

INDIANA BLACK EXPO, INC.

FINANCIAL STATEMENTS

December 31, 2021 and 2020

INDIANA BLACK EXPO, INC.
Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of Indiana Black Expo, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indiana Black Expo, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Indiana Black Expo, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Black Expo, Inc.'s ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Indiana Black Expo, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Black Expo, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
February 25, 2023

INDIANA BLACK EXPO, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,200,822	\$ 2,351,218
Grants and contributions receivable	466,202	266,770
Property and equipment, net (Note 2)	2,989,886	2,539,567
Art collection (Note 3)	<u>9,980</u>	<u>9,980</u>
Total assets	<u>\$ 5,666,890</u>	<u>\$ 5,167,535</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued payroll and benefits	\$ 231,370	\$ 241,133
Payroll Protection Program loan (Note 6)	<u>165,050</u>	<u>-</u>
Total liabilities	396,420	241,133
Net assets		
Without donor restrictions	3,980,922	3,524,434
With donor restrictions (Note 4)	<u>1,289,548</u>	<u>1,401,968</u>
Total net assets	<u>5,270,470</u>	<u>4,926,402</u>
Total liabilities and net assets	<u>\$ 5,666,890</u>	<u>\$ 5,167,535</u>

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Summer Celebration			
Sponsorships	\$ 528,000	\$ -	\$ 528,000
Grants and contributions	76,496	212,343	288,839
Ticket sales and registrations	165,263	-	165,263
Exhibit fees	37,545	-	37,545
Health fair	289,518	-	289,518
Other	<u>1,983</u>	<u>-</u>	<u>1,983</u>
Total Summer Celebration	1,098,805	212,343	1,311,148
Circle City Classic			
Ticket sales and registrations	141,270	-	141,270
Grants and contributions	1,424	43,100	44,524
Sponsorships	116,750	-	116,750
Other	<u>4,034</u>	<u>-</u>	<u>4,034</u>
Total Circle City Classic	263,478	43,100	306,578
Other grants and contributions	515,178	844,557	1,359,735
Youth and Other Program fees	<u>444,233</u>	<u>-</u>	<u>444,233</u>
	2,321,694	1,100,000	3,421,694
Net assets released from restrictions (Note 4)	<u>1,212,420</u>	<u>(1,212,420)</u>	<u>-</u>
 Total revenues	 3,534,114	 (112,420)	 3,421,694
Expenses			
Program services			
Summer Celebration	956,550	-	956,550
Circle City Classic	403,735	-	403,735
Youth and Other Programs	758,547	-	758,547
Scholarships	<u>25,600</u>	<u>-</u>	<u>25,600</u>
Total program services	2,144,432	-	2,144,432
Chapter membership and development	70,897	-	70,897
Management and general	<u>862,297</u>	<u>-</u>	<u>862,297</u>
Total expenses	<u>3,077,626</u>	<u>-</u>	<u>3,077,626</u>
 Change in net assets	 456,488	 (112,420)	 344,068
Net assets at beginning of year	<u>3,524,434</u>	<u>1,401,968</u>	<u>4,926,402</u>
 Net assets at end of year	 <u>\$ 3,980,922</u>	 <u>\$ 1,289,548</u>	 <u>\$ 5,270,470</u>

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues			
Summer Celebration			
Sponsorships	\$ 356,275	\$ -	\$ 356,275
Grants and contributions	323,507	70,950	394,457
Ticket sales and registrations	-	-	-
Exhibit fees	-	-	-
Health fair	-	-	-
Other	<u>18,603</u>	<u>-</u>	<u>18,603</u>
Total Summer Celebration	698,385	70,950	769,335
Circle City Classic			
Ticket sales and registrations	-	-	-
Grants and contributions	141,396	18,450	159,846
Sponsorships	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Circle City Classic	141,396	18,450	159,846
Other grants and contributions	549,124	1,260,600	1,809,724
Youth and Other Program fees	<u>1,144,957</u>	<u>-</u>	<u>1,144,957</u>
	2,533,862	1,350,000	3,883,862
Net assets released from restrictions (Note 4)	<u>1,355,749</u>	<u>(1,355,749)</u>	<u>-</u>
 Total revenues	 3,889,611	 (5,749)	 3,883,862
Expenses			
Program services			
Summer Celebration	340,769	-	340,769
Circle City Classic	119,818	-	119,818
Youth and Other Programs	849,646	-	849,646
Scholarships	<u>28,000</u>	<u>-</u>	<u>28,000</u>
Total program services	1,338,233	-	1,338,233
Chapter membership and development	549,939	-	549,939
Management and general	<u>994,246</u>	<u>-</u>	<u>994,246</u>
Total expenses	<u>2,882,418</u>	<u>-</u>	<u>2,882,418</u>
 Change in net assets	 1,007,193	 (5,749)	 1,001,444
 Net assets at beginning of year	 <u>2,517,241</u>	 <u>1,407,717</u>	 <u>3,924,958</u>
 Net assets at end of year	 <u>\$ 3,524,434</u>	 <u>\$ 1,401,968</u>	 <u>\$ 4,926,402</u>

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 344,068	\$ 1,001,444
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	98,384	80,215
PPP loan forgiveness	-	(139,100)
Net change in assets and liabilities		
Grants and contributions receivable	(199,432)	(85,921)
Accounts receivable	-	276,751
Accounts payable and accrued payroll and benefits	<u>(9,763)</u>	<u>49,800</u>
Net cash from operating activities	233,257	1,183,189
 Cash flows from investing activities		
Purchase of property and equipment	<u>(548,703)</u>	<u>(394,639)</u>
Net cash from investing activities	(548,703)	(394,639)
 Cash flows from financing activities		
PPP loan received	165,050	139,100
Payments on borrowings	<u>-</u>	<u>(400,000)</u>
Net cash from investing activities	<u>165,050</u>	<u>(260,900)</u>
 Net increase (decrease) in cash	(150,396)	527,650
 Cash at beginning of year	<u>2,351,218</u>	<u>1,823,568</u>
 Cash at end of year	<u>\$ 2,200,822</u>	<u>\$ 2,351,218</u>

See accompanying notes to financial statements.

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

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

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

The Organization's program services include the following activities:

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.

Circle City Classic®: IBE had a desire to create an opportunity to showcase academic excellence and athletics amongst the nation's historically black colleges and universities through the Circle City Classic®. Academic excellence is the priority and 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 over \$15,600 in scholarships are awarded annually to area students.

Youth and Other Programs: The focus of Youth and Family Programs (YFP) is to strengthen services to the community. IBE's Youth and Family Programs Department strives to serve as a catalyst throughout Indiana to foster relationships between businesses, governmental agencies, educational institutions, youth service agencies, churches and other community-based organizations. This department serves as a clearinghouse for chapter youth and family programs and initiatives that address issues affecting youth and families. This department also actively involves IBE staff and volunteers in program administration so that they keep abreast of issues and trends affecting African American families and youth.

IBE's Youth and Family Programs Department manages or organizes at least 13 programs or activities, including (1) Education Day; (2) The Employment Opportunity Fair; (3) State of Our Black Youth Initiative; (4) Statewide Education Conference; (5) Family Fun/Tech Zone; (6) Statewide Youth Leadership Summit; (7) Circle City Classic® Scholarship Fund; (8) Circle City Classic® Coronation; (9) Circle City Classic® Youth Football and Cheerleading Clinic; (10) Performing Arts Academy; (11) The Minority Business Conference; and (12) The Tobacco Prevention & Cessation Initiative. IBE also collaborates on several initiatives, including the INShape Indiana Black & Minority Health Fair, the largest minority health fair in the world, and the Cultural Arts Pavilion.

Scholarships: IBE is committed to assisting Indiana students in their pursuit of higher education. Scholarships are awarded to current high school seniors and students currently enrolled in a post-secondary institution who exhibit outstanding leadership, scholarship and community service. Emphasis is placed on financial need and first-generation students. Applicants are evaluated based on the application information provided and recipients are selected by a review committee. The scholarships are funded by Circle City Classic® net proceeds and are payable upon recipient's full-time enrollment in a post-secondary institution.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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

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.

Accounting guidance requires the Organization to recognize a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit is recorded. The Organization has examined this issue and has determined there are no material contingent tax liabilities or questionable tax positions. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest and penalties at December 31, 2021 and 2020.

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.

Net Asset Classifications: The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Represents assets resulting from all activities for which no donor-imposed restrictions were stipulated beyond the general purpose of the Organization. Funds without donor restrictions are available for any purpose within the scope of the Organization's activities. As applicable, designated funds are appropriated by the Board of Directors for a specific activity or group of activities. No funds were appropriated by the Board of Directors as of December 31, 2021 and 2020.

Net assets with donor restrictions – 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 net assets without donor restrictions. Net assets with donor restrictions may also include 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, though the Organization had no such net assets as of December 31, 2021 and 2020.

Concentration of Risk: Cash consist of bank deposits in accounts that are federally insured up to \$250,000 per financial institution for interest bearing accounts and fully insured for non-interest-bearing accounts. The Organizations had bank balances that exceeded the federally insured at December 31, 2021 and 2020.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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

Grants and Contributions Receivable: Unconditional promises to give and grants 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. All grants and contributions receivable are expected to be collected within one year at December 31, 2021 and 2020 and no allowance for doubtful accounts has been recorded.

Accounts Receivable and Allowance: The Organization's accounts receivable balance consists primarily of amounts billed for services provided and sponsorships. An allowance for uncollectible accounts is determined by management based upon historical losses, specific circumstances, and general economic conditions. No allowance was recorded as of December 31, 2021 and 2020, respectively. No interest is accrued on past due receivables.

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. 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

Impairment of Long-Lived Assets: On an ongoing basis, the Organization reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amounts may be overstated. The Organization recognizes impairment losses if the undiscounted cash flows expected to be generated by the asset are less than the carrying value of the related asset. The impairment loss adjusts the asset to fair value. As of December 31, 2021 and 2020, management believes that no impairments exist.

Grants and Contributions 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 without donor restrictions 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 with donor restrictions support.

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

During the year ended December 31, 2021 and 2020, 65% and 56% of grants and contributions revenue was received from one organization, respectively. The one organization represented 32% of all revenues for both the years ended December 31, 2021 and 2020.

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 value of certain in-kind donations as an expense in its financial statements, and similarly increase donations by a like amount.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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

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, 2021 and 2020, in-kind contributions were approximately \$72,000 and \$272,000, 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.

Program and Event Revenue: The Organization provides various programs and events throughout the year such as Youth, Summer Celebration and Circle City Classic Programs and event revenue is recognized in the period earned, typically aligned with the event date. There are typically no future performance obligations as events occur within the calendar year.

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 total program expenses and estimates by management of time spent for personnel costs and space utilized for facilities related costs.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2021, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2021. Management has performed their analysis through February 20, 2023, the date the financial statements were available to be issued.

NOTE 2 - PROPERTY AND EQUIPMENT

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

	<u>2021</u>	<u>2020</u>
Building, land, and improvements	\$ 2,364,436	\$ 2,095,842
Furnishings and equipment	464,157	320,732
Automobiles	56,950	56,950
Construction in progress	<u>365,589</u>	<u>228,905</u>
	3,251,132	2,702,429
Less accumulated depreciation	<u>(261,246)</u>	<u>(162,862)</u>
	<u>\$ 2,989,886</u>	<u>\$ 2,539,567</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$98,384 and \$80,215, respectively.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

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, 2021 and 2020, collections amounted to \$9,980.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Circle City Classic: 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.

Youth and Other Program Services Support: During 2021, the Organization received gifts from a donor with donor restriction for program support and two other projects totaling \$1,245,000 which \$125,000 is conditional on matching is conditional on matching fundraising on a one-to-one basis through October 31, 2022.

During 2020, the Organization received gifts from a donor with donor restriction for program support and two other projects totaling \$1,133,000, which \$125,000 is conditional on matching is conditional on matching fundraising on a one-to-one basis through October 31, 2021. The Organization received five other restricted gifts totaling \$217,000 primarily for the performing arts program.

Balances with donor restrictions were composed of the following at December 31:

	<u>2021</u>	<u>2020</u>
Circle City Classic	\$ 150,000	\$ 150,000
Other program services support	-	243,968
Program support - Lilly	<u>1,139,548</u>	<u>1,008,000</u>
	<u>\$ 1,289,548</u>	<u>\$ 1,401,968</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows for the years ending December 31:

	<u>2021</u>	<u>2020</u>
Other program services support	\$ 243,969	\$ 279,772
Program support - Lilly	<u>968,451</u>	<u>1,075,977</u>
	<u>\$ 1,212,420</u>	<u>\$ 1,355,749</u>

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 5 - LOANS AND LINE OF CREDIT

At December 31, 2021 and 2020, the Organization had \$400,000 revolving line of credit available. The line is collateralized by the Organization's receivables and carries a variable interest rate payable monthly, which was 5.25% as of December 31, 2021. As of December 31, 2021 and 2020, the line of credit balance was \$0.

NOTE 6 - PAYCHECK PROTECTION PROGRAM (PPP)

During 2021, the Organization obtained a Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$165,050. The Organization originally reported the PPP Loan as a conditional contribution under ASC 958-605.

In May 2020, the Organization obtained a Paycheck Protection Program (PPP) Loan under a program offered by the United States Small Business Administration (SBA) in the amount of \$139,100. The Organization originally reported the PPP Loan as a conditional contribution under ASC 958-605. The Organization met the conditions for forgiveness and the entire balance was reported as government grant revenue during 2020.

NOTE 7 - COMMITMENTS AND CONTINGENCIES

The Organization is periodically subject to claims and lawsuits, which may arise in the ordinary course of conducting operations. Management has represented that there are no known material contingency matters recorded in the financial statements of the Organization as of December 31, 2021 and 2020.

NOTE 8 - LIQUIDITY AND AVAILABILITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,200,822	\$ 2,351,218
Grants and contributions receivable	<u>466,202</u>	<u>266,770</u>
	2,667,024	2,617,988
Less: net assets with donor restrictions	<u>(1,289,548)</u>	<u>(1,401,968)</u>
	<u>\$ 1,377,476</u>	<u>\$ 1,216,020</u>

Though net assets with donor restrictions are excluded from assets available within one year, these funds are available to fund programming expenses expected to be incurred in the subsequent year.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 - FUNCTIONAL EXPENSES

The statements of activities report certain categories of expenses attributable to the programs described in Note 1 and supporting functions of the Organization. The allocations of certain categories of expenses attributable to more than one program or supporting function are described in Note 1. Program activities such as Summer Celebration and Circle City Classic are primarily delivered by volunteers as described in Note 1, accordingly no personnel costs have been allocated to these program activities. Coordination of these events are considered supporting activities.

The table below presents these functional expenses by their natural classification for the year ended December 31, 2021.

	Program Activities				Supporting Activities			Total
	Summer Celebration	Circle City Classic	Youth Programs and Other	Scholarships	Total Program	Chapter Membership and Development	Management and General	
Personnel	\$ -	\$ -	\$ 392,229	\$ -	\$ 392,229	\$ -	\$ 301,784	\$ 694,013
Advertising and marketing	74,643	53,411	89,016	-	217,070	-	96,295	313,365
Performers and speakers	230,600	4,000	59,007	-	293,607	1,500	-	295,107
Venue expenses	207,049	38,714	18,746	-	264,509	-	67	264,576
University guarantees	-	140,680	-	-	140,680	-	-	140,680
Other contract services	217,405	12,096	105,376	-	334,877	25,902	104,400	465,179
Security services	10,396	18,205	-	-	28,601	-	1,581	30,182
Catering and hospitality	54,837	29,937	3,422	-	88,196	5,848	4,114	98,158
Rentals and maintenance	37,368	26,571	1,684	-	65,623	2,049	67,145	134,817
Travel	71,299	23,843	-	-	95,142	765	14,596	110,503
Insurance and permits	8,506	1,725	9,805	-	20,036	-	81,581	101,617
Depreciation	-	-	-	-	-	-	98,384	98,384
Scholarships	-	-	-	25,600	25,600	-	-	25,600
Utilities and telephone	35	-	70,507	-	70,542	-	9,063	79,605
Postage and printing	6,202	8,542	1,787	-	16,531	923	(305)	17,149
Contributions and awards	910	-	-	-	910	40	11,000	11,950
Chapter expenses	-	-	2,500	-	2,500	24,109	-	26,609
Miscellaneous	39,693	46,011	10,563	-	96,267	1,556	72,309	170,132
Total expenses	<u>\$ 958,943</u>	<u>\$ 403,735</u>	<u>\$ 764,642</u>	<u>\$ 25,600</u>	<u>\$ 2,152,920</u>	<u>\$ 62,692</u>	<u>\$ 862,014</u>	<u>\$ 3,077,626</u>

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 9 – FUNCTIONAL EXPENSES (Continued)

The table below presents these functional expenses by their natural classification for the year ended December 31, 2020.

	Program Activities				Supporting Activities			Total
	Summer Celebration	Circle City Classic	Youth Programs and Other	Scholarships	Total Program	Chapter Membership and Development	Management and General	
Personnel	\$ -	\$ -	\$ 413,164	\$ -	\$ 413,164	\$ -	\$ 529,251	\$ 942,415
Advertising and marketing	166,300	119,250	60,108	-	345,658	62,200	36,058	443,916
Performers and speakers	164,900	-	19,000	-	183,900	10,500	-	194,400
Venue expenses	-	-	100	-	100	-	-	100
University guarantees	-	-	-	-	-	-	-	-
Other contract services	-	-	273,482	-	273,482	217,001	92,901	583,384
Security services	-	-	1,206	-	1,206	-	2,771	3,977
Catering and hospitality	-	-	518	-	518	3,774	1,211	5,503
Rentals and maintenance	-	-	8,406	-	8,406	-	56,105	64,511
Travel	-	-	295	-	295	-	12,384	12,679
Insurance and permits	-	-	1,370	-	1,370	50	72,346	73,766
Depreciation	-	-	-	-	-	-	80,215	80,215
Scholarships	-	-	-	28,000	28,000	-	-	28,000
Utilities and telephone	-	-	44,532	-	44,532	-	53,210	97,742
Postage and printing	-	-	3,095	-	3,095	2,675	9,321	15,091
Contributions and awards	8,042	-	-	-	8,042	201,000	-	209,042
Chapter expenses	-	-	2,000	-	2,000	24,000	-	26,000
Miscellaneous	1,527	568	22,370	-	24,465	28,739	48,473	101,677
Total expenses	\$ 340,769	\$ 119,818	\$ 849,646	\$ 28,000	\$ 1,338,233	\$ 549,939	\$ 994,246	\$ 2,882,418