

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

August 2023

(with summarized comparative information for the previous month)

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Introduction

August marks the eleventh month of our fourth year of operations. The fund recorded \$7.20 in net losses for our monthly Digital Ocean invoice. The Jason Fritz Memorial Endowment has a \$500 spendable balance and a \$15,182.45 permanently restricted balance whose investment earnings will be used to support future scholarships. As of June, our all-time investment returns to date total -4.53%. Concerns about end-of-year market volatility and inflation leading to further losses throughout 2023 led us to retain some restricted donations in the form of cash. That said, the market now suggests that the economy will reach a soft landing and not fall into a recession. As such, the permanently restricted balance will increase by an additional \$1,298.71 following a transfer to the Battle Creek Community Foundation so we can capitalize on investment returns.

To date, all scholarship awards have cleared our bank accounts and students have taken the field for competition. For the year a total of \$4,250.00 was awarded to twelve students marching with the Battalion, Blue Stars, Bluecoats, Carolina Crown, Madison Scouts, Mandarins, Phantom Regiment, River City Rhythm, and Spartans. Of these students, two are drum majors that were recipients of the 2023 Jason Fritz Memorial Scholarships. These students represent some of the best-of-the-best that our state (and the activity) has to offer and we were thrilled to see two of them perform at the Rockford show.

While the 2023 season can be considered a success, the total need expressed during 2023 greatly exceeded the scholarship fund's entire net assets – and many students who applied for tuition assistance did not receive scholarships. The Fund's continued support of students is conditional on our ability to fundraise and to secure a reliable donor base. Based on the small amount raised at the Rockford show, future discussions will be required for how best to meet scholarship demands for 2024.

Financial Recap

Liquid assets on hand: \$1,000.92

Donations: 0 donations received in August. 17 donations received this fiscal year.

Disbursements: 0 program related disbursements made during August. 13 program related disbursements made this fiscal year.

Financial Narrative

Cash for the month did not change from July to August. Our monthly Digital Ocean invoice payment was made out of pending donations sitting in the fund's PayPal account due to the expiration of the general account's debit card. Note that this increase is reflected in a higher accounts payable line, which will be netted against pending donations when the final transfer is made into our bank account. \$205 of the cash on hand is restricted to maintain minimum reserve requirements and \$1,298.71 is restricted for the Jason Fritz Memorial Endowment for donations to be transferred to BCCF.

Program related expenses did not change during August. 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: \$15,948.40 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 -4.53% investment return. 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 August 31, 2023

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Accrual Basis

	<u>Aug 2023</u>	<u>Jul 2023</u>
ASSETS		
Current Assets		
Cash		
Checking Account	2,413.63	2,413.63
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,298.71)	(1,298.71)
Total Unrestricted Cash	1,000.92	1,000.92
Restricted Cash	1,503.71	1,503.71
Total Checking/Savings	2,504.63	2,504.63
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	2,504.63	2,504.63
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	15,182.45	15,182.45
Total Other Assets	15,682.45	15,682.45
TOTAL ASSETS	18,187.08	18,187.08
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	14.40	7.20
Total Accounts Payable	14.40	7.20
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	14.40	7.20
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	14.40	7.20
Equity		
Unrestricted Net Assets	1,191.52	1,198.72
Donor Restricted Net Assets	16,981.16	16,981.16
Total Equity	18,172.68	18,179.88
TOTAL LIABILITIES & EQUITY	18,187.08	18,187.08

Michigan Drum Corps Scholarship Fund
Statement of Activities
August 2023

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Accrual Basis

	<u>Aug 2023</u>	<u>Jul 2023</u>	<u>Year to Date</u>
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	0.00	0.00	6,906.00
Corporate Contributions	0.00	0.00	101.07
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>0.00</u>	<u>0.00</u>	<u>7,007.07</u>
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	0.00	0.00	2,097.23
Other Income	0.00	0.00	0.00
Total Investments	<u>0.00</u>	<u>0.00</u>	<u>2,097.23</u>
Other Income	0.00	0.00	0.00
Total Income	<u>0.00</u>	<u>0.00</u>	<u>9,104.30</u>
Expense			
Program Expenses			
Auditions & Camp Fees	0.00	0.00	100.00
Member Tuition	0.00	0.00	4,150.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	<u>0.00</u>	<u>0.00</u>	<u>4,250.00</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	79.20
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	0.00	41.11
Paypal Fees	0.00	0.00	44.58
Investment Fees	0.00	0.00	121.98
Total Administrative Expenses	<u>7.20</u>	<u>7.20</u>	<u>286.87</u>
Total Expenses	<u>7.20</u>	<u>7.20</u>	<u>4,536.87</u>
Net Income	<u><u>-7.20</u></u>	<u><u>-7.20</u></u>	<u><u>4,567.43</u></u>

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

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Accrual Basis

	Aug 2023	Jul 2023	Year to Date
Total Unrestricted Revenues	0.00	-3,798.41	1,690.12
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	-7.20	551.47	-3,161.48
Increase in Unrestricted Net Assets	-7.20	-2,746.94	-971.36
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	3,798.41	7,414.18
Total Restricted Expenses and Losses	0.00	-558.67	-1,375.39
Increase in Permanently Restricted Net Assets	0.00	3,239.74	6,038.79
Change in Net Assets	-7.20	-7.20	4,567.43
Beginning Net Assets:	18,179.88	18,187.08	13,605.25
Ending Net Assets:	18,172.68	18,179.88	18,172.68

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
August 2023

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Accrual Basis

	<u>Aug 23</u>	<u>Oct '22 - Aug 23</u>
OPERATING ACTIVITIES		
Net Income	-7.20	4,567.43
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	7.20	14.40
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>0.00</u>	<u>4,581.83</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	-3,975.25
Net cash provided by Investing Activities	<u>0.00</u>	<u>-3,975.25</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>0.00</u>	<u>606.58</u>
Cash at beginning of period	2,504.63	1,898.05
Cash at end of period	<u><u>2,504.63</u></u>	<u><u>2,504.63</u></u>