

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

October 2022

(with summarized comparative information for the previous month)

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Introduction

October marks the beginning of our fourth year of operations and the second full season post-COVID. The Board would like to express our gratitude to all of our supporters and student recipients who have been involved with our organization and their communities. Your efforts enrich countless lives through the marching arts and we hope to further that impact during the 2023 season.

The fund recorded \$7.20 in net losses for the month from our monthly Digital Ocean website domain invoice. The Jason Fritz Memorial Endowment has a \$500 spendable balance and a \$11,207.20 permanently restricted balance whose investment earnings will be used to support future scholarships. Our 2022 investment losses totaled 19.3%, or \$2,832.16, based on unfavorable market conditions and we anticipate further losses at least through the end of the calendar year. Note that internal discussions are currently ongoing for how the fund plans to support the 2023 Fritz Memorial scholarship disbursements.

The 2022-2023 fiscal year is expected to be difficult for the scholarship fund and for drum corps as a whole. A potential economic recession, high inflation, and high diesel fuel costs will certainly be factored into student tour fees and they may result in some ensembles not touring – or worse, folding entirely. Earlier this week Legends announced they would not be participating in the 2023 season and this is expected to have a significant impact on the scholarship fund as well. Seven of the twenty-three students we have supported marched with Legends and we hope that the organization will achieve financial sustainability and return to the field in 2024.

Financial Recap

Liquid assets on hand: \$386.85

Donations: 0 donations received in October. 0 donations received this fiscal year.

Disbursements: 0 program related disbursements made during October. 0 program related disbursements made this fiscal year.

Financial Narrative

Cash for the month is \$7.20 lower than September for \$0 in donations received exceeded by monthly disbursements. \$205 of the total cash on hand is restricted to maintain minimum reserve requirements and \$1,299 is restricted for the Jason Fritz Memorial Endowment for donations to be transferred to BCCF.

Program related expenses did not increase during October. Administrative expenses are up \$7.20 for our monthly Digital Ocean invoice.

Restricted funds for the Jason Fritz Memorial Endowment are broken down as follows: \$12,506.20 is permanently restricted as the corpus of the endowment and \$500 remains invested as an opening spendable balance. Endowment earnings and losses are listed under the Investments category of the profit and loss statement with a -19.3% investment return for last year based on our most recent quarterly statement. All unused funds at the end of the fiscal year are reinvested in the corpus of the endowment. All funds are managed in accordance with Generally Accepted Accounting Principles in the United States.

Michigan Drum Corps Scholarship Fund
Statement of Financial Position
As of October 31, 2022

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11/19/2022
Accrual Basis

	<u>Oct 2022</u>	<u>Sep 2022</u>
ASSETS		
Current Assets		
Cash		
Checking Account	1,799.85	1,807.05
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,299.00)	(1,299.00)
Total Unrestricted Cash	386.85	394.05
Restricted Cash	1,504.00	1,504.00
Total Checking/Savings	1,890.85	1,898.05
Accounts Receivable		
Accounts Receivable	0.00	0.00
Pledges Receivable	0.00	0.00
Allowance for Uncollectibles	0.00	0.00
Total Accounts Receivable	0.00	0.00
Total Current Assets	1,890.85	1,898.05
Fixed Assets		
Property, Plant, & Equipment	0.00	0.00
Total Fixed Assets	0.00	0.00
Other Assets		
Marketable Securities	0.00	0.00
Prepaid Expenses	0.00	0.00
Other Assets	0.00	0.00
Jason Fritz Endowment - Spendable Balance	500.00	500.00
Jason Fritz Endowment - Restricted Balance	11,207.20	11,207.20
Total Other Assets	11,707.20	11,707.20
TOTAL ASSETS	<u>13,598.05</u>	<u>13,605.25</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	0.00	0.00
Total Accounts Payable	0.00	0.00
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	0.00	0.00
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	0.00	0.00
Equity		
Unrestricted Net Assets	591.85	599.05
Donor Restricted Net Assets	13,006.20	13,006.20
Total Equity	13,598.05	13,605.25
TOTAL LIABILITIES & EQUITY	<u>13,598.05</u>	<u>13,605.25</u>

Michigan Drum Corps Scholarship Fund
Statement of Activities
October 2022

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11/19/2022
Accrual Basis

	Oct 2022	Sep 2022	Year to Date
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	0.00	9.14	0.00
Corporate Contributions	0.00	0.00	0.00
Gifts in Kind	0.00	0.00	0.00
Total Contributions	0.00	9.14	0.00
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	0.00	-717.14	0.00
Other Income	0.00	0.00	0.00
Total Investments	0.00	-717.14	0.00
Other Income	0.00	0.00	0.00
Total Income	0.00	-708.00	0.00
Expense			
Program Expenses			
Auditions & Camp Fees	0.00	0.00	0.00
Member Tuition	0.00	0.00	0.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	0.00	0.00	0.00
Administrative Expenses			
Supplies	0.00	0.00	0.00
Postage	0.00	0.00	0.00
Travel	0.00	0.00	0.00
Registration Fees	0.00	0.00	0.00
Software Purchases	0.00	0.00	0.00
Other Expenses	0.00	0.00	0.00
Contract Services	0.00	0.00	0.00
Website Expenses	7.20	7.20	7.20
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	0.00	0.00
Paypal Fees	0.00	0.00	0.00
Investment Fees	0.00	34.79	0.00
Total Administrative Expenses	7.20	41.99	7.20
Total Expenses	7.20	41.99	7.20
Net Income	-7.20	-749.99	-7.20

Michigan Drum Corps Scholarship Fund
Statement of Changes in Net Assets
As of October 31, 2022

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11/19/2022
Accrual Basis

	Oct 2022	Sep 2022	Year to Date
Total Unrestricted Revenues	-2,061.11	-6,700.96	-2,254.83
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	34.80	-7.20	183.80
Increase in Unrestricted Net Assets	-2,026.31	-6,208.16	-1,571.03
Donor Restricted Net Assets	0.00	0.00	0.00
Temporarily Restricted Net Assets	500.00	500.00	500.00
Contributions	0.00	0.00	0.00
Net Assets Released from Restriction	0.00	-500.00	-500.00
Increase in Temporarily Restricted Net Assets	0.00	-500.00	-500.00
Permanently Restricted Net Assets	0.00	0.00	0.00
Contributions	2,061.11	5,992.96	2,254.83
Total Restricted Expenses and Losses	-42.00	-34.79	-191.00
Increase in Permanently Restricted Net Assets	2,019.11	5,958.17	2,063.83
Change in Net Assets	-7.20	-749.99	-7.20
Beginning Net Assets:	13,605.25	14,355.24	13,605.25
Ending Net Assets:	13,598.05	13,605.25	13,598.05

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
October 2022

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11/19/2022

Accrual Basis

	<u>Oct 22</u>	<u>Oct 22</u>
OPERATING ACTIVITIES		
Net Income	-7.20	-7.20
Adjustments to reconcile Net Income to net cash provided by operations:		
Accounts Receivable	0.00	0.00
Pledges Receivable	0.00	0.00
Allowance for Uncollectibles	0.00	0.00
Prepaid Expenses	0.00	0.00
Accounts Payable	0.00	0.00
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>-7.20</u>	<u>-7.20</u>
INVESTING ACTIVITIES		
Property, Plant, & Equipment	0.00	0.00
Securities	0.00	0.00
Other Assets	0.00	0.00
Security Deposits	0.00	0.00
Jason Fritz Endowment - Spendable Balance	0.00	0.00
Jason Fritz Endowment - Restricted Balance	0.00	0.00
Net cash provided by Investing Activities	<u>0.00</u>	<u>0.00</u>
FINANCING ACTIVITIES		
Other Liabilities	0.00	0.00
Unrestricted Net Assets	0.00	0.00
Donor Restricted Net Assets	0.00	0.00
Net cash provided by Financing Activities	<u>0.00</u>	<u>0.00</u>
Net cash increase (decrease) for period	<u>-7.20</u>	<u>-7.20</u>
Cash at beginning of period	1,898.05	1,898.05
Cash at end of period	<u><u>1,890.85</u></u>	<u><u>1,890.85</u></u>