

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

December 2023

(with summarized comparative information for the previous month)

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Introduction

December marked the third month of our fifth year of operations. The fund recorded \$3,830.62 in net income for donations received directly to our endowed funds with the Battle Creek Community Foundation and for quarterly investment earnings, less donation-related fees, investment fees, and our monthly Digital Ocean invoice. As of December 31st, the Jason Fritz Memorial Endowment has a \$1,060 spendable balance and a \$17,953.41 permanently restricted balance whose earnings will be used to support future scholarships. Preliminary investment data provided by BCCF shows that we have an all-time net loss on our investments of (\$483.25), but that is significantly improved from last quarter. Should market conditions continue to improve, we hope to see the fund's first investment gains in excess of accumulated losses beginning in March 2024. Previous 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. Recent market returns suggest that it would now be in the fund's best interest to invest these dollars and capitalize on investment returns.

Positive news on investment returns notwithstanding, the 2023-2024 fiscal year is expected to follow the difficult trends seen during the 2023-2024 fiscal year for drum corps as a whole. An environment of high operating costs has led multiple ensembles to fold or forego a season, and said costs can reasonably be expected to factor into student tour fees. 2023's average tour fees generally ranged between \$4,500 and \$5,000 per student and resulted in the highest demand for scholarships in the fund's history. Finally, while inflation seems to be cooling, operating costs have not substantially decreased from peak inflation. It is unclear whether the fund can expect another historic year for scholarship applications or if economic conditions will dissuade students from auditioning at all in 2024.

Financial Recap

Liquid assets on hand: \$1,194.23

Donations: 2 donations received in December. 3 donations received this fiscal year.

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

Financial Narrative

Cash for the month decreased \$7.20 from November to December for our monthly Digital Ocean invoice payment. \$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 December. Administrative expenses are up \$140.00 for our monthly Digital Ocean invoice and investment-related fees.

Restricted funds for the Jason Fritz Memorial Endowment are broken down as follows: \$19,252.12 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, though the final investment return percentage is still awaiting the final December 2023 statement from BCCF. 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 December 31, 2023

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01/22/2024
Accrual Basis

	<u>Dec 2023</u>	<u>Nov 2023</u>
ASSETS		
Current Assets		
Cash		
Checking Account	2,606.94	2,614.14
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	1,194.23	1,201.43
Restricted Cash	1,503.71	1,503.71
Total Checking/Savings	2,697.94	2,705.14
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	2,697.94	2,705.14
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	17,953.41	14,115.59
Total Other Assets	19,013.41	15,175.59
TOTAL ASSETS	<u><u>21,711.35</u></u>	<u><u>17,880.73</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	7.20	7.20
Total Accounts Payable	7.20	7.20
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	7.20	7.20
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	7.20	7.20
Equity		
Unrestricted Net Assets	1,392.03	1,399.23
Donor Restricted Net Assets	20,312.12	16,474.30
Total Equity	21,704.15	17,873.53
TOTAL LIABILITIES & EQUITY	<u><u>21,711.35</u></u>	<u><u>17,880.73</u></u>

Michigan Drum Corps Scholarship Fund
Statement of Activities
December 2023

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01/22/2024
Accrual Basis

	Dec 2023	Nov 2023	Year to Date
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	2,577.32	50.00	2,627.32
Corporate Contributions	0.00	0.00	0.00
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>2,577.32</u>	<u>50.00</u>	<u>2,627.32</u>
Major Gifts	0.00	0.00	0.00
Investments			
Interest Income	376.20	0.00	376.20
Investments	1,017.10	0.00	1,017.10
Other Income	0.00	0.00	0.00
Total Investments	<u>1,393.30</u>	<u>0.00</u>	<u>1,393.30</u>
Other Income	0.00	0.00	0.00
Total Income	<u>3,970.62</u>	<u>50.00</u>	<u>4,020.62</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	19.20	33.60
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	2.28	2.28
Paypal Fees	0.00	0.00	0.00
Investment Fees	132.80	0.00	132.80
Total Administrative Expenses	<u>140.00</u>	<u>21.48</u>	<u>168.68</u>
Total Expenses	<u>140.00</u>	<u>21.48</u>	<u>168.68</u>
Net Income	<u><u>3,830.62</u></u>	<u><u>28.52</u></u>	<u><u>3,851.94</u></u>

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

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Accrual Basis

	Dec 2023	Nov 2023	Year to Date
Total Unrestricted Revenues	0.00	50.00	50.00
Net Assets Released from Restriction	0.00	0.00	0.00
Total Unrestricted Expenses and Losses	-7.20	-21.48	-35.88
Increase in Unrestricted Net Assets	-7.20	28.52	14.12
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	19,252.12	15,414.30	19,252.12
Contributions	3,970.62	0.00	3,970.62
Total Restricted Expenses and Losses	-132.80	0.00	-132.80
Increase in Permanently Restricted Net Assets	3,837.82	0.00	3,837.82
Change in Net Assets	3,830.62	28.52	3,851.94
Beginning Net Assets:	17,873.53	17,845.01	17,852.21
Ending Net Assets:	21,704.15	17,873.53	21,704.15

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
December 2023

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01/22/2024

Accrual Basis

	<u>Dec 23</u>	<u>Oct - Dec 23</u>
OPERATING ACTIVITIES		
Net Income	3,830.62	3,851.94
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	0.00	-20.81
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>3,830.62</u>	<u>3,831.13</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	-3,837.82	-3,837.82
Net cash provided by Investing Activities	<u>-3,837.82</u>	<u>-3,837.82</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	-7.20	-6.69
Cash at beginning of period	2,705.14	2,704.63
Cash at end of period	<u><u>2,697.94</u></u>	<u><u>2,697.94</u></u>