Financial Performance

Overall Financial Performance in 2008

Statement of Financial Position as of December 31, 2008 (in millions of dollars)

**ASSETS**
- Cash $0.9
- Interest and Dividends Receivable 0.2
- Accounts Receivable 3.4
- Pledges Receivable 26.3
- Museum Stores Inventory 1.7
- Investments 229.8
- Museum Property 276.5
- Other Assets 4.6
- **Total** $543.4

**LIABILITIES AND NET ASSETS**

**Liabilities:**
- Notes payable and line of credit $185.7
- Accounts Payable and Accrued Expenses 8.2
- Deferred Revenue 7.9
- Asset Retirement Obligations 9.0
- Accrued Pension Cost 7.5
- Interest Rate Swap 20.8
- **Total Liabilities** $239.1

**Net Assets:**
- Unrestricted 196.7
- Temporarily Restricted $46.9
- Permanently Restricted 60.7
- **Total Net Assets** $304.3
- **Total** $543.4

Operating Budget Expenditures

- Collections and Research 23.3%
- Other Museum Services 23.3%
- Exhibitions 11.7%
- Interest and Amortization 10.0%
- Business Enterprises 8.4%
- Institutional Advancement 6.0%
- Environment, Culture and Conservation 5.0%
- Education and Library 4.4%
- Administration 4.1%
- Marketing and Public Relations 3.8%

Operating Budget Revenue and Other Support

- Allocation from Long-term Investments 23.3%
- Business Enterprises 15.3%
- Admissions 14.5%
- Chicago Park District 10.3%
- Contributions 10.1%
- Federal, State and Local Support 8.5%
- Net Assets Used 5.9%
- Sponsorships 4.2%
- Program Service Fees 3.7%
- Memberships 3.3%
- Other Income 0.9%

**Total** $67.9 million

The Museum managed a very challenging fiscal year in 2008. After the first quarter, several trends were identified by Management which would adversely affect the 2008 operating budget and the cash needs of the institution. In response, the Museum implemented a series of Management Plans which reduced unrestricted expenses by $2.2 million and increased revenue goals by $800,000 on a projected full-year basis. The implementations of the plans were successful and the Museum concluded 2008 with actual revenue and other support over expenses of $2.7 million.

The 2008 actual operating revenue and other support was $67.9 million. This amount was $2.0 million or 3% over budget goals. All revenue generating areas exceeded 2008 budget with the exception of Admissions income which was 10% or $1.1 million under budget. The Program Service Fees from educational programs and outbound traveling exhibitions totaled $2.5 million which was 32% or $618,655 over budget. This was due in part to the additional international presentations of the traveling “Sue” exhibition.

Operating budget expenditures in 2008 were $65.3 million. Expenses were slightly under budget as of December 31, 2008 and 1% greater than 2007 actual expenses. On an unrestricted basis the majority of functional areas were slightly under the 2008 expense budget due to the expense reductions in the Management Plans.

On a Generally Accepted Accounting Principles (GAAP) basis, the unrestricted operating performance was negative, with expenditures exceeding revenue and other support by $7.9 million. The GAAP deficit was in large part due to depreciation expense of $11.4 million, which is not included in the operating budget expenditures. Depreciation expense recorded in the GAAP statement increased in part because of the Ancient Americas permanent exhibition, T. Kimball & Nancy Brooker Gallery, and the Crown Family PlayLab opened in 2007, with a full year of depreciation expense recorded in 2008.
Change in Net Assets

The Museum's statement of financial position reflects the downturn in the financial markets that occurred in the final quarter of 2008. Net assets decreased 28%, to $304.2 million from $421.4 million as of December 31, 2008. Unrestricted net assets totaled $196.7 million, temporarily-restricted net assets were $46.9 million, and permanently-restricted net assets were $60.6 million at year-end.

Total assets decreased from $639.5 million in 2007 to $543.3 million as of December 31, 2008, a decrease of 15%. The decrease in asset value was due in large part to the decrease in the market value of institutional investments (the endowment and the funds functioning as endowment) that decreased by $105.4 million or 31% from 2007. Total liabilities increased $20.9 million or 10%. The largest liability category was notes payable, which ended the year at $179.0 million. The other major increase in liabilities was the accrued pension cost, which increased by $5.0 million due mainly to a decrease in pension investments.
Overall Financial Performance in 2008

The Museum's 2008 financial performance was a challenge due to the downturn in the financial markets in the final quarter of 2008, but also a success due to management's quick implementation of expense reduction with various Management Plans. The Museum ended 2008 with budget revenue and other support exceeding expenses despite the economic downturn. Management's awareness and quick response to the fiscal environment will provide the foundation for the continued success of the Museum's public learning and research programs.

The complete audited financial statements for The Field Museum for the year ended December 31, 2008 are available on the Web at http://fieldmuseum.org/audit or by writing to the Office of the Controller, 1400 South Lake Shore Drive, Chicago, Illinois 60605.