

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)

2006

Open to Public Inspection

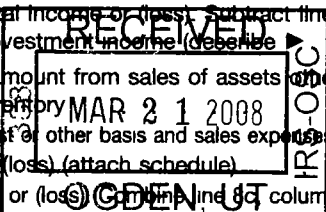
Department of the Treasury Internal Revenue Service

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

Form 990 header section including: A For the 2006 calendar year, or tax year beginning MAY 1, 2006, and ending APRIL 30, 2007; B Check if applicable; C Name of organization LATVIAN FOUNDATION, INC; D Employer identification number 23 7089477; E Telephone number (269) 382-1176; F Accounting method; G Website: www.latviesufonds.info; J Organization type; K Check here; L Gross receipts: 132,171

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

Table with 12 columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.



SCANNED APR 21 2008

Handwritten initials/signature

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
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b	Other grants and allocations (attach schedule) (cash \$ <u>114,000</u> noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b 114,000	114,000		
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a 0	0	0	0
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26	Salaries and wages of employees not included on lines 25a, b, and c	26			
27	Pension plan contributions not included on lines 25a, b, and c	27			
28	Employee benefits not included on lines 25a - 27	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31 1,350		1,350	
32	Legal fees	32			
33	Supplies	33 448	150	250	48
34	Telephone	34 40	20	20	
35	Postage and shipping	35 1,979	1,080	459	440
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38 2,699	1,410	730	559
39	Travel	39 5,697	2,850	1,640	1,207
40	Conferences, conventions, and meetings	40 466		220	246
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize):				
a	PROMOTION	43a 676	676		
b	BANK CHARGES	43b 190		190	
c	TAXES	43c 464		464	
d	CURRENCY EXCHANGE	43d 62		62	
e	WEBSITE MANAGEMENT	43e 333	133	100	100
f	FEDERAL FILING PENALTIES AND INTEREST	43f 13,231		13,231	
g		43g			
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 141,635	120,319	18,716	2,600

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 IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash—non-interest-bearing		45	
	46 Savings and temporary cash investments	185,014	46	64,260
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54a Investments—publicly-traded securities <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	659,613	54a	793,197
	b Investments—other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments—other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a		
b Less: accumulated depreciation (attach schedule)	57b	57c		
58 Other assets, including program-related investments (describe ►)		58		
59 Total assets (must equal line 74). Add lines 45 through 58	844,627	59	857,457	
Liabilities	60 Accounts payable and accrued expenses		60	13,231
	61 Grants payable	58,574	61	96,727
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ► LOANS FROM MEMBERS)	302,887	65	296,989
66 Total liabilities. Add lines 60 through 65	361,461	66	406,947	
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	455,188	67	399,342
	68 Temporarily restricted	27,978	68	51,168
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	483,166	73	450,511	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	844,627	74	857,457	

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
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4		b
c	Subtract line b from line a		c
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2		d
e	Total revenue (Part I, line 12). Add lines c and d		e

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

a	Total expenses and losses per audited financial statements		a
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	
	Add lines b1 through b4		b
c	Subtract line b from line a		c
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2		d
e	Total expenses (Part I, line 17). Add lines c and d		e

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JANIS KUKAINIS, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	RESIDENT AGENT LESS THAN 4	0	0	0
VALDIS BERZINS, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	PRESIDENT 4 TO 8	0	0	0
ASTRIDA LEVENSTEINA, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	VICE-PRESIDENT/ GRANT MGR 4 TO 8	0	0	0
VIVITA ROZENBERGA, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	GRANT MANAGER 4 TO 8	0	0	0
TIJA KARKLE, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	TREASURER 4 TO 8	0	0	0
ASTRIDA JANSONE, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	SECRETARY 4 TO 8	0	0	0
AINA IRBE, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	TECHNICAL PROJECTS 4 TO 8	0	0	0
JURIS PETRICEKS, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	INTERNAL AUDITOR 4 TO 8	0	0	0
LIGITA KRUMKALNE, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	INTERNAL AUDITOR 4 TO 8	0	0	0
RASMA KARINA, 1907 AUTUMN CREST LN, KALAMAZOO, MI 49008	INTERNAL AUDITOR 4 TO 8	0	0	0

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		
	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	✓	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members		
	85c		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		✓
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> none; section 4912 <input type="checkbox"/> none, section 4955 <input type="checkbox"/> none		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		✓
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		✓
	89e		
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		✓
	89f		
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		✓
	89g		
90a	List the states with which a copy of this return is filed ▶ MICHIGAN		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	none
91a	The books are in care of ▶ TIJA KARKLIS Telephone no. ▶ (703) 200-8009 Located at ▶ 3507 SE RIVERWOOD LN., VANCOUVER, WA ZIP + 4 ▶ 98683-6687		
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)? If "Yes," enter the name of the foreign country ▶ LATVIA, CANADA, AUSTRALIA See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	✓
		Yes	No

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 If "Yes," enter the name of the foreign country ▶ _____
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year ▶ **92** |

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	12,073	
96 Dividends and interest from securities			14	19,082	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	37,424	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				68,579	
105 Total (add line 104, columns (B), (D), and (E))					68,579

Note: Line 105 plus line 1e, 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).
 ▼ _____

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 interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI **Information Regarding Transfers To and From Controlled Entities.** Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	N/A			
b				
c				
Totals				

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	N/A			
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

13/12/08
 Signature of officer Date
TIJA KARKLIS, TREASURER
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Phone no	

Part III **Statements About Activities** (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1	✓
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	✓
b Lending of money or other extension of credit?	2b	✓
c Furnishing of goods, services, or facilities?	2c	✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	✓
e Transfer of any part of its income or assets?	2e	✓
3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a	✓
b Did the organization have a section 403(b) annuity plan for its employees?	3b	✓
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	✓
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	✓
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	✓
b Did the organization make any taxable distributions under section 4966?	4b	✓
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	✓
d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____		none
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____		none
f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____		none
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		none

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that 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%** 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%** 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,270	5,000	8,000	33,911	48,181
16 Membership fees received	780	340	2,470	3,635	7,225
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					
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	32,538	32,696	32,256	36,268	133,758
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					
23 Total of lines 15 through 22	34,588	38,036	42,726	73,814	189,164
24 Line 23 minus line 17	34,588	38,036	42,726	73,814	189,164
25 Enter 1% of line 23	346	380	427	738	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 3,784
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b 0
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 189,164
d Add: Amounts from column (e) for lines: 18 <u>133,758</u> 19 _____					26d 133,758
22 _____ 26b _____ ▶					
e Public support (line 26c minus line 26d total) ▶					26e 55,406
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 29 %
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:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
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 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:					
(2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____ ▶					
d Add: Line 27a total _____ and line 27b total _____ ▶					27d _____
e Public support (line 27c total minus line 27d total) ▶					27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶	27f _____				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See page 9 of the 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?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement.) ----- ----- -----		
32a	32 Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
33a	33 Does the organization discriminate by race in any way with respect to: a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement) ----- -----		
34a	34a Does the organization receive any financial aid or assistance from a governmental agency?		
34b	b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement		
35	35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the 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—			
If the amount on line 40 is— The lobbying nontaxable amount is—			
Not over \$500,000	20% of the amount on line 40	41	
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
 See the instructions for lines 45 through 50 on page 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			

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

Statements of Financial Position

As of April 30, 2006 and 2007 and September 30, 2007

	1	<u>Apr 30, 06</u>	<u>Apr 30, 07</u>	<u>Sep 30, 07</u>
ASSETS				
Current Assets				
Checking/Savings				
11000 · Cash and cash equivalents				
11101 · Northern Trust	\$	3,319 72	2,748 60	5,190 55
11201 · Twin Cities Federal Bank		69 95	69 95	69 95
Hansabanka		1,646 10		
11310 · Unibanka				
11311-Unibanka LVL			218 72	208 10
11312-Unibanka USD			11,131 69	12,411 45
Total 11310 · Unibanka			<u>11,350 41</u>	<u>12,619 55</u>
11401 · Latvian Credit Union -Toronto		2,868 87	2,722 87	2,722 87
11402 · Latvian Credit Union -Australia		1,786 24	1,786 24	1,790 40
Total 11000 · Cash and cash equivalents		<u>9,690 88</u>	<u>18,678 07</u>	<u>22,393 32</u>
18102 · Fidelity -Money Market fund		175,323 21	45,581 88	52,818 21
Total Checking/Savings		<u>185,014 09</u>	<u>64,259 95</u>	<u>75,211 53</u>
Accounts Receivable				
12100 · Grant repayment receivable	2	10,000 00		
Total Accounts Receivable		<u>10,000 00</u>	<u>0 00</u>	<u>0 00</u>
Total Current Assets		195,014 09	64,259 95	75,211 53
Other Assets				
18000 · Marketable Securities				
18101 · Vanguard-Mutual Fund BF		28,088 54	24,398 59	25,051 15
18103 · Vanguard Mutual Fund - LF		0 00	6,000 00	6,000 00
18501 · Fidelity - Securities (Equity)		405,346 57	399,661 44	399,185 39
18502 · Fidelity-Securities (Fixed)		226,177 98	203,515 86	153,515 86
18503 · Fidelity - Mutual Funds		0 00	159,621 42	160,713 54
18900 · Change in investment value				57,694 45
Total 18000 · Marketable Securities		<u>659,613 09</u>	<u>793,197 31</u>	<u>802,160 39</u>
Total Other Assets		<u>659,613 09</u>	<u>793,197 31</u>	<u>802,160 39</u>
TOTAL ASSETS	\$	<u><u>854,627.18</u></u>	<u><u>857,457.26</u></u>	<u><u>877,371.92</u></u>
LIABILITIES & NET ASSETS				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 · Grants Payable	\$	68,574 00	96,727 07	73,073 08
Total Accounts Payable		<u>68,574 00</u>	<u>96,727 07</u>	<u>73,073 08</u>
Other Current Liabilities				
21000 · Federal Tax Penalties Payable	3	0 00	13,230 89	
Total Other Current Liabilities		<u>0 00</u>	<u>13,230 89</u>	
Total Current Liabilities		58,573 73	109,957 96	73,073 08

Statements of Financial Position

As of April 30, 2006 and 2007 and September 30, 2007

	1	Apr 30, 06	Apr 30, 07	Sep 30, 07
Long Term Liabilities				
27201 · Loans Payable-USA		217,399 63	216,959 63	218,494 63
27202 · Loans Payable-Canada		78,289 22	73,321 57	81,558 55
27203 · Loans Payable-Australia		7,197 88	6,707 53	7,136 22
Total Long Term Liabilities		<u>302,886 73</u>	<u>296,988 73</u>	<u>307,189 40</u>
Total Liabilities		<u>361,460 46</u>	<u>406,946 69</u>	<u>380,262 48</u>
Net Assets				
Funds Classified as Unrestricted:				
32001 · General Fund-Unrestricted May 1			159,897 50	12,554 52
Funds received in 2003 for K. Irbitis Fund			-26,769 91	
Adjust Loan Payable balances period end to actuals			6,853 00	-10,120 67
Adjust Endowment balances at period end to actuals			-119,188 88	-6,468 42
Adjust Endowment balance by FY2007 Donations			-2,495 00	-280 00
Adjust Bierina Fond balance - temporary fund			-400 77	
Transfer funds from Grant Reserve Fund			29,517 46	
			<u>47,413 40</u>	<u>-4,314 57</u>
Net Income (loss) end of period			<u>-34,858.88</u>	<u>58,856.12</u>
32001 · General Fund-Unrestricted April 30		<u>159,897.77</u>	<u>12,554.52</u>	<u>54,541.55</u>
32100 · Grant Reserve Fund		29,517 46		
32200 · Endowments				
32201 · Endowment-USA		241,538 82	328,753 12	329,678 03
32202 · Endowment-Canada		16,999 60	43,660 89	48,565 77
32203 · Endowment-Australia		7,215 25	14,373 54	15,292 17
Total 32200 · Endowments		<u>265,753 67</u>	<u>386,787 55</u>	<u>393,535 97</u>
Total Funds Classified as Unrestricted		<u>425,651 44</u>	<u>399,342 07</u>	<u>448,077 52</u>
Funds Classified as Temporarily Restriced:				
32300 · Bierina Memorial Fund		27,997 82	24,398 59	24,398 59
32301 · Karlis Irbitis Scholarship Fund	4	0 00	26,769 91	24,633 33
Total Funds Classified as Temporarily Rest.		<u>27,997 82</u>	<u>51,168 50</u>	<u>49,031 92</u>
Total Net Assets		<u>483,166 72</u>	<u>450,510 57</u>	<u>497,109 44</u>
TOTAL LIABILITIES & NET ASSETS	\$	<u><u>844,627.18</u></u>	<u><u>857,457.26</u></u>	<u><u>877,371.92</u></u>

1-2-3-4 See Notes to Financial Statements

**Latvian Foundation, Inc.
Statement of Activities**

**Budget vs. Actuals
Year Ending April 30, 2006 and 2007 and 5 Months ending September 30, 2007**

	FY06 Actuals	FY 07 Budget	FY07 Actuals	FY08 Budget	Actuals 5/1/07 to 9/30/07
Revenues and Gains					
41100 · Membership dues	\$ 1,080 00	800 00	200 00	1,000 00	0 00
41201 · Donations-General	970 00	200 00	100 00	1,000 00	180 85
41202 · Donations-Endowments		3,000 00	2,495 00		280 00
41500 · Unused grant balances			18,569 00		1,660 00
42100 · Interest	17,279 00	20,000 00	12,073 32	12,000 00	5,111 81
42200 · Dividends	15,259 00	6,000 00	19,082 28	18,000 00	5,906 15
42300 · Capital gains (losses) -recognized	19,420 00		37,423 61		862 62
42400 · Investment market gains (losses)	49,308 00	90,000 00	12,833 84	50,000 00	57,694 45
43101 · Bierlins Funds Release for Award			4,000 00	2,000 00	0 00
43102 · Irbitis Funds Release for Award				2,150 00	2,136 58
Total Income	<u>\$ 103,316 05</u>	<u>120,000 00</u>	<u>106,777 05</u>	<u>86,150 00</u>	<u>73,832 46</u>
Expenses and Losses					
61000 · Grants committed	\$ 70,000 00	100,000 00	100,000 00	40,000 00	10,000 00
61100 · Awards Committed			4,000 00	4,150 00	2,136 58
62100 · Contract Services					
62110 · Accounting and Legal Fees	135 00	5,000 00	1,350 00	2,000 00	0 00
62160 · Website Management		500 00	333 33	350 00	360 00
Total 62100 · Contract Services	<u>135 00</u>	<u>5,500 00</u>	<u>1,683 33</u>	<u>2,350 00</u>	<u>360 00</u>
65000 · Operations					
65020 · Postage, Mailing Service	1,272 00	2,500 00	1,979 70	2,600 00	113 36
65030 · Printing and Copying	1,758 00	2,500 00	2,699 24	2,550 00	1,056 72
65040 · Office Supplies	421 00	500 00	447 52	350 00	105 50
65045 · Computer charges	665 00			1,000 00	399 99
65050 · Telephone, Telecommunications	300 00	100 00	40 49	40 00	0 00
65060 · Promotion/Advertising	88 00	1,000 00	675 75	1,100 00	0 00
Total 65000 · Operations	<u>4,504 00</u>	<u>6,600 00</u>	<u>5,842 70</u>	<u>7,640 00</u>	<u>1,675 57</u>

**Latvian Foundation, Inc.
Statement of Activities**

**Budget vs. Actuals
Year Ending April 30, 2006 and 2007 and 5 Months ending September 30, 2007**

	FY06 Actuals	FY 07 Budget	FY07 Actuals	FY08 Budget	Actuals 5/1/07 to 9/30/07
65100 · Other Types of Expenses					
65120 · Bank charges	197 00	500 00	190 49	280 00	100 59
65125 · Investment Taxes	325 00	380 00	443 66	445 00	117 34
65126 · State and Federal Taxes		20 00	20 00	20 00	20 00
65130 · Currency Exchange	7,962 00		62 10	60 00	-0 08
Total 65100 · Other Types of Expenses	8,484 00	900 00	716 25	805 00	237 85
68300 · Travel and Meetings					
68310 · Meetings	1,208 00	1,000 00	465 92	600 00	0 00
68320 · Travel	8,613 00	6,000 00	5,696 84	8,000 00	566 34
Total 68300 · Travel and Meetings	9,821 00	7,000 00	6,162 76	8,600 00	566 34
Total Expenses and losses	\$ 92,944 00	120,000 00	118,405 04	63,545 00	14,976 34
Net Ordinary Revenues/Losses	\$ 10,372 00	0 00	-11,627 99	22,605 00	58,856 12
Other Revenues/Losses					
Other Expense					
69000 · Prior Year's Transactions					
69001 · Prior Year Federal Tax Penalty	3		13,230 89		
69005 · Unauthorized Grant Payment	2		10,000 00		
Total 69000 · Prior Year's Transactions			23,230 89		
Total Other Expense			23,230 89		
Net Other Revenue/Losses			-23,230 89		
Net Revenue/Losses	\$ 10,372 00	0.00	-34,856.88	22,605.00	58,856.12

2-3-5-6-7-8 See Notes to Financial Statements

Latvian Foundation, Inc.
Notes to Financial Statements
April 30, 2007

Note 1 Financial statement preparation

The previous Treasurer, serving six years, had not closed the Latvian Foundation financial records for FY2004 and FY2005. An outside bookkeeping service was utilized to assist in closing the financial records for these years.

The fiscal year 2007 financial statements were prepared by the current Treasurer using a non-profit Quickbooks program acquired by the Latvian Foundation this year. In FY2007 reviews were made of Financial Position accounts and the statement balances reflect adjustments for prior years so that the amounts per bank, investments, membership and participant data bases, project manager files, and funds received for special bequests are shown in the financial statements at the values per the corroborating documentation. For information purposes for Latvian Foundation donors and participants, these adjustments are shown separately in the Net Asset section under the General Fund-Unrestricted -32001 Account.

The FY2007 financial statements are not fully formatted as per Financial Accounting Standard Board Statement for Not-for-Profit Organizations (FASB Statement: FAS 117). Per FAS 117, beginning with fiscal years after December 15, 1995, any reports prepared by external auditors would need to comply with these requirements. These financial reports contain more detail and should be considered as internal management reports.

Per FAS 117 net asset funds are to be designated as: unrestricted, temporarily restricted, and permanently restricted. Member \$1,000 donations and payments toward the \$1,000 goal were apparently classified as “unrestricted” starting in FY1996. In the FY2007 financial statements, these donation payments are separately shown in the “unrestricted” category as Endowments. The Endowment amounts, by country, are the amounts substantiated by the membership data base.

Note 2 Unauthorized grant payment

In reviewing the grant project files and bank statements, the internal auditor found a double payment of \$10,000 to the Eleventh Latvian Song Festival in Chicago in December, 2003. The Festival was held July, 2002. While \$8,000, paid by two separate checks, was received by the Latvian Foundation from the Song Festival, the timing of the payments, notations and treatment of these payments by the then treasurer would indicate that the amounts were donations and not a partial repayment of the unauthorized \$10,000 grant payment.

The Song Festival organization has been dissolved. In FY2007, the double payment is expensed as a prior year unauthorized grant payment.

Note 3 Federal tax penalties and interest

The previous treasurer had not filed required Department of Treasury, Internal Revenue Service, Return of Organization Exempt from Income Tax, Form 990, for FY2004 and FY2005 and had been late in filing FY2001 and FY2002 reports. The late filing penalties and accumulated interest for these years amounted to \$13,230.89: FY2001, \$4,788.34; FY2002, \$333.58; FY2004, \$4,871.68; and FY2005, \$3,237.29.

The balances were paid in September, 2007 to avoid further interest accumulations.

Requests will be made to the Internal Revenue Service for rebate of these amounts.

Note 4 Irbitis Scholarship Fund

In FY2007, a separate account was set up for funds received in 1999 for the Karlis Irbitis Scholarship fund. The amount shown is the valuation, in US dollars, on the date the funds were received. The funds had been previously included in General Funds-Unrestricted.

Note 5 Bierins Fund

Bierins Fund \$2,000 yearly payments for FY2006 and FY2007 were paid in FY2007.

Note 6 Member Donations

Member payments designated as Donations are reflected as income. Payments that are designated as Loans are shown on the Statement of Financial Position as Loans. In FY2007, \$2,605 in Loans were received and in FY2008, up to September 30, 2007, \$80 was received.

Note 7 Unused grant funds

All or portions of some previously committed grants were cancelled due either to non performance or that the projects were completed utilizing less funds than requested.

Note 8 Investments – Marketable Securities

Investments are stated at fair market value determined by the current market cost.

Latvian Foundation, Inc.
Statement of Cash Flows
May 2006 through April 2007

	<u>May '06 - Apr 07</u>
OPERATING ACTIVITIES	
Net Income	-34,858 88
Adjustments to reconcile Net Income to net cash provided by operations:	
12100 · Grant repayment receivable	10,000 00
20000 · Grants Payable	28,153 07
21000 · Federal Tax Penalties Payable	<u>13,230 89</u>
Net cash provided by Operating Activities	<u>16,525 08</u>
INVESTING ACTIVITIES	
Vanguard-Mutual Fund	-1,491 50
Fidelity - Securities (Equity)	48,239 73
Fidelity-Securities (Fixed)	25,000 00
Fidelity - Mutual Funds	-155,075 00
Capital Gains	-37,423 61
Increase in investment value	<u>-12,833 84</u>
Net cash provided by Investing Activities	<u>-133,584 22</u>
FINANCING ACTIVITIES	
27201 · Loans Payable-USA	955 00
32201 · Endowment-USA	-650 00
32300 · Bierina Memorial Fund	<u>-4,000 00</u>
Net cash provided by Financing Activities	<u>-3,695 00</u>
 Net cash increase for period	 -120,754 14
 Cash at beginning of period	 <u>185,014 09</u>
Cash at end of period	<u><u>64,259.95</u></u>

STATEMENT 1

FORM 990

GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES

DESCRIPTION	BOUGHT DATE	SOLD DATE	COST OR OTHER BASIS	SALE PRICE	LONG TERM GAIN (LOSS)
FEDERAL HHOME LN MTG Corp 7 170% 01/30/2012 DEB Full Call Payout	1/19/2001	1/30/2007	\$26,000 00	\$25,000 00	(\$1,000 00)
CAMECO CORP	10/3/1997	3/5/2007	3,749 79	21,978.97	18,229 18
ARMSTRONG HLDGS INC	7/3/1996	4/10/2007	5,879.37	50 84	(5,828 53)
FORD MTR CO DEL	8/8/2000	4/10/2007	16,386 40	4,058 98	(12,327 42)
TXU CORP	VARIOUS*	4/10/2007	5,831.51	44,181 89	38,350 38
TOTAL TO FORM 990, PART I, LINES 8a, 8b, 8c			<u>\$57,847 07</u>	<u>\$95,270.68</u>	<u>\$37,423 61</u>

STATEMENT 2

FORM 990

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN (LOSS) FROM INVESTMENTS	\$12,834 00
RETURN OF UNUSED GRANT BALANCES	18,569.00
ADJUST LOAN PAYABLES TO AMOUNT PER DATA BASE DETAILS	6,853 00
LOANS CONVERTED TO DONATIONS	(650.00)
TOTAL TO FORM 990, PART 1, LINE 20	<u>\$37,606 00</u>

STATEMENT 3

FORM 990

CASH GRANTS AND ALLOCATIONS

CLASSIFICATION	DONEE'S NAME	DONEE'S ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SEE ATTACHED			ONE NOTED	<u>\$100,000</u>
TOTAL TO FORM 990, PART II, LINE 22				<u>\$100,000</u>

STATEMENT 4

LATVIAN FOUNDATION, INC.

YEAR ENDING APRIL 30, 2006

23-708947

FORM 990

OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>VALUATION METHOD</u>	<u>AMOUNT</u>
SECURITY INVESTMENTS	MARKET VALUE	<u>\$793,197.00</u>
TOTAL TO FORM 990, PART IV, LINE 54a		<u>\$793,197 00</u>

STATEMENT 5

SCHEDULE A (FORM 990)

STATEMENT OF QUALIFICATIONS TO RECEIVE PAYMENTS
PART III LINE 3

INDIVIDUALS RECEIVING GRANTS QUALIFY THROUGH AN APPLICATION PROCESS IN WHICH
THE BOARD OF TRUSTEES REVIEWS THE INTENDED USE OF THE GRANT MONEY AND
DECIDES WHETHER TO APPROVE

Form 990, Part II, Line 22 Cash Grants and Allocations

Description	Donee's Name	Donee's Address	Amount
2006 Bierins Fund – Latvian High School “Garezers” education grant	Elisa Freimanis	4917 N. Lowell Ave. Chicago, IL 60630-2637 USA	\$2,000
2007 Bierins Fund – Latvian literature grant	Sarma Muizniece Liepina	27 Highland Rd. Boxford, MA 01921 USA	\$2,000
Acquisition of Latvian language materials for Latvian preschool in Chicago “Starins”	Aija Kins	Chicago Latvian Childcare and Preschool 6201 W. Peterson Ave. Chicago, IL, 60646 USA	\$2,000
Support to Latvian Cultural Garden in Cleveland’s Cultural Garden Park	Silvija Rutenbergs	7884 St. James Dr. Mentor, OH, 44060 USA	\$10,000
DVD and video documentation of history of Latvian exiles	Janis Valdmanis	113 Dunkirk Dr. Hamilton, ON L8K 4X3 Canada	\$18,000
Support for release of DVD of Latvian choral masterpiece ”Dievs, Tava Zeme Deg”	Imants Kokars	Merkela iela 13-425 Riga, LV-1050 Latvia	\$9,370
Support to production of film commemorating freedom from Soviet occupation, “Remembering the 1991 Barricades”	Renars Zalais	Kramu iela 3 Riga, LV-1050 Latvia	\$7,808
Latvian Book Collection: Acquisition of publications	Aina Rone	P.N. Jaungulbene “Gulbitis” Gulbene Region, LV-4420 Latvia	\$1,000
Latvian Book Collection: Acquisition of publications for Akniste High School Library	Inara Buike	Skolas iela 16A Akniste, LV-5208 Latvia	\$809
Latvian Book Collection: Acquisition of publications for Cirava Township	Anita Tuleiko	Cirava Township “Gaismas” Liepaja Region LV-3453 Latvia	\$900

Latvian Book Collection: Acquisition of Latvian literature for Daugavpils Central High School Library	Olita Rabcevska	Kandavas 17 Daugavpils, LV-5401 Latvia	\$2,000
Promotion of Latvian bee-keeping traditions in Selija	Iluta Berzina	Rigas 216/B Jekabpils, LV-5202 Latvia	\$650
Workshop "Teach Yourself the Latvian Bagpipes"	Kaspars Barbals	Berzu aleja 8-61 Ogre, LV-5000 Latvia	\$2,000
Latvian Book Collection: Acquisition of publications for Kraslava Central Library	Valentina Magidas	Rigas iela 85 Kraslava, LV-5601 Latvia	\$5,000
Support for new exhibit at Latvian Occupation Museum	Gundega Michele	Strelnieku laukums 1 Riga, LV-1050 Latvia	\$17,995
Traditional music camp for youth in Latgale	Anna Karkle	Rigas iela 77 Livani, LV-5316 Latvia	\$2,859
5 th Latvian Kokle (traditional Latvian instrument) Days in Latgale	Marika Zeimule	Gobas iela 20-27 Riga, LV-1016 Latvia	\$2,000
Latvian Book Collection: Acquisition of publications for Rezekne High School	Valentina Krievina	Vilanu iela 2 Rezekne, LV-4600 Latvia	\$1,333
Support to publish book on Latvian language	Maija Sinka	Hospitalu iela 8-42 Riga, LV-1013 Latvia	\$3,900
Support to publish book, "Latvian Art in Exile"	Maris Brancis	Bikernieku iela 18 Riga, LV-1039 Latvia	\$4,005
Support for creation of a nature classroom in Vestiena Primary School	Vera Gutane	Vestiena Castle Vestiene, LV-4855 Latvia	\$2,000
Acquisition of Latvian music for Latvian Center in Muenster	Inga Petersone	Salzmanstrasse 152 Muenster, 48159 Germany	\$1,418
Support to documenting Latvian cultural history of Zvarde Village	Valdis Karklis *	3433 Holly Rd. Annandale, VA, 22003 USA	\$1,890

Creative arts camp for Latvian artists	Iveta Felzenbergs	31318 36 th Ave. SW Federal Way, WA, 98023 USA	\$1,063
Support to 11 th Latvian Song Festival, to adapt and stage Latvian folk tale. Write-off of duplicate payment.	Ilmars Bergmanis	2149 Westview Dr. Des Plaines, IL 60018 USA	\$10,000
		Total	\$114,000

* Valdis Karklis is father of LF Treasurer. Grant applications meeting all prescribed required parameters are reviewed and selected by entire Board. Small projects are approved by Board. Large projects are approved by vote of entire membership.

Facts and Circumstances – Public support statement

Background

The Latvian Foundation, Inc. (LF) founded in 1976 was organized to receive and administer funds for the preservation of Latvian culture, for conducting informative and educational undertakings to preserve and perpetuate Latvian culture and ethnic traditions, for sponsoring research on Latvian history, and for rendering assistance in the publication, preparation and promulgation of Latvian literary works.

Public Support

The Latvian Foundation meets the ten-percent public support requirement. The FY2007 line 26 (f) public support percentage is 29%.

The Latvian Foundation currently has about 1,000 members. Of these, about 700 are life-time members having donated (400) or loaned (300) \$1,000 to the LF. These funds have been segregated and invested. The cumulative investment, initiation fee, and general donation income is used for grants and operating costs.

The investment income is all derived from the contributions and loans from the general public of our membership group. In FY2007 investment income from funds loaned to LF by members was about \$27,000.

The initiation fees and contributions were established to allow broad membership participation. The current initiation fee is \$50. With an overall donation of \$120 a year (\$10 a month) the member can vote for grant projects and any votes required at the annual membership meeting or any special meetings. Once payments of \$1,000 have been received, either in the form of a donation or loan, the member is a life voting member. Repayment of loans cancels the membership.

Attraction of public support

The Latvian Foundation was organized with a forceful fund raising approach. The efforts over the years have been successful in accumulating nearly \$700,000 in membership donations and loans that are currently invested. The goal is to reach \$1 million.

Changing circumstances and events, especially the end of the Soviet rule in Latvia, have diverted talent, time, diligence, energy, interest, and funding away from many established organizations including LF. It has taken the emigre Latvian community some time to come to grips with the reality of this dramatic change.

The LF is an all-volunteer organization. The six Board members generally serve six years and provide strategic leadership as well as organizational and administrative management of the organization's daily needs. This approach functioned quite successfully for 27 of our 31 years.

The current Board is working diligently to address the gaps that had occurred in LF operations and expertise and to meet the challenges of change. All operational areas are under evaluation and much has been done. Accounting systems are being reworked to allow for timely internal and external reporting. Financial advisors have been added to assist with accounting and IRS filing matters. A committee was established to assist in locating qualified Board Members as positions are vacated. Grant submission, evaluation, and administrative procedures have been revamped to provide greater "transparency" to the grant process.

There is still a great need for the support LF provides to the Latvian community. Every year the number of proposals submitted far outnumbers the amount of annual funding LF has available for projects. The current Board is aware of the continued need and committed to addressing the challenges ahead.

The revamping of fundraising is the next major challenge for the current Board. The traditional LF fundraising efforts, including conducting annual meetings at larger Latvian population cities or centers and involving the community, have produced minimal results. A well thought out and developed LF fundraising plan, prepared some years ago, was located in the LF files. It appears that other priorities occupied the Board at that time and with the expiry of this and other Board members' terms the plan was never fully implemented. The current Board members have been provided a copy of this plan and the revitalization of fundraising efforts will be addressed at the April, 2008 Board meeting. We are obviously concerned about the impact of inflation and the dramatic downturn in the economy on any fund raising efforts. A major challenge!

Additional factors

A number of the additional factors have been previously addressed.

The Board members have been selected because of special knowledge or expertise or are community leaders. "Position descriptions" have been prepared for all operating areas so that potential Board members are fully aware and informed of the scope and responsibilities of their positions.

The LF grant projects since 1976 have provided wide and varied services for the benefit of the general public of our membership group. Production and publication of books: dictionaries, school, children's, educational, literary works, etc. Location and preservation of historical materials, including Occupation Museum materials, documentation of Latvian exile communities in the U.S. and elsewhere, etc. Musical compositions, publications, and presentations. Acquisition of school publications and materials. Projects bringing Latvian artists together and showcasing the latest trends in Latvian art. Youth and family camps promoting Latvian language and culture.

ARTICLE I

1. The name of the corporation shall be LATVIAN FOUNDATION, which can also be used in its abbreviated form as LF.
2. The seal of the corporation shall be as impressed hereon: (omitted on-line).

ARTICLE II

1. This corporation is formed exclusively for literary and educational purposes within the meaning of section 501(c) (3) of the Internal Revenue Code of 1954.
2. The purposes of this corporation are set forth in its Articles of Incorporation and include, but are not limited to, publication of books, plays, articles, magazines, poetic works, and the like, of literary and/or historic value in the Latvian language, or in other languages, to encourage the study of Latvian culture to promote and popularize Latvian music and Latvian composers, to present Latvian plays, to promote exhibitions for Latvian artists, to sponsor radio and television broadcasts on the foregoing, and to preserve Latvian ethnic traditions.

ARTICLE III

1. Membership in the Latvian Foundation shall consist of individuals, families, and organizations and/or associations. Minors under the age of eighteen (18) may be members of the Latvian Foundation. The parent or guardian of a minor shall exercise the minor's voting rights. Each member shall be approved by the Board of Trustees.
2. A member in good standing shall be an individual, a family, organization and/or association, as set forth in Section 1 of this article, who has paid an initiation fee of fifty dollars (\$50.00), is current in his or her membership dues, and who has pledged or made a non-interest-bearing loan or a donation of at least one-thousand dollars (\$1,000.00) to the corporation; or has paid a special annual assessment as determined prospectively by the membership at the annual meeting; or a person who is a full time student at any accredited college or university, who has paid an initiation fee of ten dollars (\$10.00), is current in his or her annual dues and who has made or pledged a non-interest bearing loan or a donation of at least one-thousand dollars (\$1,000.00) to the corporation.
3. Each member in good standing shall have one vote at all membership meetings in person or by proxy.

ARTICLE IV

1. Six trustees shall control and manage the affairs, funds, property, and expenditures of the corporation, shall carry out its corporate purposes, and shall execute its by-laws.
2. At each annual membership meeting two trustees shall be elected by the members for a term of three (3) years to succeed the trustees whose term then expires, provided that nothing herein shall be construed to prevent the election of a trustee to succeed oneself for one additional term.

3. No trustee shall be elected for more than two (2) consecutive terms.
4. A trustee may be removed with or without cause by a two-thirds (2/3) vote of the voting members present at the annual meeting or a special meeting, provided that the intended removal is included in the previously announced agenda.
5. Vacancies in the board of trustees shall be filled by appointment by the remainder of the board of trustees, and each member so appointed shall be a trustee until a successor is elected by the voting members at the next annual meeting.
6. A majority of the board of trustees shall constitute a quorum for the transaction of business.
7. The board of trustees shall annually elect from its members the officers of the corporation, which shall be a president, an executive vice-president, two vice-presidents, a secretary, and a treasurer.
8. The board of trustees may appoint such other officers and/or agents as they deem necessary from time to time for the transaction of the business of the corporation.
9. The board of trustees may remove any officer or agent whenever in their judgment the corporate interests will be served thereby.
10. The president shall be the chair of the board of trustees. In the event of a tie vote among the board of trustees, the president's vote shall be the deciding vote.
11. If and when the trustees shall severally or collectively consent in writing, including electronic means acceptable to the board, to any action by the corporation, such action shall be as valid corporate action as though it had been authorized at a meeting of the board of trustees.

ARTICLE V

1. The president shall preside at all meetings of the corporation; shall appoint with the approval of the board of trustees all the necessary committees; shall be an ex-officio member of all committees; and shall perform duties as are incidental to the office of the president.
2. The executive vice-president shall, in the absence of the president, exercise all of the functions of the president and shall be vested with all the president's powers. The vice-presidents shall perform such duties as are properly required of them by the president or the executive vice-president.
3. The secretary shall have charge of the corporate seal, all papers, keep all records, make such reports and perform such duties as are incidental to that office and properly required by the president.
4. The treasurer shall have charge of all corporate funds and shall conduct its banking business. Checks of one thousand dollars (\$1000.00) or more shall be signed by the treasurer and countersigned by another officer. Checks under one thousand dollars (\$1000.00) shall be signed by the treasurer alone.
5. The board of trustees shall be responsible for overseeing investments, maintaining current and soliciting new membership, executing the grant application and award process, and for ongoing project management.
6. The board may utilize certified public accountant's and investment advisors as needed.

ARTICLE VI

1. The annual membership meeting shall be held at such time and place as the board of trustees shall designate.

2. Ten (10) percent of members in good standing shall constitute a quorum for the transaction of business at the annual meeting.
3. A special meeting shall be called by the president whenever the president shall deem the same necessary or whenever the president shall be called upon to do so by the board of trustees, the auditors, or in writing, including electronic means acceptable to the board, by at least ten (10) percent of the voting members. All notices of a special meeting shall state the purpose of the meeting, and will include a proposed agenda. The special meeting shall be held within eight (8) weeks of a proper request for such a meeting.
4. Twenty-five (25) percent of all members in good standing shall constitute a quorum for transaction of business at a special meeting.
5. Special or regular meetings of the board of trustees shall be called by the president of the board whenever the president deems them necessary or whenever the president is called upon to do so by the majority of the trustees.
6. Notice of all membership meetings shall be sent to the members at least four (4) weeks before the date of the meeting.

ARTICLE VII

1. Upon the approval by the board of trustees, the corporation may, whenever its general interests so require, invest money, borrow money and issue its promissory note or bond for the repayment thereof with or without interest, and may, in like case, mortgage its property as security for its debts or other lawful engagements.

ARTICLE VIII

1. At each annual meeting the members shall elect three (3) auditors who are not trustees and/or officers. It shall be the duty of the auditors to audit the books of the corporation at least once each year and report the results of the audit to the board of trustees and to the membership at the annual meeting. The auditors may utilize the services of a certified public accountant for the preparation of the annual report to the membership.
2. The auditors shall immediately conduct an audit of the corporation's books at the written request of ten (10) percent of the voting membership or by at least three trustees, and shall report the findings to the membership forthwith.

ARTICLE IX

1. The operating capital of the corporation comprises initiation fees, membership dues, contributions, bequests, legacies, devises and income from investments and assessments.
2. Moneys received as non-interest-bearing loans to the corporation shall not be used to defray the operating costs of the corporation.
3. Repayment of the aforesaid non-interest-bearing loans shall be governed by the terms of the promissory note extended by the corporation at the time of the loan or by the terms of the Subscription Pledge or by the terms of the Student Subscription Pledge.
4. Moneys contributed for a designated purpose shall be so utilized.

ARTICLE X

1. The corporation shall be dissolved upon the vote of at least two-thirds (2/3) of the members in good standing present at the annual meeting or any special meeting called for that purpose.
2. In the event of dissolution, all assets real and personal, shall be distributed to such organizations as are qualified as tax exempt under section 501(c)(3) of the Internal Revenue Code or the corresponding provision of a future United States Internal Revenue Law.

ARTICLE XI

1. Upon the recommendation of the board of trustees or ten (10) percent of the members in good standing, these bylaws may be amended or revised by the affirmative vote of at least two-thirds (2/3) of the members in good standing present at the annual or any special meeting, provided that the notice of any such meeting contains a summary of the proposed amendments and/or revisions.