

MILLION MAN MARCH 1995, INC.
AUDITED FINANCIAL STATEMENTS DECEMBER 31, 1995

INDEPENDENT AUDITOR'S REPORT
FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Million Man March 1995, Inc.
Chicago, Illinois

We have audited the accompanying balance sheet of Million Man March 1995, Inc. (an Illinois not-for-profit corporation) as of December 31, 1995 and the related statements of activity and changes in fund balance, cash flows and functional expense for the year 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 audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Contributions are received from the public which are significant to operations. It is not practical for the organization to extend its internal control structure to obtain more than reasonable assurance that all contributions are ultimately recorded.

In our opinion, except for the effects on the financial statements of any unrecorded contributions, such financial statements present fairly in all material respects, the financial position of Million Man March 1995, Inc. as of December 31, 1995 and results of its operations and changes in fund balance and cash flows for the year ended December 31, 1995 in conformity with generally accepted accounting principles.

BOLLING & HILL, LLP
May 31, 1996

MILLION MAN MARCH 1995, INC.
(An Illinois Not-for-Profit Corporation)
BALANCE SHEET
DECEMBER 31, 1995

ASSETS

Current Assets:

Cash	\$13,190
Accounts Receivable, Net (Note 3)	57,145
Inventory (Note 3)	<u>3,072</u>

Total Current Assets	73, 407
Fixed Assets (Note 5)	
Office Equipment	61,556
Furniture and Fixtures	<u>13,653</u>
	75,209
Less Accumulated Depreciation	<u>7,517</u>
Net Fixed Assets	67,692
Other Assets	
Deposit	<u>4,457</u>
Total Other Assets	4,457
Total Assets	\$145,556
LIABILITIES AND FUND BALANCE	
Accounts Payable	\$176,352
Accrued Expenses	<u>35,487</u>
Total Current Liabilities	\$211,839
Fund Balance (Note 9)	<u>(66,283)</u>
Total Liabilities and Fund Balance	\$145,556

MILLION MAN MARCH 1995, INC.
(An Illinois Not-for-Profit Corporation)
STATEMENT OF ACTIVITY AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDING DECEMBER 31, 1995

REVENUES

Public Support Received Directly	
Contributions	\$1,064,453
Sponsorship Ads	237,262
In-Kind Contributions (Note 6)	<u>532,617</u>
Total Public Support Received Directly	1,834,332
Other Revenues	
Vending Fees	106,170
Sales of Goods	<u>61,970</u>
Total Other Revenues	168,140
Total Revenues	\$2,002,472
Cost of Goods Sold	49,156
Gross Surplus	<u>1,953,316</u>
Expenses	
Special Event	\$1,438,168

Management and Administrative	<u>581,431</u>
Total Expenses	<u>\$2,019,559</u>
(Deficiency) of Expenses Over Revenues	(66,283)
Fund Balance, Beginning of Year	
Fund Balance, End of Year	\$(66,283)

MILLION MAN MARCH 1995, INC.
(An Illinois Not-for-Profit Corporation)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDING DECEMBER 31, 1995

CASH FLOWS FROM OPERATION ACTIVITIES

(Deficiency) of Expenses Over Revenues	\$(66,283)
Adjustments to Reconcile (Deficiency) of Expenses	
Over Revenue to Cash Used for Operating Activities	
Depreciation Expense	7,517
(Increase) in Accounts Receivable	(57,147)
(Increase) in Deposit	(4,457)
(Increase) in Inventory	(3,072)
Increase in Accounts Payable	176,352
Increase in Accrued Expenses	<u>35,487</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Fixed Assets	<u>(75,209)</u>
NET INCREASE IN CASH	13,190
Cash, Beginning of Year	=
CASH, End of Year	\$13,190

MILLION MAN MARCH 1995, INC.
(An Illinois Not-for-Profit Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING DECEMBER 31, 1995

Note 1 – Organization and Operations

Basis of Accounting
The financial statements are prepared on the accrual basis of accounting

Note 2 – Summary of Significant Accounting Policies

Nature of Business

The Million Man March 1995, Inc. is an Illinois not-for-profit corporation (incorporated June 8, 1995) and registered in Washington, D.C. as a foreign corporation.

In an effort to establish and promote a general spiritual renewal among Black men, the Million Man March 1995, Inc conducted a peaceful demonstration in Washington D.C. on October 16, 1995. The march was intended to establish and promote economic self reliance, and be morally uplifting.

This report does not include operations from local organizing committees (local organizing committees are semi-autonomous entities that facilitated the organizing and transporting of men to the march).

Note 3 – Accounts Receivable

Accounts Receivable at December 31, 1995 are net of an allowance for doubtful accounts of \$11,362.

Note 4 – Inventories

Inventory is state at cost on the first-in-first-out (FIFO) inventory valuation basis.

Note 5 – Fixed Assets and Related Depreciation

Fixed Assets are carried at cost for financial statement purposes. Depreciation is calculated on the straight-line method over the estimated used lives of the depreciable assets.

Note 6 – In-Kind Contributions

In-Kind contribution consisted of goods and services provided primarily by Muhammad’s Holy Temple of Islam and other affiliated organizations. In-kind contributions consisted of the following functional expenses:

Special Events	\$374,217
Management & Administrative	158,400
Total	\$532,617

Note 7 – Related Parties Transactions

The Executive Board of the Million Man March 1995, Inc. consists of 12 members, 3 of whom are officers of Muhammad’s Holy Temple of Islam, an Illinois not-for-profit corporation. Muhammad Holy Temple provides substantial supporting services to the organization.

Note 8 – Income taxes

Million Man March, 1995 Inc. was incorporated under the Illinois “General-Not-For-Profit Corporation Act”. The application for tax-exempt status with the Internal Revenue Service was filed and is pending.

Note 9 – Deficit Reduction Plan

Local Organizing Committees, Muhammad’s Holy Temple of Islam, and other affiliated organizations will continue funding activities to reduce the deficit.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL STRUCTURE

Board of Directors
Million Man March 1995, Inc.
Chicago, Illinois

We have audited the general purpose financial statements of the Million Man March 1995, Inc. (and Illinois not-for-profit corporation) for the year ending December 31, 1995, and have issued our report thereon dated May 31,

1996.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform our audit so that we are satisfied that the financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of Million Man March 1995, Inc., we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Million Man March 1995, Inc., is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, because of changes in conditions, the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash Receipts
- Cash Disbursements
- Payroll

For all of the internal control structure categories listed above we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of Million Man March 1995, Inc. (an Illinois not-for-profit corporation) in a separate letter dated May 31, 1996.

This report is intended for the information of the Million Man March 1995, Inc., however, this report is a matter of public record and its distribution is not limited.

BOLLING & HILL, LLP
May 31, 1996

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Million Man March 1995, Inc.
Chicago, Illinois

Our report on our is the basic financial statements of the Million Man March 1995, Inc. (an Illinois not-for-profit corporation) for the year ended December 31, 1995 appears on page 1. We conducted our audit in accordance with generally accepted auditing standards. The audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole.

The supplemental information for the year ended December 31, 1995, shown on page 11, 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 to 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.

BOLLING & HILL, LLP
May 31, 1996