672</u>	<u>\$ 479,489</u>

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.