

FRIENDS OF THE

NEW YORK TRANSIT MUSEUM

2020-2021 ANNUAL REPORT



MISSION STATEMENT

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 our extensive collections accessible and meaningful to a broad audience.

The Transit Museum is committed to preserving the stories of the people behind transportation – the extraordinary engineers, the workers who labored in the tunnels over 100 years ago, the communities that were drastically transformed, and the ever-evolving technology, design, and ridership of a system that runs 24 hours a day, every day of the year.

Housed underground in an authentic 1936 subway station in Downtown Brooklyn, the Transit Museum's main location spans a full city block, with a working platform that

is home to a rotating selection of twenty vintage subway and elevated cars dating back to the early 1900s. Between our main location and our Gallery at Grand Central Terminal, the Transit Museum welcomes more than half a million visitors in a typical year.

Transit Museum visitors can explore the vintage cars, sit at the wheel of a city bus, step through a time tunnel of turnstiles, and explore changing exhibits that highlight the cultural, social and technological history – and future – of mass transit.

The New York Transit Museum was established in 1976 as an initiative of the Metropolitan Transportation Authority (MTA). Friends of the New York Transit Museum, a 501c3 not-for-profit organization, was established in 1995 to promote and raise funds for the Museum's operations and programs.



LETTER FROM THE DIRECTOR

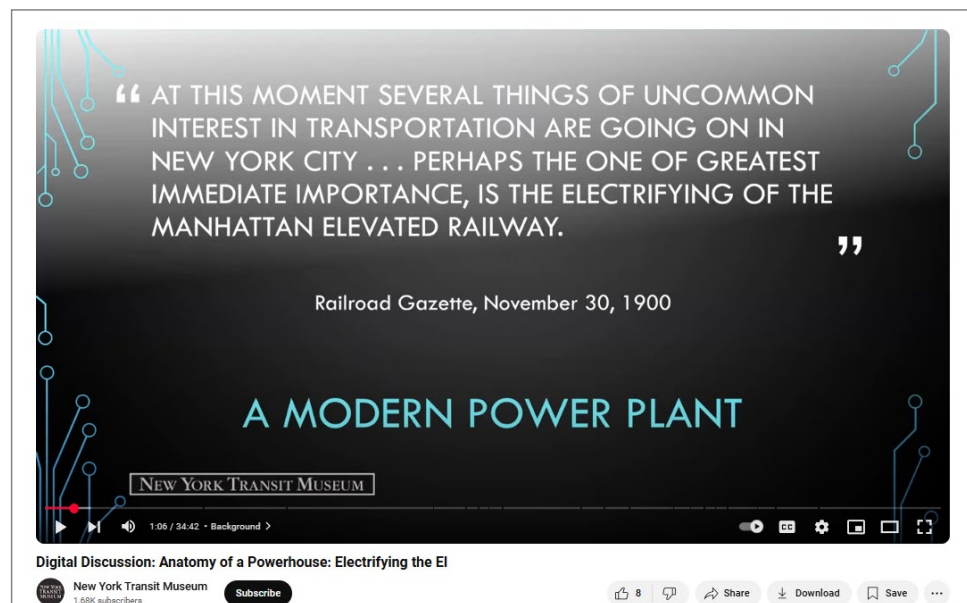
THE NEW YORK TRANSIT MUSEUM started 2020 on a high note. In February we opened an excellent new exhibit in Brooklyn, *Streetscapes and Subways: Photographs by Pierre P. and Granville W. Pullis*, and we were looking forward to *Transit Sketches*, an exhibit set to open in mid-March at our Grand Central Gallery. When, at the Governor's instruction, we locked the doors at the end of the day on Friday, March 13th, 2020, we expected to be closed for two weeks. Little did we know...

Early in lockdown, we made two decisions: the Museum would retain all full-time and part-time staff (though many cultural organizations let staff go immediately); and the Museum in Downtown Brooklyn, the Gallery and Store at Grand Central Terminal, and the Store at 2 Broadway would stay closed to the public until we were confident that we could re-open safely and stay open sustainably. This meant, in practice, that our doors stayed closed to visitors until the summer of 2021.

The Grand Central Gallery reopened in June 2021, followed by the Museum in Brooklyn that August; the Store at 2 Broadway

remained closed to the public. The impact of this long closure was profound, both for our programming and for our finances. What we thought would be a business interruption event, was instead a business reinvention event.

To continue to serve our mission of making our collection accessible and meaningful, the Museum embraced a whole new way of engaging with the public: online. I cannot overstate how hard this work was, or how proud I am of our staff doing it. They invented online programming for school groups, children and adults with disabilities, and transit enthusiasts entirely from scratch, in their homes. We launched our first digital program, a video version of our early-childhood program "Transit Tots," within a week of closing. Soon after, we presented the first of our "Digital Discussions," live illustrated talks on transit topics, via Zoom. Then, we added downloadable PDFs of activities for families and children – and then educator-led live Zoom field trips that take students and teachers on a "Journey to the Past." We thoughtfully re-envisioned *Transit Quest* and *Subway Sleuths*, our programs for



neurodivergent kids and teens, for delivery and participation online. And, incredibly, the Museum gained a new audience along the way – from as far away as Scotland, Hawaii, and Brazil.

When we reopened to in-person visitors, it was with reduced hours and a strict capacity cap, for the safety of visitors and staff. After serving over 700,000 people in 2019, we served a total of 145,594 people in 2020, and 57,004 in 2021. While this is certainly a drastic decrease, it is still an incredible accomplishment. During these two challenging years, we served 175,592 people in person during the months our doors were open (January-March 2020, and June-December 2023) – and a remarkable 27,670 online while our doors were closed. Many of these constituents were discovering the Transit Museum for the first time.

Nonetheless, the loss of earned income from admissions, retail sales, and program tickets, and the loss of contributed revenue from canceled fundraising events and diminished membership sales, was staggering. Though we were fortunate to

be awarded relief funding from generous individuals, foundation partners, and the Payroll Protection Plan, Friends of the New York Transit Museum finished 2020 with a very significant operating deficit of nearly \$2 million; expectations of a similar deficit in 2021 forced us to reduce the Museum's staff after keeping everyone on salary for a year. In March 2021, five full-time positions across the Museum and 19 public-facing part-time positions in the education and retail departments were eliminated, resulting in a manageable (but still large) operating deficit at year-end.

However, as the attached audited financial statements make clear, the overall position of Friends is positive for both 2020 and 2021 because of exceptional performance on investments.

As we look to the future, we know that the lessons of these hard years are truly valuable. Virtual programming allows us to serve audiences who cannot visit the Museum because of distance, accessibility issues, or other reasons, and will remain part of our new business model going forward. The Museum will continue to collect and preserve material – posters, maps and more – that memorialize this time of terrible loss and extraordinary resilience.

We are tremendously grateful to everyone who supported us in 2020 and 2021. Your help sustained us, and I thank you all.


CONCETTA ANNE BENCIVENGA

Director, New York Transit Museum



EXHIBITS

We installed two excellent exhibits in 2020 which remained on view through 2021.

Drawing from the Museum's extensive collection of photographs, *Streetscapes and Subways: Photographs by Pierre P. and Granville W. Pullis* featured images of the earliest IRT subway routes – both above and below ground – between 1900 and 1930. Contracted by the NYC Public Service Commission to document streets before and during subway construction, the Pullis brothers captured an important portrait of New York City's built environment and daily life at a moment of enormous change. This exhibit opened to the public in the Museum's main location in Downtown Brooklyn on February 13th, 2020, and welcomed in-person visitors again when the facility re-opened in August 2021.

At the Gallery in Grand Central Terminal, *Transit Sketches* featured work by six artists who spent years filling sketchbooks (both paper and digital) with portraits during train rides across New York: Ebony Bolt, Marvin Franklin, Naomi Grossman, Joseph Solman, Amy Tenenouser, and Hank Virgona. The exhibit was scheduled to open on March 19th, 2020; because it was already installed and ready, it opened to the public when the Grand Central Gallery & Store reopened to the public on June 16th, 2021. *Transit Sketches* stayed open through the end of the year.



Streetscapes and Subways
opening reception



Transit Sketches

SCHOOL & GROUP PROGRAMS

DURING THE 10 WEEKS THAT OUR doors were open in January-March 2020, the Museum served over 8,100 students and teachers in person with curriculum-based field trip programs that explored social studies, arts, and STEM concepts – on track to equal the 30,590 participants in school group programs in 2019. We served an additional 127 people with group programs for adults on history topics through a transportation lens, including immigration and women's history, on track to exceed the 2019 total of 891.

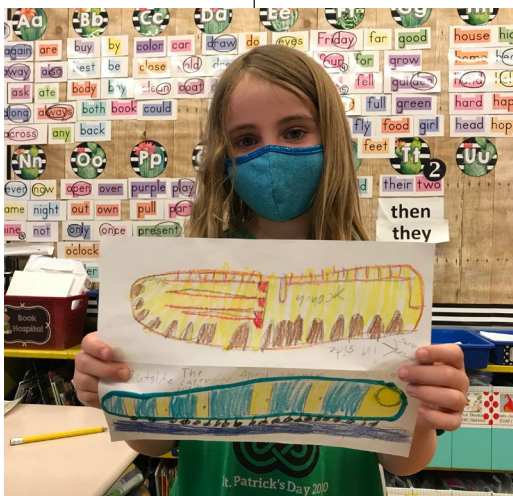
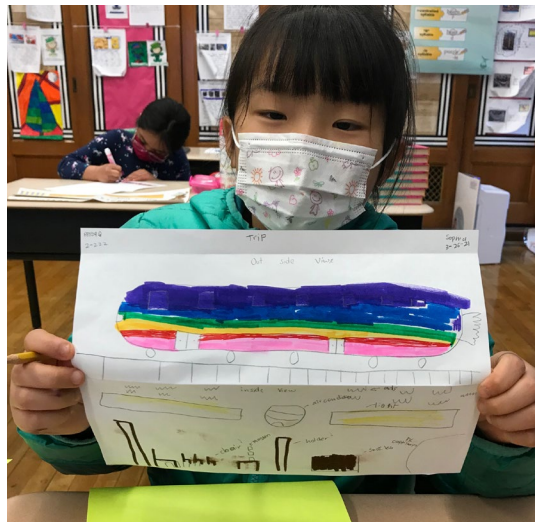
After the Museum's doors closed in March 2020, Education Department staff immediately began to re-imagine how

to serve New York City's teachers and students. First, they developed a new webpage of Remote Learning Resources for teachers to access free of charge, including new videos, new workshop lesson plans, new resource documents, and existing pre- and post-visit materials. Next, they developed educator-led virtual workshops and tours via Zoom.

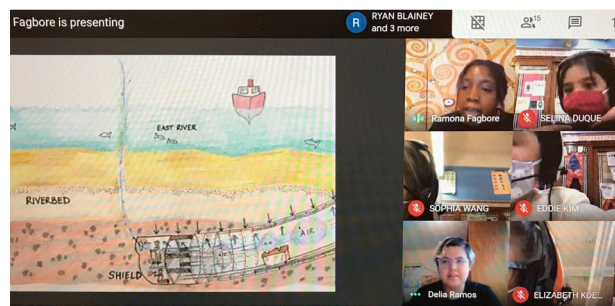
Rather than doing “the same thing in front of a computer,” our Educators learned new technologies, researched and studied best practices for online teaching, experimented with techniques for engaging audiences online – and created something entirely new.

These online group experiences include a virtual tour of the Museum's unique space, vintage trains and exhibitions; discussions of archival images; make-along hands-on activities; and interactive storytelling. Educators learned to scale their delivery for students in elementary, middle, and high school, and to adapt programs for special education groups. Developed from scratch, and from home, the virtual programs succeeded in meeting teachers' classroom curriculum needs even in the most difficult circumstances.

School and adult group programs were offered online only through the end of 2021. We are proud that we served 3,660 students and teachers during that time, including 525 participants in special education groups. Virtual adult group programs served 626 people.



Participant in Online School Programs



ACCESS PROGRAMS

WITH LIFE DISRUPTED AND SO MUCH uncertainty because of the pandemic, we knew it was crucial to continue all of our Access Programs while our doors were closed. The pandemic meant more limited opportunities for socialization – especially for individuals with disabilities. Because so many of their usual resources were unavailable, the Museum’s programs represented a crucial outlet and support for our neurodivergent participants.

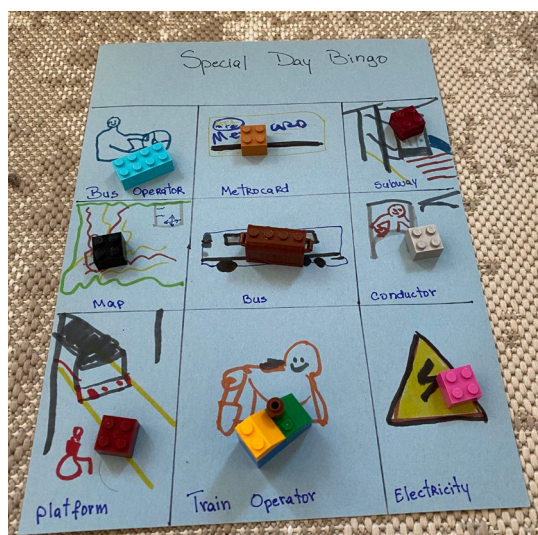
When the Museum’s doors closed on March 13th, 2020, we were already part-way into the spring semester of *Subway Sleuths*, our out-of-school time program for children in 2nd-5th grades who have autism and love trains. To continue the program’s

work of building social confidence, our program facilitators offered our Sleuths a weekly online space to connect with their instructors and each other. Then, during the summer, we developed an entirely online version of the program, working closely with expert consultants to train staff on leading virtual strength-based programming for neurodivergent individuals.

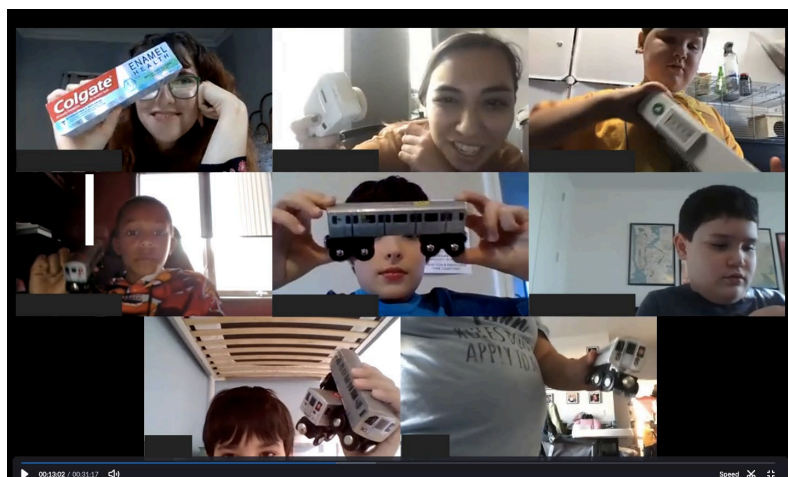
We offered two *Subway Sleuths Online* sessions for the fall semester in 2020, serving a total of 10 children. Incorporating feedback from this pilot, we offered *Subway Sleuths Online* again in the spring and fall of 2021, serving a total of 19 students. As one participant’s parent said, “It was extremely positive for him. He is very anxious about the pandemic, and the platform provided a safe way to interact with his peers.”

Alongside *Subway Sleuths Online*, our education department developed *Transit Quest Online*, an entirely virtual version of our popular week-long summer camp program for neurodivergent teens. Each day of the online camp included opportunities for social interaction as a group and in smaller groups in Zoom breakout rooms; guest speakers and presenters, including colleagues from the MTA; and games and activities. *Transit Quest Online* served 15 participants in August 2020 – including one who tuned in from Minneapolis! – and was offered again in August 2021, serving 12 participants.

In November 2020, we held our first *Special Day Online* event for kids with disabilities and their families. These hour-long programs, offered live via Zoom, included a virtual Museum tour, a sensory-friendly musical performance, and an at-home activity such as drawing a map or transit bingo. Offered again in March and October 2021, *Special Day Online* served a total of 175 multigenerational participants.



Subway Sleuths Online



PUBLIC PROGRAMS

ONLINE PUBLIC PROGRAMS were the primary means of bringing the Museum's content to our audience during our closure. While in-person public programs at the Transit Museum had typically featured an outside speaker or panel, starting in March 2020 we relied on the considerable expertise of our staff to bring the Museum's content and collections to life via image-driven talks offered live on Zoom.

Museum Educators worked with colleagues from the Archives and Curatorial departments to research and deliver multiple "Digital Discussions" every week in 2020, on topics like women in transit, signage and wayfinding, and early subway construction. Offered free during the workday, with opportunity for interaction with the presenter and other participants in the chat, these talks drew a lively and dedicated audience.

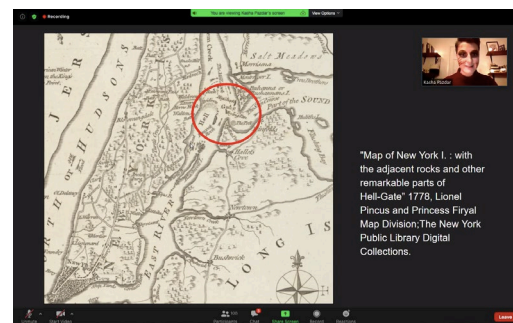
Evening programs diving deep into our exhibits and collection, presented by Archives and Curatorial staff, were also very popular. Audience surveys showed that participants tuned in from as far away as

Japan, and that attendees rated our virtual programs as some of the best they had seen. In 2020, online public programs served a stunning 9,324 people.

In 2021, we reduced the frequency of online public programs as online programming for school groups ramped up. We also began experimenting with topics and formats – since if not now, when? In addition to continuing our program of Digital Discussions presented by staff, we began to mix in evening programs featuring outside presenters such as Instagram star New York Nico, and collaborative presentations on offbeat topics such as a "variety show" of underground tales with Morbid Anatomy. Online public programs served 2,127 people in 2021.

While public programs remained all online, we brought back one beloved in-person tradition in December 2021: Nostalgia Rides. More than 10,000 people joined us for two days of rides aboard R-32 cars, known as Brightliners, marking the retirement of that car class.

R-32 Retirement Ride



Virtual and In-person Public Programs



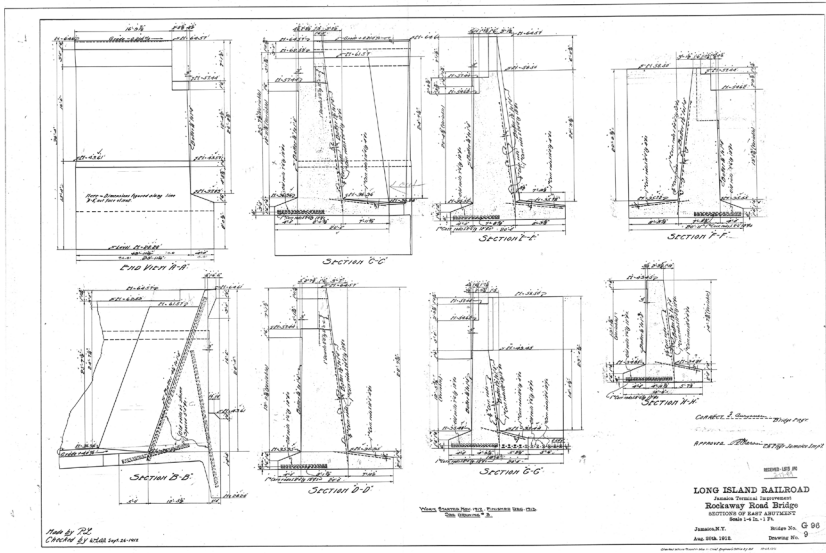
COLLECTIONS & ARCHIVES

THE TRANSIT MUSEUM'S COLLECTION of more than 800,000 objects, documents, and images tells the story of public mass transportation's impact on New York's development, culture, and identity. While our doors were closed to the public, our Archives remained busy behind the scenes, continuing to collect and process archival material and artifacts for our collection, and make them accessible to researchers and the public.

In September 2020, Friends of the New York Transit Museum was awarded a major grant of \$226,632 from the Robert David Lion

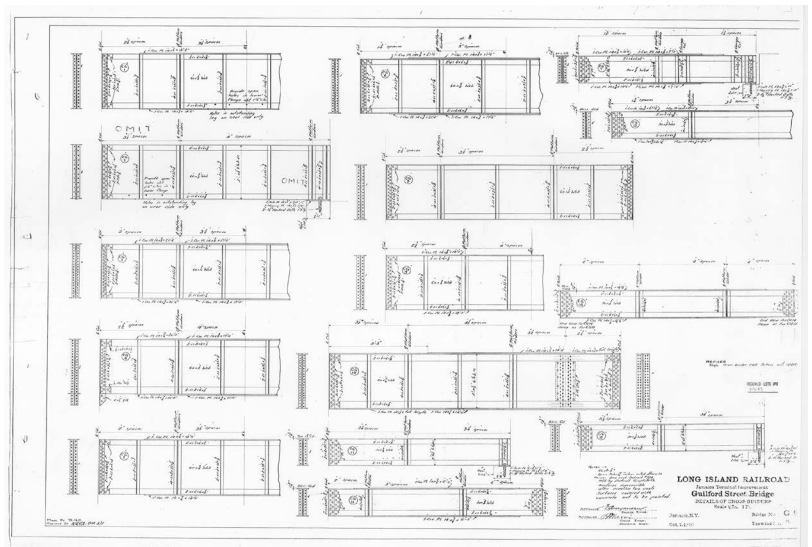
Gardiner Foundation to catalog and digitize collections material related to transportation on Long Island – including stunning hand-drawn land maps from the 19th century that record property acquisitions for the Long Island Rail Road in its earliest days.

Working from home, or safely on-site at our collections storage facility, our Archivist and a skilled contractor got the 3-year project started amid the pandemic lockdown. By the end of 2021, we had cataloged hundreds of early property records (including maps and deeds), as well as large-scale architectural drawings of LIRR station houses and infrastructure. High-resolution images are available on our Digital Collection portal at nytransitmuseum.catalogaccess.com.



Long Island Rail Road Records Department Collection, [Architectural drawing of Long Island Rail Road Jamaica Terminal Improvement, Rockaway Road Bridge], 1912, New York Transit Museum.

Long Island Rail Road Records Department Collection, [Architectural drawing of Long Island Rail Road Jamaica Terminal Improvement, Guilford Street Bridge], 1910, New York Transit Museum.



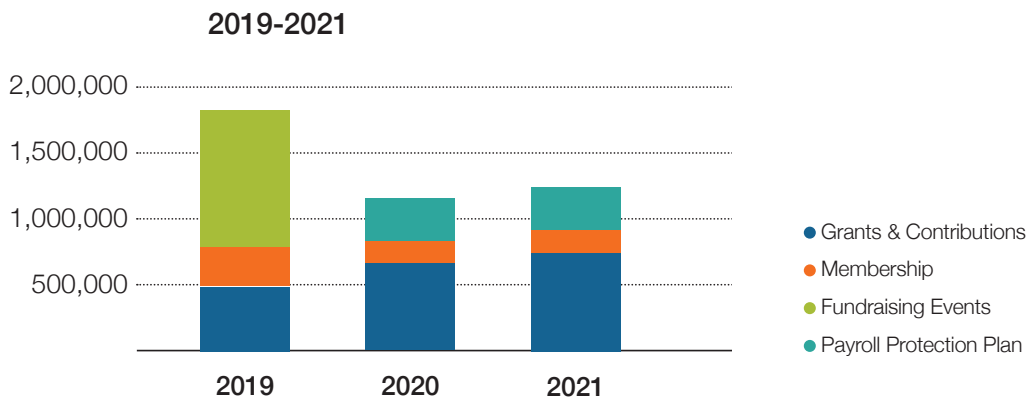
DEVELOPMENT & MEMBERSHIP

WHILE WE STARTED STRONG IN 2020, reaching an all-time high of 3,671 member households in January, the pandemic lockdown had an immediate and devastating impact on our fundraising. We were grateful to receive substantial relief funds – including \$100,000 from The New York Community Trust and a loan-turned-grant of \$316,922 from the Payroll Protection Program – but the cancellation of our annual Gala, and dwindling support from a membership base whose benefits we could not fulfill, meant that contributed income in 2020 dropped by over 30% versus 2019.

In 2021, contributed income remained level with 2020, buoyed by \$189,000 from the National Endowment for the Arts in support of online programming, and a second Payroll

Protection Plan loan/grant of \$336,957. In July, our membership roster hit a 13-year low of 1,251 member households before beginning to rebound when the Museum reopened in August. We gained 478 member households July-December 2021, with 80% being returning members.

Our family benefit, the Party on Wheels, took place online in both 2020 and 2021, thanks to the ongoing support of event sponsor Transit Wireless. The 2021 edition of the event featured a very special performance by kids’ music legends Dan + Claudia Zanes, live via Zoom from their home in Baltimore. Another bright spot was individual giving, with our year-end campaigns in both years garnering three times the revenue of the campaign in 2019.



NEW YORK TRANSIT MUSEUM



Welcome to a Party on Wheels!

With special guests Dan + Claudia Zanes

COMMUNICATIONS & MARKETING

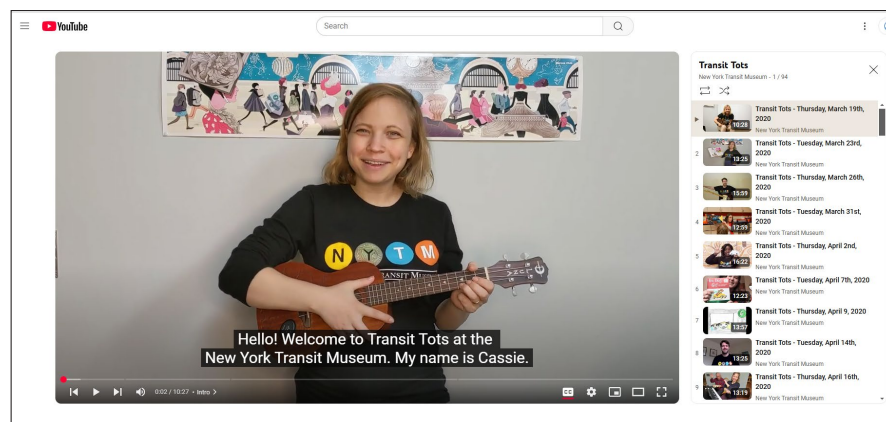
THE MUSEUM'S PANDEMIC-DRIVEN SHIFT to online programming was supported by our Marketing team, who worked tirelessly to keep our website at nytransitmuseum.org up-to-date and get the word out about programs via regular eblasts. In 2021, the website was revamped with a fresh new look and updated back-end interface that helped us seamlessly sell admission tickets online once we reopened in August.

Social media was a key tool for connecting with our audience in 2020 and 2021. By offering more frequent and varied content for all ages, and introducing new interactive games and challenges, we maintained engagement with our core base and drew in new fans and followers. We also used our YouTube and Facebook pages to offer "Transit Tots," a video version of our popular early childhood drop-in program,

in which Museum Educators led music and movement activities from home.

In 2020, the Museum's social media following increased by 20% over 2019, led by a 35% increase in Instagram followers; impressions across social media increased by 23%. Additionally, despite the rapid news cycle, the Transit Museum received more than 160 press hits, including 11 articles in *Time Out New York* and *Time Out Kids*, 6 articles on Gothamist.com, and 3 features on ABC7.

Growth continued in 2021, with a 10% increase in total followers and a 4% increase in total impressions across platforms – plus a remarkable 265 press hits, including 6 articles in *The New York Times* and an interview with Museum Director Concetta Anne Bencivenga that aired on the History Channel.



OPERATIONS AND VISITOR EXPERIENCE

THROUGHOUT THE LOCKDOWN, our Operations staff kept our Downtown Brooklyn subway station facility clean and secure. In anticipation of our Brooklyn reopening, we worked with colleagues at New York City Transit to upgrade the air filtration in our underground home.

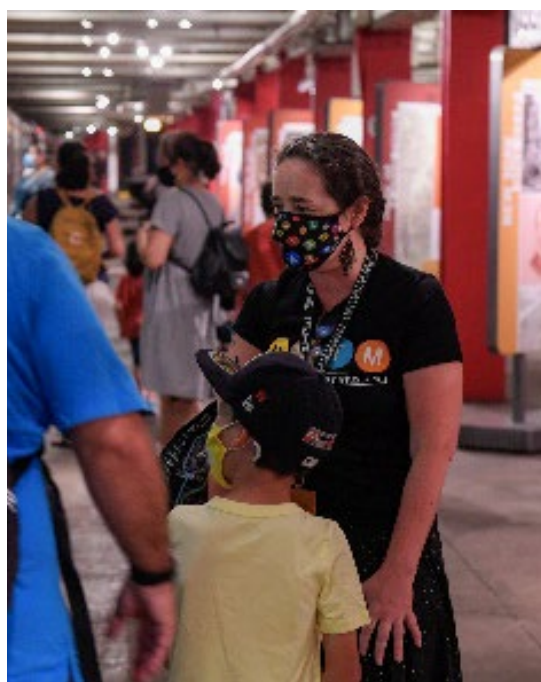
Reopening the facility to visitors required a collaboration between the Operations and Education Departments, whose Museum Educators took on the role of Visitor Experience Facilitators. Working together, they built out an advanced reservation system for purchasing timed admission tickets online, and determined an appropriate capacity cap for every time slot. Museum Educator / Visitor Experience Facilitators welcomed visitors at the top

of our subway stairs and helped everyone in the facility have a safe and enjoyable experience.

We reopened the Museum in Brooklyn on August 13th, 2021 – exactly 17 months after we closed it. From August through December, the Museum was open to the public Fridays-Sundays only.



Visitors on re-opening day,
August 13th, 2021



RETAIL

THE TRANSIT MUSEUM'S RENOWNED RETAIL operation provides much-needed unrestricted revenue to support all our programs and activities. Because all three retail locations – the Museum Store in Brooklyn, the Gallery at Grand Central Terminal, and the Shop at 2 Broadway – were closed for the majority of the year, retail sales fell drastically in 2020 versus 2019, and remained low in 2021. In 2021, the Grand Central location reopened in June for four days per week (versus seven days per week pre-pandemic). It remained open for the rest of the year. Despite seeing very little foot traffic, opening the store was important piece of supporting our colleagues at Metro-North Railroad and bringing people back to Grand Central Terminal.

Our online store at nytransitmuseumstore.com saw significant growth during this period. Though operations were shut for the initial months of the pandemic, we were able to reopen the 2 Broadway location's e-commerce fulfillment center, and resumed online sales in time for Father's Day. In addition to generating revenue for the Museum, reopening the online store helped raise morale for everyone stuck at home. Our retail team mailed out toys, tees, and puzzles to keep people busy, while sales of MTA Arts and Design art cards and posters boomed as people redecorated their living spaces. Additionally, the store developed subway-themed facemasks as well as a product line using the MTA's Covid safety messaging. This line helped reinforce the safety messaging while also acknowledging the heroic efforts of our MTA colleagues to keep the transit system moving for fellow essential workers.

The online store doubled its monthly sales that summer, and finished the year 54% ahead of 2019. The Retail team was able to capture that growth and, in 2021, it trended up by another 11%.



[How To Wear a Mask Poster](#)
\$20.20



[I'm Back Face Mask](#)
\$9.95



[I'm Back Sticker Set](#)
\$4.00



[Welcome Back Mousepad](#)
\$12.00



[Welcome Back New York Mug](#)
\$14.95



[Windfyer Vignelli Umbrella](#)
\$28.00

[Shop Now](#)

BOARD OF TRUSTEES

2020-2021

Martin E. Appel
Ben D'Alessandro
John di Domenico
Beverly Dolinsky
Robert E. Furniss
Susan Gilbert
Kurt A. Goddard
Alfredo S. Quintero
Edward T. Seaman
Ruby A. Siegel
Stephen J. Vaccaro
John Vasilj

STAFF

2020-2021

ADMINISTRATION

Sharon Adams, *Principal Executive Secretary*
Princess Airhiavbere, *Retail Analyst*
Regina Asborn, *Deputy Director*
Jessica Atkins, *Social Media and Marketing Aide*
Concetta Anne Bencivenga, *Director*
Salvatore Bucciero, *Finance Director*
Maham Ghaffar, *Finance and Administration Aide*
Chelsea Newburg, *Press and Marketing Strategist*

CURATORIAL & ARCHIVES

Desiree Alden-Gonzalez, *Collections Manager*
Daniel Brenner, *Acting Collections Manager, Research Archivist*
Robert Del Bagno, *Senior Manager, Exhibits*
Kathleen Hulser, *Curator*
Chelsea Reil, *Registrar*
Jodi Shapiro, *Curator*
Katherine Sorresso, *Processing Archivist*
Elise Winks, *Data Migration Project Archivist*

DEVELOPMENT

Allison Grandy, *Development Manager*
Sarah Landreth, *Development Director*

OPERATIONS

David Alfonso, *Facilities*
Peter Giannino, *Facilities*

MUSEUM EDUCATION, VISITOR EXPERIENCE AND PUBLIC PROGRAMS

Brooke Bell, *Educator and Experience Facilitator*
Roberto Chavez, *Museum Educator*
Christina Conte, *Visitor Experience Facilitator*
Polly Desjarlais, *Education Manager*
Genesis Diaz, *Educator and Experience Facilitator*
Ramona Fagbore, *Museum Educator*
Marie Fazio, *Education Coordinator*
Niko Goutakolis, *Visitor Experience Facilitator*
Joe Hartman, *Educator/Costumed Storyteller*
Derek Hernandez, *Visitor Experience Facilitator*
Rebecca Hsieh, *Visitor Experience Facilitator*

Donald Jackson, *Educator and Experience Facilitator*
Jennifer Kalter, *Assistant Deputy Director, Education and Public Programs*
Kate Lanceley, *Museum Educator*
Sonya Ochshorn, *Museum Educator*
Kasha Pazdar, *Educator/Costumed Storyteller*
Delia Ramos, *Museum Educator*
Nina Rodriquez, *Visitor Experience Facilitator*
Jackie Santeramo-Mead, *Educator and Experience Facilitator*
Danah Schoenfuss, *Museum Educator*
Kendra Sykes, *Public Programs Manager*
Sara Thomson, *Special Education and Access Coordinator*
Tiara Torres, *Museum Educator*
Jason Weiss, *Inventory Associate*
Leigh Williams, *Family Programs and Visitor Experience Manager*
Katie Wood, *Museum Educator*
Cassie Wood-Triplett, *Reservations Coordinator*

RETAIL

Maria Cruz, *Sales Associate*
Sylvia Cruz, *Assistant Deputy Director, Retail Operations/Product Development*
Aaron Emrick, *Sales Associate*
Clarence Filsaime, *Sales Associate*
Sandra Gonzalez, *Sales Associate*
Janae Harley, *Sales Associate*
Shallena Jabid, *Sales Associate*
Awilda Jimenez-Steiglmayr, *E-Commerce Manager*
Sequoia Lopez, *Sales Associate*
Ashanti McKenzie, *Sales Associate*
Lorna Miller, *Assistant Manager, Retail Operations*
Julia Mulero, *Sales Associate*
Joel Santiago, *Retail Lead*
January Shoemate, *Sales Associate*
Rudie Kaye Tomlinson, *Sales Associate*
Abeba Tomlison, *Sales Associate*
Roxie Whitted, *Sales Associate*
Kelly Lee Woon, *Sales Associate*
Morgan Wright, *Sales Associate*

Listings as of December 31st, 2021

THANK YOU TO OUR SUPPORTERS

2020-2021

Gifts received January 1st, 2020 – December 31st, 2021
All amounts cumulative

\$50,000 +

ALSTOM
Con Edison
FAR Fund
Robert David Lion Gardiner Foundation
Samuel Freeman Charitable Trust
Taft Foundation
National Endowment for the Humanities
New York City Department of Cultural Affairs
New York State Council on the Arts
NYC COVID-19 Response and Impact Fund in The New York Community Trust

\$25,000–\$49,999

Cubic Transportation Systems, Inc.
Tiger Baron Foundation

\$10,000–\$24,999

Bank of America Merrill Lynch
Bloomberg Philanthropies
Hugoton Foundation
Transit Wireless
Stephen J. Vaccaro

\$5,000–\$9,999

Intercontinental Exchange
Matching Gifts Program

\$1,000–\$4,999

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Mara Beck
Leonard and Kathleen Bencivenga
The Bencivenga Family
Benevity Community Impact Fund
John Berger and Chris Cottle
Robert E. Buckholz, Jr. and Lizanne Fontaine
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Mark Littman and Johnny Mendoza
Long Island Sunrise Trail Chapter of the National Railway Historical Society
Constantine Mandros
Richard and Ronay Menschel
National Railway Historical Society
New York Building Congress and Foundation
Polytechnic Family of Ron Yee
Kurt Raschke
David Seltzer
Stephen and Francie Shewmaker
Jeffrey Silver
Patrick Stankard
Henry Steck
Gerald Weinstein
Elizabeth and Samuel G. White
Eric Zohn

\$250–\$999

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Lynn Ahrens and Neil Costa
Molly Alice Anzalone
Yoichiro Araki
Tiff and Marco Arment
Nadir Aslam
Christian Bastian and Erika Nijenhuis
Brian Beirne
Brendan Bell
Alan L. Beller
Concetta Anne Bencivenga
Howard Benn
Allan S. Berlin

Heather and Rishi Bhandari
Blackbaud Giving Fund
Peg Breen
Thomas V. G. Brown
Michael Brunner
Ana Cabrera
Kathy Callahan
Bradley and Sharon Carroll
Thomas W. Casey
Andrew and Annie Chavez
Richard and Sherry Child
Mark and Linda Cisz
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John and Cassie Cranford
Pedro and Evelyn Delgado
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Teresa Donahue
Mortimer Downey
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William and Arlene Fox
Celeste Frye
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Pascal Gienger and Inza Datte
Gil Glass and Nancy Rosenbaum
Barry Glasser
Brendan Gleason and Megan Sirras
Todd Glickman
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Mitchell Golden and Audrey Baker
Susan Goldman
Domingo Gonzalez and AC Hickox
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Tod Gulick
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Rebecca Higgins
 David Hurd and Gregory Eaton
 Elliot Inz
 Martha Johnson
 JPMorgan Chase Foundation
 Jennifer Judge
 Daniel Kamine
 Mark and Cynthia Kavanagh
 Kathryn Keate
 Diogenes and Mary Kekatos
 Andrew Kornuta and Xingyu Li
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 Susan Gerhardt-Lapiotis
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 James Martin
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 Robin Mathews
 Nicholas Mattle and Armen Cevaer
 Marian McCabe and
 Margaret McCabe-Janicki
 Michael McCue
 Richard McKenna
 Richard Michaelson
 David and Hara Migdal
 Jay and Leatrice Miller
 Tom Misteli and Michele Duchock
 Geert Molenberghs
 James and Tynelle Morris
 Robert Morris

Tanya and Greg Morrisett
 Edward and Patrick Mullen
 Joe and Sheri Munoz
 Network for Good
 Elyse Newman and Ben Dolnick
 John Niemczyk
 NYCT Annual Charity Drive
 Daniel and Laura ODonnell
 David Ostwald
 Eric and Mary Oszustowicz
 Michael Parker and Linda Prager
 Charles Petkanas
 David Pirmann
 Platt Byard Dovell White Architects LLP
 Beverly Post
 Alfredo S. Quintero
 Marc A. Rivlin
 Robert Wood Johnson Foundation
 Cynthia and Bud Rogers
 Kenneth E. Rosen
 Nancy Rosenbaum and Gil Glass
 Max and Mei Rosenblatt
 Cy and Amanda Ross
 William and Maureen Ryan
 Tom Sahagian and Katherine Wheatley
 Anthony Salvia
 Dennis and Regina Santella
 Constance Santisteban and
 Joshua Masson
 Rosaria Sasso
 Paul J. Schwalen and Mee Hung Mak
 Florence Segura
 The Shepard Family
 Eric and Therese Shick
 Vaden and Virginia Shields
 Siegmund Shyu and Cynthia Ho
 Joan Silverstone
 David and Elaine Singleton
 Lisa Smid
 Charles H. Smith
 Andrew Sparberg
 Garry and Melanie Spector
 Timothy Speer and Teresa Vanderboom
 Brad Spiegel and Jessica Spiegel
 Prasan Srinivasan

Peter Straus and Lili Byers
 Steven Strauss and Robert Ching
 Mark Strong and Liz Mair
 Stacey Suecoff and Dwayne Breining
 Steven Swirsky and Fern Juster
 Elena Talamo and Luis Mirabal
 Jonathan and Nicole Taylor
 John and Ellen Telesca
 Michael Triebe
 Nahn Tseng
 Anders and Barbara Updale
 Jonathan Velez and Jenny Cardona
 Paul Vines
 Emily Walker and Ryan Keeler
 Cathy Waterman
 Robert C. Weiss and Susan Chadick
 Jeanne Willis
 Mike Winger
 Joanne Witty and Eugene Keilin
 Ashley Woodruff and Scott Woodruff
 Mingxin Yin
 Alan and Dolores Zelazo
 Andy Zolyak
 Kevin Zona and Caitlin Saint-Aubin

Friends of the New York Transit Museum

Financial Statements
Together with Independent
Auditor's Report

December 31, 2020

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Friends of the New York Transit Museum (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year 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 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 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.



BENCIVENGA WARD & COMPANY, CPA's, P.C.

A Registered Professional Services Firm

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, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Friends of the New York Transit Museum's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bencivenga Ward & Company, CPA's, P.C.

BENCIVENGA WARD & COMPANY, CPA's, P.C.

Valhalla, New York
November 15, 2021

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020 (WITH COMPARATIVE AMOUNTS FOR 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 476,897	\$ 669,088
Investments, at fair value	11,877,925	11,218,851
Grants and contributions receivable, net	315,400	281,725
Accrued interest and program/other receivables	44,126	60,672
Prepaid expenses	1,767	1,833
Furniture and equipment, net of accumulated depreciation (\$1,965)	76,635	-
Total assets	<u>12,792,750</u>	<u>12,232,169</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	231,783	186,048
Paycheck Protection Program loan	316,922	-
Total liabilities	<u>548,705</u>	<u>186,048</u>
Net Assets		
Without donor restrictions	11,810,527	11,844,215
With donor restrictions	433,518	201,906
Total net assets	<u>12,244,045</u>	<u>12,046,121</u>
Total liabilities and net assets	<u>\$ 12,792,750</u>	<u>\$ 12,232,169</u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support, Revenue, and Gains/(Losses)				
Support and Revenue:				
Grants and contributions	\$ 317,180	\$ 529,362	\$ 846,542	\$ 499,177
Membership dues	171,527	-	171,527	304,744
Program and other revenue	82,678	-	82,678	276,809
Admissions	177,410	-	177,410	503,300
Annual Gala, net of direct expenses	-	-	-	559,615
Net assets released from restrictions	297,750	(297,750)	-	-
Total support and revenue	<u>1,046,545</u>	<u>231,612</u>	<u>1,278,157</u>	<u>2,143,645</u>
Investment Gains/(Losses) and Income:				
Investment income, net of advisor fees	158,121	-	158,121	146,569
Realized and unrealized gains/(losses) on investments, net	<u>1,025,556</u>	<u>-</u>	<u>1,025,556</u>	<u>1,937,783</u>
Total investment gains/(losses) and income	<u>1,183,677</u>	<u>-</u>	<u>1,183,677</u>	<u>2,084,352</u>
Total support, revenue, and gains/(losses)	<u>2,230,222</u>	<u>231,612</u>	<u>2,461,834</u>	<u>4,227,997</u>
Expenses				
Program services:				
Curatorial and archival	388,682	-	388,682	398,618
Educational	823,425	-	823,425	743,403
Exhibits	51,335	-	51,335	225,820
Operations and retail	266,490	-	266,490	358,159
Total program services	<u>1,529,932</u>	<u>-</u>	<u>1,529,932</u>	<u>1,726,000</u>
Supporting services:				
Development	349,292	-	349,292	331,572
Management and general	384,686	-	384,686	357,692
Total supporting services	<u>733,978</u>	<u>-</u>	<u>733,978</u>	<u>689,264</u>
Total expenses	<u>2,263,910</u>	<u>-</u>	<u>2,263,910</u>	<u>2,415,264</u>
Change in net assets	<u>(33,688)</u>	<u>231,612</u>	<u>197,924</u>	<u>1,812,733</u>
Net assets, beginning of year	<u>11,844,215</u>	<u>201,906</u>	<u>12,046,121</u>	<u>10,233,388</u>
Net assets, end of year	<u><u>\$ 11,810,527</u></u>	<u><u>\$ 433,518</u></u>	<u><u>\$ 12,244,045</u></u>	<u><u>\$ 12,046,121</u></u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE TOTALS FOR 2019)**

	Program Services					Supporting Services			Totals	
	Curatorial and Archival	Educational	Exhibits	Operations and Retail	Total Program Services	Development	M & G	Total Supporting Services	2020	2019
Salaries	\$ 322,485	\$ 639,618	\$ 4,978	\$ 219,946	\$ 1,187,027	\$ 224,900	\$ 143,916	\$ 368,816	\$ 1,555,843	\$ 1,501,273
Payroll taxes	26,560	52,680	410	18,115	97,765	18,523	11,853	30,376	128,141	118,434
Employee benefits	34,574	92,990	11,728	3,034	142,326	18,927	31,555	50,482	192,808	153,875
Professional fees	-	23,040	4,652	-	27,692	70,525	115,258	185,783	213,475	231,552
Software license renewal	-	-	-	23,625	23,625	-	-	-	23,625	-
Exhibit expense	-	-	27,838	-	27,838	3,050	-	3,050	30,888	145,192
Supplies	179	11,107	704	569	12,559	2,699	476	3,175	15,734	47,582
Communication/internet	1,608	667	-	600	2,875	-	21,501	21,501	24,376	36,058
Printing and publications	272	1,435	-	-	1,707	6,562	7,027	13,589	15,296	27,166
Travel, meetings and conferences	673	349	58	536	1,616	520	5,285	5,805	7,421	52,985
Payroll/credit card fees	5	1,175	5	-	1,185	3,537	36,004	39,541	40,726	58,319
Equipment maintenance/rental	865	-	-	65	930	-	3,907	3,907	4,837	11,939
Advertising	-	316	-	-	316	-	3,178	3,178	3,494	-
Insurance	-	-	-	-	-	-	2,186	2,186	2,186	2,203
Program	1,321	-	-	-	1,321	-	-	-	1,321	8,550
Postage and shipping	140	48	962	-	1,150	-	161	161	1,311	9,495
Recruitment	-	-	-	-	-	-	414	414	414	5,153
Depreciation	-	-	-	-	-	-	1,965	1,965	1,965	-
Miscellaneous	-	-	-	-	-	49	-	49	49	5,488
	\$ 388,682	\$ 823,425	\$ 51,335	\$ 266,490	\$ 1,529,932	\$ 349,292	\$ 384,686	\$ 733,978	\$ 2,263,910	\$ 2,415,264

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR 2019)**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 197,924	\$ 1,812,733
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities-		
Realized and unrealized (gains) on investments	(1,025,556)	(1,937,783)
Depreciation	1,965	-
Changes in operating assets and liabilities-		
(Increase) decrease in grants and contributions receivable	(33,675)	153,775
Decrease in accrued interest and program/other receivables	16,546	2,917
Decrease in prepaid expenses	66	-
Decrease in payable to related party	-	(142,074)
Increase in accounts payable and accrued liabilities	45,735	41,401
Net cash used by operating activities	<u>(796,995)</u>	<u>(69,031)</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(78,600)	-
Proceeds from sale of investments	4,241,849	3,663,975
Purchases of investments	<u>(3,875,367)</u>	<u>(3,703,887)</u>
Net cash provided (used) by investing activities	<u>287,882</u>	<u>(39,912)</u>
Cash Flows From Financing Activities		
Proceeds from Paycheck Protection Program loan	<u>316,922</u>	-
Net cash provided by financing activities	<u>316,922</u>	-
Net decrease in cash	(192,191)	(108,943)
Cash and cash equivalents, beginning of year	<u>669,088</u>	<u>778,031</u>
Cash and cash equivalents, end of year	<u><u>\$ 476,897</u></u>	<u><u>\$ 669,088</u></u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

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 Presentation

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"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for the purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

Net assets with donor restrictions:

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. At December 31, 2020, there were net assets with donor restrictions in the amount of \$433,518.

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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -(continued)

Income Taxes

The Organization is subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 740-10-05, *Income Taxes*, as it relates 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 2017.

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 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 net assets without donor restrictions or net assets with donor restrictions, based on the existence and/or nature of donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are reported as unrestricted support in the financial statements. 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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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 these 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 Statements of Activities and Functional Expenses. The Statement of Functional Expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The majority of Friends expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. The expenses that are allocated include salaries, employee benefits, payroll taxes, professional services, office expenses, insurance and other expenses, which are allocated on the basis of management's estimates of time and effort.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. 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 4, 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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

3. INVESTMENTS

At December 31, 2020 and 2019, investments consisted of the following:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 5,162,116	\$ 7,825,596	\$ 5,069,778	\$ 7,377,815
Government Securities-				
U.S. Treasury Notes and Bonds	1,193,015	1,289,053	1,200,958	1,244,168
Other Federal Agencies	866,962	902,805	1,034,398	1,049,271
Corporate Bonds	1,732,203	1,860,471	1,483,183	1,547,597
Total Investments	\$ 8,954,296	\$ 11,877,925	\$ 8,788,317	\$ 11,218,851

4. FAIR VALUE MEASUREMENTS

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset with the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk or liquidity profile of the asset or liability.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

4. FAIR VALUE MEASUREMENTS – (continued)

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

Cash and cash equivalents, grants and contributions receivable, interest and other receivables, accounts payable and accrued liabilities, and payable to a related party are carried at cost, which approximates their fair value because of the short-term nature of these items.

The fair values of common stocks are based on the closing price reported on the active market where the individual securities are traded.

Investments in corporate bonds, U.S. securities and other Federal Agencies are valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

	Fair Value Measurements					
	Investments at Fair Value as of:					
	December 31, 2019			December 31, 2018		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Common Stocks	\$ 7,825,596	\$ -	\$ 7,825,596	\$ 7,377,815	\$ -	\$ 7,377,815
Government Securities-						
U.S. Treasury Notes and Bonds	-	1,289,053	1,289,053	-	1,244,168	1,244,168
Other Federal Agencies	-	902,805	902,805	-	1,049,271	1,049,271
Corporate Bonds	-	1,860,471	1,860,471	-	1,547,597	1,547,597
Total Investments	\$ 7,825,596	\$ 4,052,329	\$ 11,877,925	\$ 7,377,815	\$ 3,841,036	\$ 11,218,851

Investment income is reflected in the Statement of Activities net of advisor fees of \$84,765 and \$105,551 for the years ended December 31, 2020 and 2019, respectively.

5. CASH AND CASH EQUIVALENTS

The composition and fair value of cash and cash equivalents as of December 31, 2020 and 2019 are as follows:

	2020	2019
Cash in banks	\$ 464,452	\$ 656,496
Money market funds	12,445	12,592
	<u>\$ 476,897</u>	<u>\$ 669,088</u>

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

6. 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 Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The cash amount on deposit as of and during the year ended December 31, 2020 exceeded the balance insured by the FDIC. Cash in money market funds are not FDIC insured. Management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

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.

7. ANNUAL GALA

Income from the 2019 Annual Gala is shown in the Statement of Activities net of direct expenses for the year ended December 31, 2019 is as follows:

	<u>2019</u>
Benefit Receipts	\$ 1,015,900
Less Direct Expenses	(456,285)
Net Benefit Receipts	<u>\$ 559,615</u>

The 2020 Gala was not held due to the outbreak of COVID-19.

8. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of contributions for the development of certain programs. All contribution receivable amounts are due within one year.

9. 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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

10. PAYCHECK PROTECTION PROGRAM LOAN

During 2020, Friends received loan proceeds in the amount of \$316,922 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "Act"), provides for loans to a qualifying business for amounts up to 2.5 times the average monthly payroll expenses and certain other expenses as defined in the act. The Act provides that all or part of the PPP loan may be forgiven if the borrower uses the loan proceeds for these qualified expenses. Certain amendments to the initial provisions of the PPP were made to extend the qualifying period for eligible expenses to December 31, 2020. The PPP loan was forgiven in full in February 2021.

11. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2020 and 2019, Friends had net assets with donor restrictions for the following programs and purposes:

	<u>2020</u>	<u>2019</u>
Museum Exhibits, Archival, and General Program Support	\$ 410,534	\$ 172,302
Museum Special Needs Programs	22,984	29,604
Total Net Assets With Donor Restrictions	<u>\$ 433,518</u>	<u>\$ 201,906</u>

Net assets of \$297,750 were released from donor restrictions in 2020.

12. RETIREMENT PLAN

Effective December 19, 2017, Friends adopted a defined contribution retirement plan (the "Plan") covering eligible employees who have attained the age of 21 and completed one year of service. These employees may voluntarily contribute from 0% to 92% of their earnings to the Plan, up to the maximum contribution allowed by the Internal Revenue Service ("IRS"). Under the terms of the Plan, Friends contributes 2% matching contributions based on an employee's deferral. During the years ended December 31, 2020 and 2019, matching contributions contributed to the Plan were \$13,869 and \$12,450, respectively.

13. COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 pandemic and resulting global disruptions have caused significant economic uncertainty and volatility in financial markets and may cause a reduction in contributions and support and impact other areas of the Organization's operations. The Impact of COVID-19 continues to evolve, and the Organization is not able at this time to estimate the full impact on the financial statements.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

14. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 15, 2021, the date which the financial statements were available to be issued.

15. ADOPTION OF ACCOUNTING PRINCIPLES

In May 2014, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance requires an entity to recognize revenue when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to receive in exchange for those goods and services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. It is effective for fiscal years beginning after December 15, 2019, accordingly, Friends was required to adopt the standard for its year ended December 31, 2020. The standard permits the use of either the retrospective or cumulative effect transition method. Friends chose to adopt the ASU on the retrospective basis and analysis of various provisions of this standard resulted in no significant changes in the way Friends recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

In June 2018, the FASB issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 985). ASU 2018-08 clarifies and improves guidance concerning: 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution; and 2) determining whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018, for entities that are resource recipients and periods beginning after December 15, 2019, for entities that are resource providers. ASU 2018-08 should be applied on a modified prospective basis. Friends has chosen to adopt the resource recipient section of the standard for its year ending December 31, 2020, and this accounting guidance did not have a material effect on the Friends financial statements.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

16. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2020 and 2019.

Friends financial assets available within one year of the statement of financial position date for general expenditures, such as operating expenses, are as follows:

	December 31,	
	2020	2019
Financial assets at year end:		
Cash and cash equivalents	\$ 476,897	\$ 669,088
Contributions/other receivables	341,578	322,580
Accrued interest	17,768	19,817
Investments	<u>11,877,925</u>	<u>11,218,851</u>
Total Financial assets	12,714,168	12,230,336
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>433,518</u>	<u>201,906</u>
Financial assets available to meet general expenditures over the next year	<u><u>\$ 12,280,650</u></u>	<u><u>\$ 12,028,430</u></u>

As part of the Organization's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically U.S. Treasury bills.

Friends of the New York Transit Museum

Financial Statements
Together with Independent
Auditor's Report

December 31, 2021

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

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BENCIVENGA WARD & COMPANY, CPA's, P.C.

A Registered Professional Services Firm

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Friends of the New York Transit Museum (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Friends of the New York Transit Museum and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management's 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the New York Transit Museum's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



BENCIVENGA WARD & COMPANY, CPA's, P.C.

A Registered Professional Services Firm

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of Friends of the New York Transit Museum's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Friends of the New York Transit Museum's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Friends of the New York Transit Museum's 2020 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bencivenga Ward & Company, CPA's, P.C.

BENCIVENGA WARD & COMPANY, CPA's, P.C.

Valhalla, New York
July 18, 2022

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

(WITH COMPARATIVE AMOUNTS FOR 2020)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 876,767	\$ 476,897
Investments, at fair value	13,029,274	11,877,925
Grants and contributions receivable, net	526,769	315,400
Accrued interest and program/other receivables	54,297	44,126
Prepaid expenses	11,272	1,767
Furniture and equipment, net of accumulated depreciation (\$17,685 and \$1,965)	60,915	76,635
Total assets	<u>14,559,294</u>	<u>12,792,750</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	233,071	231,783
Paycheck Protection Program Loan	336,957	316,922
Total liabilities	<u>570,028</u>	<u>548,705</u>
Net Assets		
Without donor restrictions	13,282,322	11,810,527
With donor restrictions	706,944	433,518
Total net assets	<u>13,989,266</u>	<u>12,244,045</u>
Total liabilities and net assets	<u>\$ 14,559,294</u>	<u>\$ 12,792,750</u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support, Revenue, and Gains/(Losses)				
Support and Revenue:				
Grants and contributions	\$ 197,212	\$ 529,362	\$ 726,574	\$ 846,542
Membership dues	165,615	-	165,615	171,527
Program and other revenue	25,755	-	25,755	82,678
Admissions	183,842	-	183,842	177,410
Net assets released from restrictions	255,936	(255,936)	-	-
Other revenue	316,922	-	316,922	-
Total support and revenue	<u>1,145,282</u>	<u>273,426</u>	<u>1,418,708</u>	<u>1,278,157</u>
Investment Gains/(Losses) and Income:				
Investment income, net of advisor fees	100,740	-	100,740	158,121
Realized and unrealized gains on investments, net	<u>1,534,247</u>	<u>-</u>	<u>1,534,247</u>	<u>1,025,556</u>
Total investment gains and income	<u>1,634,987</u>	<u>-</u>	<u>1,634,987</u>	<u>1,183,677</u>
Total support, revenue, and gains	<u>2,780,269</u>	<u>273,426</u>	<u>3,053,695</u>	<u>2,461,834</u>
Expenses				
Program services:				
Curatorial and archival	249,355	-	249,355	388,682
Educational	487,490	-	487,490	823,425
Exhibits	24,294	-	24,294	51,335
Operations and retail	<u>77,960</u>	<u>-</u>	<u>77,960</u>	<u>266,490</u>
Total program services	<u>839,099</u>	<u>-</u>	<u>839,099</u>	<u>1,529,932</u>
Supporting services:				
Development	276,670	-	276,670	349,292
Management and general	<u>192,705</u>	<u>-</u>	<u>192,705</u>	<u>384,686</u>
Total supporting services	<u>469,375</u>	<u>-</u>	<u>469,375</u>	<u>733,978</u>
Total expenses	<u>1,308,474</u>	<u>-</u>	<u>1,308,474</u>	<u>2,263,910</u>
Change in net assets	<u>1,471,795</u>	<u>273,426</u>	<u>1,745,221</u>	<u>197,924</u>
Net assets, beginning of year	<u>11,810,527</u>	<u>433,518</u>	<u>12,244,045</u>	<u>12,046,121</u>
Net assets, end of year	<u>\$ 13,282,322</u>	<u>\$ 706,944</u>	<u>\$ 13,989,266</u>	<u>\$ 12,244,045</u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	Program Services					Supporting Services			Totals	
	Curatorial and Archival	Educational	Exhibits	Operations and Retail	Total Program Services	Development	M & G	Total Supporting Services	2021	2020
Salaries	\$ 188,472	\$ 371,301	\$ -	\$ 43,766	\$ 603,539	\$ 216,527	\$ 24,610	\$ 241,137	\$ 844,676	\$ 1,555,843
Payroll taxes	16,478	32,602	-	3,827	52,907	19,857	1,952	21,809	74,716	128,141
Employee benefits	30,636	71,258	5,531	5,105	112,530	35,467	12,753	48,220	160,750	192,808
Professional fees	11,605	9,955	18,096	-	39,656	225	72,291	72,516	112,172	213,475
Software license renewal	-	-	-	-	-	-	-	-	-	23,625
Exhibit expense	-	-	650	-	650	2,250	18	2,268	2,918	30,888
Supplies	881	99	5	180	1,165	-	1,496	1,496	2,661	15,734
Communication/internet	890	-	-	24,238	25,128	-	14,429	14,429	39,557	24,376
Printing and publications	-	-	-	-	-	1,200	6,953	8,153	8,153	15,296
Travel, meetings and conferences	-	1,439	-	-	1,439	-	3,429	3,429	4,868	7,421
Payroll/credit card fees	-	12	12	-	24	260	28,933	29,193	29,217	40,726
Equipment maintenance/rental	53	-	-	688	741	-	2,648	2,648	3,389	4,837
Advertising	-	100	-	-	100	300	3,150	3,450	3,550	3,494
Insurance	340	669	-	79	1,088	390	2,177	2,567	3,655	2,186
Program	-	-	-	-	-	-	-	-	-	1,321
Postage and shipping	-	55	-	-	55	194	1,848	2,042	2,097	1,311
Depreciation	-	-	-	-	-	-	15,720	15,720	15,720	1,965
Miscellaneous	-	-	-	77	77	-	298	298	375	463
	<u>\$ 249,355</u>	<u>\$ 487,490</u>	<u>\$ 24,294</u>	<u>\$ 77,960</u>	<u>\$ 839,099</u>	<u>\$ 276,670</u>	<u>\$ 192,705</u>	<u>\$ 469,375</u>	<u>\$ 1,308,474</u>	<u>\$ 2,263,910</u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE AMOUNTS FOR 2020)**

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 1,745,221	\$ 197,924
Adjustments to reconcile change in net assets to net cash used by operating activities-		
Realized and unrealized (gains) on investments	(1,534,247)	(1,025,556)
Depreciation	15,720	1,965
Changes in operating assets and liabilities-		
(Increase) in grants and contributions receivable	(211,369)	(33,675)
(Increase) decrease in accrued interest and program/other receivables	(10,171)	16,546
(Increase) decrease in prepaid expenses	(9,505)	66
Increase in accounts payable and accrued liabilities	1,288	45,735
Net cash used by operating activities	<u>(3,063)</u>	<u>(796,995)</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	4,793,245	4,241,849
Purchases of investments	(4,747,304)	(3,875,367)
Purchase of property and equipment	-	(78,600)
Net cash provided by investing activities	<u>45,941</u>	<u>287,882</u>
Cash Flows From Financing Activities		
Increase in Paycheck Protection Program Loan	20,035	-
Proceeds from Paycheck Protection Program Loan	336,957	316,922
Net cash provided by financing activities	<u>356,992</u>	<u>316,922</u>
Net increase (decrease) in cash	399,870	(192,191)
Cash and cash equivalents, beginning of year	<u>476,897</u>	<u>669,088</u>
Cash and cash equivalents, end of year	<u><u>\$ 876,767</u></u>	<u><u>\$ 476,897</u></u>

The accompanying notes are an integral part of this statement.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 Presentation

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"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions:

Net assets that are not subject to donor-imposed restrictions and may be expended for the purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of trustees.

Net assets with donor restrictions:

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities. At December 31, 2021, there were net assets with donor restrictions in the amount of \$706,944.

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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (continued)

Income Taxes

The Organization is subject to the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") Topic 740-10-05, *Income Taxes*, as it relates 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 2018.

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 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 net assets without donor restrictions or net assets with donor restrictions, based on the existence and/or nature of donor restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period in which they are received are reported as unrestricted support in the financial statements. 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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 these 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 Statements of Activities and Functional Expenses. The Statement of Functional Expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The majority of Friends expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. The expenses that are allocated include salaries, employee benefits, payroll taxes, professional services, office expenses, insurance and other expenses, which are allocated on the basis of management's estimates of time and effort.

Cash and Cash Equivalents

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. 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 4, 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.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

3. INVESTMENTS

At December 31, 2021 and 2020, investments consisted of the following:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Common Stocks	\$ 5,202,121	\$ 8,410,762	\$ 5,162,116	\$ 7,825,596
Government Securities-				
U.S. Treasury Notes and Bonds	1,327,026	1,345,040	1,193,015	1,289,053
Other Federal Agencies	1,233,134	1,242,226	866,962	902,805
Corporate Bonds	1,996,681	2,031,246	1,732,203	1,860,471
Total Investments	\$ 9,758,962	\$ 13,029,274	\$ 8,954,296	\$ 11,877,925

4. FAIR VALUE MEASUREMENTS

The Organization reports certain assets and liabilities at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset with the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the assessment of the quality, risk or liquidity profile of the asset or liability.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

4. FAIR VALUE MEASUREMENTS – (continued)

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

Cash and cash equivalents, grants and contributions receivable, interest and other receivables, accounts payable and accrued liabilities, are carried at cost, which approximates their fair value because of the short-term nature of these items.

The fair values of common stocks are based on the closing price reported on the active market where the individual securities are traded.

Investments in corporate bonds, U.S. securities and other Federal Agencies are valued using a market approach on yields currently available on comparable securities of issuers with similar credit ratings.

Fair Value Measurements Investments at Fair Value as of:						
	December 31, 2021			December 31, 2020		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Common Stocks	\$ 8,410,762	\$ -	\$ 8,410,762	\$ 7,825,596	\$ -	\$ 7,825,596
Government Securities-						
U.S. Treasury Notes and Bonds	-	1,345,040	1,345,040	-	1,289,053	1,289,053
Other Federal Agencies	-	1,242,226	1,242,226	-	902,805	902,805
Corporate Bonds	-	2,031,246	2,031,246	-	1,860,471	1,860,471
Total Investments	<u>\$ 8,410,762</u>	<u>\$ 4,618,512</u>	<u>\$ 13,029,274</u>	<u>\$ 7,825,596</u>	<u>\$ 4,052,329</u>	<u>\$ 11,877,925</u>

Investment income is reflected in the Statement of Activities net of advisor fees of \$138,480 and \$84,765 for the years ended December 31, 2021 and 2020, respectively.

5. CASH AND CASH EQUIVALENTS

The composition and fair value of cash and cash equivalents as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Cash in banks	\$ 864,471	\$ 464,452
Money market funds	12,296	12,445
	<u>\$ 876,767</u>	<u>\$ 476,897</u>

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

6. 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 Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The cash amount on deposit as of and during the year ended December 31, 2021 exceeded the balance insured by the FDIC. Cash in money market funds are not FDIC insured. Management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

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.

7. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist of contributions for the development of certain programs. All contribution receivable amounts are due within one year.

8. 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.

9. PAYCHECK PROTECTION PROGRAM LOAN

During 2020, Friends received loan proceeds in the amount of \$316,922 under the Paycheck Protection Program ("PPP" 1 loan). In February 2021, Friends received notice from the SBA that the entire loan amount received under the PPP was forgiven. Friends has reflected this amount in Other revenue and reduced the 2020 PPP 1 loan payable amount on the Statement of Financial Position.

During 2021, Friends received loan proceeds in the amount of \$336,957 ("PPP" 2 loan) under the PPP and is reflected in the 2021 liability section of the Statement of Financial Position. The PPP 2 loan was forgiven in January 2022 and will be recognized as other revenue on the 2022 Statement of Activities.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

10. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021 and 2020, Friends had net assets with donor restrictions for the following programs and purposes:

	<u>2021</u>	<u>2020</u>
Museum Exhibits, Archival, and General Program Support	\$ 683,960	\$ 410,534
Museum Special Needs Programs	22,984	22,984
Total Net Assets With Donor Restrictions	<u>\$ 706,944</u>	<u>\$ 433,518</u>

Net assets of \$255,936 were released from donor restrictions in 2021.

11. RETIREMENT PLAN

Effective December 19, 2017, Friends adopted a defined contribution retirement plan (the "Plan") covering eligible employees who have attained the age of 21 and completed one year of service. These employees may voluntarily contribute from 0% to 92% of their earnings to the Plan, up to the maximum contribution allowed by the Internal Revenue Service ("IRS"). Under the terms of the Plan, Friends contributes 2% matching contributions based on an employee's deferral. During the years ended December 31, 2021 and 2020, matching contributions contributed to the Plan were \$12,879 and \$13,869, respectively.

12. COVID-19

The COVID-19 pandemic and resulting global disruptions continue to cause economic uncertainty and volatility in financial markets and may cause a reduction in contributions and support and impact other areas of the Organization's operations. The Impact of COVID-19 continues to evolve, and the Organization is not able at this time to estimate the full impact on the financial statements.

13. EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 18, 2022, the date which the financial statements were available to be issued.

FRIENDS OF THE NEW YORK TRANSIT MUSEUM

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

14. ADOPTION OF ACCOUNTING PRINCIPLES

In September 2020, the FASB issued Accounting Standards Updated (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 increases the transparency of contributed nonfinancial assets of not-for-profit entities through enhancements to presentation and disclosure. Disclosure of contributed nonfinancial assets are disaggregated by category within the Statement of Activities and disclosures include qualitative information about monetizing, any donor-imposed restrictions, and a description of the valuation techniques to arrive at a fair value measurement. This ASU is effective for annual periods beginning after June 15, 2021. These changes had no impact on the financial statements for the year ended December 31, 2021.

15. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31, 2021 and 2020.

Friend’s financial assets available within one year of the statement of financial position date for general expenditures, such as operating expenses, are as follows:

	December 31,	
	2021	2020
Financial assets at year end:		
Cash and cash equivalents	\$ 876,767	\$ 476,897
Contributions/other receivables	562,088	341,578
Accrued interest	18,978	17,768
Investments	<u>13,029,274</u>	<u>11,877,925</u>
Total Financial assets	14,487,107	12,714,168
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>706,944</u>	<u>433,518</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 13,780,163</u>	<u>\$ 12,280,650</u>

As part of the Organization’s liquidity management, it invests cash in excess of daily requirements in short-term investments, typically U.S. Treasury bills.

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NEW YORK TRANSIT MUSEUM

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