

Michigan Drum Corps Scholarship Fund

Financial statements for the month of:

May 2023

(with summarized comparative information for the previous month)

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Introduction

May marks the eighth month of our fourth year of operations and it included our primary disbursement window of this fiscal year. The fund recorded \$2,411.67 in net losses for our 11 scholarship awards and monthly Digital Ocean invoice exceeding donations received. The Jason Fritz Memorial Endowment has a \$500 spendable balance and a \$14,649.69 permanently restricted balance whose investment earnings will be used to support future scholarships. Through March, our investment returns to date total -6.03%. Anticipating that end-of-year market volatility and inflation could lead to further losses throughout 2023, we have retained some restricted donations in the form of cash to avoid subjecting those donations to market losses. Once markets have stabilized, our permanently restricted balance will increase by an additional \$1,298.71 following a transfer to the Battle Creek Community Foundation.

Eleven sponsorships were made during May following the Board's decision to disburse funds for the entire 2023 season (aside from one expedited sponsorship approved on January 30th to support a student with an expressed financial need) during the month. For the entire 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. All of these students represent some of the best-of-the-best that our state (and the activity) has to offer, and we look forward to seeing them on the field as the season kicks off in June!

All of that said, the total support requested 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. Discussions are ongoing for how to best meet this need before the 2024 season begins.

Financial Recap

Liquid assets on hand: \$1,008.12

Donations: 7 donations received in May. 17 donations received this fiscal year.

Disbursements: 11 program related disbursements made during May. 13 program related disbursements made this fiscal year.

Financial Narrative

Cash for the month is \$2,411.67 lower than April for tuition disbursements and our monthly Digital Ocean invoice payment exceeding donations received. \$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 increased \$3,700.00 for approved 2023 scholarships. Administrative expenses are up \$17.85 for our monthly Digital Ocean invoice and donation-related PayPal fees.

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 -6.03% investment return through March based on our most recent quarterly 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 May 31, 2023

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06/18/2023
Accrual Basis

	<u>May 2023</u>	<u>Apr 2023</u>
ASSETS		
Current Assets		
Cash		
Checking Account	2,420.83	4,832.50
Savings Account	91.00	91.00
Less: Reserve Requirements	(205.00)	(205.00)
Less: Restricted Funds for Endowment	(1,298.71)	(1,798.71)
Total Unrestricted Cash	1,008.12	2,919.79
Restricted Cash	1,503.71	2,003.71
Total Checking/Savings	2,511.83	4,923.50
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	2,511.83	4,923.50
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	14,649.69	14,649.69
Total Other Assets	15,149.69	15,149.69
TOTAL ASSETS	<u>17,661.52</u>	<u>20,073.19</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	0.00	0.00
Total Accounts Payable	0.00	0.00
Other Current Liabilities		
Salaries and Wages Payable	0.00	0.00
Total Other Current Liabilities	0.00	0.00
Total Current Liabilities	0.00	0.00
Long Term Liabilities		
Notes Payable	0.00	0.00
Total Long Term Liabilities	0.00	0.00
Total Liabilities	0.00	0.00
Equity		
Unrestricted Net Assets	1,213.12	3,124.79
Donor Restricted Net Assets	16,448.40	16,948.40
Total Equity	17,661.52	20,073.19
TOTAL LIABILITIES & EQUITY	<u>17,661.52</u>	<u>20,073.19</u>

Michigan Drum Corps Scholarship Fund
Statement of Activities
May 2023

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Accrual Basis

	<u>May 2023</u>	<u>Apr 2023</u>	<u>Year to Date</u>
Ordinary Income/Expense			
Income			
Contributions			
Individual Contributions	1,306.18	1,000.00	6,906.00
Corporate Contributions	0.00	0.00	101.07
Gifts in Kind	0.00	0.00	0.00
Total Contributions	<u>1,306.18</u>	<u>1,000.00</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	617.44	1,529.35
Other Income	0.00	0.00	0.00
Total Investments	<u>0.00</u>	<u>617.44</u>	<u>1,529.35</u>
Other Income	0.00	0.00	0.00
Total Income	<u>1,306.18</u>	<u>1,617.44</u>	<u>8,536.42</u>
Expense			
Program Expenses			
Auditions & Camp Fees	0.00	0.00	100.00
Member Tuition	3,700.00	0.00	4,150.00
Other Program Expenses	0.00	0.00	0.00
Total Program Expenses	<u>3,700.00</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	57.60
Fundraising Expenses	0.00	0.00	0.00
Bank Fees	0.00	0.00	41.11
Paypal Fees	10.65	0.00	44.58
Investment Fees	0.00	34.52	86.86
Total Administrative Expenses	<u>17.85</u>	<u>41.72</u>	<u>230.15</u>
Total Expenses	<u>3,717.85</u>	<u>41.72</u>	<u>4,480.15</u>
Net Income	<u><u>-2,411.67</u></u>	<u><u>1,575.72</u></u>	<u><u>4,056.27</u></u>

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

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Accrual Basis

	May 2023	Apr 2023	Year to Date
Total Unrestricted Revenues	795.53	1,617.44	1,690.12
Net Assets Released from Restriction	0.00	500.00	500.00
Total Unrestricted Expenses and Losses	-2,707.20	-41.72	-3,139.88
Increase in Unrestricted Net Assets	-1,911.67	2,075.72	-949.76
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	510.65	0.00	6,846.30
Total Restricted Expenses and Losses	-1,010.65	0.00	-1,340.27
Increase in Permanently Restricted Net Assets	-500.00	0.00	5,506.03
Change in Net Assets	-2,411.67	1,575.72	4,056.27
Beginning Net Assets:	20,073.19	18,497.47	13,605.25
Ending Net Assets:	17,661.52	20,073.19	17,661.52

Michigan Drum Corps Scholarship Fund
Statement of Cash Flows
May 2023

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06/18/2023

Accrual Basis

	<u>May 23</u>	<u>Oct '22 - May 23</u>
OPERATING ACTIVITIES		
Net Income	-2,411.67	4,056.27
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	0.00
Salaries and Wages Payable	0.00	0.00
Net cash provided by Operating Activities	<u>-2,411.67</u>	<u>4,056.27</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	-3,442.49
Net cash provided by Investing Activities	<u>0.00</u>	<u>-3,442.49</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>-2,411.67</u>	<u>613.78</u>
Cash at beginning of period	4,923.50	1,898.05
Cash at end of period	<u><u>2,511.83</u></u>	<u><u>2,511.83</u></u>