

New England Electric Railway Historical Society

Seashore Trolley Museum

2008 Annual Report





The National Collection of American Streetcars

New England Electric Railway Historical Society

Founded in 1939 by Theodore F. Santarelli de Brasch

About the Society

The New England Electric Railway Historical Society is a nonprofit educational organization which owns and operates the Seashore Trolley Museum in Kennebunkport, Maine and the National Streetcar Museum at Lowell. The Seashore Trolley Museum is the oldest and largest in the world dedicated to the preservation and operation of urban and interurban transit vehicles from the United States and abroad. It has a large volunteer membership and small full-time staff devoted to preserving and restoring the collection, conducting educational programs, and interpreting and exhibiting the collection for the public. Donations are tax deductible under chapter 501(c)3 of the Internal Revenue Service code.

Front Cover

Upper: Atlantic Shore Line locomotive 100 switches a line of freight cars in Sanford, Maine. The car did this for more than 40 years—remarkable longevity for a wood framed vehicle. SL **Lower:** The locomotive's rebuilding, supported by Federal ISTEA enhancement funds, moved into high gear in 2008. In this view the car's cab has been removed and placed to the rear. The massive wood frame members have been replaced or spliced using salvaged old growth timbers—new beams of this size and quality are essentially unobtainable today.

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2008 Annual Report

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Letter to Members

Atlantic Shore Line 100 Year Two

The year 2008 marked the second full year of work on the project to restore Atlantic Shore Line Railway locomotive 100 and to develop an interpretive and educational program about the car and its role in the area's history.

This project is the first at the Museum to benefit from Federal Transportation Enhancement Funding, as administered by the State of Maine, in the amount of \$132,400 and has also received important support from area businesses and Seashore members. Efforts on the car focused on major structural repair as the heavy body bolsters (the frame member that connects the car body to the trucks) were rebuilt and reinstalled, and as major repairs and replacement were undertaken in the massive southern yellow pine beams that make up the car's frame. Subsequently undertaken were tasks related to the car's air, mechanical, and electrical systems.

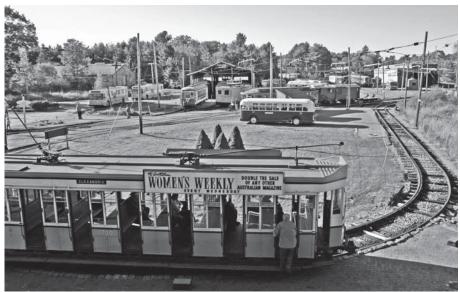
As progress on the restoration advanced in Seashore's shop, considerable progress was made also on the classroom curriculum as well as the exhibits to be hosted at Seashore and several other locations. See page 8 for a full report of the year's activities.

George Sanborn Remembered

As unfortunately is the case every year, a number of our valued members passed away during the year. But one passing this year was especially sad and noteworthy, that of very long-time member George M. Sanborn. George had become active in Seashore in the early 1950s and eventually turned his love of the field into a profession as his academic training in library sciences led him to a career in the Massachusetts State Transportation Library in Boston.

There George became well known to all inside the MBTA, in political office, in the media, and to countless other citizens as the font of information on Boston's transit history. He was regularly quoted in *The Boston Globe* and the *Boston Herald* whenever a transit historical perspective was required. At Seashore George served many terms as a trustee and devoted many, many hours to Seashore's library and archive collections.

He also played a key role in sponsoring acquisitions of key components of Sea-



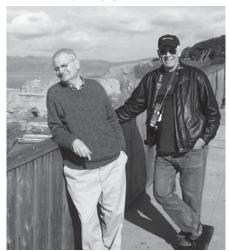
Above: A view from the Visitors Center second floor shows Sydney 1700 boarding passengers in the foreground with a variety of streetcars, trackless trolleys, and buses in the background.

shore's National Collection of American streetcars from near and far. Particularly significant were the acquisitions of freshly restored center door car 62 from the Red Arrow lines in Philadelphia and Golden Chariot open observation car number 2 from Montreal. He is sorely missed by his many friends at Seashore and throughout the transportation community.

Conservation Staffing

Seashore has had paid staff working in its restoration area on a regular basis since 1954, longer than any other rail or transit museum. Especially in the early years when the shop was a summer-only operation, the staff was made up primarily of Seashore members for whom the work was a labor of love. Many were students or educators who worked for minimal wages during their summer vacations.

Below: George Sanborn and Dan Cohen in San Francisco. Sadly George passed away in 2008. JS



When the generosity of the museum's member donors and some outside grant money made the transition to a year-round shop operation possible, the character of the staff started to evolve. Seashore shop jobs became more attractive to traditional workers, not just enthusiasts. However, wage rates, largely dependent on member donations to specific restoration projects, remained low, limiting the number and quality of candidates.

As time marched forward, the issue of succession, particularly the leadership role played by Donald Curry since those earliest days in the 1950s, became more of a concern. It became clear that attracting and retaining long-term employees who could absorb and pass on knowledge specific to our collection required adjusting Seashore's wage scale to be competitive in the community.

This year Treasurer/Comptroller Jeffrey Sisson, responding to concerns voiced by Shop Manager Donald Curry, conducted a thorough analysis of Seashore shop positions compared to similar positions in the nonprofit world in Maine and New Hampshire. The Board approved the proposed structure, and since then the shop has added a number of skilled craftsman to its staff. The higher financial demands on project sponsors should now be offset by the productivity of well-trained restoration employees.

Conservation Progress

Several long-term restoration projects advanced in the restoration shop. Connecticut Company closed car 1160 neared



Above: Bernie Bisnette and Jack Coyle mount a new sign on Burton B. Shaw South Boston Car House. Burt Shaw was a long time member and trustee and sponsored adding side walls to the building. DC

completion with a number of significant advances. The car was largely rewired, and the accompanying light fixtures, switches, and circuit breakers were reinstalled and reconnected. The window sash and doors also received finishing touches and were all installed by year end. Reassembly of the car's trucks and motors also were completed after extensive rebuilding, important steps in making the car operational.

The restoration of Wheeling (WV) Curvedside car 639 also moved into its final stages in 2008. Early in the year work focused on the car's air system, including the engines powering the car's sliding doors and the complicated safety air brake system. Later attention turned to completing the car's wiring and air system so it could be made operational. A major milestone was reached on April 19 when the car operated under its own

Below: Bill Pollman at the controls of New York subway car 9327. Typical of New York's post-war fleet, it had special decals to honor the "Subway Series" between the Yankees and Mets in 2000.



power on a date that was almost exactly 60 years since the car last operated in Wheeling.

Other cars receiving considerable restoration work during the year include Cincinnati and Lake Erie box motor 648, Blackpool double deck tram 144, Connecticut Company open car 838, Manchester interurban 38, Cleveland center entrance car 1227, Washington PCC 1304, Boston line car 3283, Boston bottom dump car 3617, Philadelphia Nearside 6618, and Sydney (Australia) P-class tram 1700.

The program of upgrading the traction motors in Seashore's operating cars also continued this year. Two main thrusts of this program are to ensure that the bearings are maintained to tolerance and that the insulation on the motor wiring is in sound condition. The brass bearings that support the motor armature and those that hold the motor in proper alignment with the axles are subject to wear and can lead to motor failure if allowed to wear too thin. Of even greater importance, if the insulating material on the wires in the motor fails or loses its resistance (due to moisture) catastrophic short circuits can occur inside the motors, necessitating very expensive repairs. Our damp climate in Maine can accelerate the deterioration of insulation, so a program of regularly testing resistance and drying the motors has been implemented.

To counter the potential of motor failures, a preventive maintenance program has been developed. As cars are restored or as testing indicates the insulation's resistance is falling to too low a level, the motors are sent to a contractor for vacuum pressurized impregnation. We have found a very able motor shop—A. C. Electric of Bangor and Auburn, Maine—a firm that specializes in motor repairs for mills and diesel locomotives. The preventive work typically costs several thousand dollars, but only a fraction of the \$10,000 cost of rewinding an armature with a short circuit.

Library

The Museum's Library Committee continued to be one of the most active groups in the Society in 2008. Key developments include formalizing the committee's operating procedures, further identification and scanning of images, improvements to storage of library collections; and ongoing close cooperation with the York County Community College. For a full report see page 6.

Lowell Advisory Board

As covered in the Lowell Operations report on page 11, the Society's National Streetcar Museum at Lowell branch operation in partnership with the Lowell National Historical Park and the City of Lowell remained a major Society activity in 2008. A noteworthy development as we plan for the future was the establishment of an advisory board made up of significant individuals with ties to Lowell.

The Society's Board of Trustees appointed the following members to the new advisory board: Peter Aucella, Assistant Superintendent of the National Park; Ed Barry, a Lowell developer; Michael Dukakis, former governor of Massachusetts; Linda King, of the City's Division of Planning and Development; Brian Martin, member of Congresswomen Tsongas staff and former City Manager; Frank Keefe, president of the Boston Museum project; Nels Palm of the Gateway Center Corporation; George Proakis, of the City's Division of Planning and Development; James Scanlan, administrator of the Lowell Regional Transit Authority; Bill Withuhn, Transportation Curator of the Smithsonian Institution; Kevin Willett, of Washington Savings Bank; and Beverly Woods, of the Northern Middlesex Council of Governments.

Frank Keefe was named as the Advisory Board's chairman. We are grateful to this distinguished group for volunteering to serve and help guide the evolution of this Society operation in close cooperation with plans to expand the streetcar system in Lowell.



About: An important visitor amenity was paving of most of the Visitors Center parking lot. The cost was in part underwritten by the Town of Kennebunkport to enable tour buses to park at the museum while their passengers visit Dock Square. The Museum welcomes such cooperative projects.

Conclusion

One of the most gratifying aspects of the Society's operation is the tremendously generous sustained financial support from the 1200-strong membership. Once again this year, the totals are remarkable. Contributions and bequests exceeded \$281,000. Of this more than \$128,000 was to the unrestricted fund, providing vital funds to keep the Museum's basic operation running. Contributions-in-kind, which represent donations of equipment, materials, and supplies, passed \$57,600, meaning total contributions from members and friends exceeded \$338,000. Grants from institutions outside of the Society added another \$40,000 to the total contributed support. See the Museum Contributors report beginning on page 18 for a list of donors. For this wonderful support the Board extends its heartfelt thanks.

To ensure the Society's long term survival, expansion of the permanent endowment remains a primary goal. This year a three-panel endowment brochure was developed by Society President Dann Chamberlin. It was distributed to members and made available to the visiting public. Both current donation and planned bequests are vital to increasing the endowment to a level that it will sustain museum operations. This year the Society received a bequest of \$25,000 from long time New Jersey member Gordon Fisher. We thank Mr. Fisher for including the Society in his estate and urge all thank others who have supported the endowment to date.

We encourage members and friends who care for the Society to join in building this critical resource. The ongoing support of those who care for the Society will ensure it continued evolution.

MATERIAL PROPERTY OF THE PROPE

Below: A full complement of passengers aboard a decorated New York 631 during Christmas Prelude.

This popular event, part of the town's Christmas celebration, brings out many in chilly December.

James D. Schantz Chairman, Board of Trustees

ASL 100 – The Beginning of the Second Hundred Years

Philip W. Morse, Project Manager

The 2007 annual report included the first, in a series of reports, on the progress of the restoration and accompanying education programs, and exhibits relating to the 1906 wooden electric locomotive, No. 100, from Maine's Atlantic Shore Line Railway (ASL).

The year 2008 saw significant advancement in all three major areas of the project: restoration, education, and exhibits.

The project is funded in large part with \$132,464 made available by the Maine Department of Transportation (MDOT) from the state's allocation of transportation enhancement funding in the Federal Transportation Equity Act for the 21st Century (TEA-21). Matching funds were raised from a variety of sources, including a large number of generous museum members. Significant outside donations came from the Kennebunk Savings Bank, the Amherst Railway Society, the Kennebunkport Business Association, and the Ocean National Bank. The major regional sponsor for the project is the H. Albert Webb Memorial Railroad Preservation Award granted by the Massachusetts Bay Railroad Enthusiasts, Inc.

When we first brainstormed ideas for a TEA-21 application, we felt if we were able to include additional components of exhibits and education, there was an opportunity to achieve more for the museum than just a successful restoration of an historic wooden electric locomotive.

The education component included creating a curriculum for elementary students and teachers relating to the locomotive and its history in the local area. The exhibit component included collaborative exhibits at other area historical societies and museums. These two components combined with the locomotive restoration and a three-year time frame for completion, made for a very dynamic and ambitious project for Seashore.

As we considered the goals for these various aspects of the project, we concluded that we should budget for professional assistance in researching, preparing, creating, and implementing the exhibit and education portions of the project.

Our initial thoughts on the exhibit portion of the project included a major

exhibit in the museum's Visitors Center main exhibit room with possibly satellite exhibits at the Kennebunkport Historical Society and the Brick Store Museum in Kennebunk. Seashore's exhibit would tell the bigger story of the impact electric railway transportation had on everyday people living during the early twentieth century with the other two organizations telling a more local-based story of the Atlantic Shore Line's social and economic impact on the area.

We felt very comfortable inviting the Brick Store Museum and the Kennebunk-port Historical Society to join us in the collaboration aspect of the exhibit portion of the project. Both organizations were supporters of our first TEA-21 application in 2000 and their respective boards continued their support of the project throughout the ensuing years.

age. The URL to the project news page is http://www.trolleymuseum.org/exhibits/ASL100.php

Shop manager Donald Curry has reported all steps and phases of the restoration through his written reports, including the summary in this year's restoration report on page 8. Detailed reports and accompanying photos are also available at the project news web page. Starting with the summer 2007 issue of *Railway Museum Quarterly* (member magazine of the Association of Railway Museums), these written reports have been edited and published and will continue to be published through their entirety.

The restoration process of ASL-100 has been well documented and readers of the museum's news magazine, *The Dispatch*, have seen Donald's reports of the prog-



Above: Project Manager Phil Morse pauses while working on installing decking on Atlantic Shore Line locomotive 100. Having been built in 1906, the car predated the widespread use of structural steel. Thus to ensure strength to pull a train of railroad cars, massive wood parts were used throughout. DC

We also felt that the extent and depth of the education component would become clearer as we engaged a museum/education professional to research materials for the exhibit and education components.

From the time 100 left the Fairview carbarn on September 17, 2005, en route to the Town House Restoration Shop, we have captured video of various aspects of the restoration process and posted them on www.youtube.com and have had them available for viewing through the ASL-100 project news page on the museum's website. There are more than 200 video clips combining for more than eight hours of restoration-related foot-

ress over the years. With the completion of the restoration, the museum will have another important piece of railway history suitable for public exhibit and for occasional operation. Two equally important segments of this project will provide consistent opportunities for the public to learn about past railway history and how it relates to contemporary issues are the exhibit and education components.

In the fall of 2007, we met with Brick Store Museum Executive Director, Tracy Baetz, to discuss plans for appropriate next steps for our collaboration on this project. One suggestion she made was to hire an intern to conduct research and create an inventory of railway-related materials held by other organizations. That inventory would become an important resource as plans for exhibits and education programs were formed.

To that end, in early spring of 2008, resumes were solicited from graduate students and museum professionals who had an interest in research and in creating a finding aid (inventory) of electric railway related ephemera, photos, artifacts, etc., that are held by Maine organizations. Taking those steps produced discussions with museum volunteer Steve MacIsaac who in turn led me to contact Kim MacIsaac, Director of the 5th Maine Regiment Museum on Peaks Island, Maine.

Through Kim's referral, Patricia Erikson contacted us to discuss the research project. Patricia had returned to her home state of Maine and was a Visiting Assistant Professor in the Department of American and New England Studies at the University of Southern Maine in Portland. Patricia had been in Washington State, where she was Curator and Head of Education for Washington State History Museum in Tacoma. She was well qualified so we contracted her to conduct the research and produce the inventory.

Patricia conducted her research and on August 1 presented her 43 page report titled Atlantic Shore Line No. 100 Project, Preliminary Report of a Collections Survey. She describes the purpose as, "The intent of this collections survey was to help identify relevant primary historical materials associated with the Atlantic Shore Line Railway that are curated widely throughout the collections of Maine's historical societies and museums. The intent was to identify primary materials that would potentially complement those already identified by or curated by Seashore Trolley Museum and to compile this list into a 'collections bibliography' specific to the project. Subsequent phases of this project will target the most unique of these primary materials, according to the needs and priorities of the restoration, exhibition, and educational programs."

The education component of the TEA-21 budget is to fund initiation of an education program that the museum can improve and sustain over many years. The education part of the budget also included funds to contract a museum professional with experience in curriculum development to create and begin implementing the new education pro-



Above: A historical record photograph of one of ASL 100's doors. Careful note is made of each component's status before restoration starts. PM

grams. Here, too, is where Patricia has experience. She curated the washington-historyonline.org curriculum project and taught related teacher institutes; curated a living history gallery-based curriculum; and oversaw management of programs for over 20,000 school children annually.

Upon successfully completing the research task, Patricia submitted a proposal that was accepted and approved by MDOT to create, research, develop, and implement the major exhibit at the museum and the initial education components detailed in the TEA-21 budget.

In short order, Patricia, on behalf of the museum, developed important relationships with the Maine Department of Education (MDOE) and the Boston Museum of Science's **Engineering Is Elementary** Program sponsored by the National Center for Technological Literacy.

The dialogue with MDOE led Patricia to create lesson plans that integrate State and Federal standards-based curriculum into activities and materials for use in elementary school classrooms. These lesson plans will focus on the content areas of social studies, science, and technology.

Meetings and correspondence with the directors of the Brick Store Museum and Kennebunkport Historical Society took place early in the fall to develop plans for the collaborative exhibits. Additionally, Patricia was introduced to museum volunteers and staff from various departments who would be instrumental resources as the project unfolded.

In November, Patricia arranged a visit for Kim Traina, a graphic designer and owner of Jumpstart Creative, from Edgecomb, Maine, to visit Seashore. They toured the orientation room at Seashore's Visitors Center. The orientation room would be the site for the major onsite exhibit for the project. From that meeting, suggestions were made to Seashore's Education coordinator, John Mercurio. One was to consider installing track lighting in the room. New lighting would significantly improve the visitor's ability to view and



Above: Dean Look and Jim Mackell look on as one of ASL 100's trucks is moved back toward the shop building after its newly overhauled motors have been placed in the truck and carefully aligned with the axles and bull gears. Once inside the shop bearings will be carefully fitted—after being precisely machined. Then gear cases and remaining parts will be reinstalled before they are put under the car. DC

appreciate a new major exhibit next season. Another observation presented was that visitor orientation takes place throughout the museum campus and to consider referring to the exhibit space as an exhibit room or gallery.

It became evident during the summer meetings that the funds available for education in the ASL-100 project would not be adequate to implement a broad-based approach to marketing the first series of lesson plans developed from the project.

The next steps of the new education initiative will be to make the newly created lesson plans from the ASL-100 project available on-line through Seashore's web site and introduce those lessons to educators through a series of teacher workshops. Additional funding, beyond the ASL-100 project funds, will be needed to continue work in the area of classroom education and help make this phase of sustainable education programs at Seashore become a reality. A separate budget for school year 2009-10 was developed specifically to enhance the marketing and availability of the new education initiative to educators and their students.

Once these lesson plans are created and made available online through Seashore's website, and once educators attend teacher workshops that will assist them in preparing how to best present the lessons in their classroom, we will begin to see Seashore Trolley Museum as a primary resource for educators not only in Maine but well beyond its borders.

Grant applications were submitted over the ensuing months requesting funds for this new initiative. We hope to hear favorable responses early in 2009. Direct solicitation to a museum member resulted in a sizable contribution to this new education budget and allowed us to secure plans for Seashore to host, in late May 2009, its first teacher professional development workshop in collaboration with the Boston Museum of Science. The workshop titled, "An Alarming Idea: Designing Alarm Circuits", addresses the need for designing curricular materials that integrate science and social studies and assist teachers in meeting the best national practices in instructional design.

We look forward to an exciting 2009 as the project's three components of restoration, education, and exhibits all come to fruition and we have the opportunity to realize the scope of this ambitious project's successes.



Above: Karen Dooks, Leo Sullivan, and Mike Frost review material in the Museum's old library.

Library Report

Edward L. Ramsdell, Librarian

The New England Electric Railway Historical Society Library entered 2008 with an active and organized library committee. Multi-pronged activities were underway to protect the collection and to move toward the realization of its new home.

The year 2008 saw concerted efforts in three distinct areas, those of further formalizing the organization of the library committee within the structure of the NEERHS through the election of members and the adoption of formal internal rules and processes, accelerated efforts to protect and preserve the holdings of the library, and moving forward as rapidly as possible toward a new library building.

January saw the formal election of voting members by the Library Committee with confirmation by the Board of Trustees. The first quarter of 2008 saw a concentration on the development of policies and procedures in accordance with the document establishing the Committee as approved by the Trustees approved in October 2007. In January and February the Committee adopted an accessions policy. A mission statement, mirroring that of the NEERHS, but focused on library functions, was adopted.

It became evident that many technical questions existed as to the scanning and preservation of images in the various forms of media in the collection such as photographs, negatives, slides, motion picture film, tapes, CDs, and DVDs to name a few. To that end a sub-committee of committee members expert in these area was appointed to consider and make recommendations to the committee.

The deteriorated condition of the existent library facility and a spate of new collection donations made immediate action necessary to protect and preserve the



Above: During a Library committee meeting and work session at the York County Community College, volunteers enjoy a lunch break. From left Karen Dooks, Herb Pence, O. R. Cummings, Lloyd Rosevear, and Amber Tatnell. These sessions focus on identifying and scanning historical material.

holdings. Efforts continued throughout the year, with limited success, to stabilize the old building.

In 2008 the relationship between the Library and the Library of York County Community College (YCCC) in Wells began to come together in major ways. The committee had been meeting at the museum for both committee meetings and collections work. Unfortunately, there were often multiple needs by various groups within the museum for the limited meeting space available. Initially the Library Director at YCCC, with the support of the college administration, offered us space to meet when space at the museum was unavailable. YCCC provided a space where meetings could be held and materials worked on year round in a spacious, clean, and climate-controlled environment. In April of 2008 it was voted to move regular monthly meetings and working sessions to YCCC. Materials, primarily postcards and photographs, were incrementally transferred to the Wells site for processing and then returned to storage at the museum, in the storage facility in Lowell, or at YCCC as appropriate. By May the library committee and volunteers from the YCCC staff and student body were scanning and inventorying both photographs and postcards.

The Library Director at YCCC restarted a program begun at Seashore some years before of scanning photos and uploading of selected ones to the NEERHS collection to the Maine Memory Network.

In early summer electrical connections were completed to the library's 40-foot steel shipping container. At approximately the same time a large amount of surplus shelving was provided to the library on a long-term loan from the YCCC library. This permitted completing the fitting out of the original library container at Seashore. During the last quarter the Library Committee purchased a scanner for our use at YCCC to relieve our increasing demands on the college's own equipment which we had been sharing.

In summary the year 2008 built upon the impetus and successes of 2007 and moved forward with the formal organization and institutionalization of procedures for a firm foundation for ongoing support and growth of the NEERHS Library. At the same time increased and coordinated preservation efforts were instituted to begin the inventory and safeguarding of the collection.

Marketing Report

John L. Middleton, Jr.
Vice President of Business Administration

In 2008 museum attendance trended down with 17,780 paid visitors compared to 18,776 in 2007, representing a decrease of 5.3%. The recession and high gas prices have had an impact on tourism in general. Anecdotal reports had business in Dock Square, Kennebunkport down by double digits during the summer. So Seashore may have fared better than other area businesses.

As in the past the focus of the marketing effort was in getting brochures distributed to the public in York County and immediate surroundings. Here's Where, Inc. was hired to distribute brochures in southern Maine and seacoast New Hampshire. The agreement called for them to stock museum brochures in 110 racks in the New Hampshire seacoast region and 385 racks in Maine from Kittery to Brunswick. They reported that 25,500 Seashore brochures had been taken from the racks.

Volunteers Judy Kline and Larry Scheu put brochures at local Chambers of Commerce Centers from York to Portland. And Judy Kline saw to it that Inns and Bed and Breakfasts in Kennebunkport, Kennebunk, Wells, and Ogunquit had brochures on their front desks and Larry Scheu did the same in Old Orchard Beach. Between them over 14,000 brochures were distributed. In addition another 5,500 brochures were mailed in exchange with other railway museums or other information centers outside Maine. Judy Kline consistently urged museum

members to take brochures and spread them in their home towns.

The video advertisement made last year was broadcast again in 2008 on three channels: Family Channel, Animal Planet, and Weather Channel. The ad could be seen in all of York County and in the western half of Cumberland County. This ad ran one minute and was shown three times a week at different times on each channel.

Print advertisements were placed in Maine Invites You magazine, published and distributed by the Maine Tourism Association, Visit the Kennebunks published by the Kennebunk-Kennebunkport Chamber of Commerce, and in Seacoast Life, Summer Edition, published by Porpoise Publications. These three magazines cater to those tourists looking for places and things to do in Maine. Smaller ads were placed in weekly local newspapers at times that coincided with press releases for special events at the Museum. In addition to the advertisements, a few articles about the Museum and its activities were published in local newspapers.

As in years past, Museum volunteers traveled to the Amherst Railway Society's huge Railroad Hobby Show at the Eastern States Exposition facility in West Springfield, MA. This two day event is held at the end of January. It is the largest event of its type in New England and attracts over 20,000 persons during the two days. It is a place where nearly all of the area rail enthusiasts meet. For the museum it is a chance to put a face on the organization and to invite visitation.



Above: Two classic examples of the carbuilder's art were among Seashore's early acquisitions. Brill open 303 from New Haven arrived in 1948 and Laconia interurban 38 from Manchester arrived in 1940. Both have benefited from extensive restoration in their decades at the Museum.



Above: Jim Mackell compares original beams from ASL 100's pilot to the new parts he fabricated. DC



Donald Curry, Manager of Restoration Shop

Highlights and issues of the year:

- End of 2nd year of 3-year restoration of Atlantic Shore Line wooden steeple cab locomotive 100
- Continuation of program of traction motor monitoring, maintaining, and rebuilding
- Connecticut Company car 1160 continuing restoration
- Wheeling Curvedside 639 test operation
- C & LE 648 steel rebuilding commenced
- Birney 1 moved to Shop for rebuilding
- Eastern Mass St. Ry. 7005 moved to Shop to commence major rebuilding
- Manchester 38 air brake piping replaced
- · Blackpool 144 exterior repainted
- Connecticut Company open car 838 painted, striped & lettered
- Philadelphia Nearside car 6618 rehabilitation resumed
- Curatorial reports issued on major projects
- · Southwest corner of Shop enclosed
- ADA bathroom walled in

Located in the heated "box" viewable from the visitors' gallery, **Atlantic Shore Line 100** (1906) has been the major focus of the restoration program. It has been largely rebuilt since its entry into Town House Shop on 26 October

2006. The body has been united with its thoroughly rebuilt motors and trucks. This followed the replacement of its outer two southern yellow pine sills and major repairs to the six inner ones.

All of its steel air brake piping was replaced as were two of its three air reservoirs. New pilots were made from vintage recycled oak. The outer (exposed) end portion of the deck flooring was replaced with specially milled vintage tongue-and-grooved oak. The arched roof of its cab required bending new arched end ribs and splicing in replacements for deteriorated areas. All was then covered with canvas thoroughly saturated with oil-based stain. Interesting discoveries were



Above: A reconditioned air tank is newly installed under Atlantic Shore Line 100.

Below: Jack Naugler and Donald Curry review wiring for underseat batteries in Wheeling 39. DC



made of the car's original control system and wiring from traces left in the cab.

Discoveries were also made of the color history of 100. The "forest" green which it has sported for so many years apparently was a latter-day scheme, only on the car its last year or two in Sanford and was carried on by Seashore. The layer that was thickest was "nut brown", which we have determined should be its proper

Below: Two cars making solid progress in 2008 are Wheeling, WV Curved-side 639 of 1924 and Washington, DC PCC car 1304 of 1941. Streetcar design changed rapidly in the intervening 17 years. DC





Above: A dial indicator and miniature camera being used to find an out-of-round spot on a wheel from Montreal Observation car 2.

Below: Dean Look prepares to close the motor case of on one of Connecticut 1160's motors after the suspension bearings were line-bored.



color for the 1935-40 period of York Utilities operation.

The other car showing the most changes during 2008 was **Connecticut Company 1160** (1906). Its second truck was reassembled including all of its formerly worn out brake rigging. Two of its 40 hp. traction motors were assembled after their axle bearing housings were line-bored to true them up after many years of little maintenance while in work service. 600 volts DC was applied for the first time in 16 years to the auxiliary: light and headlight circuits.

Wheeling *Curvedside* lightweight car 639 (1924) also was energized for the first time in almost 60 years, this time with 24 volts DC from its restored nickeliron batteries. Despite earlier work on insulation, two of its four traction motors required VPI (vacuum-pressure impregna-



Above: Dann Chamberlin attracts the interest of a younger member as he paints the back of a controller case for Blackpool double-decker 144. DC

tion) to ensure their electrical insulation was sufficient. The car was test-operated on the Visitors Center loop to determine if there was any interference between the trucks and the body as the car went around the sharp curve. The troubles with the sliding doors were corrected so they no longer slam but close safely and gently.

Axle 2 of **Montreal Observation car 2** (1906) developed major pounding indicating something out-of-round. Using a small *FLIP* video camera mounted on the truck frame near the offending wheel and pointing at a dial indicator which traced the tread of the wheel, the car was pulled back and forth with the *Pettibone* loader. The indicator readings clearly showed the exact location and depth of the flat spot.



Above: Randy LeClair points to a newly installed destination sign on Connecticut 1160. DC

The offending wheel set was taken to the Montreal, Maine and Atlantic Railroad wheel shop where the wheels were turned true, returned and replaced in the truck. At the same time the two traction motors were taken to A. C. Electric for preventative maintenance.

During December two cars entered the Shop to commence major restoration work: Denver & South Platte Railway Birney safety car 1 (1919) and Eastern Mass. Street Railway deluxe lightweight 7005 (1927). After some problems with deteriorated underframe, 7005's body was jacked up so one of its bolsters could be removed to serve as a model for fabrication of replacements. An investment was made in good high capacity riveting tools for replacing the large diameter rivets which hold the bolsters together. Thanks to the Pullman Library of the Illinois Railway Museum for providing us with copies of the original blueprints for the car.

Manchester Street Railway 38

(1906) Thanks to a grant from the Amherst Railway Society, 38's deteriorated steel air piping was replaced. The electric side of the air compressor was overhauled and a new armature bearing made and installed.

Sydney, Australia "P" type tram 1700 (1925) has been a dry weather car for a long time because of its leaky roof. This "bathtub" design, where the edges of the roof were raised rather than leading downward as on most trolleys, was complex and required much disassembly



Above: Randy varnishes interior woodwork on 1160. Much original wood was preserved. DC

of its unique roof structures. The roof has now been canvassed, painted, and tested. Thanks to the Sydney Tramway Museum for providing technical diagrams and advice.

Blackpool 144 - Exterior and vestibules now painted in green and white scheme it had when it came to Seashore.

Washington PCC 1304 (1941) Restoration of the car's interior continued with stripping and refinishing of lower surfaces. Power was applied to the car for the first time since its arrival at Seashore in 1986 as the interior lights were brought into operation. Other work included continued reconditioning of the car's window sash and fabrication of mohair-lined stainless steel tracks which guide the sash as it is raised and lowered. On the exterior, the remaining lettering and numbering was applied, much of it based on originals and drawings provided by our colleagues at the National Capital Trolley Museum in Maryland.

Aiming for its 2012 centenary, Philadelphia Rapid Transit Company Nearside semi-convertible car 6618 has entered the Shop. Its trolley pole, trolley boards and deteriorated roof canvas have been removed. Work will concentrate on two areas: rebuilding its semiconvertible type windows and other sash and straightening its bashed and sagging front vestibule. An article in a 1911 Brill Magazine has excellent photographs of the Nearside underframe which answer



paint from Sydney 1700's trolley board.

questions as to why the car's front end sags (and why it didn't sag more!). The work will also include scraping off the multitude of heavy paint layers built up over the years.

All-in-all over-20 trolleys received significant, some of it major, restoration and maintenance work during 2008.

Traction Motors – Because of their position under a trolley, within inches of the ground, traction motors are subiected to considerable moisture and dust. Unless the insulation on the multitude of conductors in a motor is sealed and clean, moisture aided by carbon tracks

Below: Eastern Massachusetts Street Railway deluxe lightweight car 7005 is pushed into the shop by a Boston Type 3 snowplow for the start of its restoration. These cars were arguably the most advanced cars to run in the Boston area before the arrival of PCCs. Many members have been donating generously to make the restoration, which will include extensive steel reconstruction, possible.



in cracks will eventually work its way in to the wires causing a ground. Shop staff members are building a database of each motor's condition over time, giving an indication of incipient failure. Measuring the insulation resistance in megohms is the first step in prevention of failures. Seashore purchased a new AEMC digital megohmmeter. With this 1,000 volt DC power is applied to the commutator and the field lead wires. The meter detects even the most infinitesimal amount of current conducted recording it as megohms. Those motors which fail a minimum resistance test are kept out of service, earning one of the Restoration Technicians the title of "Dr. No".

The next step is cleaning the carbon dust and grime accumulated inside the motor, especially on the armature adjacent to the commutator. This is accompanied by hot-air drying of the motor in place on the car with insulation resistance checked on a daily basis, including a cooling-off period at the end of the process. If the resistance remains low the motor must be given a full overhaul where insulation is steam cleaned, lead wires replaced and the entire motor given the VPI. treatment. Additionally small silicone rubber heaters, operable on 110 volts AC are permanently fastened to the cases so the motors can be dried inexpensively each spring.

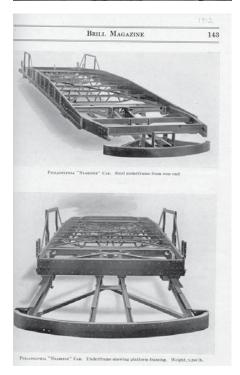
Additional data is kept on the condition of the motor armature and axle bearings. The clearances between the armature and bottom field pole pieces and that between the bottom of the axle and the bottom bearing are recorded. When these clearances exceed standards, the bearings are rebabbitted or replaced.

Status of various traction motors:

- Chicago 225: Motors 3 and 4 to A. C. Electric for repair
- **Dallas 434:** One motor requires preventive maintenance and replacement of armature bearing housing
- Biddeford & Saco 31: One motor with very low insulation resis-
- **SEPTA 2709:** Motor 3 grounded
- P D & Y 108: all four motors have very low insulation resistance
- Cleveland 1227: Motor 1 out for preventive maintenance, motor 2 requires rewinding of its armature







Top: John Fatula removes a window from 6618. **Middle:** A front corner post removed from the Philadelphia Nearside to fix vestibule sag. DC **Above:** A 1911 article shows the car's frame. SL **Right:** Jack Naugler operates 966 as Frank Welch flags it across busy Bridge Street in Lowell. JT

Lowell Operations Report

Roger E. Somers Superintendent of Railway Operations— Lowell

The year 2008 was another great year for the operation of the museum's New Orleans Public Service 966 in Lowell. Our continued outreach to the local community and the many visitors to the National Park who ride 966 have been rewarding for our volunteer car crews. We have had the opportunity to host people from all over the United States and Canada as well as other countries including England, Australia, France, Italy, Japan, and Brazil.

During the course of any operating day, 966 can serve as a shuttle car between the Boott Mill Station and the Visitor Center or provide transportation for a tour group heading for the boat tour beginning at Swamp Locks, the Water Power exhibit at Suffolk Mills, or the City of Lowell tour which covers most points on the trolley system. All of these operations are part of a planned schedule of trips for all cars operating in a given day. This timetable is also coordinated with departure times posted on the kiosks at the Boott Mill and Visitor Center stops.

Generally, trolley operations begin at 10 am and continue to 5 pm. NOPSI 966's schedule falls inside this time frame generally running from 11 am to 4:30 pm on Saturdays and Sundays. Many Special Park events and/or other special activities in the city can dictate different schedules including evening operations. Car 966 has become a very popular attraction in the city and is often requested to participate in these special activities either on weekends or during the week. Our crews are always eager to accommodate these special events.

Our car crews continue to maintain an outstanding safety record. All 966 crewmembers participate with the National Park Service crews in the annual safety training conducted by the Park Service. The safety seminar covers all aspects of the operations manual keying on safe operation of the cars and the railway. Because there are several grade crossings throughout the system and in most cases there are people walking in the areas we operate, special attention to safety is paid to these locations during the training.

We have qualified more operators in 2008 including those that have chosen our 966-only qualification. Previously all operators had to qualify in Maine before being able to operate in Lowell. The new 966-only program has become a wonderful success by adding more operators to our crews. Many of the 966-only operators have gone on to qualify in Kennebunkport and volunteer their time in Maine as well as Lowell.

Our crews continue to tell the Seashore story and refer folks to our *On-Track* indoor exhibit in Lowell. These referrals are an important part of the communication with the riders on 966.

The National Park has begun to upgrade the track from French Street to the Visitors Center. The first section was from the High School at the French Street crossing to the Gate House just short of Merrimack Street. Unfortunately this work was performed during our operating season so we lost about eight weeks of service. The second upgrade was from Merrimack Street to the Visitors Center which included rebuilding the platform and the bridge at that location. This interrupted NPS trolley service but did not affect the 966 operating service as the work was performed prior to the beginning of 966 operations for 2009.



Bus Department Report

Thomas O. Santarelli de Brasch Curator of Buses and Trackless Trolleys

The bus and trackless trolley forces at Seashore were again very active in 2008, particularly in the area of hosting visiting groups of students of the bus field.

There were two additions to the rubber tire fleet this year:

Lewiston, Maine GMC No. 8105.

A private collector found this bus advertised on Craigslist and bought it as a source of parts for a similar bus of his own. Seashore's bus department was able to supply the needed parts from inventory in exchange for No. 8105. Though originally planned to be a source of parts for Seashore's collection, the bus was determined to be a good running and driving bus so was designated it as an operations bus. It was registered and insured and used for public operations on property. There are no plans to accession it to the collection, but it will provide demonstration rides to public visitors for the foreseeable future.

Boston Flyer Trackless Trolley

No. 4049. Through an unusual set of circumstances, 1976 Flyer No. 4049, the highest number in Boston's 50 coach fleet, arrived at Seashore in December. As the MBTA placed its new fleet of Neoplan trackless trolleys into service, the Authority decided to keep a small number of its Flyers as reserve coaches and for sleet/ ice cutting service. The initial plan was to have a fleet of ten such coaches. As the new coaches entered service and were largely problem free, the North Cambridge carhouse crew had sufficient time to perform thorough body work and mechanical/electrical upgrades on the Flyers; amounting to a mini rehab program.

Community concerns about continued use of the older buses not equipped with handicap lifts, led the MBTA to reduce the fleet to five coaches. Therefore, five of these freshly overhauled coaches were transferred to the Bartlett Street garage, where they would join a number of other Flyers that had been in long term storage. Late in 2007 the MBTA suddenly decided to sell the Bartlett Street facility, and immediately ordered that all the equipment stored there be removed. Seashore's bus department learned of this decision by accident.





Top: Lewiston GMC No. 8105 was a new arrival at Seashore in 2008, and will primarily serve as an operations bus, both on the property carrying museum visitors and off site for special excursions. TS **Above:** Boston Flyer trackless trolley No. 4049 begins its journey north on a snowy December day. BC **Below:** A shot on Transit Day shows the variety of equipment brought out for the special event. TS





Above: On June 22 the Bus History Association journeyed to Kennebunkport as part of their annual convention being held in Manchester, NH. Here they pose in front of Washington, DC No. 6481.

Seashore had long planned to acquire several of these Flyers due to their relatively good condition and the ready availability of spare parts, making them suitable for regular public operation. This led in 2007 to the acquisition of coaches 4013 and 4028, which were the best of the first group retired, in case the rehabbed coaches would not become available later.

After the MBTA's decision to reduce the spare fleet, No. 4049 was found to be in exceptionally good condition. This model coach, the E800, is essentially built from an AM General bus shell, a model which was not known for durability. Routinely, AM General buses were retired as soon as Federal UMTA requirements would permit. The trackless trolley versions were forced into a longer service life.

Having gained some practical experience with the first two coaches, it has become clear that No. 4028 is in overall better condition. No. 4013 has more problems including some extra corrosion and structural issues, and therefore we are already favoring it for operation and using No. 4028 sparingly to preserve it in good condition.

Upon learning of the reduction in the reserve fleet just as No. 4049 was towed to the Everett Shops, a request was made to have the coach set aside for Seashore. In exchange, No. 4007, which had been reserved previously for Seashore at Everett was released to serve as a source of spare parts for the North Cambridge shop.

As space was at a premium, Seashore was asked to remove No. 4049 as soon as possible but also to agree to return it to the authority if it was needed. This was

a real possibility as the replacement fleet was experiencing structural problems. However, to remove No. 4049 would require formal approval from the General Manager's office, and for some reason the request was sidelined. Some months passed and the coach was at one point almost scrapped by mistake. Finally, formal approval to remove the coach was granted and it was moved to Maine before year end.

It has long been in the Bus Department curatorial plan for two Boston Flyers to be retained permanently in the collection. Nos. 4049 and 4028 will now fill that role. The third coach, No. 4013 will be retained for regular operation and possibly as a source of parts for the others.

The addition of No. 4049 provides a per-

manent vehicle in much better condition than the one it replaces. Interestingly, it also has some anecdotal interest as it was the one coach in the fleet ever to have been painted in another paint scheme, and also represents the very last of this technology as the highest numbered vehicle in the 50 coach fleet.

Group Visits

As Seashore's bus collection is the largest and most complete group of transit buses in the country, groups with special interest in the bus field are with increasing frequency making special trips to Kennebunkport. There were at least three such visits this year.

On Sunday, 22 June the Bus History Association visited Seashore as part of their Manchester, NH area convention. They had previously visited our Lowell operation on Saturday, and Sunday headed to Maine stopping in Biddeford at the bus garage then moving to downtown Biddeford to catch some buses in service. From there they were brought to Seashore in the museum's Golden Gate Transit New Look No. 870.

At Seashore they found several buses on display and operating in addition to the running of our Pullman trackless trolley No. 8361 and Flyer trackless No. 4013. They also rode Toronto Flyer New Look D700A No. 7521. These buses were only operated in Canada, and this is the only known Diesel Flyer of this model in the US, and the only complete and operational example in any museum.

Below: On August 24 a group of dedicated New York area bus enthusiasts visited Seashore. Their entire trip was immersed in bus history as they traveled in the ex-New Jersey Transit bus at the right. TS





Above: Two generations and modes of transit posed in this Transit Day view. GMC bus No. 627 is from Brantford, Ontario, and home-built Third Avenue Railway No. 631 is from Manhattan.

This general model, Flyer's first transit bus, was the basis for the AM Generals and helped launch the resurgence of trackless trolley production in North America.

On Sunday August 17 the Metropolitan New York Bus Association visited Seashore. This group was on a three day tour of the New England area originating near New York City. To mimic their itinerary from about five years ago, the plan was to meet them in Portland with a bus and then convoy to Kennebunkport with their chartered coach.

Selected was No. 22, a 1972 New Look stick shift suburban since this bus would have made regular runs up the NJ Turnpike into NYC while in service for Academy Bus Lines. It was purchased new by Gray Line of Boston and later was used on their Boston to Worcester route. The coach finished its service life at VIP Charter Coaches in Portland ME. The coach was back at the VIP facility the several weeks to get some servicing prior to the anticipated highway speed run down the Maine Turnpike. The tires were replaced, oil changed, some other minor repairs made, and it was given a thorough cleaning inside and out.

The group also visited Portland Metro where they were hosted by General Manager David Redlefson. The subsequent trip to Seashore in No. 22 went smoothly and at the museum the group experienced rides in various rubber tire and

steel wheel vehicles. The group also took full advantage of our remarkable selection in the Museum Store, and presented the museum with a donation to support the bus collection.

August 24th, we had yet another visit from a group of New York area transit devotees. This was perhaps smaller in total numbers than the group one week earlier, but just as enthusiastic. They rode up to New England in their 1989 ex-NJ Transit Flexible Metro Suburban and at

Seashore were treated to special trips with the New York Redbirds train and special runs in various buses.

Other Projects

In preparation for Transit Day a number of special projects were undertaken. One involved making operational, for only the second time since its arrival, 1959 Hampton, VA Mack No. 195. This bus has an unusual optional starting arrangement. While most buses and trucks have 12 volt systems, Mack developed a 24 volt starting system. In order to charge the batteries on the standard 12 volt charging system, vehicles so equipped have a series/parallel switch which momentarily switches the batteries into a series arrangement while the starter solenoid engages to provide 24 volts for engine starting. Various repairs needed to be made to get this system working. It turned out that a critical solenoid part matched newer Delco parts in inventory. With this replaced, plus some cleaning and adjustments, and some wiring changes, the starter worked and the bus came to life.

To operate properly the bus needs other work, such as fixing a leak and putting coolant back in the engine and fixing a leak in the air suspension.

Transit Day

Additional preparation went into ensuring that a variety of equipment would be available for this increasingly popu-

Below: Dan Cohen makes repairs to Boston Pullman trackless trolley 8361. These coaches were once a very familiar sight to Bostonians as hundreds of them ran in almost every section of the city in the 1950s and 1960s. Providence, Rhode Island, had a fleet of nearly identical coaches as well.



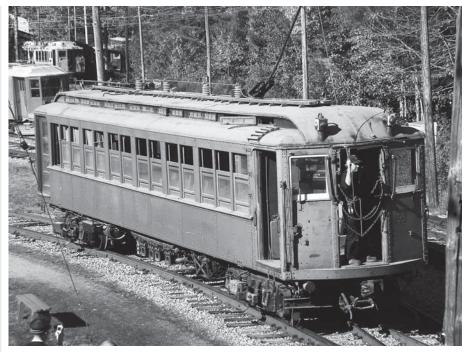
lar special event. The goal is to have as many buses, trackless trolleys, and rapid transit cars as possible available for operation in addition to streetcars.

An anticipated favorite for the day was Boston Pullman trackless trolley No. 8361. In preparation, hinges for the rear control compartment were replaced. On the other end of the property, work was underway to clear out and reassemble missing parts of the R9 train to ready it for operation.

New Jersey Transit coach K514 also was prepared for operation after a prolonged absence. Despite the need for a fresh coat of paint, the bus was made far more presentable with a thorough interior and exterior cleaning. Also receiving preparatory work was bus No. 3550/702 from Fall River, Massachusetts, Seashore's only operable first series fishbowl. It is always a favorite when operating. A new starter motor was installed to ensure reliable operation.

Portland Metro Passes

The Museum has been developing close relations with Portland Metro, the city's transit agency. In 2008 that led to an agreement in which a dozen photos from Seashore's collection of earlier generations of Portland vehicles were used as the background for Metro's monthly transit passes giving Seashore great visibility. Two of the pass images are to the right.



Above: Making a rare appearance on Transit Day was 1905 New York subway car No. 3352, with Bill Pollman manning the trolley rope. These cars pioneered the use of riveted steel construction, producing much more robust cars than the earlier wooden framed and sheathed cars on elevated lines.







A notable historic structure moved to the museum in 2008 is this trolley shelter built by the former Mary Brown Home in Portland. A news account described it as follows: "At the junction of Stevens Avenue, Capisic Street & Frost Street a remarkable neat and cozy building of high architectural outlines has been constructed as a waiting room for the patrons of the home by the friends of the institution, which will be highly appreciated particularly in inclement weather."

Above: The shelter in storage on a Portland pier before moving. **Right:** As it appeared outside the home when in use. The home it served is now known as the Sisters of Mercy Home.



SEASHORE TROLLEY MUSEUM

The New England Electric Railway Historical Society is a nonprofit educational institution dedicated to the preservation, exhibition, and operation of urban and interurban transit vehicles from the mid-nineteenth century to the present. It operates the Seashore Trolley Museum in Kennebunkport, Maine, and the National Streetcar Museum at Lowell in Lowell, Massachusetts. Its collection is displayed, interpreted, conserved, and operated for the public.

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In 2008 more than 790 individuals and organizations contributed to the Seashore Trolley Museum. The total amount contributed exceeded \$338,000. Over \$281,000 of this total was in cash. The Museum is very fortunate to have such generous donors among its membership and friends and extends its deep thanks to all who have given so generously.

More than \$128,000 of the donations were made to the general fund, which supports the vital administrative and maintenance expenses that keep the Museum operating. Importantly, the total donated to the endowment fund exceeded \$38,000. These funds will generate earnings each year forever, without the principal amount ever being spent.

The total contributed to restricted funds, much of it to support car restoration projects, exceeded \$164,000. The Board of Trustees of the New England Electric Railway Historical Society gratefully acknowledges the contributions of the following members and friends:

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Johnston, David L. Jones, George W. Joyce, Paul A. King, LeRoy O. Jr Knust, Thomas C. Kohanski, Robert W. Kornechuk, David C. Kush, George S. Kvper, John S. LaRoche, Thomas Leonard, James J.

Lexington Historical Society

Linder, Anna Litman, Regina S. Look, Dean F. Lualdi, Paul L. Lyons, Dennis J. MacBride, Thomas G. MacDonald, Laurence P. MacGregor, Alexander P., Jr. Mandeville, Robert M. Marnik, William M. Matts, John A. McCloskey, James W.

Metropolitan NY Bus Association

Moran, Thomas F. Naugler, John R. Nowell, Winford T. Oechsle, George Orlowski, Stanley J. Pace, Michael R. Palmer. Theodore W.

McMahon, James P.

Mesrobian, Ara

Perry, Erik Petrin, George H. Pirmann, David Plytnick, John C. Reiman, Douglas A. Robb, Kenneth E. Robertson, Thomas A. Rosewater, Karen Ruddell, Ronald P.

Russell, Richard A.

Sack, J. Andrew, Jr. Sanger, Donald F.

Santarelli De Brasch, Stephen

Savage, Eric A., Jr. Scheu, Lawrence D. Schmidt, John R. Schumm, Brooke, III Sefranek, George A. Shea, Joseph T. Sherblum, Carl A., Jr. Sikorski, John

Silva, R.J. Silva, Russell B. Smerk, George M. Smith, Harold V. Sommer, Beulah Szuflad, John G.

Taylor, Debra D. & Michael Terwilliger, George E. Tirrell, Brendan Traubert, Roger Vaitkunas, James A. Valencius, Matthew Van Male, Hugh O. Vibbert, Robert, Jr. Von Rohr, Joachim Wares, Micheal Warkany, Joseph H. Weller, Peter Wien, Jeffrey

Donations of \$50 to \$100

Allen, David W. Arndt, Darrell T. Arnold, William R. Azoff, Allan Bass, Andrew Beaulieu, Joseph F. Bennett, Deborah A. Berkowitz, Philip Bevis, James E. Bork, John E.

Williams, Roger

Wolfe, Julien

Yarke, Herbert

Blankman, Ronald J. Borland, William Bowen, Andrew Bowles, David A. Braeuninger, Karen B'Rells, Wayne Buckley, Michael J. Clowe, George W. Collins, John J. Cosgro, Richard H. Cox, Bill & Mona Crawley, Aaron Curtis, Art Dillon, Richard Donahue, Harry A. Doran, Levi Dreiling, Michael J Drye, Robert C.

New England Electric Railway Historical Society

Ebling, Robert W. Eisinger, Fred G. Elliott, James Enters, Fred Foley, Jacob Gershen, H.B. Gillespie, Richard M.

Glucksman, Marc Graetz, Martin

Green, Gordon

Gueli, James V.

Hall, Richard

Haney, Richard R.

Hansen, Elizabeth

Higginbotham, William

Houle, Dennis R.

Hunter. Guv F.

Isenberg, Seymour L.

Johnson, Thomas

Kahn, Norman S.

Kaplan, Linda Levine

Keller, Ronald

Kepple, Kenneth

Koehl, Robert

Kunz, Kenneth G.

Leavitt, Foster C., Jr.

Leech, John W

Lennon, Marty W.

Lutz, Patricia M.

Magee, William and Virginia

Mann, Charles E., Jr. Martin, Matthew Masulaitis, Anthony

Maver. Paul J.

Mccaffery, Paul

McCarthy, J. David

McGinley, Terence K.

Merrill Lynch Co. Foundation

Miller, Edward C., Jr.

Minnich, Ida Mae

Morrison, Donald F.

Morse, Channing H., Jr.

Mummert, Matthew

Nace, David C.

Navy Wives Club of America

Nissley, Clarence E.

Olson, Garv P.

Palmer, Everett H.

Perisie, Michael J.

Pfizer Foundation

Q-Car Company

Remsen, Thomas

Rendall, Burt

Richardson, Hubbard

Risse, Peter G.

Roboff, Gary S.

Scaffardi, Bob

Schneble, Paul J.

Senese, Anne

Sharood, John N.

Shipman, W. Stevens, Jr.

Silver, Leonard W.

Smith, G. Christopher

Spellman, John T.

Sylvester, Paul Taylor, Douglass B.

Tennyson, Edson L. Turner, Ed

Walsh, Heather

Wasem, Ronald G

Weissman, Fredrick Williams, John Insco Winkley, M Dwight

Women's Union Brookside Congregational

Church Wood, James

Museum Volunteers

The Society asks its volunteers to report the number of hours they have spent performing volunteer work. The value of this time is then recorded on the Society's financial statements as an indication of the value of this unpaid labor. Listed below are the 78 volunteers who reported 10 or more hours in 2008. The grand total reported was in excess of 21,000 hours for the year. Reporting the hours is completely voluntary and, unfortunately, is a task not enjoyed by many volunteers, including some of those most active. Thus both the number of volunteers listed here and the hours reported vastly understates the total number of hours volunteered.

Nonetheless, the Board of Trustees of the New England Electric Railway Historical Society extends its deep gratitude to all of its volunteers, both those listed here and those not, without whom the Museum could not function:

1000 or more hours

Berkowitz, Philip Middleton, Jr., John L.

Sisson, Jeffrey N.

Tobin, Roger G.

500 to 1000 hours

Coffin, Whitney V.

Dooks, Edward

Kaplan, Eliot M.

Kline, Judith A.

Naugler, John R.

Reich, Robert J.

Rosevear, Lloyd

250 to 500 hours

Carrier, Jr., Douglas Chamberlin, Dann

Dooks, Karen

Gingell, Robert

LaFlamme, John R.

Look, Dean F.

Mackell, James J.

Mallory, William

McCaffrey, Paul F.

Mercurio, Jr., John B.

Ramsdell, Edward L.

Scheu, Lawrence D.

Weinberg, Mark

100 to 250 hours

Berkowitz, Nancy

Bishop, Chester E.

Bourassa, Matthew A.

Cosgro, Matthew

Cosgro, Richard

Donnelly, John M.

Fatula, John A.

Glickman, Todd

Howard, Mary & Dan

Kurtasz, Peter

LaRoche, Thomas

LeClair, Randy Pence, Herbert

Perkins, Christina

Perkins, Donna

Perkins, Jr., Robert J.

Perkins, Sr., Robert J.

Pino, Chelsey

Rendall, Burt

Sikorski, John

Somers, Roger E.

Tatnall, Amber

Tello, Thomas A.

50 to 100 hours

Aronovitch, Charles D.

Borst, Andrew M.

Bruhmuller, Kenneth

Carter, Frederic D.

Doherty, James Gilman, Eric

Hammond, Peter

Hughes, Charles

Mathews, LaForest E. Robinson, Charles C.

Speer, Timothy S.

10 to 50 hours

Allen, Duncan W.

Baker, Madelene

Barlow, Brandon

Boston, Rev. David M. Carlson, Roger A.

Coyle, III, John W.

Crawley, Aaron

Day III, Collie

Dresner, Lewis A.

Gueli, James V.

Haskell, Peter D.

Healy, Christopher Hutchinson, Donald H.

Krippendorf, Paul

Lewis, Donovan J. McMahon, James P.

Montana, David K.

Snow, Glen W.

Sullivan, Katie

Whiteman, Jeremy

Financial Report

Notes to Financial Statements

Note 1 - Nature of the Organization

New England Electric Railway Historical Society (the "Society"), the owner and operator of the Seashore Trolley Museum in Kennebunkport, Maine, and the operator of the National Streetcar Museum in Lowell, Massachusetts, (each a "Museum", collectively the "Museums") is a Maine nonprofit educational organization dedicated to the purposes of providing a source of information of a scientific and educational nature relating to the historical and mechanical use and development of electric street railways and collecting, preserving and maintaining, for study and exhibition, electric street railway cars of the various periods and all types, forms and examples of electric street railway equipment; and doing all things necessary and properly pertaining to the accomplishment of the above mentioned purposes.

The Society operates a museum store as an auxiliary operation.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Society have been prepared in accordance with the principles of fund accounting. Income is recognized when earned and expenses are recognized when the obligation is incurred.

Method of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation - Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under the standard, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows.

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions. This category also includes net fixed assets and net assets which have been designated by the Board of Trustees.

Temporarily restricted net assets - Net assets subject to donor stipulations that may or will be met either by actions of the Society and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor stipulations that they be maintained permanently by the Society. Generally the donors of the assets permit the Society to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates - The preparation of financial statements

in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition - The Society recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Revenue derived from annual membership dues is recorded over the period to which the dues relate. Life membership dues are considered income in the year received. Grant revenue is recognized to the extent expenditures are made which can be charged against the grant.

Merchandise sales from the Museum store and admissions to the Museum are recorded at the time of the sale.

Cash and Cash Equivalents - For financial statement purposes, the Society considers all highly liquid debt instruments purchased with a maturity of one year or less to be cash equivalents. Cash and cash equivalents consist of savings accounts, money market accounts, and money market mutual funds, and are carried at cost, which approximates fair market value.

Investments - Investments in marketable securities and mutual funds with readily determinable fair values and all investments in debt securities are reported at their fair values on the statement of financial position. Gains and losses are included in other revenue on the statements of activities and changes in net assets

Inventories - The Society operates a museum store with related electric railway memorabilia and souvenirs held for sale. Inventory consists of museum store goods and merchandise and is stated at the lower of average cost or market, on a first-in, first-out basis.

Pledges - The Society may have certain non-binding pledges for its capital and operating funds from members and friends. These conditional pledges are not recorded until the related cash payments or asset transfers are received by the Society. Unconditional pledges are recorded when the Society receives legally binding notification of the contribution. No allowance for uncollectible pledges is considered necessary for the years ended December 31, 2008 and 2007.

Property and Equipment - Property and equipment, both purchased and donated, are recorded at cost and fair value at date of receipt, respectively, and depreciated on the straight-line method over their estimated useful lives ranging from five to forty years.

Collections - The Society does not capitalize its collections. However, each significant collection item is catalogued, preserved and cared for, and activities verifying their existence and assessing their condition are performed. The collections are subject to a policy that requires proceeds from their sales to be used to make betterments to other existing items or to acquire other items for collections.

Income Taxes - The Society is exempt from Federal and State income taxes under the provisions of the Internal Revenue Code as an entity described in Section 501(c)(3). In addition, the Society qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Concentration of Credit Risk - The Society maintains its cash equivalents in local financial institutions which provide Federal Deposit Insurance Corporation (FDIC) coverage up to \$250,000 and in investment accounts which provide Securities Investor Protection Corporation (SIPC) protection up to \$500,000. Unsecured cash equivalents as of December 31, 2008 and 2007 are \$362,208 and \$344,216, respectively.

Advertising Costs - The Society uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2008 and 2007 was \$25,382 and \$28,688, respectively.

Functional Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets and the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

Note 3 - Fair Values of Assets

Effective January 1, 2008, the Society adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157), which provides a framework for measuring fair value under Generally Accepted Accounting Principles. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. SFAS 157 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. SFAS 157 also established a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

There are three general valuation techniques that may be used to measure fair value, as described below:

- Market approach Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other resources;
- **2. Cost approach** Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- 3. Income approach Uses valuation techniques to con-

Statement of Financial Position

For the years ending December 31		2008		2007
Cash flows from operating activities	::			
Change in net assets	\$	(131,487)	\$	337,698
Adjustments to reconcile change in				
net assets to net cash provided by				
(used in) operating activities:				
Depreciation		67,505		67,196
Net realized and unrealized (gain) loss				
on investments		149,578		(26,366)
Donations of investments		-		24,616
Gains (losses) on sale of property				
and equipment		236		
Changes in operating assets and liabilitie	es:			
Other receivables		3,440		(11,931)
Prepaid expenses		10,628		(19,478)
Inventories		11,025		4,014
Pledges receivable		28,953		(134,445)
Accounts payable		22,926		11,038
Accrued payroll and taxes		1,540		4,913
Deferred revenue		(8,120)		(2,070)
Other accrued liabilities	_	23,792	_	18,533
Net cash provided by (used in)				
operating activities		180,016		273,718
Cash flows from investing activities:	:			06 740
Proceeds from sales of investments		-		26,742
Purchases of investments		(15,214)		(50,274)
Cash paid for purchase of		(20 570)		(17.007)
property and equipment	_	(20,570)	_	(17,907)
Net cash provided by (used by)				
investing activities		(35,784)		(41,439)
Cash flows from financing activities	:			4
Principal payments on long-term debt	_	(7,519)	_	(7,523)
Net cash provided by (used in)				
financing activities		(7,519)		(7,523)
Net increase (decrease) in cash		136,713		224,756
Cash at beginning of year	_	975,494	_	750,738
Cash at end of year	\$	1,112,207	\$	975,494
Supplemental cash flow disclosures:	:			
Income taxes paid (refunded)		-		
Interest expense paid	\$	3,576	\$	4,900

Schedule of non cash investing and financing activities:

There were no noncash investing and financing activities for the years ended December 31, 2008 and 2007.

See accountant's report and accompanying notes to financial statements.

vert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

For the year ended December 31, 2008, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following table sets forth by level, within

Statement of Activities and Changes in Net Assets

		December	r 31,2008		December 31,2007					
		Tempor-	Perman-			Tempor-	Perman-			
		arily	ently			arily	ently			
	Unrestricted	Restricted	Restricted	Total	Unrestricted	Restricted	Restricted	Total		
Revenue:										
Earned revenue:	ф 00.10 г	ф	ф	ф 00.10F	ф 10E 709	ф	ф	ф 10F 702		
Annual membership dues	\$ 92,195	\$ -	\$ -	\$ 92,195	\$ 105,783	\$ -	\$ -	\$ 105,783		
Annual membership dues	32,855	-	-	32,855	29,230	-	-	29,230		
Life memberships	3,450	-	-	3,450	4,275	-	-	4,275		
Revenue from auxiliary operation	99,285	35,680	_	134,965	117,202	21,612	_	138,814		
Total earned revenue	227,785	35,680		263,465	256,490	21,612		278,102		
Total carried feverac	227,703	55,000		200, 100	230, 170	21,012		270,102		
Contributed support:										
Grants	250	39,300	-	39,550	-	52,047	-	52,047		
Contributions & bequests	128,742	113,699	38,731	281,172	91,687	130,862	70,103	292,652		
Contributions-in-kind	46,270	11,373		57,643	11,507	158,908		170,415		
Total contributed compant	175.060	164070	20.721	270.265	100 104	0.41.017	70 100	F1F 114		
Total contributed support	175,262	164,372	38,731	378,365	103,194	341,817	70,103	515,114		
Other revenue:										
Interest and										
dividend income	5,984	22,421	10,628	39,033	5,950	27,037	9,059	42,046		
Realized and unrealized										
gains (losses)										
on investments Miscellaneous income	(7,326)	(41,547)	(100,698)	(149,571)	3,216	11,962	11,188	26,366		
	15,014			15,014	13,425	10,605	<u> </u>	<u>24,030</u>		
Total other revenue	\$ 13,672	\$ (19,126)	\$ (90,070)	\$ (95,524)	\$ 22,591	\$ 49,604	\$ 20,247	\$ 92,442		
Net assets released										
from restrictions:	247,425	(246,932)	(493)		176,713	(164,441)	(12,272)			
Total support and revenue	664,144	(66,006)	(51,832)	546,306	558,988	248,592	78,078	885,658		
Expenses:										
Program services										
Curatorial and exhibits	363,274			363,274	266,093			266,093		
Supporting services	15.005			1 = 00 =	15 510			15 510		
Membership General & administrative	17,327	-	-	17,327	15,513	-	-	15,513		
Fundraising	197,511 3,205	-	-	197,511 3,205	163,136 1,135	-	-	163,136 1,135		
Auxiliary operation	96,476	_	-	96,476	102,083	-	_	1,133		
· •										
Total support services	314,519	- ტ	- ტ	314,519	281,867	- ተ	\$ -	281,867		
Total expenses	\$ 677,793	\$ -	\$ -	\$ 677,793	\$ 547,960	\$ -	<u>э -</u>	\$ 547,960		
Change in net assets	(13,649)	(66,006)	(51,832)	(131,487)	11,028	248,592	78,078	337,698		
Net assets,										
beginning of year	1,479,655	1,129,065	360,868	2,969,588	1,468,627	880,473	282,790	2,631,890		
Net assets,										
end of year	1,466,006	1,063,059	309,036	2,838,101	1,479,655	1,129,065	360,868	2,969,588		

See accountant's report and accompanying notes to financial statements.

Statement of Functional Expenses

	2008								
	Curatorial & Exhibits	Membership	General & Administrative	Fund Raising	•				
Year Ended December 31, 2008	EXHIDITS		Aummstrative	Raisilig	Operation	Expenses			
Salaries and related expenses	\$ 104,913	\$ -	\$ 46,163	\$ -	\$ 26,547	\$ 177,623			
Professional fees	10,564	412	11,309	-	-	22,285			
Utilities	24,304	1,543	10,961	-	1,161	37,969			
Conservation and maintenance	112,611	115	24,247	-	846	137,819			
Taxes and fees	56	-	3,990	-	84	4,130			
Insurance	-	-	18,427	-	-	18,427			
Rent and equipment rental	31,047	-	5,638	-	412	37,097			
Administration	8,984	14,378	57,027	3,205	4,339	87,933			
Interest	-	-	3,576	-	-	3,576			
Miscellaneous	31,030	-	22	-	334	31,386			
Cost of goods sold			4	<u>-</u> _	52,039	52,043			
Total expenses before depreciation	323,509	16,448	181,364	3,205	85,762	610,288			
Depreciation	39,765	879	16,147		10,714	67,505			
Total expenses	\$ 363,274	\$ 17,327	\$ 197,511	\$ 3,205	\$ 96,476	\$ 677,793			

Year Ended December 31, 2007	Curatorial 8 Exhibits	Membership	General & Administrative	Fund Raising	Auxiliary Operation	Total Expenses		
Salaries and related expenses	\$ 70,021	\$ -	\$ 30,892	\$ -	\$ 14,962	\$ 115,875		
Professional fees	1,759	373	15,688	-	200	18,020		
Utilities	19,074	3,093	13,458	-	1,150	36,775		
Conservation and maintenance	91,300	874	7,319	-	-	99,493		
Taxes and fees	55	-	3,410	-	-	3,465		
Insurance	-	-	19,807	-	-	19,807		
Rent and equipment rental	20,359	-	-	-	-	20,359		
Administration	13,337	9,360	51,610	1,135	11,715	87,157		
Interest	4	-	4,896	-	-	4,900		
Miscellaneous	10,906	904	427	-	-	12,337		
Cost of goods sold					62,676	62,676		
Total expenses before depreciation	226,815	14,604	147,507	1,135	90,703	480,764		
Depreciation	39,278	909	15,629		11,380	67,196		
Total expenses	\$ 266,093	\$ 15,513	\$ 163,136	\$ 1,135	\$ 102,083	\$ 547,960		

See accountant's report and accompanying notes to financial statements.

the fair value hierarchy, the Society's investments at fair value at December 31, 2008.

Pledges Receivable		Quoted Prices				
		in Active	Significant			
		Markets for	Other	Significant		
		Identical	Observable	Unobservable		
	Fair	Assets	Inputs	Inputs		
	Values	(Level 1)	(Level 2)	(Level 3)		
Mutual Funds	\$ 421,268	\$ 421,268	\$ -	\$ -		
Pledges Receivable	105,492			105,492		
Total	\$ 526,760	\$ 421,269	\$ -	\$ 105,492		

Fair value for investments is determined by reference to quoted market prices and other relevant information generated by market transactions.

Pledges Receivable	
Pledges receivable, gross at December 31, 2007	\$ 135,000
Pledge payments received during 2008	(30,000)
Pledges written off during 2008	-
New Pledges received during 2008	924
Less:	
Discount at .15%	 (432)
Pledges receivable at December 31, 2008	\$ 105,492

Note 4 - Investments

The fair market value of investments consists of the following at December 31:

Investments	2008	2007
Mutual Funds	\$ 421,268	\$ 555,632
Totals	\$ 421,268	\$ 555,632

Statement of Cash Flows

Change in net assets	For the years ending December 31 Cash flows from operating activities		2008		2007
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: Depreciation			(131 487)	\$	337 698
Depreciation 67,505 67,196 Net realized and unrealized (gain) loss on investments 149,578 (26,366) Donations of investments 24,616 Gains (losses) on sale of property and equipment 236 Changes in operating assets and liabilities: Other receivables 3,440 (11,931) Prepaid expenses 10,628 (19,478) Inventories 11,025 4,014 Pledges receivable 28,953 (134,445) Accounts payable 22,926 11,038 Accrued payroll and taxes 1,540 4,913 Deferred revenue (8,120) (2,070) Other accrued liabilities 23,792 18,533 Net cash provided by (used in) Operating activities 180,016 273,718 Cash flows from investing activities: 26,742 Purchases of investments (15,214) (50,274) Cash paid for purchase of property and equipment (20,570) (17,907) Net cash provided by (used by) investing activities (35,784) (41,439) Cash flows from financing activities: Principal payments on long-term debt (7,519) (7,523) Net cash provided by (used in) financing activities (7,519) (7,523) Net cash provided by (used in) financing activities (7,519) (7,523) Net increase (decrease) in cash 136,713 224,756 Cash at beginning of year 975,494 750,738 Cash at end of year 975,494 750,738 Supplemental cash flow disclosures: Income taxes paid (refunded) 1,500 1,500 Cash place 1,500 1,500 1,500 Cash place 1,500 1,500 1,500 Cash at end of year 975,494 750,738 Cash at end of year 975,494 750,738 Cash place 1,500 1,500 1,500 Cash place 1,500 1,500 1,500 Cash place 1,500 1,500 1,500 Cash at end of year 975,494 750,738 Cash at end of year 975,494 750,738 Cash at end of year 975,494 750,738 Cash at end of year 975,494 750,738		Ψ	(131, 107)	Ψ	337,070
Depreciation					
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Cash at beginning of year975,494750,738Cash at end of year\$ 1,112,207\$ 975,494Supplemental cash flow disclosures:Income taxes paid (refunded)	financing activities		(7,519)		(7,523)
Cash at end of year \$ 1,112,207 \$ 975,494 Supplemental cash flow disclosures: Income taxes paid (refunded)	Net increase (decrease) in cash		136,713		224,756
Supplemental cash flow disclosures: Income taxes paid (refunded)	Cash at beginning of year	_	975,494	_	750,738
Income taxes paid (refunded)	Cash at end of year	\$	1,112,207	\$	975,494
Income taxes paid (refunded)	Supplemental cash flow disclosures	:			
			-		-
	•	\$	3,576	\$	4,900

Schedule of non cash investing and financing activities:

There were no noncash investing and financing activities for the years ended December 31, 2008 and 2007.

See accountant's report and accompanying notes to financial statements.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2008:

2008			Temporarily		Permanently				
	Unr	Unrestricted		Restricted		Restricted		Total	
Interest & dividend inc.	\$	5,984	\$	22,421	\$	10,628	\$	39,033	
unreal. gains		(7,326)	_	(41,547)		(100,698)	(149,571)	
Total	\$	(1,342)	\$	(19,126)	\$	(90,070)	\$(110,538)	

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2007:

2007			Temporarily		Permanently			
	Unr	estricted	Restricted		Restricted			Total
Interest & dividend inc.	\$	5,950	\$	27,037	\$	9,059	\$	42,046
unreal. gains		3,216		11,962		11,188	_	26,366
Total	\$	9,166	\$	38,999	\$	20,247	\$	68,412

In January 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds (the "Staff Position"). The Staff Position provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The Staff Position also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.*

The New England Electric Railway Historical Society's endowment consists of eight (8) individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the New England Electric Railway Historical Society has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Society classifies as permanently restricted net assets:

- a. the original value of gifts donated to the permanently restricted endowment funds,
- b. the original value of subsequent gifts to the permanently restricted endowment funds, and,
- c. accumulations, which are defined as the continuous growth of capital by retention of interest or earnings, to the permanently restricted endowment funds made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In the absence of specific direction, the accumulations are made to the funds in which they occur.

The remaining portion of any donor-restricted endowment funds that are not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Society considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1. the duration and preservation of the various funds,
- 2. the purposes of the donor-restricted endowment funds,
- 3. general economic conditions,
- 4. the possible effect of inflation and deflation,
- 5. the expected total return from income and the appreciation of investments,
- 6. other resources of the Society, and,
- 7. the Society's investment policies.

Investment Return Objectives, Risk Parameters and Strategies: The Society has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the funds if possible. Therefore, the Society expects its endowment assets, over time, to produce an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund: investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Society has a spending policy of appropriating, for current expenses, each year in December, no more than 5.00-percent of the average balance of its board-designated endowment fund and donor-designated endowment funds as of September 30 of the current year, and September 30 for the past two years.

In addition, the withdrawals shall not draw the balance of the fund below sum of all principal permanently deposited to the Fund over the years.

In establishing this policy, the Society considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, currently all of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Society expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 3-percent annually, which is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional

real growth through investment return.

Endowment net asset composition by type of fund as of December 31, 2008 is as follows:

2008							Total Net
			Temp	orarily	Per	rmanently	Endowment
	Unre	estricted	Rest	ricted	R	estricted	Assets
Donor restricted endowment funds Board designated endowment	\$	-	\$	-	\$	309,036	\$ 309,036
funds		20,487				<u>-</u>	20,487
Total funds	\$	20,487	\$	-	\$	309,036	\$ 329,523

Changes in endowment net assets as of December 31, 2008 are as follows:

2008							Tota	l Net
			Tem	porarily	Permanently		Endowmen	
	Un	restricted	Res	tricted	Restricted		Ass	ets
Endowment								
net assets, begin of year	\$	23,065	\$	-	\$	360,868	\$ 383	3,933
Contributions and additions		3,450		-		38,731	4:	2,181
Investment								
income		667		-		10,628	1	1,295
Net apprec. (deprec.) Net assets		(6,695)		-		(100,698)	(10)	7,393)
released from						(402)		(400)
restrictions	_	_		-	_	(493)		(493)
Endowment net assets,								
end of year	\$	20,487	\$	-	\$	309,036	\$ 329	9,523

There were no distributions from the Board Restricted Endowment Fund in 2008 because the market value of the investments was below the principal permanently deposited to the funds.

Note 5 - Pledges Receivable

The Society records unconditional promises to give as receivables and revenue when received. The Society distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value. A pledge was received in 2007 for the five year lease of a facility.

Pledges are expected to be realized in the following periods:

Pledges Receivable	2008			
In one year or less	\$	30,924		
Between one year and five years	\$	75,000		
	\$	105,924		
Less:				
Discount at .15%	\$	(432)		
Pledges receivable	\$	105,492		

Note 6 - Property and Equipment

The following summarizes land, buildings, and equipment at December 31,:

Property and Equipment		2008	2007		
Construction in progress	\$	701	\$	9,325	
Land improvements		432,266		407,281	
Buildings and improvements		1,449,500		1,456,664	
Track and wire		290,399		328,173	
Machinery and equipment		232,535	_	289,299	
	\$	2,405,401	\$	2,490,742	
Accumulated depreciation		(1,148,084)	_	(1,186,254)	
Property and equipment, net	\$	1,257,317	\$	4,692,185	

Note 7 - Long-Term Debt

Long-term debt consisted of the following at December 31,:

Long-term Debt		2008	2007
Note payable to bank, interest at 0.25%			
above Wall Street Journal Prime Rate (total rate currently at 6.50%), payable in			
monthly installments through 2009, with a			
final payment in October 2009 of \$50,747.			
This note has been refinanced as indicated			
below.	\$	63,001	\$ 70,520
Less: current portion	_	8,488	6,709
Total long-term debt	\$	54,513	\$ 63,811

Aggregate maturities of long-term debt for the five years subsequent to December 31, 2008 are as follows:

Aggregate Maturities	Total		
2009	\$	8,488	
2010		6,914	
2011		7,322	
2012		7,754	
2013		8,212	
Thereafter		24,311	
Total	\$	63,001	

In 2009, the above note payable was renewed for an additional five years at a fixed rate of 5.75% with monthly payments of principal and interest at \$830, with a first security interest on all business assets.

Note 8 - Restrictions and Limitations of Net Asset Balances

Permanently restricted asset balances represent funds that must be maintained in perpetuity as endowment. The income earned on these funds may be used for the general operations of the Society.

Temporarily restricted net assets consisted of the following at December 31,:

Temporarily Restricted Net Assets	2008		2007	
Program activities:				
Restoration of vehicle collection	\$	590,444	\$	602,978
Museum development		422,675		294,970
Miscellaneous		49,940	_	231,117
Total temporarily restricted net assets	\$	1,063,059	\$	1,129,065

At December 31, 2008 and 2007, certain unrestricted net assets had been designated by the Board of Trustees for the following purposes:

Board Designated Net Assets	2008	2007		
Restoration of vehicle collection	\$ 9,545	\$ 4,383		
Endowment	20,487	23,065		
Miscellaneous	 23,464	 23,887		
Total board designated net assets	\$ 53,496	\$ 51,335		

Note 9 - Grants

During 2006, the Society received a state and federal grant for the restoration of an Atlantic Shore Line Railway locomotive that operated in the State of Maine, with a maximum limit of \$132,464 to be received. The grant is under a cost reimbursement contract whereby the expenses incurred under the grant require advance approval by the State of Maine, Department of Transportation. The grant was not expended during 2006.

During 2008, \$37,800 of the grant was expended, and recognized as income. Total grant funds remaining as of December 31, 2008 were \$42,617.

Note 10 - Contributions In-kind and Contributed Services

The Society recognizes various types of in-kind support, including donations of materials, supplies, office expenses, and other items. Generally accepted accounting principles in the United States of America requires recognition of professional services received if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Most of the services received by the Society do not meet those criteria, and no amounts were recognized for the years ended December 31, 2008 and 2007. However, management estimates the fair value of those services to be \$315,633 for 2008 and \$313,705 for 2007, with a total of 21,042 volunteer hours for 2008 and 22,408 volunteer hours for 2007

Directors and officers have made a significant contribution of their time to the Society and its programs. No amounts have been recognized in the accompanying statement of activities and changes in net assets because the criteria for recognition of such efforts under generally accepted accounting principles have not been satisfied.

The amounts reflected in the accompanying financial statements as contributions in-kind are offset by like amounts included in expenses.

Note 11 - Commitments and Contingencies

The Society maintains operating space in Lowell, Massachusetts

as a small museum store and office space under an operating lease agreement for purposes of operating the National Street-car Museum and displays. The agreement does not include a rental payment but does call for the Society to be responsible for all utilities, and is for a term of five years, ending June 30, 2012. The estimated present value of the rent under this lease agreement as of December 31, 2008 is \$104,568 and is included in pledges receivable. Rent expense for the years ended December 31, 2008 and 2007 was \$30,000 and \$15,000.

Rent expense will be recognized annually as follows:

	Total
2009	\$ 30,000
2010	30,000
2011	30,000
2012	15,000
	\$ 105,000

In February 2008, the Society entered into a 60-month operating lease agreement for a copier. Rental payments are \$95 per month plus tax. In 2009, a twelve-month lease agreement was entered into with monthly payments of \$35. Rent Expense for the year ended December 31, 2008 was \$1,406. Total minimum annual rentals are as follows:

	Total
2009	\$ 1,613
2010	1,193
2011	1,193
2012	1,193
Thereafter	137
	\$ 5,329

Note 12 - Subsequent Events

In 2009, the Society obtained a \$30,000 line of credit with a six-month draw period repayable over five years. The interest rate is fixed at 5.75%, and interest only payments are due over the first six-months, then monthly principal and interest payments are due based on a seven-year amortization. A final balloon payment will be due at the end of the five year term. This loan is cross-collateralized with the renewed loan described in Note 7.

Independent Auditor's Report

To the Board of Trustees New England Electric Railway Historical Society Kennebunkport, ME

We have audited the accompanying statements of financial position of New England Electric Railway Historical Society as of December 31, 2008 and 2007, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of New England Electric Railway Historical Society as of December 31, 2008 and 2007 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cunnings, Lancout + McNance P.A.

Certified Public Accountants Kennebunk, Maine

September 30, 2010

Trustee Recognition Awards

Each Spring—at one of its regular meetings—the Board of Trustees carefully reviews a short list of noteworthy candidates. Those coming under such close scrutiny at the time are not a slate of nominees for annual election, nor are they appointees to Museum posts. Rather, they are those being considered as recipients of the Society's highest honor: the Trustee Recognition Award. This award is conferred annually upon an individual, group, or entity that has markedly impacted the Society—and its Seashore Trolley Museum and National Streetcar Museum at Lowell—in an extraordinarily beneficial manner.

Trustee Recognition Award recipients are not made known until the Annual Meeting (in May), at which time the framed Award is presented to the recipients and the individualized text of each Award is read aloud to all those assembled.

At this year's Annual Meeting, held on May 17, 2008, the Trustee Recognition Awards were presented to the following uncommon individuals:

John LaFlamme

John joined the Society in 1992, and became a regular weekday Operator, serving faithfully for years. He was elected to the Board of trustees in 1996, serving through 2002. He also holds a position as one of the three Vice-Presidents, overseeing the Museum's program plans. He is a faithful volunteer performing vital administrative tasks in the Museum Office.

John has become a dedicated fundraiser, procuring substantial donations, as well as giving generously himself towards the paving of the Museum entryway and bus parking area, for the upcoming car barn renovations, and for the annual fund campaign.

For all your efforts on behalf of the New England Electric Railway historical Society and its Museum, we acknowledge and honor your devotion, leadership, and service.

Clifford Sargent

Cliff has been a dedicated volunteer for many years. There is not an area of the Museum operations in which Cliff has not participated. From passenger operations to track, to maintenance, to the Museum Store, to helping with the various cookouts and special events, Cliff is always there, ready to lend a helping hand.

These are but a representative few of the many different ways that Cliff has worked to benefit the Museum.

For all of your mostly unseen efforts on behalf of the New England Electric Railway historical Society and its Museum, we acknowledge and honor your devotion and service.

Judith Kline

Judy has been a member of the Society for more than a decade. After relocating from Connecticut to Maine about six years ago, Judy has become an active participant in the day-to-day Museum affairs. She started as a motorman/conductor/docent. Several years ago,

she began distributing brochures for the Museum and now handles the majority of the Museum's in-house Marketing efforts.

These are but a representative few of the many different ways that Judy has worked to benefit the Museum.

For all your ongoing efforts on behalf of the New England Electric Railway historical Society and its Museum, we acknowledge and honor your devotion, leadership, and service.

Whit Coffin

Whit is a relatively new active volunteer, starting in Operations as a motorman/conductor. After a former Membership Secretary's retirement, Whit became the very able assistant to the new Membership Secretary. In this position Whit posts the membership data and donations to the Society's membership database, and mails out the new membership cards and donation acknowledgement letters.

He has also participated in Association of Railway Museum conferences to benefit from the experience of other museums and learn new practices that could help the Seashore Trolley Museum.

Whit, for all your efforts on behalf of the New England Electric Railway Historical Society and its Museum, we acknowledge and honor your devotion and service. For all your seen and unseen efforts on behalf of the New England Electric Railway Historical Society and its Museum, we acknowledge and honor your devotion, leadership, and service.



Above: It's July 27, 1946, the last day of streetcar operation on the Eastern Massachusetts Street Railway line running from Boston's Sullivan Square Station to Stoneham. Here car 4387—already slated to go to the Seashore Trolley Museum—poses for photos on Main at South Streets as local residents and enthusiasts commemorate a part of their lives about to disappear forever.

JA

Below: Another future member of Seashore's collection, Johnstown Traction trolley bus 713, is on the Coopersdale line in that small Pennsylvania coal and steel city on July 30, 1965. The non-polluting electric buses would continue to operate in the city until November, 1967, when they were replaced by diesels long before the era when pollution-free operation would be sought after. BC

