



**Financial Statements and Report of Independent
Certified Public Accountants**

Field Museum of Natural History

December 31, 2016 and 2015

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**Board of Trustees
Field Museum of Natural History**

Report on the financial statements

We have audited the accompanying financial statements of the Field Museum of Natural History (the Museum), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Museum's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Museum's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Field Museum of Natural History as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the schedules of department expenses, are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Chicago, Illinois

May 23, 2017

Field Museum of Natural History
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015

ASSETS		
	<u>2016</u>	<u>2015</u>
Cash	\$ 1,777,972	\$ 691,417
Interest and dividends receivable	204,883	357,589
Accounts receivable	5,967,510	5,182,683
Pledges receivable, net	40,572,399	50,916,373
Inventories	138,680	134,021
Investments	388,016,073	357,264,874
Property, net	233,875,850	242,339,927
Prepaid expenses	3,478,173	5,685,822
Other assets	3,301,354	3,567,196
Collections	1	1
TOTAL ASSETS	<u>\$ 677,332,895</u>	<u>\$ 666,139,903</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Line of credit	\$ -	\$ 1,800,000
Accounts payable	3,111,292	3,409,621
Accrued expenses	4,867,353	3,933,516
Deferred revenue	9,525,803	10,530,508
Accrued pension cost	3,342,629	3,013,301
Interest rate swaps	18,690,954	21,063,028
Notes payable	165,223,585	165,471,743
Total liabilities	204,761,616	209,221,717
Net assets		
Unrestricted	233,026,714	230,989,295
Temporarily restricted	86,066,331	82,564,329
Permanently restricted	153,478,234	143,364,562
Total net assets	<u>472,571,279</u>	<u>456,918,186</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 677,332,895</u>	<u>\$ 666,139,903</u>

The accompanying notes are an integral part of these statements.

Field Museum of Natural History
STATEMENT OF ACTIVITIES
Year ended December 31, 2016, with comparative totals for the year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Revenue and other support					
Operating revenues					
Chicago Park District property tax remittances	\$ 5,686,336	\$ -	\$ -	\$ 5,686,336	\$ 5,717,121
Government grants	1,648,238	-	-	1,648,238	1,873,224
Private grants and contracts	757,514	-	-	757,514	1,234,455
Investment return used in operations	11,929,761	3,944,239	-	15,874,000	14,787,000
Contributions	8,079,768	3,711,983	-	11,791,751	11,481,151
Sponsorships	1,847,743	-	-	1,847,743	1,253,048
Memberships	2,280,716	-	-	2,280,716	2,818,918
Admissions	20,798,071	-	-	20,798,071	15,040,094
Program service fees	4,256,993	-	-	4,256,993	3,222,055
Business enterprises	8,164,221	-	-	8,164,221	7,095,179
Other	681,164	-	-	681,164	684,851
Total operating revenues	<u>66,130,525</u>	<u>7,656,222</u>	<u>-</u>	<u>73,786,747</u>	<u>65,207,096</u>
Net assets released from restrictions for operations	<u>9,246,327</u>	<u>(9,246,327)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>75,376,852</u>	<u>(1,590,105)</u>	<u>-</u>	<u>73,786,747</u>	<u>65,207,096</u>
Operating expenses					
Science and education	18,735,317	-	-	18,735,317	16,741,508
Public programs	11,212,668	-	-	11,212,668	8,794,587
Business enterprises	2,980,951	-	-	2,980,951	2,459,149
Museum outreach	6,634,082	-	-	6,634,082	6,030,856
Museum services	9,416,865	-	-	9,416,865	8,867,658
General and administrative	6,494,627	-	-	6,494,627	6,623,028
Institutional advancement	4,199,845	-	-	4,199,845	3,521,960
Debt service	7,748,774	-	-	7,748,774	8,314,019
Total operating expenses	<u>67,423,129</u>	<u>-</u>	<u>-</u>	<u>67,423,129</u>	<u>61,352,765</u>
Change in net assets resulting from operating revenues and expenses	<u>7,953,723</u>	<u>(1,590,105)</u>	<u>-</u>	<u>6,363,618</u>	<u>3,854,331</u>
Non-operating items					
Investment return in excess (deficit) of amounts used in operations	55,653	3,501,579	-	3,557,232	(12,834,811)
Government grants for capital improvements	123,400	-	-	123,400	-
Private grants and contracts for capital improvements	53,946	-	-	53,946	1,598,795
Campaign contributions and major gifts	474,141	5,861,178	10,113,672	16,448,991	40,260,289
Change in fair value of interest rate swaps	2,372,074	-	-	2,372,074	(832,894)
Depreciation	(12,606,580)	-	-	(12,606,580)	(12,607,299)
Net assets released from restrictions for					
Investment return for endowment spending	1,902,498	(1,902,498)	-	-	-
Capital improvements	2,368,152	(2,368,152)	-	-	-
Pension-related changes other than net periodic pension cost	(659,588)	-	-	(659,588)	(95,741)
Total non-operating items	<u>(5,916,304)</u>	<u>5,092,107</u>	<u>10,113,672</u>	<u>9,289,475</u>	<u>15,488,339.00</u>
CHANGES IN NET ASSETS	<u>2,037,419</u>	<u>3,502,002</u>	<u>10,113,672</u>	<u>15,653,093</u>	<u>19,342,670</u>
Net assets at beginning of year	<u>230,989,295</u>	<u>82,564,329</u>	<u>143,364,562</u>	<u>456,918,186</u>	<u>437,575,516</u>
Net assets at end of year	<u>\$ 233,026,714</u>	<u>\$ 86,066,331</u>	<u>\$ 153,478,234</u>	<u>\$ 472,571,279</u>	<u>\$ 456,918,186</u>

Field Museum of Natural History
STATEMENT OF ACTIVITIES
Year ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenue and other support				
Operating revenues				
Chicago Park District property tax remittances	\$ 5,717,121	\$ -	\$ -	\$ 5,717,121
Government grants	1,873,224	-	-	1,873,224
Private grants and contracts	1,234,455	-	-	1,234,455
Investment return used in operations	11,325,120	3,461,880	-	14,787,000
Contributions	7,564,807	3,916,344	-	11,481,151
Sponsorships	1,253,048	-	-	1,253,048
Memberships	2,818,918	-	-	2,818,918
Admissions	15,040,094	-	-	15,040,094
Program service fees	3,222,055	-	-	3,222,055
Business enterprises	7,095,179	-	-	7,095,179
Other	684,851	-	-	684,851
Total operating revenues	<u>57,828,872</u>	<u>7,378,224</u>	<u>-</u>	<u>65,207,096</u>
Net assets released from restrictions for operations	<u>7,903,453</u>	<u>(7,903,453)</u>	<u>-</u>	<u>-</u>
Total revenue and other support	<u>65,732,325</u>	<u>(525,229)</u>	<u>-</u>	<u>65,207,096</u>
Operating expenses				
Science and education	16,741,508	-	-	16,741,508
Public programs	8,550,527	-	-	8,794,587
Business enterprises	2,703,209	-	-	2,459,149
Museum outreach	6,030,856	-	-	6,030,856
Museum services	8,867,658	-	-	8,867,658
General and administrative	6,623,028	-	-	6,623,028
Institutional advancement	3,521,960	-	-	3,521,960
Debt service	8,314,019	-	-	8,314,019
Total operating expenses	<u>61,352,765</u>	<u>-</u>	<u>-</u>	<u>61,352,765</u>
Change in net assets resulting from operating revenues and expenses	4,379,560	(525,229)	-	3,854,331
Non-operating items				
Investment return in (deficit) excess of amounts used in operations	(10,394,568)	(2,440,243)	-	(12,834,811)
Private grants and contracts for capital improvements	1,598,795	-	-	1,598,795
Campaign contributions and major gifts	500,447	4,875,740	34,884,102	40,260,289
Change in fair value of interest rate swaps	(832,894)	-	-	(832,894)
Depreciation	(12,607,299)	-	-	(12,607,299)
Net assets released from restrictions for				
Investment return for endowment spending	1,731,015	(1,731,015)	-	-
Change in donor restriction	840,000	(2,340,000)	1,500,000	-
Capital improvements	1,201,967	(1,201,967)	-	-
Pension-related changes other than net periodic pension cost	(95,741)	-	-	(95,741)
Total non-operating items	<u>(18,058,278)</u>	<u>(2,837,485)</u>	<u>36,384,102</u>	<u>15,488,339</u>
CHANGES IN NET ASSETS	<u>(13,678,718)</u>	<u>(3,362,714)</u>	<u>36,384,102</u>	<u>19,342,670</u>
Net assets at beginning of year	<u>244,668,013</u>	<u>85,927,043</u>	<u>106,980,460</u>	<u>437,575,516</u>
Net assets at end of year	<u>\$ 230,989,295</u>	<u>\$ 82,564,329</u>	<u>\$ 143,364,562</u>	<u>\$ 456,918,186</u>

The accompanying notes are an integral part of this statement.

Field Museum of Natural History
STATEMENTS OF CASH FLOWS
Years ended December 31, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Changes in net assets	\$ 15,653,093	\$ 19,342,670
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	12,606,580	12,607,299
Net realized/unrealized (appreciation) depreciation on investments	(14,791,978)	696,663
Change in fair value of interest rate swap liabilities	(2,372,074)	832,894
Loss on disposal of Museum property		43,939
Contributions permanently restricted for endowment	(10,113,672)	(34,884,102)
Changes in operating assets and liabilities		
Interest and dividends receivable	152,706	(129,505)
Accounts receivable	(784,827)	1,145,309
Pledges receivable	2,856,834	(1,640,087)
Museum inventories	(4,659)	(920)
Other assets and prepaid expense	2,473,491	(304,729)
Amortization of deferred bond premium	51,842	167,419
Accounts payable	(401,928)	871,267
Accrued expenses	933,837	460,784
Deferred revenue	(1,004,705)	(101,633)
Accrued pension cost	329,328	(166,794)
Net cash provided by (used in) operating activities	5,583,868	(1,059,526)
Cash flows from investing activities		
Purchases of investments	(72,327,962)	(44,866,865)
Proceeds from sales of investments	56,368,741	41,401,391
Purchases of Museum property	(4,038,904)	(6,960,137)
Net cash used in investing activities	(19,998,125)	(10,425,611)
Cash flows from financing activities		
Repayment of bonds	(300,000)	-
Contributions permanently restricted for endowment	17,600,812	13,061,644
Borrowings under line of credit	2,500,000	4,500,000
Repayment of line-of-credit borrowings	(4,300,000)	(6,000,000)
Net cash provided by financing activities	15,500,812	11,561,644
NET CHANGE IN CASH	1,086,555	76,507
Cash, beginning of year	691,417	614,910
Cash, end of year	<u>\$ 1,777,972</u>	<u>\$ 691,417</u>
Supplemental disclosures of cash flow information		
Interest paid	\$ 7,554,452	\$ 7,079,585
Income taxes paid	284,051	594,000
Accounts payable for construction in progress	125,248	21,649
Non-cash investing and financing activity		
Repayment of bonds using new bond proceeds	-	88,500,000
Repayment of bonds using proceeds of investments	-	500,000

The accompanying notes are an integral part of these statements.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE 1 - BASIS OF PRESENTATION

The Field Museum of Natural History (the Museum) is a private institution providing collection-based research, science action, exhibits and public education. The Museum focuses on diversity in the world's physical environments and cultures. The Museum's collections amount to more than 25 million natural objects and man-made artifacts spanning the Museum's four disciplines - Anthropology, Botany, Geology and Zoology.

The financial statements of the Museum have been prepared on the accrual basis of accounting. To ensure observance of limitations and restrictions placed on the use of resources available to the Museum, the accounts of the Museum are maintained in accordance with the principles of fund accounting. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into the same net asset categories. Accordingly, all financial transactions have been recorded by fund and reported by category.

The Museum classifies all business operations as revenues and expenses in the statement of activities, except non-operating items. Operating expenses are classified by administrative areas that reflect Museum operations. Non-operating items include government and private grants for capital improvement reimbursements, the excess of investment earnings under the total return concept (see Note 2), campaign and major gift activity, depreciation, the change in fair value of interest rate swaps, gains on extinguishment of assets, other revenue, and pension-related changes other than net periodic pension cost, as these funds are not available for operating purposes. For purposes of functional expenses, the Museum considers depreciation to be program costs, except for the 2% that is allocated as support services.

Net assets released from restrictions pledged to the capital campaign, for capital improvements, and investment return for endowment spending, as well as net assets with a change in donor restrictions and net assets, are classified as non-operating items.

Net Assets - Unrestricted net assets include the current operating, management designated, unrestricted long-term investment and property accounts. The current operating accounts consist of revenues available for support of Museum operations and the related expenses, along with related assets and liabilities. The management-designated accounts include assets that have been designated by the Board of Trustees (the Board) or Museum administration for special projects and the changes in net assets related thereto. Unrestricted long-term investment accounts include assets that have been designated by the Board to function as endowments and the related changes in net assets. Property accounts include (a) the building, building improvements, equipment and exhibits, as well as the depreciation thereto, (b) accounts pertaining to Chicago Park District capital improvement reimbursements and (c) accounts related to the Museum's notes payable to the Illinois Finance Authority (see Note 7).

Temporarily restricted net assets consist of contributions and investment income that have been restricted by donors for specified purposes or the existence of time restrictions on gifts. When restrictions have been met, such net assets are reported as net assets released from restrictions. Temporarily restricted net assets are principally restricted for programs and time (see Note 13).

Permanently restricted net assets include assets whose use by the Museum is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Museum. The earnings of permanently restricted net assets are principally restricted for programs and operational support.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash - Cash reflects currency and deposits in checking accounts with a financial institution that may be deposited or withdrawn without restriction or penalty. The Museum maintains cash accounts in excess of the Federal Deposit Insurance Corporation limits. The Museum believes it is not exposed to significant credit risk on cash.

Inventories - Inventories related to the Museum's special event activities are stated at the lower of average cost or market.

Investments - Investments are reported at fair value. Equity securities with readily determinable fair values and debt securities are valued at the last sales price (if quotations are readily available) or at the closing bid price in the principal market in which such securities are normally traded (if no sales price is available). Certain fixed-income securities funds are valued based on dealer-supplied valuations. The investment in limited partnerships is stated at fair value based on the Museum's share of either the appraised value of the partnerships or the value of its capital ownership percentage as of the date of the gift. The fair value would be adjusted, as appropriate, if information becomes available suggesting an alternate estimated fair value. The Museum has one limited partnership investment that is reported at cost using its appraised value as of the gift date. The Museum does not have significant influence over this limited partnership and is unable to determine its fair value. The Museum does not believe this investment is impaired as it receives annual dividends from this investment, which are included as a part of investment return.

The estimated fair values of investments that do not have readily determinable fair values are based on either the net asset value (NAV) per share, or its equivalent such as percentage of capital, or on estimates provided by external investment managers as of the reporting date. These fair values are examined through a valuation review process performed by management. A range of possible values exists for these securities and, therefore, the estimated values may differ from the values that would have been used had a ready market for these securities existed (see Note 3).

Investment Income - The Museum utilizes the total return concept for operations to allocate investment income earned on permanently restricted, temporarily restricted and unrestricted long-term investments. The Board has approved a spending policy at a rate of 4.75% on a three-year moving average, which resulted in a spending amount of \$15,874,000 in 2016 and \$14,787,000 in 2015. This is first satisfied from interest and dividend income, and the remaining balance is provided from accumulated realized capital gains.

Investment income is recorded based on the existence or absence of donor-imposed restrictions, as follows:

- a. Investment income on donor-restricted endowment funds is recorded as temporarily restricted based on state law, donor-imposed restrictions or time restrictions.
- b. Investment income on Board-designated funds is recorded as unrestricted.
- c. Investment income on other unrestricted investments is recorded as unrestricted.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

- d. Investment income on other temporarily restricted investments is recorded as unrestricted, unless specified by the donor.

Endowment Funds - Endowment funds are recorded in accordance with the Illinois approved Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board interprets UPMIFA as requiring that the “historic value (corpus)” of the original donor-restricted endowment gift be preserved as of the gift date unless there are explicit donor stipulations to the contrary. Therefore, the Museum classifies as permanently restricted net assets the original value of gifts donated to its permanent endowment, the original value of subsequent gifts, and accumulations to its permanent endowment made in accordance with the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund earnings that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until any donor-imposed restrictions have been satisfied, and those amounts are appropriated for expenditure by the Board in a manner consistent with UPMIFA’s standard of prudence. In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate endowment funds:

- The duration and preservation of the fund.
- The mission of the Museum and the purposes of its donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and appreciation of investments.
- Other resources of the Museum.
- The investment policy of the Museum.

Net losses that reduce donor-restricted endowments below the amount to be held in perpetuity are recorded as unrestricted (see Note 4).

Derivative Financial Instruments - The Museum uses interest rate swaps to hedge overall exposure to variable-rate debt. The swap agreements are not designated as a hedge for accounting purposes and are recorded at fair value.

Property - Museum property over \$5,000 is stated at cost and is depreciated on a straight-line basis over estimated useful lives, which range between 5 and 40 years. Interest on borrowings used to fund capital projects is capitalized and amortized over the life of the asset. Maintenance and repair costs are charged to expense as incurred and betterments are capitalized. Cost and the related accumulated depreciation are eliminated from the accounts when an asset is retired.

Deferred Revenue and Charges - The Museum recognizes revenue and expenses of programs and auxiliary activities during the period in which the activity is conducted.

Issuance costs associated with long-term notes payable are deferred and amortized ratably over the life of the related notes. Issuance costs are netted against notes payable.

Collections - The Museum’s collections are comprised of objects of historical, cultural or scientific significance that are held for educational, research, scientific and curatorial purposes. Each of the items is cataloged, preserved and cared for, and activities verifying its existence and assessing its condition are performed continuously. The collections are subject to a policy that requires proceeds from sales of collection items to be

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

deposited in the endowment, with earnings to be used to acquire other items for collections or provide for the direct care of existing collections.

In accordance with the practice generally followed by museums, the value of objects in the collections is excluded from the financial statements; collections are reflected in the accompanying financial statements at a nominal value of \$1. Such collections have been acquired through purchases and contributions since the Museum's inception. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired, or as decreases in temporarily restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected in the financial statements. Proceeds from deaccessions or insurance recoveries are reflected as increases in unrestricted net assets. There were no sales of collection items in 2016 or 2015.

Contributions and Memberships - Contributions and memberships are recognized as revenue upon the earlier of the receipt of a donor's unconditional written pledge to contribute or upon receipt of the contribution and the membership dues. Contributions of securities are recorded at their estimated fair value at the date of donation. Contributions are classified based on the existence or absence of donor-imposed restrictions. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved and the expected period of payment. The discount on those amounts is computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of discounts (if any) is included in contributions in the statement of activities. An allowance is recorded for estimated uncollectible pledges based on management's judgment and analysis, past collection experience and other relevant factors. The Museum writes-off pledges when they are deemed uncollectible.

Contributed Goods and Services - The Museum records various types of in-kind support, including professional services, equipment and supplies, as contribution revenue. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received if they are used. In-kind support is reflected in the accompanying financial statements as contribution revenue and totaled \$133,988 in 2016 and \$75,000 in 2015. This revenue is offset by like amounts included in expenses or assets.

A substantial number of unpaid volunteers have made significant contributions of their time in furtherance of the Museum's programs. Such services do not meet the criteria for recognition as contributions, as described above, and, therefore, their value is not reflected in the accompanying financial statements.

Chicago Property Tax Revenues - The Museum receives support from property taxes that are collected by the Chicago Park District. These tax revenues are accrued to match the fiscal year allocation by the Chicago Park District.

Grants and Contracts - Grants and contracts for programs are recognized as unrestricted revenue when the corresponding expenses have been incurred for allowable purposes consistent with the terms of the respective agreements to which they pertain.

Program Service Fees - Program service fees include revenues from education programs, traveling exhibit rental fees, traveling exhibit licensing fees and research fees. The fees from education programs and research are accrued to match the dates of the programs. The revenues from traveling exhibits are accrued to match the term of the rental and licensing agreements.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

Income Taxes - The Museum is exempt from income taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code and a comparable state of Illinois statute. Management believes there are no material uncertain tax positions that require recognition in the accompanying financial statements. The tax years ended 2013, 2014, 2015 and 2016 are still open to audit for both federal and state purposes.

The Museum has a policy to record interest and penalties (if any) related to income tax matters in income tax expense. The Museum has determined that its tax positions satisfy the more-likely-than-not criterion. For the years ended December 31, 2016 and 2015, no interest and penalties were recorded.

Fair Value of Financial Instruments - The Museum's financial instruments include cash, interest and dividends receivable, accounts receivable, pledges receivable, investments, accounts payable, notes payable, pension assets and interest rate swaps. The fair values of pension assets are based on market quotes as of the reporting date. Other than the Museum's investment in a limited partnership multi-family portfolio, investments are reported at fair value based on market quotes as of the reporting date. The fair value of the interest rate swaps is obtained from a third party as of the measurement date.

The investment in the limited partnership multi-family portfolio is stated at its appraised value as of the date of the donation and will be adjusted if information becomes available to support a different value.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. There is a three-tiered value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Museum's assumptions (unobservable inputs). Fair value measurements are classified under the following hierarchy:

- Level 1 refers to instruments with quoted prices in an active market.
- Level 2 refers to instruments not traded on an active market but for which observable market inputs are readily available.
- Level 3 refers to instruments not traded in an active market and for which no significant observable market inputs are available.

Institutional Advancement - Institutional advancement consists of expenses related to fund-raising activities. Fund-raising expenses totaled \$4,199,845 and \$3,521,960 in 2016 and 2015, respectively.

Business Enterprises - Business enterprises consist of revenues and expenses of the stores, specials events, food services and group sales.

Functional Allocation of Expenses - The costs of providing Museum programs and administration have been summarized on a functional basis in Note 11.

Pension Plan - The Museum recognizes the overfunded or underfunded status of its defined benefit pension plan (the Plan) as an asset or liability in its statement of financial position (see Note 8).

Reclassifications - Certain reclassifications were made to the 2015 financial statements to conform to the 2016 financial statement presentation

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

Accounting Pronouncements - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which supersedes most of the current revenue recognition requirements. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance will be effective for the Museum for 2018 (early adoption is permitted). The guidance permits the use of either a retrospective or cumulative effect transition method.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Interest Costs*. The amendments in this update require that debt issuance costs related to a recognized debt liability be presented in the statement of position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The Museum has adopted the standard in 2016, with retrospective application.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The underlying principle of ASU No. 2016-02 is that lessees should be required to recognize the assets and liabilities arising from leases on the statement of financial position. The guidance requires a lessee to recognize a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from previous U.S. GAAP. There continues to be a differentiation between finance leases and operating leases. However, the principal difference from previous guidance is that the lease assets and lease liabilities arising from operating leases should be recognized in the statement of financial position. The guidance will be effective for the Museum for 2019 and early adoption is permitted for all entities. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which is intended to improve how a not-for-profit entity classifies its net assets, as well as the information it presents in its financial statements about its liquidity and availability of resources, expenses and investment return, and cash flows. The guidance also requires presentation of expenses by both their natural and functional classification in a single location in the financial statements. This ASU is effective for the Museum for 2018. Early adoption is permitted.

NOTE 3 - INVESTMENTS

Under the Museum's articles of incorporation and its bylaws, the Investment Committee of the Board has overall responsibility for the establishment of policies and general governance related to investments of the Museum. The Investment Committee reports to the Board and is responsible for recommending, reviewing and monitoring policies, and programs affecting the finances of the Museum.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

Investments at December 31, 2016 and 2015, consist of the following:

	<u>2016</u>	<u>2015</u>
Money market funds	\$ 56,555,127	\$ 14,935,732
Equity securities funds	174,639,900	168,081,681
Fixed-income securities funds	35,859,498	44,729,235
Hedged equity funds	44,035,798	50,816,186
Absolute return funds	75,131,703	76,706,979
Other funds	34,047	45,294
Limited partnerships	<u>1,760,000</u>	<u>1,949,767</u>
Total	<u>\$ 388,016,073</u>	<u>\$ 357,264,874</u>

Following is a summary of the investment return and its classification for the years ended December 31, 2016 and 2015, in the statements of activities:

	<u>2016</u>			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Interest and dividends	\$ 4,209,688	\$ 1,476,172	\$ -	\$ 5,685,860
Net realized gains	6,442,122	4,465,498	-	10,907,620
Change in net unrealized gain	2,380,210	1,504,148	-	3,884,358
Investment manager fees	(1,046,606)	-	-	(1,046,606)
Release for unrestricted endowment spending	<u>1,902,498</u>	<u>(1,902,498)</u>	-	-
Total return reported in the statement of activities	<u>\$ 13,887,912</u>	<u>\$ 5,543,320</u>	<u>\$ -</u>	<u>\$ 19,431,232</u>
Classified as follows				
Operating revenues	\$ 11,929,761	\$ 3,944,239	\$ -	\$ 15,874,000
Non-operating items	<u>1,958,151</u>	<u>1,599,081</u>	-	<u>3,557,232</u>
Total	<u>\$ 13,887,912</u>	<u>\$ 5,543,320</u>	<u>\$ -</u>	<u>\$ 19,431,232</u>

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

	2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Interest and dividends	\$ 2,501,337	\$ 1,175,674	\$ -	\$ 3,677,011
Net realized gains	3,092,694	1,982,784	-	5,075,478
Change in net unrealized loss	(3,635,320)	(2,136,821)	-	(5,772,141)
Investment manager fees	(1,028,159)	-	-	(1,028,159)
Release for unrestricted endowment spending	1,731,015	(1,731,015)	-	-
Total return reported in the statement of activities	\$ 2,661,567	\$ (709,378)	\$ -	\$ 1,952,189
Classified as follows				
Operating revenues	\$ 11,325,120	\$ 3,461,880	\$ -	\$ 14,787,000
Non-operating items	(8,663,553)	(4,171,258)	-	(12,834,811)
Total	\$ 2,661,567	\$ (709,378)	\$ -	\$ 1,952,189

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The following tables summarize assets and liabilities measured at fair value on a recurring basis at December 31, 2016 and 2015:

2016					
Assets	Investments Classified in the Fair Value Hierarchy			Investments measured at NAV	Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)		
Money market funds	\$ 56,555,127	\$ -	\$ -	\$ -	\$ 56,555,127
Equity securities funds	71,169,434	-	-	103,470,466	174,639,900
Fixed-income securities funds	29,802,702	-	-	6,056,796	35,859,498
Hedged equity funds	-	-	-	44,035,798	44,035,798
Absolute return funds	-	-	-	75,131,703	75,131,703
Other funds	-	-	-	34,047	34,047
Total investments, fair value	\$ 157,527,263	\$ -	\$ -	\$ 228,728,810	386,256,073
Limited partnership, cost					<u>1,760,000</u>
Total investments					<u>\$ 388,016,073</u>
Liabilities					
Interest rate swaps	\$ -	\$ 18,690,954	\$ -	\$ -	\$ 18,690,954
Total	\$ -	\$ 18,690,954	\$ -	\$ -	\$ 18,690,954

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

2015					
Assets	Investments Classified in the Fair Value Hierarchy			Investments measured at NAV	Total
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)		
Money market funds	\$ 14,935,732	\$ -	\$ -	\$ -	\$ 14,935,732
Equity securities funds	63,918,148	-	-	104,163,533	168,081,681
Fixed-income securities funds	32,399,523	-	-	12,329,712	44,729,235
Hedged equity funds	-	-	-	50,816,186	50,816,186
Absolute return funds	-	-	-	76,706,979	76,706,979
Other funds	-	-	-	45,294	45,294
Limited partnership	-	-	-	189,767	189,767
Total investments, fair value	<u>\$ 111,253,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,251,471</u>	355,504,874
Limited partnership, cost					<u>1,760,000</u>
Total investments					<u>\$ 357,264,874</u>
Liabilities					
Interest rate swaps	<u>\$ -</u>	<u>\$ 21,063,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,063,028</u>
Total	<u>\$ -</u>	<u>\$ 21,063,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,063,028</u>

These levels are evaluated on an annual basis, and transfers between levels are recognized as of the end of each fiscal year. For the years ended December 31, 2016 and 2015, there were no transfers in or out of Level 1, Level 2 or Level 3.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The following tables disclose additional information about investments recorded at NAV or its equivalent, such as percentage of capital, at December 31, 2016 and 2015:

	2016			
	<u>Fair Value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency limitations</u>	<u>Redemption notice period</u>
Equity securities funds (a)	\$ 103,470,466	\$ -	Monthly and Quarterly	0 - 60 days
Fixed-income securities funds (b)	6,056,796	-	Quarterly	60 days
Hedged equity funds (c)	44,035,798	-	Quarterly - Annually	45 - 80 days
Absolute return funds (d)	75,131,703	39,262	Quarterly - Annually	45 - 120 days
Other funds (e)	<u>34,047</u>	<u>46,906</u>	None	0 days
Total investments recorded at NAV	<u>\$ 228,728,810</u>	<u>\$ 86,168</u>		

	2015			
	<u>Fair Value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency limitations</u>	<u>Redemption notice period</u>
Equity securities funds (a)	\$ 104,163,533	\$ -	Monthly and Quarterly	0 - 60 days
Fixed-income securities funds (b)	12,329,712	-	Quarterly	60 days
Hedged equity funds (c)	50,816,186	-	Quarterly and Annually	45 - 80 days
Absolute return funds (d)	76,706,979	81,635	Annually	45 - 120 days
Other funds (e)	45,294	46,906	None	0 days
Limited partnership (f)	<u>189,767</u>	<u>-</u>	None	0 days
Total investments recorded at NAV	<u>\$ 244,251,471</u>	<u>\$ 128,541</u>		

(a) This category includes investments in equity securities funds primarily consisting of common stocks, real estate investment trusts, limited partnerships, bonds and depositary receipts that have readily available price data. The NAV or its equivalent, such as percentage of capital, of the funds is determined using the fair value of the underlying securities. These funds have no future capital calls. Some of the funds have redemption frequency limitations, and some do have a redemption notice period. Approximately 9% of these assets are in the process of being redeemed.

(b) This category includes investments in fixed-income securities funds primarily consisting of treasury asset swap agreements and interest rate swap agreements. The NAV of the funds is determined using the fair value of the underlying securities. This category of fund has no future capital calls, but does have a redemption limitation and redemption notice period. The Museum has a limitation on the amount it can

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

withdraw in an annual period. The Museum is allowed to withdraw up to one third of its original capital contribution annually and has begun the process to redeem this investment.

- (c) This category includes investments in several hedge funds that invest both long and short term, primarily in global equities with an emphasis on the United States and Europe. Management of the hedge funds has the ability to shift investments from value to growth strategies, from small to large capitalization stakes, and from a net long position to a net short position. The fair values of the investments in this category have been estimated using the NAV per share of the investments or its equivalent, such as percentage of capital. The funds have redemption frequency limitations and have a redemption notice period, and less than 1% of the hedged equity funds are in redemption.
- (d) This category includes several multi-strategy absolute return investments focused on analyzing the probability-adjusted returns of individual securities and assets and capturing the alpha in mispriced assets/securities across conventional and alternative financial strategies. Management initiates long and short positions in various corporate and sovereign securities, debt, currencies and derivatives targeting solid absolute risk-adjusted returns. The fair values of the investments in this category have been estimated using the NAV per share of the investments or its equivalent, such as percentage of capital. The funds can be redeemed on an annual basis at various redemption dates and have a redemption notice period, and approximately 5% of the absolute return funds are in redemption.
- (e) This category includes investments in opportunistic instruments like derivatives, mortgage loans and real estate. The NAV equivalent of the funds (percentage of capital) is determined using the fair value of the underlying instruments. The investment term of the partnership shall continue until 2018 and may be extended annually thereafter or until the partnership is dissolved.
- (f) This category represents donated shares in a privately held limited liability partnership. The Museum recorded this investment at fair value at the time of the donation and adjusts the fair value based on the Museum's percentage of capital, as new information is made available. Earnings are recorded as income when received. The Museum liquidated this investment in 2016.

All investments stated at NAV and described above, include terms and conditions, including liquidity provisions, which are different for each fund. The Museum believes that the carrying amount of its investments stated at NAV or its equivalent, such as percentage of capital, is a reasonable estimate of the fair value of such investments as of December 31, 2016 and 2015. As is typical of investment portfolios of similar types of institutions, investments stated at NAV or its equivalent, such as percentage of capital, are not readily marketable and their estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

NOTE 4 - ENDOWMENT

The Museum's endowment is comprised of both donor-restricted endowment funds and funds designated by the Board to function as endowments. Net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions and time restrictions. The Board has pooled certain temporarily restricted funds (without donor-specified restrictions on the earnings of such funds) to be included in the Board-designated endowment balances shown in the following tables until such time as the net assets are used for their intended donor-stipulated purposes.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

Funds with Deficiencies - The fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Museum to retain as a fund of perpetual duration. At December 31, 2016 and 2015, deficiencies of this nature totaled \$94,563 and \$238,856, respectively, and were reported as unrestricted net assets. These deficiencies resulted from extraordinary market conditions. Management has deemed it prudent to spend from these funds with the expectation that future earnings will offset these deficiencies.

Endowment net asset composition by type of fund is as follows as of December 31, 2016 and 2015:

	2016			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor-restricted endowment funds	\$ (94,563)	\$ 40,902,083	\$ 116,981,027	\$ 157,788,547
Board-designated endowment funds	198,172,658	13,521,514	-	211,694,172
Total funds	<u>\$ 198,078,095</u>	<u>\$ 54,423,597</u>	<u>\$ 116,981,027</u>	<u>\$ 369,482,719</u>

	2015			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Donor-restricted endowment funds	\$ (238,856)	\$ 39,303,002	\$ 99,380,215	\$ 138,444,361
Board-designated endowment funds	194,368,589	13,425,336	-	207,793,925
Total funds	<u>\$ 194,129,733</u>	<u>\$ 52,728,338</u>	<u>\$ 99,380,215</u>	<u>\$ 346,238,286</u>

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

During 2016, the Museum had the following endowment-related cash activities:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 194,129,733	\$ 52,728,338	\$ 99,380,215	\$ 346,238,286
Investment return				
Investment income	1,933,833	1,476,172	-	3,410,005
Net realized and unrealized appreciation	<u>8,955,174</u>	<u>5,969,646</u>	<u>-</u>	<u>14,924,820</u>
Total investment return	10,889,007	7,445,818	-	18,334,825
Additions				
New cash gifts and pledge payments	219,296	96,178	17,600,812	17,916,286
Appropriation of endowment assets for expenditure	(11,929,761)	(3,944,239)	-	(15,874,000)
Net assets released for time transfers from Board approved spending	1,902,498	(1,902,498)	-	-
Transfers to Board-designated endowment funds	<u>2,867,322</u>	<u>-</u>	<u>-</u>	<u>2,867,322</u>
Endowment net assets, end of year	<u>\$ 198,078,095</u>	<u>\$ 54,423,597</u>	<u>\$ 116,981,027</u>	<u>\$ 369,482,719</u>

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

During 2015, the Museum had the following endowment-related cash activities:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 204,068,038	\$ 57,706,190	\$ 84,818,571	\$ 346,592,799
Investment return				
Investment income	1,072,219	1,175,674	-	2,247,893
Net realized and unrealized depreciation	<u>(430,426)</u>	<u>(167,313)</u>	<u>-</u>	<u>(597,739)</u>
Total investment return	641,793	1,008,361	-	1,650,154
Additions				
New cash gifts and pledge payments	13,689	1,546,682	13,061,644	14,622,015
Appropriation of endowment assets for expenditure	(11,325,120)	(3,461,880)	-	(14,787,000)
Net assets released for time transfers from Board approved spending	1,731,015	(1,731,015)	-	-
Transfers based on change in donor designation	840,000	(2,340,000)	1,500,000	-
Transfers from Board-designated endowment funds	<u>(1,839,682)</u>	<u>-</u>	<u>-</u>	<u>(1,839,682)</u>
Endowment net assets, end of year	<u>\$ 194,129,733</u>	<u>\$ 52,728,338</u>	<u>\$ 99,380,215</u>	<u>\$ 346,238,286</u>

The endowment-related cash activities table above represents the endowment pool on a cash basis, consistent with the manner in which management and the Board manage and evaluate the endowment. A portion of the Museum's pledges are permanently restricted and, when received, the payments will be reflected as new cash gifts and pledge payments.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 5 - MUSEUM PROPERTY, NET

Museum property at December 31, 2016 and 2015, consists of the following:

	<u>2016</u>	<u>2015</u>
Building and building improvements	\$ 309,347,408	\$ 307,898,263
Exhibit hall improvements (excluding artifacts and historical treasures)	103,907,464	102,853,049
Research and office equipment	<u>26,636,263</u>	<u>25,402,188</u>
Total property and equipment	439,891,135	436,153,500
Less accumulated depreciation	<u>(206,588,218)</u>	<u>(193,981,638)</u>
Net depreciable property and equipment	233,302,917	242,171,862
Construction in progress	<u>572,933</u>	<u>168,065</u>
Net property and equipment	<u>\$ 233,875,850</u>	<u>\$ 242,339,927</u>

At December 31, 2016 and 2015, the Museum has \$4,169,477 and \$4,315,774 of net capitalized interest included in Museum property, respectively.

The Museum operates on land owned by the Chicago Park District, which is made available to the Museum at no charge. The value of this arrangement is not readily determinable and, accordingly, is not reflected in the accompanying financial statements.

It will cost approximately \$9,700,000 to complete the Museum's construction in progress as of December 31, 2016.

The Museum is committed to making changes to its fire suppression systems that would result in the Museum being fully covered by 2017. As of December 31, 2016, the building is approximately 99% (unaudited) covered. The estimated remaining cost to complete this project is \$200,000 and will be capitalized as incurred.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 6 - PLEDGES RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges and revenue of the appropriate net asset category. Pledges are recorded after discounting to the present value the expected future cash flows using discount rates ranging between 0.76% and 1.64%. Pledges receivable were as follows as of December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Due within one year	\$ 13,728,260	\$ 14,514,961
Due between two to five years	28,624,731	36,205,124
Due after five years	-	2,700,000
	<u>42,352,991</u>	<u>53,420,085</u>
Less:		
Allowance for uncollectible accounts	(315,179)	(315,179)
Present value discount	<u>(1,465,413)</u>	<u>(2,188,533)</u>
Net pledges receivable	<u>\$ 40,572,399</u>	<u>\$ 50,916,373</u>

NOTE 7 - NOTES PAYABLE

Notes payable at December 31, 2016 and 2015, consist of the following amounts due to the Illinois Finance Authority, which issued bonds on the Museum's behalf:

	<u>2016</u>			
	<u>Original principal</u>	<u>Principal paid in 2016</u>	<u>Principal outstanding December 31, 2016</u>	<u>Maturity date</u>
Series 2015A	\$ 30,000,000	\$ 300,000	\$ 29,700,000	November 1, 2025
Series 2015B	29,000,000	-	29,000,000	November 1, 2034
Series 2015C	29,500,000	-	29,500,000	November 1, 2034
Series 2002	<u>90,000,000</u>	-	<u>78,000,000</u>	November 1, 2036
Total	<u>\$ 178,500,000</u>	<u>\$ 300,000</u>	166,200,000	
Bond Issuance Costs			<u>(976,415)</u>	
Net Notes Payable			<u>\$ 165,223,585</u>	

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

	2015			
	<u>Original principal</u>	<u>Principal Paid in 2015</u>	<u>Principal outstanding December 31, 2015</u>	<u>Maturity date</u>
Series 2015A	\$ 30,000,000	\$ -	\$ 30,000,000	November 1, 2025
Series 2015B	29,000,000	-	29,000,000	November 1, 2034
Series 2015C	29,500,000	-	29,500,000	November 1, 2034
Series 2002	90,000,000	-	78,000,000	November 1, 2036
Series 2000	30,000,000	29,800,000	-	November 1, 2034
Series 1998	29,000,000	28,900,000	-	November 1, 2032
Series 1990	20,000,000	20,000,000	-	November 1, 2025
Series 1985	17,800,000	10,300,000	-	November 1, 2025
Total	<u>\$ 275,300,000</u>	<u>\$ 89,000,000</u>	166,500,000	
Bond Issuance Costs			<u>(1,028,257)</u>	
Net Notes Payable			<u>\$ 165,471,743</u>	

The Museum repaid its Series 1985, Series 1990, Series 1998, and Series 2000 bonds in 2015. The Museum replaced these bonds with new Series 2015 tax-exempt direct purchase bonds issues totaling \$88.5 million.

The Variable-Rate Direct Purchase Bond, Series 2015A, are subject to redemption beginning November 1, 2016, with sinking fund payments each year until maturity. These bonds are currently in a weekly rate mode. The Series 2015A Bonds outstanding at December 31, 2016, bore interest of 1.47%.

The Variable-Rate Direct Purchase Bond, Series 2015B, are subject to redemption beginning November 1, 2017, with sinking fund payments each year beginning in 2017 until maturity. These bonds are currently in a weekly rate mode. The Series 2015B Bonds outstanding at December 31, 2016, bore interest of 1.47%.

The Variable-Rate Direct Purchase Bond, Series 2015C are currently in a weekly rate mode and have no amortization. The Series 2015C Bonds outstanding at December 31, 2016, bore interest of 1.18%.

The terms of all the Series 2015 Bond agreements require the Museum to maintain unrestricted cash and investments with a market value of at least 90% of the Museum's total indebtedness, and no more than 50% of the unrestricted investments can be held in alternative funds. As of December 31, 2016 and 2015, the Museum was in compliance with these financial covenants.

The Series 2002 Bonds were issued on September 1, 2002, as Adjustable Medium-Term Revenue Bonds. The Series 2002 Bonds are rated A by Standard & Poor's and A2 by Moody's, and are not secured by a letter of credit. The adjustable rate periods end November 1, 2016 through November 1, 2017, and the Series 2002 Bonds bear interest at a rate of 3.40% to 5.50%, depending on duration. The current blended rate as of December 31, 2016, is 4.35% (weighted), and interest is payable each November 1 and May 1.

On November 1, 2016, the remarketing of an outstanding portion of the Series 2002 Bonds in the amount of \$18,500,000 occurred as required by the mandatory tender on November 1, 2016. The new adjustable interest

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

rate on the outstanding principal amount was set at 4.00%. The new adjustable rate period began on November 1, 2016, and ends on October 31, 2036.

On October 1, 2015, the remarketing of an outstanding portion of the Series 2002 Bonds in the amount of \$14,750,000 occurred as required by the mandatory tender on November 1, 2015. The new adjustable interest rate on the outstanding principal amount was set at 4.45%. The new adjustable rate period began on November 1, 2015, and ends on October 31, 2036.

The total interest costs incurred on these bonds in 2016 and 2015 were \$7,538,655 and \$7,092,888, respectively. Capitalized interest is classified as a depreciable asset within Museum property.

The Museum entered into two interest rate swap agreements to hedge variable interest rate exposure as follows:

- The first swap, dated September 2005, expires on November 1, 2032, and effectively fixes the interest rate on a notional value of \$45 million at 3.258% through October 31, 2008, 4.369% from November 1, 2008 through October 31, 2010, and 3.769% from November 1, 2010 through November 1, 2032.
- The second swap, dated June 2008, is effective January 1, 2009, and expires on November 1, 2032. This agreement effectively fixes the interest rate on a notional value of \$43 million at 3.43% for the duration of the swap.

These agreements are considered derivative financial instruments and are reported at their fair values as a liability of \$18,690,954 and \$21,063,028 at December 31, 2016 and 2015, respectively. The fair value is recorded in interest rate swaps in the accompanying statement of financial position. The unrealized gain on interest rate swaps for 2016 was \$2,372,074 and the unrealized loss for 2015 was \$832,894. The net change in fair value of the agreements is reported as a separate line item in the non-operating section of the accompanying statements of activities.

NOTE 8 - PENSION PLAN

The Museum sponsors a defined benefit pension plan (the Plan) covering substantially all of its employees, which provides pension benefits based on years of service and average compensation, as determined under the Plan. The Museum's funding policy is to contribute amounts necessary to maintain the long-term stability of the Plan. The Plan was amended to freeze participation and all benefit accruals under the Plan effective December 31, 2014, which resulted in a curtailment gain as of June 30, 2014. The existing contributory defined contribution plan has been amended to include matching and discretionary components beginning January 1, 2015. In 2016 and 2015, Museum contributions expensed with respect to the defined contribution plan were \$1,445,738 and \$1,112,701, respectively.

The change in benefit obligation, change in plan assets and the composition of the amounts recognized in the accompanying statements of financial position as of and for the year ended December 31, 2016 and 2015, are as follows:

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Change in benefit obligation		
Benefit obligation — beginning of year	\$ 24,587,508	\$ 26,652,389
Service cost	112,990	-
Interest cost	1,011,453	975,779
Plan amendments	(79,299)	-
Actuarial (gain) loss	1,253,090	(720,580)
Benefits paid	(961,093)	(2,320,080)
Benefit obligation — end of year	<u>\$ 25,924,649</u>	<u>\$ 24,587,508</u>
Change in plan assets		
Fair value of plan assets — beginning of year	\$ 21,574,207	\$ 23,472,294
Actual return on plan assets	1,848,906	421,993
Employer contribution	120,000	-
Benefits paid	(961,093)	(2,320,080)
Fair value of plan assets — end of year	<u>\$ 22,582,020</u>	<u>\$ 21,574,207</u>
Funded status	\$ (3,342,629)	\$ (3,013,301)

Amounts that have not yet been recognized as a component of net periodic benefit cost consist of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Prior service credit	\$ (79,299)	\$ -
Net actuarial loss	<u>4,216,753</u>	<u>3,477,866</u>
Total	<u>\$ 4,137,454</u>	<u>\$ 3,477,866</u>

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

Net periodic benefits costs expected to be recognized in the next fiscal years are as follows at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Prior service credit	\$ (7,209)	\$ -
Net actuarial loss	50,680	31,252

The following table sets forth the rollforward of the pension liability for the years ended December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Pension liability - beginning of year	\$ (3,013,301)	\$ (3,180,095)
Net periodic pension income	210,260	262,535
Pension-related changes other than net periodic pension cost		
Net actuarial loss	(738,887)	(95,741)
Amortization of prior service credit	79,299	-
Employer contribution	120,000	-
Pension liability - end of year	<u>\$ (3,342,629)</u>	<u>\$ (3,013,301)</u>

Other changes in pension plan assets and benefit obligation recognized during the years ended December 31, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
Net actuarial loss	\$ 779,157	\$ 374,336
Items amortized		
Prior service credit	(79,299)	-
Net actuarial loss	<u>(40,270)</u>	<u>(278,595)</u>
Total pension-related changes other than net periodic benefit cost	<u>\$ 659,588</u>	<u>\$ 95,741</u>

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The components of net periodic benefit cost for the years ended December 31, 2016 and 2015, are as follows:

	<u>2016</u>	<u>2015</u>
Service cost	\$ 112,990	\$ -
Interest cost	1,011,453	975,779
Expected return on plan assets	(1,374,973)	(1,516,909)
Amortization of net actuarial loss	40,270	31,247
Settlement expense	-	247,348
	<u> </u>	<u> </u>
Net periodic pension income	<u>\$ (210,260)</u>	<u>\$ (262,535)</u>

The following table presents the key actuarial assumptions used in developing the data for 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	4.00 %	4.25 %
Rate of compensation increase	N/A	N/A
Weighted-average assumptions used to determine net periodic benefit cost for the year beginning January 1		
Discount rate	4.25	3.75
Expected return on plan assets	6.50	6.75
Rate of compensation increase	N/A	N/A

The Museum determines the long-term expected rate of return on plan assets by examining historic capital market returns, correlations between asset classes and the Plan's normal asset allocation. Current and near-term market factors, such as inflation and interest rates, are then evaluated to arrive at the expected return on Plan assets. Peer group or benchmarking data are also reviewed to ensure a reasonable and appropriate assumption.

The following table represents the Museum's estimated future benefit payments in each of the next five years and in the aggregate for the five fiscal years thereafter:

Estimated future benefit payments	
2017	\$ 1,791,000
2018	1,794,000
2019	1,565,000
2020	2,126,000
2021	1,757,000
2022 - 2026	7,454,000

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The following table presents the Plan's asset allocation at December 31, 2016, by asset category:

		<u>Range</u>
Money market funds	0 %	0% - 5%
Equity securities funds	91	50 - 90
Fixed-income securities funds	9	20 - 40
	<u>100 %</u>	
Total	<u>100 %</u>	

The following table presents the Plan's asset allocation at December 31, 2015, by asset category:

		<u>Range</u>
Money market funds	2 %	0% - 5%
Equity securities funds	87	50 - 90
Fixed-income securities funds	11	20 - 40
	<u>100 %</u>	
Total	<u>100 %</u>	

The Museum's investment approach is based on modern portfolio theory. Multiple asset classes are implemented in order to obtain the benefits of diversification and maximize long-term return for a given level of risk. Risk tolerance is developed by reviewing the funded status of the Plan, duration of the Plan's liabilities, the income and liquidity requirements, legal constraints and the financial condition of the Museum. The investment portfolio comprises a diversified combination of cash, equity securities funds, fixed-income securities funds and high-yield funds. The allocation among equity securities funds, fixed-income securities funds, high-yield funds and cash is determined by prevailing market conditions and relative valuations among asset classes. The Plan's financial condition is monitored on an ongoing basis by means of quarterly investment portfolio reviews, an annual independent actuarial valuation and periodic assets/liability studies.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The following represents the Plan's investments measured at fair value on a recurring basis at December 31, 2016:

	Investments Classified in the Fair Value Hierarchy				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	Total
Money market funds	\$ -	\$ -	\$ -	\$ 60,125	\$ 60,125
Equity securities funds	3,651,265	-	-	16,914,075	20,565,340
Fixed-income securities funds	1,956,555	-	-	-	1,956,555
Total	\$ 5,607,820	\$ -	\$ -	\$ 16,974,200	\$ 22,582,020

The following represents the Plan's investments measured at fair value on a recurring basis at December 31, 2015:

	Investments Classified in the Fair Value Hierarchy				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Investments measured at NAV	Total
Money market funds	\$ -	\$ -	\$ -	\$ 414,650	\$ 414,650
Equity securities funds	3,092,892	-	-	15,669,717	18,762,609
Fixed-income securities funds	2,396,948	-	-	-	2,396,948
Total	\$ 5,489,840	\$ -	\$ -	\$ 16,084,367	\$ 21,574,207

These levels are evaluated on an annual basis, and transfers between levels are recognized as of the end of each fiscal year. For the year ended December 31, 2016 and 2015, there were no transfers in or out of Level 1, Level 2 or Level 3.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

The following table discloses additional information about investments recorded at NAV at December 31, 2016 and 2015:

	<u>12/31/2016</u> <u>Fair Value</u>	<u>Unfunded</u> <u>commitments</u>	<u>Redemption</u> <u>frequency</u> <u>limitations</u>	<u>Redemption</u> <u>notice period</u>
Money market funds (a)	\$ 60,125	\$ -	None	0 days
Equity securities funds (b)	<u>16,914,075</u>	-	None	0 - 5 days
Total Value	<u>\$ 16,974,200</u>			

	<u>12/31/2015</u> <u>Fair Value</u>	<u>Unfunded</u> <u>commitments</u>	<u>Redemption</u> <u>frequency</u> <u>limitations</u>	<u>Redemption</u> <u>notice period</u>
Money market funds (a)	\$ 414,650	\$ -	None	0 days
Equity securities funds (b)	<u>15,669,717</u>	-	None	0 - 5 days
Total Value	<u>\$ 16,084,367</u>			

- (a) This category includes investments primarily consisting of a broad range of high-quality, U.S. dollar-denominated government, bank and commercial obligations that are available in the money markets. The funds' objective is to maintain a stable NAV of \$1.00 per share and maximize current income to the extent consistent with the preservation of capital and maintaining liquidity. The NAV of the fund is determined using the fair value of the underlying securities. The funds have no commitments, no redemption frequency limitations, and allow for same-day notice for redemption.
- (b) This category includes investments in equity securities funds primarily consisting of common stocks that have readily available price data. The NAV of the funds is determined using the fair value of the underlying securities. The funds have no commitments or redemption frequency limitations, but do have a redemption notice period.

There was no minimum contribution due to the Plan in 2016 or 2015. The Museum contributed \$120,000 to the Plan in 2016 and \$0 in 2015.

NOTE 9 - LINE OF CREDIT

The Museum has an agreement for an unsecured revolving line of credit for \$15,000,000. The agreement bears interest at the federal funds rate plus 0.50% (1.16% at December 31, 2016). Total interest costs incurred on the line of credit in 2016 and 2015 were \$1,908 and \$6,587, respectively. At December 31, 2016 and 2015, \$-0- and \$1,800,000 were borrowed against the line of credit.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

NOTE 10 - RELATED PARTIES

The Museum Campus Corporation (the Campus) is a tax-exempt organization consisting of the Museum, Shedd Aquarium and the Adler Planetarium, the purpose of which is to attract visitors to the Campus' centrally located facilities. As of December 31, 2016 and 2015, the Museum has no receivable due from or payable to the Campus.

The Museum receives financial support from individual members of its Board. In 2016, approximately 42% of contributions were from members of the Board and approximately 63% of the pledge receivables were due from members of its Board. In 2015, approximately 40% of contributions were from members of the Board and approximately 60% of the pledge receivables were due from members of its Board.

NOTE 11 - FUNCTIONAL EXPENSES

The Museum's operating expenses for the years ended December 31, 2016 and 2015, are classified functionally as follows:

	<u>2016</u>	<u>2015</u>
Program	\$ 56,291,968	\$ 50,792,076
Supporting services	<u>11,131,161</u>	<u>10,560,689</u>
Total operating expenses	<u>\$ 67,423,129</u>	<u>\$ 61,352,765</u>

NOTE 12 - COMMITMENTS AND CONTINGENCIES

The Museum has an operating lease with a food service provider (Lessee) expiring in 2023, with an option to extend for a five-year term immediately upon expiration and a second option to extend for an additional five years upon expiration of the first extension. As a part of the lease agreement, the Lessee was required to make an initial capital investment of \$3,500,000 to improve the Museum's facilities. The Museum recorded the \$3,500,000 of improvements as other assets and deferred revenue. The Museum is amortizing the other asset and the deferred revenue on a straight-line basis over a 20-year period in accordance with the amortization schedule of the improvement in the agreement.

The Museum has an operating lease with a retail service provider (Lessee) expiring in 2018, with an option to extend for a five-year term immediately upon expiration. As a part of the lease agreement, the Lessee made \$484,000 of improvements to the Museum's facilities. The Museum recorded the \$484,000 of improvements as other assets and deferred revenue. The Museum is amortizing the other asset and the deferred revenue on a straight-line basis over a five-year period in accordance with the amortization schedule of the improvement in the agreement.

Field Museum of Natural History
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2016 and 2015

In 2016 and 2015, the Museum amortized \$271,800. The other asset and deferred revenue balances pertaining to the arrangements discussed above at December 31, 2016 and 2015, were \$3,066,517 and \$3,338,317, respectively.

NOTE 13 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Programs	\$ 41,077,720	\$ 36,840,185
Time restrictions	<u>44,988,611</u>	<u>45,724,144</u>
Total temporarily restricted net assets	<u>\$ 86,066,331</u>	<u>\$ 82,564,329</u>

Time-restricted net assets include pledges and investment income on endowment funds awaiting appropriation. Investment income from endowment funds are released upon board approval and satisfying donor-imposed purpose restrictions.

NOTE 14 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 23, 2017, the date the financial statements were issued, and is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

Field Museum of Natural History
SCHEDULE OF DEPARTMENT EXPENSES
Year ended December 31, 2016, with comparative totals for the year ended December 31, 2015

	Salaries and wages	Pension and employee benefits	Cost of sales	Supplies	Postage, freight and miscellaneous	Travel, dues and meetings	Printing and publications	Professional and outside services	Utilities	Repairs and maintenance	Interest and amortization	Exhibits and equipment	Total	2015 Total
Science and education														
Action center	\$ 1,847,465	\$ 828,338	\$ -	\$ 105,244	\$ 5,206	\$ 475,584	\$ 41,496	\$ 365,627	\$ 25,243	\$ 317	\$ -	\$ -	\$ 3,694,520	2,803,188
Collections center	2,381,529	1,051,567	-	159,150	53,859	146,287	87,451	80,592	862,270	520	-	-	4,823,225	4,757,980
Integrative research center	3,613,914	1,639,600	-	564,674	184,270	347,949	64,359	414,863	162,523	48,971	-	-	7,041,123	6,669,145
Learning center	933,861	412,469	-	150,431	419	65,158	5,735	576,691	52,644	-	-	-	2,197,408	1,661,744
Scientific support	553,753	232,082	-	45,017	1,258	58,602	8,191	57,858	22,280	-	-	-	979,041	849,451
Total science and education	9,330,522	4,164,056	-	1,024,516	245,012	1,093,580	207,232	1,495,631	1,124,960	49,808	-	-	18,735,317	16,741,508
Public programs														
Exhibitions	2,466,407	1,133,743	-	574,152	803,179	664,120	24,152	2,853,462	808,122	1,500	-	18,861	9,347,698	7,083,814
Guest relations	914,491	417,176	-	59,392	879	4,544	8,662	426,539	31,757	1,530	-	-	1,864,970	1,710,773
Total public programs	3,380,898	1,550,919	-	633,544	804,058	668,664	32,814	3,280,001	839,879	3,030	-	18,861	11,212,668	8,794,587
Business enterprises	591,729	259,772	269,776	15,478	463,633	37,988	686	1,251,735	90,154	-	-	-	2,980,951	2,459,149
Museum outreach														
Public relations	1,138,982	503,611	-	37,013	8,183	76,101	24,374	2,341,019	12,461	-	-	5,389	4,147,133	3,587,488
Science outreach and communication	144,055	54,239	-	10,095	914	4,899	787	2,925	-	-	-	-	217,914	151,082
Auxiliary groups	156,584	73,418	-	10,806	3,392	15,263	14,318	570,537	3,830	-	-	-	848,148	738,351
Membership	338,791	154,257	-	16,287	109,848	12,206	315,534	468,428	5,536	-	-	-	1,420,887	1,553,935
Total museum outreach	1,778,412	785,525	-	74,201	122,337	108,469	355,013	3,382,909	21,827	-	-	5,389	6,634,082	6,030,856
Museum services														
Protection services	927,049	434,608	-	44,285	520	19,271	82	585,785	13,107	12,753	-	-	2,037,460	1,889,465
Housekeeping	496,966	234,122	-	108,687	-	-	-	315,776	59,220	-	-	-	1,214,771	1,148,107
Facility, planning and operations	1,205,243	564,111	-	408,460	304	5,124	-	1,314,906	188,576	368,199	-	-	4,054,923	4,120,681
Technology	528,114	229,611	-	175,200	5,707	10,334	28	810,244	61,214	42,814	-	4,392	1,867,658	1,482,376
General services	107,857	51,688	-	34,870	3,907	318	105	279	5,189	37,840	-	-	242,053	227,029
Total museum services	3,265,229	1,514,140	-	771,502	10,438	35,047	215	3,026,990	327,306	461,606	-	4,392	9,416,865	8,867,658
General and administrative														
Administration	1,170,355	676,262	-	92,156	801,765	114,393	5,802	1,557,168	28,038	9,465	1,908	-	4,457,312	4,815,084
Finance	746,715	335,503	-	2,508	1,490	4,007	1,030	41,024	11,367	-	-	-	1,143,644	1,018,712
Human resources	515,671	220,426	-	4,528	2,293	55,421	204	82,893	8,716	3,519	-	-	893,671	789,232
Total general and administrative	2,432,741	1,232,191	-	99,192	805,548	173,821	7,036	1,681,085	48,121	12,984	1,908	-	6,494,627	6,623,028
Institutional advancement	2,040,300	927,192	-	47,822	43,557	113,036	227,554	789,179	11,205	-	-	-	4,199,845	3,521,960
Debt service	-	-	-	-	118	-	1,250	156,409	-	-	7,590,997	-	7,748,774	8,314,019
Total 2016 expenses	\$ 22,819,831	\$ 10,433,795	\$ 269,776	\$ 2,666,255	\$ 2,494,701	\$ 2,230,605	\$ 831,800	\$ 15,063,939	\$ 2,463,452	\$ 527,428	\$ 7,592,905	\$ 28,642	\$ 67,423,129	\$ 61,352,765
Total 2015 expenses	\$ 20,806,919	\$ 8,635,388	\$ 265,759	\$ 2,588,338	\$ 2,257,014	\$ 1,733,068	\$ 796,628	\$ 13,487,441	\$ 2,474,747	\$ 538,279	\$ 7,748,092	\$ 21,092	\$ 61,352,765	

Field Museum of Natural History
SCHEDULE OF DEPARTMENT EXPENSES
Year ended December 31, 2015

	Salaries and wages	Pension and employee benefits	Cost of sales	Supplies	Postage, freight and miscellaneous	Travel, dues and meetings	Printing and publications	Professional and outside services	Utilities	Repairs and maintenance	Interest and amortization	Exhibits and equipment	Total
Science and education													
Action center	\$ 1,488,711	\$ 549,752	\$ -	\$ 99,136	\$ 4,840	\$ 180,521	\$ 43,708	\$ 410,135	\$ 26,385	\$ -	\$ -	\$ -	\$ 2,803,188
Collections center	2,316,504	861,940	-	244,155	64,783	197,619	83,571	112,734	876,674	-	-	-	4,757,980
Integrative research center	3,332,738	1,254,796	-	553,013	283,867	404,534	17,499	628,073	164,516	29,238	-	871	6,669,145
Learning center	760,793	271,293	-	96,619	251	64,867	7,757	401,877	53,688	3,715	-	884	1,661,744
Scientific support	522,665	194,315	-	24,418	3,219	40,779	3,815	35,914	21,708	-	-	2,618	849,451
Total science and education	8,421,411	3,132,096	-	1,017,341	356,960	888,320	156,350	1,588,733	1,142,971	32,953	-	4,373	16,741,508
Public programs													
Exhibitions	2,222,756	826,293	-	520,509	711,720	385,445	15,141	1,564,619	820,612	-	-	16,719	7,083,814
Guest relations	953,646	328,280	-	55,050	15,910	5,732	26,934	290,528	32,408	2,285	-	-	1,710,773
Total public programs	3,176,402	1,154,573	-	575,559	727,630	391,177	42,075	1,855,147	853,020	2,285	-	16,719	8,794,587
Business enterprises	560,828	198,687	265,759	6,435	214,121	43,317	32,091	1,045,909	92,002	-	-	-	2,459,149
Museum outreach													
Public relations	756,364	292,417	-	64,290	1,898	33,476	29,051	2,398,083	11,909	-	-	-	3,587,488
Science outreach and communication	103,542	36,610	-	7,914	1,000	1,938	78	-	-	-	-	-	151,082
Auxiliary groups	141,323	53,703	-	5,792	3,985	12,174	39,610	477,871	3,893	-	-	-	738,351
Membership	387,324	129,183	-	15,700	176,095	9,503	304,571	519,491	12,068	-	-	-	1,553,935
Total museum outreach	1,388,553	511,913	-	93,696	182,978	57,091	373,310	3,395,445	27,870	-	-	-	6,030,856
Museum services													
Protection services	970,926	377,672	-	34,528	6,038	10,811	140	449,412	13,786	26,152	-	-	1,889,465
Housekeeping	432,822	165,941	-	89,222	13	-	-	395,064	65,045	-	-	-	1,148,107
Facility, planning and operations	1,194,787	457,248	-	455,975	1,792	6,853	-	1,389,480	177,990	436,556	-	-	4,120,681
Technology	472,879	161,330	-	161,840	30,255	10,547	1,071	606,670	37,784	-	-	-	1,482,376
General services	108,106	41,080	-	42,414	236	428	60	1,485	5,302	27,918	-	-	227,029
Total museum services	3,179,520	1,203,271	-	783,979	38,334	28,639	1,271	2,842,111	299,907	490,626	-	-	8,867,658
General and administrative													
Administration	1,167,078	1,351,236	-	15,386	703,009	109,490	9,193	1,416,647	26,833	9,625	6,587	-	4,815,084
Finance	685,968	242,947	-	10,365	1,352	5,747	355	60,559	11,419	-	-	-	1,018,712
Human resources	461,221	168,672	-	4,052	1,749	94,552	94	47,220	8,882	2,790	-	-	789,232
Total general and administrative	2,314,267	1,762,855	-	29,803	706,110	209,789	9,642	1,524,426	47,134	12,415	6,587	-	6,623,028
Institutional advancement	1,765,938	671,993	-	81,525	30,881	113,453	180,498	665,829	11,843	-	-	-	3,521,960
Debt service	-	-	-	-	-	1,282	1,391	569,841	-	-	7,741,505	-	8,314,019
Total expenses	\$ 20,806,919	\$ 8,635,388	\$ 265,759	\$ 2,588,338	\$ 2,257,014	\$ 1,733,068	\$ 796,628	\$ 13,487,441	\$ 2,474,747	\$ 538,279	\$ 7,748,092	\$ 21,092	\$ 61,352,765