

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

September 2023

(with summarized comparative information for the previous month)

Table of Contents:

Introduction and Narrative

Schedule A: Statement of Financial Position

Schedule B: Statement of Activities

Schedule C: Statement of Changes in Net Assets

Schedule D: Statement of Cash Flows

Introduction

September marked the final month of our fourth year of operations. The fund recorded \$320.47 in net losses for unrealized losses in our endowment, investment-related fees, and our monthly Digital Ocean invoice exceeding donations received. As of the September 30th, the Jason Fritz Memorial Endowment has a \$1,060 spendable balance and a \$14,115.59 permanently restricted balance whose earnings will be used to support future scholarships. Through September, our all-time investment returns total -7.94%. That said, earlier concerns about market volatility and inflation led us to retain some restricted donations in the form of cash. Though our quarterly return from March – June led us to expect a positive return for the fiscal year, our July – September investment return was -3.18%. As such, we still closed the year with a negative rate of return and have officially ended two consecutive years with investment losses. All of that said, the permanently restricted balance of the endowment will increase by an additional \$1,298.71 following a transfer to the Battle Creek Community Foundation once the market has stabilized so we can capitalize on investment returns.

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 were drum majors that were recipients of the 2023 Jason Fritz Memorial Scholarships.

While the 2023 season can be considered a success, the total need expressed during the year greatly exceeded the scholarship fund's entire net assets – and many students who applied for tuition assistance did not receive scholarships. Moreover, the sustainability of drum corps as a whole has recently been called into question, as Southwind's has folded and the Cadets have decided not to tour in 2024 due to financial concerns. Though these events are not unheard of in the activity, the hiatus of Santa Clara Vanguard and Cadets in back-to-back seasons shows that not even championship level ensembles are insulated from rising costs and reduced revenue streams. The Fund's continued support of students is conditional on our ability to fundraise, and today's environment suggests that discussions will be required for how to best meet scholarship demands in 2024 and beyond.

Financial Recap

Liquid assets on hand: \$1,200.92

Donations: 1 donation received in September. 18 donations received this fiscal year.

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

Financial Narrative

Cash for the month increased \$200 from August to September. 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. 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 September. Administrative expenses are up \$49.33 for our monthly Digital Ocean invoice and investment-related fees.

Restricted funds for the Jason Fritz Memorial Endowment are broken down as follows: \$15,414.30 is permanently

Michigan Drum Corps Scholarship Fund
Statement of Financial Position
As of September 30, 2023

9:45 PM
11/02/2023
Accrual Basis

	<u>Sep 2023</u>	<u>Aug 2023</u>
ASSETS		
Current Assets		
Cash		
Checking Account	2,613.63	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	1,200.92	1,000.92
Restricted Cash	1,503.71	1,503.71
Total Checking/Savings	2,704.63	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	2,704.63	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	1,060.00	500.00
Jason Fritz Endowment - Restricted Balance	14,115.59	15,182.45
Total Other Assets	15,175.59	15,682.45
TOTAL ASSETS	<u>17,880.22</u>	<u>18,187.08</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	28.01	14.40
Total Accounts Payable	28.01	14.40
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	28.01	14.40
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	28.01	14.40
Equity		
Unrestricted Net Assets	1,377.91	1,191.52
Donor Restricted Net Assets	16,474.30	16,981.16
Total Equity	17,852.21	18,172.68
TOTAL LIABILITIES & EQUITY	<u>17,880.22</u>	<u>18,187.08</u>

Michigan Drum Corps Scholarship Fund
Statement of Activities
September 2023

9:45 PM
11/02/2023
Accrual Basis

	<u>Sep 2023</u>	<u>Aug 2023</u>	<u>Year to Date</u>
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	200.00	0.00	7,106.00
Corporate Contributions	0.00	0.00	101.07
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>200.00</u>	<u>0.00</u>	<u>7,207.07</u>
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	-471.14	0.00	1,626.09
Other Income	0.00	0.00	0.00
Total Investments	<u>-471.14</u>	<u>0.00</u>	<u>1,626.09</u>
Other Income	0.00	0.00	0.00
Total Income	<u>-271.14</u>	<u>0.00</u>	<u>8,833.16</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	86.40
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	6.41	0.00	47.52
Paypal Fees	0.00	0.00	44.58
Investment Fees	35.72	0.00	157.70
Total Administrative Expenses	<u>49.33</u>	<u>7.20</u>	<u>336.20</u>
Total Expenses	<u>49.33</u>	<u>7.20</u>	<u>4,586.20</u>
Net Income	<u><u>-320.47</u></u>	<u><u>-7.20</u></u>	<u><u>4,246.96</u></u>

Michigan Drum Corps Scholarship Fund
Statement of Changes in Net Assets
As of September 30, 2023

9:45 PM
11/02/2023
Accrual Basis

	Sep 2023	Aug 2023	Year to Date
Total Unrestricted Revenues	200.00	315.57	1,890.12
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	-13.61	34.05	-3,175.09
Increase in Unrestricted Net Assets	186.39	849.62	-784.97
Donor Restricted Net Assets	0.00	0.00	0.00
Temporarily Restricted Net Assets	1,060.00	500.00	1,060.00
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	-471.14	-315.57	6,943.04
Total Restricted Expenses and Losses	-35.72	-41.25	-1,411.11
Increase in Permanently Restricted Net Assets	-506.86	-356.82	5,531.93
Change in Net Assets	-320.47	-7.20	4,246.96
Beginning Net Assets:	18,172.68	18,179.88	13,605.25
Ending Net Assets:	17,852.21	18,172.68	17,852.21

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
September 2023

9:45 PM

11/02/2023

Accrual Basis

	<u>Sep 23</u>	<u>Oct '22 - Sep 23</u>
OPERATING ACTIVITIES		
Net Income	-320.47	4,246.96
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	13.61	28.01
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>-306.86</u>	<u>4,274.97</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	-560.00	-560.00
Jason Fritz Endowment - Restricted Balance	1,066.86	-2,908.39
Net cash provided by Investing Activities	<u>506.86</u>	<u>-3,468.39</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	200.00	806.58
Cash at beginning of period	2,504.63	1,898.05
Cash at end of period	<u><u>2,704.63</u></u>	<u><u>2,704.63</u></u>