Museum of Contemporary Art

Financial Statements for the

Years Ended June 30, 2018 and 2017

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Museum of Contemporary Art

Year Ended June 30, 2018

Financial Statements

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Independent Auditor's Report

To the Board of Trustees
Museum of Contemporary Art

We have audited the accompanying financial statements of Museum of Contemporary Art (the "Museum"), which comprise the statement of financial position as of June 30, 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 audits 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 entity'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 entity'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 Museum of Contemporary Art as of June 30, 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.

Plante & Moran, PLLC

October 10, 2018

Museum of Contemporary Art

Statement of Financial Position

Year Ended June 30, 2018

Assets

	2018	2017
Current Assets		
Cash and Cash Equivalents	$ 10,546,932	$ 18,500,602
Receivables		
Contributions Receivable	5,279,404	8,192,803
Other Receivables	657,521	795,523
Inventories	406,140	685,643
Prepaid Expenses		
Exhibitions	425,554	1,218,029
Other Prepaid Expenses	589,304	980,816
Total Current Assets	17,904,855	30,373,416
Noncurrent Assets		
Investments	129,177,309	117,424,498
Contributions Receivables	5,362,401	5,490,737
Property, Buildings and Equipment		
Land	75,204	75,204
Land Rights	3,448,054	3,448,054
Buildings and Improvements	69,469,279	57,015,969
Furniture and Equipment	10,143,978	7,355,052
Construction in Progress	162,000	12,947,493
Less accumulated depreciation	(36,243,815)	(34,407,860)
Net Property, Buildings and Equipment	47,054,700	46,433,912
Total Noncurrent Assets	181,594,410	169,349,147
Total Assets	$ 199,499,265	$ 199,722,563

Museum of Contemporary Art

Statement of Financial Position

Year Ended June 30, 2018

Liabilities and Net Assets

	2018	2017
Current Liabilities		
Accounts Payable	$ 747,993	$ 1,999,020
Accrued Expenses		
Wages	289,146	175,255
Pension	286,815	339,215
Exhibitions and other	2,589,673	4,226,585
Deferred Revenue	41,857	104,030
Other Liabilities	149,556	128,228
Total Current Liabilities	4,105,040	6,972,333
Long-Term Liabilities		
Bond and Loan Payable	30,000,000	30,000,000
Less unamortized discount and debt issuance costs	(159,829)	(179,808)
Interest rate swap	282,553	1,285,082
Total Long-Term Liabilities	30,122,724	31,105,274
Net Assets		
Unrestricted	118,880,708	110,822,127
Unrestricted - Board designated	2,851	10,851
Temporary restricted	28,835,393	33,259,429
Permanently restricted	17,552,549	17,552,549
Total Net Assets	165,271,501	161,644,956
Total Liabilities and Net Assets	$ 199,499,265	$ 199,722,563

Museum of Contemporary Art

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2018

	Operating Results	NonOperating Other	Board Designated	General and Administration Expenses	Total Unrestricted	Temporary Restricted	Permanently Restricted	2018 Total
Public Support and Revenue								
Contributions	$ 2,267,595	$ 242,842	$ -	$ -	$ 2,510,437	$ 9,839,344	$ -	$ 12,349,781
Government grants	1,743,928	-	-	-	1,743,928	95,000	-	1,838,928
Special events, net	46,189	-	-	-	46,189	-	-	46,189
Ancillary services	6,419,020	250,000	-	-	6,669,020	-	-	6,669,020
Exhibitions, collection, education and performance programs	540,245	-	-	-	540,245	-	-	540,245
Membership and admissions	2,052,207	-	-	-	2,052,207	-	-	2,052,207
Accumulated investment income designated for current operations	4,150,000	480,000	-	-	4,630,000	-	-	4,630,000
Net assets released from restrictions	9,340,174	6,634,637	-	-	15,974,811	(15,974,811)	-	-
Total Public Support and Revenue	26,559,358	7,607,479	-	-	34,166,837	(6,040,467)	-	28,126,370
Expenses								
Program services								
Exhibitions, collection, education and performance programs	8,927,221	-	-	4,602,619	13,529,840			13,529,840
Marketing, membership and public relations	2,902,520	-	-	106,947	3,009,467	-	-	3,009,467
Ancillary services	4,039,236	-	-	2,001,053	6,040,288	-	-	6,040,288
Support Services								
Fundraising	1,801,088	-	-	148,443	1,949,531	-	-	1,949,531
General and administrative	4,864,593	-	-	391,463	5,256,057	-	-	5,256,057
Debt service	888,100	19,979	-	(908,078)	-	-	-	-
Depreciation and amortization	-	2,733,349	-	(2,733,349)	-	-	-	-
Loss on disposal of property, plant and equipment	-	472,498	-	(472,498)	-	-	-	-
Facilities management	3,136,600	-	-	(3,136,600)	-	-	-	-
Total Expenses	26,559,358	3,225,825	-	-	29,785,183	-	-	29,785,183
Excess of Public Support and Revenue Over Expenses	-	4,381,654	-	-	4,381,654	(6,040,467)	-	(1,658,813)
Other Changes in Net Assets								
Investment income	-	7,304,398	-	-	7,304,398	2,293,160	-	9,597,559
Investment income designated for current operations	-	(4,630,000)	-	-	(4,630,000)	-	-	(4,630,000)
Change in fair value of interest rate swap, net of periodic settlement payments	-	1,002,529	-	-	1,002,529	-	-	1,002,529
Collection funds, released from restrictions	-	676,729	-	-	676,729	(676,729)	-	-
Collection acquisitions	-	(676,729)	(8,000)	-	(684,729)	-	-	(684,729)
Change in Net Assets	-	8,058,581	(8,000)	-	8,050,581	(4,424,036)	-	3,626,545
Net Assets, Beginning of Year					110,832,978	33,259,429	17,552,549	161,644,956
Net Assets, End of Year					$ 118,883,559	$ 28,835,393	$ 17,552,549	$ 165,271,501

Museum of Contemporary Art

Statement of Activities and Changes in Net Assets

Year Ended June 30, 2017

	Operating Results	NonOperating Other	Board Designated	General and Administration Expenses	Total Unrestricted	Temporary Restricted	Permanently Restricted	2017 Total
Public Support and Revenue								
Contributions	$ 2,490,472	$ 808,747	$ -	$ -	$ 3,299,219	$ 13,877,047	$ -	$ 17,176,266
Government grants	1,729,436	-	-	-	1,729,436	50,000	-	1,779,436
Special events, net	1,629,571	-	-	-	1,629,571	-	-	1,629,571
Ancillary services	4,026,075				4,026,075	-	-	4,026,075
Exhibitions, collection, educationand performance programs	455,538	-	-	-	455,538	-	-	455,538
Membership and admissions	1,327,954	-	-	-	1,327,954	-	-	1,327,954
Accumulated investment income designated for current operations	3,954,658	400,342	-	-	4,355,000	-	-	4,355,000
Net assets designated from operations	1,000,000	-	(1,000,000)	-	-	-	-	-
Net assets released from restrictions	5,822,679	17,104,648	-	-	22,927,327	(22,927,327)	-	-
Total Public Support and Revenue	22,436,383	18,313,737	(1,000,000)	-	39,750,120	(9,000,280)	-	30,749,840
Expenses								
Program services								
Exhibitions, collection, educationand performance programs	7,158,261	-	-	3,886,935	11,045,196			11,045,196
Marketing, membership and public relations	2,546,452	-	-	140,490	2,686,942	-	-	2,686,942
Ancillary services	2,950,362	-	-	1,599,035	4,549,397	-	-	4,549,397
Support Services								
Fundraising	1,731,629	-	-	154,715	1,886,344	-	-	1,886,344
General and administrative	4,124,641	-	-	413,405	4,538,046	-	-	4,538,046
Debt service	889,478	228,164	-	(1,117,642)	-	-	-	-
Depreciation and amortization	-	2,036,215	-	(2,036,215)	-	-	-	-
Loss on disposal of property, plant and equipment	-	5,164	-	(5,164)	-	-	-	-
Facilities management	3,035,560	-	-	(3,035,560)	-	-	-	-
Total Expenses	22,436,383	2,269,543	-	-	24,705,925	-	-	24,705,925
Excess of Public Support and Revenue Over Expenses	-	16,044,194	(1,000,000)	-	15,044,195	(9,000,280)	-	6,043,915
Other Changes in Net Assets								
Investment income	-	12,596,842	-	-	12,596,842	3,680,870	-	16,277,712
Investment income designated for current operations	-	(4,355,000)	-	-	(4,355,000)	-	-	(4,355,000)
Change in fair value of interest rate swap, net of periodic settlement payments	-	1,039,699	-	-	1,039,699	-	-	1,039,699
Collection funds, released from restrictions	-	174,784	-	-	174,784	(174,784)	-	-
Collection acquisitions	-	(174,784)	(583,947)	-	(758,731)	-	-	(758,731)
Change in Net Assets	-	25,325,735	(1,583,947)	-	23,741,789	(5,494,194)	-	18,247,595
Net Assets, Beginning of Year					87,091,189	38,753,623	17,552,549	143,397,361
Net Assets, End of Year					$ 110,832,978	$ 33,259,429	$ 17,552,549	$ 161,644,956

Museum of Contemporary Art

Statement of Cash Flows
Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	3,626,545	18,247,595
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation expense	2,733,349	2,036,214
Interest expense on bond issuance costs	19,979	228,164
Loss on disposal of property, plant and equipment	472,498	5,164
Amortization of discount on pledges receivable	116,303	3,465
Acquisitions of art	684,729	758,731
Net realized and unrealized gain on investments	(9,611,903)	(16,320,257)
Change in value of interest rate swap	(1,002,529)	(1,039,699)
(Increase) decrease in		
Contribution receivables	2,925,432	1,973,165
Inventories, prepaid expenses and other assets	1,601,491	469,574
Increase (decrease)		-
Accounts payable and accrued expenses	(1,374,093)	3,291,344
Deferred revenue	(62,173)	70,690
Other liabilities	21,328	(56,727)
Net Cash Provided by Operating Activities	150,956	9,667,423
Cash Flows from Investing Activities		
Purchases of investments	(11,310,000)	(9,660,000)
Proceed from disposition of investments	9,169,092	13,372,792
Addition of property, buildings and equipment	(5,278,989)	(11,844,726)
Acquistions of art	(684,729)	(758,730)
Net Cash Used in Investing Activities	(8,104,626)	(8,890,664)
Cash Flows from Financing Activities		
Bond issuance costs	-	(199,787)
Net Cash Used in Financing Activities	-	(199,787)
Net (Decrease) Increase in Cash and Cash Equivalents	(7,953,670)	576,973
Cash and Cash Equivalents, Beginning Balance	18,500,602	17,923,629
Cash and Cash Equivalents, Ending Cash Balance	$10,546,932	$18,500,602
Supplemental Information - Cash paid for interest	$ 860,325	$ 816,109

Note 1 - Nature of Operations

The Museum of Contemporary Art (the Museum) was founded in 1967. The mission of the Museum is to be an innovative and compelling center of contemporary art where the public can directly experience the work and ideas of living artists and understand the historical, social and cultural context of the art of our time. The Museum boldly interweaves exhibitions, performances, collections and educational programs to excite, challenge and illuminate its visitors and to provide insight into the creative process. The Museum aspires to engage a broad and diverse audience, create a sense of community, and be a place for contemplation, stimulation and discussion about contemporary art and culture.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Net assets of the Museum are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of the donor-imposed restrictions limiting the Museum's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

The separate classes of net assets are defined as follows:

> Unrestricted - Net assets that are not subject to donor-imposed stipulations or whose donor-imposed stipulations have expired.
>
> Temporarily Restricted - Net assets subject to donor-imposed stipulations that can be satisfied by actions of the Museum or by the passage of time.
>
> Permanently Restricted - Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Museum. Generally, the donors of these assets permit the Museum to use all or part of the interest and dividends earned on these assets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash in banks and short-term highly liquid investments, which are readily convertible into cash within 90 days of purchase. Short-term investments consist primarily of deposit and savings accounts, which are convertible to a known amount of cash and carry an insignificant risk of change in value. The Museum maintains its cash and cash equivalents in bank deposit accounts at highly rated financial institutions, the balances of which at times may exceed federally insured limits. The Museum has not experienced any losses in such accounts. The Museum believes it is not exposed to any significant credit risk on cash and cash equivalents.

Public Support and Revenue Recognition

Public support and revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Contributions, including unconditional promises to give, are recorded when a commitment is received from the donor. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in subsequent years are reported at the present value of future cash flows, using rates applicable to the years in which the promises are to be received. Amortization of the discount to present value is included in contribution revenue. Promises to give noncash assets are recorded at fair value.

Endowment contributions are permanently restricted by the donor. Investment earnings with donor restrictions are recorded in temporarily restricted net assets based on the nature of the restrictions.

Revenue from government grants designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions.

Revenue from ancillary services includes gift shop sales, parking garage revenue and space rental revenue. Revenue is recognized for these activities at the point of sale or when the service is delivered.

Revenue from memberships is recognized when the membership dues are received.

Investments

Investments are reported at fair value. For alternative investments, fair value is estimated as the net asset value per share provided by the investee as a practical expedient (as disclosed in Note 4). Investment income or loss (including realized gains and losses on investments, changes in unrealized holding gains and losses, interest and dividends) on investments is included in total investment income in the statement of activities and changes in net assets.

The investments are exposed to various risks such as interest rate, credit and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the statement of financial position.

Inventories

Inventories are valued at the lower of cost, using the retail method, or net realizable value (NRV), with NRV based on selling prices in the ordinary course of business, less costs of completion, disposal, and transportation.

Depreciation and Amortization

Property, buildings and equipment are stated at cost. Included is construction-in-progress of $162,000 and $12,947,493 for the years ending June 30, 2018 and 2017, respectively, representing to-date costs for the museum's renovation project that started in November 2016 and was substantially completed in the fall of 2017. The depreciation policy is to depreciate or amortize the cost over the estimated useful lives of the assets as indicated in the following table using the straight-line method.

	Years
Buildings and improvements	15- 40
Furniture and equipment	3-5

In-Kind Contributions and Donated Services

The financial statements reflect amounts for in-kind contributions and donated services for which an objective basis is available to measure their value. Revenues are reflected in contributions and the expenses are recorded in the corresponding function expense category in the accompanying statements of activities. The Museum has recorded in-kind contributions, which include air travel, books, catering, equipment, furnishings, and lodging at their estimated fair values of $250,329 and $20,749 for the years ended June 30, 2018 and 2017, respectively.

The Museum receives a substantial amount of donated services from unpaid volunteers who have made significant contributions of their time to help execute the Museum's programs, principally in educational and fundraising activities. Volunteer services are recognized in the statements of activities if the criteria for recognition of those services have been met. Volunteer services were not required to be recognized for the years ended June 30, 2018 and 2017.

Interest Rate Swap

The Museum's interest rate swap is recognized as a liability on the statements of financial position and measured at fair value. Any change in fair value is recognized immediately in the statements of activities.

Functional Expenses

The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Prepaid Expenses and Other Assets

Expenses related to exhibitions scheduled to occur mostly or entirely in future fiscal years are included in prepaid expenses and are expensed in the fiscal year in which the exhibition mostly occurs.

Bond Issuance Cost

Bond issuance costs are being amortized using the straight-line method over the term of the bond and loan agreement, which is 10 years. Amortization expense is included in debt service cost on the statement of activities and changes in net assets.

Income and Property Taxes

The Museum qualifies as a charitable and educational organization exempt from federal and state income taxes under provisions of Section 501(a) as an entity described in Section 501(c)(3) of the Internal Revenue Code. The Illinois Department of Revenue has also declared both the Museum and its warehouse exempt from real estate property taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of 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.

Collection

In conformity with the practice commonly followed by most American art museums, the value of the Museum's collection is not included in the financial statements. Contributions for the purchase of art objects, the proceeds from deaccessions of art and the cost of art objects purchased are reported as other changes in net assets in the statements of activities. The Museum's policy is to maintain and continue to acquire significant works of contemporary art (principally 1945 to present). From time to time, objects may be sold in accordance with the Museum's collection management policy. Deaccessions may result if one of the following conditions has been met: (a) physical condition has deteriorated to a point beyond display or study; or (b) an object is believed to be no longer pertinent to the scope of the Museum's collection. All proceeds realized from deaccessions are allocated to purchase other works of art. There were no deaccessions for the years ended June 30, 2018 and 2017, respectively.

Upcoming Accounting Changes

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (Topic 606), which will supersede the current revenue recognition to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. The ASU also requires additional disclosure about the nature amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Museum's year ending June 30, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods: retrospectively to each period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the cumulative catch-up transition method). The Museum will most likely adopt the cumulative catch-up method if the implementation of the standard does not result in a significant adjustment. Management is currently evaluating the contracts in place to determine the full impact this standard will have and plans to complete this evaluation by the end of 2018.

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, Leases, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right of use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease footnote guidance will be effective for the Museum's year ending June 30, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements is expected to increase long-term assets and long-term liabilities on the statement of financial position. The changes in net assets are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities in August 2016. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow FASB not-for-profit rules, including changing from three classes of net assets to two classes, net assets with donor restrictions and net assets without donor restrictions. The ASU will also require changes in the way certain information is aggregated and reported by the Museum, including required disclosures about the liquidity and availability of resources. The new standard is effective for the Museum's year ending June 30, 2019 and thereafter and must be applied on a retrospective basis. The Museum has determined that the standard will have an impact on the financial statements by adding a statement of functional expenses, changing the reporting of net asset classes, and updates to various footnote disclosures. The Museum is currently gathering the appropriate information to implement these disclosure changes in a timely manner.

Subsequent Events

The financial statements and related disclosures include evaluation of events through and including, October 10, 2018, which is the date the financial statements were available to be issued.

Note 3 - Contributions Receivable

Contributions receivable as of June 30, 2018 and 2017 are as follows:

	2018	2017
Receivable in one year	$ 5,279,404	$ 8,192,803
Receivable in two to five years	5,468,969	5,481,002
Receivable in more than five years	500,000	500,000
Gross Contributions Receivable	11,248,373	14,173,805
Less: Discounts to fair value	(606,568)	(490,265)
Net Contributions Receivable	10,641,805	13,683,540

The discount rate used in determining the fair value of contributions receivable ranged from 0.22% to 3.37% for both the years ended 2018 and 2017.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Museum's assets and liabilities measured at fair value on a recurring basis at June 30, 2018 and 2017 and the valuation techniques used by the Museum to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Museum has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Museum's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investment Strategies and Valuation Input

Fixed Income - This category consists of mutual funds, which are primarily invested in debt securities. The fair value of mutual funds, which are readily marketable, is determined by obtaining quoted prices on nationally recognized securities exchanges.

Equity Securities - This category consists of mutual funds, all of which are primarily invested in equity securities. The fair value of mutual funds, which are readily marketable, is determined by obtaining quoted prices on nationally recognized securities exchanges.

Commingled Trusts - Includes investments in funds that focus on long-only domestic and international equities. The valuations were based on the net asset values of the funds, whose investments were traded on an active market.

Hedge Funds - Equities (Long/Short) - This category includes investments in hedge funds that invest both long and short primarily in U.S. common stocks. Management of the hedge funds has the ability to shift investments between value and growth strategies, between small and large capitalization stakes, and between a net long position and a net short position. The investments are predominately exposed to the U.S. market, but will also take advantage of investment opportunities in Europe, Asia and Emerging Markets. The fair values of the investments in this category have been estimated using the net asset value per share of the hedge funds.

Absolute Return Funds - This category includes multi-strategy absolute return funds 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. Fund management initiates long and short positions targeting solid absolute risk-adjusted returns. The fair values of the absolute return funds in this category have been estimated using the net asset value per share of the investments.

Private Equity – This strategy invests in long dated investment partnership vehicles, which may include private equity, venture capital, secondary interests in funds, and distressed strategies. The fair values of the private equity funds in this category have been estimated using the net asset value per share of the investments.

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provides a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables set forth by level within the fair value hierarchy the Museum's financial assets and liabilities that were accounted for at fair value on a recurring basis as of June 30, 2018 and 2017.

There was no concentration of risk within the assets, with no individual fund representing more than 10% of the total as of June 30, 2018 and 2017.

		Recurring Fair Value Measurements as of Reporting Date Using:		
Description	Fair Values as of June 30, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value
Assets:				
Fixed income - mutual funds	$ 7,238,687	$ 7,238,687	$ -	$ -
Equity securities - mutual funds				
Large cap equities	13,574,401	13,574,401	-	-
Small/Mid cap equities	8,299,609	8,299,609	-	-
Commingled trusts				
Large cap equities	17,735,302	-	-	17,735,302
International Equities	28,205,899	-	-	28,205,899
Hedge funds - equities	21,668,185	-	-	21,668,185
Private equity funds	1,069,551	-	-	1,069,551
Absolute return funds	29,977,675	-	-	29,977,675
	$ 127,769,309	$ 29,112,697	$ -	$ 98,656,612
Liabilities:				
Interest rate swap	$ 282,553	$ -	$ 282,553	$ -

Description	Fair Values as of June 30, 2017	Recurring Fair Value Measurements as of Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Net Asset Value
Assets:				
Fixed income - mutual funds	$ 7,211,162	$ 7,211,162	$ -	$ -
Equity securities - mutual funds				
Large cap equities	15,934,131	15,934,131	-	-
Small/Mid cap equities	8,114,724	8,114,724	-	-
Commingled trusts				
Large cap equities	17,264,589	-	-	17,264,589
International Equities	22,761,060	-	-	22,761,060
Hedge funds - equities	20,367,140	-	-	20,367,140
Private equity funds	672,416	-	-	672,416
Absolute return funds	23,691,276	-	-	23,691,276
	$ 116,016,498	$ 31,260,017	$ -	$ 84,756,481
Liabilities:				
Interest rate swap	$ 1,285,082	$ -	$ 1,285,082	$ -

Not included in the above tables is an investment in a real estate investment limited partnership of $1,408,000 for the years ended 2018 and 2017, which is recorded at cost.

Level 1 Valuation Techniques and Observable Inputs

Estimated fair values for the Museum's fixed income and equity securities are based on quoted market prices.

Level 2 Valuation Techniques and Observable Inputs

The derivative instruments consist solely of interest rate swaps that are not traded on an exchange and are recorded at fair value based on a variety of observable inputs, including contractual terms, interest rate curves, yield curves, measure of volatility and correlations of such inputs. The Museum's derivative instruments are classified as Level 2 in the fair value hierarchy.

Investments in Entities that Calculate Net Asset Value per Share

The Museum holds shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At year end, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Net Asset Value as of June 30, 2018	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Redemption Notice Period
Commingled trusts				
Large cap equities	$ 17,735,302	None	Monthly	10 Days
International equities	28,205,899	None	Semi-monthly	0-90 Days
Hedge funds - equities	3,069,436	None	Daily	10 Days
Hedge funds - equities	8,569,188	None	Quarterly	45-90 Days
Hedge funds - equities	10,008,942	None	Annually	45-90 Days
Hedge funds - equities	20,619	None	Not Eligible	*
Absolute return funds	4,673,071	None	Monthly	45 Days
Absolute return funds	15,571,029	None	Quarterly	30-90 Days
Absolute return funds	9,733,575	None	Annually	45-120 Days
Private equity funds	1,069,551	**	Not Eligible	N/A
	$ 98,656,612			

* Investments in this category are being liquidated.

** Unfunded commitments of $1,030,000.

		Net Asset Value as of June 30, 2017	Unfunded Commitments	Redemption Frequency (if currently Eligible)	Redemption Notice Period
Commingled trusts					
Large cap equities	$	17,264,589	None	Monthly	10 Days
International equities		22,761,060	None	Semi-monthly	0-90 Days
Hedge funds - equities		2,745,025	None	Daily	10 Days
Hedge funds - equities		7,806,952	None	Quarterly	45-90 Days
Hedge funds - equities		9,791,411	None	Annually	45-90 Days
Hedge funds - equities		23,752	None	Not Eligible	*
Absolute return funds		4,392,983	None	Monthly	45 Days
Absolute return funds		8,320,951	None	Quarterly	30-90 Days
Absolute return funds		10,977,342	None	Annually	45-120 Days
Absolute return funds		672,416	**	Not Eligible	N/A
	$	84,756,481			

* Investments in this category are being liquidated.

** Unfunded commitments of $1,340,000

Note 5 - Investments Policy and Strategies

The long-term financial goal for the Museum is to preserve and grow the value of its assets (fund) on a real (i.e., inflation-adjusted) basis, which will allow for a predictable and stable level of spending to meet annual operating needs while maintaining the spending power of the endowment. The Investment Committee is responsible for managing and overseeing the implementation of the fund's investment policies on behalf of the Board of Trustees.

Under the policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various benchmark indices, including the S&P 500, Russell MidCap, Russell 2000 Growth, MSCI EAFE, InvestorForce Total PE net median and the Merrill Lynch 1-3 Year Treasury index, while assuming a moderate level of investment risk. The Museum expects its endowment funds, over time, to provide an average rate of return, net of all fees, of approximately 5.5% plus the secular rate of inflation annually. Actual returns in any given year may vary from this amount.

The Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

To attain the long-term objective and exceed the 5% spending policy (see below), a significant portion of the fund must be invested in nonhedged equities, which are expected to remain the highest returning major asset type. The Investment Committee believes that a normal commitment to nonhedged equities of 45%, within a range of 30-60%, is desirable for this purpose.

Another portion of the fund will be invested in alternative investments, comprising absolute return hedge funds and hedged equity funds. These two asset classes are included because the Investment Committee believes they have long-term expected return potential similar to equities, but with less expected risk. In addition, these two asset classes provide diversification benefits due to their reduced correlation to equity and bond markets. The Investment Committee believes that a normal commitment to alternatives of 40%, within a range of 30-50%, is desirable for this purpose, with ranges of 10-20% in hedged equity funds and 20-30% in absolute return funds.

Another portion of the Fund will be invested in private investments. The Investment Committee believes that a normal commitment to privates of 5%, within a range of 0-10%, is desirable for this purpose.

The remainder of the fund, typically 5-15%, will be invested in fixed income. Fixed income investments typically provide higher current income and more stable, but lower, total returns than equities. For the most part, the fund's fixed income is invested in high quality instruments. It is expected that the dollar weighted credit quality will be A or higher.

With respect to all managers, individual security selection, security size and quality, number of portfolio industries or holdings, current income levels, the use of options and financial futures and turnover are left to broad manager discretion, subject to usual standards of fiduciary prudence. No single fund manager shall manage more than 10% (at market) of the total funds.

With respect to alternative managers, additional constraints are imposed. No single alternative manager shall manage more than 7.5% (at market) of the total fund. The Investment Committee will strive to employ alternative managers who combine depth of experience, risk management capability and prudent use of leverage.

Investment Spending Policy

As stated above, the Board of Trustees has adopted a spending policy of 5% of the fair value of investments, excluding those restricted to art acquisition, based on a rolling 12-quarter average for support of current operations. The remainder is retained to support operations of future years and to offset potential market declines.

Note 6 - Investment Return

The Museum reports its total return on investments as follows: investment income includes current income (interest and dividends), and net realized and unrealized gains and losses. Investment income also includes interest on cash equivalents.

	2018	2017
Return on investments		
Interest and dividends (net of fees of $34,136 and $56,444 in 2018 and 2017, respectively)	$ 439,440	$ 177,139
Net realized and unrealized gain (loss) on investments		
Hedge fund - equities	1,400,283	2,683,689
Absolute return funds	1,508,383	2,919,883
Other investments	6,249,453	10,497,001
Gain (Loss) on investments	9,597,559	16,277,712

The investment portfolio earned a return of 7.95% and 14.76% for the years ended June 30, 2018 and 2017, respectively.

Note 7 – Revenue Bonds

In June 1994, the Museum borrowed $50,000,000 under a loan agreement with the Illinois Development Finance Authority (IDFA). Pursuant to the loan agreement, the IDFA issued a $50,000,000 aggregate principal amount of variable/fixed rate demand revenue bonds, Series 1994, and loaned the proceeds to the Museum. The proceeds were used to acquire, construct and equip the Museum; renovate, improve and equip the additional off-site storage facilities; pay a portion of the interest on the bonds during construction; and pay certain costs in connection with the issuance of the bonds. The total remaining principal balance was $30,000,000 for the year ended June 30, 2016. In the event that the remarketing agent was unable to remarket the bonds, the bonds would have become pledged to the bank under the letter of credit (as described below). If the letter of credit could not be renewed and an alternative letter of credit could not be obtained, the bonds would have become immediately due.

Pursuant to the above agreement, the Museum had entered into a related reimbursement and irrevocable letter of credit agreement with JPMorgan Chase Bank, N.A. and Northern Trust that provide the approximate amount of the carrying value of the bond principal and interest as collateral. The aforementioned agreements contained several financial and operating covenants, the most restrictive of which relate to liquidity requirements, additional indebtedness and investment policy. The letter of credit agreement expired on December 31, 2016. The letter of credit was not renewed.

On October 1, 2016, the Museum entered into a bond and loan agreement in the amount of $30,000,000 with a principal maturity date of February 1, 2029 with Bank of America Public Capital Corp. The funds were used to refund and redeem the outstanding Illinois Development Finance Authority Variable/Fixed Rate Demand Revenue Bonds, Series 1994. The Series 1994 Revenue Bonds were paid in full on December 1, 2016. The total remaining principal balance of the unsecured bonds was $30,000,000 for both the years ended June 30, 2018 and 2017. Interest is payable monthly and the interest rate is calculated using the index floating rate defined in the agreement. During the year ended June 30, 2018 and 2017, the weighted average interest rate was 2.049% and 1.356%, respectively. Interest expense for the year ended June 30, 2018 and 2017 was $614,238 and $349,692, respectively.

As of June 30, 2018 and 2017, the bond is reported net of unamortized discount and debt issuance costs of $159,829 and $179,808, for an ending balance of $29,840,171 and $29,820,192, respectively.

Note 8 - Interest Rate Swap

The Museum utilizes derivative financial instruments to reduce its market exposure risks from changes in interest rates. The instruments used to mitigate these risks are interest rate swaps.

The following table presents the amounts and the locations of the amounts relating to the Museum's interest rate swap in the Museum's financial statements as of and for the years ended June 30, 2018 and 2017:

	2018	2017
Statement of Financial Position Information		
Location on statement of fair value of liability:		
Interest rate swap	$ 282,553	$ 1,285,082
Statement of Activities and Changes in Net Asset Information		
Change in fair value of interest rate swap, net of periodic settlement payments	$ 1,002,529	$ 1,039,699
Periodic settlement payments included in debt service	(267,611)	(466,417)
Total gain (loss) on interest rate swap	$ 734,918	$ 573,282

The Museum had an interest rate swap with JPMorgan Chase Bank, N.A. to hedge the interest rate risk associated with $25,000,000 of the Museum's $30,000,000 variable rate debt. The purpose of the swap was to fix interest rates on variable rate debt and to reduce certain exposures to interest rate fluctuation. The interest rate swap had an interest rate of 2.915%. The interests of JPMorgan Chase Bank, N.A's swap was transferred by novation to Bank of America, N.A. on October 27, 2016.

On October 27, 2016, the Museum entered into an interest rate swap transaction and has an interest rate swap with Bank of America, N.A. to hedge the interest rate risk associated with $25,000,000 of the Museum's $30,000,000 debt with Bank of America Public Capital Corp. The purpose of the swap is to fix interest rates on variable debt and to reduce certain exposures to interest rate fluctuation. The interest rate swap has an interest rate of 2.107% and matures on November 1, 2026. The Museum will pay Bank of America, N.A. at the fixed rate as noted and Bank of America, N.A. will pay the Museum interest at a variable rate equal to 70% of LIBOR. On April 1, 2018 the terms of the interest rate swap transaction were amended such that the Museum will pay Bank of America, N.A. a fixed rate of 2.538% and Bank of America, N.A will pay the Museum interest at a variable rate equal to 85.162% of LIBOR.

The Museum is exposed to credit-related losses in the event of nonperformance to this financial instrument. However, the counterparty to this agreement is Bank of America, N.A., and the risk of loss due to nonperformance is considered by management to be minimal. The Museum does not hold or issue interest rate swaps for trading purposes.

Note 9 - Special Events

Special events consisted of the following:

	2018	2017
Public support	$ 156,125	$ 2,903,567
Direct expenses	(109,936)	(1,273,996)
Net public support	46,189	1,629,571
Revenues released from temporarily restricted	172,580	398,065
Net Revenue	$ 218,769	$ 2,027,636
Gross Revenue from Special Events	$ 328,705	$ 3,301,632

Note 10 - Retirement Plans

The Museum offers a 403(b) retirement plan to all employees and sponsors a money purchase defined contribution retirement plan that is available to all eligible employees, as defined in the agreement. For the years ended June 30, 2018 and 2017, contributions to the money purchase defined contribution retirement plan are determined as 5% of each covered employee's compensation and are funded as accrued. Pension expense totaled $261,067 and $340,514 for the years ended June 30, 2018 and 2017, respectively.

Note 11 - Employment Agreement

Effective July, 1, 2017, the Museum extended the employment agreement with its current director for an additional 5 years. Employment under this employment agreement is through June 30, 2022. If the Museum terminates this agreement without cause, the Museum would continue to pay the director's current base salary for 12 months from the date of termination.

Note 12 - Concentrations

Individual contributions in excess of $1,000,000 totaled $3,821,857 from three donors for the year ended June 30, 2018. Individual contributions in excess of $1,000,000 totaled $5,500,000 from four donors for the year ended June 30, 2017. The receivable balances for these contributors were $1,734,110 and $1,300,000 as of June 30, 2018 and 2017, respectively.

Note 13 - Endowment

Endowment

The Museum's endowment consists of 18 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Museum has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Museum in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Museum considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purpose of the Museum and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Museum
(7) The investment policies of the Museum

Return Objectives, Risk Parameters and Strategies Employed for Achieving Objectives

The Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historic dollar value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Museum must hold in perpetuity as well as board-designated funds.

See Note 5 for a detailed description of the Museum's return objectives, risk parameters and strategies employed for achieving objectives.

Endowment Spending Policy

The Museum has a policy of appropriating for distribution each year 5% (unless distribution percentage is stipulated by the donor) of the opening balance of each fund. In establishing this policy, the Museum considered the long-term expected return on its endowment. Accordingly, over the long term, the Museum expects the current spending policy to allow its endowment to grow at an average of 0.5% annually after appropriating the 5% spending policy. This is consistent with the Museum's objective to provide real growth through new gifts and investment return.

Funds Information

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Museum to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature that are reported in unrestricted net assets as of June 30, 2018 and 2017, respectively.

Endowment net asset composition by type of fund as of June 30, 2018:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 4,081,436	$ 17,552,549	$ 21,633,985

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets Beginning of year	$ -	$ 3,294,872	$ 17,552,549	$ 20,847,421
Net appreciation (realized and unrealized)		1,657,466		1,657,466
Amounts appropriated for expenditures		(870,902)		(870,902)
Change in endowment net	-	786,564	-	786,564
Endowment net assets, End of year	$ -	$ 4,081,436	$ 17,552,549	$ 21,633,985

Endowment net asset composition by type of fund as of June 30, 2017:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 3,294,872	$ 17,552,549	$ 20,847,421

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets Beginning of year	$ (319,094)	$ 1,592,916	$ 17,552,549	$ 18,826,371
Net appreciation (realized and unrealized)	319,094	2,778,361	-	3,097,455
Amounts appropriated for expenditures	-	(1,076,405)	-	(1,076,405)
Change in endowment net	319,094	1,701,956	-	2,021,050
Endowment net assets, End of year	$ -	$ 3,294,872	$ 17,552,549	$ 20,847,421

Note 14 - Temporarily Restricted Net Assets

Temporarily restricted net assets include contributions for which donor-imposed restrictions have not been met and for which the proceeds are not permanently restricted, as well as collection deaccessions for which the proceeds have not yet been used for collection accessions. Temporarily restricted net assets as of June 30, 2018 and 2017 are available for the following purposes:

	2018	2017
50th Anniversary	$ -	$ 2,607,150
Future exhibitions and performances	2,188,145	2,254,995
Education programs	691,992	650,284
Special events	38,900	90,425
Permanent Collection - Accessions		
Funded by deaccessions	5,675,240	5,592,160
Funded by gifts	2,152,138	2,185,957
Time and purpose restricted - Endowment earnings	4,081,436	3,294,872
Time and purpose restricted - MCA Vision Campaign	12,450,644	11,697,453
Time and purpose capital - MCA Vision Campaign	929,729	3,804,758
Time restricted - MCA Annual Fund	153,331	650,970
Time restricted - Chicago Contemporary Campaign	423,640	423,640
Time or purpose restricted - Other	50,198	6,765
Total	$ 28,835,393	$ 33,259,429

Investment income earned on permanently restricted net assets, noted above as endowment earnings, is restricted for educational programs, exhibition funds, and art acquisition and is included in temporarily restricted net assets. This investment income is released from restrictions as related education or exhibition expenses are incurred or art is acquired.

Note 15 - Net Assets Released from Restriction

Net assets were released from restrictions by incurring expenses to satisfy the purposes specified by donor grant agreements as follows:

	2018	2017
Future exhibitions and performances	$ 6,036,258	$ 2,128,325
Education programs	882,072	626,597
Special events	172,580	398,065
Capital expenditures	5,387,947	9,029,713
Permanent collection - Accessions	676,729	174,783
Earnings appropriated for expenditures on endowments	870,902	1,076,405
Time and purpose restricted - MCA Vision Campaign	1,977,916	9,359,795
Time restricted - MCA Annual Fund Campaign	552,691	278,466
Time or purpose restricted - Other	94,445	29,962
Total	$ 16,651,540	$ 23,102,111

Note 16 - Permanently Restricted Net Assets

Permanently restricted net assets include contributions for which donor-imposed restrictions stipulate that they be maintained permanently by the Museum. Permanently restricted net assets as of June 30, 2018 and 2017 are available for the following purposes:

	2018	2017
Education programs	$ 4,454,558	$ 4,454,558
Exhibitions	10,450,000	10,450,000
Art acquisition	100,001	100,001
Operations	2,547,990	2,547,990
Total	$ 17,552,549	$ 17,552,549

Note 17 - Related Parties and Conflicts of Interest

The Museum maintains a Conflict of Interest Policy, which applies to all trustees, members of standing committees, as well as senior management and other designated members of staff. The policy requires that each person to whom the policy applies complete an annual disclosure statement to identify any business, financial or personal interest in matters relating to the Museum.

The policy forbids such individuals from voting on or using their personal influence in connection with such matters. In the event the Museum does conduct business with a related party, the financial terms of those relationships are reported annually to the Audit Committee, whose members must be independent per the terms of its charter.

One member of the Museum's Board of Trustees is a senior manager with an auction house that provides auction services to the Museum; one member of the Museum's Board of Trustees is associated with a law firm that provides legal services to the Museum; and one member of the Museum's Board of Trustees is an executive with a financial institution that is a party to the letter of credit agreement which expired on December 31, 2016 and was not renewed. These services were provided at rates consistent with the market rates for not-for-profit organizations. Trustees recuse themselves from decisions pertaining to the selection of services in their respective businesses.

Note 18 - Sale of Real Estate and Use Agreement

"Museums in the Park" is a program of The Chicago Park District, which provides monetary and other benefits to members whose cultural facilities are located on land owned by The Chicago Park District. In addition, members are eligible to receive certain state funds and benefits, subject to availability. The Museum and The Chicago Park District agreed to enter into an agreement of sale and purchase so that the Museum may avail itself of the benefits of the Museums in the Park program and so that The Chicago Park District may benefit from the addition of the Museum to this program while also extending the current boundaries of Lake Shore Park, which is located just east of the Museum. Under the agreement of purchase and sale, dated February 11, 2005, the Museum conveyed title to its land at 220 East Chicago Avenue, excluding the building, its contents and other improvements on the property to The Chicago Park District for $1. As a condition of closing, the Museum and The Chicago Park District entered into a use agreement, which grants the Museum the exclusive right to occupy and use the land for a period of 99 years, with the opportunity to extend the term for an additional 99 years. Under conditions defined in the use agreement and Special Warranty Deed, the Museum has the option to terminate the use agreement at any time through the earlier of the receipt of a certain level of The Chicago Park District funding or January 1, 2030. Should the Museum exercise this option, title to the property shall revert to the Museum. Accordingly, as of June 30, 2018 and 2017, the Museum's land rights are valued at $3,448,054, which is the same amount as reported for this land in prior fiscal years.