

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

January 2023

(with summarized comparative information for the previous month)

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Introduction

January marks the fourth month of our fourth year of operations. The fund recorded \$457.20 in net losses for one approved tuition sponsorship (paid in February) and our monthly Digital Ocean invoice. 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 investment returns to date total -11.21% and continued market volatility and inflation suggest that more endowment losses may occur throughout 2023. 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.

January marked the first tuition sponsorship of the 2023 season and our second scholarship this fiscal year. Unlike previous years where applications were reviewed and recommended as they were received, the scholarship fund's current operating plan is to raise funds and review and disburse all sponsorships during May unless a student contacts us expressing financial need for an expedited disbursement. In line with that exception window, one tuition sponsorship towards the Bluecoats was approved on January 30th and was paid during February. To date, we have supported two students this fiscal year and have received applications from ten students.

Financial Recap

Liquid assets on hand: \$2,376.76

Donations: 0 donations received in January. 7 donations received this fiscal year.

Disbursements: 1 program related disbursement made during January. 2 program related disbursements made this fiscal year.

Financial Narrative

Cash for the month is \$7.20 lower than December for our monthly Digital Ocean invoice payment. \$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 \$450 during January. Administrative expenses are up \$7.20 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 January 31, 2023

12:10 AM
02/13/2023
Accrual Basis

	<u>Jan 2023</u>	<u>Dec 2022</u>
ASSETS		
Current Assets		
Cash		
Checking Account	4,289.47	4,296.67
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,798.71)	(1,798.71)
Total Unrestricted Cash	2,376.76	2,383.96
Restricted Cash	2,003.71	2,003.71
Total Checking/Savings	4,380.47	4,387.67
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	4,380.47	4,387.67
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	14,066.77
Total Other Assets	14,566.77	14,566.77
TOTAL ASSETS	18,947.24	18,954.44
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	450.00	0.00
Total Accounts Payable	450.00	0.00
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	450.00	0.00
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	450.00	0.00
Equity		
Unrestricted Net Assets	1,632.05	2,089.25
Donor Restricted Net Assets	16,865.19	16,865.19
Total Equity	18,497.24	18,954.44
TOTAL LIABILITIES & EQUITY	18,947.24	18,954.44

Michigan Drum Corps Scholarship Fund
Statement of Activities
January 2023

12:10 AM
02/13/2023
Accrual Basis

	<u>Jan 2023</u>	<u>Dec 2022</u>	<u>Year to Date</u>
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	0.00	3,972.27	4,585.19
Corporate Contributions	0.00	101.07	101.07
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>0.00</u>	<u>4,073.34</u>	<u>4,686.26</u>
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	0.00	911.91	911.91
Other Income	0.00	0.00	0.00
Total Investments	<u>0.00</u>	<u>911.91</u>	<u>911.91</u>
Other Income	0.00	0.00	0.00
Total Income	<u>0.00</u>	<u>4,985.25</u>	<u>5,598.17</u>
Expense			
Program Expenses			
Auditions & Camp Fees	0.00	100.00	100.00
Member Tuition	450.00	0.00	450.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	<u>450.00</u>	<u>100.00</u>	<u>550.00</u>
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	28.80
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	41.11	41.11
Paypal Fees	0.00	33.93	33.93
Investment Fees	0.00	52.34	52.34
Total Administrative Expenses	<u>7.20</u>	<u>134.58</u>	<u>156.18</u>
Total Expenses	<u>457.20</u>	<u>234.58</u>	<u>706.18</u>
Net Income	<u><u>-457.20</u></u>	<u><u>4,750.67</u></u>	<u><u>4,891.99</u></u>

Michigan Drum Corps Scholarship Fund
Statement of Changes in Net Assets
As of January 31, 2023

12:10 AM
02/13/2023
Accrual Basis

	Jan 2023	Dec 2022	Year to Date
Total Unrestricted Revenues	0.00	1,472.87	-120.04
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	-457.20	-130.48	-411.08
Increase in Unrestricted Net Assets	-457.20	1,842.39	-31.12
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	0.00	3,512.38	5,718.21
Total Restricted Expenses and Losses	0.00	-104.10	-295.10
Increase in Permanently Restricted Net Assets	0.00	3,408.28	5,423.11
Change in Net Assets	-457.20	4,750.67	4,891.99
Beginning Net Assets:	18,954.44	14,203.77	13,605.25
Ending Net Assets:	18,497.24	18,954.44	18,497.24

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
January 2023

12:10 AM

02/13/2023

Accrual Basis

	<u>Jan 23</u>	<u>Oct '22 - Jan 23</u>
OPERATING ACTIVITIES		
Net Income	-457.20	4,891.99
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	450.00	450.00
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>-7.20</u>	<u>5,341.99</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	-2,859.57
Net cash provided by Investing Activities	<u>0.00</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>-7.20</u>	<u>2,482.42</u>
Cash at beginning of period	4,387.67	1,898.05
Cash at end of period	<u><u>4,380.47</u></u>	<u><u>4,380.47</u></u>