

# Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

February 2023

(with summarized comparative information for the previous month)

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## Introduction

February marks the fifth month of our fourth year of operations. The fund recorded \$7.43 in net profit for Amazon Smile donations exceeding 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.

Last month included 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 30<sup>th</sup> and was paid during February. To date, we have supported two students this fiscal year and have received applications from eighteen students.

## Financial Recap

Liquid assets on hand: \$1,934.19

Donations: 1 donation received in February. 8 donations received this fiscal year.

Disbursements: 0 program related disbursements made during February. 2 program related disbursements made this fiscal year.

## Financial Narrative

Cash for the month is \$442.57 lower than January for one tuition sponsorship approved in January that cleared the bank during February and for our monthly Digital Ocean invoice payment exceeding donations received. \$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 did not change during February. 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: \$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 February 28, 2023

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03/19/2023  
Accrual Basis

	<u>Feb 2023</u>	<u>Jan 2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash</b>		
Checking Account	3,846.90	4,289.47
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,798.71)	(1,798.71)
<b>Total Unrestricted Cash</b>	1,934.19	2,376.76
<b>Restricted Cash</b>	2,003.71	2,003.71
<b>Total Checking/Savings</b>	3,937.90	4,380.47
<b>Accounts Receivable</b>		
Accounts Receivable	0.00	0.00
Pledges Receivable	0.00	0.00
Allowance for Uncollectibles	0.00	0.00
<b>Total Accounts Receivable</b>	0.00	0.00
<b>Total Current Assets</b>	3,937.90	4,380.47
<b>Fixed Assets</b>		
Property, Plant, & Equipment	0.00	0.00
<b>Total Fixed Assets</b>	0.00	0.00
<b>Other Assets</b>		
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
<b>Total Other Assets</b>	14,566.77	14,566.77
<b>TOTAL ASSETS</b>	<b>18,504.67</b>	<b>18,947.24</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	0.00	0.00
<b>Total Accounts Payable</b>	0.00	0.00
<b>Other Current Liabilities</b>		
Salaries and Wages Payable	0.00	0.00
<b>Total Other Current Liabilities</b>	0.00	0.00
<b>Total Current Liabilities</b>	0.00	0.00
<b>Long Term Liabilities</b>		
Notes Payable	0.00	0.00
<b>Total Long Term Liabilities</b>	0.00	0.00
<b>Total Liabilities</b>	0.00	0.00
<b>Equity</b>		
Unrestricted Net Assets	1,639.48	1,632.05
Donor Restricted Net Assets	16,865.19	16,865.19
<b>Total Equity</b>	18,504.67	18,497.24
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>18,504.67</b>	<b>18,497.24</b>

**Michigan Drum Corps Scholarship Fund**  
**Statement of Activities**  
February 2023

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03/19/2023  
Accrual Basis

	<b>Feb 2023</b>	<b>Jan 2023</b>	<b>Year to Date</b>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Contributions</b>			
Individual Contributions	14.63	0.00	4,599.82
Corporate Contributions	0.00	0.00	101.07
Gifts in Kind	0.00	0.00	0.00
<b>Total Contributions</b>	<b>14.63</b>	<b>0.00</b>	<b>4,700.89</b>
Major Gifts	0.00	0.00	0.00
<b>Investments</b>			
Interest Income	0.00	0.00	0.00
Investments	0.00	0.00	911.91
Other Income	0.00	0.00	0.00
<b>Total Investments</b>	<b>0.00</b>	<b>0.00</b>	<b>911.91</b>
Other Income	0.00	0.00	0.00
<b>Total Income</b>	<b>14.63</b>	<b>0.00</b>	<b>5,612.80</b>
<b>Expense</b>			
<b>Program Expenses</b>			
Auditions & Camp Fees	0.00	0.00	100.00
Member Tuition	0.00	450.00	450.00
Other Program Expenses	0.00	0.00	0.00
<b>Total Program Expenses</b>	<b>0.00</b>	<b>450.00</b>	<b>550.00</b>
<b>Administrative Expenses</b>			
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	36.00
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	0.00	41.11
Paypal Fees	0.00	0.00	33.93
Investment Fees	0.00	0.00	52.34
<b>Total Administrative Expenses</b>	<b>7.20</b>	<b>7.20</b>	<b>163.38</b>
<b>Total Expenses</b>	<b>7.20</b>	<b>457.20</b>	<b>713.38</b>
<b>Net Income</b>	<b>7.43</b>	<b>-457.20</b>	<b>4,899.42</b>

**Michigan Drum Corps Scholarship Fund**  
**Statement of Changes in Net Assets**  
As of February 28, 2023

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03/19/2023  
Accrual Basis

	Feb 2023	Jan 2023	Year to Date
<b>Total Unrestricted Revenues</b>	14.63	0.00	-105.41
<b>Net Assets Released from Restriction</b>	0.00	500.00	500.00
<b>Total Unrestricted Expenses and Losses</b>	-7.20	-457.20	-418.28
<b>Increase in Unrestricted Net Assets</b>	7.43	42.80	-23.69
<b>Donor Restricted Net Assets</b>	0.00	0.00	0.00
<b>Temporarily Restricted Net Assets</b>	500.00	500.00	500.00
<b>Contributions</b>	0.00	0.00	0.00
<b>Net Assets Released from Restriction</b>	0.00	-500.00	-500.00
<b>Increase in Temporarily Restricted Net Assets</b>	0.00	-500.00	-500.00
<b>Permanently Restricted Net Assets</b>	0.00	0.00	0.00
<b>Contributions</b>	0.00	0.00	5,718.21
<b>Total Restricted Expenses and Losses</b>	0.00	0.00	-295.10
<b>Increase in Permanently Restricted Net Assets</b>	0.00	0.00	5,423.11
<b>Change in Net Assets</b>	7.43	-457.20	4,899.42
<b>Beginning Net Assets:</b>	18,497.24	18,954.44	13,605.25
<b>Ending Net Assets:</b>	18,504.67	18,497.24	18,504.67

**Michigan Drum Corps Scholarship Fund**  
**Statement of Cash Flows**  
February 2023

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03/19/2023

Accrual Basis

	<u>Feb 23</u>	<u>Oct '22 - Feb 23</u>
<b>OPERATING ACTIVITIES</b>		
Net Income	7.43	4,899.42
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	0.00
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>-442.57</u>	<u>4,899.42</u>
<b>INVESTING ACTIVITIES</b>		
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>
<b>FINANCING ACTIVITIES</b>		
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>-442.57</u>	<u>2,039.85</u>
Cash at beginning of period	4,380.47	1,898.05
Cash at end of period	<u><u>3,937.90</u></u>	<u><u>3,937.90</u></u>