

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

October 2023

(with summarized comparative information for the previous month)

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Introduction

October marked the first month of our fifth year of operations. The fund recorded \$7.20 in net losses for our monthly Digital Ocean invoice and no donations were received. As of the October 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. As of our last quarterly update from 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. 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.

The 2023-2024 fiscal year is expected to follow the difficult trends seen during the 2023-2024 fiscal year both for the scholarship fund and drum corps as a whole. High operating costs have led multiple ensembles to fold or forego a season, and these costs can reasonably be expected to factor into student tour fees. Last year's average tour fees generally ranged between \$4,500 and \$5,000 per student and led to the highest demand for scholarships in the fund's history. Unfortunately, inflationary pressures and operating costs have only continued to increase, so the fund can reasonably expect another historic year for scholarship applications – assuming students have not written off participating with an ensemble in 2024 due to cost.

Financial Recap

Liquid assets on hand: \$1,200.92

Donations: 0 donations received in October. 0 donations received this fiscal year.

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

Financial Narrative

Cash for the month did not change from September to October. Our monthly Digital Ocean invoice payment was paid in November due to the expiration of the general account's debit card, which was recently replaced. This increase is reflected in a higher accounts payable line, which will be netted against pending donations in November. \$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 October. 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: \$15,414.30 is permanently restricted as the corpus of the endowment and \$1,060 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 - 7.94% 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 October 31, 2023

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11/07/2023
Accrual Basis

	<u>Oct 2023</u>	<u>Sep 2023</u>
ASSETS		
Current Assets		
Cash		
Checking Account	2,613.63	2,613.63
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	1,200.92
Restricted Cash	1,503.71	1,503.71
Total Checking/Savings	2,704.63	2,704.63
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	2,704.63
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	1,060.00
Jason Fritz Endowment - Restricted Balance	14,115.59	14,115.59
Total Other Assets	15,175.59	15,175.59
TOTAL ASSETS	<u><u>17,880.22</u></u>	<u><u>17,880.22</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	35.21	28.01
Total Accounts Payable	35.21	28.01
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	35.21	28.01
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	35.21	28.01
Equity		
Unrestricted Net Assets	1,370.71	1,377.91
Donor Restricted Net Assets	16,474.30	16,474.30
Total Equity	17,845.01	17,852.21
TOTAL LIABILITIES & EQUITY	<u><u>17,880.22</u></u>	<u><u>17,880.22</u></u>

Michigan Drum Corps Scholarship Fund
Statement of Activities
October 2023

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Accrual Basis

	<u>Oct 2023</u>	<u>Sep 2023</u>	<u>Year to Date</u>
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	0.00	200.00	0.00
Corporate Contributions	0.00	0.00	0.00
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>0.00</u>	<u>200.00</u>	<u>0.00</u>
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	0.00	0.00	0.00
Investments	0.00	-471.14	0.00
Other Income	0.00	0.00	0.00
Total Investments	<u>0.00</u>	<u>-471.14</u>	<u>0.00</u>
Other Income	0.00	0.00	0.00
Total Income	<u>0.00</u>	<u>-271.14</u>	<u>0.00</u>
Expense			
Program Expenses			
Auditions & Camp Fees	0.00	0.00	0.00
Member Tuition	0.00	0.00	0.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</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	7.20
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	6.41	0.00
Paypal Fees	0.00	0.00	0.00
Investment Fees	0.00	35.72	0.00
Total Administrative Expenses	<u>7.20</u>	<u>49.33</u>	<u>7.20</u>
Total Expenses	<u>7.20</u>	<u>49.33</u>	<u>7.20</u>
Net Income	<u><u>-7.20</u></u>	<u><u>-320.47</u></u>	<u><u>-7.20</u></u>

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

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Accrual Basis

	Oct 2023	Sep 2023	Year to Date
Total Unrestricted Revenues	0.00	-5,792.96	0.00
Net Assets Released from Restriction	0.00	0.00	0.00
Total Unrestricted Expenses and Losses	-7.20	21.18	-7.20
Increase in Unrestricted Net Assets	-7.20	-5,771.78	-7.20
Donor Restricted Net Assets	0.00	0.00	0.00
Temporarily Restricted Net Assets	1,060.00	1,060.00	1,060.00
Contributions	0.00	0.00	0.00
Net Assets Released from Restriction	0.00	0.00	0.00
Increase in Temporarily Restricted Net Assets	0.00	0.00	0.00
Permanently Restricted Net Assets	15,414.30	15,414.30	15,414.30
Contributions	0.00	5,521.82	0.00
Total Restricted Expenses and Losses	0.00	-70.51	0.00
Increase in Permanently Restricted Net Assets	0.00	5,451.31	0.00
Change in Net Assets	-7.20	-320.47	-7.20
Beginning Net Assets:	17,852.21	18,172.68	17,852.21
Ending Net Assets:	17,845.01	17,852.21	17,845.01

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
October 2023

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11/07/2023

Accrual Basis

	<u>Oct 23</u>	<u>Oct 23</u>
OPERATING ACTIVITIES		
Net Income	-7.20	-7.20
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	7.20
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>0.00</u>	<u>0.00</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	0.00
Net cash provided by Investing Activities	<u>0.00</u>	<u>0.00</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>0.00</u>
Cash at beginning of period	2,704.63	2,704.63
Cash at end of period	<u><u>2,704.63</u></u>	<u><u>2,704.63</u></u>