

## Explanation of Year-to-Year Variance in 2017 Funder Report

2017 was a unique year in the organization's existence. The Marquette City Band traveled to Finland to help celebrate their 100<sup>th</sup> year of independence from Russia. This had a major effect on finances.

A separate accounting of the trip was kept to assure funding from the City of Marquette, as well as funding from the MCACA grant, was not used for the trip. Nevertheless, monies for the trip were received and distributed from a checking account held by the Marquette City Band and are therefore included in the Funder Report. The majority of the trip was paid for by participants (approximately \$3000 each), but some joint trip expenses were paid from the Band's Finland account. The majority of that account provided scholarships to help young people who wouldn't have been able to participate without assistance.

Going back to the previous year, operating revenue grew significantly from 2015 to 2016 due primarily to an MCACA grant award in 2016 and the registration fees paid by participants of the bi-annual Upper Peninsula Community Band Festival which is held in even-numbered years. Expenses also increased between those years as it was possible, with the MCACA grant, to host an additional concert and hold the Band Festival.

Revenue and expenses dedicated to the Band's local operation decreased slightly in 2017 due to no Band Festival being held in the odd-numbered year. There was a huge increase, however, in both revenue and expenses in 2017 due to the Finland trip. All money received for the trip was expended on it, making it revenue neutral. This was accomplished by zeroing out the account in scholarships for young travelers.

The revenues were largely donations and grants (amounts have been rounded to nearest \$100).

### Finland Trip Revenue

Named Individual donations	\$ 30,500
Foundation grants	\$ 8,000
Concert anonymous donations	\$ 4,000
Total Finland Revenue	\$ 42,500

### Finland Trip Expenses

Financial aid to younger musicians	\$ 29,600
Buses	\$ 7,000
Baggage	\$ 1,300
Printing	\$ 1,800
Gifts for hosts	\$ 500
Rental of Rock Church venue	\$ 1,100
Miscellaneous	\$ 1,200
Total Finland Expenses	\$ 42,500

Excluding the Finland trip, revenue would have been \$20,500 and expenses would have been \$20,100 which is on par for a non-Festival year.

Usually, the Band's largest expense is personnel—all of whom are treated as independent contractors. Band members are paid \$8 per rehearsal or concert, and the conductors are paid \$200 per rehearsal or concert. Many members donate their pay back to the Band.

The "productions and events costs" within operating expenses is significantly higher than previous years because the majority of the Finland trip (including financial aid) was included in this line item.

Current assets (cash) decreased and non-current assets increased due to purchase of a bass clarinet and baritone saxophone.

Local audience participation decreased from 2016 to 2017 due to no Band Festival, which brings in many attendees from out of town. This was compensated for by attendance at five concerts in Finland.

Part-time volunteer FTE increased due to the work in arranging and carrying out the Finland trip.

Performances increased due to five concerts given in Finland. There was no reduction in number of local concerts or their attendance numbers.



Organization Information

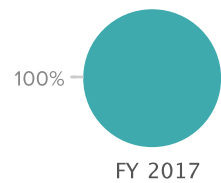
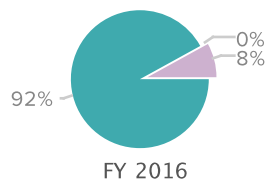
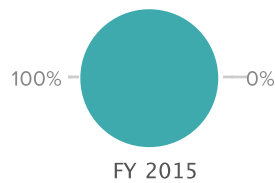
Organization name: Marquette City Band, Inc.  
 City: Marquette Federal ID #: 382694178  
 State: MI Year organization founded: 1887  
 County: Marquette Organization type: 501(c)3 nonprofit organization  
 NISP Discipline: 2 - Music Fiscal year end date: 12-31  
 NISP Institution: 5 - Performing Group - Community DUNS #: 079129618  
 NTEE: A6C - Bands & Ensembles Full-time staff:  
 Applicant is not audited or reviewed by an independent accounting firm. Paid FTEs: 0

A display value of -0% signifies a value of less than +/- 0.5%

Total Activity	FY 2015	FY 2016	% Change	FY 2017	% Change
<b>Operating Revenue</b>					
Earned Program	\$0	\$2,640	n/a	\$0	-100%
Earned Non-program	\$0	\$0	n/a	\$0	n/a
<b>Total Earned Revenue</b>	\$0	\$2,640	n/a	\$0	-100%
Investment Revenue	\$27	\$28	4%		-100%
Contributed Revenue	\$21,016	\$29,045	38%	\$64,449	122%
<b>Total Operating Revenue</b>	\$21,043	\$31,713	51%	\$64,449	103%
Less in-kind	(\$2,902)	(\$1,382)	-52%	(\$1,422)	3%
<b>Total Operating Revenue Less In-kind</b>	<b>\$18,141</b>	<b>\$30,331</b>	<b>67%</b>	<b>\$63,027</b>	<b>108%</b>
<b>Operating Expenses</b>					
Program	\$12,082	\$20,085.75	66%	\$60,257	200%
Fundraising	\$0		n/a		n/a
General & Administrative	\$4,482	\$6,695.25	49%	\$3,794	-43%
<b>Total Operating Expenses</b>	\$16,564	\$26,781	62%	\$64,051	139%
Less in-kind	(\$2,902)	(\$1,382)	-52%	(\$1,422)	3%
<b>Total Operating Expenses Less In-kind</b>	<b>\$13,662</b>	<b>\$25,399</b>	<b>86%</b>	<b>\$62,629</b>	<b>147%</b>
<b>Total Operating Activity</b>	<b>\$4,479</b>	<b>\$4,932</b>	<b>10%</b>	<b>\$398</b>	<b>-92%</b>

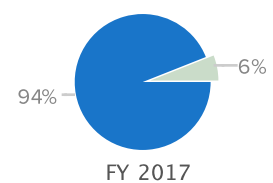
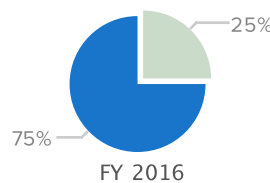
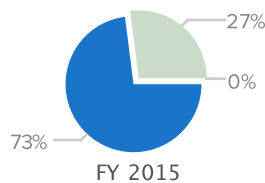
Revenue by Source

- Earned
- Investment
- Contributed



Expenses by Functional Grouping

- Program
- General & Administrative
- Fundraising



## Revenue Details

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2017	FY 2017
	Total	Total	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Operating Revenue						
Earned - Program						
Total earned - program		\$2,640			\$0	n/a
Earned - Non-program						
Total earned - non-program					\$0	n/a
Total earned revenue	\$0	\$2,640	\$0			n/a

	FY 2015	FY 2016	FY 2017	FY 2017	FY 2017	FY 2017
Contributed	Total	Total	Total	Unrestricted	Temporarily Restricted	Permanently Restricted
Trustee & board	\$110	\$820	\$750	\$750		
Individual	\$8,104	\$9,443	\$38,777	\$38,777		
Corporate	\$900	\$0	\$0			
Foundation	\$2,000	\$2,000	\$10,000	\$10,000		
City government	\$7,000	\$7,000	\$7,000	\$7,000		
State government	\$0	\$7,900	\$6,500	\$6,500		
In-kind operating contributions	\$2,902	\$1,382	\$1,422	\$1,422		
Net assets released from restriction	\$0	\$0	\$0			
Total contributed revenue	\$21,016	\$29,045	\$64,449	\$64,449		
Operating investment revenue	\$27	\$28	\$0			
Total operating revenue	\$21,043	\$31,713	\$64,449	\$64,449		
Total operating revenue less in-kind	\$18,141	\$30,331	\$63,027	\$63,027		
Non-operating investment revenue			\$23	\$23		
Total non-operating revenue	\$0		\$23	\$23		
Total revenue	\$21,043	\$31,713	\$64,472	\$64,472		
Total revenue less in-kind	\$18,141	\$30,331	\$63,050	\$63,050		

## Expense Details

	FY 2015 Total	FY 2016 Total	% Change	FY 2017 Total	% Change	FY 2017 Program	FY 2017 Fundraising	FY 2017 General & Administrative
Personnel expenses - Operating								
Independent contractors	\$11,346	\$17,235	52%	\$13,815	-20%	\$12,190		\$1,625
Total personnel expenses - Operating	\$11,346	\$17,235	52%	\$13,815	-20%	\$12,190		\$1,625
Non-personnel expenses - Operating								
Advertising and promotion	\$990	\$722	-27%	\$1,310	81%	\$1,310		
Dues and subscriptions	\$0	\$275	n/a	\$70	-75%			\$70
Insurance	\$323	\$343	6%	\$323	-6%			\$323
Occupancy costs	\$0	\$1,752	n/a	\$1,516	-13%			\$1,516
Office and administration	\$0	\$0	n/a	\$81	n/a			\$81
Printing, postage and shipping	\$57	\$1,065	1,768%	\$179	-83%			\$179
Travel	\$0	\$0	n/a	\$6,739	n/a	\$6,739		
Royalties, rights and reproductions	\$0	\$0	n/a	\$1,641	n/a	\$1,641		
Productions and events costs	\$736	\$0	-100%	\$34,382	n/a	\$34,382		
Other operating expenses	\$1,016	\$2,245	121%	\$510	-77%	\$510		
Depreciation	\$2,096	\$3,144	50%	\$3,485	11%	\$3,485		
Total non-personnel expenses - Operating	\$5,218	\$9,546	83%	\$50,236	426%	\$48,067		\$2,169
Total operating expenses	\$16,564	\$26,781	62%	\$64,051	139%	\$60,257		\$3,794
Non-operating personnel expenses	\$0	\$0	n/a	\$0	n/a			
Non-operating non-personnel expenses	\$0	\$0	n/a	\$0	n/a			
Total expenses	\$16,564	\$26,781	62%	\$64,051	139%	\$60,257		\$3,794
Total expenses less in-kind	\$13,662	\$25,399	86%	\$62,629	147%			
Total expenses less depreciation	\$14,468	\$23,637	63%	\$60,566	156%			
Total expenses less in-kind and depreciation	\$11,566	\$22,255	92%	\$59,144	166%			

## Balance Sheet

Assets	FY 2015	FY 2016	% Change	FY 2017	% Change
Current assets					
Cash	\$12,967			\$16,791	n/a
Receivables	\$7,900			\$0	n/a
Investments	\$0				n/a
Prepaid expenses & other	\$0			\$0	n/a
<b>Total current assets</b>	<b>\$20,867</b>	<b>\$19,811</b>	<b>-5%</b>	<b>\$16,791</b>	<b>-15%</b>
Non-current investments					
Fixed assets (net)	\$27,663			\$25,886	n/a
Other non-current assets	\$0	\$0	n/a	\$0	n/a
<b>Total non-current assets</b>	<b>\$27,663</b>	<b>\$23,769</b>	<b>-14%</b>	<b>\$25,886</b>	<b>9%</b>
<b>Total assets</b>	<b>\$48,530</b>	<b>\$43,580</b>	<b>-10%</b>	<b>\$42,677</b>	<b>-2%</b>
Liabilities & Net Assets					
Liabilities & Net Assets	FY 2015	FY 2016	% Change	FY 2017	% Change
Liabilities					
Accounts payable & other	\$0			\$0	n/a
Loans & other debt					n/a
Deferred revenue					n/a
<b>Total current liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>n/a</b>	<b>\$0</b>	<b>n/a</b>
Non-current liabilities	\$0	\$0	n/a	\$0	n/a
<b>Total liabilities</b>	<b>\$0</b>	<b>\$0</b>	<b>n/a</b>	<b>\$0</b>	<b>n/a</b>
Net assets					
Unrestricted	\$48,530	\$43,580	-10%	\$45,697	5%
Temporarily restricted			n/a		n/a
Permanently restricted			n/a		n/a
<b>Total net assets</b>	<b>\$48,530</b>	<b>\$43,580</b>	<b>-10%</b>	<b>\$42,677</b>	<b>-2%</b>
<b>Total liabilities &amp; net assets</b>	<b>\$48,530</b>	<b>\$43,580</b>	<b>-10%</b>	<b>\$42,677</b>	<b>-2%</b>

**Balance Sheet Metrics**

	FY 2015	FY 2016	FY 2017
Months of Operating Cash	9		3
Total working capital	\$20,867	\$19,811	\$16,791
Current Ratio	n/a	n/a	n/a
Debt Service Impact			
Unrestricted Net Assets Net of Property, Plant and Equipment	\$20,867		
Operating Margin	21%		1%
Depreciation as a % of Fixed Assets	7%		n/a
Leverage Ratio	0%		

Months of Operating Cash represents the number of months an organization can operate at current average monthly expense levels with existing cash and cash equivalents.  $Cash + Cash\ Equivalents / (Total\ Expense / 12)$ . The ratio is calculated using total numbers since this organization does not have a disaggregated balance sheet.

Total Working Capital consists of the resources available for operations, and in this report is calculated as total current assets minus total current liabilities since this organization does not have a disaggregated balance sheet. This calculation of working capital may differ from your internal calculations. Adequate working capital provides financial strength and flexibility to your organization, the ability to meet obligations as they come due, and the ability to take more risks, knowing there is a cushion to fall back on

Current Ratio (Current Assets divided by Current Liabilities) determines the organization's ability to pay current debt using current assets. The higher the ratio, the more capable the organization is of paying its obligations. The ratio is calculated using unrestricted numbers only.

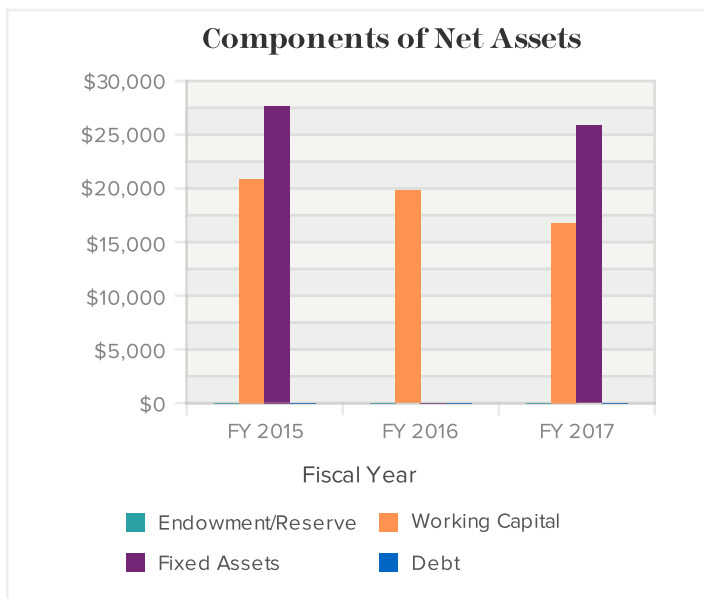
Debt Service Impact (Total Debt Service including principal and interest divided by Total Expense) calculates the % of an organization's total expenses applied to the total debt-service burden, e.g. a mortgage). This measure can help understand the portion of the book value of an organization's fixed assets that they truly own free and clear of related obligations and depreciated value. It is calculated as  $Unrestricted\ Net\ Assets - (Net\ Fixed\ Assets - Mortgage\ Debt)$ .

Unrestricted Net Assets Net of Property, Plant and Equipment (Unrestricted Net Assets - (Net Fixed Assets - Mortgage Debt)) shows what the organization's unrestricted net assets would be if they did not own any property, or have any debts associated with that property. Because this calculation is based on unrestricted values for net assets and fixed assets, if an organization fills out a single column balance sheet and does not separate fixed assets into restricted and unrestricted categories, this value will be blank

Operating Margin (Change in Net Assets divided by Total Unrestricted Operating Revenue) is a measurement of the organizations efficiency in operating, highlighting the amount of an organization's surplus or deficit.

Depreciation as a % of Fixed Assets indicates the potential need for replacement or repair of fixed assets (such as buildings, furniture, office equipment, sets and props); especially significant for organizations that own a building or carry a long-term lease.

Leverage Ratio (Total Debt divided by Total Unrestricted and Temporarily Restricted Assets) is a measurement of a company's efficiency in operating.



## Attendance

In-person Participation	FY 2015	FY 2016	% Change	FY 2017	% Change
In-person participation - paid	0	66	n/a	3,200	-100%
In-person participation - free	2,200	3,000	36%	3,200	7%
<b>Total in-person participation</b>	<b>2,200</b>	<b>3,066</b>	<b>39%</b>	<b>3,200</b>	<b>4%</b>

Types of In-person Attendance	FY 2015	FY 2016	% Change	FY 2017	% Change
Performance tickets			n/a	3,200	n/a
<b>Total in-person participation</b>	<b>2,200</b>	<b>3,066</b>	<b>39%</b>	<b>3,200</b>	<b>4%</b>

Attendance Ages	FY 2015	FY 2016	% Change	FY 2017	% Change
Children (18 and under)	250		n/a	200	n/a
Seniors			n/a	1,000	n/a
Adults			n/a	2,000	n/a

Other Participation	FY 2015	FY 2016	% Change	FY 2017	% Change
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## Staffing

Staff & Non-Staff Statistics	FY 2015	FY 2016	% Change	FY 2017	% Change
Number of part-time or one-time volunteers	18	10	-44%	20	100%
Part-time or one-time volunteers - FTEs	0.19	0.08	-58%	0.4	400%
Independent contractors	77	80	4%	80	0%

Artistic Staff & Non-Staff Statistics	FY 2015	FY 2016	% Change	FY 2017	% Change
Independent contractors that are artists	77		-100%	80	n/a



## Program Activity

	FY 2015	FY 2016	% Change	FY 2017	% Change
Distinct events	8	9	12%	13	44%
Total events	8	9	12%	14	56%
Distinct productions	8		-100%	13	n/a
Total performances	8		-100%	14	n/a