FRIENDS OF THE
New York Transit Museum
2016 Annual Report
40 Years Young!
FOUNDED IN 1976, the New York Transit Museum is one of only a few museums in the world dedicated to telling the story of urban public transportation. The Museum collects, exhibits, interprets, and preserves the history, sociology, and technology of public transportation systems in the New York metropolitan region, and conducts research and educational programs that make its extensive collections accessible and meaningful to a broad audience.

Friends of the New York Transit Museum is a 501(c)3 not-for-profit organization chartered to support and effectuate the work of the New York Transit Museum. The New York Transit Museum is a self-supporting division of the Metropolitan Transportation Authority.
BACK IN 1976, WHEN A TOKEN cost 50 cents, a handful of New York City Transit employees decided to create a Bicentennial exhibit to showcase New York’s public transportation system as one of the nation’s great engineering achievements. Using a decommissioned subway station, they brought in old subway cars, turnstiles, and even a motor truck still connected to a section of track complete with a (fortunately non-functional) third rail.

On Bicentennial Day July 4, 1976 the “New York City Transit Exhibit” opened; it was to stay open for six weeks. Forty years later, we’re still here!

Today, what has grown into the New York Transit Museum welcomes about half a million visitors a year to our subway station home in Brooklyn and the Museum’s Gallery Annex in Grand Central Terminal. Almost 25,000 of these visitors are schoolchildren, many with special needs. Our exhibitions and programs examine the history and impact of New York’s subways, buses, railroads, bridges, and tunnels, showing how they shaped and continue to shape the city, the region, and our imaginations.

In many ways, 2016 was a milestone year for the Museum: Phase 1 of the Second Avenue Subway opened, adding a new chapter in New York’s transit history. We saw record visitation at our subway station home in Downtown Brooklyn, and record fundraising at our 40th Anniversary Gala. We were honored by an acknowledgment from First Lady Michelle Obama for our outstanding afterschool program for children with autism spectrum disorders.

That temporary exhibition sure has come a long way — and now, we are looking to the future. In January 2017, the Museum welcomed a new Director, Concetta Bencivenga. Under her leadership, I am confident that the Museum will continue to preserve, to grow, to educate, to enchant, and to give back to the communities we serve.

— SUSAN GILBERT
IN 2016, WE JOYFULLY CELEBRATED our 40th anniversary with a dizzying array of events, programs, and exhibits. Visitors were invited to an early opening for cake, crafts, and dancing during Party on Wheels, played in the street and hopped aboard the vintage bus fleet at our Block Party, and were whisked away on vintage subway cars at Brighton Beach station during a Parade of Trains. Artist Julia Rothman’s whimsical images depicting the Museum and its collection, 40 Years, 40 Objects — appearing on the cover and throughout this report — could be seen on subway cars all around the city.
EXHIBITIONS

FROM TOKYO SUBWAYS TO CONEY ISLAND STREETCARS, the Transit Museum introduced six exhibitions in 2016 that took a look at transit history both local and global — and showcased art inspired by everyday scenes found throughout New York City.

TRANSIT ETIQUETTE or: How I Learned To Stop Spitting and Step Aside in 25 Languages
NYTM Gallery Annex & Store at Grand Central Terminal
March – October 2016
Whether it’s 1916, 1956, or 2016, and in Toronto, New York, or Tokyo, inappropriate behaviors seemingly ubiquitous to mass transit have remained remarkably consistent and have annoyed commuters throughout the world for more than a century. This exhibition explored the creative and engaging visuals and broad scope of humor that transit agencies in the U.S. and abroad have used to cajole and scold passengers into better behavior, including original “Subway Sun” posters.

UNDERGROUND: Joan Iaconetti Watercolors
NYTM Brooklyn
May 2016 – January 2017
Underground: Joan Iaconetti Watercolors featured 22 large-format paintings that imagine the New York City subway system as an underworld full of shadowed corners, dizzying angles, and ghost-like commuters.

FIVE CENTS TO DREAMLAND: A Trip To Coney Island
NYTM Brooklyn
July 2016 – January 2017
From horse-drawn streetcars, steamboats, and railroads, to the buses and subways of today, mass transportation has played a pivotal role in Coney Island’s development. Five Cents to Dreamland: A Trip to Coney Island explored how transport to Coney Island has changed and developed with the times, propelling the Island’s transformation from a retreat for the rich to the people’s playground.
ART ON THE TRACKS: Teens Photograph the End of the Line

NYTM Brooklyn, October 2016

Museum Educators led a four-session workshop in the spring for 9th-12th graders to hone photography fundamentals and self-expression. The group embarked on photography journeys near the “end of the line” for the 1 and 4 trains in the Bronx, the 7 train in Manhattan and Queens, and the F train in Brooklyn, culminating in an exhibition at the museum.

15TH ANNUAL Grand Central Holiday Train Show

NYTM Gallery Annex and Store at Grand Central Terminal
November 2016 – February 2017

The annual Holiday Train Show was a great success once again! This year’s graphics featured images from Julia Rothman’s 40 Objects, 40 Years series.

40 YEARS, 40 OBJECTS:
Paintings by Julia Rothman

NYTM Brooklyn
June – September 2016

40 Years, 40 Objects featured an assortment of original paintings by artist Julia Rothman depicting the Museum and its extensive collection for the celebration of our 40th anniversary.
2016 MARKED THE LAUNCH of the Erlitz Volunteer Program, named after twin brothers and longtime Transit Museum volunteers John and Arthur Erlitz, which brought fresh faces to the Museum volunteer staff. Upwards of ten new and enthusiastic volunteers helped to lead our public tours of the Museum, off-site tours, and our ever-popular train simulator game on weekends.

The Museum also continued to expand its educational program offerings, with a renewed focus on serving older visitors, from middle schoolers to adults and seniors. Specialized programs on Immigration and Sustainability utilized the Museum’s rich collections and archives in new ways, allowing visitors to make connections across history to the modern day and opening up conversations about topics that impact their daily lives.

In 2016, the Museum’s educational programs were visited by 871 general education school groups, 149 special needs school groups, and 50 adult groups, continuing its commitment to providing programming for a wide range of ages and abilities.
ACCESS PROGRAMS

THE EDUCATION DEPARTMENT earned the Museum one of the highest honors for an arts and culture organization: the 2016 National Arts and Humanities Youth Program Award for our afterschool program for children with autism spectrum disorders, Subway Sleuths. The award was presented to the Museum’s Deputy Director, Regina Asborno, and Ian Aquino, a program participant, by First Lady Michelle Obama at a ceremony at the White House on November 15, 2016. Subway Sleuths is an afterschool program at the Museum for children living with ASD that uses their love of trains to help build social skills and foster connections with their peers under the guidance of trained facilitators. The exposure from the NAHYP award resulted in a slew of press attention for the Museum, including a New York Times article about the positive impact the program has had on Sleuths’ lives.

As the first classes of our Subway Sleuths grow into adolescence, the Museum’s program offerings for visitors with special needs grew as well. In 2016, the Education department piloted Studio Underground, an art-making workshop for teens with developmental disabilities, and expanded our Day Hab Day programs for adult groups from day habilitation centers. Former Sleuths and their families and teachers reconnected at a Subway Sleuths reunion, in the same space where they first met and shared their passion for transit.
BY THE END OF 2016, the Transit Museum’s membership roster swelled to a record **3,251 individual members**! Members continued to enjoy benefits such as free admission to our on-site public programs and advance registration on offsite excursions and tours. Exclusive members-only tours included **Behind the Scenes: Coney Island Overhaul Shop & Tower**, which gave visitors a peek into one of the largest overhaul and repair facilities in the world, and our perennially popular tour of **Old City Hall Station**. In April, August, and December, members were given first pick at these ever-popular excursions — many of which sold out within minutes.

This year also ushered in the beginning of our **Institutional Membership** program, a partnership between the Transit Museum and libraries throughout the region. Partner institutions receive two loanable Family membership cards to the Museum, encouraging visitation from communities across the region. The year ended with 35 new library partners, including the Bellmore, Freeport, and White Plains Public Libraries. Total membership revenue for 2016 reached $204,709, an increase of more than 5% from the previous year.
THE MUSEUM THREW a Party On Wheels for its birthday! More than 200 children and adults celebrated with us at our third annual family benefit on June 12, 2016. Guests enjoyed face painting, crafts, access to a real conductor’s cab for a family photo booth, and especially special shuttle rides on a 1930s IND R 1-9 subway car from the Museum platform to Hoyt-Schermerhorn Station and back. The event finished with a great big birthday cake and a loop around the neighborhood aboard a vintage bus. It raised nearly $20,000 to support the Museum’s education programs.

The Museum hosted its 40th Anniversary Gala on October 20, 2016, honoring MTA New York City Transit President Veronique Hakim. After 20 years in Grand Central Terminal’s Vanderbilt Hall, the event moved this year to the spectacular River Pavilion at the Jacob K. Javits Convention Center. More than 1,000 guests enjoyed a seated dinner and a view over the Hudson River, and the event raised a record-breaking $1.2 million.
2016 SAW THE OFFICIAL OPENING of the Gabrielle Shubert Research Center, named in honor of the Museum’s recently retired director who led the institution for 24 years. It is a brand-new 14,380 sq. foot environmentally controlled collection storage space in Sunset Park, Brooklyn that holds over 5,800 artifacts, approximately 25,000 architectural and engineering drawings, and 1,775 linear feet of archival documents, books, moving images, and institutional records – with room to grow.

In 2016 the Archives was also awarded a Local Government Records Management Improvement Fund Grant for $49,896 to process a collection of 79,736 photographic materials transferred to the Archives in 2015 from the New York City Transit (NYCT) Photographic Unit. The Collection documents NYCT facilities, operations, surface and rapid transit fleets, personnel and events from the 1970s through 2004.

The Archives also took in 53 donations and internal MTA transfers. Highlights include the Manhattan Railway Financial Ledger from 1893-94, a collection of 2500 slides from the late photographer Ralph Curcio, hundreds of beautiful pencil sketches and architectural drawings of the transit system, Long Island Rail Road Real Estate records, and photographs of the Brooklyn Rapid Transit 58th Street Depot training school in 1917. The archives also obtained material highlighting the 40th Anniversary of the Museum, including a proposal for the original layout of the Transit Exhibit by architect Michael Herbstman, and a scrapbook made during the opening of the Transit Exhibit in 1976 from donor William Humphries.

In 2016 the Archives served 321 researchers via email and phone, and had 57 on-site visits. As the collection grew, the staff worked hard to make more material accessible by adding 1,100 new cataloged records into the museum’s collection database, updating our digital online collection found at nytransitmuseum.org/collections, and sharing collections on social media platforms such as Twitter, Facebook, and Instagram.
THE TRANSIT MUSEUM’S unique public programs are beloved by many, and in 2016 we offered a wide assortment of events, tours, and excursions throughout the city.

Our 40th anniversary was the perfect opportunity for birthday celebrations! Adults and children alike were invited to play games and tour our vintage buses on Schermerhorn Street at our Block Party, and rode seven different types of historic subway and elevated train cars — including our Brooklyn Union elevated cars, 112 years young — at the Parade of Trains at Brighton Beach Station. At the 23rd Annual Bus Festival on Boerum Place, we celebrated with scavenger hunts, songs, and storytelling alongside costumed historical interpreters and vintage buses.

Public programming also provides a chance to use our unique museum space in unexpected ways, and nowhere was that more true than at PLATFORM: Creative Musings on Mass Transit. Artists and urban historians were invited to showcase their transit-related work at the Museum in this special after-hours event, and 2016’s lineup brought together painters, dancers and actors for one wildly successful night that featured everything from a live painting session to a shadow puppet performance. Later in the year, nostalgic straphangers donned their best vintage clothes and danced the night away from 2nd Avenue to Downtown Brooklyn during Subway Swing.
IN MAY OF 2016, the Transit Museum launched its brand new and improved website: www.nytransitmuseum.org. The Museum’s stylish new online home made it easier for visitors to learn about upcoming programs, purchase tickets to events, read about the Museum’s exhibits, or simply get directions to our locations in Downtown Brooklyn and Grand Central Terminal. Our online presence at the year’s end was stronger than ever, with a 15% increase in followers on Twitter and a 77% increase in followers on Facebook from 2015, while our new website averaged over 90,000 monthly pageviews.
RETAIL

IN CONJUNCTION WITH THE Transit Etiquette exhibition, the Store developed an assortment of products using various courtesy campaign slogans. The products included tee shirts, postcards, mugs, magnets, coasters and mousepads. The most popular of these have been the “manspread” and “pole dancing” slogans. These two images generated sales of 500 postcards, 600 tee shirts, 470 mugs, 770 magnets and 85 mousepads! They’ve been so popular that we’ve continued to stock these images. As a result of the Transit Etiquette exhibit the Museum sold a total of 5,000 pieces valued at $35,000.

In conjunction with the 40th Anniversary celebration, the Retail department developed several products based on the artwork of Julia Rothman’s 40 Years, 40 Objects paintings. Ms. Rothman’s artwork has historically been quite popular in a variety of the Store’s products over the years and those chosen from the poster continued this trend

Capturing the increasing popularity of coloring books for all ages, the Store introduced a New York City Subway Station Coloring Book, highlighting various mosaics found within the NYC subway system. Introduced in mid-November for the 2016 Holiday season, the book has continued to sell well. To date, the Store has sold over 250 copies with projections to sell more than 500 in 2017.
BOARD of TRUSTEES

As of 12/31/2016

Ben D’Alessandro
John di Domenico
Brian P. Dolan
Beverly Dolinsky
Will Flores
Simon Fludgate
Robert E. Furniss
Susan Gilbert
Kurt A. Goddard
John B. Hobby
Kristen L. Johanson
Michael J. Jones
Stuart Leffler
Alfredo S. Quintero
Denise Richardson
Edward T. Seaman
Steve Shewmaker
Ruby A. Siegel
John Vasilj

Emeriti
Elaine Wingate Conway
Michael Lombardi

Advisory Board
Sandra Bloodworth
Paul Fleuranges
Don Harold
Marilyn Pettit, PhD
Terrie Rouse
Robert Wechsler, PhD
William Withuhn
STAFF

Administration
Sharon Adams, Principal Executive Secretary
Angela Agard, Manager, Administration
Regina Asborno, Deputy Director
Salvatore P. Bucciero, Director, Finance
Connie De Palma, Interim Director
Chelsea Newburg, Press & Marketing Strategist
Meghan Valdes, Press Aide

Curatorial & Archives
Desiree Alden-Gonzalez, Archivist & Acting Collections Manager
Chandra Buie, Associate Curator
Robert Del Bagno, Senior Manager, Exhibits
Caroline Donadio, Archives Technician
Mariaelena Garcia, Archives Intern
Rebecca Haggerty, Research Archivist
Kathleen Hulser, Curator
Jodi Shapiro, Associate Curator
Emily Toder, Archives Technician
Nanci Velez, Registrar

Development
Claudia Bennett, Development Intern
Jennifer Jeong, Development Intern
Sarah Landreth, Development Director
Viviana Londono-Danailov, Membership Manager

Education
Shaelyn Amaio, Producer of Public Programs & Community Engagement
Miles Blount, Education Volunteer
Bob Breuer, Education Volunteer
William Bullock, Museum Educator/Birthday Party Leader
Roberto Chavez, Museum Educator
Christina Cuadrado, Museum Educator
Robert Delmonico, Education Volunteer
Max Diamond, Education Volunteer
Polly Desjarlais, Education Assistant
Marie Fazio, Museum Educator
Kristin Fields, Education Coordinator
James Giovan, Museum Educator
Meredith Gregory, Special Education & Access Coordinator
Filip Jeremic, Costumed Interpreter
Mike Kam, Education Volunteer
Kate Lanceley, Museum Educator
Robert W. Lobenstein, Education Volunteer
Ramon Lugo, Education Volunteer
Levan Maisuradze, Museum Educator
Iveethe Molina, Education Intern
Luz Montano, Tour Coordinator
Frank Moscatelli, Education Volunteer
Elyse Newman, Education Manager
Salamatu Nurudeen, Museum Educator
Mark Perelmutter, Education Intern
Emil Pokhrylyuk, Education Volunteer
Katherine Reeves, Museum Educator
Andy Richter, Education Volunteer
Elysis Segal, Costumed Interpreter
Andy Sparberg, Education Volunteer
Virgil Talaid, Education Specialist
Julissa Taveras, Reservations Coordinator
Jason Weiss, Inventory Associate
Cassie Wood Triplett, Museum Educator
Jackson Wong, Education Volunteer

Facilities & Operations
Neferkara Aaron, Facility Coordinator
Jesus Albino, Operations Manager
David Alfonso, Maintenance
Peter Giannino, Maintenance
Juan Gil, Facility Coordinator

Retail
Abena Admako, Sales Associate
Princess Airhiavbere, Assistant Retail Manager
Marisa Barone, Sales Associate
Pauline P. Barosy, Sales Associate
Christie Caveca, Sales Associate
Gail Goldberg, Retail Manager
Deandra N. Harrison, Sales Associate
Shallena Jabid, Sales Associate
Jason Jamna, E-Commerce Assistant
Awilda Jimenez, E-Commerce Manager
Tiffany Keitt, Sales Associate
James Mateo, Sales Associate
Lorna Miller, Sales Associate
Christine Morales, Sales Associate
Julia Mulero, Sales Associate
Willie Roldan, Retail Supervisor
Kelly Woon, Sales Associate
Gregory Vignapiano, Retail Supervisor
Andrea Watson, Retail Supervisor

All full- and part-time employees as of 12/31/2016
THANK YOU TO OUR SUPPORTERS

Gifts received
January 1 – December 31, 2016

$50,000+
Metropolitan Transportation Authority
New York City Department of Cultural Affairs

$25,000–$49,999
Accenture
AECOM
ALSTOM
Bombardier Transportation
Boyce Technologies
CRRC MA Corporation
Cubic Transportation Systems
FAR Fund
Interactive Elements Inc.
Kawasaki Rail Car, Inc.
New York State Archives Local Government Records Management Improvement Fund
New York State Council on the Arts
Scheidt & Bachmann
Skanska
Xerox

$10,000–$24,999
Aksia LLC
Ansaldo STS - A Hitachi Group Company
ARUP
Bank of America Merrill Lynch
Bloomberg
The Boston Consulting Group
Bridgewater Associates, LP
Citigroup
Cinvalta Construction Corp. / Forte Construction Corp.
CIVIQ Smartscape
Clear Channel Outdoor
Con Edison
di Domenico + Partners
Doug Flutie Jr. Foundation for Autism
Drexel Hamilton, LLC
General Contractors Association of New York
Goldman Sachs & Co.
HAKS
Halmar International LLC
HDR
Hill International, Inc.
HTNB Corporation
Hugoton Foundation
IBM
Integrated Strategic Resources LLC
Intersection
Jacobs
JC Decaux
J.P. Morgan
Knorr Brake Company, LLC & Dellner, Inc.
KPMG LLP
Kratos Public Safety & Security Solutions
LTK Engineering Services
Mass Electric Construction Co.
McKissack & McKissack
Meringoff Family Foundation
Mitsubishi Electric Power Products, Inc.
Morgan Stanley
National Arts and Humanities Youth Program Awards
Nixon Peabody LLP
OHL NA - Judlau Contracting
OUTFRONT Media
Parsons Corporation
PFM Group
PJS Group
Proskauer
Prysmian Group
RailWorks / L.K. Comstock & Co., Inc.
RBC Capital Markets, LLC
Samuel A. Ramirez & Co., Inc.
Schiavone Construction Company, Inc.
Siemens Industry, Inc.
STV Incorporated
SYSTRA
Taft Foundation
Thales Transport & Security, Inc.
Tiger Baron Foundation
Transit Wireless
TransitCenter, Inc.
Trillium CNG
Turtle & Hughes
Tutor Perini Corporation
Urban Engineers of NY
VHB Engineering
Gerald Weinstein & Mary Habstritt
Westfield
WSP | Parsons Brinckerhoff

$5,000–$9,999
Clean Energy
Granite Construction Northeast
Hyde and Watson Foundation
LiRo Group
Loop Capital Markets, LLC
MTA Bridges and Tunnels
MTA Bus Company
MTA Capital Construction
MTA Long Island Rail Road
MTA Metro-North Railroad
MTA New York City Transit
Power Resources International
Pulsar Advertising
Stantec
WABTEC Transit Group
Walsh Construction

$1,000–$4,999
A. Esteban & Co.
AKRF, Inc.
AON Construction Services Group
Atkins
BAE Systems HybriDrive Solutions
Bank of America Matching Gifts Program
Chris Bastian
Brookville Equipment Corp.
Bryan Cave, LLP
Bob Buckholz & Lizanne Fontaine
CAF USA
CH2M
Friends of the New York Transit Museum

Financial Statements
Together with Report of Independent Certified Public Accountants

December 31, 2016
# INDEX TO FINANCIAL STATEMENTS

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| FINANCIAL STATEMENTS: | |
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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
Friends of the New York Transit Museum:

Report on the Financial Statements
We have audited the accompanying statement of financial position of Friends of the New York Transit Museum (a not-for-profit organization) as of December 31, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the Friends of the New York Transit Museum's 2015 financial statements and, in our report dated April 29, 2016, we expressed an unqualified opinion on those 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 of 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 audit. We conducted our audit 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 of 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 Friends of the New York Transit Museum as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BENCIVENGA WARD & COMPANY, CPA's, P.C.
Valhalla, New York
May 16, 2017
## FRIENDS OF THE NEW YORK TRANSIT MUSEUM

### STATEMENT OF FINANCIAL POSITION

#### DECEMBER 31, 2016

(WITH COMPARATIVE AMOUNTS FOR 2015)

### Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,129,759</td>
<td>$1,049,119</td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>8,336,198</td>
<td>7,944,672</td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>97,557</td>
<td>74,200</td>
</tr>
<tr>
<td>Accrued interest and other receivables</td>
<td>60,896</td>
<td>51,572</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,874</td>
<td>1,790</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>9,626,284</td>
<td>9,121,353</td>
</tr>
</tbody>
</table>

### Liabilities and Net Assets

### Liabilities

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>69,591</td>
<td>53,195</td>
</tr>
<tr>
<td>Payable to related party</td>
<td>150,215</td>
<td>292,566</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>219,806</td>
<td>345,761</td>
</tr>
</tbody>
</table>

### Net Assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>9,132,349</td>
<td>8,565,881</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>274,129</td>
<td>209,711</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>9,406,478</td>
<td>8,775,592</td>
</tr>
</tbody>
</table>

### Total liabilities and net assets

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>$9,626,284</td>
<td>$9,121,353</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
## STATMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

<table>
<thead>
<tr>
<th>Public Support and Revenues</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Public Support-</strong></td>
<td>Temporarily Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td>Annual Gala, net of direct expenses</td>
<td>$712,551</td>
<td>$</td>
</tr>
<tr>
<td>Membership dues</td>
<td>202,169</td>
<td>202,169</td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>42,234</td>
<td>382,381</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>317,963</td>
<td>(317,963)</td>
</tr>
<tr>
<td><strong>Total public support</strong></td>
<td>1,274,917</td>
<td>64,418</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues-</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income, net of advisor fees</td>
<td>106,701</td>
<td>106,701</td>
</tr>
<tr>
<td>Realized and unrealized gains (losses) on investments, net</td>
<td>215,530</td>
<td>215,530</td>
</tr>
<tr>
<td>Other income</td>
<td>446,217</td>
<td>446,217</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>768,448</td>
<td>-</td>
</tr>
</tbody>
</table>

| **Total support and revenues** | 2,043,365 | 64,418 | 2,107,783 | 1,483,379 |

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curatorial and archival</td>
<td>236,133</td>
<td>236,133</td>
</tr>
<tr>
<td>Educational programs</td>
<td>509,436</td>
<td>509,436</td>
</tr>
<tr>
<td>Exhibits</td>
<td>182,423</td>
<td>182,423</td>
</tr>
<tr>
<td>Other</td>
<td>106,705</td>
<td>106,705</td>
</tr>
<tr>
<td><strong>Total program services</strong></td>
<td>1,034,697</td>
<td>-</td>
</tr>
</tbody>
</table>

| Supporting services-         |      |      |
| Development                  | 249,148 | 249,148 | 246,612 |
| Management and general       | 193,052 | 193,052 | 167,953 |
| **Total supporting services**| 442,200 | - | 442,200 | 414,565 |

| **Total expenses**           | 1,476,897 | - | 1,476,897 | 1,735,337 |

| Change in net assets         | 566,468 | 64,418 | 630,886 | (251,958) |

| Net assets, beginning of year| 8,565,881 | 209,711 | 8,775,592 | 9,027,550 |

| Net assets, end of year      | $9,132,349 | $274,129 | $9,406,478 | $8,775,592 |

The accompanying notes are an integral part of this statement.
## Cash Flows From Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$ 630,886</td>
<td>$(251,958)</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realized and unrealized (gains) losses on investments</td>
<td>$(215,530)</td>
<td>95,189</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in grants and contributions receivable</td>
<td>$(23,357)</td>
<td>228,250</td>
</tr>
<tr>
<td>(Increase) in accrued interest and other receivables</td>
<td>$(9,324)</td>
<td>$(23,753)</td>
</tr>
<tr>
<td>(Increase) decrease in prepaid expenses</td>
<td>$(84)</td>
<td>14,810</td>
</tr>
<tr>
<td>Increase (decrease) in accounts payable and accrued liabilities</td>
<td>16,396</td>
<td>$(14,630)</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>398,987</td>
<td>47,908</td>
</tr>
</tbody>
</table>

## Cash Flows From Investing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from sale of investments</td>
<td>3,771,168</td>
<td>3,259,948</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(3,947,164)</td>
<td>(3,620,343)</td>
</tr>
<tr>
<td>Net cash (used) by investing activities</td>
<td>(175,996)</td>
<td>(360,395)</td>
</tr>
</tbody>
</table>

## Cash Flows From Financing Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Decrease) increase in payable to related party</td>
<td>(142,351)</td>
<td>74,333</td>
</tr>
<tr>
<td>Net cash provided (used) by financing activities</td>
<td>(142,351)</td>
<td>74,333</td>
</tr>
<tr>
<td>Net increase (decrease) in cash</td>
<td>80,640</td>
<td>(238,154)</td>
</tr>
</tbody>
</table>

## Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>1,049,119</td>
<td>1,287,273</td>
</tr>
<tr>
<td>Cash and cash equivalents, end of year</td>
<td>$1,129,759</td>
<td>$1,049,119</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of this statement.
1. ORGANIZATION

Friends of the New York Transit Museum ("Friends" or "Organization") is a not-for-profit organization operating exclusively for the benefit of the New York Transit Museum (the "Museum"), a division of the Metropolitan Transportation Authority ("MTA"), by promoting, raising funds and assisting the Museum in carrying out its mission. Friends also supports various Museum programs, such as records management, education, processing and cataloging historical records and photographs, guided tours and conducting various exhibits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations.

Tax Status
Friends is exempt from federal income taxes under Section 501(a) of the United States Internal Revenue Code (the "Code") as an organization described in Section 501(c)(3), and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. Contributions to Friends are tax deductible within the limits prescribed by the Code. Friends is also exempt from state and local income taxes.

Friends has processes presently in place to ensure the maintenance of its tax exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has a nexus; and to review other matters that may be considered tax positions.

Income Taxes
The Organization is subject to the provisions of the Financial Accounting Standards Board’s Accounting Standards Codification ("ASC") Topic 740-10-05 relating to accounting and reporting for uncertainty in income taxes. This requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS"). Due to the Organization’s general not-for-profit status, management believes there are no tax positions that would have a material impact on its financial statements.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Due to the expiration of the statute of limitations, the Organization is no longer subject to income tax examinations for years prior to 2013.

Classification of Net Assets
In accordance with provisions of Financial Accounting Standards Board ("FASB"), net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Friend’s net assets and changes therein are classified and reported as follows:
2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)**

Classification of Net Assets – (continued)

**Unrestricted**
Unrestricted net assets represent those resources that are not subject to donor-imposed restrictions and are available for support of the operations of the Organization.

**Temporarily Restricted**
Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by satisfaction of program restrictions or the passage of time. At December 31, 2016, there were temporarily restricted net assets in the amount of $274,129.

**Permanently Restricted**
Permanently restricted net assets represent those endowment-related assets that are subject to restrictions of gift instruments, which require that the principal be held in perpetuity and the income be used for such purposes, if any, as the donors may direct. At December 31, 2016, Friends did not have permanently restricted net assets.

**Investments**
The Organization has an investment policy in compliance with the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"). Investments in equity and fixed-income securities and mutual funds are reported at their fair values, based on quoted market prices at the published market closing prices at the Statement of Financial Position date.

Gains and losses on securities are determined by a comparison of specific costs at acquisition to proceeds at the time of disposal, or to the fair values at year end, and are reported in the accompanying Statement of Activities. Purchases and sales of securities are reflected on a trade-date basis. Dividend and interest income are recognized when earned.

Donated securities are recorded at their fair values at the dates of donation and are sold as expeditiously as possible, upon receipt.

**Grants and Contributions**
The Organization records contributions of cash and other assets when received or when the unconditional promise to give such assets is received from the donor. Contributions are recorded at the fair value of the assets received and are classified as unrestricted, temporarily restricted or permanently restricted, based on the existence and/or nature of donor restrictions. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are reported an unrestricted support in the financial statements.
2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -(continued)**

**Contributed Services**
Friends recognizes contributions of services which: create or enhance non-financial assets; require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributed services and promises to give services that do not meet the above criteria are not recognized in the financial statements. There were no contributed services that met this criteria for the periods presented.

Individuals contribute freely of their time and talent in furtherance of the Organization's goals. The Organization has not recorded the value of these services in its financial statements since a clearly measurable basis for a determination of such a value does not exist.

**Membership Dues**
Membership dues are recognized as revenue in the year received.

**Functional Expenses**
The costs of providing various programs and supporting services have been summarized on a functional basis in the accompanying Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on analysis of personnel time and utilization for related activities.

The majority of Friends expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function are allocated to components of these services based on allocation factors determined by management.

**Cash and Cash Equivalents**
The Organization considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents, except for cash held as part of the investment portfolio. Cash and cash equivalents are carried at cost, which approximates fair value.

**Use of Estimates**
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Significant estimates and assumptions include the valuation of contributions receivable and the allocation of expenses to functional classifications.

**Fair Value Measurements**
As further described in Note 3, the Organization is subject to ASC Topic 820-10-05 relating to fair-value measurement. Accordingly, Friends reports a fair value measurement of all applicable financial assets and liabilities, including investments, grants and contributions receivable and payables.

**Subsequent Events**
The Organization considers all accounting treatments, and the related disclosures in the current year’s financial statements, that may be required as the result of all events or transactions that occur after year-end through the date of the audit report.
3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

ASC Topic 820-10-05 provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 - Valuations are based on observable inputs that reflect unadjusted quoted market prices in active markets for those investments, or similar investments, at the reporting date.

Level 2 - Valuations are based on: (i) quoted prices for those investments, or similar investments, in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date. Level 2 assets include those investments that are redeemable at or near the balance-sheet date and for which a model was derived for valuation. If the asset or liability has a specific (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued, or (iii) the investments cannot be immediately redeemed at or near year-end. Inputs are unobservable and reflect the Organization’s own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

**Assets and liabilities**
Cash and cash equivalents, grants, contributions, interest and other receivables, accounts payable and accrued liabilities, and payable to a related party have a carrying amount that is a reasonable estimate of fair value because of the short term maturity of these instruments.

**Investments**
Investments are reported at fair value in the Statement of Financial Position determined using Level 1 measurements as of December 31, 2016 and 2015:
3. **INVESTMENTS AND FAIR VALUE MEASUREMENTS – (continued)**

<table>
<thead>
<tr>
<th>Fair Value Measurements</th>
<th>Significant Observable Inputs ( Level 1 )</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>December 31, 2016</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
</tr>
<tr>
<td>Common Stocks</td>
<td>$ 3,542,584</td>
</tr>
<tr>
<td>Government Securities-</td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury Notes and Bonds</td>
<td>1,408,989</td>
</tr>
<tr>
<td>Other Federal Agencies</td>
<td>1,099,130</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>1,362,982</td>
</tr>
<tr>
<td>Total Investments</td>
<td>$ 7,413,685</td>
</tr>
</tbody>
</table>

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Friends believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment income is reflected in the Statement of Activities net of advisor fees of $79,707 and $77,142 for the years ended December 31, 2016 and 2015, respectively.

4. **CASH AND CASH EQUIVALENTS**

The composition and fair value of cash and cash equivalents as of December 31, 2016 and 2015 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in banks</td>
<td>$ 816,761</td>
<td>$ 663,701</td>
</tr>
<tr>
<td>Money market funds</td>
<td>312,998</td>
<td>385,418</td>
</tr>
</tbody>
</table>

|                   | $ 1,129,759 | $ 1,049,119 |

5. **CONCENTRATIONS OF CREDIT RISK AND UNCERTAINTIES**

The financial instruments that are exposed to concentrations of credit risk consist primarily of cash in banks, money market funds and investments. The Organization maintains cash accounts with banks located in New York State, which are insured by the FDIC up to $250,000. The cash amount on deposit as of and during the year ended during December 31, 2016 exceeded the balance insured by the FDIC. Cash in money market funds are not Federal Deposit Insurance Corporation ("FDIC") insured. Management does not believe it is exposed to any significant credit risk on cash and cash equivalents.
5. **CONCENTRATIONS OF CREDIT RISK AND UNCERTAINTIES – (continued)**

The Organization has significant investments in common stocks, government securities and corporate bonds and is, therefore, exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain securities, it is reasonably possible that changes in the values of these securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

6. **ANNUAL GALA**

Income from the Annual Gala is shown in the Statement of Activities net of direct costs for the years ended December 31, 2016 and 2015 as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefit Receipts</td>
<td>$1,203,225</td>
<td>$1,026,275</td>
</tr>
<tr>
<td>Less Direct Costs</td>
<td>(490,674)</td>
<td>(435,534)</td>
</tr>
<tr>
<td>Net Benefit Receipts</td>
<td>$712,551</td>
<td>$590,741</td>
</tr>
</tbody>
</table>

7. **TEMPORARILY RESTRICTED NET ASSETS**

As of December 31, 2016 and 2015, Friends had net assets restricted for the following programs and purposes:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Museum Exhibits, Archival, General and Program Support</td>
<td>$174,317</td>
<td>$125,000</td>
</tr>
<tr>
<td>Museum Special Needs Programs</td>
<td>95,620</td>
<td>77,488</td>
</tr>
<tr>
<td>Museum Other Programs</td>
<td>4,192</td>
<td>7,223</td>
</tr>
<tr>
<td>Total Temporarily Restricted Net Assets</td>
<td>$274,129</td>
<td>$209,711</td>
</tr>
</tbody>
</table>

Net assets of $317,963 were released from donor restrictions in 2016.

8. **RELATED PARTY AND CONTRIBUTED SERVICES**

The MTA has contributed administrative services, such as payroll, office facilities and the use of office equipment to Friends, which have not been reflected in the financial statements since they do not meet the criteria for recognition under the FASB. Balances due the MTA, which are shown as due to a related party in the Statement of Financial Position, relate to administrative services provided by Friends in connection with the retail operations of the Museum. The Organization is related to the Museum through common administrators.
9. **NEW ACCOUNTING PRONOUNCEMENT**

In August 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 will amend financial statement presentations and disclosures, with the goal of assisting not-for-profit entities in providing more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, (iv) liquidity and availability of resources, and (v) the presentation of operating cash flows. The new standard is effective for annual reporting periods beginning after December 15, 2017. The Organization will adopt this pronouncement when it becomes effective.

10. **PRIOR-YEAR FINANCIAL STATEMENTS**

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in connection with the Organization’s financial statements as of and for the year ended December 31, 2015, from which the summarized information was derived.