

INDIANA BLACK EXPO, INC.

FINANCIAL STATEMENTS

December 31, 2008 and 2007

INDIANA BLACK EXPO, INC.
Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2008 and 2007

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Crowe Horwath LLP
Member Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Indiana Black Expo, Inc.
Indianapolis, Indiana

We have audited the accompanying statements of financial position of Indiana Black Expo, Inc. ("Organization") as of December 31, 2008 and 2007 and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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 Indiana Black Expo, Inc. at December 31, 2008 and 2007 and the changes in its net assets 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 20, 2009

INDIANA BLACK EXPO, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Cash | \$ 1,749,282 | \$ 1,179,283 |
| Accounts receivable, net of allowance of \$13,591 and \$13,591 in 2008 and 2007 | 158,983 | 428,997 |
| Grants receivable | - | 207,059 |
| Prepaid expenses | 3,254 | 61,308 |
| Property and equipment, net (Note 3) | 676,490 | 733,353 |
| Art collection (Note 4) | <u>9,980</u> | <u>9,980</u> |
| Total assets | <u>\$ 2,597,989</u> | <u>\$ 2,619,980</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Accounts payable | \$ 164,865 | \$ 572,362 |
| Deferred revenue | 60,000 | 75,194 |
| Accrued payroll and benefits | 116,779 | 106,398 |
| Capital lease payable (Note 6) | <u>10,573</u> | <u>17,285</u> |
| Total liabilities | 352,217 | 771,239 |
| Net assets: | | |
| Unrestricted | | |
| Designated | 100,000 | 100,000 |
| Undesignated | <u>1,995,772</u> | <u>1,551,205</u> |
| | 2,095,772 | 1,651,205 |
| Temporarily restricted (Notes 6 and 7) | <u>150,000</u> | <u>197,536</u> |
| Total net assets | <u>2,245,772</u> | <u>1,848,741</u> |
| | <u>\$ 2,597,989</u> | <u>\$ 2,619,980</u> |

See accompanying notes to financial statements

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2008

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|-------------------------|-----------------------------------|-------------------------|
| Revenues: | | | |
| Programs and events | \$ 2,436,782 | \$ - | \$ 2,436,782 |
| Circle City Classic | 2,977,798 | - | 2,977,798 |
| Contributions and grants | 2,179,758 | - | 2,179,758 |
| Membership dues and license plates | 147,253 | - | 147,253 |
| Interest income | 3,089 | - | 3,089 |
| Rental income | 14,760 | - | 14,760 |
| Other | <u>154,051</u> | <u>-</u> | <u>154,051</u> |
| | 7,913,491 | - | 7,913,491 |
| Net assets released from restrictions (Notes 6 and 7) | <u>47,536</u> | <u>(47,536)</u> | <u>-</u> |
| Total revenues | 7,961,027 | (47,536) | 7,913,491 |
| Expenses: | | | |
| Program Services: | | | |
| Youth programs | 905,516 | - | 905,516 |
| Circle City Classic | 2,857,651 | - | 2,857,651 |
| Summer Celebration | 2,263,565 | - | 2,263,565 |
| Other programs | <u>139,117</u> | <u>-</u> | <u>139,117</u> |
| Total program services | 6,165,849 | - | 6,165,849 |
| Management and general | 1,034,216 | - | 1,034,216 |
| Chapter membership and development | <u>316,395</u> | <u>-</u> | <u>316,395</u> |
| Total expenses | <u>7,516,460</u> | <u>-</u> | <u>7,516,460</u> |
| Change in net assets | 444,567 | (47,536) | 397,031 |
| Net assets at beginning of year | <u>1,651,205</u> | <u>197,536</u> | <u>1,848,741</u> |
| Net assets at end of year | <u>\$ 2,095,772</u> | <u>\$ 150,000</u> | <u>\$ 2,245,772</u> |

See accompanying notes to financial statements

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2007

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|----------------------------|-----------------------------------|----------------------------|
| Revenues: | | | |
| Programs and events | \$ 2,559,707 | \$ - | \$ 2,559,707 |
| Circle City Classic | 2,814,786 | - | 2,814,786 |
| Contributions and grants | 2,018,209 | 321,328 | 2,339,537 |
| Membership dues and license plates | 47,048 | - | 47,048 |
| Interest income | 11,074 | - | 11,074 |
| Rental income | 6,922 | - | 6,922 |
| Other | <u>120,987</u> | <u>-</u> | <u>120,987</u> |
| | 7,578,733 | 321,328 | 7,900,061 |
| Net assets released from restrictions (Notes 6 and 7) | <u>273,792</u> | <u>(273,792)</u> | <u>-</u> |
| Total revenues | 7,852,525 | 47,536 | 7,900,061 |
| Expenses: | | | |
| Program Services: | | | |
| Youth programs | 977,495 | - | 977,495 |
| Circle City Classic | 3,035,695 | - | 3,035,695 |
| Summer Celebration | 2,605,772 | - | 2,605,772 |
| Other programs | <u>185,139</u> | <u>-</u> | <u>185,139</u> |
| Total program services | 6,804,101 | - | 6,804,101 |
| Management and general | 1,209,414 | - | 1,209,414 |
| Chapter membership and development | <u>334,515</u> | <u>-</u> | <u>334,515</u> |
| Total expenses | <u>8,348,030</u> | <u>-</u> | <u>8,348,030</u> |
| Change in net assets | (495,505) | 47,536 | (447,969) |
| Net assets at beginning of year | <u>2,146,710</u> | <u>150,000</u> | <u>2,296,710</u> |
| Net assets at end of year | <u>\$ 1,651,205</u> | <u>\$ 197,536</u> | <u>\$ 1,848,741</u> |

See accompanying notes to financial statements

INDIANA BLACK EXPO, INC.
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 397,031 | \$ (447,969) |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Provision for doubtful accounts | - | (1,535) |
| Depreciation | 63,201 | 60,037 |
| Net change in assets and liabilities: | | |
| Accounts receivable | 270,014 | (146,096) |
| Grants receivable | 207,059 | 95,743 |
| Pledge receivables | - | 20,000 |
| Prepaid expenses | 58,054 | (43,143) |
| Accounts payable | (407,497) | 426,551 |
| Deferred revenue | (15,194) | 75,194 |
| Accrued payroll and benefits | <u>10,381</u> | <u>(4,879)</u> |
| Net cash from operating activities | 583,049 | 33,903 |
| Cash flows from investing activities | | |
| Purchase of equipment | <u>(5,994)</u> | <u>(89,143)</u> |
| Net cash from investing activities | (5,994) | (89,143) |
| Cash flows from financing activities | | |
| Payments on capital lease obligations | <u>(7,056)</u> | <u>(6,149)</u> |
| Net cash from financing activities | <u>(7,056)</u> | <u>(6,149)</u> |
| Net increase (decrease) in cash | 569,999 | (61,389) |
| Cash at beginning of year | <u>1,179,283</u> | <u>1,240,672</u> |
| Cash at end of year | <u>\$ 1,749,282</u> | <u>\$ 1,179,283</u> |
| Supplemental disclosure: | | |
| Interest paid on capital lease | \$ 1,251 | \$ 1,814 |

See accompanying notes to financial statements

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Indiana Black Expo, Inc. ("Organization") was organized to establish scholarships; develop, implement and support youth programs; and to inform and educate the public as to the economic, educational, political, religious, and social achievements and cultural development of African Americans.

The Organization was incorporated as a not-for-profit organization in 1971 under the laws of the State of Indiana. Since inception, the Organization has established 12 chapters in surrounding cities and states. The accompanying financial statements do not include the financial activities of the chapters.

The Organization's program services include the following activities:

Youth Programs: The focus of Youth and Family Programs (YFP) is to strengthen services to the community. To do this effectively, it is important for the Organization to research how African-Americans are living statewide. As information is gathered, the Organization takes steps to ensure programs that keep our community healthy, wealthy and wise are continually offered.

YFP strives to serve as a catalyst throughout Indiana to address (1) education, (2) health and (3) economic empowerment issues regarding youth and families. These programs foster relationships between businesses, government agencies, educational institutions, youth service agencies, churches and other community based organizations. YFP serves as a clearinghouse for quality chapter programs and community outreach activities that address issues affecting youth and families statewide. It also actively involves the Organization's staff and volunteers in program administration to keep them abreast of issues and trends affecting African-American families and youth.

YFP provides year-round educational youth programs, services and events as well as important health awareness campaigns and economic development initiatives. The Organization played a crucial role in the establishment of the Andrew J. Brown Academy. This charter school has completed its fourth full-year of operation and currently serves approximately 570 students in grades K-7 and has already seen significant increases in student ISTEP scores. The Organization's signature program, the Youth Video Institute, offers comprehensive after-school career exploration and technology-oriented training to middle and high school students and our annual scholarship program awards over \$100,000 to college students annually.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Circle City Classic: In 1983, Indiana Black Expo organizers had a desire to create an opportunity to showcase academic excellence amongst our nations historically black colleges and universities. That year, Mississippi Valley State and Grambling University came together during the first ever Circle City Classic. However, the Circle City Classic is not just a football game. Academic excellence is the priority and in order to achieve this goal, the Organization hosts a college fair featuring historically black colleges and universities; college preparedness workshops are hosted across the city and annually over \$100,000 in scholarships are awarded to area students.

Summer Celebration: Summer Celebration serves as a conduit for the Indianapolis community, the state of Indiana and the nation at-large. Summer Celebration began in 1970 at the end of the Civil Rights movement as an effort to bring awareness of business opportunities and achievements of African Americans within the Indianapolis community. Since those early days, it has become a fixture for Indianapolis tourism, business, political and academic communities while also serving as a social awareness vehicle for the advancement of African Americans. Summer Celebration provides financial resources for the Organization's youth and family and social responsibility efforts.

Other Programs: Other Programs includes activities such as We Can Feed the Hungry at Christmas which annually serves over 800 families with a focus on residents from low income housing agencies, assisted living facilities and referrals from various social service organizations. The program provides families with groceries to feed their families a traditional holiday dinner.

Basis of Accounting: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

Income Taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization is not considered to be a private foundation.

Use of Estimates in Preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Asset Classifications: The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Represents assets resulting from all activities for which no donor imposed restrictions were stipulated beyond the general purpose of the Organization. Undesignated funds are available for any purpose within the scope of the Organization's activities. Designated funds are appropriated by the Board of Directors for a specific activity or group of activities. Such designations could be changed only by action of the Board of Directors. At December 31, 2008 and 2007, the Organization had designated \$100,000 of its unrestricted net assets for the annual Circle City Classic event.

Temporarily restricted net assets - Represents assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time, or are fulfilled and removed by actions of the Organization pursuant to those stipulations. As the restrictions are met, the net assets are released from restrictions and included in unrestricted net assets. Contributions for which the restrictions are met in the same period in which the contribution is received are also recorded as unrestricted revenues. At December 31, 2008 and 2007, the Organization had \$150,000 and \$197,536 of temporarily net assets for the annual Circle City Classic event and certain grants.

Permanently restricted net assets - Represents assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by the passage of time, nor can be fulfilled or otherwise removed by actions of the Organization. Uses of investment income, gains and losses earned on permanently restricted investments are limited by donor-imposed stipulations which can be fulfilled by actions of the Organization. No permanently restricted net assets were reported by management at December 31, 2008 and 2007.

Concentration of Risk - Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution. The Organizations had bank balances that exceeded the federally insured amount by approximately \$1,983,209 and \$1,156,414 at December 31, 2008 and 2007.

Accounts and Grants Receivable: The Organization's accounts and grants receivable balances consist primarily of amounts billed for services provided, sponsorships and grant reimbursements. An allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances and general economic conditions. No interest is accrued on past due receivables.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pledges Receivable and Allowance: Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using a discount rate commensurate with the risks involved. Conditional promises to give are not included as support until the conditions are substantially met.

Property and Equipment: Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. The Organization normally capitalizes items over \$500 dollars. Repairs and maintenance costs are expensed as incurred. The Organization provides for depreciation on the straight-line method at rates designed to depreciate the costs of assets over estimated useful lives as follows:

| | |
|----------------------------|-------------|
| Buildings and improvements | 40 years |
| Land improvements | 40 years |
| Furnishings and equipment | 5 -10 years |
| Automobiles | 5 years |

Contribution Revenue: Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support.

Government Grants: Grant revenue is recognized as the Organization performs the contracted services under grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Monetary Contributions: In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase donations by a like amount. Contributions of goods, services and use of facilities are recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

For the years ended December 31, 2008 and 2007, in-kind contributions were \$1,136,474 and \$1,290,888, respectively. The contributions relate primarily to radio and other advertising, promotion, and security for Summer Celebration and the Circle City Classic.

In addition, a substantial number of volunteers have donated significant amounts of their time in relation to the Organization's program services; however, no amounts have been reflected in the accompanying financial statements for the value of these donated services because they do not meet the recognition criteria.

Expense Allocation: Expenses have been classified as program services, management and general, and chapter membership and development based on the actual direct expenditures and cost allocations based upon estimates of time spent by Organization personnel.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 2 - PROPERTY AND EQUIPMENT

The Organization's property and equipment were as follows at December 31:

| | <u>2008</u> | <u>2007</u> |
|-------------------------------|--------------------|--------------------|
| Buildings and improvements | \$ 831,957 | \$ 831,957 |
| Land improvements | 6,555 | 6,555 |
| Furnishings and equipment | 1,011,924 | 1,005,930 |
| Automobiles | <u>50,750</u> | <u>50,750</u> |
| | 1,901,186 | 1,895,192 |
| Less accumulated depreciation | <u>(1,224,696)</u> | <u>(1,161,839)</u> |
| | <u>\$ 676,490</u> | <u>\$ 733,353</u> |

Depreciation expense for the years ended December 31, 2008 and 2007 was \$63,201 and \$60,037, respectively.

NOTE 3 - ART COLLECTION

The Organization has capitalized its collection of paintings. If purchased, items accessioned into the collection are capitalized at cost, and if donated, they are capitalized at their appraised or fair value at the date of the gift. The Organization's collections are considered "works of art" and, therefore, are not depreciated. At December 31, 2008 and 2007, collections amounted to \$9,980 and \$9,980, respectively.

NOTE 4 - LINE OF CREDIT

The Organization has a \$200,000 revolving line of credit that renews annually in March. There were no borrowings under this line at December 31, 2008 and 2007 and the line was extended in March 2009. The line is collateralized by the Organization's accounts receivable. Interest varies with the bank's prime rate plus 0.5% (3.75% and 7.75% at December 31, 2008 and 2007, respectively) and is payable monthly.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 5 - LEASES

Operating leases (lessee): The Organization leases office equipment under operating lease arrangements. These leases expire at various dates through March 2010. Rental expense for these leases for the years ended December 31, 2008 and 2007 was approximately \$29,000 and \$28,700. Minimum annual rental payments required under operating leases at December 31, 2008 were as follows:

| | |
|------|------------------|
| 2009 | \$ 26,208 |
| 2010 | <u>6,552</u> |
| | <u>\$ 32,760</u> |

Capital leases (lessee): The Organization leases telephone equipment under a capital lease arrangement that expires in May 2010. Interest expense on the lease for the years ended December 31, 2008 and 2007 was approximately \$1,960 and \$1,800, respectively. The net book value of the telephone equipment approximates the remaining liability. Minimum annual rental payments required under the lease at December 31, 2008 were as follows:

| | |
|------------------------------|------------------|
| 2009 | \$ 7,964 |
| 2010 | <u>3,318</u> |
| | 11,282 |
| Amount representing interest | <u>(709)</u> |
| Principal portion | <u>\$ 10,573</u> |

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were \$150,000 and \$197,536 at December 31, 2008 and 2007. In 1984, the Organization received a \$150,000 capital seed grant that is to be used solely for the Circle City Classic event held annually in October. The funds may be used to pay operating costs and related expenses for a sponsored event, but must be recaptured from the profits of that event and remain unused until another event. The funds may not be obligated, loaned or borrowed from, but any interest earned on the funds may be used to support general operations.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE 7 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

| | December 31, | |
|---|------------------------|-------------------------|
| | <u>2008</u> | <u>2007</u> |
| Purpose restrictions accomplished: | | |
| Program activities | \$ 150,000 | \$ 150,000 |
| Recapture of Circle City Classic (Note 6) | (150,000) | (150,000) |
| Other program grant activities released | <u>(47,536)</u> | <u>(273,792)</u> |
| Total net assets released from restrictions | <u>\$ (47,536)</u> | <u>\$ (273,792)</u> |

NOTE 8 - CIRCLE CITY CLASSIC

The Circle City Classic event represents a joint venture between the Organization and the Indiana Sports Corporation. The Indiana Sports Corporation provides administrative services for the Circle City Classic event. These services include (but are not limited to) daily management and oversight of financial business and record keeping, administering the local media plan, administering game day press box operations, staffing, media access and business networking. In return for these services, the Indiana Sports Corporation receives 20% of the net revenues generated from the Circle City Classic event.

NOTE 9 - EMPLOYEE BENEFITS

The Organization maintains a 401(k) profit-sharing plan for the benefit of substantially all of its employees, which allows for both employee and employer contributions. The Organization's contribution consists of a discretionary contribution as determined by the Board of Directors annually. The Organization's contribution to the plan was \$8,989 and \$10,897 for 2008 and 2007, respectively.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The Organization is subject to claims and lawsuits which arise primarily in the ordinary course of conducting operations. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position of the Organization.

(Continued)

SUPPLEMENTARY INFORMATION

INDIANA BLACK EXPO, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES
 Year ended December 31, 2008

| | Program Services | | | | | | 2008 Total |
|--|-------------------|---------------------------|-----------------------|------------|--------------|------------------------------|---------------|
| | Youth Programs | Circle City Classic | Summer Celebration | Other | Total | Management and General | |
| Salaries and employee benefits | \$ 390,777 | \$ 301,884 | \$ 92,000 | \$ 30,196 | \$ 814,867 | \$ 517,783 | \$ 290,781 |
| Automobile | 2,137 | - | 4,081 | 52,027 | 58,245 | 6,491 | - |
| Awards and trophies | - | 36,325 | 6,454 | 8,000 | 50,779 | 1,726 | - |
| Board Meetings | - | 8,952 | - | - | 8,952 | - | - |
| Contract services | 201,336 | 72,810 | 1,480,623 | 16,715 | 1,771,484 | 98,655 | - |
| Contributions and community activities | - | - | - | 105 | 105 | 10,344 | - |
| Depreciation | - | - | - | - | - | 62,856 | - |
| Dues and subscriptions | - | 965 | - | - | 965 | 2,010 | - |
| Education and training | 180 | 1,433 | - | - | 1,613 | 3,202 | - |
| Equipment rental and maintenance | 2,240 | 5,219 | 48,795 | - | 56,254 | 33,449 | - |
| Facility costs | - | 153,988 | - | - | 153,988 | 25,508 | - |
| Hotel, transportation and travel | 5,485 | 24,497 | 170,513 | 1,542 | 202,037 | 17,664 | - |
| Insurance | 2,148 | 50,155 | 33,095 | 7,579 | 92,977 | 26,936 | - |
| Licenses and permits | - | - | 25 | - | 25 | - | - |
| Meals and entertainment | 314 | 92,925 | 1,915 | 100 | 95,254 | 2,897 | - |
| Postage and delivery | 41 | 16,027 | 2,336 | 1,633 | 20,037 | 9,357 | 659 |
| Printing and reproduction | 12,733 | 12,232 | 107,208 | 433 | 132,606 | 26,882 | 6,772 |
| Public awareness and education | 61,193 | 529,304 | 133,480 | 525 | 724,502 | 27,718 | 753 |
| Scholarships and grants | 186,500 | 122,500 | - | - | 309,000 | - | - |
| Supplies | 40,297 | 71,236 | 169,424 | 19,687 | 300,644 | 66,492 | 150 |
| Telephone | 135 | - | 13,455 | 575 | 14,165 | 37,409 | - |
| Utilities, office space and equipment | - | 52,870 | - | - | 52,870 | 22,743 | - |
| Photography | - | 2,331 | - | - | 2,331 | - | - |
| College fair support | - | 25,000 | - | - | 25,000 | - | - |
| Decorations | - | 12,070 | - | - | 12,070 | - | - |
| Hospitality | - | 27,592 | - | - | 27,592 | - | - |
| Parade production | - | 135,585 | - | - | 135,585 | - | - |
| Sponsor expense | - | 160,688 | - | - | 160,688 | - | - |
| Souvenir expense | - | 30,262 | - | - | 30,262 | - | - |
| University guarantees | - | 445,829 | - | - | 445,829 | - | - |
| Security | - | 315,765 | - | - | 315,765 | - | - |
| Miscellaneous | - | 149,207 | 161 | - | 149,368 | 34,081 | 17,280 |
| | \$ 905,516 | \$ 2,857,651 | \$ 2,263,565 | \$ 139,117 | \$ 6,165,849 | \$ 1,034,216 | \$ 316,395 |
| | | | | | | | \$ 7,516,460 |

(Continued)

INDIANA BLACK EXPO, INC.
 SCHEDULE OF FUNCTIONAL EXPENSES - 2007
 Year ended December 31, 2007

| | Program Services | | | | | | | Management and General | Membership and Development | 2008 Total |
|--|------------------|---------------------|--------------------|------------|--------------|------------------------|----------------------------|------------------------|----------------------------|------------|
| | Youth Programs | Circle City Classic | Summer Celebration | Other | Total | Management and General | Membership and Development | | | |
| Salaries and employee benefits | \$ 462,185 | \$ 300,200 | \$ 125,651 | \$ 28,392 | \$ 916,428 | \$ 467,039 | \$ 307,176 | \$ 1,690,644 | | |
| Automobile | 1,338 | - | 7,235 | 268 | 8,841 | 6,749 | - | 15,590 | | |
| Awards and trophies | 150 | 46,275 | 10,732 | 14,000 | 71,157 | 12,667 | - | 83,824 | | |
| Contract services | 181,007 | 67,990 | 1,501,436 | 89,594 | 1,840,027 | 144,355 | 4,569 | 1,988,951 | | |
| Contributions and community activities | 5,200 | - | - | 240 | 5,440 | 31,766 | - | 37,206 | | |
| Depreciation | - | - | - | - | - | 60,037 | - | 60,037 | | |
| Dues and subscriptions | - | 1,947 | - | - | 1,947 | 10,361 | - | 12,308 | | |
| Education and training | 1,403 | 4,223 | - | - | 5,626 | 12,875 | - | 18,501 | | |
| Equipment rental and maintenance | 1,574 | 3,945 | 56,946 | - | 62,465 | 38,249 | - | 100,714 | | |
| Facility costs | - | 171,877 | - | - | 171,877 | 35,394 | - | 207,271 | | |
| Hotel, transportation and travel | 129,109 | 43,080 | 197,924 | 2,169 | 372,282 | 64,743 | - | 437,025 | | |
| Insurance | 1,460 | 63,233 | 34,894 | 6,942 | 106,529 | 34,218 | - | 140,747 | | |
| Licenses and permits | - | - | 25 | - | 25 | - | - | 25 | | |
| Meals and entertainment | 5,475 | 159,338 | 1,268 | 372 | 166,453 | 7,439 | - | 173,892 | | |
| Postage and delivery | 2,082 | 14,482 | 8,647 | 1,279 | 26,490 | 21,478 | 5,531 | 53,499 | | |
| Printing and reproduction | 29,395 | 23,127 | 153,363 | 1,812 | 207,697 | 44,547 | 8,909 | 261,153 | | |
| Public awareness and education | 56,900 | 622,009 | 267,619 | - | 946,528 | 42,611 | 3,909 | 993,048 | | |
| Scholarships and grants | 76,500 | 50,000 | - | - | 126,500 | 100 | - | 126,600 | | |
| Supplies | 23,088 | 13,448 | 157,861 | 40,071 | 234,468 | 78,961 | 4,421 | 317,850 | | |
| Telephone | 589 | - | 11,590 | - | 12,179 | 48,316 | - | 60,495 | | |
| Utilities, office space and equipment | 40 | 46,613 | - | - | 46,653 | 21,716 | - | 68,369 | | |
| Board meetings | - | 17,723 | - | - | 17,723 | - | - | 17,723 | | |
| College fair support | - | 25,000 | - | - | 25,000 | - | - | 25,000 | | |
| Decorations | - | 18,601 | - | - | 18,601 | - | - | 18,601 | | |
| Hospitality | - | 39,922 | - | - | 39,922 | - | - | 39,922 | | |
| Parade production | - | 127,401 | - | - | 127,401 | - | - | 127,401 | | |
| Sponsor expense | - | 188,307 | - | - | 188,307 | - | - | 188,307 | | |
| Souvenir expense | - | 35,565 | - | - | 35,565 | - | - | 35,565 | | |
| University guarantees | - | 499,216 | - | - | 499,216 | - | - | 499,216 | | |
| Security | - | 299,367 | - | - | 299,367 | - | - | 299,367 | | |
| Miscellaneous | - | 152,806 | 70,581 | - | 223,384 | 25,793 | - | 249,177 | | |
| | \$ 977,495 | \$ 3,035,695 | \$ 2,605,772 | \$ 185,139 | \$ 6,804,101 | \$ 1,209,414 | \$ 334,515 | \$ 8,348,030 | | |