

FOUNDATIONS OF EAST CHICAGO, INC.
East Chicago, Indiana

Financial Statements

December 31, 2008 and 2007

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES

TABLE OF CONTENTS

	<u>Page(s)</u>
Independent Auditors' Report.....	1
Consolidated Statement of Financial Position.....	2
Consolidated Statement of Activities and Changes in Net Assets.....	3
Consolidated Statement of Cash Flows.....	4
Notes to Consolidated Financial Statements.....	5-18
 SUPPLEMENTAL INFORMATION (Unaudited)	
Details of Consolidated Statement of Financial Position.....	19-20
Details of Consolidated Statement of Activities and Changes in Net Assets.....	21
Details of Consolidated Statement of Financial Position – 2007.....	22-23
Details of Consolidated Statement of Activities and Changes in Net Assets – 2007.....	24
Schedule of Distributions.....	25-29

Gary Office
487 Broadway
Suite 207
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 Auditors' Report

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

We have audited the accompanying consolidated statement of financial position of the Foundations of East Chicago, Inc. ("the Foundations"), as of December 31, 2008 and 2007, and the related consolidated statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundations' management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of North Harbor, L.P., an organization consolidated in the 2008 and 2007 financial statements by reason of economic interest and common control, which statements reflect total assets of \$7,436,555 and \$7,591,936 as of December 31, 2008 and 2007, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for North Harbor, L.P., is based solely on the report 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of December 31, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of distributions is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Whittaker & Company, PLLC
Whittaker & Company, PLLC
March 13, 2009

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007

ASSETS

	2008	2007
Current assets:		
Cash and cash equivalents (Notes 1 & 15)	\$ 753,027	\$ 3,596,004
Accounts and other receivables (Note 3)	65,749	81,129
Prepaid expense (Note 6)	32,252	5,533
Total current assets	851,028	3,682,666
Noncurrent assets:		
Investments (Note 1 & 2)	11,780,204	16,947,698
Other investments - restricted (Note 2)	416,500	-
Fixed Assets		
Buildings improvements	34,002	34,002
Equipment and furniture and fixtures	121,212	128,763
Vehicles	32,509	39,797
Total fixed assets	187,723	202,562
Accumulated depreciation	(134,461)	(138,948)
Net fixed assets (Note 4)	53,262	63,614
Real estate held for lease, net (Notes 5 & 8)	7,012,531	7,226,408
Other assets (Note 5)	243,015	258,642
Total noncurrent assets	19,505,512	24,496,362
TOTAL ASSETS	\$ 20,356,540	\$ 28,179,028

LIABILITIES AND NET ASSETS

Current liabilities:		
Notes payable (Notes 9 & 16)	\$ 143,028	\$ 143,028
Accounts payable (Note 8)	119,212	143,954
Construction payable (Notes 9)	40,800	40,800
Grants payables (Note 10)	72,281	143,771
Other current liabilities (Note 11)	538,095	485,176
Total current liabilities	913,416	956,729
Long-term liabilities:		
Notes payable (Notes 9 & 16)	2,253,737	2,282,128
Other long-term liabilities (Note 12)	416,500	-
Total long-term liabilities	2,670,237	2,282,128
TOTAL LIABILITIES	3,583,653	3,238,857
MINORITY INTEREST IN SUBSIDIARY	1,574,973	1,944,942
NET ASSETS		
Unrestricted:		
General operating	44,610	44,610
Designated:		
Capital appreciation	14,061,195	21,858,510
Grants and programs	1,092,109	1,092,109
Total designated	15,153,304	22,950,619
Total net assets	15,197,914	22,995,229
TOTAL LIABILITIES AND NET ASSETS	\$ 20,356,540	\$ 28,179,028

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
DECEMBER 31, 2008 AND 2007

	2008			2007
	GENERAL AND ADMINISTRATIVE	PROGRAM SERVICES	TOTAL	TOTAL
REVENUE AND OTHER GAINS				
Corporate contributions (Note 1)	\$ -	-	\$ -	\$ 5,688,788
Interest and dividends	-	-	583,107	901,517
Net realized (loss)/gain on investments (Note 1)	-	-	(665,105)	523,649
Net unrealized gain/(loss) on investments	-	-	(3,440,632)	297,518
Rental income	-	-	419,888	423,428
Other revenue	-	-	30,265	146,316
Total revenue and other gains	-	-	(3,072,477)	7,981,216
EXPENSES AND DISTRIBUTIONS (Supporting services)				
Personnel costs (Note 7)	294,880	346,164	641,044	706,092
Board and committee costs	25,581	26,150	51,731	115,324
Administrative costs	-	108,094	108,094	130,012
Operating and maintenance	-	133,842	133,842	105,405
Staff education and training	3,307	4,758	8,065	10,956
Communication	13,674	19,678	33,352	25,439
Insurance and taxes	15,136	82,377	97,513	54,816
Investment fees	108,302	-	108,302	94,981
Supplies	6,875	9,893	16,768	22,541
Postage	2,688	3,866	6,554	12,739
Promotions and marketing	25,286	-	25,286	71,293
Vehicle costs	2,532	-	2,532	2,097
Other contracted services	52,030	131,852	183,882	219,103
Legal and finance	535,356	-	535,356	882,677
Excise tax	19,637	-	19,637	13,675
Facility costs (Note 13)	18,924	63,588	82,512	94,973
Other miscellaneous	16,001	14,353	30,354	38,743
Partnership and financial	-	27,823	27,823	22,511
Strategic planning	9,400	-	9,400	23,000
Other expense (Note 12)	-	416,500	416,500	-
Depreciation	11,361	250,339	261,700	276,126
Donations	-	41,289	41,289	-
Grant Distributons	-	2,168,823	2,168,823	3,284,207
Total expenses before distributions	1,160,970	3,849,389	5,010,359	6,206,710
Excess of revenues and gains over total expenses and distributions before other operating revenue (expense)	-	-	(8,082,836)	1,774,506
OTHER OPERATING REVENUE (EXPENSE)				
Interest revenue	-	-	119,436	-
Interest expense (Note 9)	-	-	(203,884)	(205,877)
Minority interest in income of subsidiary	-	-	369,969	286,091
Total other operating revenue	-	-	285,521	80,214
CHANGE IN UNRESTRICTED NET ASSETS	-	-	(7,797,315)	1,854,720
NET ASSETS, BEGINNING OF YEAR	-	-	22,995,229	21,140,509
NET ASSETS, END OF YEAR	\$ -	\$ -	\$ 15,197,914	\$ 22,995,229

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
DECEMBER 31, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (7,797,315)	\$ 1,854,720
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	261,700	276,126
Net realized loss/(gain) on investments	665,105	(523,649)
Net unrealized loss/(gain) on investments	3,440,632	(297,518)
Minority interest of subsidiary	(369,969)	(286,091)
Effects of changes in operating assets and liabilities:		
Decrease in account and other receivables	15,380	592,171
(Increase)/decrease in prepaids	(26,719)	12,150
Decrease/(increase) in other assets	15,627	(34,256)
Decrease in accounts and notes payable	(24,742)	(71,624)
Decrease in grants payable	(71,490)	(61,360)
Increase in other current liabilities	52,919	(70,937)
Increase/(decrease) in other long-term liabilities (Note 11)	416,500	-
Net cash (used in)/provided by operating activities	(3,422,372)	1,389,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments, net	622,625	(2,326,382)
Equipment and leasehold improvements, net	(14,839)	(8,507)
Net cash provided by/(used in) investing activities	607,786	(2,334,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/proceeds on long-term debt, net	(28,391)	(26,666)
Net cash used in financing activities	(28,391)	(26,666)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,842,977)	(971,823)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,596,004	4,567,827
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 753,027	\$ 3,596,004
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	\$ 203,884	\$ 205,877
Taxes paid	\$ 19,637	\$ 13,675

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
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Foundations of East Chicago, Inc. (“the Foundation”) was incorporated February 8, 2007 under the Indiana Nonprofit Corporation Act of Indiana for the purpose of promoting and carrying out the City of East Chicago’s (“the City”) charitable and developmental functions pursuant to Sections 501(c)(3) and 170(c)(1) of the Internal Revenue Code. The organization was setup 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.

Economic Development Agreements (“Agreements”) between the City of East Chicago and Showboat Marina Partnership were incorporated into the Indiana Gaming Commission’s Certificate of Suitability (“Certificate”) for a Riverboat Owner’s License (“License”) for a riverboat to be docked in East Chicago, Indiana. Showboat Marina Partnership transferred the Certificate to Showboat Marina Casino Partnership on March 20, 1996. The Agreements provide, among other things, for one (1%) percent of the annual adjusted gross gaming receipts to be paid to the Foundation for educational purposes and an additional (1%) percent for community development purposes. The original License issued by the State of Indiana Gaming Commission to Showboat Marina Casino Partnership was for the period April 15, 1997 to April 4, 2002; a hearing was held during 2002 for re-issuance of the license, which was approved. Harrah’s purchased Showboat’s license and continued to honor the original commitment. During 2001, the Foundation received notification from Harrah’s that both the one (1%) percent allocations will continue in perpetuity as long as there is gaming at this location. Resort’s Casino purchased Harrah’s license in 2005 and continued to honor the original commitment. Ameristar Casino purchased Resort’s license in 2007 and will continue to honor the original commitment. In November 2007, the Marion County Superior court ruled, directing the gaming operator to place funds that would go to the Foundation under the agreement into an escrow account, pending final judgment on the constitutionality and enforceability of that portion of the 2007 Budget Bill which purports to authorize the City to unilaterally revoke or rewrite the Agreement.

The primary activity of the Foundation is to support organizations within East Chicago, Indiana benefiting the residents of East Chicago by:

- Developing, supporting and implementing initiatives, which result in a more educated and skilled community.
- Addressing schools, teachers, parents, students, career training, and service organization capacities; which help establish curricula, family support, and diverse economic potential for employment and community support.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Maximizing the Foundation's financial resources through partnership activities with public and private investment.
- Addressing education, training, and infrastructure needs, which advance learning and community support.
- Otherwise providing financial assistance to the City agencies with respect to education and training initiatives, including, but not limited to, assistance to public and private schools and agencies which foster training and education for East Chicago citizens (within the meaning of Section 501(c)(3) of the Internal Revenue Code) and individuals under special programs where legally permitted.

As further described in Note 16, in order to facilitate financing of the development of a 61 unit affordable housing project, known as the North Harbor Project, the Foundation incorporated the North Harbor Property, Inc. ("NHPI"). NHPI was formed on February 14, 2003 pursuant to the Indiana Nonprofit Corporation Act of 1991 for the purpose of holding property and remitting income from such property to the Foundation.

NHPI holds all common stock of North Harbor, Inc., an Indiana for-profit corporation which is the sole general partner of North Harbor, L.P. (the "Partnership"), an Indiana limited partnership. The purpose of the Partnership is to acquire, construct, own and operate residential rental properties in East Chicago, Indiana.

The remaining activity represents management and general expenses. The Foundation and its subsidiaries' fiscal years end on December 31st.

The Internal Revenue Code classifies 501(c) (3) non-profit organizations in two (2) categories – publicly supported organizations and private foundations. The Foundation and NHPI have been determined to be private foundations and the organizations file as such with the Internal Revenue Service and the Indiana Department of Revenue. During 2008, the Foundation paid \$19,637 in excise tax payments on its 2007 investment income to the Internal Revenue Service. At December 31, 2008, the Foundations had accrued excise tax of \$0.

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 Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These financial statements have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into three classes of net assets – permanently restricted, temporarily restricted or unrestricted, as recommended by the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations”.

Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets: Net assets not subject to donor-imposed restrictions.

Temporarily restricted net assets: Net assets are subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or passage of time.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that require the funds be maintained by the Foundation. Generally, the donors to these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

The Board of Directors (the “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. The Foundation makes voluntary, non-reciprocal contributions to tax exempt entities 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. In addition, the Board has designated certain funds to be invested for capital appreciation (funds in excess of open grants and contingencies as budgeted).

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.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The financial statements for 2008 and 2007 have been consolidated to include the accounts of the Foundation, North Harbor Property, Inc. and subsidiaries. North Harbor Property, Inc., North Harbor, Inc. and North Harbor, L.P. (“the Organizations”) have been consolidated because the Foundation has both an economic interest in the Organizations and control through a majority interest in their governing bodies. All inter-organization transactions have been eliminated.

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.

Contributions and Grants

The Foundation has adopted SFAS No. 116, “Accounting for Contributions Received and Contributions Made”. Per SFAS No. 116, contributions, including unconditional promises-to-give, are recognized as revenue in the period received. In accordance with SFAS No. 116, we have not recognized contributions held in escrow. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that is to be received after one year is discounted at an appropriate discount rate based on an average federal funds rate.

Donated and Contributed Services

Vendors and consultants of the Foundations’ donate time and services to the operations of the Foundation. These amounts are recorded as in-kind donations in the financial statements. Donated and contributed services in 2008 and 2007 totaled \$11,200 and \$14,900, respectively.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments of the Foundation include marketable equity and debt securities and mutual funds. Investments are carried at fair value with unrealized gains and losses on investments reported as an increase or decrease in unrestricted net assets. Management limits the amount of credit exposure by diversifying these investments in various industries.

Furniture, Equipment and Leasehold Improvements

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 initial lease term of two years. Vehicles are depreciated over a five-year estimated useful life.

Real estate held for lease

Land is recorded at cost. Depreciation will be 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.

Required Distributions/Grants Payable

The Internal Revenue Code provides that a private foundation generally must distribute for charitable purposes five percent of the average market value of its assets. The Foundation has met its minimum distribution requirements for the year ended December 31, 2008. 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.

NOTE 2 – INVESTMENTS

Investments at December 31st consist of the following:

Description	<u>2008</u>	<u>2007</u>
Corporate bonds and debt	\$ 4,898,710	\$ 6,450,663
Mutual funds	3,075,993	3,366,633
Domestic and foreign funds	<u>4,222,001</u>	<u>7,130,402</u>
Total	<u>\$12,196,704</u>	<u>\$16,947,698</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 2 – INVESTMENTS (Continued)

On November 18, 2008, the Foundation secured the guaranty of a loan in the amount of \$416,500, made to Community Reinvestment Project of East Chicago, Inc. by Peoples Bank SB. The Foundations of East Chicago Inc. sold, assigned, transferred, and set over unto Peoples Bank SB all of its rights, title, and interest in and to an Investment Agency Endowment Fixed Income Account. The loan matures January 1, 2012.

NOTE 3 – ACCOUNTS AND OTHER RECEIVABLES

Accounts and other receivables consist of the following:

Description	<u>2008</u>	<u>2007</u>
Accounts receivable – tenant	\$ 1,058	\$ 1,040
Accrued interest – investments	<u>64,691</u>	<u>80,089</u>
Total	<u>\$ 65,749</u>	<u>\$ 81,129</u>

NOTE 4 – FURNITURE, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Furniture, equipment and leasehold improvements are summarized as follows:

Description	<u>2008</u>	<u>2007</u>
Office equipment	\$ 4,128	\$ 4,128
Computer equipment	40,184	47,735
Furniture and fixtures	76,900	76,900
Vehicles	32,509	39,797
Leasehold improvement	<u>34,002</u>	<u>34,002</u>
Total at cost	187,723	202,562
Less: accumulated depreciation	<u>(134,461)</u>	<u>(138,948)</u>
Total	<u>\$ 53,262</u>	<u>\$ 63,614</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 5 – REAL ESTATE HELD FOR LEASE AND OTHER ASSETS

During 2002, North Harbor, LP began construction of a 61-unit affordable housing project (see Note 16). Buildings, site costs, and personal property were transferred from construction in progress when the units were placed in service. At December 31, 2008 and 2007, amounts relating to this project have been included in Real Estate Held for Lease and include the following:

Description	<u>2008</u>	<u>2007</u>
Construction in progress	\$ 10,000	\$ -
Land	41,360	41,360
Building	7,852,927	7,852,927
Site Costs	254,357	254,357
Personal property	<u>127,137</u>	<u>127,137</u>
Total cost	8,285,761	8,275,781
Less: accumulated depreciation	<u>(1,273,250)</u>	<u>(1,049,373)</u>
 Total	 <u>\$ 7,012,531</u>	 <u>\$ 7,226,408</u>

Other assets at December 31, 2008 and 2007 are summarized below:

Description	<u>2008</u>	<u>2007</u>
North Harbor, L.P. reserve	\$ 103,012	\$ 108,527
North Harbor, L.P. capitalized costs	<u>140,003</u>	<u>150,115</u>
 Total	 <u>\$ 243,015</u>	 <u>\$ 258,642</u>

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

The agreement was funded in an initial amount of \$123,000 from the third capital contribution. The reserve is to increase to \$190,000 prior to the termination of the operating deficit guaranty. The capitalized costs are permanent financing costs that are being amortized over the term of the permanent mortgage loan.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

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>2008</u>	<u>2007</u>
Prepaid insurance	\$ 3,108	\$ 5,533
Other prepaid assets	7,173	-
Prepaid insurance, North Harbor	<u>21,971</u>	<u>-</u>
 Total	 <u>\$ 32,252</u>	 <u>\$ 5,333</u>

NOTE 7 – 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. Employees may contribute up to \$15,500. The Foundation contributes up to 3% of the annual compensation for eligible participants. Contributions by the Foundation were \$12,722 and \$11,936 at December 31, 2008 and 2007, respectively.

NOTE 8 - ACCOUNTS PAYABLE

The December 31st accounts payable balance relates to materials, supplies, taxes or services provided to the Foundation during one calendar year, and not paid until the following calendar year. At December 31, 2008 and 2007, the accounts payable balances were \$119,212 and \$143,954, respectively.

NOTE 9 – NOTES PAYABLE

During 2003, the Foundation received \$500,000 from the Federal Home Loan Bank of Indianapolis under the Affordable Housing Program, which it loaned to North Harbor, L.P. The loan bears interests at 5.85% per annum and is collateralized by a subordinated mortgage on certain real estate. The note, along with accrued interest, is due December 31, 2022. As of December 31, 2008 and 2007, the total amount outstanding is \$500,000.

The Foundation loaned North Harbor L.P. \$1,500,000 to facilitate construction. The note provides for interest to be accrued at 4% per annum. Monthly amortization is not required. Unpaid principal and interest are due in May 2019.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 9 – NOTES PAYABLE (Continued)

During 2005, permanent financing was obtained from P/R Mortgage & Investment Corporation. The total amount financed was \$1,989,000 for a period of thirty years at a stated interest rate of 5.995% per annum with monthly payments of \$11,919. The note is collateralized by a mortgage on the real property. The note will mature on June 1, 2021 at which time the outstanding principal balance of approximately \$1,358,000 is to be repaid. At December 31, 2008 and 2007, the amount outstanding was \$1,896,765 and \$1,925,156, respectively.

As of December 31, 2008 and 2007, \$40,800 was outstanding as construction payable.

Future minimum debt payments are as follows:

2009	\$ 143,028
2010	143,028
2011	143,028
2012	143,028
2013	143,028
Thereafter	<u>1,681,625</u>
Total	\$ 2,396,765

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, 2008 and 2007, the total grants payable amounts were \$72,281 and \$143,771, respectively.

NOTE 11 – OTHER CURRENT LIABILITIES AND ACCRUED EXPENSES

At December 31, 2008 and 2007, the Foundation had other current liabilities and accrued expenses of the following:

Description	<u>2008</u>	<u>2007</u>
Rent owed to North Harbor, L.P.	\$ 4,054	\$ 3,626
Security deposit	32,855	33,230
Developer fee	350,000	350,000
Accrued property tax	43,241	-
Legal Fees on behalf of North Harbor, L.P.	1,165	1,165
Accrued wages, FICA and FIT	<u>106,780</u>	<u>97,155</u>
Total	<u>\$ 538,095</u>	<u>\$ 485,176</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 12 – OTHER LONG-TERM LIABILITIES

On November 18, 2008, the Foundation secured the guaranty of a loan in the amount of \$416,500, made to Community Reinvestment Project of East Chicago, Inc. by Peoples Bank SB. The Foundations of East Chicago Inc. sold, assigned, transferred, and set over unto Peoples Bank SB all of its rights, title, and interest in and to an Investment Agency Endowment Fixed Income Account. The loan matures January 1, 2012.

NOTE 13 – RELATED PARTY TRANSACTIONS

Twin City Education Foundation (“TCEF”) and East Chicago Community Development Foundation (“ECCDF”) are affiliated with the Foundations of East Chicago. Though the two individual foundations have merged into the Foundations of East Chicago, the initial contract made under the prior two administrations with the Indiana gaming commission stipulates separate bank accounts be held for the purpose of directly depositing the money into these two accounts. During fiscal year 2008, there were no monies received from the gaming commission.

The Foundations of East Chicago served as a sponsor of the North Harbor Project and has advanced \$798,063 to the Partnership to facilitate construction completion. In 2008, The Foundations advanced an additional \$100,000 to be used for commercial space buildout.

NOTE 14 – LEASES

Effective March 2008, the Foundation entered into a one-year lease agreement with Lessor, MK Partnership. The Foundation leases its facilities under an agreement that includes monthly lease charges of \$3,250. The schedule of future minimum lease payments under the operating lease at December 31, 2008 is as follows:

2009	<u>\$ 33,000</u>
Total	<u>\$ 33,000</u>

NOTE 15 – CONCENTRATIONS

The Foundation maintains cash balances in one financial institution located in East Chicago, Indiana and in its investment accounts located at various investment firms. At December 31, 2008 and 2007, the Foundation’s cash and cash equivalents in excess of Federal Deposit Insurance Corporation (FDIC) limits was \$0 and \$3,090,058, respectively. On October 3, 2008, FDIC limits were increased from \$100,000 to \$250,000 through December 31, 2009.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 16 – NORTH HARBOR

On November 15, 2001, the Board passed a resolution to organize North Harbor Property, Inc. (“NHPI”), a subsidiary non-profit corporation. This organization was formed effective February 14, 2002, for the purpose of holding title to property, to collect the net income from such property and to remit such net income to the Foundation. Its intended use is to facilitate the Foundation’s lending of funds to aid the construction of the affordable housing complex described below.

NHPI’s wholly-owned subsidiary, North Harbor, Inc. (“NHI”) (a for-profit corporation) is the sole general partner of North Harbor L.P. (NHP). NHP was formed as a limited partnership in 2001 for the purpose of developing and operating an affordable housing complex (“the Complex”) in East Chicago, Indiana. Certain agreements have been signed and put in place during 2002 to control the organization, funding and operation of the Complex as follows:

Organizational

The First Amended and Restated Limited Partnership Agreement of North Harbor, L.P. became effective May 6, 2002. The agreement provides for two outside investors to be admitted as limited partners. The limited partners agree to contribute equity capital estimated at \$3,471,478 in exchange for 99.99% limited partnership interest until the limited partners receive a return of their contributed capital. The total equity capital is based on the future benefit of low-income housing tax credits that have been awarded to NHP for the Complex. The contributions by the Limited Partners are to be made under the timeline and upon completion of milestones as defined in the agreement. Furthermore, the agreement requires performance guarantees of the General Partner (NHI) as more fully described below.

Funding

The Foundation obtained a \$1,500,000 loan from Fannie Mae to loan to NHPI, which was in turn loaned to NHI and subsequently to NHP to initially fund the Complex. In addition, NHP obtained a construction loan for approximately \$5,200,000 to fund the construction of the Complex. In addition, the North Harbor, LLC, (the “Developer”) loaned NHP \$280,000 in the initial stages of design and construction. The limited partner equity contributions will be used to pay the construction loan down to approximately \$1,900,000, which will be converted to a permanent mortgage at the conclusion of construction. During 2003, the Foundation received \$500,000 from the Federal Home Loan Bank of Indianapolis under the Affordable Housing Program which it loaned to North Harbor, L.P.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 16 – NORTH HARBOR (Continued)

Operational

The First Amended and Restated Partnership Agreement defines limited and general partner duties and responsibilities. Requirements to make contributions to cover operating deficiencies, lease-up of the residential units, and maintenance of any operating and replacement reserve accounts are defined in the agreements. In addition to the First Amended and Restated Partnership Agreement, various operational and controlling agreements have been signed including:

Development Agreement – between NHP and North Harbor, LLC (“Developer”) outlines responsibilities for the Developer. Agreement calls for Developer to earn fees totaling \$700,000 to be paid in defined installments based on milestones of completion. Developer is not affiliated with the Foundation.

Partnership Management Agreement – between NHP and NHI provides for NHI, as general partner, to manage NHP. Management fee is \$20,000 per year increasing annually by 3%. Any unpaid fees are non-cumulative. The fee for 2008 totaling \$23,186 is included in accounts payable of NHLP-related parties. The fee for 2007 was reversed during the year since it was not paid.

The general partner is 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 is to increase 3% annually and is also non-cumulative. No fee was earned in 2008 or 2007.

Unconditional Guaranty – the Foundation entered into an unconditional guaranty, along with the Developer and Co-Developer, to be jointly and severally liable for operating deficits incurred prior to the Project achieving breakeven operation (as defined) for a period of three years for \$175,000.

Property Management Agreement – NHP entered into agreement with a third party to provide rental and operational management of the Project upon completion.

After completion of the initial tax compliance period, the agreement calls for the sale of the property should the limited partners so request. The Foundation, by written agreement, has been granted a purchase option for the property at such time as it is to be sold. Potential purchase price and terms are defined within the option agreement.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 17 – NON-CASH TRANSACTION

During 2008, the Foundation traded in a vehicle for a new vehicle. The trade-in allowance for the old vehicle was \$9,500. There was a loss on the trade-in of \$17,818. The remainder of the purchase price was paid in cash and is reflected in the cash flow statement. There were no non-cash transactions during 2007.

NOTE 18 – OTHER MATTERS

East Chicago Second Century, Inc. – To protect its rights, the Foundation has joined in an action filed in the Marion County, Indiana Superior Court by East Chicago Second Century, Inc. seeking a declaration of rights under certain agreements between the City of East Chicago, Indiana and RIH Acquisition IN, LLC as successor in interest to Showboat

Marina Partnership pursuant to which the Foundation receives funding based upon the results of gaming operations based in East Chicago. The City of East Chicago has made a series of third party claims against the Foundation which, if decided adversely to the Foundation, would have a material adverse effect.

The Superior Court dismissed all claims against the Foundation and ruled in favor of the Foundation on its claim for a declaration of its rights. The Indiana Court of Appeals has unanimously affirmed the action of the Superior Court. The City of East Chicago petitioned for a rehearing of the decision of the Court of Appeals; that petition was denied by the Court of Appeals. Indiana Supreme Court granted transfer and heard oral arguments on the case. Decision from the Indiana Supreme Court is pending. The Foundation will continue to aggressively support the rulings of the Superior Court and the Court of Appeals.

Budget Bill Litigation. The Foundation filed an action in the Marion County, Indiana, Superior Court seeking to have one section of the budget bill adopted by the Indiana General Assembly declared unconstitutional on several grounds and to have an injunction entered against its enforcement.

That portion of the Budget Bill putatively gives the City of East Chicago the ability to void and rewrite the agreement under which the Foundation receives funding from the gaming operator in East Chicago. The Superior Court ruled against the Foundation and declined to enter an injunction. The Foundation is appealing that ruling. Oral argument has been held before the Indiana Court of Appeals and a decision is pending. The gaming operator has sought and received an interpleader order from the Marion Superior Court directing the operator to place funds that would go to the Foundation under the agreement into an escrow account pending final judgment on the constitutionality and enforceability of that portion of the 2007 Budget Bill.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2008 AND 2007

NOTE 19 – SUBSEQUENT EVENTS

In February 2009, Twin City Education Foundation and East Chicago Community Development Foundation, Inc. separate bank accounts were closed and the remaining monies were transferred into Foundations of East Chicago, Inc. operating account to use for educational and community development purposes.

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES

DECEMBER 31, 2008 AND 2007

SUPPLEMENTAL INFORMATION

(Unaudited)

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	\$ 595,047	\$ -	\$ -	\$ 157,980	\$ -	\$ 753,027
Accounts receivable tenant	-	-	-	1,058	-	1,058
Accounts and other receivables	64,691	-	-	-	-	64,691
Accounts receivable - North Harbor	896,898	-	-	-	(896,898)	-
Interest receivable, related	542,025	150,900	150,900	-	(843,825)	-
Prepaid expense	10,281	-	-	21,971	-	32,252
Real estate held for lease, net	-	-	-	7,012,531	-	7,012,531
Total current assets	2,108,942	150,900	150,900	7,193,540	(1,740,723)	7,863,559
Noncurrent assets:						
Investments	11,780,204	-	-	-	-	11,780,204
Other investments - restricted	416,500	-	-	-	-	416,500
Buildings and improvements	34,002	-	-	-	-	34,002
Equipment and furniture and fixtures	121,212	-	-	-	-	121,212
Vehicles	32,509	-	-	-	-	32,509
Total fixed assets	187,723	-	-	-	-	187,723
Accumulated depreciation	(134,461)	-	-	-	-	(134,461)
Net fixed assets	53,262	-	-	-	-	53,262
Loan Receivable From NHPI	1,500,000	1,500,000	1,500,000	-	(4,500,000)	-
Due from North Harbor	500,000	-	-	-	(500,000)	-
Other assets	-	-	-	243,015	-	243,015
TOTAL ASSETS	\$ 16,358,908	\$ 1,650,900	\$ 1,650,900	\$ 7,436,555	\$ (6,740,723)	\$ 20,356,540
Current liabilities:						
Notes payable	\$ -	\$ -	\$ -	\$ 143,028	\$ -	\$ 143,028
Accounts payable and accrued expenses	65,433	-	-	53,779	-	119,212
Construction payable	-	-	-	40,800	-	40,800
Grants payable	72,281	-	-	-	-	72,281
Due to FEC - operating deficit	-	-	-	898,063	(896,898)	1,165
Accrued interest, related	-	150,900	150,900	542,025	(843,825)	-
Other current liabilities	106,780	-	-	430,150	-	536,930
Total current liabilities	244,494	150,900	150,900	2,107,845	(1,740,723)	913,416
Long-term liabilities:						
Notes payable	500,000	1,500,000	1,500,000	3,753,737	(5,000,000)	2,253,737
Other long-term liabilities	416,500	-	-	-	-	416,500
Total long-term liabilities	916,500	1,500,000	1,500,000	3,753,737	(5,000,000)	2,670,237
TOTAL LIABILITIES	\$ 1,160,994	\$ 1,650,900	\$ 1,650,900	\$ 5,861,582	\$ (6,740,723)	\$ 3,583,653

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
MINORITY INTEREST IN SUBSIDIARY	-	-	-	-	1,574,973	1,574,973
NET ASSETS						
Temporarily Restricted:						
Capital appreciation	-	-	-	-	-	-
Unrestricted:						
General operating	44,610	-	-	-	-	44,610
Designated:						
Capital appreciation	14,061,195	-	-	-	-	14,061,195
Grants and programs	1,092,109	-	-	-	-	1,092,109
Total designated	15,153,304	-	-	-	-	15,153,304
Total unrestricted net assets	15,197,914	-	-	-	-	15,197,914
Total temporarily restricted net assets	-	-	-	-	-	-
Total net assets	15,197,914	-	-	-	-	15,197,914
Stockholders and Partners' Equity						
Common stock	-	-	-	-	-	-
General partner	-	-	-	(87)	87	-
Limited partner	-	-	-	1,620,160	(1,620,160)	-
Syndication costs	-	-	-	(45,000)	45,000	-
Subscription receivable	-	-	-	(100)	100	-
Total stockholders and partners' equ	-	-	-	1,574,973	(1,574,973)	-
TOTAL LIABILITIES AND NET ASSETS	\$ 16,358,908	\$ 1,650,900	\$ 1,650,900	\$ 7,436,555	\$ (6,740,723)	\$ 20,356,540

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2008

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
REVENUE AND OTHER GAINS						
Gaming Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and dividends	581,087	-	-	2,020	-	583,107
Net realized loss on investments	(665,105)	-	-	-	-	(665,105)
Net unrealized loss on investments	(3,440,632)	-	-	-	-	(3,440,632)
Rental income	-	-	-	419,888	-	419,888
Other revenues/(losses)	(4,226)	-	-	34,491	-	30,265
Total revenue and other gains	(3,528,876)	-	-	456,399	-	(3,072,477)
EXPENSES AND DISTRIBUTIONS						
Personnel costs	841,044	-	-	-	-	841,044
Board and committee costs	51,731	-	-	-	-	51,731
Administrative	-	-	-	108,094	-	108,094
Operating and maintenance	-	-	-	133,842	-	133,842
Staff education and training	8,065	-	-	-	-	8,065
Communication	33,352	-	-	-	-	33,352
Insurance and taxes	15,136	-	-	82,377	-	97,513
Investment fees	108,302	-	-	-	-	108,302
Supplies	16,768	-	-	-	-	16,768
Postage	6,554	-	-	-	-	6,554
Promotions and marketing	25,286	-	-	-	-	25,286
Vehicle costs	2,532	-	-	-	-	2,532
Other contracted services	183,882	-	-	-	-	183,882
Legal and finance	535,356	-	-	-	-	535,356
Excise tax	19,637	-	-	-	-	19,637
Facility costs	46,153	-	-	36,359	-	82,512
Other miscellaneous	30,354	-	-	-	-	30,354
Partnership and financial	-	-	-	27,823	-	27,823
Strategic planning	9,400	-	-	-	-	9,400
Other expense	416,500	-	-	-	-	416,500
Depreciation and Amortization	27,711	-	-	233,989	-	261,700
Donations	41,289	-	-	-	-	41,289
Grant distributions	2,168,823	-	-	-	-	2,168,823
Total expenses before distributions	4,387,875	-	-	622,484	-	5,010,359
Excess of revenues and gains over total expenses and distributions before other operating revenue (expense)	(7,916,751)	-	-	(166,085)	-	(8,082,836)
OTHER OPERATING REVENUE (EXPENSE)						
Interest revenue	119,436	-	-	-	-	119,436
Interest expense	-	-	-	(203,884)	-	(203,884)
Minority interest in income (loss) of subsidiary	-	-	-	-	369,969	369,969
Total other operating revenue (expense)	119,436	-	-	(203,884)	369,969	285,521
CHANGE IN NET ASSETS	(7,797,315)	-	-	(369,989)	369,969	(7,797,315)
NET ASSETS, BEGINNING OF YEAR	22,995,229	-	-	1,949,186	(1,949,186)	22,995,229
NET ASSETS, END OF YEAR	\$ 15,197,914	\$ -	\$ -	\$ 1,579,217	\$ (1,579,217)	\$ 15,197,914

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
Current assets:						
Cash and cash equivalents	\$ 3,490,158	\$ -	\$ -	\$ 105,846	\$ -	\$ 3,596,004
Accounts receivable tenant	-	-	-	1,040	-	1,040
Accounts and other receivables	80,089	-	-	-	-	80,089
Accounts receivable - North Harbor	796,898	-	-	-	(796,898)	-
Interest receivable, related	452,775	150,900	150,900	-	(754,575)	-
Prepaid expense	5,533	-	-	-	-	5,533
Real estate held for lease, net	-	-	-	7,226,408	-	7,226,408
Total current assets	4,825,453	150,900	150,900	7,333,294	(1,551,473)	10,909,074
Noncurrent assets:						
Investments	16,947,698	-	-	-	-	16,947,698
Land	-	-	-	-	-	-
Buildings and improvements	34,002	-	-	-	-	34,002
Equipment and furniture and fixtures	128,763	-	-	-	-	128,763
Vehicles	39,797	-	-	-	-	39,797
Total fixed assets	202,562	-	-	-	-	202,562
Accumulated depreciation	(138,948)	-	-	-	-	(138,948)
Net fixed assets	63,614	-	-	-	-	63,614
Loan Receivable From NHPI	1,500,000	1,500,000	1,500,000	-	(4,500,000)	-
Due from North Harbor	500,000	-	-	-	(500,000)	-
Other assets	-	-	-	258,642	-	258,642
TOTAL ASSETS	\$ 23,836,765	\$ 1,650,900	\$ 1,650,900	\$ 7,591,936	\$ (6,551,473)	\$ 28,179,028
Current liabilities:						
Notes payable	\$ -	\$ -	\$ -	\$ 143,028	\$ -	\$ 143,028
Accounts payable and accrued expenses	100,610	-	-	43,344	-	143,954
Construction payable	-	-	-	40,800	-	40,800
Grants payable	143,771	-	-	-	-	143,771
Due to FEC - operating deficit	-	-	-	798,063	(796,898)	1,165
Accrued interest, related	-	150,900	150,900	452,775	(754,575)	-
Other current liabilities	97,155	-	-	386,856	-	484,011
Total current liabilities	341,536	150,900	150,900	1,864,866	(1,551,473)	956,729
Long-term liabilities:						
Notes payable	500,000	1,500,000	1,500,000	3,782,128	(5,000,000)	\$ 2,282,128
TOTAL LIABILITIES	\$ 841,536	\$ 1,650,900	\$ 1,650,900	\$ 5,646,994	\$ (6,551,473)	\$ 3,238,857

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
MINORITY INTEREST IN SUBSIDIARY	-	-	-	-	1,944,942	1,944,942
NET ASSETS						
Unrestricted:						
General operating	44,610	-	-	-	-	44,610
Designated:						
Capital appreciation	21,858,510	-	-	-	-	21,858,510
Grants and programs	1,092,109	-	-	-	-	1,092,109
Total designated	<u>22,950,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,950,619</u>
Total unrestricted net assets	22,995,229	-	-	-	-	22,995,229
Stockholders and Partners' Equity						
Common stock	-	-	-	-	-	-
General partner	-	-	-	(50)	50	-
Limited partner	-	-	-	1,990,092	(1,990,092)	-
Syndication costs	-	-	-	(45,000)	45,000	-
Subscription receivable	-	-	-	(100)	100	-
Total stockholders and partners' equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,944,942</u>	<u>(1,944,942)</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 23,836,765</u>	<u>\$ 1,650,900</u>	<u>\$ 1,650,900</u>	<u>\$ 7,591,936</u>	<u>\$ (6,551,473)</u>	<u>\$ 28,179,028</u>

FOUNDATIONS OF EAST CHICAGO, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
DECEMBER 31, 2007

	Foundations of East Chicago, Inc.	North Harbor Property, Inc.	North Harbor, Inc.	North Harbor, L.P.	Eliminations	Consolidated
REVENUE AND OTHER GAINS						
Gaming Contributions	\$ 5,688,788	\$ -	\$ -	\$ -	\$ -	\$ 5,688,788
Interest and dividends	897,356	-	-	4,161	-	901,517
Net realized gain on investments	523,649	-	-	-	-	523,649
Net unrealized gain on investments	297,518	-	-	-	-	297,518
Rental income	-	-	-	423,428	-	423,428
Other revenues/(losses)	75,292	-	-	71,024	-	146,316
Total revenue and other gains	7,482,603	-	-	498,613	-	7,981,216
EXPENSES AND DISTRIBUTIONS						
Personnel costs	706,092	-	-	-	-	706,092
Board and committee costs	115,324	-	-	-	-	115,324
Administrative	-	-	-	130,012	-	130,012
Operating and maintenance	-	-	-	105,405	-	105,405
Staff education and training	10,956	-	-	-	-	10,956
Communication	25,439	-	-	-	-	25,439
Insurance and taxes	12,501	-	-	42,315	-	54,816
Investment fees	94,981	-	-	-	-	94,981
Supplies	22,541	-	-	-	-	22,541
Postage	12,739	-	-	-	-	12,739
Promotions and marketing	71,293	-	-	-	-	71,293
Vehicle costs	2,097	-	-	-	-	2,097
Other contracted services	219,103	-	-	-	-	219,103
Legal and finance	882,677	-	-	-	-	882,677
Excise tax	13,675	-	-	-	-	13,675
Facility costs	62,476	-	-	32,497	-	94,973
Other miscellaneous	34,241	-	-	4,502	-	38,743
Partnership and financial	-	-	-	22,511	-	22,511
Strategic planning	23,000	-	-	-	-	23,000
Depreciation and Amortization	34,272	-	-	241,854	-	276,126
Total expenses before distributions	2,343,407	-	-	579,096	-	2,922,503
Excess of revenues and gains over total expenses before distributions	5,139,196	-	-	(80,483)	-	5,058,713
Distributions	3,284,207	-	-	-	-	3,284,207
Excess of revenues and gains over total expenses and distributions before other operating revenue (expense)	1,854,989	-	-	(80,483)	-	1,774,506
OTHER OPERATING REVENUE (EXPENSE)						
Interest revenue	-	-	-	-	-	-
Interest expense	(269)	-	-	(205,808)	-	(205,877)
Minority interest in income (loss) of subsidiary	-	-	-	-	286,091	286,091
Total other operating revenue (expense)	(269)	-	-	(205,808)	286,091	80,214
CHANGE IN NET ASSETS	1,854,720	-	-	(286,091)	286,091	1,854,720
NET ASSETS, BEGINNING OF YEAR (As Restated)	21,140,509	-	-	2,235,277	(2,235,277)	21,140,509
NET ASSETS, END OF YEAR	\$ 22,995,229	\$ -	\$ -	\$ 1,949,186	\$ (1,949,186)	\$ 22,995,229

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
12/31/2008

Program Number	Organization	Project / Program Title	Program Award	Funds Reprogrammed	2008 Disbursement Total	Prior Disbursements (2007 & earlier)	Total Disbursed	Balance
1997 Programs								
1997 Closed Programs			654,706	-106,962	0	547,744	547,744	0
1997 TOTAL			\$654,706	-\$106,962	\$0	\$547,744	\$547,744	\$0
1998 Programs								
1998 Closed Programs			1,082,080	-37,479	0	1,044,601	1,044,601	0
1998 TOTAL			\$1,082,080	-\$37,479	\$0	\$1,044,601	\$1,044,601	\$0
1999 Programs								
1999 Closed Programs			1,819,049	-381,897	0	1,437,152	1,437,152	0
1999 TOTAL			\$1,819,049	-\$381,897	\$0	\$1,437,152	\$1,437,152	\$0
2000 Programs								
2000 Closed Programs			2,664,040	-244,337	0	2,419,703	2,419,703	0
2000 TOTAL			\$2,664,040	-\$244,337	\$0	\$2,419,703	\$2,419,703	\$0
2001 Programs								
2001 Closed Programs			4,332,104	-772,047	0	3,560,057	3,560,057	0
2001 TOTAL			\$4,332,104	-\$772,047	\$0	\$3,560,057	\$3,560,057	\$0
2002 Programs								
2002 Closed Programs			3,162,691	-280,928	0	2,881,762	2,881,762	0
2002 Total Programs			\$3,162,691	-\$280,928	\$0	\$2,881,762	\$2,881,762	\$0
2003 Programs								
2003 Closed Programs			3,128,733	-195,083	0	2,933,650	2,933,650	0
2003 Total Programs			\$3,128,733	-\$195,083	\$0	\$2,933,650	\$2,933,650	\$0
2004 Programs								
CD05-108	St. Michael The Archangel	CD05-108/East Chicago Titans Traveling Baseball Team	13,910	0	-\$1,312.78	11,324	10,011	3,899
CD05-304	St. Catherine Hospital	CD05-304/Diabetes Prevention in East Chicago	100,000	0	\$1,911.75	69,004	70,915	29,085
TC05-224	Twin City Community Services	TC05-224/Girl Power 2005	6,800	0	\$1,727.42	4,045	5,772	1,028
2004 Closed Programs			3,048,714	-236,605	0	2,812,109	2,812,109	0
2004 Total Programs			\$3,169,424	-\$236,605	\$2,326	\$2,896,482	\$2,898,808	\$34,011
2005 Programs								
CD06-104	City of East Chicago	CD06-104/CAD Engineering Interns	34,070		\$16,249.23	17,821	34,070	0
CD06-107	Indiana Youth Institute, Inc.	CD06-107/Coaching In East Chicago	15,500		\$0.00	15,500	15,500	0
CD06-203	City of East Chicago	CD06-203/Project SAFE (Student Athlete Fitness Exam)	15,000		\$5,089.46	9,277	14,366	634
CD06-225	Pop Warner Little Scholars, Inc.	CD06-225/Homeland Family Enrichment & Fulfillment Initiative	30,000		\$0.00	20,944	20,944	9,056
CD06-301.01	Catholic Charities	CD06-301.01/Food Pantry Part II	4,000		\$4,000.00	0	4,000	0
CD06-302.01	Church of the Good Shepherd	CD06-302.01/Food Pantry Part II	4,000		\$2,844.88	800	3,645	355
CD06-305.01	Meek Missionary Baptist Church	CD06-305.01/Food Pantry Part II	4,000		\$1,947.38	1,970	3,917	83
CD06-308	Boys & Girls Club of NW Indiana, Inc.	CD06-308/Capital Outlay III	15,500	17,000	\$5,862.69	26,634	32,497	3
CD06-310	School City of East Chicago	CD06-310/Paving the Way to a Healthier Lifestyle	42,713		-\$48.81	42,713	42,664	49
CD06-404.01	Iglesia del Nazareno East Chicago	CD06-404.01/Food Pantry Part II	4,000		\$1,591.99	2,408	4,000	0
CD06-407	St. Stanislaus Church	CD06-407/Community Food Pantry	5,000		\$421.04	4,577	4,998	2
CD06-407.01	St. Stanislaus Church	CD06-407.01/Food Pantry Part II	4,000		\$948.86	3,050	3,999	1
CD06-408	City of East Chicago	CD06-408/East Chicago Urban Forestry Grant	25,000		\$3,516.00	21,274	24,790	210
TC06-102	Indiana Youth Institute, Inc.	no gifts data	15,500		\$0.00	15,500	15,500	0
TC06-107	Youth of East Chicago, Inc.	TC06-107/Reach For Tomorrow III: Preparing for Tomorrow	20,000		\$0.00	17,772	17,772	2,228
TC06-121	Girl Scouts of the Calumet Council	TC06-121/Uniquely ME!	36,000		\$2,042.16	27,305	29,347	6,653
TC06-122	Indiana Sailing Association, Inc.	TC06-122/Stars of the Sea: Family Watersports & Evening on the Lake	22,106		\$3,370.89	17,778	21,149	957
TC06-307	The International Assn of Lions Club	TC06-307/Gift of Sight Program Plus	17,000		\$180.00	11,460	11,640	5,360
TC06-316	Youth of East Chicago	TC06-316/Snacking on Success	9,000		\$3,253.20	5,747	9,000	0
TC06-326	City of East Chicago	TC06-326/Senior Wellness	10,000		\$1,770.16	8,230	10,000	0
TC06-329	North Township Trustee Office	TC06-329/School Supply Program	7,500		\$1,499.97	6,000	7,500	0
TC06-411	School City of East Chicago	TC06-411/2007 Challenger Program	15,085		-\$7,343.25	15,085	7,742	7,343
TC06-416	Boys & Girls Club of NW Indiana, Inc.	TC06-416/Rites of Passage	57,963		\$46,200.67	0	46,201	11,762
TC06-418	Lighthouse Charter School	TC06-418/East Chicago Lighthouse Charter School Parent Resource Center	5,000		\$650.00	4,039	4,689	311

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
12/31/2008

Program Number	Organization	Project / Program Title	Program Award	Funds	2008	Prior	Total	Balance
				Reprogrammed	Disbursement Total	Disbursements (2007 & earlier)	Disbursed	
TC06-421	School City of East Chicago	TC06-421/Enhancing the Library Media Center Res. at Central H.S.	15,320		-\$219.10	15,320	15,101	219
TC06-501	E.C. Urban Enterprise Charter School	TC06-501/Extra Curricular	55,000		\$1,723.39	46,774	48,497	6,503
TC06-508	Ivy Tech Community College	TC06-508/Entitlement	50,000		\$50,000.00	0	50,000	0
TC06-509.03	TC Scholarships	TC06-509.03/2008 Scholarships	92,500		\$0.00	56,500	56,500	36,000
TC06-509.04	TC Scholarships	TC06-509.04/2007 Scholarships	86,000		\$0.00	62,500	62,500	23,500
	2005 Closed Programs		3,041,017	-137,675	0	2,903,342	2,903,342	0
	2005 Total Programs		\$3,757,774	-\$120,675	\$145,551	\$3,380,320	\$3,525,870	\$111,229
2006 Programs								
C07-104	Berean Fellowship Church	C07-104/Cardinal Youth Development & Life Skills	8,000		\$2,281.47	3,890	6,171	1,829
C07-105	City of East Chicago	C07-105/Parks & Recreation Department Special Events	13,544		\$2,897.49	9,133	12,030	1,514
C07-106	City of East Chicago	C07-106/Sports Clinics for Children	4,471		\$1,692.30	2,769	4,461	10
C07-107	City of East Chicago	C07-107/Connecting East Chicago Winter Wonderland	10,500		\$8,400.00	2,100	10,500	0
C07-109	East Chicago Education Foundation, Inc.	C07-109/Enriching the Palette of Our Community	16,481		\$5,530.16	8,652	14,182	2,299
C07-117	St. Mary Church	C07-117/St. Mary Mariachi Program	10,000		\$4,700.00	5,300	10,000	0
C07-207	Roxana Civic Club	C07-207/Summer Fest 2007	4,000		\$354.14	1,600	1,954	2,046
C07-208	South Shore Arts	C07-208/After-School Art Enrichment Program	52,000		\$47,380.22	0	47,380	4,620
C07-209	VIVA Performing Arts & Theatre School	C07-209/VIVA! PATS Performing Arts Theatre School Summer Prog.	23,625		\$21,654.95	0	21,655	1,970
C07-302	East Chicago Civic Little League	C07-302/2008 Summer Baseball Program	20,000		\$16,270.80	0	16,271	3,729
C07-303	East Chicago Education Foundation, Inc.	C07-303/Earth Camp 2008	21,395		\$18,966.00	0	18,966	2,429
C07-304	East Chicago Education Foundation, Inc.	C07-304/2008 Winter Earth Camp	2,380		\$2,200.00	0	2,200	180
C07-308	International Institute/LACASA	C07-308/SuCasa Youth Culture Center	20,000		\$9,793.05	0	9,793	10,207
C07-309	The Nazareth Home	C07-309/Newsletter Sponsorship	8,520		\$5,543.52	0	5,544	2,976
C07-310	South Shore Arts	C07-310/Art Field Trips & Visiting Artist Program	19,075		\$16,544.39	0	16,544	2,531
CD07-113	Neighborhoods Incorporated of Hammond	CD07-113/Healthy Neighborhood Project of New Addition	6,000		\$370.00	5,096	5,466	534
CD07-115	A.L.S.E. Clemente Center	CD07-115/Security for Clemente Center	15,600		\$7,645.50	7,955	15,600	0
CD07-118	East Chicago Civic Little League	CD07-118/2007 Summer Program	20,000		\$3,221.57	16,778	20,000	0
CD07-119	Healthy East Chicago, Inc.	CD07-119/2007 Administration & Operation	50,000		\$6,120.00	43,880	50,000	0
CD07-123	International Institute/LACASA	CD07-123/Immigration Counseling Program	20,000		\$7,200.00	12,800	20,000	0
CD07-125	St. John Cantius Church	CD07-125/UBM Capital Campaign	17,762	-5,200	\$4,469.80	7,449	11,919	643
D07-104	Healthy East Chicago, Inc.	D07-104/HEC Technology	13,780		\$4,655.75	9,028	13,684	96
D07-110	Indiana Black Expo	D07-110/Capacity Building/Funding Enhancement	20,000		\$12,537.48	6,350	18,887	1,113
D07-115	St. Stanislaus School	D07-115/School Marketing Programs	8,375		\$539.19	7,836	8,375	0
D07-118	St. Stanislaus School	D07-118/Window Repaired	9,700		\$900.00	8,800	9,700	0
D07-301	United Neighborhood Organizations, Inc.	D07-301/Building Repairs for East Chicago Centers	25,000		\$16,063.80	0	16,064	8,936
D07-303	United Neighborhood Organizations, Inc.	D07-303/Security for the East Chicago Centers	46,800		\$46,800.00	0	46,800	0
D07-305	City of East Chicago	D07-305/East Chicago Beach Front Restoration Project	25,000		\$5,000.00	0	5,000	20,000
D07-306	City of East Chicago	D07-306/SWAT Team Equipment and Maintenance Upgrade	40,256		\$8,051.00	0	8,051	32,205
D07-307	Holy Trinity Croatian Church	D07-307/Fence & Parking Lot Paving	27,560		\$27,560.00	0	27,560	0
D07-308	St. Stanislaus School	D07-308/21st Century Classrooms	32,000		\$32,000.00	0	32,000	0
D07-310	St. John Cantius Church	D07-310/UBM Remodeling	25,200		\$23,911.33	0	23,911	1,289
E07-106	New Providence Baptist Church	E07-106/Paving The Way For Literacy	12,500		\$4,120.29	8,378	12,498	2
E07-201	A.L.S.E. Clemente Center	E07-201/Yes, You Can Tutoring and Mentoring Program	10,000		\$7,954.25	2,000	9,954	46
E07-204	Creating an Environment of Success, Inc.	E07-204/Youth About Business Chicago Summer Business Camp	14,000		\$3,235.05	8,964	12,199	1,801
E07-212	International Institute/LACASA	E07-212/Youth Leadership Development Program	25,000		\$21,847.95	0	21,848	3,152
E07-213	Ivy Tech Community College	E07-213/The Plaza Communitarias Program	30,000		\$20,819.91	6,000	26,820	3,180
E07-215	School City of East Chicago	E07-215/Getting Ready for Kindergarten	9,881		-\$1,855.04	9,881	8,026	1,855
E07-301	A.L.S.E. Clemente Center	E07-301/Safe Haven After School Childcare Program	58,832		\$41,056.33	0	41,056	17,776
E07-304	East Chicago Education Foundation, Inc.	E07-304/Frog in the Bog	10,007		\$10,007.00	0	10,007	0
E07-305	East Chicago Education Foundation, Inc.	E07-305/Teacher Excellence Award Dinner	6,000		\$5,037.81	0	5,038	962
E07-306	East Chicago Education Foundation, Inc.	E07-306/2008 Elementary Science Olympiad	2,100		\$2,100.00	0	2,100	0
E07-308	Junior Achievement	E07-308/Whole School Program	35,000		\$35,000.00	0	35,000	0
E07-309	School City of East Chicago	E07-309/2008 Sky Voyage Program	14,325		-\$4,325.00	14,325	10,000	4,325
E07-311	School City of East Chicago	E07-311/2008 Challenger Program	15,085		-\$7,985.00	15,085	7,100	7,985
FEC07-502	Extra Curricular	FEC07-502/Extra Curricular	110,000		-\$3,075.00	93,927	90,852	19,148
FEC07-504	School City of East Chicago	FEC07-504/Entitlement	150,000			150,000	150,000	0
FEC07-507	East Chicago Public Library	FEC07-507/Non-Competitive Grant	150,000			150,000	150,000	0
FEC07-509.01	Scholarship Class 2011	FEC07-509.01/2011 Scholarships	78,000		-\$750.00	77,500	76,750	1,250
FEC07-509.03	Scholarship Class 2009	FEC07-509.03/2009 Scholarships	90,000		\$0.00	63,000	63,000	27,000
FEC07-511	Pace Suburban Bus Service	FEC07-511/PACE Program	77,188	21,335	\$80,166.36	18,356	98,522	1

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
12/31/2008

Program Number	Organization	Project / Program Title	Program Award	Funds Reprogrammed	2008	Prior	Total	Balance
					Disbursement Total	Disbursements (2007 & earlier)	Disbursed	
FEC07-512	City of East Chicago	FEC07-512/Non-Competitive Grant	100,000		\$93,880.35	5,760	99,640	360
FEC07-515	Catholic Charities	FEC07-515/Heating Assistance	40,000		\$32,000.00	0	32,000	8,000
FEC07-516	Healthy East Chicago, Inc.	FEC07-516/Fitness Center	89,847	22,438	\$40,050.53	69,420	109,471	2,814
FEC07-518	NW IN Federation Interfaith Organizations, Inc.	FEC07-518/Capacity Building Grant	25,000		\$10,406.01	5,000	15,406	9,594
FEC07-519	A.L.S.E. Clemente Center	FEC07-519/Capacity Building Grant	25,000		\$13,090.57	5,000	18,091	6,909
FEC07-520	A.L.S.E. Clemente Center	FEC07-520/General Operations Grant	60,000		\$11,874.80	12,000	23,875	36,125
FEC07-521	NW IN Federation Interfaith Organizations, Inc.	FEC07-521/General Operations Grant	60,000		\$28,004.98	31,566	59,571	429
FEC07-522	Holistic Community Coalition NFP	FEC07-522/Access East Chicago Television	65,526		\$52,421.00	13,105	65,526	0
H07-102	We Care From The Heart, Inc.	H07-102/Seniors in Crisis	10,000		\$2,064.70	7,870	9,935	65
H07-107	Munster Medical Research Foundation, Inc.	H07-107/Take 5 For Life	55,000		\$30,301.31	24,396	54,698	302
H07-109	Health Visions Midwest	H07-109/Are We Healthy? State Of Our Health in East Chicago	15,000		\$11,247.48	3,227	14,474	526
H07-111	Faith Temple Church of God in Christ, Inc.	H07-111/Good Samaritan Program (New Creation Center)	25,000		\$14,901.25	9,810	24,711	289
H07-112	Healthy East Chicago, Inc.	H07-112/Women Family Health Initiative	15,250		\$11,475.04	3,775	15,250	0
H07-113	City of East Chicago	H07-113/D.A.R.E.	10,000		\$4,589.16	2,000	6,589	3,411
H07-201	The Calumet Project for Industrial Jobs, Inc.	H07-201/Bucket Brigade	5,000		\$5,000.00	0	5,000	0
H07-202	Catholic Charities	H07-202/Eating Healthy-East Chicago	3,075		\$1,036.96	2,038	3,075	0
H07-204	City of East Chicago	H07-204/Project SAFE: Student Athlete Fitness Exam	15,000		\$1,314.75	3,000	4,315	10,685
H07-206	Health Visions Midwest	H07-206/Promotores de Salud Maternal Infantil	10,000		\$5,466.34	550	6,016	3,984
H07-207	Meek Missionary Baptist Church	H07-207/Food Ministry	5,000		\$4,053.97	0	4,054	946
H07-209	Holistic Community Coalition NFP	H07-209/Tri-City Alternative Actions Program	50,000		\$23,900.89	26,099	50,000	0
H07-209.01	Holistic Community Coalition NFP	H07-209.01/Tri-City Alternative Actions Program	50,000		\$24,722.46	25,278	50,000	0
H07-301	Catholic Charities	H07-301/Homeless Prevention East Chicago	10,000		\$10,000.00	0	10,000	0
H07-302	Catholic Charities	H07-302/Food Pantry	5,000		\$5,000.00	0	5,000	0
H07-303	City of East Chicago	H07-303/Disaster Preparedness Handbook	5,500		\$1,100.00	0	1,100	4,400
H07-304	City of East Chicago	H07-304/Fire Safety House	20,000		\$12,020.72	0	12,021	7,979
H07-305	Holy Trinity Croatian Church	H07-305/Holy Innocents Rooms	25,000		\$24,985.01	0	24,985	15
H07-306	International Institute/LACASA	H07-306/Immigration Counseling Program	24,600		\$12,800.00	0	12,800	11,800
TC07-102	Youth of East Chicago	TC07-102/Destined for Success I Entry Level Program	53,600		-\$4,796.02	53,600	48,804	4,796
TC07-103	Youth of East Chicago	TC07-103/Destined for Success II Summer Job Shadow & Leader Camp	20,300		-\$1,579.20	16,938	15,359	4,941
TC07-104	Youth of East Chicago	TC07-104/Preparing for Tomorrow	19,300		-\$1,625.42	19,300	17,675	1,625
TC07-105	Youth of East Chicago	TC07-105/Destined for Success IV Fulfilling our Destiny	11,250		\$3,690.74	3,655	7,346	3,904
TC07-108	St. Catherine Hospital	TC07-108/Certified Nurse Assistant Training Program	18,543		\$11,637.52	3,708	15,346	3,197
TC07-116	A.L.S.E. Clemente Center	TC07-116/Safe Haven After School Childcare Program	30,000		\$51.97	29,759	29,811	189
TC07-120	International Institute/LACASA	TC07-120/SuCasa Youth Culture Center	20,000		\$11,160.81	8,811	19,972	28
TC07-123	Holistic Community Coalition NFP	TC07-123/Alternative Actions Program (TCAAP)	20,000		\$1,125.00	18,856	19,981	19
2006 Closed Programs			1,058,012	-187,445	0	870,567	870,567	0
2006 Total Programs			\$3,609,745	-\$148,872	\$1,091,983	\$2,051,920	\$3,143,903	\$316,970
2007 Programs								
C08-105	City of East Chicago	C08-105/Picnic in the Park for Children	12,550		\$12,293.44	0	12,293	257
C08-108	City of East Chicago	C08-108/Senior Wellness Program	14,684		\$13,506.25	0	13,506	1,178
C08-110	Youth of East Chicago	C08-110/Year II: Summer Job Shadow & Leadership Camp	22,700		\$22,700.00	0	22,700	0
C08-114	East Chicago Education Foundation, Inc.	C08-114/Golden Palette	6,146		\$3,974.98	0	3,975	2,171
C08-115	School City of East Chicago	C08-115/Overall Budgets for District Athletics	22,000		\$22,000.00	0	22,000	0
C08-117	Indiana Black Expo	C08-117/Capacity Building/Fund Enhancement	10,000		\$10,000.00	0	10,000	0
C08-118	Pop Warner Little Scholars, Inc.	C08-118/No Child Left Out Safety and Rejuvenation Program	13,000		\$12,721.95	0	12,722	278
C08-121	Indiana Harbor Little League	C08-121/Adults Do Care IV	15,000		\$4,391.00	0	4,391	10,609
C08-122	Indiana Sailing Association, Inc.	C08-122/Cardinal Sailing Program	25,000		\$19,337.42	0	19,337	5,663
C08-125	Revitalization Organization of New Addition, Inc.	C08-125/New Addition Day 'We Are Family'	4,900		\$4,891.21	0	4,891	9
C08-127	St. John Cantius Church	C08-127/Independence Festival	12,550		\$12,550.00	0	12,550	0
D08-101	Bishop Noll Institute	D08-101/Digital Learning Center Campaign Year Two	13,399		\$12,349.65	0	12,350	1,049
D08-106	School City of East Chicago	D08-106/Stepping into the 21st Century Upgrade in Library AV Dept	15,000		\$15,000.00	0	15,000	0
D08-107	East Chicago Civic Little League	D08-107/Concession Stand Equipment	5,000		\$1,476.15	0	1,476	3,524
D08-110	Healthy East Chicago, Inc.	D08-110/2008 Administration & Operations	25,000		\$22,028.28	0	22,028	2,972
D08-111	Healthy East Chicago, Inc.	D08-111/HEC Educational Outreach Rooms	10,000		\$8,640.78	0	8,641	1,359
D08-112	Holistic Community Coalition NFP	D08-112/Citizens for Community Change	6,601		\$6,601.00	0	6,601	0
D08-113	Holy Trinity Croatian Church	D08-113/New Kitchen	15,000		\$15,000.00	0	15,000	0
E08-101	Boy Scouts of America	E08-101/Elementary Learning for Life	6,000		\$1,200.00	0	1,200	4,800
E08-103	Creating an Environment of Success, Inc.	E08-103/Youth About Business Chicago Summer Business Camp	25,000		\$14,594.38	0	14,594	10,406
E08-104	East Chicago Public Library	E08-104/2008 Summer Reading Program	9,000		\$9,000.00	0	9,000	0
E08-107	New Horizons Child Care Ministry, Inc.	E08-107/Paving the Way for Literacy	15,000		\$7,617.12	0	7,617	7,383

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
12/31/2008

Program Number	Organization	Project / Program Title	Program Award	Funds Reprogrammed	2008	Prior	Total	Balance
					Disbursement Total	Disbursements (2007 & earlier)	Disbursed	
FEC08-502	Healthy East Chicago, Inc.	FEC08-502/Fitness Center	85,000		\$68,679.28	0	68,679	16,321
FEC08-503	Holistic Community Coalition NFP	FEC08-503/Educational Conference	7,000		\$7,000.00	0	7,000	0
FEC08-504	Valparaiso University	FEC08-504/Scholarships	261,000	1,000	\$259,500.00	0	259,500	1,500
FEC08-603	Communities In Schools of East Chicago	FEC08-603/Communities In Schools of East Chicago	10,000		\$10,000.00	0	10,000	0
FEC08-604	Community Reinvestment Project of East Chicago, Inc.	FEC08-604/CRP's Affordable Housing Program	10,000		\$10,000.00	0	10,000	0
FEC08-616	Munster Medical Research Foundation, Inc.	FEC08-616/Take 5 for Life	10,000		\$10,000.00	0	10,000	0
FEC08-622	St. Stanislaus School	FEC08-622/School Marketing Programs	3,350		\$3,350.00	0	3,350	0
FEC08-623	St. Stanislaus School	FEC08-623/21st Century Classrooms	8,280		\$8,280.00	0	8,280	0
FEC08-702	Youth of East Chicago	FEC08-702/Destined for Success Year III: College Visits & SAT Prep	4,900		\$4,900.00	0	4,900	0
FEC08-711	Junior Achievement	FEC08-711/Junior Achievement Whole School Program	8,000		\$8,000.00	0	8,000	0
FEC08-713	Teens In Action	FEC08-713/The Covenant	4,508		\$4,508.00	0	4,508	0
FEC08-714	Teens In Action	FEC08-714/Read and See	5,488		\$5,488.00	0	5,488	0
FEC08-801	Catholic Charities	FEC08-801/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-802	City of East Chicago	FEC08-802/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-803	Community Reinvestment Project of EC, Inc.	FEC08-803/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-804	East Chicago Civic Little League	FEC08-804/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-805	City of East Chicago	FEC08-805/Public Safety	2,500		\$1,125.00	0	1,125	1,375
FEC08-806	City of East Chicago	FEC08-806/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-807	City of East Chicago	FEC08-807/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-808	Haven House, Inc.	FEC08-808/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-809	Healthy East Chicago, Inc.	FEC08-809/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-810	Northwest Indiana Meals on Wheels, Inc.	FEC08-810/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-811	Neighborhoods Incorporated of Hammond	FEC08-811/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-812	Health Visions Midwest	FEC08-812/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-813	Puerto Rican Parade & Cultural Org of NW IN, Inc.	FEC08-813/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-816	The Salvation Army	FEC08-816/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-819	United Neighborhood Organizations, Inc.	FEC08-819/Public Safety	2,500		\$2,500.00	0	2,500	0
FEC08-820	Boys & Girls Club of NW Indiana, Inc.	FEC08-820/Education	2,500		\$2,500.00	0	2,500	0
FEC08-821	Central High School	FEC08-821/Education	2,500		\$2,500.00	0	2,500	0
FEC08-823	Communities In Schools of East Chicago	FEC08-823/Education	2,500		\$2,500.00	0	2,500	0
FEC08-824	East Chicago Education Foundation, Inc.	FEC08-824/Education	2,500		\$2,500.00	0	2,500	0
FEC08-825	Interfaith Alliance	FEC08-825/Education	2,500		\$2,500.00	0	2,500	0
FEC08-826	East Chicago Education Foundation, Inc.	FEC08-826/Education	2,500		\$2,500.00	0	2,500	0
FEC08-827	City of East Chicago	FEC08-827/Education	2,500		\$625.00	0	625	1,875
FEC08-828	East Chicago Public Library	FEC08-828/Education	2,500		\$2,500.00	0	2,500	0
FEC08-831	Grace Missionary Baptist Church of E. C.	FEC08-831/Education	2,500		\$2,500.00	0	2,500	0
FEC08-832	Iglesia del Nazareno East Chicago	FEC08-832/Education	2,500		\$2,500.00	0	2,500	0
FEC08-833	NW IN Federation Interfaith Organizations, Inc.	FEC08-833/Education	2,500		\$2,500.00	0	2,500	0
FEC08-834	International Community Alliance	FEC08-834/Education	2,500		\$2,500.00	0	2,500	0
FEC08-835	School City of East Chicago	FEC08-835/Education	2,500		\$625.00	0	625	1,875
FEC08-836	South Shore Arts	FEC08-836/Education	2,500		\$2,500.00	0	2,500	0
FEC08-837	St. Stanislaus School	FEC08-837/Education	2,500		\$2,500.00	0	2,500	0
FEC08-838	VIVA Performing Arts and Theatre School	FEC08-838/Education	2,500		\$2,500.00	0	2,500	0
FEC08-839	Washington Elementary School	FEC08-839/Education	2,500		\$2,500.00	0	2,500	0
FEC08-840	Workforce Development Services, Inc.	FEC08-840/Education	2,500		\$2,500.00	0	2,500	0
FEC08-841	Robertson Child Development Center, Inc	FEC08-841/Education	2,500		\$2,500.00	0	2,500	0
FEC08-842	Calumet College of St. Joseph	FEC08-842/Education	2,500		\$2,500.00	0	2,500	0
FEC08-843	Faith Temple Church of God in Christ, Inc.	FEC08-843/Education	2,500		\$2,500.00	0	2,500	0
FEC08-844	New Ebenezer Missionary Baptist Church	FEC08-844/Education	2,500		\$2,500.00	0	2,500	0
FEC08-845	Mission of Jesus Christ Church	FEC08-845/Education	2,500		\$2,500.00	0	2,500	0
FEC08-846	Holistic Community Coalition NFP	FEC08-846/Education	2,500		\$2,500.00	0	2,500	0
FEC08-847	Junior Achievement	FEC08-847/Education	2,500		\$2,500.00	0	2,500	0
FEC08-848	Indiana Black Expo	FEC08-848/Education	2,500		\$625.00	0	625	1,875
FEC08-849	Youth of East Chicago	FEC08-849/Education	2,500		\$2,500.00	0	2,500	0
FEC08-850	Ivy Tech Community College	FEC08-850/Education	2,500		\$2,500.00	0	2,500	0
FEC08-904	Holistic Community Coalition NFP	FEC08-904/Tri-City Alternative Action Program	25,000		\$25,000.00	0	25,000	0
H08-101	Holistic Community Coalition NFP	H08-101/Tri-City Alternative Actions Program	100,000		\$100,000.00	0	100,000	0
H08-102	Holistic Community Coalition NFP	H08-102/2008 Gun Buy Back	25,000		\$24,080.74	0	24,081	919
H08-103	St. Catherine Hospital	H08-103/STOP Diabetes in East Chicago	30,900		\$11,585.00	0	11,585	19,315
H08-105	The Salvation Army	H08-105/Food Pantry	5,000		\$5,000.00	0	5,000	0
H08-107	The Salvation Army	H08-107/Heartline Feeding Program	5,000		\$5,000.00	0	5,000	0

FOUNDATIONS OF EAST CHICAGO, INC.
SCHEDULE OF DISTRIBUTIONS
12/31/2008

Program Number	Organization	Project / Program Title	Program Award	Funds		2008	Prior	Total	Balance
				Reprogrammed	Disbursement Total	Disbursements (2007 & earlier)	Disbursed		
H08-108	Health Visions Midwest	H08-108/Are We Healthy? Phase II	25,000		\$17,932.08	0	17,932	7,068	
H08-109	The International Association of Lions Club	H08-109/Gift of Sight Plus II	4,960		\$2,455.00	0	2,455	2,505	
H08-110	St. Stanislaus Church	H08-110/Community Food Pantry	5,000		\$4,870.11	0	4,870	130	
H08-111	Haven House, Inc.	H08-111/Nourishing Battered Women and Their Children	2,000		\$2,000.00	0	2,000	0	
H08-112	Grace Missionary Baptist Church of East Chicago	H08-112/Boys to Dad Self-Awareness Program	6,000		\$5,117.75	0	5,118	882	
H08-113	School City of East Chicago	H08-113/Automatic External Defibrillators in Schools	20,082		\$20,082.00	0	20,082	0	
H08-114	We Care From The Heart	H08-114/Seniors in Crisis	14,000		\$5,635.10	0	5,635	8,365	
H08-115	Catholic Charities	H08-115/Food Pantry	5,000		\$3,119.29	0	3,119	1,881	
H08-117	Iglesia del Nazareno East Chicago	H08-117/Food Pantry	5,000		\$2,283.36	0	2,283	2,717	
H08-118	God First Ministries	H08-118/Food Pantry	5,000		\$4,214.58	0	4,215	785	
H08-119	New Ebenezer Missionary Baptist Church	H08-119/Food Pantry	5,000		\$5,000.00	0	5,000	0	
H08-120	Antioch Missionary Baptist Church	H08-120/Food Pantry	5,000		\$5,000.00	0	5,000	0	
2007 Closed Programs									
2007 Total Programs				\$1,121,498	\$1,000	\$1,000,454	\$0	\$1,000,454	\$121,044
GRAND TOTAL				\$28,501,844	-\$2,523,885	\$2,240,314	\$23,153,390	\$25,393,704	\$583,254