

Financial Statements and Report of
Independent Certified Public
Accountants

Field Museum of Natural History

December 31, 2019 and 2018

Contents

Page

Report of Independent Certified Public Accountants	3
Financial Statements	
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	8
Notes to Financial Statements	9
Supplementary Information	
Schedules of Department Expenses	34

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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, 2019 and 2018, 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, 2019 and 2018, 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 for the years ended December 31, 2019 and 2018, 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, 2020

Field Museum of Natural History

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

ASSETS	2019	2018
Cash	\$ 2,530,905	\$ 2,665,942
Interest and dividends receivable	364,767	345,801
Accounts receivable	4,571,242	4,758,100
Pledges receivable, net	29,948,652	32,318,907
Inventories	118,468	137,589
Investments	498,794,365	423,074,020
Museum property, net	222,541,647	227,719,797
Prepaid expenses	3,566,403	3,772,114
Other assets	2,790,396	2,522,917
Collections	1	1
TOTAL ASSETS	\$ 765,226,846	\$ 697,315,188
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 3,796,830	\$ 3,510,315
Accrued expenses	4,921,678	4,876,801
Deferred revenue	7,073,086	7,716,667
Accrued pension cost	3,204,707	5,112,115
Interest rate swaps	19,083,122	14,842,440
Notes payable, net	162,892,106	163,327,270
Total liabilities	200,971,529	199,385,608
Net assets		
Without donor restrictions	249,622,346	224,141,740
With donor restrictions	314,632,971	273,787,840
Total net assets	564,255,317	497,929,580
TOTAL LIABILITIES AND NET ASSETS	\$ 765,226,846	\$ 697,315,188

The accompanying notes are an integral part of these statements.

Field Museum of Natural History

STATEMENT OF ACTIVITIES

Year ended December 31, 2019, with comparative totals for the year ended December 31, 2018

	Without donor restrictions	With donor restrictions	2019 Total	2018 Total
Revenue and other support				
Operating revenues				
Chicago Park District property tax remittances	\$ 5,577,460	\$ -	\$ 5,577,460	\$ 5,409,280
Government grants	1,432,486	-	1,432,486	1,187,168
Private grants and contracts	447,481	-	447,481	941,334
Investment return used in operations	11,973,357	5,284,253	17,257,610	16,141,000
Contributions	8,658,609	6,181,586	14,840,195	13,552,156
Sponsorships	873,935	-	873,935	876,370
Memberships	2,171,397	-	2,171,397	2,344,429
Admissions	15,148,326	-	15,148,326	16,704,135
Program service fees	2,043,801	-	2,043,801	2,562,773
Business enterprises	7,827,767	-	7,827,767	7,919,426
Other	857,418	-	857,418	726,087
Total operating revenues	57,012,037	11,465,839	68,477,876	68,364,158
Net assets released from restrictions for operations	12,006,058	(12,006,058)	-	-
Total revenue and other support	69,018,095	(540,219)	68,477,876	68,364,158
Operating expenses				
Science and education	20,500,537	-	20,500,537	19,744,032
Public programs	8,821,470	-	8,821,470	8,907,375
Business enterprises	2,671,714	-	2,671,714	2,746,110
Museum outreach	4,223,740	-	4,223,740	6,388,309
Museum services	10,852,645	-	10,852,645	10,190,709
General and administrative	6,423,594	-	6,423,594	7,725,670
Institutional advancement	6,074,585	-	6,074,585	6,891,703
Debt service	7,909,304	-	7,909,304	8,006,841
Total operating expenses	67,477,589	-	67,477,589	70,600,749
Change in net assets resulting from operating revenues and expenses	1,540,506	(540,219)	1,000,287	(2,236,591)
Non-operating items				
Investment return, net	44,972,657	35,837,234	80,809,891	(25,072,930)
Investment return used in operations	(11,973,357)	(5,284,253)	(17,257,610)	(16,141,000)
Campaign contributions and major gifts	1,580,280	14,700,561	16,280,841	25,873,406
Change in fair value of interest rate swaps	(4,240,682)	-	(4,240,682)	3,116,332
Depreciation	(12,005,025)	-	(12,005,025)	(11,949,435)
Net assets released from restrictions for capital improvements	3,868,192	(3,868,192)	-	-
Pension-related changes other than net periodic pension cost	1,738,035	-	1,738,035	(2,053,046)
Total non-operating items	23,940,100	41,385,350	65,325,450	(26,226,673)
CHANGES IN NET ASSETS	25,480,606	40,845,131	66,325,737	(28,463,264)
Net assets at beginning of year	224,141,740	273,787,840	497,929,580	526,392,844
Net assets at end of year	\$ 249,622,346	\$ 314,632,971	\$ 564,255,317	\$ 497,929,580

The accompanying notes are an integral part of this statement.

Field Museum of Natural History

STATEMENT OF ACTIVITIES

Year ended December 31, 2018

	Without donor restrictions	With donor restrictions	2018 Total
Revenue and other support			
Operating revenues			
Chicago Park District property tax remittances	\$ 5,409,280	\$ -	\$ 5,409,280
Government grants	1,187,168	-	1,187,168
Private grants and contracts	941,334	-	941,334
Investment return used in operations	11,520,694	4,620,306	16,141,000
Contributions	8,898,668	4,653,488	13,552,156
Sponsorships	876,370	-	876,370
Memberships	2,344,429	-	2,344,429
Admissions	16,704,135	-	16,704,135
Program service fees	2,562,773	-	2,562,773
Business enterprises	7,919,426	-	7,919,426
Other	726,087	-	726,087
	<u>59,090,364</u>	<u>9,273,794</u>	<u>68,364,158</u>
Total operating revenues			
Net assets released from restrictions for operations	<u>11,263,215</u>	<u>(11,263,215)</u>	<u>-</u>
Total revenue and other support	70,353,579	(1,989,421)	68,364,158
Operating expenses			
Science and education	19,744,032	-	19,744,032
Public programs	8,907,375	-	8,907,375
Business enterprises	2,746,110	-	2,746,110
Museum outreach	6,388,309	-	6,388,309
Museum services	10,190,709	-	10,190,709
General and administrative	7,725,670	-	7,725,670
Institutional advancement	6,891,703	-	6,891,703
Debt service	8,006,841	-	8,006,841
	<u>70,600,749</u>	<u>-</u>	<u>70,600,749</u>
Total operating expenses			
Change in net assets resulting from operating revenues and expenses	(247,170)	(1,989,421)	(2,236,591)
Non-operating items			
Investment return, net	(11,147,141)	(13,925,789)	(25,072,930)
Investment return used in operations	(11,520,694)	(4,620,306)	(16,141,000)
Campaign contributions and major gifts	2,624,958	23,248,448	25,873,406
Change in fair value of interest rate swaps	3,116,332	-	3,116,332
Depreciation	(11,949,435)	-	(11,949,435)
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)
	<u>(24,327,265)</u>	<u>(1,899,408)</u>	<u>(26,226,673)</u>
Total non-operating items			
CHANGES IN NET ASSETS	(24,574,435)	(3,888,829)	(28,463,264)
Net assets at beginning of year	<u>248,716,175</u>	<u>277,676,669</u>	<u>526,392,844</u>
Net assets at end of year	<u>\$ 224,141,740</u>	<u>\$ 273,787,840</u>	<u>\$ 497,929,580</u>

The accompanying notes are an integral part of this statement.

Field Museum of Natural History

STATEMENTS OF CASH FLOWS

Years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Changes in net assets	\$ 66,325,737	\$ (28,463,264)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	12,005,025	11,949,435
Net realized/unrealized (appreciation) depreciation on investments	(65,415,689)	31,170,365
Change in fair value of interest rate swap liabilities	4,240,682	(3,116,332)
Loss on disposal of Museum property	-	1,548,717
Contributions permanently restricted for endowment	(13,829,291)	(10,243,531)
Changes in operating assets and liabilities		
Interest and dividends receivable	(18,966)	(106,289)
Accounts receivable	186,858	(5,156)
Pledges receivable	4,762,171	(3,770,987)
Museum inventories	19,121	(8,295)
Other assets and prepaid expense	(61,768)	(255,788)
Amortization of deferred bond premium	(495,164)	51,843
Accounts payable	(576,415)	(391,535)
Accrued expenses	44,877	(83,596)
Deferred revenue	(643,581)	(2,365,906)
Accrued pension cost	(1,907,408)	1,530,756
	4,636,189	(2,559,563)
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Purchases of investments	(37,901,041)	(43,469,625)
Proceeds from sales of investments	27,596,385	34,932,268
Purchases of Museum property	(5,963,945)	(10,742,977)
	(16,268,601)	(19,280,334)
Net cash used in investing activities		
Cash flows from financing activities		
Repayment of bonds	(900,000)	(1,050,000)
Borrowings from issuance of notes payable	960,000	-
Contributions permanently restricted for endowment	11,437,375	22,364,894
	11,497,375	21,314,894
Net cash provided by financing activities		
NET CHANGE IN CASH	(135,037)	(525,003)
Cash, beginning of year	2,665,942	3,190,945
Cash, end of year	\$ 2,530,905	\$ 2,665,942
Supplemental disclosures of cash flow information		
Interest paid	\$ 7,260,576	\$ 7,637,937
Income taxes paid	326,238	237,106
Accounts payable for construction in progress	1,342,683	479,753
Non-cash financing activity		
Repayment of bonds using new bond proceeds	\$ 86,200,000	\$ -

The accompanying notes are an integral part of these statements.

Field Museum of Natural History
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE A - 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 the excess of investment earnings under the total return concept (see Note B), campaign and major gift activity, depreciation, the change in fair value of interest rate swaps, 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 G).

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 O).

NOTE B - 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

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 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 C).

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.

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 2019 and 2018 on a three-year moving average, which resulted in a spending amount of \$17,257,610 in 2019 and \$16,141,000 in 2018. 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.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 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.

Museum 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. Collections care generally includes traditional maintenance, handling inventories, object labeling, object housing and support, housekeeping, environmental control, interventive conservation, integrated pest management, emergency planning, mitigation and response, health and safety, security, and insurance.

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

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 2019 or 2018.

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 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, as the sponsor receives the benefit.

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 agreements.

Business enterprises – The Museum receives revenue for use of space for events and group admissions from visitors. The Museum recognizes revenue for these activities when the event or group admission occurs. The Museum also receives revenue from third parties in connection with leased space and services provided to Museum customers for food services, retail, vending and other services. The Museum recognizes the revenue associated with the leased space ratably over the term of the lease and recognizes the revenue from the services provided to Museum customers by third parties 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

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 \$85,000 in 2019 and \$83,900 in 2018. 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

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. The Museum was awarded grants of \$3,465,546 for which revenue has not been recognized because qualifying expenditures have not yet been incurred as of December 31, 2019. 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, 2019 and 2018, 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

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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.

Functional Allocation of Expenses

The costs of providing Museum programs and administration have been summarized on a functional basis in Note K. 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 H).

Accounting Pronouncements

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 impact of adopting ASU 2016-02 did not have a material impact on the financial position, change in net assets, cash flows, business processes or systems of the Museum.

In March 2019, the FASB issued ASU No. 2019-03, *Not-for-Profit Entities (Topic 958): Updating the Definition of Collections*. Under this ASU, the definition of the term collections has been amended to allow for the use of proceeds from the sale of collection items in the direct care of the collection. The guidance will be effective for fiscal years beginning after December 15, 2019. The Museum early implemented ASU No. 2019-03 and it did not have a material impact on the financial statements, change in net assets, cash flows, business processes or systems of the Museum.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following tables summarize assets and liabilities measured at fair value on a recurring basis at December 31, 2019 and 2018:

	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other observable inputs	Investments measured at NAV	Total
	Level 1	Level 2	Level 3		
Assets					
Money market funds	\$ 16,523,918	\$ -	\$ -	\$ -	\$ 16,523,918
Equity security funds	44,915,520	-	-	264,159,087	309,074,607
Fixed-income securities funds	64,579,331	-	-	-	64,579,331
Hedged equity funds	-	-	-	39,387,082	39,387,082
Absolute return funds	-	-	-	57,060,238	57,060,238
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total investments, fair value	<u>\$ 126,018,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 360,606,407</u>	486,625,176
Receivable for investment sold					10,409,189
Limited partnership, cost					<u>1,760,000</u>
Total investments					<u>\$ 498,794,365</u>
Liabilities					
Interest rate swaps	\$ -	\$ 19,083,122	\$ -	\$ -	\$ 19,083,122
Total	<u>\$ -</u>	<u>\$ 19,083,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,083,122</u>

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	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	
Assets					
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	-	-	-	848	848
Total investments, fair value	<u>\$ 135,395,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 285,918,687</u>	421,314,020
Limited partnership, cost					1,760,000
Total investments					<u>\$ 423,074,020</u>
Liabilities					
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>

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, 2019 and 2018, 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, 2019 and 2018:

	2019			
	Fair value	Unfunded commitments	Redemption frequency limitations	Redemption notice period
Equity security funds (a)	\$ 264,159,087	\$ -	Daily - Quarterly	0-60 days
Hedged equity funds (b)	39,387,082	-	Quarterly - Annually	45-80 days
Absolute return funds (c)	57,060,238	-	Quarterly - Annually	45-100 days
Total investments recorded at NAV	<u>\$ 360,606,407</u>	<u>\$ -</u>		

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	2018			
	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency limitations</u>	<u>Redemption notice period</u>
Equity security funds (a)	\$185,157,293	\$ -	Daily - Quarterly	0-30 days
Hedged equity funds (b)	38,775,873	-	Quarterly - Annually	45-80 days
Absolute return funds (c)	61,984,673	-	Quarterly - Annually	45-120 days
Other funds (d)	<u>848</u>	<u>-</u>	None	0 days
Total investments recorded at NAV	<u>\$ 285,918,687</u>	<u>\$ -</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, 2019.
- (b) 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 1% of the hedged equity funds are in redemption as of December 31, 2019.
- (c) 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, 2019.
- (d) 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 ended as of December 31, 2019.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 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, 2019 and 2018. 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 D - 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, 2019, there were no deficiencies of this nature. 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. 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.

Endowment net asset composition by type of fund is as follows as of December 31, 2019 and 2018:

	<u>2019</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 235,984,584	\$235,984,584
Board-designated endowment funds	223,164,430	14,308,991	237,473,421
Total	<u>\$ 223,164,430</u>	<u>\$ 250,293,575</u>	<u>\$ 473,458,005</u>
	<u>2018</u>		
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 194,104,090	\$ 194,104,090
Board-designated endowment funds	193,388,945	14,036,458	207,425,403
Total	<u>\$ 193,388,945</u>	<u>\$ 208,140,548</u>	<u>\$ 401,529,493</u>

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

During 2019, 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	\$ 193,388,945	\$ 208,140,548	\$ 401,529,493
Investment return, net	42,287,282	38,057,279	80,344,561
Additions			
New cash gifts and pledge payments	25,047	11,709,908	11,734,955
Appropriation of endowment assets for expenditure	(11,973,357)	(5,284,253)	(17,257,610)
Net assets released for time transfers from Board-approved spending	2,220,045	(2,220,045)	-
Transfers from Board-designated endowment funds	<u>(2,783,532)</u>	<u>(109,862)</u>	<u>(2,893,394)</u>
Endowment net assets, end of year	<u>\$ 223,164,430</u>	<u>\$ 250,293,575</u>	<u>\$ 473,458,005</u>

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>

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 THE FINANCIAL STATEMENTS - CONTINUED
December 31, 2019 and 2018

NOTE E - MUSEUM PROPERTY, NET

Museum property at December 31, 2019 and 2018, consists of the following:

	<u>2019</u>	<u>2018</u>
Building and building improvements	\$ 324,434,361	\$ 317,654,114
Exhibit hall improvements (excluding artifacts and historical treasures)	105,918,572	105,852,550
Research and office equipment	<u>29,581,334</u>	<u>28,912,854</u>
Total property and equipment	459,934,267	452,419,518
Less accumulated depreciation	<u>(239,273,290)</u>	<u>(227,268,265)</u>
Net depreciable property and equipment	220,660,977	225,151,253
Construction in progress	<u>1,880,670</u>	<u>2,568,544</u>
Museum property, net	<u>\$ 222,541,647</u>	<u>\$ 227,719,797</u>

At December 31, 2019 and 2018, the Museum has \$3,730,585 and \$3,876,882 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 \$6,262,000 to complete the Museum's construction in progress as of December 31, 2019.

NOTE F - 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%.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Pledges receivable were as follows as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Due within one year	\$ 12,674,211	\$ 12,726,295
Due between two to five years	14,962,266	21,303,417
Due after five years	4,000,000	-
	<u>31,636,477</u>	<u>30,029,712</u>
Less		
Allowance for uncollectible accounts	(205,637)	(264,762)
Present value discount	<u>(1,482,188)</u>	<u>(1,446,043)</u>
Pledges receivable, net	<u>\$ 29,948,652</u>	<u>\$ 32,318,907</u>

NOTE G - NOTES PAYABLE

Notes payable at December 31, 2019 and 2018, consist of the following amounts due to the Illinois Finance Authority, which issued bonds on the Museum's behalf:

	<u>2019</u>			
	<u>Original principal</u>	<u>Principal paid in 2019</u>	<u>Principal outstanding December 31, 2019</u>	<u>Maturity date</u>
Series 2015 A	\$ 30,000,000	\$ 28,200,000	\$ -	November 1, 2025
Series 2015 B	29,000,000	28,500,000	-	November 1, 2034
Series 2015 C	29,500,000	29,500,000	-	November 1, 2034
Series 2019	87,160,000	900,000	86,260,000	November 1, 2034
Series 2002	<u>90,000,000</u>	-	<u>78,000,000</u>	November 1, 2036
Total	<u>\$ 265,660,000</u>	<u>\$ 87,100,000</u>	164,260,000	
Bond issuance costs			<u>(1,367,894)</u>	
Notes payable, net			<u>\$ 162,892,106</u>	

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

	2018			
	Original principal	Principal paid in 2018	Principal outstanding December 31, 2018	Maturity date
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	90,000,000	-	78,000,000	November 1, 2036
Total	\$ 178,500,000	\$ 1,050,000	164,200,000	
Bond issuance costs			(872,730)	
Net notes payable			\$ 163,327,270	

In 2019, the Museum replaced Series 2015 tax-exempt direct placement bonds with a new Series 2019 tax-exempt bond issue totaling \$87.16 million. The Series 2019 bonds were initially issued as floating rate notes (FRN).

The Series 2019 FRN bonds are subject to a mandatory tender on September 1, 2022, with sinking fund payments each year until maturity in November 2034. Interest on the Series 2019 bonds during the initial FRN period are based on 68% of 1-month LIBOR plus an initial FRN spread of 0.50%. The Series 2019 Bonds outstanding at December 31, 2019 bore interest of 1.66%.

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, 2019, is 4.36% (weighted), and interest is payable each November 1 and May 1.

The total interest costs incurred on these bonds in 2019 and 2018 were \$7,677,158 and \$7,651,042, 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%. The notional amount outstanding at December 31, 2019 was \$40.3 million.

These agreements are considered derivative financial instruments and are reported at their fair values as a liability of \$19,083,122 and \$14,842,440 at December 31, 2019 and 2018, respectively. The fair value is recorded in interest rate swaps in the accompanying statements of financial position. The unrealized loss on interest rate swaps for 2019 was \$4,240,682 and the unrealized gain for 2018 was \$3,116,332. The net

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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 H - 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 2019 and 2018, Museum contributions expensed with respect to the defined contribution plan were \$893,946 and \$890,204, 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, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Change in benefit obligation		
Benefit obligation – beginning of year	\$ 27,634,379	\$ 29,064,468
Service cost	205,031	176,950
Interest cost	1,033,827	944,480
Actuarial loss (gain)	2,241,888	(1,092,633)
Benefits paid	<u>(1,172,033)</u>	<u>(1,458,886)</u>
Benefit obligation – end of year	<u>\$ 29,943,092</u>	<u>\$ 27,634,379</u>
Change in plan assets		
Fair value of plan assets – beginning of year	\$22,522,264	\$25,483,109
Actual return on plan assets	5,183,154	(1,679,959)
Employer contribution	205,000	178,000
Benefits paid	<u>(1,172,033)</u>	<u>(1,458,886)</u>
Fair value of plan assets – end of year	<u>\$ 26,738,385</u>	<u>\$ 22,522,264</u>
Funded status	<u>\$ (3,204,707)</u>	<u>\$ (5,112,115)</u>

Amounts that have not yet been recognized as a component of net periodic benefit cost consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Prior service credit	\$ (57,672)	\$ (64,881)
Net actuarial loss	<u>5,017,201</u>	<u>6,762,445</u>
Total	<u>\$ 4,959,529</u>	<u>\$ 6,697,564</u>

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Net periodic benefits costs expected to be recognized in the next fiscal years are as follows at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Prior service credit	\$ (7,209)	\$ (7,209)
Net actuarial loss	69,755	133,300

The following table sets forth the rollforward of the pension liability for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Pension liability - beginning of year	\$ (5,112,115)	\$ (3,581,359)
Net periodic pension (cost) income	(35,627)	344,290
Pension-related changes other than net periodic pension cost		
Net actuarial gain (loss)	1,745,244	(2,045,837)
Amortization of prior service credit	(7,209)	(7,209)
Employer contribution	<u>205,000</u>	<u>178,000</u>
 Pension liability – end of year	 <u>\$ (3,204,707)</u>	 <u>\$ (5,112,115)</u>

Other changes in pension plan assets and benefit obligation recognized during the years ended December 31, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Net actuarial (gain) loss	\$ (1,607,650)	\$ 2,103,905
Items amortized		
Prior service credit	7,209	7,209
Net actuarial loss	<u>(137,594)</u>	<u>(58,068)</u>
 Total pension-related changes other than net periodic benefit cost	 <u>\$ (1,738,035)</u>	 <u>\$ 2,053,046</u>

The components of net periodic benefit cost (income) for the years ended December 31, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Service cost	\$ 205,031	\$ 176,950
Interest cost	1,033,827	944,480
Expected return on assets	(1,333,616)	(1,516,579)
Amortization of net actuarial loss	137,594	58,068
Prior service credit	<u>(7,209)</u>	<u>(7,209)</u>
 Net periodic pension cost (income)	 <u>\$ 35,627</u>	 <u>\$ (344,290)</u>

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following table presents the key actuarial assumptions used in developing the data for 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	3.00%	4.00%
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	4.00%	3.50%
Expected return on plan assets	6.00%	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:

2020	\$ 4,016,000
2021	3,740,000
2022	2,101,000
2023	2,214,000
2024	1,627,000
2025-2029	8,420,000

The following table presents the Plan's asset allocation at December 31, 2019, by asset category:

		<u>Range</u>
Money market funds	4%	0%-5%
Equity security funds	69	50-90
Fixed-income securities funds	27	20-40
	<u>100%</u>	

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 security funds	84	50-90
Fixed-income securities funds	15	20-40
	<u>100%</u>	

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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, 2019:

	2019				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)	Investments measured at NAV	Total
Assets					
Money market funds	\$ -	\$ -	\$ -	\$ 1,184,333	\$ 1,184,333
Equity security funds	2,146,536	-	-	16,175,740	18,322,276
Fixed-income securities funds	7,231,776	-	-	-	7,231,776
Total	\$ 9,378,312	\$ -	\$ -	\$ 17,360,073	\$ 26,738,385

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

	2018				
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)	Investments measured at NAV	Total
Assets					
Money market funds	\$ -	\$ -	\$ -	\$ 243,749	\$ 243,749
Equity security funds	3,666,866	-	-	15,257,252	18,924,118
Fixed-income securities funds	3,354,397	-	-	-	3,354,397
Total	\$ 7,021,263	\$ -	\$ -	\$ 15,501,001	\$ 22,522,264

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, 2019 and 2018, there were no transfers in or out of Level 1, Level 2 or Level 3.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

The following table discloses additional information about investments recorded at NAV at December 31, 2019 and 2018:

	2019			
	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency limitations</u>	<u>Redemption notice period</u>
Assets				
Money market funds (a)	\$ 1,184,333	-	None	0 days
Equity security funds (b)	<u>16,175,740</u>	-	None	0-5 days
Total value	<u>\$ 17,360,073</u>			
	2018			
	<u>Fair value</u>	<u>Unfunded commitments</u>	<u>Redemption frequency limitations</u>	<u>Redemption notice period</u>
Assets				
Money market funds (a)	\$ 243,749	-	None	0 days
Equity security funds (b)	<u>15,257,252</u>	-	None	0-5 days
Total value	<u>\$ 15,501,001</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 2019 or 2018. The Museum contributed \$205,000 to the Plan in 2019 and \$178,000 in 2018.

NOTE I - LINE OF CREDIT

The Museum has an unsecured uncommitted demand revolving line of credit for \$15,000,000. The agreement bears interest at the federal funds rate plus 0.50%. No interest costs were incurred on the line of credit in 2019 and 2018. At December 31, 2019 and 2018, the Museum had no borrowings against the line of credit.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE J - 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, 2019 and 2018, the Museum has no receivable due from or payable to the Campus. The Museum Campus Corporation was closed in 2019.

The Museum receives financial support from individual members of its Board. In 2019, approximately 47% of contributions were from members of the Board and approximately 62% of the pledge receivables were due from 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.

NOTE K - FUNCTIONAL EXPENSES

The Museum's operating expenses for the year ended December 31, 2019 and 2018, are classified functionally as follows:

2019	Program Services					Total
	Science and Education	Public Programs	Business Enterprises	Museum Outreach	Museum Services	
Compensation	\$ 14,974,102	\$ 4,650,593	\$ 818,189	\$ 2,783,595	\$ 5,622,408	\$ 28,848,887
Supplies	919,144	467,463	25,456	107,481	1,061,790	2,581,334
Cost of goods sold	-	-	275,489	-	-	275,489
Postage, freight, and miscellaneous	469,847	476,306	333,487	87,291	627	1,367,558
Travel	1,219,102	659,967	52,270	88,080	84,035	2,103,454
Outside services	1,952,434	1,750,016	1,091,221	3,246,784	3,455,177	11,495,632
Utilities	948,347	783,889	75,602	18,108	329,641	2,155,587
Repairs and maintenance	17,561	33,236	-	224	298,967	349,988
Debt service	4,667,504	2,239,129	172,481	19,695	726,811	7,825,620
Total	\$ 25,168,041	\$ 11,060,599	\$ 2,844,195	\$ 6,351,258	\$ 11,579,456	\$ 57,003,549

2019 (continued)	Supporting Services			Total Expenses
	General and Administrative	Institutional Advancement	Total	
Compensation	\$ 3,746,486	\$ 2,967,926	\$ 6,714,412	\$ 35,563,299
Supplies	466,625	73,347	539,972	3,121,306
Cost of goods sold	-	-	-	275,489
Postage, freight, and miscellaneous	612,953	28,319	641,272	2,008,830
Travel	229,796	115,281	345,077	2,448,531
Outside services	1,327,687	771,132	2,098,819	13,594,451
Utilities	29,039	10,757	39,796	2,195,383
Repairs and maintenance	11,008	-	11,008	360,996
Debt service	29,012	54,672	83,684	7,909,304
Total	\$ 6,452,606	\$ 4,021,434	\$ 10,474,040	\$ 67,477,589

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

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	4,725,063	2,266,741	174,608	19,940	735,773	7,922,125
Total	\$ 24,469,095	\$ 11,174,116	\$ 2,920,718	\$ 8,699,175	\$ 10,926,482	\$ 58,189,586

2018 (continued)	Supporting Services			Total Expenses
	General and Administrative	Institutional Advancement	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	29,370	55,346	84,716	8,006,841
Total	\$ 7,755,040	\$ 4,656,123	\$ 12,411,163	\$ 70,600,749

NOTE L - LEASES

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 2028. As a part of the lease agreement, the Lessee made \$361,280 of improvements to the Museum's facilities. The Museum recorded the \$361,280 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 ten-year period in accordance with the amortization schedule of the improvement in the agreement.

In 2019 and 2018, the Museum amortized \$194,019 and \$271,800 respectively. The other asset and deferred revenue balances pertaining to the arrangements discussed above at December 31, 2019 and 2018, were \$2,690,178 and \$2,522,917, respectively.

Field Museum of Natural History

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

Lease revenue associated with these two leases for the years ended December 31, 2019 and 2018, were \$1,866,700 and \$1,835,808. Future cashflows vary based on the amount of revenue generated by the service providers and Museum attendance.

NOTE M - 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, 2019 and 2018, the following financial assets could readily be made available within one year to meet general expenditures.

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 2,530,905	\$ 2,665,942
Accounts receivable	4,571,242	4,758,100
Contribution pledges for general expenditures due in one year or less	6,228,574	6,093,166
Approved endowment distribution in next 12 months	18,684,554	17,257,610
Short-term investments available in next 12 months	<u>23,231,841</u>	<u>19,613,369</u>
 Financial assets available in next 12 months	 <u>\$ 55,247,116</u>	 <u>\$ 50,388,187</u>

Amounts not available in 2019 include: \$6,445,636 of contribution pledges due within one year to be held in perpetuity, \$168,409,059 of investments held in perpetuity, \$286,364,392 of investments held until approved for spending distribution by the Board, and \$2,104,519 of other investments. The Museum also has a line of credit available to meet short-term needs (see Note I).

NOTE N - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions consist of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Quasi-endowment	\$ 223,164,430	\$ 193,388,945
Designated	8,493,055	9,658,366
Undesignated	<u>17,964,861</u>	<u>21,094,429</u>
 Total	 <u>\$ 249,622,346</u>	 <u>\$ 224,141,740</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 THE FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018

NOTE O - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	2019	2018
To be held in perpetuity	\$ 168,409,059	\$ 157,056,684
Program restrictions	34,813,841	34,083,967
Time restrictions	111,410,071	82,647,189
Total net assets with donor restrictions	\$ 314,632,971	\$ 273,787,840

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 P - REVENUE RECOGNITION

For the years ended December 31, 2019 and 2018, the Museum recognized revenue of \$2.7 million and \$3.5 million, respectively, from amounts that were included in deferred revenues at the beginning of the year.

At December 31, 2019, deferred revenues totaled \$7,073,086. Of that amount, 46%, 68% and 77%, respectively, of the performance obligation surrounding this liability is expected to be satisfied within 1, 3 and 5 years, respectively, and the remaining thereafter.

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 Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 8, 2020, the date the financial statements were issued.

Due to the emergence of the Coronavirus pandemic, on March 14, 2020, the Field Museum closed its building to the public and implemented significant access limitation to all employees, contractors, and volunteers. While the disruption is currently expected to be temporary, there is uncertainty around the extent and duration. The Museum will reopen when it is deemed safe based on state and local guidance. During the time the building is closed, there will be a disruption to revenue for admissions, membership, program service fees and business enterprises. As a result, Museum management has developed a plan that focuses on expense adjustments in 2020 to reduce the impact of the disruption on net activities, however, the related financial impact and duration cannot be reasonably estimated at this time. Also, the Museum's investment portfolio is subject to market volatility and the value fluctuates as the market changes. The current economic conditions have resulted in a decrease in the fair value of investments. No adjustments to values have been made to these financial statements to reflect the recent market volatility stemming from the ongoing pandemic.

SUPPLEMENTARY INFORMATION

Field Museum of Natural History

SCHEDULE OF DEPARTMENT EXPENSES

Year ended December 31, 2019, with comparative totals for the year ended December 31, 2018

	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	2018 Total
Science and education														
Action center	\$ 2,393,760	\$ 608,129	\$ -	\$ 81,518	\$ 9,217	\$ 410,221	\$ 6,288	\$ 447,998	\$ 24,391	\$ -	\$ -	\$ -	\$ 3,981,522	\$ 3,925,029
Collections center	3,360,550	899,985	-	232,821	45,629	213,588	76,365	457,012	716,810	1,623	-	-	6,004,383	5,281,391
Integrative research center	4,436,536	1,312,810	-	496,455	399,018	447,586	27,640	540,773	143,211	15,938	-	-	7,819,967	7,162,839
Learning center	1,048,449	251,995	-	78,557	861	84,129	18,919	285,066	44,098	-	-	-	1,812,074	1,935,810
Strategic Science Initiatives	118,846	40,558	-	2,186	-	4,580	-	17,645	669	-	-	-	184,484	716,444
Scientific support	400,182	102,302	-	27,607	15,122	58,998	26,642	48,086	19,168	-	-	-	698,107	722,519
Total science and education	11,758,323	3,215,779	-	919,144	469,847	1,219,102	155,854	1,796,580	948,347	17,561	-	-	20,500,537	19,744,032
Public programs														
Exhibitions	2,481,970	600,355	-	405,353	475,992	645,093	146,051	1,163,674	756,053	209	-	33,027	6,707,777	6,844,706
Guest relations	1,198,408	369,860	-	62,110	314	14,874	-	440,291	27,836	-	-	-	2,113,693	2,062,669
Total public programs	3,680,378	970,215	-	467,463	476,306	659,967	146,051	1,603,965	783,889	209	-	33,027	8,821,470	8,907,375
Business enterprises	641,658	176,531	275,489	25,456	333,487	52,270	8,355	1,082,866	75,602	-	-	-	2,671,714	2,746,110
Museum outreach														
Public relations	1,449,962	445,123	-	88,846	241	37,639	57,251	1,875,626	10,562	-	-	-	3,965,250	6,139,306
Science outreach and communication	174,753	58,446	-	5,214	8,653	3,362	177	7,597	64	224	-	-	258,490	249,003
Total museum outreach	1,624,715	503,569	-	94,060	8,894	41,001	57,428	1,883,223	10,626	224	-	-	4,223,740	6,388,309
Museum services														
Protection services	1,243,320	364,545	-	49,469	213	7,515	154	455,603	11,302	170	-	-	2,132,291	2,075,926
Housekeeping	666,166	179,693	-	127,065	-	329	-	340,562	57,211	-	-	-	1,371,026	1,261,243
Facility, planning and operations	1,538,109	417,814	-	339,719	110	29,994	-	2,149,790	164,532	263,471	-	-	4,903,539	4,632,160
Technology	811,041	239,407	-	510,277	263	46,009	86	506,030	91,976	-	-	-	2,205,089	1,978,183
General services	117,811	44,502	-	35,260	41	188	105	2,847	4,620	35,326	-	-	240,700	243,197
Total museum services	4,376,447	1,245,961	-	1,061,790	627	84,035	345	3,454,832	329,641	298,967	-	-	10,852,645	10,190,709
General and administrative														
Administration	1,280,170	569,639	-	450,247	609,500	183,594	4,339	1,235,813	11,629	11,008	-	-	4,355,939	5,673,340
Finance	845,826	226,042	-	4,687	1,092	833	4,000	9,435	9,591	-	-	-	1,101,506	1,058,725
Human resources	653,935	170,874	-	11,691	2,361	45,369	1,404	72,696	7,819	-	-	-	966,149	993,605
Total general and administrative	2,779,931	966,555	-	466,625	612,953	229,796	9,743	1,317,944	29,039	11,008	-	-	6,423,594	7,725,670
Institutional advancement														
Development	2,332,411	635,515	-	73,347	28,319	115,281	108,593	662,539	10,757	-	-	-	3,966,762	4,600,777
Auxiliary groups	183,578	48,490	-	4,355	1,598	20,127	5,652	497,531	2,732	-	-	-	764,063	919,834
Membership	327,218	96,025	-	9,066	76,799	26,952	173,217	629,733	4,750	-	-	-	1,343,760	1,371,092
Total institutional advancement	2,843,207	780,030	-	86,768	106,716	162,360	287,462	1,789,803	18,239	-	-	-	6,074,585	6,891,703
Debt service	-	-	-	-	172	-	-	231,974	-	-	7,677,158	-	7,909,304	8,006,841
Total 2019 expenses	\$ 27,704,659	\$ 7,858,640	\$ 275,489	\$ 3,121,306	\$ 2,009,002	\$ 2,448,531	\$ 665,238	\$ 13,161,187	\$ 2,195,383	\$ 327,969	\$ 7,677,158	\$ 33,027	\$ 67,477,589	\$ 70,600,749
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	

Field Museum of Natural History
SCHEDULE OF DEPARTMENT EXPENSES
Year ended December 31, 2018

	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	\$ 1,908,033	\$ 793,591	\$ -	\$ 103,335	\$ 17,835	\$ 320,503	\$ 38,011	\$ 719,301	\$ 24,420	\$ -	\$ -	\$ -	\$ 3,925,029
Collections center	2,747,677	1,127,446	-	175,691	56,393	189,070	85,921	76,911	822,282	-	-	-	5,281,391
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
Learning center	928,471	367,459	-	81,676	155	63,560	10,514	433,123	50,852	-	-	-	1,935,810
Strategic Science Initiatives	280,996	122,129	-	7,966	52	71,421	83	228,716	5,081	-	-	-	716,444
Scientific support	396,708	170,885	-	10,822	2,864	76,886	12,848	29,592	21,914	-	-	-	722,519
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
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
Guest relations	1,002,315	419,994	-	57,985	394	12,184	1,462	535,243	31,604	-	-	1,488	2,062,669
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
Business enterprises	569,000	233,129	270,109	27,921	331,775	73,460	2,550	1,151,722	86,444	-	-	-	2,746,110
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
Science outreach and communication	156,908	61,776	-	10,125	149	17,371	249	2,425	-	-	-	-	249,003
Total museum outreach	1,624,795	684,239	-	180,636	5,941	147,791	2,457	3,731,212	11,238	-	-	-	6,388,309
Museum services													
Protection services	835,389	364,618	-	54,245	303	5,747	-	789,576	13,207	12,841	-	-	2,075,926
Housekeeping	523,808	228,333	-	109,241	-	-	-	334,290	65,571	-	-	-	1,261,243
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
Technology	682,345	296,982	-	230,133	3,159	29,253	1,291	644,475	90,545	-	-	-	1,978,183
General services	109,161	47,498	-	37,740	-	55	-	9,836	5,308	33,599	-	-	243,197
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
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
Finance	727,382	301,721	-	2,449	1,108	3,209	3,500	8,516	10,840	-	-	-	1,058,725
Human resources	557,453	241,995	-	4,916	2,056	147,294	213	30,846	8,832	-	-	-	993,605
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
Institutional advancement													
Development	2,078,140	884,652	-	29,312	32,623	107,944	208,276	1,247,435	12,395	-	-	-	4,600,777
Auxiliary groups	153,535	66,080	-	9,654	1,764	13,745	2,575	669,261	3,220	-	-	-	919,834
Membership	368,040	158,885	-	11,735	58,529	32,233	198,881	537,744	5,045	-	-	-	1,371,092
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
Debt service	-	-	-	-	-	-	-	355,799	-	-	7,651,042	-	8,006,841
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