

Return of Organization Exempt From Income Tax

2007

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning **May 1**, 2007, and ending **April 30**, 20 **08**

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

C Name of organization
Latvian Foundation, Inc.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1907 Autumn Crest Lane
 City or town, state or country, and ZIP + 4
Kalamazoo, MI 49008-4810

D Employer identification number
23 7089477

E Telephone number
 (**269**) **382-1176**

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ **www.latviesufonds.info**

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

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

H and I are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See Instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

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

		1a	1b	1c	1d	1e
1 Contributions, gifts, grants, and similar amounts received:						
a Contributions to donor advised funds						
b Direct public support (not included on line 1a)			8,111			
c Indirect public support (not included on line 1a)						
d Government contributions (grants) (not included on line 1a)						
e Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)						8,111
2 Program service revenue including government fees and contracts (from Part VII, line 93)						
3 Membership dues and assessments						
4 Interest on savings and temporary cash investments						9,194
5 Dividends and interest from securities						16,888
6a Gross rents		6a				
b Less: rental expenses		6b				
c Net rental income or (loss). Subtract line 6b from line 6a						6c
7 Other investment income (describe ▶ _____)						7
8a Gross amount from sales of assets other than inventory		(A) Securities	(B) Other	8a		
		151,389				
b Less: cost or other basis and sales expenses		75,467	8b			
c Gain or (loss) (attach schedule)		75,922	8c			
d Net gain or (loss). Combine line 8c, columns (A) and (B)						8d 75,922
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
a Gross revenue (not including \$ _____ of contributions reported on line 1b)		9a				
b Less: direct expenses other than fundraising expenses		9b				
c Net income or (loss) from special events. Subtract line 9b from line 9a						9c
10a Gross sales of inventory, less returns and allowances		10a				
b Less: cost of goods sold		10b				
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a						10c
11 Other revenue (from Part VII, line 103)						11
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11						12 110,115
13 Program services (from line 44, column (B))						13 58,635
14 Management and general (from line 44, column (C))						14 7,933
15 Fundraising (from line 44, column (D))						15 3,292
16 Payments to affiliates (attach schedule)						16
17 Total expenses. Add lines 16 and 44, column (A)						17 67,880
18 Excess or (deficit) for the year. Subtract line 17 from line 12						18 42,235
19 Net assets or fund balances at beginning of year (from line 73, column (A))						19 450,511
20 Other changes in net assets or fund balances (attach explanation)						20 -33,763
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20						21 458,983

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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) (cash \$ 44,000 noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	44,000	44,000		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A				
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B				
25c	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)				
26	Salaries and wages of employees not included on lines 25a, b, and c				
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	835	380	277	178
34	Telephone	19	10	9	
35	Postage and shipping	2,741	1,430	801	510
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications	2,347	1,458	524	365
39	Travel	5,722	3,057	1,418	1,247
40	Conferences, conventions, and meetings	2,308	1,249	610	449
41	Interest	82		82	
42	Depreciation, depletion, etc. (attach schedule)				
43	Other expenses not covered above (itemize):				
a	PROMOTION	791	690		101
b	BANK CHARGES	448		448	
c	TAXES	489		489	
d	CURRENCY EXCHANGE	7,361	4001	3038	322
e	WEBSITE MANAGEMENT	580	360	100	120
f	ADMINISTRATION FEE	137		137	
g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	67,860	56,635	7,933	3,292

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► PRESERVATION OF LATVIAN CULTURE	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
<p>a The Latvian Foundation represents approximately 1,000 members who participate in an annual voting process to determine the grant awards. This year the Latvian Foundation supported 5 publication projects (4 books and 1 dvd), 1 theatrical production, 3 Latvian summer camps, 3 Latvian cultural festivals, and 1 traditional Latvian musical project. These projects reached or will reach a broad audience, representing the diverse nature of Latvian society today; the projects include youth and cross-generational groups, and take place in countries across the world. They also focus on honoring the exile Latvian community that found refuge in the U.S. post WWII</p> <p>(Grants and allocations \$ 44,000) If this amount includes foreign grants, check here ► <input checked="" type="checkbox"/></p>	56,635
<p>b</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>c</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>d</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>e Other program services (attach schedule)</p> <p>(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/></p>	
<p>f Total of Program Service Expenses (should equal line 44, column (B), Program services). . . . ►</p>	56,635

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	64,260	46	99,521	
	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		793,197	54a	730,246
	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		857,457	59	829,767	
Liabilities	60 Accounts payable and accrued expenses	13,231	60		
	61 Grants payable	96,727	61	65,398	
	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)	296,989	65	305,386	
66 Total liabilities. Add lines 60 through 65	406,947	66	370,784		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	389,342	67	410,742	
	68 Temporarily restricted	51,168	68	48,241	
	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)	450,511	73	458,983		
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	857,457	74	829,767		

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 LEVENSTEINS, 1907 AUTUMN CREST LN. KALAMAZOO, MI 49008	VICE-PRESIDENT GRANT MGR 5 TO 10	0	0	0
INTS DZELZGALVIS, 1907 AUTUMN CREST LN. KALAMAZOO, MI 49008	GRANT MANAGER 4 TO 8	0	0	0
TIJA KARKLIS, 1907 AUTUMN CREST LN. KALAMAZOO, MI 49008	TREASURER 4 TO 10	0	0	0
ALFS BERZTISS, 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 3 TO 8	0	0	0
LIGITA KRUMKALNS, 1907 AUTUMN CREST LN. KALAMAZOO, MI 49008	INTERNAL AUDITOR 3 TO 8	0	0	0
ANITA GRIVINS, 1907 AUTUMN CREST LN. KALAMAZOO, MI 49008	INTERNAL AUDITOR 3 TO 5	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?		
85a	501(c)(4), (5), or (6). 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	88b	✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 _____; section 4912 _____; section 4955 _____		
	b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	✓
	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, 2007 (See instructions.)	90b	NONE
91a	The books are in care of	TLJA KARKLIS	
	Located at	3507 SE RIVERWOOD LN., VANCOUVER, WA	
	Telephone no.	(703) 200-8009	
	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)?	91b	✓
	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.		

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	9,194	
96 Dividends and interest from securities			14	16,888	
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	75,922	
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))				102,004	
105 Total (add line 104, columns (B), (D), and (E))					102,004

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
	%			
	%			
	%			
	%			

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	----- -----				
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	----- -----				
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?

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

Signature of officer: Tija Karklis Date: 6/3/08

Type or print name and title: TIJA KARKLIS, TREASURER

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Inst. X): _____

Firm's name (or yours if self-employed), address, and ZIP + 4: _____

EIN: _____

Phone no.: (____) _____

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

OMB No. 1545-0047

2007

Department of the Treasury
Internal Revenue Service

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

Name of the organization LATVIAN FOUNDATION, INC.	Employer identification number 23 : 7089477
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
N/A NO PAID EMPLOYEES				
Total number of other employees paid over \$50,000 . ▶				

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		
Total number of other contractors receiving over \$50,000 for other services ▶		

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B.)		✓
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?		✓
b	Lending of money or other extension of credit?		✓
c	Furnishing of goods, services, or facilities?		✓
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		✓
e	Transfer of any part of its income or assets?		✓
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.)	✓	
b	Did the organization have a section 403(b) annuity plan for its employees?		✓
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		✓
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		✓
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		✓
b	Did the organization make any taxable distributions under section 4966?		✓
c	Did the organization make a distribution to a donor, donor advisor, or related person?		✓
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 8 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 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and 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 8 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 8 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) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,795	1,270	5,000	8,000	17,065
16 Membership fees received		780	340	2,470	3,590
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, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	31,155	32,538	32,696	32,256	128,645
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	33,950	34,588	38,036	42,726	149,300
24 Line 23 minus line 17	33,950	34,588	38,036	42,726	149,300
25 Enter 1% of line 23	340	346	380	427	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					2,986
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 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					0
c Total support for section 509(a)(1) test: Enter line 24, column (e)					149,300
d Add: Amounts from column (e) for lines: 18 128,645 19 _____ 22 _____ 26b _____					128,645
e Public support (line 26c minus line 26d total)					20,655
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					14 %
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: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
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: (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, 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.) ----- ----- -----		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) ----- -----		
34a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 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		(a) Affiliated group totals	(b) To be completed for all electing organizations
(The term "expenditures" means amounts paid or incurred.)			
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 Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
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) 2007	(b) 2006	(c) 2005	(d) 2004	(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 14 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.

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 FY2008 line 26 (f) public support percentage is 14%.

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 FY2008 investment income from funds loaned to LF by members was about \$11,400. Total investment income was about \$26,000.

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, the election of board members, and any other 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 émigré 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 still 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 traditional LF fund raising efforts, including conducting annual meetings at larger Latvian population cities or centers and involving the community, have in recent years produced minimal results. We are obviously concerned about the impact of inflation and the dramatic downturn in the economy on any fund raising efforts.

The Board addressed the reenergizing, revamping of the fundraising efforts at the April 2008 Board meeting. The Board and nominating committee will seek individuals with fundraising expertise to join the Board in the fundraising planning and implementation process. Interim fundraising efforts recommended in a previous plan will be undertaken by the Board until truly qualified individuals are identified and a new strategy developed.

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. Identification and preservation of historical materials, including Latvian Occupation Museum materials, documentation of Latvian exile communities in the U.S. and elsewhere, etc. Musical compositions, theater productions, and presentations. Acquisition of school publications and materials. Artistic workshops promoting the exchange of ideas and latest trends in Latvian art. Youth and family camps promoting Latvian language and culture. Websites dedicated to Latvian history, culture, and traditions.

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)
UNITED STATES TREAS 6.625% 5/15/2007 (REDEEMED)	8/15/1997	5/15/2007	25814.08	25,000.00	(814.08)
CITADEL BROADCASTING SPINOFF DISNEY WALT (DIS)	8/14/1997	9/18/2007	0.51	180.86	180.35
VISTEON CORP	6/29/2000	9/18/2007	427.67	295.19	(132.48)
UNITED STATES TREAS 6.125% 8/15/2007	11/19/1997	8/15/2007	25,993.21	25,000.00	(993.21)
TXU CORP MERGER PAYOUT	1/1/2000	10/11/2007	5,815.36	34,625.00	28,809.64
IDEARC INC COM DELAWARE SPINOFF VERIZON (VZ)	7/7/2000	11/13/2007	0.00	1,163.05	1,163.05
CITIGROUP INC	12/4/2000	2/8/2008	5,504.19	5,250.25	(253.94)
TORONTO DOMINION BANK	1/4/1993	2/8/2008	4,209.40	33,088.68	28,879.28
BRISTOL MYERS SQUIBB	8/7/1987	2/28/2008	7,702.31	14,321.45	6,619.14
FIDELITY SECURITIES BROKERAGE ACCOUNT CAPITAL GAINS FOR FY2008				12,464.19	12,464.19
TOTAL TO FORM 990, PART I, LINES 8a, 8b, 8c			<u>\$75,466.73</u>	<u>\$151,388.67</u>	<u>\$75,921.94</u>

STATEMENT 2

FORM 990

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

DESCRIPTION	AMOUNT
UNREALIZED GAIN (LOSS) FROM INVESTMENTS	(\$42,980.06)
RETURN OF UNUSED GRANT BALANCES	1,660.00
ADJUST ACCOUNT BALANCES TO ACTUALS	20.00
ADJUST USA LOAN PAYABLES TO AMOUNT PER DATA BASE DETAILS	(374.90)
FEDERAL IRS PENALTY REFUND	7,912.35
TOTAL TO FORM 990, PART 1, LINE 20	<u>(\$33,762.61)</u>

STATEMENT 3

FORM 990

CASH GRANTS AND ALLOCATIONS

<u>CLASSIFICATION</u>	<u>DONEE'S NAME</u>	<u>DONEE'S ADDRESS</u>	<u>DONEE'S RELATIONSHIP</u>	<u>AMOUNT</u>
SEE ATTACHED			NONE	<u>\$44,000</u>
TOTAL TO FORM 990, PART II, LINE 22				<u><u>\$44,000</u></u>

STATEMENT 4

FORM 990

OTHER INVESTMENTS

<u>DESCRIPTION</u>	<u>VALUATION METHOD</u>	<u>AMOUNT</u>
SECURITY INVESTMENTS	MARKET VALUE	<u>\$730,246.36</u>
TOTAL TO FORM 990, PART IV, LINE 54a		<u><u>\$730,246.36</u></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

Project Description	Donee's Name	Donee's Address	Amount
Musical "Homo Novus" performance in NYC	Andrejs Jansons	73 Glenwood Ave. Leonia, NJ 07605 USA	1,700.00
IT Upgrade for Garezers Latvian High School	Mara Kore	57732 Lone Tree Rd. Three Rivers, MI 49093-9549 USA	9,000.00
History book about Cleveland Latvian choir	Maija Grendze	425 Grannis Rd. Fairview Pk., OH 44126 USA	1,700.00
History book about Latvian Girl Scouts in the U.S.	Maija Skinke	28-35 214 St. Bayside, NY 11360 USA	1,700.00
"3x3" Family Camp in Michigan and New York	Maija Zaeska	3900 44th St. SE Delano, MN 55328 USA	1,700.00
Latvian Youth Festival in Melbourne, Australia	Markus Draguns	30 Kathleen St. Pascoe Vale South, VIC 3044 Australis	500.00
Book translation "Siberia's Children"	Dzintra Geka	Graudu iela 41A LV-1050 Riga USA	18,400.00
Book publishing - Ancient Balts in Germany	Mirdza Krastina	6091 Sollentuna S-19257 Stockholm Sweden	1,000.00
Project about traditional Latvian string instrument, the Kokle	Ilmars Pumpurs	Lermontova iela 3-3 LV-1002 Riga Latvia	1,700.00
Multimedia CD about Latvian artist Evalds Dajevskis	Peteris Dajevskis	732 Westbourne Rd. West Chester, PA 19382 USA	1,600.00
Support to XV West Coast Latvian Song Festival	Pauls Berkolds	10731 Viking Ave. Northridge, CA 91326 USA	1,000.00
Bierins Award, support to XII Latvian Song festival	Martins Putelis	144 1st Court Carmel, Indiana 46033	2,000.00
Karlis Irbitis Scholarship Fund	Vita Dike	Lacplesa iela 75-III Riga, LV-1011	2,000.00
		Total	44,000.00