

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:
December 2022

(with summarized comparative information for the previous month)

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Introduction

December marks the third month of our fourth year of operations. The fund recorded \$4,750.67 in net income for end-of-year donations received during December and the quarterly investment gain recorded to our endowed funds invested with the Battle Creek Community Foundation. The Jason Fritz Memorial Endowment has a \$500 spendable balance and a \$14,066.77 permanently restricted balance whose investment earnings will be used to support future scholarships. Our quarterly investment return from September through December totaled 8.09%, though previous losses resulted in a negative net return of -11.21% since April. Continued market volatility and inflation suggest that endowment losses may continue. As such, we have retained some restricted donations in the form of cash to avoid subjecting those donations to market losses. Potential avenues for supporting 2023 Fritz Memorial scholarship disbursements may include utilizing some of this cash on hand for active scholarships, though that would require the explicit approval of donors. Discussions on this approach are ongoing.

December featured our first program-related disbursement for the fiscal year. We sponsored one student's audition fees with River City Rhythm and are pleased to note that they have received a contract and will be marching this summer!

Difficulties for the drum corps activity as a whole are expected to strongly impact the scholarship fund. To date, four corps are not performing this year: Santa Clara Vanguard, Vanguard Cadets, Legends, and Shadow. The most impactful cancellation for the fund is Legends as seven of the twenty-three students we have sponsored in the past marched with them. With Legends not touring, there are also no Open Class circuit shows in the state. The Midwest drum corps season opener remains in Michigan, but has been moved from Detroit to Rockford and features five corps: the Blue Stars, Cavaliers, Colts, Phantom Regiment, and Troopers.

Financial Recap

Liquid assets on hand: \$2,383.96

Donations: 5 donations received in December. 7 donations received this fiscal year.

Disbursements: 1 program related disbursement made during December. 1 program related disbursement made this fiscal year.

Financial Narrative

Cash for the month is \$1,891.10 higher than November for donations received exceeding monthly disbursements. \$205 of the cash on hand is restricted to maintain minimum reserve requirements and \$1,798.71 is restricted for the Jason Fritz Memorial Endowment for donations to be transferred to BCCF.

Program related expenses increased \$100 during December. Administrative expenses are up \$134.58 for our monthly Digital Ocean invoice, donation fees, and investment management fees.

Restricted funds for the Jason Fritz Memorial Endowment are broken down as follows: \$16,365.19 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 -11.21% investment return through December 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 December 31, 2022

10:00 PM
02/05/2022
Accrual Basis

	<u>Dec 2022</u>	<u>Nov 2022</u>
ASSETS		
Current Assets		
Cash		
Checking Account	4,296.67	2,405.57
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,798.71)	(1,299.00)
Total Unrestricted Cash	2,383.96	992.57
Restricted Cash	2,003.71	1,504.00
Total Checking/Savings	4,387.67	2,496.57
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	4,387.67	2,496.57
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	14,066.77	11,207.20
Total Other Assets	14,566.77	11,707.20
TOTAL ASSETS	18,954.44	14,203.77
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	2,089.25	1,197.57
Donor Restricted Net Assets	16,865.19	13,006.20
Total Equity	18,954.44	14,203.77
TOTAL LIABILITIES & EQUITY	18,954.44	14,203.77

Michigan Drum Corps Scholarship Fund
Statement of Activities
December 2022

10:00 PM
02/05/2022
Accrual Basis

	Dec 2022	Nov 2022	Year to Date
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	3,972.27	612.92	4,585.19
Corporate Contributions	101.07	0.00	101.07
Gifts in Kind	0.00	0.00	0.00
Total Contributions	4,073.34	612.92	4,686.26
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	911.91	0.00	911.91
Other Income	0.00	0.00	0.00
Total Investments	911.91	0.00	911.91
Other Income	0.00	0.00	0.00
Total Income	4,985.25	612.92	5,598.17
Expense			
Program Expenses			
Auditions & Camp Fees	100.00	0.00	100.00
Member Tuition	0.00	0.00	0.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	100.00	0.00	100.00
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	21.60
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	41.11	0.00	41.11
Paypal Fees	33.93	0.00	33.93
Investment Fees	52.34	0.00	52.34
Total Administrative Expenses	134.58	7.20	148.98
Total Expenses	234.58	7.20	248.98
Net Income	4,750.67	605.72	5,349.19

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

10:00 PM
02/05/2022
Accrual Basis

	Dec 2022	Nov 2022	Year to Date
Total Unrestricted Revenues	1,472.87	612.92	-120.04
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	-130.48	-7.20	46.12
Increase in Unrestricted Net Assets	1,342.39	1,105.72	426.08
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	3,512.38	0.00	5,718.21
Total Restricted Expenses and Losses	-104.10	0.00	-295.10
Increase in Permanently Restricted Net Assets	3,408.28	0.00	5,423.11
Change in Net Assets	4,750.67	605.72	5,349.19
Beginning Net Assets:	14,203.77	13,598.05	13,605.25
Ending Net Assets:	18,954.44	14,203.77	18,954.44

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
December 2022

10:00 PM

02/05/2022

Accrual Basis

	<u>Dec 22</u>	<u>Oct - Dec 22</u>
OPERATING ACTIVITIES		
Net Income	4,750.67	5,349.19
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>4,750.67</u>	<u>5,349.19</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	-2,859.57	-2,859.57
Net cash provided by Investing Activities	<u>-2,859.57</u>	<u>-2,859.57</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>1,891.10</u>	<u>2,489.62</u>
Cash at beginning of period	<u>2,496.57</u>	<u>1,898.05</u>
Cash at end of period	<u><u>4,387.67</u></u>	<u><u>4,387.67</u></u>