

FOUNDATIONS OF EAST CHICAGO, INC.
East Chicago, Indiana

Financial Statement Audit for the Years Ended
December 31, 2020 and 2019

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES

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Gary Office
201 E. 5th Avenue
Suite A
Gary, IN 46402
P: (219) 880-0850
F: (219) 880-0858



Chicago Office
150 N. Michigan Avenue
Suite 2800
Chicago, IL 60601
P: (312) 863-8658
F: (312) 624-7701

www.cawhittakercpa.com

Independent Auditor's Report

To the Board of Directors of:
Foundations of East Chicago, Inc. and Subsidiaries
East Chicago, Indiana

We have audited the accompanying consolidated financial statements of the Foundations of East Chicago, Inc. (the "Foundation") and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, and cash flows for the years then ended and the related consolidated notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We did not audit the financial statements of North Harbor, L.P., a subsidiary, which statements report total assets of \$0 and \$5,036,012 as of December 31, 2020 and 2019, respectively, and the statement of operations of \$2,431,385 and (\$232,460) for the years then ended. We did not audit the financial statements of New Cardinal Terrace, LLC, a subsidiary, which statements report total assets of \$0 and \$1,928,742 as of December 31, 2020 and 2019, respectively, and the statement of operations of (\$283,962) and \$88,623 for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for North Harbor, L.P. and New Cardinal Terrace, LLC is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of distributions on pages 32-34 is presented for purposes of additional analysis and is not a required part of the financial statements.


Whittaker & Company, PLLC

Gary, IN
June 17, 2021

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
Current assets:		
Cash and cash equivalents (Notes 1 & 15)	\$ 2,224,098	\$ 2,486,093
Accounts and other receivables (Note 3)	498,787	38,743
Gaming receipts receivable (Notes 1 & 3)	286,588	311,892
Prepaid expense (Note 6)	25,727	81,192
Total current assets	3,035,200	2,917,920
Non-current assets:		
Investments (Notes 1 & 2)	30,133,780	26,479,556
Fixed Assets		
Leasehold improvements	42,823	42,823
Equipment and furniture and fixtures	114,651	113,374
Total fixed assets	157,474	156,197
Accumulated depreciation	(143,069)	(128,759)
Net fixed assets (Note 4)	14,405	27,438
Real estate held for lease, net (Note 5)	-	6,230,403
Other assets (Note 5)	-	508,739
Total non-current assets	30,148,185	33,246,136
TOTAL ASSETS	\$ 33,183,385	\$ 36,164,056

LIABILITIES AND NET ASSETS

Current liabilities:		
Notes payable (Note 9)	\$ -	\$ 121,562
Accounts payable (Note 7)	20,659	74,374
Construction payable	-	40,800
Grants payables (Note 10)	239,750	447,215
Other current liabilities and accrued expenses (Note 11)	82,474	187,371
Total current liabilities	342,883	871,322
Non-current liabilities:		
Grants payable (Notes 10)	327,500	297,500
Notes payable (Note 9)	-	2,869,933
Total non-current liabilities	327,500	3,167,433
TOTAL LIABILITIES	670,383	4,038,755
INTEREST IN SUBSIDIARIES	-	(914,069)
NET ASSETS		
Without donor restrictions (Note 1)	32,513,002	33,039,368
With donor restrictions (Note 1)	-	-
Total net assets	32,513,002	33,039,368
TOTAL LIABILITIES AND NET ASSETS	\$ 33,183,385	\$ 36,164,056

These consolidated financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to consolidated financial statements.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019
	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	TOTAL	TOTAL
REVENUE AND OTHER GAINS				
Gaming contributions (Note 1)	\$ -	-	\$ 2,741,766	\$ 3,590,741
Rental income	-	-	504,008	940,596
Miscellaneous Income (Note 19)	-	-	42,938	163,949
Forgiveness of Debt (Note 18)	-	-	500,000	-
Total revenue and other gains without donor restrictions	-	-	3,788,712	4,695,286
EXPENSES AND DISTRIBUTIONS				
Personnel costs	348,609	216,764	565,374	580,890
Board and committee costs	33,864	61,428	95,292	117,262
Administrative costs	143,776	-	143,776	165,467
Operating and maintenance	178,482	-	178,482	286,653
Strategic planning	-	-	-	945
Communication	3,502	2,146	5,648	5,251
Insurance and taxes	137,532	19,576	157,108	154,714
Investment fees	-	-	-	6,419
Supplies	6,490	3,977	10,467	14,906
Postage	2,021	1,238	3,259	3,517
Promotions and marketing	-	40,093	40,093	54,846
Other contracted services	25,331	18,213	43,544	78,492
Legal and finance	83,407	166,018	249,425	215,307
Excise tax	-	9,297	9,297	19,940
Facility costs	89,950	26,336	116,286	148,201
Other miscellaneous	-	19,789	19,789	17,436
Partnership and financial (Note 16)	-	-	-	32,095
Staff education and training	857	525	1,382	5,847
Depreciation and amortization - (Fixed Assets and Real Estate Held for Lease) - (Note 1)	155,655	5,971	161,626	263,671
Donations	5,500	-	5,500	30,800
Grant Distributions	2,723,038	-	2,723,038	3,531,311
Total expenses and distributions without donor restrictions	3,938,014	591,371	4,529,385	5,733,970
Excess of revenues and gains over total expenses and distributions before other nonoperating revenue (expenses)	-	-	(740,675)	(1,038,684)
NONOPERATING REVENUE (EXPENSES)				
Interest expense (Note 9)	-	-	(88,722)	(244,823)
Investment return, net of fees	-	-	3,310,795	4,496,347
Interest in income of subsidiaries (Notes 16 & 17)	-	-	209,239	143,837
Loss on sale/disposal of assets (Note 20)	-	-	(3,323,704)	-
Change in net assets from nonoperating activities	-	-	107,608	4,395,361
Payroll Protection Program Loan Forgiveness Income (Note 21)	-	-	106,700	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		-	(526,366)	3,356,675
NET ASSETS, BEGINNING OF YEAR, RESTATED (Note 22)	-	-	33,039,368	29,682,693
NET ASSETS, END OF YEAR	\$ -	\$ -	\$ 32,513,002	\$ 33,039,368

These consolidated financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to consolidated financial statements.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		
Change in unrestricted net assets without donor restrictions (As restated, Note 21)	\$ (526,366)	\$ 3,356,675
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	161,626	263,671
Loss on disposed assets	3,323,704	138
Forgiveness of debt	(5,154,153)	-
Forgiveness of note payable	(500,000)	-
Debt issuance cost (interest and write-off)	28,765	-
Bad debt	54	-
Interest in subsidiaries	914,069	(143,837)
Payroll protection program note payable forgiveness	(106,700)	-
Effects of changes in operating assets and liabilities:		
Decrease/(Increase) in account receivables tenant	789	(686)
Increase in account and other receivables	(460,887)	(17,200)
Decrease in gaming receipts receivable	25,304	7,162
Increase/(Decrease) in prepaid assets	55,465	(19,688)
Decrease/(Increase) in other assets	6,593,228	(62,982)
Decrease in accounts payable	(53,715)	(2,389)
(Decrease)/Increase in grants payable	(177,465)	578,333
Decrease in other current liabilities	(145,697)	(63,029)
Net cash provided by operating activities	<u>3,978,021</u>	<u>3,896,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	(3,654,224)	(2,841,541)
Proceeds from sale of subsidiaries	1,830,444	-
Proceeds from sale of fixed assets	3	-
Purchase of fixed assets	(2,679)	(17,301)
Net cash used in investing activities	<u>(1,826,456)</u>	<u>(2,858,842)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment on long-term debt, net	(2,520,260)	(148,073)
Proceeds from payroll protection program note payable	106,700	-
Net cash used in financing activities	<u>(2,413,560)</u>	<u>(148,073)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(261,995)</u>	<u>889,252</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,486,093</u>	<u>1,596,841</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,224,098</u></u>	<u><u>\$ 2,486,093</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 88,722	\$ 244,823
Taxes paid	<u>\$ -</u>	<u>\$ 20,000</u>

These consolidated financial statements should be read only in connection with the accompanying summary of significant accounting policies and notes to consolidated financial statements.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Foundations of East Chicago, Inc. ("Foundation") was incorporated February 8, 2007 under the Indiana Nonprofit Corporation Act of 1991 (*IC 23-17-1-4*) for the purpose of promoting the interests of the citizens of the City of East Chicago ("City") as a tax-exempt organization pursuant to Sections 501(c) (3) and 170(c) (2) of the Internal Revenue Code of 1986, as amended. The Foundation was created as a result of a merger of two pre-existing organizations known as the Twin City Education Foundation, Inc., and East Chicago Community Development Foundation, Inc. The former two organizations were incorporated on September 10, 1997.

The predecessor organizations were beneficiaries under a Local Development Agreement between the City and the original casino license holder for the City. That agreement provided for monthly contributions to the predecessor organizations out of the licensee's adjusted gross gaming receipts. Subsequent holders of the license assumed responsibility to continue the contributions. Representatives of the City challenged the predecessor organizations' rights and those of the Foundations under the original agreement in a series of lawsuits and administrative proceedings which were ultimately resolved favorably to the Foundation.

Upon settlement of litigation, a modified agreement was approved by the Indiana Gaming Commission, the City, the licensee, and the Foundation. Under it, the Foundation receives one and five-eighths percent (1.625%) of the licensee's adjusted gross receipts from its operations of the East Chicago riverboat casino into a Foundation designated account, payable on a monthly basis. The Foundation is a party to that agreement and, as such, is regulated by the Indiana Gaming Commission.

The primary activity of the Foundation is to support the citizens of East Chicago, Indiana by:

- (i) Developing, supporting and implementing development initiatives which result in a more beautiful and functional City;
- (ii) Addressing economic, environmental, residential and recreational development which will create a safer, healthy, growing, diverse and supportive community;
- (iii) Maximizing the Foundation and the City's resources through partnership activities with public and private investment;
- (iv) Addressing affordable housing and commercial and industrial developmental issues;

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Otherwise providing financial assistance for affordable housing initiatives in the City, including but not limited to providing funds to charitable community development corporations (within the meaning of Section 501(c)(3) of the Code or corresponding provisions of any subsequent Federal tax laws);

(vi) Developing, supporting and implementing programs resulting in a more learned and better skilled community; and

(vii) Supporting teaching/educating, job training, the arts and humanities, and social development throughout the community for all age groups, racial, ethnic and economic members of the community.

The Foundation has formed various subsidiary and affiliate organizations to facilitate its mission. North Harbor Property, Inc. (“NHPI”) was formed as a title holding company to support development of an affordable housing project in the City, and North Harbor, Inc. (“NHI”) and North Harbor, L.P. (“NHLP”) were also formed as part of that development. New Cardinal Terrace Holdings, Inc. (“NCT Holdings”), New Cardinal Terrace Management, Inc. (“NCT Management”) and New Cardinal Terrace, LLC (“NCT”) were also formed to facilitate acquisition and continuation of another affordable housing project in the City.

The names of New Cardinal Terrace Management, Inc. and New Cardinal Terrace Holdings, Inc. were changed, respectively, to FEC Management, Inc. (“FEC Management”) and FEC Holdings, Inc. (“FEC Holdings”). FEC Management and FEC Holdings were created incident to the acquisition by NCT of the Cardinal Terrace Apartments in East Chicago, Indiana. FEC Management has a one percent (1%) ownership in NCT, and FEC Holdings has a ninety-nine percent (99%) interest in NCT.

FEC Management is an Indiana for profit corporation, and FEC Holdings is an Indiana nonprofit corporation. FEC Holdings owns all the common capital stock of FEC Management. FEC Holdings is a title holding company exempt from federal income tax under Section 501(c) (2) of the Internal Revenue Code of 1986, as amended.

On March 13, 2020, the North Harbor, LP, (“NLHP”) and New Cardinal Terrace (“NCT”), subsidiaries of the Foundation entered into a purchase agreement with the Managed East Chicago Housing Association, Inc., an unrelated party, to sell the properties of North Harbor Apartments and Cardinal Terrace Apartments for a total of Three Million Nine Hundred Thousand Dollars (\$3,900,000). On July 24, 2020, the properties were sold. As a result of the sale of the properties owned by NHLP and NCT, those two entities, along with FEC Management, NHPI and NHI were dissolved on December 21, 2020.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Internal Revenue Code classifies 501(c) (3) non-profit organizations in two (2) categories – publicly supported organizations and private foundations.

The Foundation, NHPI, and FEC Holdings, have been determined to be private foundations or title holding companies affiliated with private foundations, and the organizations file as such with the Internal Revenue Service and the Indiana Department of Revenue. As of December 31, 2020, NHPI has been dissolved and all necessary filings with the respective agencies had been made.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 18, 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *“Audit and Accounting Guide for Not-for-Profit Organizations”* (the “Guide”). ASC 958-205 was effective January 1, 2019.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulation imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Foundation’s ongoing activities. Non-operating activities are limited to resources that generate return from investments, investment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board of Directors (“Board”) has discretionary control over the use of unrestricted funds in carrying on the activities of the Foundation in accordance with the limitations of its charter and by-laws. The Board has designated certain net assets of the Foundation for specific use.

The Foundation makes voluntary, non-reciprocal contributions to tax exempt entities and governmental instrumentalities that provide service to the East Chicago area. The unconditional grants that have been awarded, but not paid at year-end, are designated as grants and programs. At December 31, 2020 and 2019, those amounts were \$2,955,853 and \$2,735,493, respectively.

In addition, the Board has designated certain funds to be invested for capital appreciation which is comprised of approximately one-half specific investment accounts at year end. At December 31, 2020 and 2019, those amounts were \$15,500,000 and \$13,850,000, respectively.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Basis of Accounting

The Foundation and its’ subsidiaries use the accrual basis of accounting. Under this method, revenues are recorded when they are earned instead of when they are received and expenses are recorded at the time they are incurred rather than when paid.

Principles of Consolidation

Effective July 24, 2020, the North Harbor and New Cardinal Terrace properties were sold to an unrelated entity. Effective December 21, 2020, the companies were dissolved. As a result of the sale and dissolution, the financial statements for 2020 have been consolidated to include the accounts of the Foundation, NHPI and its subsidiaries as well as FEC Holdings and its subsidiaries because the Foundation had both an economic interest in those organizations and control through a majority interest in their governing bodies through July 24, 2020. All inter-organization transactions have been eliminated.

The financial statements for 2019 were consolidated to include the accounts of the Foundation, NHPI and its subsidiaries as well as FEC Holdings and its subsidiaries because the Foundation had both an economic interest in those organizations and control through a majority interest in their governing bodies. All inter-organization transactions were eliminated.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Donated and Contributed Services

Vendors and consultants of the Foundation sometimes donate time and services to the operations of the Foundation. There were no donated and contributed services in 2020 and 2019.

Investments

Investments of the Foundation include marketable equity, debt securities and mutual funds. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains and losses and the unrealized appreciation (depreciation) on those investments, is presented in the statement of activities in accordance with donor restrictions as investment return, when applicable. Investment return is presented net of investment fees. The cost method is primarily used to determine the basis for computing realized gains and losses. Management limits the amount of credit exposure by diversifying these investments in various industries. See Note 2 for investment amounts at December 31st.

Gaming Contributions

Gaming contributions consist of monies received from the riverboat gaming licensee for East Chicago, currently Ameristar East Chicago, under the Local Development Agreement described above. For the years ended December 31, 2020 and 2019, the Foundation received \$2,741,766 and \$3,590,741, respectively.

Because monies are received by the Foundation in the following month for monies from operations from the East Chicago riverboat in the current month, there is usually a one-month lag; therefore, attributing to a receivable at year end. See Note 3 below for gaming receipts receivable.

Fixed Assets

Furniture and equipment are recorded at cost less accumulated depreciation computed on the straight-line method over the estimated useful lives ranging from three to five years. Leasehold improvements of the office space are depreciated on the straight-line method over the lease term of two years. Depreciation expense for the years ended December 31, 2020 and 2019 was \$15,712 and \$13,535, respectively.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Real estate held for lease (North Harbor, L.P.)

Land is recorded at cost. Depreciation is computed on the straight-line method over the useful lives of 40 years for buildings, 15 years for land improvements, and 5 years for personal property. NHLP reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. No impairment losses were recognized in 2020 and 2019. Depreciation expense for the years ended December 31, 2020 and 2019 was \$116,093 and \$199,016, respectively. The real estate was sold on July 24, 2020 to an unrelated entity.

Real estate held for lease (New Cardinal Terrace, LLC)

Buildings, land and equipment are recorded at initial purchase price. The buildings, site improvements and equipment are depreciated using the straight-line method over lives of 40 years, 15 years, and 10 years, respectively. Expenses are capitalized at management's discretion. NCT reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. No impairment losses were recognized for 2020 and 2019. Depreciation expense for the years ended December 31, 2020 and 2019 was \$29,821 and \$51,120, respectively. The real estate was sold July 24, 2020 to an unrelated entity.

Total depreciation expense for fixed assets, real estate held for lease, NHLP and NCT for the years ended December 31, 2020 and 2019 was \$161,626 and \$263,671, respectively.

Required Distributions/Grants Payable

The Internal Revenue Code provides that a private foundation generally must distribute for charitable purposes five percent (5%) of the average market value of its assets. The Foundation has met its minimum distribution requirements for the years ended December 31, 2020 and 2019. Any awarded, but unpaid, distribution is accrued at the end of each year.

Cash and Cash Equivalents

The Foundation considers all liquid investments, with maturities of three months or less when purchased, to be cash equivalents.

Income Taxes and Uncertain Income Tax Positions

The Foundation is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code and applicable state law, except for taxes pertaining to investment and unrelated business income, if any. For tax years beginning after December 20, 2019, the Code imposes an excise tax of 1.39% on net investment income of private foundations.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2020 and 2019, the Foundation made estimated payments in the amounts of \$0 and \$20,000, respectively on its 2020 and 2019 investment income to the Internal Revenue Service. During 2020 and 2019, the Foundation recorded \$9,297 and \$19,940, respectively, as excise tax expense for taxes attributable to 2019 and 2018 investment income.

The Foundation is required by FASB ASC 740-10, *“Accounting for Uncertainty in Income Taxes”* to evaluate and disclose tax positions that could have an effect on the Foundation financial statements. The Foundation reports its activities to the Internal Revenue Service and the Indiana Department of Revenue on an annual basis. These informational returns are usually subject to an audit and review by the governmental agencies for a period of three years after filing.

All of the Foundation income, expenses, and activities relate to its exempt purpose; therefore, management has determined that the Foundation is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

Advertising Costs

The Organization uses advertising to promote its programs among the East Chicago community. Promotions and marketing costs are expensed as incurred. Promotions and marketing expense for the years ended December 31, 2020 and 2019 was \$40,093 and \$54,846, respectively.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among general and administrative and program services benefited. Such allocations are determined by management on an equitable basis based on actual costs and time and effort.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – INVESTMENTS

The following table presents the long-term investments carried at fair value based on quoted prices in active markets at December 31st. As required, investment assets are classified in their entirety based upon the lowest level of input that is significant to the fair value measurement.

Description	<u>2020</u>	<u>2019</u>
Corporate bonds and debt	\$11,936,029	\$ 8,209,586
Mutual funds	943,101	808,987
Domestic and alternative funds	<u>17,254,650</u>	<u>17,460,983</u>
Total	<u>\$30,133,780</u>	<u>\$26,479,556</u>

Fair Value Measurements

The FASB ASC 820, “*Fair Value Measurements and Disclosures*”, issued guidance on fair value measurements and disclosures establishing a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active market for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this guidance are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; or Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable (supported by little or no market activity) and significant to the fair value measurement.

The asset’s or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 – INVESTMENTS (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value:

Equity Securities and Bond Securities: Valued at the closing price reported on the active market on which the individual securities are traded. All are classified as Level 1 of the fair value hierarchy because they were valued using quoted market prices in active markets.

NOTE 3 – ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables consist of the following:

Description	<u>2020</u>	<u>2019</u>
Gaming receipts receivable	\$ 286,588	\$ 311,892
Accounts receivable – tenant	-	843
Receivable from property sale	472,387	-
Accrued interest – investments	<u>26,400</u>	<u>37,900</u>
Total	<u>\$785,375</u>	<u>\$ 350,635</u>

NOTE 4 – FIXED ASSETS

Fixed assets are summarized as follows:

Description	<u>2020</u>	<u>2019</u>
Office equipment	\$ 14,319	\$ 14,319
Computer equipment	37,330	36,053
Furniture and fixtures	63,002	63,002
Leasehold improvements	<u>42,823</u>	<u>42,823</u>
Total at cost	157,474	156,197
Less: accumulated depreciation	<u>(143,069)</u>	<u>(128,759)</u>
Total	<u>\$ 14,405</u>	<u>\$ 27,438</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 – REAL ESTATE HELD FOR LEASE AND OTHER ASSETS

On July 24, 2020, NHLP and NCT properties were sold. At December 31, 2020 and 2019, amounts relating to the affordable housing projects owned by NHLP and NCT have been included in Real Estate Held for Lease and include the following:

Description	<u>2020</u>	<u>2019</u>
Land	\$ -	\$ 186,360
Buildings	-	9,566,765
Site Costs	-	254,357
Personal property	-	205,637
Total cost	-	10,213,119
Less: accumulated depreciation	<u>(-)</u>	<u>(3,982,716)</u>
Total	<u>\$ -</u>	<u>\$ 6,230,403</u>

Other assets at December 31, 2020 and 2019 are summarized below:

Description	<u>2020</u>	<u>2019</u>
North Harbor, L.P. reserve	\$ -	\$ 152,215
NCT reserves and escrows	<u>-</u>	<u>356,524</u>
Total	<u>\$ -</u>	<u>\$ 508,739</u>

North Harbor, L.P. reserve and capitalized costs

The partnership agreement required a replacement reserve to be funded in the amount of \$250 per unit, per year upon completion of construction.

The agreement also required an operating reserve to be funded in an initial amount of \$123,000 from the third capital contribution. The reserve was set to increase to \$190,000 prior to the termination of the operating deficit guaranty, which is described in Note 16, below.

The replacement reserve and operating reserve funds were disbursed upon the sale of the Partnership.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 – REAL ESTATE HELD FOR LEASE AND OTHER ASSETS
(Continued)

New Cardinal Terrace, LLC reserves and escrows

In accordance with commitments entered into in connection with the acquisition and financing of the Cardinal Terrace apartments, the Foundation and NCT operated the Cardinal Terrace apartments as an affordable housing project in the same manner as operated by the previous owner. NCT maintained reserve accounts which it used to fund the operating cash account to cover large expenditures. The reserves were disbursed upon the sale of the NCT.

NOTE 6 – PREPAID EXPENSE

Prepaid expenses represent amounts recorded as an asset to enable the matching of the expense with the period to which it related, as follows:

Description	<u>2020</u>	<u>2019</u>
Prepaid expenses	\$ 15,024	\$ 61,192
Prepaid federal excise tax	<u>10,703</u>	<u>20,000</u>
Total	<u>\$ 25,727</u>	<u>\$ 81,192</u>

NOTE 7 - ACCOUNTS PAYABLE

The December 31st accounts payable balance relates to materials, supplies, or services provided to the Foundation and its subsidiaries during one calendar year, and not paid until the following calendar. Accounts payable at December 31, 2020 and 2019 were \$20,659 and \$74,374, respectively.

NOTE 8 – POST RETIREMENT BENEFITS

The Foundation sponsors a Section 403(b) salary reduction plan that covers all full-time employees who are at least 21 years old and have completed one year of service. The limit on elective deferrals (i.e., the most that can be contributed to a 403(b) account through employee elective deferral by means of salary reduction agreements) was \$19,000 and 18,500 for years 2020 and 2019, respectively with an additional \$6,000 catch-up for employees aged 50 and older for years 2020 and 2019, respectively. The Foundation matches the current employee elective deferrals at 100% of the first 3% of wages plus 50% of the next 2% of wages.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 8 – POST RETIREMENT BENEFITS (Continued)

Additionally, the Foundation contributes on behalf of current employees based upon years of service as follows:

<u>Years of Service</u>	<u>Contribution as % of Pay</u>
Less than 5	1%
5-9	1.5%
10-14	2.5%
15-19	3.5%
20 and above	4.5%

The total contribution made by the Foundation was \$28,714 and \$28,706 for the years ended December 31, 2020 and 2019, respectively.

NOTE 9 – NOTES PAYABLE

In April 2020, the Foundation obtained a Line of Credit (“LOC”) from Centier Bank in the amount of one-million dollars (\$1,000,000). The interest rate is variable and subject to change based on changes in the independent index which is the Prime rate. The index rate is currently at 3.25%, per annum. During the year, \$515,900 was exercised on the line but repaid on September 1, 2020. The interest expense paid on the exercised amount totaled \$1,971. As of December 31, 2020, the line of credit remained open but had no balance.

North Harbor

Pursuant to the Affordable Housing Program, FEC loaned \$500,000 to the Partnership. The promissory note provided for interest at the rate of 5.85% per annum and was collateralized by a subordinated mortgage on certain real estate. The note, along with accrued interest, provided for a due date of December 31, 2022. No principal and interest payments were required until maturity. The note and accrued interest were forgiven in 2020.

During 2005, permanent financing was obtained from P/R Mortgage & Investment Corp. The total amount financed was \$1,989,000 at a stated interest rate of 5.995% per annum with monthly payments of \$11,919. The note was collateralized by a mortgage on the real property. The note was provided to mature on June 1, 2021, at which time the outstanding principal balance of approximately \$1,358,000 was to be paid. The note was repaid in full in 2020 upon the sale of the property.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 9 – NOTES PAYABLE (Continued)

The Foundation loaned the Partnership \$1,500,000 to facilitate construction. The note provided for interest to be accrued at the rate of 4% per annum. Monthly principal and interest payments were not required. Principal and interest on the note were originally due May 2019. The maturity date was extended to May 2021. The note and accrued interest were forgiven in 2020.

Cardinal Terrace

Permanent financing was obtained from People's Bank in a note dated April 10, 2013. The total amount financed was \$1,480,000 at a stated interest rate of 4.25% per annum with monthly payments of \$9,214 for the first 60 monthly payments. Beginning June 2018, monthly payments were increased to \$9,765 and the interest changed to a variable interest rate based on the 5-year Treasury Constant Maturity Index with a minimum interest rate of 4.25% and a maximum of 7.25%.

The note was collateralized by a mortgage on the real property. The note was to mature on April 10, 2023, at which time the outstanding principal balance of approximately \$860,236 was to be paid. The note was repaid in full when the property was sold in 2020.

As part of the acquisition by NCT of the Cardinal Terrace apartments, NCT obtained a subordinated non-interest-bearing promissory note dated April 10, 2013 from the City of East Chicago Department of Redevelopment (CECDR) in the original amount of \$150,000. The note was assigned to Foundations of East Chicago, as described in Note 17. The note was to mature April 10, 2023. The note was forgiven in full in 2020.

During 2013, also as part of the acquisition by NCT of the Cardinal Terrace apartments, the Foundation advanced \$150,000 to NCT and received a subordinated non-interest-bearing note from NCT in the original amount of \$150,000 to evidence that advance. The note was to mature April 10, 2023. The note was forgiven in full in 2020.

NOTE 10 – GRANTS PAYABLE

The Foundation is committed to various charitable organizations for reimbursement-based grants in which the organization had fulfilled the terms of the grant and submitted for reimbursement from the Foundation. At December 31, 2020 and 2019, the total grants payable amounts were \$567,250 and \$744,715, respectively. Of those amounts, the long-term grant commitment payments at December 31, 2020 and 2019 were \$327,500 and \$297,500, respectively. The long-term grant commitment payments at December 31, 2020 were as follows:

2021	\$ -
2022	202,500
2023	<u>125,000</u>
Total	<u>\$ 327,500</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 11 – OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES

At December 31, 2020 and 2019, the Foundation had other current liabilities and accrued expenses of the following:

Description	<u>2020</u>	<u>2019</u>
Rent owed to NHLP	\$ -	\$ 1,414
Security deposit – NHLP	-	35,666
Security deposit – NCT	-	33,326
Accrued property tax – NCT	-	43,700
Accrued interest – NCT	-	4,735
Prepaid rent – NCT	-	5,472
Payroll liabilities	1,634	1,747
Accrued wages and benefits	<u>80,840</u>	<u>61,311</u>
Total	<u>\$ 82,474</u>	<u>\$ 187,371</u>

NOTE 12 – RELATED PARTY TRANSACTIONS

The general partner of NHLP was entitled to receive a partnership management fee of \$20,000 per year increasing annually by 3%. Any unpaid fees were non-cumulative. The fee for 2019 was \$32,095 and was included in accounts payable – related parties at December 31, 2019. The 2019 fee was written off in 2020. No fees were earned or paid in 2020.

The partnership received an advance of \$40,000 to cover operating expenses from the general partner in 2014. This amount was included in accounts payable – related parties at December 31, 2019 and was written off in 2020.

NOTE 12 – RELATED PARTY TRANSACTIONS (Continued)

The general partner was also entitled to receive an incentive management fee equal to the lesser of 75% of the partnership's cash flow permitted to be distributed or \$5,000. The fee was set to increase 3% annually and was also non-cumulative. No fee was earned in 2020 or 2019.

An investor services fee was payable to FEC Holdings, Inc. in the amount of \$4,000 per year, increasing 3% annually. Unpaid fees were non-cumulative. Fees for 2019 totaling \$6,419 were included in accounts payable - related parties at December 31, 2019. The 2019 fee was written off in 2020. No fees were earned or paid in 2020.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 12 – RELATED PARTY TRANSACTIONS (Continued)

The Foundation served as sponsor of the North Harbor project. As such, it advanced \$798,063 to the NHLP to facilitate construction completion. In 2008, an additional \$100,000 was advanced to the NHLP to facilitate the build-out of commercial space.

NHLP owed the Foundation a total of \$898,063 as of December 31, 2019, which was forgiven in 2020.

Effective December 14, 2017, the Foundation, through its ownership and control of NHPI and NHI approved and implemented a policy under which the members of the Foundation board of directors also serve as the directors of NHPI and NHI. Members of the Foundation board also comprise all of the members of the FEC Holdings board. As of December 21, 2020, the companies of NHPI and NHI were dissolved, and members of the Foundation board were no longer deemed related parties.

NOTE 13 – LEASES

On January 1, 2018, the Foundation entered into a lease with the City of East Chicago for the Foundation office space. The annual base rent under this lease was \$58,500 payable in consecutive monthly installments of \$4,875. CAM was paid in monthly installments and was due on the first day of each month in the amount of \$386. The term of the lease was for a period of 24 months ending December 31, 2019.

In a letter dated August 7, 2019, the Foundation exercised the option to extend the term of the lease for one period of 24 months, subject to the same terms and conditions dated January 1, 2018, except that the base rent will be equal to 104% of the prior term's base rent or \$5,070 per month. The future commitment of lease payments for rent and CAM are \$60,840 and \$4,632, respectively.

NOTE 14 – LIQUIDITY

The Foundation's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash and cash equivalents	\$ 2,224,098
Accounts and other receivables	498,787
Gaming receipts receivables	286,588
Prepaid expense	<u>25,727</u>
Total current assets	<u>\$ 3,035,200</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 14 – LIQUIDITY (Continued)

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in various investments. To help manage unanticipated liquidity needs, the Foundation has investments of \$30,133,780 which it could draw upon.

The Board has designated \$18,455,853 of the Foundation's assets for awarded grants and programs and capital appreciation; however, this amount has not been subtracted as unavailable as it could be drawn upon with Board approval. Although the Foundation does not intend to spend from its investments other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its investments could be made available if necessary.

NOTE 15 – CONCENTRATIONS

The Foundation maintains cash balances in several financial institutions located in East Chicago, Indiana and in its investment accounts located at various investment firms. At December 31, 2020 and 2019, the Foundation had cash and cash equivalents in the amounts of \$2,224,098 and \$2,486,093, respectively. Of these amounts, \$1,973,696 and \$2,053,228, respectively, were in excess of FDIC limits at December 31, 2020 and 2019. FDIC insurance coverage limit is set at \$250,000 per depositor.

NOTE 16 – NORTH HARBOR

DEVELOPMENT FEE PAYABLE

As developer, North Harbor, LLC was entitled to a fee of \$700,000 as compensation for its services. The fee was to be paid at various times as specified in the development agreement. The Foundation had been assigned the rights to this fee. The developer fee was repaid as the result of a general partner contribution in 2017.

PARTNERSHIP ALLOCATIONS AND DISTRIBUTIONS

The partnership agreement specified that the general partner has a .01% interest in profits, losses, and tax credits. The limited partners have a 99.99% interest in such profits, losses, and tax credits. Distributable cash flow, as defined by the partnership agreement as being the amount remaining after the payment of specified fees and sponsor loans, is to be paid to the partners on the same percentages.

In accordance with the special allocation provision of the partnership agreement, the limited partner equity balances were limited to zero. The 2020 and 2019 net losses were allocated accordingly. The accounts were all closed and disbursed in conjunction with the sale of the property.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 16 – NORTH HARBOR (Continued)

OPERATING DEFICIT GUARANTY

The general partner, developer, and co-developer, after utilization by the Partnership of the \$190,000 operating reserve fund (see Note 5, above), were obligated to loan to the Partnership the funds required to pay any operating deficits. After lease-up has occurred, the deficit guaranty is not to exceed \$350,000 in total from all guarantors. The operating deficit guaranty was provided to terminate upon the Partnership achieving breakeven operation, as defined in the agreement, including the required debt service coverage, for three consecutive years and the operating reserve having an initial balance of \$190,000.

Payments made to the Partnership from the operating reserve and the operating deficit guaranty are to be treated as loans to the Partnership, accrue interest at the prime rate, and be evidenced by unsecured promissory notes. The accounts were all closed and disbursed in conjunction with the sale of the property.

NOTE 17 – INVESTMENT IN NEW CARDINAL TERRACE

On April 10, 2013, the Foundation, through newly created affiliates, acquired the Cardinal Terrace Apartments (“Apartments”) in East Chicago from the previous owners, Cardinal Terrace, L.P. The Apartments were operated as an “affordable housing” project under Section 42 of the Internal Revenue Code of 1986, as amended (“IRC”). The Foundation had previously pledged a securities account maintained at Peoples Bank, S.B. to collateralize an obligation of one of the general partners of the previous owner.

The Apartments were acquired by NCT, which was owned by FEC Management and FEC Holdings, which was organized as a title holding company under IRC Section 501(c)(2). FEC Holdings owned all of the shares of the common stock of FEC Management, and the Foundation was the sole beneficial owner of FEC Holdings. The purchase price for the Apartments was \$1,955,000, subject to certain adjustments.

In connection with the acquisition of the NCT apartments, the Foundation guaranteed a first lien mortgage loan from Peoples Bank, SB, to NCT. As part of the acquisition of the Apartments, the Foundation and the Redevelopment Commission of the City each took back a non-interest bearing Subordinated Promissory Note issued by NCT, each in the original principal amount of \$150,000. In 2015, the note issued to the Redevelopment Commission of the City was assigned to Harbor Homestead, Inc. (a now dissolved affiliate of the Foundation), which in turn assigned the note to the Foundation. On July 24, 2020 NCT was sold and the entity was dissolved on December 21, 2020.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 18 – NON-CASH TRANSACTION

Pursuant to the Affordable Housing Program, the Foundation received a loan in the amount of \$500,000, and said funds were then loaned to North Harbor, L.P. Upon project completion and satisfaction of program requirements, the loan was forgiven in the amount of \$500,000 and was recorded as forgiveness of debt income and recognized as a noncash transaction in the December 31, 2020 year ended financial statements. There were no noncash transactions for the year ended December 31, 2019.

NOTE 19 – MISCELLANEOUS AND OTHER INCOME

During 2020, the Foundation received a total of \$16,750 in monetary contributions from various donors. These contributions were provided to assist in supporting efforts during the pandemic and were used to donate to local nonprofits within the City of East Chicago. Other miscellaneous income of \$26,188 was received by subsidiaries in 2020. Total miscellaneous income for the year ended December 31, 2020 was \$42,938.

NOTE 20 – FORGIVENESS OF DEBT/LOSS ON DISPOSAL

On July 24, 2020, properties owned by subsidiaries of the Foundation (NHLP and NCT) were sold for \$3,900,000. Net book value of the properties owned by the subsidiaries was \$6,084,489, resulting in a loss on the sale in the amount of \$2,184,489 recorded on the subsidiaries' financial statements for the year ended December 31, 2020. Debt owed by the subsidiaries to the Foundation was forgiven as a result of the sale in the amount of \$4,541,152 for the year ended December 31, 2020.

As a result of the sale, the Foundation received \$1,830,444 from the subsidiaries and outstanding related receivables in the amount of \$5,154,153 were forgiven, resulting in a loss on disposal of subsidiaries of \$3,323,709 for the year ended December 31, 2020.

NOTE 21 – PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS INCOME

On March 27, 2020, the United States President signed a stimulus package to assist small businesses with funding loans through the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"). On April 3, 2020, the Foundation applied for and was approved for \$106,700, pursuant the PPP under Division A, Title I of the CARES Act. According to the terms of the agreement, as long as sixty percent (60%) of the loan proceeds are used for payroll and payroll related costs, the loan will be forgivable. The term of the loan is two years at an interest rate of one-percent (1%), with no principal nor interest due until the seventh month, but interest does accrue. On December 17, 2020, the SBA granted forgiveness in the amount of \$106,700.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 21 – PAYROLL PROTECTION PROGRAM LOAN FORGIVENESS INCOME (Continued)

The full amount of the proceeds was used to pay payroll and payroll related expenses. The amount has been recognized as a contribution in the financial statements in accordance with FASB Accounting Standards Codification (ASC) 958-605 (“*Not-for-Profit Entities – Revenue Recognition*”) by reflecting the amount of funds spent during the year as Payroll Protection Program Income Forgiveness.

NOTE 22 – PRIOR PERIOD ADJUSTMENT

In previous periods, the Foundation made several multi-year grant commitments to several non-profits. Those commitments have been reflected in the prior period restatement. As such, a prior period adjustment was made to adjust net assets, accordingly:

Net assets at December 31, 2019

Net assets – without donor restrictions \$ 33,566,868

Adjustments to Net assets – without donor restrictions:

To properly state:

Grants payable \$ 527,500

Net assets at December 31, 2019, as restated: **\$ 33,039,368**

NOTE 23 – SUBSEQUENT EVENTS

The FASB issued ASC 855-10, “*Subsequent Events*”, which defines further disclosure requirements for events that occur after the balance sheet date, but before the financial statements are issued. In accordance with ASC 855-10, management has evaluated events subsequent to December 31, 2020 through June 17, 2021, which is the date this report was available to be issued.

On March 27, 2020, the United States President signed a stimulus package to assist small businesses with funding loans through the Small Business Administration’s (“SBA”) Paycheck Protection Program (“PPP”). On January 25, 2021, the Foundation applied for and was approved for \$109,525. According to the terms of the agreement, if at least sixty percent (60%) of the loan proceeds are used for payroll and payroll related costs, and the remaining amount for rent, utilities, and other eligible operating expenses, the loan will be forgivable. The term of the loan is five years at an interest rate of one percent (1%), with no principal nor interest due until the seventh month, but interest does accrue. As of the date the financial statements were available to be issued, the loan remained outstanding.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 23 – SUBSEQUENT EVENTS (Continued)

On July 24, 2020, properties owned by subsidiaries of the Foundation (NHLP and NCT) were sold for \$3,900,000. As a result of the sale, the Foundation received \$1,830,444 from the subsidiaries with an additional amount of \$88,000 remaining outstanding. As of the date the financial statements were available to be issued, those funds were being held in escrow and the amount the Foundation would receive remained uncertain. As such, the receivable has been deemed a contingent receivable and is not recorded in the financial statements.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
SUPPLEMENTAL INFORMATION - UNAUDITED
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUPPLEMENTAL INFORMATION

(UNAUDITED)

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
Current assets:							
Cash and cash equivalents	\$ 2,224,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,224,098
Receivable from property sale	472,387	-	-	-	-	-	472,387
Accounts and other receivables	26,400	-	-	-	-	-	26,400
Accounts receivable - North Harbor (Note 13)	-	-	-	-	-	-	-
Receivable from North Harbor (Note 13)	-	-	-	-	-	-	-
Gaming receipts receivable	286,588	-	-	-	-	-	286,588
Interest receivable, related	-	-	-	-	-	-	-
Prepaid expenses	25,727	-	-	-	-	-	25,727
Total current assets	3,035,200	-	-	-	-	-	3,035,201
Non-current assets:							
Investments	30,133,780	-	-	-	-	-	30,133,780
Buildings and improvements	42,823	-	-	-	-	-	42,823
Equipment and furniture and fixtures	114,651	-	-	-	-	-	114,651
Total fixed assets	157,474	-	-	-	-	-	157,474
Accumulated depreciation	(143,069)	-	-	-	-	-	(143,069)
Net fixed assets	14,405	-	-	-	-	-	14,405
Receivable from property sale	-	-	-	-	-	-	-
Due from North Harbor	-	-	-	-	-	-	-
North Harbor receivable	-	-	-	-	-	-	-
Real estate held for lease, net	-	-	-	-	-	-	-
Investment - New Cardinal Terrace	-	-	-	-	-	-	-
Note Receivable - New Cardinal Terrace	-	-	-	-	-	-	-
Due from FEC Digital LLC / Due from FEC Holdings, Inc.	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
TOTAL ASSETS	33,183,385	\$ -	\$ -	\$ -	\$ -	-	33,183,385
Current liabilities:							
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
Accounts payable	20,659	-	-	-	-	-	20,659
Accrued expenses	80,840	-	-	-	-	-	80,840
Construction payable	-	-	-	-	-	-	-
Grants payable (Note 10)	239,750	-	-	-	-	-	239,750
Due to FEC - operating deficit	-	-	-	-	-	-	-
Accrued interest, related	-	-	-	-	-	-	-
Other current liabilities	1,634	-	-	-	-	-	1,634
Total current liabilities	342,883	-	-	-	-	-	342,883
Non-current liabilities:							
Grants payable (Note 10)	327,500	-	-	-	-	-	327,500
Total non-current liabilities	327,500	-	-	-	-	-	327,500
TOTAL LIABILITIES	670,383	\$ -	\$ -	\$ -	\$ -	-	670,383

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
INTEREST IN SUBSIDIARIES	-	-	-	-	-	-	-
NET ASSETS							
Without donor restrictions (Note 1)	32,513,002	-	-	-	-	-	32,513,002
With donor restrictions	-	-	-	-	-	-	-
Total net assets	32,513,002	-	-	-	-	-	32,513,002
Stockholders and Partners' Equity							
Capital contributions	-	-	-	-	-	-	-
General partner	-	-	-	-	-	-	-
Limited partner	-	-	-	-	-	-	-
Syndication costs	-	-	-	-	-	-	-
Total stockholders and partners' equity	-	-	-	-	-	-	-
TOTAL LIABILITIES AND NET ASSETS	33,183,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,183,385

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2020

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
REVENUE AND OTHER GAINS							
Gaming Contributions	2,741,766	\$ -	\$ -	\$ -	\$ -	\$ -	2,741,766
Rental income	-	-	-	253,490	250,518	-	504,008
Miscellaneous income (Note 19)	16,750	-	-	3,832	22,356	-	42,938
Forgiveness of Debt (Note 18)	500,000	-	-	4,541,142	-	(4,541,142)	500,000
Total revenue and other gains without donor restrictions	3,258,516	-	-	4,798,464	272,874	(4,541,142)	3,788,712
EXPENSES AND DISTRIBUTIONS							
Personnel costs	565,374	-	-	-	-	-	565,374
Board and committee costs	95,292	-	-	-	-	-	95,292
Administrative	-	-	-	94,725	49,051	-	143,776
Operating and maintenance	-	-	-	93,665	84,817	-	178,482
Communication	5,648	-	-	-	-	-	5,648
Insurance and taxes	19,576	-	-	63,098	74,434	-	157,108
Supplies	10,467	-	-	-	-	-	10,467
Postage	3,259	-	-	-	-	-	3,259
Promotions and marketing	40,093	-	-	-	-	-	40,093
Other contracted services	43,544	-	-	-	-	-	43,544
Legal and finance	249,425	-	-	-	-	-	249,425
Excise tax	9,297	-	-	-	-	-	9,297
Facility costs	69,305	-	-	32,684	14,297	-	116,286
Other miscellaneous	19,789	-	-	-	-	-	19,789
Staff education and training	1,382	-	-	-	-	-	1,382
Depreciation and amortization	15,712	-	-	116,093	29,821	-	161,626
Donations	5,500	-	-	-	-	-	5,500
Grant distributions	2,723,038	-	-	-	-	-	2,723,038
Total expenses and distributions without donor restrictions	3,876,701	-	-	400,265	252,420	-	4,529,386
Excess of revenues and gains over total expenses and distributions before other operating revenue (expense)	(618,185)	-	-	4,398,199	20,454	(4,541,142)	(740,674)
NONOPERATING REVENUE (EXPENSE)							
Interest expense	(1,971)	-	-	(55,811)	(30,940)	-	(88,722)
Investment return, net of fees	3,310,795	-	-	-	-	-	3,310,795
Interest in income (loss) of subsidiaries	-	-	-	(1,911,013)	(273,476)	2,393,728	209,239
Loss on sale/disposal of assets (Note 20)	(3,323,704)	-	-	-	-	-	(3,323,704)
Change in net assets from nonoperating activities	(14,880)	-	-	(1,966,824)	(304,416)	2,393,728	107,608
Payroll Protection Program Loan Forgiveness Income (Note 21)	106,700						106,700
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(526,366)	-	-	2,431,375	(283,962)	(2,147,414)	(526,366)
NET ASSETS, BEGINNING OF YEAR, RESTATED (Note 22)	33,039,368	-	-	-	-	-	33,039,368
NET ASSETS, END OF YEAR	\$ 32,513,002	\$ -	\$ -	\$ 2,431,375	\$ (283,962)	\$ (2,147,414)	\$ 32,513,002

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
Current assets:							
Cash and cash equivalents	\$ 2,303,628	\$ -	\$ -	\$ 78,506	\$ 103,959	\$ -	\$ 2,486,093
Accounts receivable tenant	-	-	-	843	-	-	843
Accounts and other receivables	37,900	-	-	-	-	-	37,900
Accounts receivable - North Harbor (Note 13)	898,063	-	-	-	-	(898,063)	-
Receivable from North Harbor (Note 13)	40,000	-	-	-	-	(40,000)	-
Gaming receipts receivable	311,892	-	-	-	-	-	311,892
Interest receivable, related	1,531,000	150,900	150,900	-	-	(1,832,800)	-
Prepaid expenses	38,888	-	-	40,397	1,907	-	81,192
Total current assets	5,161,371	150,900	150,900	119,746	105,866	(2,770,863)	2,917,920
Non-current assets:							
Investments	26,479,556	-	-	-	-	-	26,479,556
Buildings and improvements	42,823	-	-	-	-	-	42,823
Equipment and furniture and fixtures	113,374	-	-	-	-	-	113,374
Total fixed assets	156,197	-	-	-	-	-	156,197
Accumulated depreciation	(128,759)	-	-	-	-	-	(128,759)
Net fixed assets	27,438	-	-	-	-	-	27,438
Loan Receivable From NHPI	1,500,000	1,500,000	1,500,000	-	-	(4,500,000)	-
Due from North Harbor	500,000	-	-	-	-	(500,000)	-
North Harbor receivable	350,000	-	-	-	-	(350,000)	-
Real estate held for lease, net	-	-	-	-	-	-	-
Investment - New Cardinal Terrace	35,090	-	-	4,764,051	1,466,352	(35,090)	6,230,403
Note Receivable - New Cardinal Terrace	300,000	-	-	-	-	(300,000)	-
Due from FEC Digital LLC / Due from FEC Holdings, Inc.	-	-	-	-	-	-	-
Other assets	-	-	-	152,215	356,524	-	508,739
TOTAL ASSETS	34,353,455	\$ 1,650,900	\$ 1,650,900	\$ 5,036,012	\$ 1,928,742	(8,455,953)	36,164,055
Current liabilities:							
Notes payable	\$ -	\$ -	\$ -	\$ 58,191	\$ 63,371	-	121,562
Accounts payable	6,312	-	-	97,864	10,198	(40,000)	74,374
Accrued expenses	61,311	-	-	-	43,700	-	105,011
Construction payable	-	-	-	40,800	-	-	40,800
Grants payable	447,215	-	-	-	-	-	447,215
Due to FEC - operating deficit	-	-	-	898,063	-	(898,063)	-
Accrued interest, related	-	150,900	150,900	1,531,000	4,735	(1,832,800)	4,735
Other current liabilities	1,747	-	-	37,080	38,798	-	77,625
Total current liabilities	516,585	150,900	150,900	2,662,998	160,802	(2,770,863)	871,322
Non-current liabilities:							
Grants payable	297,500	-	-	-	-	-	297,500
Notes payable	500,000	1,500,000	1,500,000	3,354,687	1,315,246	(5,300,000)	2,869,933
Total non-current liabilities	797,500	1,500,000	1,500,000	3,354,687	1,315,246	(5,300,000)	3,167,433
TOTAL LIABILITIES	1,314,085	\$ 1,650,900	\$ 1,650,900	\$ 6,017,685	\$ 1,476,048	(8,070,863)	4,038,755

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
INTEREST IN SUBSIDIARIES	-	-	-	(981,673)	452,694	(385,090)	(914,069)
NET ASSETS							
Without donor restrictions (Notes 1 & 20)	33,039,368	-	-	-	-	-	33,039,368
With donor restrictions	-	-	-	-	-	-	-
Total net assets	33,039,368	-	-	-	-	-	33,039,368
Stockholders and Partners' Equity							
Capital contributions	-	-	-	-	-	-	-
General partner	-	-	-	-	-	-	-
Limited partner	-	-	-	-	-	-	-
Syndication costs	-	-	-	-	-	-	-
Total stockholders and partners' equity	-	-	-	-	-	-	-
TOTAL LIABILITIES AND NET ASSETS	34,353,455	\$ 1,650,900	\$ 1,650,900	\$ 5,036,012	\$ 1,928,742	\$ (8,455,953)	\$ 36,164,056

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2019

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	New Cardinal Terrace, LLC	Eliminations	Consolidated
REVENUE AND OTHER GAINS							
Gaming Contributions	3,590,741	\$ -	\$ -	\$ -	\$ -	\$ -	3,590,741
Rental income	-	-	-	481,663	458,933	-	940,596
Other revenues	49,862	-	-	64,287	49,800	-	163,949
Total revenue and other gains without donor restrictions	3,640,603	-	-	545,950	508,733	-	4,695,286
EXPENSES AND DISTRIBUTIONS							
Personnel costs	580,890	-	-	-	-	-	580,890
Board and committee costs	117,262	-	-	-	-	-	117,262
Administrative	-	-	-	90,257	75,210	-	165,467
Operating and maintenance	-	-	-	162,395	124,258	-	286,653
Strategic planning	945	-	-	-	-	-	945
Communication	5,251	-	-	-	-	-	5,251
Insurance and taxes	19,864	-	-	49,581	85,269	-	154,714
Investment fees	-	-	-	6,419	-	-	6,419
Supplies	14,906	-	-	-	-	-	14,906
Postage	3,517	-	-	-	-	-	3,517
Promotions and marketing	54,846	-	-	-	-	-	54,846
Other contracted services	78,492	-	-	-	-	-	78,492
Legal and finance	215,307	-	-	-	-	-	215,307
Excise tax	19,940	-	-	-	-	-	19,940
Facility costs	70,124	-	-	52,988	25,089	-	148,201
Other miscellaneous	17,436	-	-	-	-	-	17,436
Partnership and financial	-	-	-	32,095	-	-	32,095
Staff education and training	5,847	-	-	-	-	-	5,847
Depreciation and amortization	13,535	-	-	199,016	51,120	-	263,671
Donations	30,800	-	-	-	-	-	30,800
Grant distributions	3,531,311	-	-	-	-	-	3,531,311
Total expenses and distributions without donor restrictions	4,780,273	-	-	592,751	360,946	-	5,733,970
Excess of revenues and gains over total expenses and distributions before other operating revenue (expense)	(1,139,672)	-	-	(46,801)	147,787	-	(1,038,684)
NONOPERATING REVENUE (EXPENSE)							
Interest expense	-	-	-	(185,659)	(59,164)	-	(244,823)
Interest in income (loss) of subsidiaries	-	-	-	-	-	143,837	143,837
Investment return, net of fees	4,496,347	-	-	-	-	-	4,496,347
Change in net assets from nonoperating activities	4,496,347	-	-	(185,659)	(59,164)	143,837	4,395,361
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	3,356,675	-	-	(232,460)	88,623	143,837	3,356,675
NET ASSETS, BEGINNING OF YEAR	29,682,693	-	-	-	-	-	29,682,693
NET ASSETS, END OF YEAR, RESTATED (Note 20)	\$ 33,039,368	\$ -	\$ -	\$ (232,460)	\$ 88,623	\$ 143,837	\$ 33,039,368

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
DECEMBER 31, 2020

			Program		2020	Prior	Total	
Program		Project/Program Title	Award	Funds	Disbursement	Disbursements	Disbursed	Balance
Number	Organization			Reprogrammed	Total	(2019 & earlier)		
	1997 Closed Programs		654,706	(106,962)	-	547,744	547,744	-
	1998 Closed Programs		1,082,080	(37,479)	-	1,044,601	1,044,601	-
	1999 Closed Programs		1,819,049	(381,897)	-	1,437,152	1,437,152	-
	2000 Closed Programs		2,664,040	(244,337)	-	2,419,703	2,419,703	-
	2001 Closed Programs		4,332,104	(772,047)	-	3,560,057	3,560,057	-
	2002 Closed Programs		3,162,691	(280,928)	-	2,881,763	2,881,763	-
	2003 Closed Programs		3,128,733	(195,083)	-	2,933,650	2,933,650	-
	2004 Closed Programs		3,169,424	(278,824)	-	2,890,600	2,890,600	-
	2005 Closed Programs		3,757,774	(297,844)	-	3,459,930	3,459,930	-
	2006 Closed Programs		3,679,745	(357,331)	-	3,322,414	3,322,414	-
	2007 Closed Programs		1,527,645	129	-	1,527,774	1,527,774	-
	2008 Closed Programs		1,800,388	(40,136)	-	1,760,252	1,760,252	-
	2009 Closed Programs		1,865,972	(48,350)	-	1,817,622	1,817,622	-
FEC11-506	Various Universities	FEC11-506/Scholarships	285,500	(36,836)	-	248,664	248,664	-
	2010 Closed Programs		1,885,286	(31,156)	-	1,854,130	1,854,130	-
FEC12-511	Various Universities	FEC12-511/Scholarships	337,900	(66,500)	-	271,400	271,400	-
	2011 Closed Programs		5,539,619	(49,870)	-	5,489,749	5,489,749	-
FEC13-510	Various Universities	FEC13-510/Scholarships	390,200	(56,636)	-	333,564	333,564	-
	2012 Closed Programs		3,260,130	(84,191)	-	3,175,939	3,175,939	-
FEC14-509	Various Universities	FEC14-509/Scholarships	482,300	(40,650)	-	441,650	441,650	-
	2013 Closed Programs		3,128,053	(112,004)	-	3,016,049	3,016,049	-
FEC15-507	Various Universities	FEC15-507/Scholarships	596,700	(83,591)	-	513,109	513,109	-
	2014 Closed Programs		2,164,781	(120,163)	-	2,044,618	2,044,618	-
FEC16-504	Various Universities	FEC16-504/Scholarships	567,550	(2,270)	-	565,280	565,280	-
	2015 Closed Programs		1,476,983	(59,785)	-	1,417,198	1,417,198	-
FEC17-508	Various Universities	FEC17-508/Scholarships	738,500		-	626,806	626,806	111,694
	2016 Closed Programs		1,531,043	(61,926)	-	1,469,117	1,469,117	-
FEC18-230	JE Wade Ministries, Inc.	FEC18-230/G.R.I.E.F. Ministry	18,000	(1,800)	-	16,200	16,200	-
FEC18-506	St. Stanislaus School	FEC18-506/Roof Replacement	150,000		60,000	60,000	120,000	30,000
FEC18-507	Various Universities	FEC18-507/Scholarships	738,500	3,806	-	677,115	677,115	65,191
	2017 Closed Programs		1,377,218	(72,553)	-	1,304,665	1,304,665	-
FEC19-111	Gods Mighty Men Incorporated	FEC19-111/General Operating	2,500	(800)	(800)	2,500	1,700	-
FEC19-124	JE Wade Ministries, Inc.	FEC19-124/General Operating	11,000	(6,600)	-	4,400	4,400	-
FEC19-203	Carrie Gosch Elementary School	FEC19-203/Wiz Kids After School Club	22,940		-	9,176	9,176	13,764
FEC19-204	Catholic Charities	FEC19-204/Homeless Prevention & Immigr Serv	34,000	(75)	6,725	27,200	33,925	-
FEC19-205	Communities In Schools of East Chicago, Inc.	FEC19-205/Charting For Success	30,000	(692)	17,308	12,000	29,308	-
FEC19-206	Compassion In Action, Inc.	FEC19-206/HOPE: Helping Our People Entirely	10,500	(1,959)	141	8,400	8,541	-
FEC19-207	East Chicago Public Library	FEC19-207/Showtime At Your Library	27,835		5,567	22,268	27,835	-
FEC19-213	Girl Scouts Of Greater Chicago & Northwest Indiana	FEC19-213/GirlSpace East Chicago Healthy Living	3,157	(101)	530	2,526	3,056	-
FEC19-214	Girls On The Run Of Northwest Indiana, Inc.	FEC19-214/Girls on the Run Teams	12,000	(659)	1,741	9,600	11,341	-
FEC19-216	Grace Beyond Borders NWI, Inc.	FEC19-216/Ready Life - Ending Homelessness	31,000		6,200	24,800	31,000	-
FEC19-219	Haven House, Inc.	FEC19-219/Emergency Shelter	12,000	(620)	11,380	-	11,380	-
FEC19-220	HealthLinc, Inc.	FEC19-220/Early Detection Colorectal Cancer	10,000		10,000	-	10,000	-
FEC19-221	Healthy East Chicago, Inc.	FEC19-221/MOMS Taking Charge	25,000	(2,383)	2,617	20,000	22,617	-
FEC19-224	Dunes Learning Center	FEC19-224/Connecting Classroom with Natural World	30,000	(5,000)	(5,000)	30,000	25,000	-
FEC19-226	International Institute/LACASA	FEC19-226/Civic Educational Project	30,000		16,411	12,000	28,411	1,589
FEC19-228	Lake Area United Way, Inc	FEC19-228/United for Tomorrow by Investing Today	31,500		-	12,600	12,600	18,900
FEC19-229	Leon Kendrick Youth Voices United of East Chicago	FEC19-229/Visual & Performing Arts Program	15,000	(15,000)	(6,000)	6,000	-	-
FEC19-230	Meals on Wheels	FEC19-230/Healthy Hot Meals for East Chicago Elderly	28,000		5,600	22,400	28,000	-
FEC19-231	Mental Heath America of Lake County, Inc.	FEC19-231/Ready to Soar - School Readiness	29,000	(3,974)	13,426	11,600	25,026	-
FEC19-233	Mission of Jesus Christ Church	FEC19-233/Alternatives to Bridging the Gap	30,000		6,000	24,000	30,000	-
FEC19-235	Purdue University	FEC19-235/Camp Leo Emerging Scholars Program	13,000	(4,996)	1,504	6,500	8,004	-
FEC19-238	St. Joseph's Carmelite Home	FEC19-238/Social Skills & Problem Solving Training	30,000	(13,493)	4,507	12,000	16,507	-
FEC19-239	St. Stanislaus School	FEC19-239/Budding Scientists	28,625		17,175	11,450	28,625	-

**FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
DECEMBER 31, 2020**

					2020	Prior		
Program		Program	Funds	Disbursement	Disbursements	Total		
Number	Organization	Project/Program Title	Award	Reprogrammed	Total	(2019 & earlier)	Disbursed	Balance
FEC19-244	The Salvation Army East Chicago	FEC19-244/Hearline Feeding Program	35,000		7,000	28,000	35,000	-
FEC19-245	Top 20, Inc.	FEC19-245/Dance and Mentoring Program	20,000		3,999	16,000	19,999	1
FEC19-246	United Charitable - Athletes for Charity	FEC19-246/STEM Literacy & Mentoring Programs	25,000		5,000	20,000	25,000	-
FEC19-248	We Care From The Heart, Inc.	FEC19-248/Caring Hearts Elder/Disabled Homecare	24,000		-	9,600	9,600	14,400
FEC19-249	Witnessing Community Development Corporaton	FEC19-249/2Heart1Beat Marriage Seminar	5,000		5,000	-	5,000	-
FEC19-302	Friends And Family Of New Addition	FEC19-302/"We Are Family" New Addition Day Cel.	8,500	(2,522)	2,578	3,400	5,978	-
FEC19-303	Greater Destiny Bible Church	FEC19-303/WOW FEST	15,000		3,000	12,000	15,000	-
FEC19-305	Sociedad Cultural Y Civica La Reforma, Inc.	FEC19-305/Night of Latin Culture 2019	13,950	(2,978)	5,392	5,580	10,972	-
FEC19-501	Catholic Charities	FEC19-501/Heating Assistance	30,000	(6,985)	(985)	24,000	23,015	-
FEC19-503	Healthy East Chicago, Inc.	FEC19-503/Fitness Center	140,459		2,059	122,367	124,426	16,033
FEC19-504	Ivy Tech Foundation	FEC19-504/I Have Promise!	23,062		-	23,062	23,062	-
FEC19-505	Boys & Girls Club of Northwest Indiana, Inc.	FEC19-505/Capital Campaign	500,000		200,000	100,000	300,000	200,000
FEC19-507	First Baptist Church of East Chicago	FEC19-507/Renovation Initiative	50,000		-	50,000	50,000	-
FEC19-508	Grace Beyond Borders NWI, Inc.	FEC19-508/Operational Grant	50,000		30,000	20,000	50,000	-
FEC19-509	Various Universities	FEC19-509/Scholarships Fall 2019	637,250		(29,825)	510,000	480,175	157,075
FEC19-510	City of East Chicago	FEC19-510/Tuancy Prevention Program	75,000		-	37,500	37,500	37,500
FEC19-511	School City of East Chicago	FEC19-511/Parent Univeristy	3,000		-	3,000	3,000	-
FEC19-512	St. Stanislaus School	FEC19-512/Upgrade Computer Lab	25,000		-	25,000	25,000	-
FEC19-513	Boys & Girls Club of Northwest Indiana, Inc.	FEC19-513/Membership Fees	10,500		-	10,500	10,500	-
FEC19-514	St. Joseph's Carmelite Home	FEC19-514/Comm. Cares for Carmelite Kids	150,000		-	150,000	150,000	-
	2018 Closed Programs		811,105	(22,768)	-	788,337	788,337	-
FEC20-101	Boys & Girls Club of Northwest Indiana, Inc.	FEC20-101/General Operating	5,000		5,000	-	5,000	-
FEC20-104	Communities In Schools of East Chicago, Inc.	FEC20-104/General Operating	11,426		11,426	-	11,426	-
FEC20-105	Concerned Calumet Citizens Committee	FEC20-105/General Operating	2,750		2,750	-	2,750	-
FEC20-110	First Baptist Church, Inc.	FEC20-110/General Operating	11,500		11,500	-	11,500	-
FEC20-111	Gods Word In Action Ministries International	FEC20-111/General Operating	3,000		3,000	-	3,000	-
FEC20-112	Grace Beyond Borders NWI, Inc.	FEC20-112/General Operating	8,000		8,000	-	8,000	-
FEC20-113	Grace Missionary Baptist Church of East Chicago, Inc.	FEC20-113/General Operating	14,000		14,000	-	14,000	-
FEC20-114	Greater Destiny Bible Church	FEC20-114/General Operating	4,000		4,000	-	4,000	-
FEC20-115	Greater First Baptist Church	FEC20-115/General Operating	14,000		14,000	-	14,000	-
FEC20-116	Haven House, Inc.	FEC20-116/General Operating	8,000		8,000	-	8,000	-
FEC20-117	Healthy East Chicago, Inc.	FEC20-117/General Operating	10,800		10,800	-	10,800	-
FEC20-118	Holy Trinity Croatian Church	FEC20-118/General Operating	6,500		6,500	-	6,500	-
FEC20-122	International Institute/LACASA	FEC20-122/General Operating	8,000		5,369	-	5,369	2,631
FEC20-123	Meals on Wheels	FEC20-123/General Operating	14,000		14,000	-	14,000	-
FEC20-124	Meek Missionary Baptist Church	FEC20-124/General Operating	8,000		8,000	-	8,000	-
FEC20-125	Mental Heath America of Lake County, Inc.	FEC20-125/General Operating	3,000		3,000	-	3,000	-
FEC20-128	Mission of Jesus Christ Church	FEC20-128/General Operating	11,350		9,373	-	9,373	1,977
FEC20-129	New Horizons Child Care Ministry, Inc.	FEC20-129/General Operating	5,000		5,000	-	5,000	-
FEC20-130	New Second Baptist Church, Inc.	FEC20-130/General Operating	12,000		12,000	-	12,000	-
FEC20-131	New Twin City Alliance of East Chicago	FEC20-131/General Operating	5,000		5,000	-	5,000	-
FEC20-132	Our Lady of Guadalupe Church	FEC20-132/General Operating	14,937		14,937	-	14,937	-
FEC20-134	Saint Mark African Methodist Episcopal Zion Church	FEC20-134/General Operating	14,000		14,000	-	14,000	-
FEC20-135	St. Joseph's Carmelite Home	FEC20-135/General Operating	14,000		14,000	-	14,000	-
FEC20-136	St. Luke African Methodist Espiscopal Church	FEC20-136/General Operating	14,000		13,726	-	13,726	274
FEC20-137	St. Marys Church	FEC20-137/General Operating	14,000		14,000	-	14,000	-
FEC20-138	St. Stanislaus Church	FEC20-138/General Operating	13,800		12,057	-	12,057	1,743
FEC20-139	St. Stanislaus School	FEC20-139/General Operating	14,000		14,000	-	14,000	-
FEC20-140	Teens In Action, Inc.	FEC20-140/General Operating	10,000		10,000	-	10,000	-
FEC20-141	The Nazareth Home	FEC20-141/General Operating	13,980		4,630	-	4,630	9,350
FEC20-142	The Salvation Army East Chicago	FEC20-142/General Operating	14,000		14,000	-	14,000	-
FEC20-143	Top 20, Inc.	FEC20-143/General Operating	11,000		10,982	-	10,982	18
FEC20-144	St. John African Methodist Episcopal Church	FEC20-144/General Operating	9,500		-	-	-	9,500
FEC20-145	United Charitable - Athletes for Charity	FEC20-145/General Operating	3,883		3,883	-	3,883	-

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
DECEMBER 31, 2020

					2020	Prior		
Program			Program	Funds	Disbursement	Disbursements	Total	
Number	Organization	Project/Program Title	Award	Reprogrammed	Total	(2019 & earlier)	Disbursed	Balance
FEC20-146	We Care From The Heart, Inc.	FEC20-146/General Operating	8,300		8,300	-	8,300	-
FEC20-207	Catholic Charities	FEC20-207/Safe Haven-Homeless Prev/ Imm Serv	35,000		28,000	-	28,000	7,000
FEC20-209	Dunes Learning Center	FEC20-209/E-STEM in Comm:Outdoor Science	25,000		10,000	-	10,000	15,000
FEC20-213	East Chicago Public Library	FEC20-213/Books and Beyond	25,000		20,000	-	20,000	5,000
FEC20-218	Girls On The Run Of Northwest Indiana, Inc.	FEC20-218/Empowering East Chicago Girls	9,073		7,258	-	7,258	1,815
FEC20-221	Grace Beyond Borders NWI, Inc.	FEC20-221/Ready Life - Ending Homelessness	23,000		9,200	-	9,200	13,800
FEC20-222	Grace Missionary Baptist Church of East Chicago, Inc.	FEC20-222/Grace Computers and Black History	28,338		28,338	-	28,338	-
FEC20-224	Guild of the St. Josephs Home	FEC20-224/Clothing/Toys for kids at Carmelite	10,000		10,000	-	10,000	-
FEC20-227	HealthLinc, Inc.	FEC20-227/Early Detection of Colorectal Cancer	10,000		4,000	-	4,000	6,000
FEC20-228	Healthy East Chicago, Inc.	FEC20-228/East Chicago MOMS Taking Charge	26,250		10,500	-	10,500	15,750
FEC20-229	Ivy Tech Foundation	FEC20-229/I Have Promise! Program	25,000		10,000	-	10,000	15,000
FEC20-232	Meals on Wheels	FEC20-232/Medically Appr Meal Del for Residents	17,500		7,000	-	7,000	10,500
FEC20-233	Mental Heath America of Lake County, Inc.	FEC20-233/Ready to Soar EC - School Readiness	22,110		8,844	-	8,844	13,266
FEC20-234	Mission of Jesus Christ Church	FEC20-234/Alternatives to Bridging the Gap	23,625		9,450	-	9,450	14,175
FEC20-235	New Twin City Alliance of East Chicago	FEC20-235/Youth Empowerment Project (YEP)	33,300		33,300	-	33,300	-
FEC20-242	Teens In Action, Inc.	FEC20-242/Math, Reading and Coding Camp	24,400		19,520	-	19,520	4,880
FEC20-246	United Charitable - Athletes for Charity	FEC20-246/STEM Education, Literacy & Mentor	34,000		27,200	-	27,200	6,800
FEC20-248	Witnessing Community Development Corporation	FEC20-248/2 Heart 1 Beat Marriage Seminar	10,250		10,250	-	10,250	-
FEC20-303	Greater Destiny Bible Church	FEC20-303/WOW FEST 2020	15,000		10,000	-	10,000	5,000
FEC20-401	Communities In Schools of East Chicago, Inc.	FEC20-401/Integrated Students Supports	50,000		40,000	-	40,000	10,000
FEC20-402	Ivy Tech Foundation	FEC20-402/I Have A Promise	25,000		10,000	-	10,000	15,000
FEC20-403	The Salvation Army East Chicago	FEC20-403/Facility & Music Program Improve	25,000		25,000	-	25,000	-
FEC20-404	Legacy Foundation, Inc.	FEC20-404/Emergency Response Fund	55,000		55,000	-	55,000	-
FEC20-405	Catholic Charities	FEC20-405/Utility & Rent Assist, PPE, Food Pantry	20,000		20,000	-	20,000	-
FEC20-406	East Chicago Police Department	FEC20-406/PPE Supplies	14,000		14,000	-	14,000	-
FEC20-407	Food Bank of Northwest Indiana	FEC20-407/Mobile Markets	10,000		10,000	-	10,000	-
FEC20-408	HealthLinc, Inc.	FEC20-408/Goggles & Free Stand Thermometers	5,000		5,000	-	5,000	-
FEC20-409	Meals on Wheels	FEC20-409/Nutrition Del. People Leaving Hosp	10,000		10,000	-	10,000	-
FEC20-410	St. Catherine Hospital	FEC20-410/Hospital Readmission Prevention	25,000		25,000	-	25,000	-
FEC20-411	St. Joseph's Carmelite Home	FEC20-411/Special Needs Conversion Van	30,000		30,000	-	30,000	-
FEC20-412	The Salvation Army East Chicago	FEC20-412/5 HVAC Units	41,000		41,000	-	41,000	-
FEC20-501	Various Universities	FEC20-501/Scholarships-Fall & Spring 2020	1,200,000		865,566	249,750	1,115,316	84,684
FEC20-502	Catholic Charities	FEC20-502/Heating Assistance	30,250		30,250	-	30,250	-
FEC20-503	Food Bank of Northwest Indiana	FEC20-503/Food Pantry	100,000		100,000	-	100,000	-
FEC20-504	Healthy East Chicago, Inc.	FEC20-504/Fitness Center	155,330		143,375	-	143,375	11,955
FEC20-505	Healthy East Chicago, Inc.	FEC20-505/Fitness Center Equipment	100,000		100,000	-	100,000	-
FEC20-506	Grace Beyond Borders NWI, Inc.	FEC20-506/Emergency Transitional	100,000		50,000	-	50,000	50,000
FEC20-508	Calumet College of St. Joseph	FEC20-508/The First-Year Exp at Calumet College	31,178		12,471	-	12,471	18,707
FEC21-504	Healthy East Chicago, Inc.	FEC21-504/East Chicago Fitness Equipment	100,000		100,000	-	100,000	-
FEC21-505	Various Universities	FEC21-505/2021 Spring & Fall Scholarships	1,450,000		233,500	-	233,500	1,216,500
2020 TOTAL			\$64,769,826	(4,008,819)	\$2,900,503	\$55,628,031	\$58,528,535	\$2,232,471