

# Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

January 2024

(with summarized comparative information for the previous month)

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## Introduction

January marked the fourth month of our fifth year of operations. The fund recorded \$642.80 in net income for donations received exceeding our monthly Digital Ocean invoice. As of our most recent quarterly update on 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. Though investment statements from the Battle Creek Community Foundation shows that we have an all-time net loss on our investments of (\$483.25), improving market conditions suggest that we might see the fund's first investment gains in excess of accumulated losses beginning in March 2024. The board would like to note that 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: \$1,837.03

Donations: 1 donation received in January. 4 donations received this fiscal year.

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

## Financial Narrative

Cash for the month increased \$642.80 from December to January for donations received exceeding 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 January. 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: \$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. 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 January 31, 2024

11:56 AM  
02/19/2024  
Accrual Basis

	<u>Jan 2024</u>	<u>Dec 2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash</b>		
Checking Account	3,249.74	2,606.94
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,298.71)	(1,298.71)
<b>Total Unrestricted Cash</b>	1,837.03	1,194.23
<b>Restricted Cash</b>	1,503.71	1,503.71
<b>Total Checking/Savings</b>	3,340.74	2,697.94
<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>	3,340.74	2,697.94
<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	1,060.00	1,060.00
Jason Fritz Endowment - Restricted Balance	17,953.41	17,953.41
<b>Total Other Assets</b>	19,013.41	19,013.41
<b>TOTAL ASSETS</b>	<b>22,354.15</b>	<b>21,711.35</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts Payable	7.20	7.20
<b>Total Accounts Payable</b>	7.20	7.20
<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>	7.20	7.20
<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>	7.20	7.20
<b>Equity</b>		
Unrestricted Net Assets	2,034.83	1,392.03
Donor Restricted Net Assets	20,312.12	20,312.12
<b>Total Equity</b>	22,346.95	21,704.15
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>22,354.15</b>	<b>21,711.35</b>

**Michigan Drum Corps Scholarship Fund**  
**Statement of Activities**  
**January 2024**

11:56 AM  
02/19/2024  
Accrual Basis

	<u>Jan 2024</u>	<u>Dec 2023</u>	<u>Year to Date</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Contributions</b>			
Individual Contributions	650.00	2,577.32	3,277.32
Corporate Contributions	0.00	0.00	0.00
Gifts in Kind	0.00	0.00	0.00
<b>Total Contributions</b>	<u>650.00</u>	<u>2,577.32</u>	<u>3,277.32</u>
Major Gifts	0.00	0.00	0.00
<b>Investments</b>			
Interest Income	0.00	376.20	376.20
Investments	0.00	1,017.10	1,017.10
Other Income	0.00	0.00	0.00
<b>Total Investments</b>	<u>0.00</u>	<u>1,393.30</u>	<u>1,393.30</u>
Other Income	0.00	0.00	0.00
<b>Total Income</b>	<u>650.00</u>	<u>3,970.62</u>	<u>4,670.62</u>
<b>Expense</b>			
<b>Program Expenses</b>			
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
<b>Total Program Expenses</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<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	40.80
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	0.00	2.28
Paypal Fees	0.00	0.00	0.00
Investment Fees	0.00	132.80	132.80
<b>Total Administrative Expenses</b>	<u>7.20</u>	<u>140.00</u>	<u>175.88</u>
<b>Total Expenses</b>	<u>7.20</u>	<u>140.00</u>	<u>175.88</u>
<b>Net Income</b>	<u><u>642.80</u></u>	<u><u>3,830.62</u></u>	<u><u>4,494.74</u></u>

**Michigan Drum Corps Scholarship Fund**  
**Statement of Changes in Net Assets**  
As of January 31, 2024

11:56 AM  
02/19/2024  
Accrual Basis

	Jan 2024	Dec 2023	Year to Date
<b>Total Unrestricted Revenues</b>	650.00	458.24	700.00
<b>Net Assets Released from Restriction</b>	0.00	0.00	0.00
<b>Total Unrestricted Expenses and Losses</b>	-7.20	96.90	-43.08
<b>Increase in Unrestricted Net Assets</b>	642.80	555.14	656.92
<b>Donor Restricted Net Assets</b>	0.00	0.00	0.00
<b>Temporarily Restricted Net Assets</b>	1,060.00	1,060.00	1,060.00
<b>Contributions</b>	0.00	0.00	0.00
<b>Net Assets Released from Restriction</b>	0.00	0.00	0.00
<b>Increase in Temporarily Restricted Net Assets</b>	0.00	0.00	0.00
<b>Permanently Restricted Net Assets</b>	19,252.12	19,252.12	19,252.12
<b>Contributions</b>	0.00	3,512.38	3,970.62
<b>Total Restricted Expenses and Losses</b>	0.00	-236.90	-132.80
<b>Increase in Permanently Restricted Net Assets</b>	0.00	3,275.48	3,837.82
<b>Change in Net Assets</b>	642.80	3,830.62	4,494.74
<b>Beginning Net Assets:</b>	21,704.15	17,873.53	17,852.21
<b>Ending Net Assets:</b>	22,346.95	21,704.15	22,346.95

**Michigan Drum Corps Scholarship Fund**  
**Statement of Cash Flows**  
**January 2024**

11:56 AM

02/19/2024

Accrual Basis

	<u>Jan 24</u>	<u>Oct '23 - Jan 24</u>
<b>OPERATING ACTIVITIES</b>		
Net Income	642.80	4,494.74
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>642.80</u>	<u>4,473.93</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	-3,837.82
Net cash provided by Investing Activities	<u>0.00</u>	<u>-3,837.82</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>642.80</u>	<u>636.11</u>
Cash at beginning of period	2,697.94	2,704.63
Cash at end of period	<u><u>3,340.74</u></u>	<u><u>3,340.74</u></u>