

INDIANA BLACK EXPO, INC.

FINANCIAL STATEMENTS

December 31, 2023 and 2022

INDIANA BLACK EXPO, INC.
Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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
January 16, 2025

INDIANA BLACK EXPO, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 3,171,398 | \$ 2,331,469 |
| Grants and contributions receivable | 1,589,385 | 800,956 |
| Property and equipment, net (Note 2) | 2,947,952 | 2,957,131 |
| Art collection (Note 3) | <u>9,980</u> | <u>9,980</u> |
| Total assets | <u>\$ 7,718,715</u> | <u>\$ 6,099,536</u> |
| | | |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts payable and accrued payroll and benefits | \$ 380,881 | \$ 343,271 |
| Net assets | | |
| Without donor restrictions | 3,771,858 | 4,523,025 |
| With donor restrictions (Note 4) | <u>3,565,976</u> | <u>1,233,240</u> |
| Total net assets | <u>7,337,834</u> | <u>5,756,265</u> |
| Total liabilities and net assets | <u>\$ 7,718,715</u> | <u>\$ 6,099,536</u> |

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2023

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|--|---------------------|
| Revenues | | | |
| Summer Celebration | | | |
| Sponsorships | \$ 730,885 | \$ - | \$ 730,885 |
| Grants and contributions | 288,438 | 203,300 | 491,738 |
| Ticket sales and registrations | 341,440 | - | 341,440 |
| Exhibit fees | 258,753 | - | 258,753 |
| Health fair | 276,203 | - | 276,203 |
| Other | <u>5,865</u> | <u>-</u> | <u>5,865</u> |
| Total Summer Celebration | 1,901,584 | 203,300 | 2,104,884 |
| Circle City Classic | | | |
| Ticket sales and registrations | 248,621 | - | 248,621 |
| Grants and contributions | 172,552 | 43,100 | 215,652 |
| Sponsorships | 223,315 | - | 223,315 |
| Exhibit fees | 22,660 | - | 22,660 |
| Other | <u>260</u> | <u>-</u> | <u>260</u> |
| Total Circle City Classic | 667,408 | 43,100 | 710,508 |
| Other grants and contributions | 416,599 | 3,106,100 | 3,576,699 |
| Youth and Other Program fees | <u>978,481</u> | <u>-</u> | <u>978,481</u> |
| | 3,964,072 | 3,406,500 | 7,370,572 |
| Net assets released from restrictions (Note 4) | <u>1,073,764</u> | <u>(1,073,764)</u> | <u>-</u> |
| Total revenues | 5,037,836 | 2,332,736 | 7,370,572 |
| Expenses | | | |
| Program services | | | |
| Summer Celebration | 1,461,213 | - | 1,461,213 |
| Circle City Classic | 981,433 | - | 981,433 |
| Youth and Other Programs | 1,575,460 | - | 1,575,460 |
| Scholarships | <u>35,250</u> | <u>-</u> | <u>35,520</u> |
| Total program services | 4,053,356 | - | 4,053,356 |
| Chapter membership and development | 525,667 | - | 525,667 |
| Management and general | <u>1,209,980</u> | <u>-</u> | <u>1,209,980</u> |
| Total expenses | <u>5,789,003</u> | <u>-</u> | <u>5,789,003</u> |
| Change in net assets | (751,167) | 2,332,736 | 1,581,569 |
| Net assets at beginning of year | <u>4,523,025</u> | <u>1,233,240</u> | <u>5,756,265</u> |
| Net assets at end of year | <u>\$ 3,771,858</u> | <u>\$ 3,565,976</u> | <u>\$ 7,337,834</u> |

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
STATEMENT OF ACTIVITIES
Year ended December 31, 2022

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---|--|-------------------------|
| Revenues | | | |
| Summer Celebration | | | |
| Sponsorships | \$ 590,220 | \$ - | \$ 590,220 |
| Grants and contributions | 47,420 | 212,343 | 259,763 |
| Ticket sales and registrations | 261,394 | - | 261,394 |
| Exhibit fees | 254,690 | - | 254,690 |
| Health fair | 288,311 | - | 288,311 |
| Other | <u>9,944</u> | <u>-</u> | <u>9,944</u> |
| Total Summer Celebration | 1,451,979 | 212,343 | 1,664,322 |
| Circle City Classic | | | |
| Ticket sales and registrations | 217,130 | - | 217,130 |
| Grants and contributions | - | 43,100 | 43,100 |
| Sponsorships | 173,025 | - | 173,025 |
| Exhibit fees | <u>7,500</u> | <u>-</u> | <u>7,500</u> |
| Total Circle City Classic | 397,655 | 43,100 | 440,755 |
| Other grants and contributions | 1,373,775 | 744,557 | 2,118,332 |
| Youth and Other Program fees | <u>234,102</u> | <u>-</u> | <u>234,102</u> |
| | 3,457,511 | 1,000,000 | 4,457,511 |
| Net assets released from restrictions (Note 4) | <u>1,056,308</u> | <u>(1,056,308)</u> | <u>-</u> |
| Total revenues | 4,513,819 | (56,308) | 4,457,511 |
| Expenses | | | |
| Program services | | | |
| Summer Celebration | 1,205,383 | - | 1,205,383 |
| Circle City Classic | 485,360 | - | 485,360 |
| Youth and Other Programs | 665,038 | - | 665,038 |
| Scholarships | <u>40,750</u> | <u>-</u> | <u>40,750</u> |
| Total program services | 2,396,531 | - | 2,396,531 |
| Chapter membership and development | 250,054 | - | 250,054 |
| Management and general | <u>1,325,131</u> | <u>-</u> | <u>1,325,131</u> |
| Total expenses | <u>3,971,716</u> | <u>-</u> | <u>3,971,716</u> |
| Change in net assets | 542,103 | (56,308) | 485,795 |
| Net assets at beginning of year | <u>3,980,922</u> | <u>1,289,548</u> | <u>5,270,470</u> |
| Net assets at end of year | <u>\$ 4,523,025</u> | <u>\$ 1,233,240</u> | <u>\$ 5,756,265</u> |

See accompanying notes to financial statements.

INDIANA BLACK EXPO, INC.
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2023 and 2022

| | <u>2023</u> | <u>2022</u> |
|---|--------------------------------|--------------------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$ 1,581,569 | \$ 485,795 |
| Adjustments to reconcile change in net assets to net cash from operating activities | | |
| Depreciation | 139,246 | 154,930 |
| PPP loan forgiveness | - | (165,050) |
| Net change in assets and liabilities: | | |
| Grants and contributions receivable | (788,429) | (334,754) |
| Accounts payable and accrued payroll and benefits | <u>37,610</u> | <u>111,901</u> |
| Net cash from operating activities | <u>969,996</u> | <u>252,822</u> |
| Cash flows from investing activities | | |
| Purchase of property and equipment | <u>(130,067)</u> | <u>(122,175)</u> |
| Net cash from investing activities | <u>(130,067)</u> | <u>(122,175)</u> |
| Net increase (decrease) in cash | 839,929 | 130,647 |
| Cash at beginning of year | <u>2,331,469</u> | <u>2,200,822</u> |
| Cash at end of year | <u>\$ 3,171,398</u> | <u>\$ 2,331,469</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 \$35,000 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.

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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, 2022 and 2021.

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, 2023 and 2022.

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. These are considered as permanently restricted and were valued at \$150,000 as of December 31, 2023 and 2022 for Circle City Classic.

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, 2023 and 2022.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

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

Receivables: Grants and contributions receivable include 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. As of December 31, 2023, \$700,000 of grants and contributions receivable are expected to be collected later than one year and the remainder within one year. As of December 31, 2022, all material grants and contributions receivable were expected to be collected within one year.

As applicable, the Organization's accounts receivable balance consists primarily of amounts billed for services. There was no material trade accounts receivable at December 31, 2023.

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, 2023 and 2022, 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, 2023, 40% of all revenue was received from two organizations. During the year ended December 31, 2022, 37% of all revenue was received from two organizations.

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, 2023 and 2022

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, 2023 and 2022, in-kind contributions were approximately \$188,000 and \$45,000, 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. These revenue streams include sponsorships, event ticket sales and registrations, and exhibitor fees.

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, 2023, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2023. Management has performed their analysis through January 16, 2025, 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>2023</u> | <u>2022</u> |
|----------------------------------|---------------------|---------------------|
| Building, land, and improvements | \$ 2,806,908 | \$ 2,745,886 |
| Furnishings and equipment | 583,568 | 570,472 |
| Automobiles | 56,950 | 56,950 |
| Construction in progress | <u>55,949</u> | <u>-</u> |
| | 3,503,375 | 3,373,308 |
| Less accumulated depreciation | <u>(555,423)</u> | <u>(416,177)</u> |
| | <u>\$ 2,947,952</u> | <u>\$ 2,957,131</u> |

Depreciation expense for the years ended December 31, 2023 and 2022 was \$139,246 and \$154,930, respectively.

(Continued)

INDIANA BLACK EXPO, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2023 and 2022

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, 2023 and 2022, 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 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:

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

| | <u>2023</u> |
|--|---------------------|
| Circle City Classic (purpose restriction) | \$ 150,000 |
| Lilly Endowment: | |
| • Program support (purpose restriction) | 1,039,015 |
| • Lilly Resilience Fund (purpose restriction) | <u>744,500</u> |
| | 1,783,515 |
| Richard Fairbanks (purpose and time restriction) | 272,138 |
| Indianapolis Colts (time restriction) | 800,000 |
| National Urban League (purpose and time restrictions): | |
| • Black Film | 163,475 |
| • Black Business Training Institute | 106,390 |
| • Black Business Training Institute Growth Grant | 150,709 |
| • Black Teacher Recruitment Initiative | <u>139,750</u> |
| | <u>560,323</u> |
| | <u>\$ 3,565,976</u> |

As of December 31, 2023, \$1,082,000 of the net asset balances with donor restrictions is in grants and contributions receivable and \$2,483,976 is held in cash. As of December 31, 2022, all the \$1,233,340 balance with donor restrictions was held in cash.

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>2023</u> | <u>2022</u> |
|-------------------------------|---------------------|---------------------|
| Purpose and time restrictions | <u>\$ 1,073,764</u> | <u>\$ 1,056,308</u> |

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 5 - 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. The Organization met the conditions for forgiveness and the entire balance was reported as government grant revenue during 2022.

NOTE 6 - 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, 2023 and 2022.

NOTE 7 - 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>2023</u> | <u>2022</u> |
|--|---------------------|---------------------|
| Cash | \$ 3,171,398 | \$ 2,331,469 |
| Grants and contributions receivable | <u>1,589,385</u> | <u>800,956</u> |
| | 4,760,783 | 3,132,425 |
| Less: net assets with donor restrictions | <u>(3,565,976)</u> | <u>(1,233,240)</u> |
| | <u>\$ 1,194,807</u> | <u>\$ 1,899,185</u> |

Though net assets with donor restrictions are excluded from assets available within one year, most of these funds are available to fund programming expenses expected to be incurred in 2024 and 2025.

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 8 - 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, 2023.

| | 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 | \$ 135 | \$ - | \$ 335,304 | \$ - | \$ 335,439 | \$ 75,227 | \$ 580,803 | \$ 991,469 |
| Advertising and marketing | 131,405 | 166,171 | 72,256 | - | 369,832 | 59,904 | 14,326 | 444,062 |
| Performers and speakers | 463,100 | 3,000 | - | - | 466,100 | 29,770 | - | 495,870 |
| Venue expenses | 281,963 | 77,406 | 22,952 | - | 382,321 | 27,017 | 1,724 | 411,062 |
| University guarantees | - | 470,000 | - | - | 470,000 | - | - | 470,000 |
| Other contract services | 170,466 | 49,183 | 236,769 | - | 456,418 | 218,047 | 136,353 | 810,818 |
| Security services | 19,866 | 48,770 | - | - | 68,636 | 120 | 5,658 | 74,414 |
| Catering and hospitality | 189,955 | 58,028 | 9,719 | - | 257,702 | 39,643 | 7,830 | 305,175 |
| Rentals and maintenance | 61,599 | 39,611 | 15,383 | - | 116,593 | 600 | 65,840 | 183,033 |
| Travel | 76,773 | 24,112 | 1,225 | - | 102,110 | 6,455 | 22,031 | 130,596 |
| Insurance and permits | 302 | 1,422 | 1,979 | - | 3,703 | - | 105,894 | 109,597 |
| Depreciation | - | - | - | - | - | - | 139,246 | 139,246 |
| Scholarships | - | - | - | 35,250 | 35,250 | - | - | 35,250 |
| Utilities and telephone | - | - | 75,920 | - | 75,920 | - | 26,434 | 102,354 |
| Postage and printing | 9,668 | 5,612 | 1,630 | - | 16,910 | 98 | 10,249 | 27,257 |
| Contributions and awards | 1,600 | 1,000 | 765,842 | - | 768,442 | 1,000 | 22,150 | 791,592 |
| Chapter expenses | - | - | 10,000 | - | 10,000 | 23,853 | - | 33,853 |
| Miscellaneous | 54,381 | 37,118 | 26,481 | - | 117,980 | 43,933 | 71,442 | 233,355 |
| Total expenses | \$ 1,461,213 | \$ 981,433 | \$ 1,575,460 | \$ 35,250 | \$ 4,053,356 | \$ 525,667 | \$ 1,209,980 | \$ 5,789,003 |

(Continued)

INDIANA BLACK EXPO, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 8 - FUNCTIONAL EXPENSES (Continued)

The table below presents these functional expenses by their natural classification for the year ended December 31, 2022.

| | <u>Program Activities</u> | | | | <u>Supporting Activities</u> | | | <u>Total</u> |
|---------------------------|-------------------------------|--------------------------------|---|-------------------------|------------------------------|---|-----------------------------------|----------------------------|
| | <u>Summer Celebration</u> | <u>Circle City Classic</u> | <u>Youth Programs and Other</u> | <u>Scholarships</u> | <u>Total Program</u> | <u>Chapter Membership and Development</u> | <u>Management and General</u> | |
| Personnel | \$ - | \$ - | \$ 350,806 | \$ - | \$ 350,806 | \$ 104,569 | \$ 512,063 | \$ 967,438 |
| Advertising and marketing | 75,486 | 96,124 | 43,594 | - | 215,204 | 10,000 | 60,642 | 285,846 |
| Performers and speakers | 316,982 | 24,050 | 1,400 | - | 342,432 | 1,400 | 22,850 | 366,682 |
| Venue expenses | 320,665 | 49,273 | 43,167 | - | 413,105 | - | 6,968 | 420,073 |
| University guarantees | - | 120,000 | - | - | 120,000 | - | - | 120,000 |
| Other contract services | 44,002 | 28,055 | 66,203 | - | 138,260 | 7,301 | 226,487 | 372,048 |
| Security services | 36,837 | 25,602 | 10,305 | - | 72,744 | - | 3,099 | 75,843 |
| Catering and hospitality | 132,937 | 22,319 | 8,841 | - | 164,097 | 10,283 | 38,175 | 212,555 |
| Rentals and maintenance | 51,366 | 31,048 | 20,025 | - | 102,439 | 2,332 | 39,848 | 144,619 |
| Travel | 108,681 | 20,411 | 207 | - | 129,299 | 10,346 | 37,598 | 177,243 |
| Insurance and permits | 17,195 | 505 | 1,044 | - | 18,744 | 11,715 | 89,929 | 120,388 |
| Depreciation | - | - | - | - | - | - | 154,930 | 154,930 |
| Scholarships | - | - | - | 40,750 | 40,750 | - | - | 40,750 |
| Utilities and telephone | - | - | 85,036 | - | 85,036 | 25,732 | 24,494 | 135,262 |
| Postage and printing | 9,652 | 6,567 | 3,677 | - | 19,896 | - | 6,902 | 26,798 |
| Contributions and awards | 1,800 | 1,500 | - | - | 3,300 | - | 38,042 | 41,342 |
| Chapter expenses | - | - | 10,000 | - | 10,000 | 22,898 | - | 32,898 |
| Miscellaneous | 89,780 | 59,906 | 20,733 | - | 170,419 | 43,478 | 63,104 | 277,001 |
| Total expenses | <u>\$ 1,205,383</u> | <u>\$ 485,360</u> | <u>\$ 665,038</u> | <u>\$ 40,750</u> | <u>\$ 2,396,531</u> | <u>\$ 250,054</u> | <u>\$ 1,325,131</u> | <u>\$ 3,971,716</u> |