

Financial Statements and Report of Independent  
Certified Public Accountants

**Field Museum of Natural History**

December 31, 2018 and 2017

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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 (“Museum”), which comprise the statements of financial position as of December 31, 2018 and 2017, 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, 2018 and 2017, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. 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 audits 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 8, 2019

Field Museum of Natural History  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2018 and 2017

<b>ASSETS</b>		
	2018	2017
Cash	\$ 2,665,942	\$ 3,190,945
Interest and dividends receivable	345,801	239,512
Accounts receivable	4,758,100	4,752,944
Pledges receivable, net	32,318,907	40,669,283
Inventories	137,589	129,294
Investments	423,074,020	445,707,028
Property, net	227,719,797	230,708,348
Prepaid expenses	3,772,114	2,982,729
Other assets	2,522,917	3,056,514
Collections	1	1
<b>TOTAL ASSETS</b>	<b>\$ 697,315,188</b>	<b>\$ 731,436,598</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable	\$ 3,510,315	\$ 4,135,226
Accrued expenses	4,876,801	4,960,397
Deferred revenue	7,716,667	10,082,573
Accrued pension cost	5,112,115	3,581,359
Interest rate swaps	14,842,440	17,958,772
Notes payable	163,327,270	164,325,427
Total liabilities	199,385,608	205,043,754
Net assets		
Without donor restrictions	224,141,740	248,716,175
With donor restrictions	273,787,840	277,676,669
Total net assets	497,929,580	526,392,844
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 697,315,188</b>	<b>\$ 731,436,598</b>

The accompanying notes are an integral part of these statements.

Field Museum of Natural History  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2018, with comparative totals for the year ended December 31, 2017

	Without donor restrictions	With donor restrictions	2018 Total	2017 Total
Revenue and other support				
Operating revenues				
Chicago Park District property tax remittances	\$ 5,409,280	\$ -	\$ 5,409,280	\$ 5,483,967
Government grants	1,187,168	-	1,187,168	1,386,791
Private grants and contracts	941,334	-	941,334	269,297
Investment return used in operations	11,520,694	4,620,306	16,141,000	16,304,000
Contributions	8,898,668	4,653,488	13,552,156	13,746,576
Sponsorships	876,370	-	876,370	714,643
Memberships	2,344,429	-	2,344,429	2,230,679
Admissions	16,704,135	-	16,704,135	17,708,702
Program service fees	2,562,773	-	2,562,773	4,429,460
Business enterprises	7,919,426	-	7,919,426	7,406,835
Other	726,087	-	726,087	1,053,255
Total operating revenues	59,090,364	9,273,794	68,364,158	70,734,205
Net assets released from restrictions for operations	11,263,215	(11,263,215)	-	-
Total revenue and other support	70,353,579	(1,989,421)	68,364,158	70,734,205
Operating expenses				
Science and education	19,744,032	-	19,744,032	19,431,387
Public programs	8,907,375	-	8,907,375	9,054,863
Business enterprises	2,746,110	-	2,746,110	2,488,981
Museum outreach	6,388,309	-	6,388,309	4,636,095
Museum services	10,190,709	-	10,190,709	9,735,381
General and administrative	7,725,670	-	7,725,670	7,030,159
Institutional advancement	6,891,703	-	6,891,703	6,370,778
Debt service	8,006,841	-	8,006,841	7,766,381
Total operating expenses	70,600,749	-	70,600,749	66,514,025
Change in net assets resulting from operating revenues and expenses	(247,170)	(1,989,421)	(2,236,591)	4,220,180
Non-operating items				
Investment return, net	(11,147,141)	(13,925,789)	(25,072,930)	50,683,950
Investment return used in operations	(11,520,694)	(4,620,306)	(16,141,000)	(16,304,000)
Government grants for capital improvements	-	-	-	5,008
Campaign contributions and major gifts	2,624,958	23,248,448	25,873,406	27,228,936
Change in fair value of interest rate swaps	3,116,332	-	3,116,332	732,182
Depreciation	(11,949,435)	-	(11,949,435)	(12,237,627)
Net assets released from restrictions for capital improvements	6,601,761	(6,601,761)	-	-
Pension-related changes other than net periodic pension cost	(2,053,046)	-	(2,053,046)	(507,064)
Total non-operating items	(24,327,265)	(1,899,408)	(26,226,673)	49,601,385
<b>CHANGES IN NET ASSETS</b>	(24,574,435)	(3,888,829)	(28,463,264)	53,821,565
Net assets at beginning of year	248,716,175	277,676,669	526,392,844	472,571,279
Net assets at end of year	<u>\$ 224,141,740</u>	<u>\$ 273,787,840</u>	<u>\$ 497,929,580</u>	<u>\$ 526,392,844</u>

Field Museum of Natural History  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2017

	Without donor restrictions	With donor restrictions	2017 Total
Revenue and other support			
Operating revenues			
Chicago Park District property tax remittances	\$ 5,483,967	\$ -	\$ 5,483,967
Government grants	1,386,791	-	1,386,791
Private grants and contracts	269,297	-	269,297
Investment return used in operations	11,995,826	4,308,174	16,304,000
Contributions	8,418,124	5,328,452	13,746,576
Sponsorships	714,643	-	714,643
Memberships	2,230,679	-	2,230,679
Admissions	17,708,702	-	17,708,702
Program service fees	4,429,460	-	4,429,460
Business enterprises	7,406,835	-	7,406,835
Other	1,053,255	-	1,053,255
Total operating revenues	61,097,579	9,636,626	70,734,205
Net assets released from restrictions for operations	9,865,147	(9,865,147)	-
Total revenue and other support	70,962,726	(228,521)	70,734,205
Operating expenses			
Science and education	19,431,387	-	19,431,387
Public programs	9,054,863	-	9,054,863
Business enterprises	2,488,981	-	2,488,981
Museum outreach	4,636,095	-	4,636,095
Museum services	9,735,381	-	9,735,381
General and administrative	7,030,159	-	7,030,159
Institutional advancement	6,370,778	-	6,370,778
Debt service	7,766,381	-	7,766,381
Total operating expenses	66,514,025	-	66,514,025
Change in net assets resulting from operating revenues and expenses	4,448,701	(228,521)	4,220,180
Non-operating items			
Investment return, net	31,684,357	18,999,593	50,683,950
Investment return used in operations	(11,995,826)	(4,308,174)	(16,304,000)
Government grants for capital improvements	5,008	-	5,008
Campaign contributions and major gifts	861,932	26,367,004	27,228,936
Change in fair value of interest rate swaps	732,182	-	732,182
Depreciation	(12,237,627)	-	(12,237,627)
Net assets released from restrictions for			
Change in donor restriction	25,000	(25,000)	-
Capital improvements	2,672,798	(2,672,798)	-
Pension-related changes other than net periodic pension cost	(507,064)	-	(507,064)
Total non-operating items	11,240,760	38,360,625	49,601,385
<b>CHANGES IN NET ASSETS</b>	15,689,461	38,132,104	53,821,565
Net assets at beginning of year	233,026,714	239,544,565	472,571,279
Net assets at end of year	\$ 248,716,175	\$ 277,676,669	\$ 526,392,844

Field Museum of Natural History  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2018 and 2017

	2018	2017
Cash flows from operating activities		
Changes in net assets	\$ (28,463,264)	\$ 53,821,565
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities		
Depreciation	11,949,435	12,237,627
Net realized/unrealized depreciation (appreciation) on investments	31,170,365	(46,416,243)
Change in fair value of interest rate swap liabilities	(3,116,332)	(732,182)
Loss on disposal of Museum property	1,548,717	389,297
Contributions permanently restricted for endowment	(10,243,531)	(7,612,177)
Changes in operating assets and liabilities		
Interest and dividends receivable	(106,289)	(34,629)
Accounts receivable	(5,156)	1,214,566
Pledges receivable	(3,770,987)	(10,195,468)
Museum inventories	(8,295)	9,386
Other assets and prepaid expense	(255,788)	740,284
Amortization of deferred bond premium	51,843	51,842
Accounts payable	(391,535)	436,053
Accrued expenses	(83,596)	93,044
Deferred revenue	(2,365,906)	556,770
Accrued pension cost	1,530,756	238,730
Net cash (used in) provided by operating activities	(2,559,563)	4,798,465
Cash flows from investing activities		
Purchases of investments	(43,469,625)	(105,458,173)
Proceeds from sales of investments	34,932,268	94,183,461
Purchases of Museum property	(10,742,977)	(8,871,542)
Net cash used in investing activities	(19,280,334)	(20,146,254)
Cash flows from financing activities		
Repayment of bonds	(1,050,000)	(950,000)
Contributions permanently restricted for endowment	22,364,894	17,710,762
Net cash provided by financing activities	21,314,894	16,760,762
<b>NET CHANGE IN CASH</b>	(525,003)	1,412,973
Cash, beginning of year	3,190,945	1,777,972
Cash, end of year	<u>\$ 2,665,942</u>	<u>\$ 3,190,945</u>
Supplemental disclosures of cash flow information		
Interest paid	\$ 7,637,937	\$ 7,599,874
Income taxes paid	237,106	371,382
Accounts payable for construction in progress	479,753	713,129

The accompanying notes are an integral part of these statements.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2018 and 2017**

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**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 30 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** – Net assets without donor restrictions 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 net assets that have been designated by the Board of Trustees (the Board) or Museum administration for programs 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).

Net assets with donor restrictions include contributions and investment income that have been restricted by donors for specified purposes, contributions with time restrictions, and amounts restricted by donors in perpetuity. When restrictions have been met, such net assets are reported as net assets released from restrictions (see Note 15).

**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

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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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 assets with donor restrictions and unrestricted long-term investments. The Board has approved a spending policy at a rate of 4.5% for 2018 and 4.75% for 2017 on a three-year moving average, which resulted in a spending amount of \$16,141,000 in 2018 and \$16,304,000 in 2017. 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 with donor restrictions based on state law, donor-imposed restrictions or time restrictions.
- b. Investment income on Board-designated funds is recorded as without donor restrictions.
- c. Investment income on other unrestricted investments is recorded as without donor restrictions.

**Endowment Funds** - Endowment funds are recorded in accordance with the Illinois approved Uniform Prudent Management of Institutional Funds Act (UPMIFA) that extends a donor's restriction to use of the funds, including investment return, until the funds are appropriated for expenditure by the Board. The Museum

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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classifies gifts to be held in perpetuity and the associated earnings on these funds as net assets with donor restrictions 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.

**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 five 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.

**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 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 statements of financial position 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 net assets without donor restrictions in the year in which the items are acquired, or as decreases in net assets with donor restrictions 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 net assets without donor restrictions. There were no sales of collection items in 2018 or 2017.

**Revenue Recognition** – The Museum recognizes revenue for sponsorships, admissions, program service fees, business enterprises, and other based on the satisfaction of performance obligations. Performance obligations

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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are determined based on the service provided by the Museum. The following explains the performance obligations related to each revenue stream and how those are recognized.

**Sponsorships** – The Museum receives revenue from contracts and agreements with third parties to sponsor temporary events, exhibits, and other programs. The revenue is recognized over the sponsorship period.

**Admissions** – The Museum receives revenue from visitors, which is recognized when redeemed by visitors for entrance to the Museum. Admissions include the Museum’s portion of revenue from combined ticket packages with other local institutions.

**Program service fees** – The Museum receives revenue from third parties to provide lab services, education programs, and rentals and licensing of traveling exhibits. The Museum recognizes revenue for these activities when the related services are provided, when programs are held, and over the term of the rental and licensing agreement.

**Business enterprises** – The Museum receives revenue from visitors for use of space for events and group admissions. The Museum recognizes revenue for these activities when the event or group admission occurs. The Museum receives revenue from third parties in connection with services provided to Museum customers for food services, retail, vending and other services. The Museum recognizes this revenue on the date of the customer transaction.

**Other** – The Museum receives revenue from visitors for services including coat check, stroller rental, event tickets, and other miscellaneous services. The Museum recognizes this revenue on the date the service is provided.

Payments received in advance of the Museum satisfying its performance obligations are recorded within deferred revenues in the accompanying statements of financial position. The changes in deferred revenue were a result of normal timing differences between the satisfaction of performance obligations and customer payments.

**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 statements 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 \$83,900 in 2018 and \$172,975 in 2017. This revenue is offset by like amounts included in expenses or assets.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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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** - The Museum records revenue under grant agreements based on their respective terms. Grants and contracts are primarily conditional contributions and are recognized as revenue without donor restrictions when the corresponding expenses have been incurred for allowable purposes consistent with the terms of the respective agreements to which they pertain. Amounts reported as accounts receivable in the accompanying statements of financial position include grant and contract expenses incurred in advance of the receipt of funds. There is no allowance for grants, as collection is reasonably assured based on historical experience. Funds received in advance of incurred grant and contract expenses are reported as deferred revenue in the accompanying statements of financial position.

**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 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, 2018 and 2017, no interest and penalties were recorded.

**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.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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**Functional Allocation of Expenses** - The costs of providing Museum programs and administration have been summarized on a functional basis in Note 11. The Museum classifies expenses directly to the categories the expense is supporting. In some instances, expenses may be attributable to more than one function. These expenses related to utilities and debt services have been allocated among the program and support services based on square footage and debt uses.

**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 statements of financial position (see Note 8).

**Reclassifications** - Certain reclassifications were made to the 2017 statements to conform to the 2018 financial statement presentation.

**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 Museum adopted ASU No. 2014-09 on January 1, 2018. The Museum performed an analysis of revenue streams and transactions under ASU 2014-09. The impact of adopting ASU 2014-09 did not have a material impact on the financial position, change in net assets, cash flows, business processes or systems of the Museum.

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. 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. The Museum adopted the guidance for the year ended December 31, 2018. As a result of adopting this ASU, net assets have been presented “without donor restrictions” and “with donor restrictions.” In addition to changes in terminology used to describe categories of net assets throughout the statements, new disclosures were added regarding liquidity and availability of resources and expanded functional expense disclosures.

### **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, 2018 and 2017**

Investments at December 31, 2018 and 2017, consist of the following:

	2018	2017
Money market funds	\$ 28,303,783	\$ 44,620,031
Equity securities	229,312,251	223,355,670
Fixed-income securities funds	62,936,592	47,048,940
Hedged equity funds	38,775,873	48,125,666
Absolute return funds	61,984,673	80,786,980
Other funds	848	9,741
Limited partnerships	<u>1,760,000</u>	<u>1,760,000</u>
Total	<u>\$423,074,020</u>	<u>\$445,707,028</u>

The following tables summarize assets and liabilities measured at fair value on a recurring basis at December 31, 2018 and 2017:

Assets	2018				Total
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other observable inputs	Investments measured at NAV	
	Level 1	Level 2	Level 3	NAV	
Money market funds	\$ 28,303,783	\$ -	\$ -	\$ -	\$ 28,303,783
Equity security funds	44,154,958	-	-	185,157,293	229,312,251
Fixed-income securities funds	62,936,592	-	-	-	62,936,592
Hedged equity funds	-	-	-	38,775,873	38,775,873
Absolute return funds	-	-	-	61,984,673	61,984,673
Other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>848</u>	<u>848</u>
Total investments, fair value	<u>\$135,395,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$285,918,687</u>	421,314,020
Limited partnership, cost					<u>1,760,000</u>
Total investments					<u>\$423,074,020</u>
<b>Liabilities</b>					
Interest rate swaps	\$ -	\$ 14,842,440	\$ -	\$ -	\$ 14,842,440
Total	<u>\$ -</u>	<u>\$ 14,842,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,842,440</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

Assets	2017				
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other observable inputs	Investments measured at	Total
	Level 1	Level 2	Level 3	NAV	
Money market funds	\$ 44,620,031	\$ -	\$ -	\$ -	\$ 44,620,031
Equity security funds	104,322,787	-	-	119,032,883	223,355,670
Fixed-income securities funds	46,929,152	-	-	119,788	47,048,940
Hedged equity funds	-	-	-	48,125,666	48,125,666
Absolute return funds	-	-	-	80,786,980	80,786,980
Other funds	-	-	-	9,741	9,741
Total investments, fair value	<u>\$195,871,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$248,075,058</u>	443,947,028
Limited partnership, cost					<u>1,760,000</u>
Total investments					<u>\$445,707,028</u>
<b>Liabilities</b>					
Interest rate swaps	\$ -	\$17,958,772	\$ -	\$ -	\$ 17,958,772
Total	<u>\$ -</u>	<u>\$17,958,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,958,772</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, 2018 and 2017, there were no transfers in or out of Level 1, Level 2 or Level 3.

The following tables disclose additional information about investments recorded at NAV or its equivalent, such as percentage of capital, at December 31, 2018 and 2017:

	2018			
	Fair value	Unfunded commitments	Redemption frequency limitations	Redemption notice period
Equity securities funds (a)	\$185,157,293	\$ -	Monthly and Quarterly	0-30 days
Hedged equity funds (c)	38,775,873	-	Quarterly- Annually	45-80 days
Absolute return funds(d)	61,984,673	-	Quarterly- Annually	45-120 days
Other funds (e)	<u>848</u>	<u>-</u>	None	0 days
Total investments recorded at NAV	<u>\$285,918,687</u>	<u>\$ -</u>		

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

	2017			
	Fair value	Unfunded commitments	Redemption frequency limitations	Redemption notice period
Equity securities funds (a)	\$119,032,883	\$ -	Monthly and Quarterly	0-60 days
Fixed-income securities funds (b)	119,788	-	Quarterly	60 days
Hedged equity funds (c)	48,125,666	-	Quarterly-Annually	45-80 days
Absolute return funds(d)	80,786,980	9,337	Quarterly-Annually	45-120 days
Other funds (e)	<u>9,741</u>	<u>-</u>	None	0 days
Total investments recorded at NAV	<u>\$248,075,058</u>	<u>\$9,337</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. None of these assets are in the process of being redeemed as of December 31, 2018.
- (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 withdraw in an annual period. The Museum redeemed this asset as of December 31, 2018.
- (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 approximately 13% of the hedged equity funds are in redemption as of December 31, 2018.
- (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 2% of the absolute return funds are in redemption as of December 31, 2018.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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- (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 continued into 2018, and the partnership is in the process of ending as of December 31, 2018.

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, 2018 and 2017. 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 donor 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.

**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, 2018 funds with deficiencies of this nature had an original gift value of \$34,499,787, a market value of \$33,814,849, and a deficiency of \$684,938. At December 31, 2017, there were no deficiencies of this nature. These deficiencies, which are included within net assets with donor restrictions, resulted from current market conditions. Management has deemed it prudent to spend from these funds with the expectation that future earnings will offset these deficiencies.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

Endowment net asset composition by type of fund is as follows as of December 31, 2018 and 2017:

	2018		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$194,104,090	\$194,104,090
Board-designated endowment funds	<u>193,388,945</u>	<u>14,036,458</u>	<u>207,425,403</u>
Total	<u>\$193,388,945</u>	<u>\$208,140,548</u>	<u>\$401,529,493</u>
	2017		
	Without donor restrictions	With donor restrictions	Total
Donor-restricted endowment funds	\$ -	\$190,285,291	\$190,285,291
Board-designated endowment funds	<u>217,781,229</u>	<u>13,587,541</u>	<u>231,368,770</u>
Total	<u>\$217,781,229</u>	<u>\$203,872,832</u>	<u>\$421,654,061</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

During 2018, the Museum had the following endowment-related cash activities:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$217,781,229	\$203,872,832	\$421,654,061
Investment return, net	(13,095,358)	(11,935,752)	(25,031,110)
Additions			
New cash gifts and pledge payments	263,662	22,813,811	23,077,473
Appropriation of endowment assets for expenditure	(11,520,694)	(4,620,306)	(16,141,000)
Net assets released for time transfers from Board-approved spending	1,990,037	(1,990,037)	-
Transfers from Board-designated endowment funds	<u>(2,029,931)</u>	<u>-</u>	<u>(2,029,931)</u>
Endowment net assets, end of year	<u>\$193,388,945</u>	<u>\$208,140,548</u>	<u>\$401,529,493</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

During 2017, the Museum had the following endowment-related cash activities:

	Without donor restrictions	With donor restrictions	Total
Endowment net assets, beginning of year	\$198,078,095	\$171,404,624	\$369,482,719
Investment return, net	27,766,857	20,944,111	48,710,968
Additions			
New cash gifts and pledge payments	259,206	17,776,789	18,035,995
Appropriation of endowment assets for expenditure	(11,995,826)	(4,308,174)	(16,304,000)
Net assets released for time transfers from Board-approved spending	1,944,518	(1,944,518)	-
Transfers to Board-designated Endowment funds	<u>1,728,379</u>	<u>-</u>	<u>1,728,379</u>
Endowment net assets, End of year	<u>\$217,781,229</u>	<u>\$203,872,832</u>	<u>\$421,654,061</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 for assets to be restricted in perpetuity and, when received, the payments will be reflected as new cash gifts and pledge payments with donor restrictions.

Field Museum of Natural History  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
 December 31, 2018 and 2017

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**NOTE 5 - MUSEUM PROPERTY, NET**

Museum property at December 31, 2018 and 2017, consists of the following:

	<u>2018</u>	<u>2017</u>
Building and building improvements	\$ 317,654,114	\$ 315,127,812
Exhibit hall improvements (excluding artifacts and historical treasures)	105,852,550	103,446,810
Research and office equipment	<u>28,912,854</u>	<u>27,999,315</u>
Total property and equipment	452,419,518	446,573,937
Less accumulated depreciation	<u>(227,268,265)</u>	<u>(218,626,411)</u>
Net depreciable property and equipment	225,151,253	227,947,526
Construction in progress	<u>2,568,544</u>	<u>2,760,822</u>
Net property and equipment	<u>\$ 227,719,797</u>	<u>\$ 230,708,348</u>

At December 31, 2018 and 2017, the Museum has \$3,876,882 and \$4,023,179 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 \$8,600,000 to complete the Museum's construction in progress as of December 31, 2018.

Field Museum of Natural History  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
December 31, 2018 and 2017

**NOTE 6 - PLEDGES RECEIVABLE**

Unconditional promises to give are included in the financial statements as pledges and revenue with donor restrictions. Pledges are recorded after discounting to the present value the expected future cash flows using discount rates ranging between 0.76% and 2.75%. Pledges receivable were as follows as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Due within one year	\$ 12,726,295	\$ 16,035,499
Due between two to five years	21,303,417	25,365,037
Due after five years	<u>-</u>	<u>1,166,670</u>
	34,029,712	42,567,206
Less		
Allowance for uncollectible accounts	(264,762)	(327,767)
Present value discount	<u>(1,446,043)</u>	<u>(1,570,156)</u>
Net pledges receivable	<u>\$ 32,318,907</u>	<u>\$ 40,669,283</u>

**NOTE 7 - NOTES PAYABLE**

Notes payable at December 31, 2018 and 2017, consist of the following amounts due to the Illinois Finance Authority, which issued bonds on the Museum's behalf:

	<u>2018</u>			
	<u>Original principal</u>	<u>Principal paid in 2018</u>	<u>Principal outstanding December 31, 2018</u>	<u>Maturity date</u>
Series 2015 A	\$ 30,000,000	\$ 800,000	\$ 28,200,000	November 1, 2025
Series 2015 B	29,000,000	250,000	28,500,000	November 1, 2034
Series 2015 C	29,500,000		29,500,000	November 1, 2034
Series 2002	<u>90,000,000</u>	<u>-</u>	<u>78,000,000</u>	November 1, 2036
Total	<u>\$178,500,000</u>	<u>\$1,050,000</u>	<u>164,200,000</u>	
Bond issuance costs			<u>(872,730)</u>	
Net notes payable			<u>\$163,327,270</u>	

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

	2017			
	Original principal	Principal paid in 2017	Principal outstanding December 31, 2017	Maturity date
Series 2015 A	\$ 30,000,000	\$700,000	\$ 29,000,000	November 1, 2025
Series 2015 B	29,000,000	250,000	28,750,000	November 1, 2034
Series 2015 C	29,500,000	-	29,500,000	November 1, 2034
Series 2002	<u>90,000,000</u>	<u>-</u>	<u>78,000,000</u>	November 1, 2036
Total	<u>\$178,500,000</u>	<u>\$950,000</u>	165,250,000	
Bond issuance costs			<u>(924,573)</u>	
Net notes payable			<u>\$164,325,427</u>	

In 2015, the Museum replaced tax-exempt 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, 2018, bore interest of 2.65%.

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, 2018, bore interest of 2.65%.

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, 2018, bore interest of 2.70%.

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, 2018 and 2017, 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 Series 2002 Bonds bear interest at a rate of 3.90% to 5.50%, depending on duration. The current blended rate as of December 31, 2018, is 4.36% (weighted), and interest is payable each November 1 and May 1.

On November 1, 2017, the remarketing of an outstanding portion of the Series 2002 Bonds in the amount of \$12,100,000 occurred as required by the mandatory tender on November 1, 2017. The new adjustable interest rate on the outstanding principal amount was set at 3.90%. The new adjustable rate period began on November 1, 2017, and ends on October 31, 2036.

The total interest costs incurred on these bonds in 2018 and 2017 were \$7,651,042 and \$7,598,292, respectively. Capitalized interest is classified as a depreciable asset within Museum property.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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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%. The notional amount outstanding at December 31, 2018 was \$41.2 million.

These agreements are considered derivative financial instruments and are reported at their fair values as a liability of \$14,842,440 and \$17,958,772 at December 31, 2018 and 2017, respectively. The fair value is recorded in interest rate swaps in the accompanying statements of financial position. The unrealized gain on interest rate swaps for 2018 was \$3,116,332 and the unrealized gain for 2017 was \$732,182. 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 2018 and 2017, Museum contributions expensed with respect to the defined contribution plan were \$890,204 and \$1,528,580, respectively.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Change in benefit obligation		
Benefit obligation – beginning of year	\$29,064,468	\$25,924,649
Service cost	176,950	149,729
Interest cost	944,480	1,007,107
Actuarial (gain) loss	(1,092,633)	3,242,334
Benefits paid	<u>(1,458,886)</u>	<u>(1,259,351)</u>
Benefit obligation – end of year	<u>\$27,634,379</u>	<u>\$29,064,468</u>
Change in plan assets		
Fair value of plan assets – beginning of year	\$25,483,109	\$22,582,020
Actual return on plan assets	(1,679,959)	4,010,440
Employer contribution	178,000	150,000
Benefits paid	<u>(1,458,886)</u>	<u>(1,259,351)</u>
Fair value of plan assets – end of year	<u>\$22,522,264</u>	<u>\$25,483,109</u>
Funded status	<u>\$ (5,112,115)</u>	<u>\$ (3,581,359)</u>

Amounts that have not yet been recognized as a component of net periodic benefit cost consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Prior service credit	\$ (64,881)	\$ (72,090)
Net actuarial loss	<u>6,762,445</u>	<u>4,716,608</u>
Total	<u>\$ 6,697,564</u>	<u>\$ 4,644,518</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

Net periodic benefits costs expected to be recognized in the next fiscal years are as follows at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Prior service credit	\$ (7,209)	\$ (7,209)
Net actuarial loss	133,300	56,692

The following table sets forth the rollforward of the pension liability for the years ended December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Pension liability – beginning of year	\$(3,581,359)	\$(3,342,629)
Net periodic pension income	344,290	118,334
Pension-related changes other than net periodic pension cost		
Net actuarial loss	(2,045,837)	(499,855)
Amortization of prior service credit	(7,209)	(7,209)
Employer contribution	<u>178,000</u>	<u>150,000</u>
Pension liability – end of year	\$ <u>(5,112,115)</u>	\$ <u>(3,581,359)</u>

Other changes in pension plan assets and benefit obligation recognized during the years ended December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Net actuarial loss	\$ 2,103,905	\$ 578,786
Items amortized		
Prior service credit	7,209	7,209
Net actuarial loss	<u>(58,068)</u>	<u>(78,931)</u>
Total pension-related changes other than net periodic benefit cost	\$ <u>2,053,046</u>	\$ <u>507,064</u>

The components of net periodic benefit cost for the years ended December 31, 2018 and 2017, are as follows:

	<u>2018</u>	<u>2017</u>
Service cost	\$ 176,950	\$ 149,729
Interest cost	944,480	1,007,107
Expected return on assets	(1,516,579)	(1,346,892)
Amortization of net actuarial loss	58,068	78,931
Prior service credit	<u>(7,209)</u>	<u>(7,209)</u>
Net periodic pension income	\$ <u>(344,290)</u>	\$ <u>(118,334)</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

The following table presents the key actuarial assumptions used in developing the data for 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	4.00%	3.50%
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	3.50%	4.00%
Expected return on plan assets	6.50%	6.50%
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:

	<u>2018</u>
2019	\$4,302,000
2020	2,532,000
2021	2,319,000
2022	1,921,000
2023	1,779,000
2024-2028	8,221,000

The following table presents the Plan's asset allocation at December 31, 2018, by asset category:

		<u>Range</u>
Money market funds	1%	0%-5%
Equity securities funds	84	50-90
Fixed-income securities funds	<u>15</u>	20-40
Total	<u>100%</u>	

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

The following table presents the Plan's asset allocation at December 31, 2017, by asset category:

		<u>Range</u>
Money market funds	3%	0%-5%
Equity securities funds	80	50-90
Fixed-income securities funds	<u>17</u>	20-40
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.

The following represents the Plan's investments measured at fair value on a recurring basis at December 31, 2018:

<b>Assets</b>	2018			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	\$ -	\$ -	\$ -	\$ 243,749	\$ 243,749
Equity securities funds	3,666,866	-	-	15,257,252	18,924,118
Fixed-income securities funds	<u>3,354,397</u>	-	-	-	<u>3,354,397</u>
Total	<u>\$7,021,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$15,501,001</u>	<u>\$22,522,264</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

The following represents the Plan's investments measured at fair value on a recurring basis at December 31, 2017:

Assets	2017			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	\$ -	\$ -	\$ -	\$ 835,705	\$ 835,705
Equity securities funds	4,073,880	-	-	16,385,704	20,459,584
Fixed-income securities funds	<u>4,187,820</u>	-	-	-	<u>4,187,820</u>
Total	<u>\$8,261,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$17,221,409</u>	<u>\$25,483,109</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 year ended December 31, 2018 and 2017, there were no transfers in or out of Level 1, Level 2 or Level 3.

The following table discloses additional information about investments recorded at NAV at December 31, 2018 and 2017:

	2018			
	Fair Value	Unfunded commitments	Redemption frequency limitations	Redemption notice period
Money market funds (a)	\$ 243,749	-	None	0 days
Equity securities funds (b)	<u>15,257,252</u>	-	None	0-5 days
Total value	<u>\$15,501,001</u>			

  

	2017			
	Fair Value	Unfunded commitments	Redemption frequency limitations	Redemption notice period
Money market funds (a)	\$ 835,705	-	None	0 days
Equity securities funds (b)	<u>16,385,704</u>	-	None	0-5 days
Total value	<u>\$17,221,409</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

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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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 2018 or 2017. The Museum contributed \$178,000 to the Plan in 2018 and \$150,000 in 2017.

**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% (2.9% at December 31, 2018). No interest costs were incurred on the line of credit in 2018 and 2017. At December 31, 2018 and 2017, the Museum had no borrowings against the line of credit.

**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, 2018 and 2017, the Museum has no receivable due from or payable to the Campus.

The Museum receives financial support from individual members of its Board. In 2018, approximately 27% of contributions were from members of the Board and approximately 52% of the pledge receivables were due from members of its Board. In 2017, approximately 39% of contributions were from members of the Board and approximately 69% of the pledge receivables were due from members of its Board..

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

**NOTE 11 - FUNCTIONAL EXPENSES**

The Museum's operating expenses for the year ended December 31, 2018 and 2017, are classified functionally as follows:

2018	Program Services					Total
	Science and Education	Public Programs	Business Enterprises	Museum Outreach	Museum Services	
Compensation	\$14,103,854	\$4,785,019	\$802,129	\$3,055,574	\$5,041,743	\$27,788,319
Supplies	976,206	493,326	27,921	202,025	801,276	2,500,754
Cost of goods sold	-	-	270,109	-	-	270,109
Postage, freight, and miscellaneous	307,330	287,995	331,775	66,234	4,778	998,112
Travel	1,098,480	303,546	73,460	193,769	38,552	1,707,807
Outside services	2,164,446	2,102,577	1,154,272	5,142,130	3,637,537	14,200,962
Utilities	1,086,309	899,361	86,444	19,503	362,524	2,454,141
Repairs and maintenance	7,407	35,551	-	-	304,299	347,257
Debt service	<u>4,725,063</u>	<u>2,266,741</u>	<u>174,608</u>	<u>19,940</u>	<u>735,773</u>	<u>7,922,125</u>
Total	<u>\$24,469,095</u>	<u>\$11,174,116</u>	<u>\$2,920,718</u>	<u>\$8,699,175</u>	<u>\$10,926,482</u>	<u>\$58,189,586</u>

2018 (continued)	Support Services			Total Expenses
	General and Administrative	Fundraising	Total	
Compensation	\$3,595,246	\$2,962,792	\$ 6,558,038	\$ 34,346,357
Supplies	26,308	29,312	55,620	2,556,374
Cost of goods sold	-	-	-	270,109
Postage, freight, and miscellaneous	2,070,801	32,623	2,103,424	3,101,536
Travel	352,893	107,944	460,837	2,168,644
Outside services	1,641,503	1,455,711	3,097,214	17,298,176
Utilities	38,919	12,395	51,314	2,505,455
Repairs and maintenance	-	-	-	347,257
Debt service	<u>29,370</u>	<u>55,346</u>	<u>84,716</u>	<u>8,006,841</u>
Total	<u>\$7,755,040</u>	<u>\$4,656,123</u>	<u>\$12,411,163</u>	<u>\$ 70,600,749</u>

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

2017	Program Services					Total
	Science and Education	Public Programs	Business Enterprises	Museum Outreach	Museum Services	
Compensation	\$14,036,478	\$4,706,689	\$845,168	\$2,793,403	\$4,937,983	\$27,319,721
Supplies	1,065,015	491,084	18,434	107,425	668,163	2,350,121
Cost of goods sold	-	-	213,872	-	-	213,872
Postage, freight, and miscellaneous	340,748	257,329	193,604	117,186	13,288	922,155
Travel	1,055,909	427,550	36,923	128,399	41,078	1,689,859
Outside services	1,697,197	2,312,332	1,091,192	3,740,073	3,364,978	12,205,772
Utilities	1,123,029	838,780	89,788	21,344	366,968	2,439,909
Repairs and maintenance	113,011	21,099	-	1,500	342,923	478,533
Debt service	<u>4,583,161</u>	<u>2,198,667</u>	<u>169,363</u>	<u>19,340</u>	<u>713,678</u>	<u>7,684,209</u>
Total	<u>\$24,014,548</u>	<u>\$11,253,530</u>	<u>\$2,658,344</u>	<u>\$6,928,670</u>	<u>\$10,449,059</u>	<u>\$55,304,151</u>

2017 (continued)	Support Services			Total Expenses
	General and Administrative	Fundraising	Total	
Compensation	\$3,654,077	\$2,874,286	\$ 6,528,363	\$33,848,084
Supplies	43,228	111,540	154,768	2,504,889
Cost of goods sold	-	-	-	213,872
Postage, freight, and miscellaneous	1,199,812	26,509	1,226,321	2,148,476
Travel	321,879	115,195	437,074	2,126,933
Outside services	1,770,216	958,151	2,728,367	14,934,139
Utilities	38,771	11,862	50,633	2,490,542
Repairs and maintenance	2,176	-	2,176	480,709
Debt service	<u>28,488</u>	<u>53,684</u>	<u>82,172</u>	<u>7,766,381</u>
Total	<u>\$7,058,647</u>	<u>\$4,151,227</u>	<u>\$11,209,874</u>	<u>\$66,514,025</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) that expired on December 31, 2018. 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.

In 2018 and 2017, the Museum amortized \$271,800. The other asset and deferred revenue balances pertaining to the arrangements discussed above at December 31, 2018 and 2017, were \$2,522,917 and \$2,794,717, respectively.

**Field Museum of Natural History**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**December 31, 2018 and 2017**

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**NOTE 13 - AVAILABLE RESOURCES AND LIQUIDITY**

The Museum regularly monitors liquidity required to meet its operational needs. The Museum forecasts its future cash flows and strives to budget annual revenue to cover general expenditures and capital expenditures. The Museum considers all expenditures related to its programs, management and fundraising to be general expenditures. As of December 31, 2018, the following financial assets could readily be made available within one year to meet general expenditures.

Cash and cash equivalents	\$ 2,665,942
Accounts receivable	4,758,100
Contribution pledges for general expenditures due in one year or less	6,093,166
Approved endowment distribution in next 12 months	17,257,610
Short-term investments available in next 12 months	<u>19,613,369</u>
Financial assets available in next 12 months	<u>\$50,388,187</u>

Amounts not available include: \$6,633,129 of contribution pledges due within one year to be held in perpetuity, \$157,056,684 of investments held in perpetuity, \$227,215,199 of investments held until approved for spending distribution by the Board, and \$1,931,158 of other investments. The Museum also has a line of credit available to meet short-term needs (see Note 9).

**NOTE 14 - NET ASSETS WITHOUT DONOR RESTRICTIONS**

Net assets without donor restrictions consist of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Quasi-endowment	\$193,388,945	\$217,781,229
Designated	9,658,366	10,171,141
Undesignated	<u>21,094,429</u>	<u>20,763,805</u>
Total	<u>\$224,141,740</u>	<u>\$248,716,175</u>

Quasi-endowment includes assets with no donor-imposed restrictions that have been designated by the Board to be held as long-term investments. Designated assets include assets with no donor-imposed restriction that have been designated by management for program use.

Field Museum of Natural History  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 2018 and 2017

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**NOTE 15 - NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
To be held in perpetuity	\$157,056,684	\$134,691,789
Program restrictions	34,083,967	33,995,822
Time restrictions	<u>82,647,189</u>	<u>108,989,058</u>
Total net assets with donor restrictions	<u>\$273,787,840</u>	<u>\$277,676,669</u>

Net assets to be held in perpetuity 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. Program-restricted net assets include assets with donor-imposed purpose restrictions. Time-restricted net assets include pledges and long-term investments with donor-imposed restrictions awaiting appropriation and amounts for underwater endowment funds. Investment income from endowment funds are released upon Board approval and satisfying donor-imposed purpose restrictions.

**NOTE 16 - REVENUE RECOGNITION**

For the year ended December 31, 2018, the Museum recognized revenue of \$3,527,256 from amounts that were included in deferred revenues at the beginning of the year.

At December 31, 2018, deferred revenues totaled \$7,716,667. Of that amount, 53%, 86% and 100%, respectively, of the performance obligation surrounding this liability is expected to be satisfied within 1, 3 and 5 years, respectively, and the remaining thereafter.

**NOTE 17 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 8, 2019, 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, 2018, with comparative totals for the year ended December 31, 2017

	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	2017 Total
Science and education														
Action center	\$ 1,908,033	\$ 793,591	\$ -	\$ 103,335	\$ 17,835	\$ 320,503	\$ 38,011	\$ 719,301	\$ 24,420	\$ -	\$ -	\$ -	\$ 3,925,029	\$ 3,786,834
Collections center	2,747,447	1,127,446	-	175,691	56,393	189,070	85,921	76,911	822,282	-	-	-	5,281,391	5,076,607
Integrative research center	3,752,002	1,508,457	-	596,716	230,031	377,040	74,015	455,411	161,760	7,407	-	-	7,162,839	7,462,971
Learning center	928,471	367,459	-	81,676	155	63,560	10,514	433,123	50,852	-	-	-	1,935,810	1,867,177
Strategic science initiatives	280,996	122,129	-	7,966	52	71,421	83	228,716	5,081	-	-	-	716,444	395,194
Scientific support	396,708	170,885	-	10,822	2,864	76,886	12,848	29,592	21,914	-	-	-	722,519	842,604
Total science and education	10,013,887	4,089,967	-	976,206	307,330	1,098,480	221,392	1,943,054	1,086,309	7,407	-	-	19,744,032	19,431,387
Public programs														
Exhibitions	2,351,230	1,011,480	-	435,341	287,601	291,362	7,370	1,558,502	867,757	-	-	34,063	6,844,706	7,002,957
Guest relations	1,002,315	419,994	-	57,985	394	12,184	1,462	535,243	31,604	-	-	1,488	2,062,669	2,051,906
Total public programs	3,353,545	1,431,474	-	493,326	287,995	303,546	8,832	2,093,745	899,361	-	-	35,551	8,907,375	9,054,863
Business enterprises	569,000	233,129	270,109	27,921	331,775	73,460	2,550	1,151,722	86,444	-	-	-	2,746,110	2,488,981
Museum outreach														
Public relations	1,467,887	622,463	-	170,511	5,792	130,420	2,208	3,728,787	11,238	-	-	-	6,139,306	4,381,413
Science outreach and communication	156,908	61,776	-	10,125	149	17,371	249	2,425	-	-	-	-	249,003	254,682
Total museum outreach	1,624,795	684,239	-	180,636	5,941	147,791	2,457	3,731,212	11,238	-	-	-	6,388,309	4,636,095
Museum services														
Protection services	835,389	364,618	-	54,245	303	5,747	-	789,576	13,207	12,841	-	-	2,075,926	2,118,201
Housekeeping	523,808	228,333	-	109,241	-	-	-	334,290	65,571	-	-	-	1,261,243	1,233,794
Facility, planning and operations	1,361,475	592,134	-	369,917	1,316	3,497	-	1,858,069	187,893	257,859	-	-	4,632,160	4,128,022
Technology	682,345	296,982	-	230,133	3,159	29,253	1,291	644,475	90,545	-	-	-	1,978,183	2,013,437
General services	109,161	47,498	-	37,740	-	55	-	9,836	5,308	33,599	-	-	243,197	241,927
Total museum services	3,512,178	1,529,565	-	801,276	4,778	38,552	1,291	3,636,246	362,524	304,299	-	-	10,190,709	9,735,381
General and administrative														
Administration	1,112,894	653,801	-	18,943	2,067,637	202,390	619	1,597,809	19,247	-	-	-	5,673,340	4,890,386
Finance	727,382	301,721	-	2,449	1,108	3,209	3,500	8,516	10,840	-	-	-	1,058,725	1,241,704
Human resources	557,453	241,995	-	4,916	2,056	147,294	213	30,846	8,832	-	-	-	993,605	898,069
Total general and administrative	2,397,729	1,197,517	-	26,308	2,070,801	352,893	4,332	1,637,171	38,919	-	-	-	7,725,670	7,030,159
Institutional advancement														
Development	2,078,140	884,652	-	29,312	32,623	107,944	208,276	1,247,435	12,395	-	-	-	4,600,777	4,097,543
Auxiliary groups	153,535	66,080	-	9,654	1,764	13,745	2,575	669,261	3,220	-	-	-	919,834	908,325
Membership	368,040	158,885	-	11,735	58,529	32,233	198,881	537,744	5,045	-	-	-	1,371,092	1,364,910
Total institutional advancement	2,599,715	1,109,617	-	50,701	92,916	153,922	409,732	2,454,440	20,660	-	-	-	6,891,703	6,370,778
Debt service	-	-	-	-	-	-	-	355,799	-	-	7,651,042	-	8,006,841	7,766,381
Total 2018 expenses	\$ 24,070,849	\$ 10,275,508	\$ 270,109	\$ 2,556,374	\$ 3,101,536	\$ 2,168,644	\$ 650,586	\$ 17,003,389	\$ 2,505,455	\$ 311,706	\$ 7,651,042	\$ 35,551	\$ 70,600,749	\$ 66,514,025
Total 2017 expenses	\$ 22,958,439	\$ 10,889,645	\$ 213,872	\$ 2,504,889	\$ 2,148,642	\$ 2,126,933	\$ 680,062	\$ 14,370,157	\$ 2,490,542	\$ 369,744	\$ 7,650,135	\$ 110,965	\$ 66,514,025	

Field Museum of Natural History  
SCHEDULE OF DEPARTMENT EXPENSES  
Year ended December 31, 2017

	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	\$ 1,899,743	\$ 899,316	\$ -	\$ 72,890	\$ 6,429	\$ 328,636	\$ 11,552	\$ 542,286	\$ 25,366	\$ 616	\$ -	\$ -	3,786,834
Collections center	2,403,021	1,138,998	-	190,399	53,338	241,986	79,626	97,078	860,618	11,543	-	-	5,076,607
Integrative research center	3,662,528	1,698,621	-	675,829	278,443	345,901	63,866	477,713	161,701	9,416	-	88,953	7,462,971
Learning center	904,596	407,132	-	84,752	389	81,622	5,696	330,889	52,101	-	-	-	1,867,177
Scientific support	491,857	228,068	-	14,762	2,137	47,503	5,636	28,597	21,561	-	-	2,483	842,604
Strategic science initiatives	212,837	89,761	-	26,383	12	10,261	259	53,999	1,682	-	-	-	395,194
Total science and education	9,574,582	4,461,896	-	1,065,015	340,748	1,055,909	166,635	1,530,562	1,123,029	21,575	-	91,436	19,431,387
Public programs													
Exhibitions	2,331,755	1,131,313	-	435,892	255,599	401,222	5,472	1,614,789	807,176	930	-	18,809	7,002,957
Guest relations	843,867	399,754	-	55,192	1,730	26,328	11,306	680,765	31,604	1,360	-	-	2,051,906
Total public programs	3,175,622	1,531,067	-	491,084	257,329	427,550	16,778	2,295,554	838,780	2,290	-	18,809	9,054,863
Business enterprises	579,170	265,998	213,872	18,434	193,604	36,923	534	1,090,658	89,788	-	-	-	2,488,981
Museum outreach													
Public relations	1,186,453	560,245	-	63,691	2,983	81,874	6,172	2,465,508	12,987	1,500	-	-	4,381,413
Science outreach and communication	157,685	71,208	-	10,635	316	12,763	1,336	739	-	-	-	-	254,682
Total museum outreach	1,344,138	631,453	-	74,326	3,299	94,637	7,508	2,466,247	12,987	1,500	-	-	4,636,095
Museum services													
Protection services	854,057	407,426	-	67,118	748	9,672	22	744,602	13,014	20,822	-	720	2,118,201
Housekeeping	494,885	241,163	-	110,551	-	-	-	323,440	63,755	-	-	-	1,233,794
Facility, planning and operations	1,251,381	607,538	-	350,755	1,514	10,472	-	1,448,806	173,949	283,607	-	-	4,128,022
Technology	630,448	290,269	-	107,539	9,938	20,925	-	843,236	111,082	-	-	-	2,013,437
General services	107,702	53,114	-	32,200	1,088	9	17	4,855	5,168	37,774	-	-	241,927
Total museum services	3,338,473	1,599,510	-	668,163	13,288	41,078	39	3,364,939	366,968	342,203	-	720	9,735,381
General and administrative													
Administration	1,163,533	600,842	-	23,082	1,196,499	181,045	2,329	1,704,336	18,720	-	-	-	4,890,386
Finance	786,632	375,845	-	15,841	1,464	6,192	429	44,079	11,222	-	-	-	1,241,704
Human resources	503,103	224,122	-	4,305	1,849	134,642	-	19,043	8,829	2,176	-	-	898,069
Total general and administrative	2,453,268	1,200,809	-	43,228	1,199,812	321,879	2,758	1,767,458	38,771	2,176	-	-	7,030,159
Institutional advancement													
Development	1,942,712	931,574	-	111,540	26,509	115,195	269,669	688,482	11,862	-	-	-	4,097,543
Auxiliary groups	180,811	88,273	-	14,412	3,368	12,793	2,718	602,821	3,129	-	-	-	908,325
Membership	369,663	179,065	-	18,687	110,519	20,969	211,337	449,442	5,228	-	-	-	1,364,910
Total institutional advancement	2,493,186	1,198,912	-	144,639	140,396	148,957	483,724	1,740,745	20,219	-	-	-	6,370,778
Debt service	-	-	-	-	166	-	2,086	113,994	-	-	7,650,135	-	7,766,381
Total 2017 expenses	\$ 22,958,439	\$ 10,889,645	\$ 213,872	\$ 2,504,889	\$ 2,148,642	\$ 2,126,933	\$ 680,062	\$ 14,370,157	\$ 2,490,542	\$ 369,744	\$ 7,650,135	\$ 110,965	66,514,025