

3/8/2019

**To the Officers and Board of Directors of the National Railway Historical Society
To the Officers and Board of Trustees of the National Railway Historical Society Fund**

The Society had sound financial health in 2018 as can be seen from the data supplied in the attached reports. We have provided a total of six spreadsheets for the accounting period ending on December 31, 2018 for both the NRHS and the NRHS Fund. There is also a NRHS Onboard Membership Report ending on October 2018. This report coincides with the cut-off date of October 15th for those members who paid dues for 2018. These reports were compiled by our Comptroller, Robert Heavenrich, from data contained in our QuickBooks Accounting and NEON Membership Systems. Most of the following data is unaudited. Included are:

- Preliminary Unaudited Report NRHS Income/Expense
- Preliminary Unaudited Report NRHS Fund Income/Expense
- Preliminary Report NRHS Balance Sheet
- Preliminary Report NRHS Fund Balance Sheet
- Preliminary Report: NRHS Convention Financial Results 2014-2018
- Preliminary Unaudited Report NRHS Fund Investments as of 12/31/18
- NRHS Membership On-Board Report October 2018

As a reminder we ask all officers and directors to please bring copies of these reports with you to the meetings.

The 2017 audits and IRS form 990's have been completed for both the NRHS and the NRHS Fund. The 990's have been filed with the IRS. The external auditor's reports from CPA firm RKL have been completed for both the Society and the Fund. There were no reported problems or issues in the audits which the NRHS or the Fund needed to address. The audit reports and form 990's are available for inspection in the Administrative section of our website at www.nrhs.com.

The outside independent 2018 audits for the NRHS and the NRHS Fund have started. Our auditors will again be RKL. We are starting the process of providing data to them.

Membership renewals have been strong for 2019. Our dues collection has reached 80% of the budget. We are in the process of sending out the dues renewal reminder letters to those members who have not yet renewed in hopes that they too will rejoin for 2019.

Questions regarding any of the financial reports for the NRHS should be directed to the NRHS Treasurer or the NRHS Comptroller. Questions regarding the NRHS Fund's financial reports should be directed to the NRHS Fund President or Comptroller.

Thank you for your continued support of the National Railway Historical Society. You make the difference.

Bob Bitzer
NRHS Treasurer

Preliminary Unaudited Report: NRHS Income/Expense

	2017	2018			
	Actual Audited	Actual Unaudited	Budget	\$ Over Budget Unaudited	% of Budget Unaudited
Income					
4100 · Current Year Dues	221,030	221,680	210,000	11,680	6%
4110 · Prior Year(s)' Dues	350	150	0		
4120 · Affiliate Dues	250	250	0		
4200 · Interest and Dividends	262	829	1,000	-171	-17%
4300 · Sales	3,648	4,673	3,000	1,673	56%
4400 · Convention	114,570	101,955	100,000	1,955	2%
4450 · RailCamp	45,440	47,140	45,500	1,640	4%
4600 · Other Events	418	0	0		
4800 · Unrestricted Donations	221,929	77,437	25,500	51,937	204%
4900 · Restricted Donations					
4910 · Library	0	210			
4911 · Film/Video Library	95	460			
4920 · Grants	3,504	7,546			
4930 · Railcamp	1,727	6,553			
4990 · Other Restricted Donations	3,017	0			
Total 4900 · Restricted Donations	8,343	14,769	20,000	-5,231	-26%
4999 · Other Income	0	458	0	458	
Total Income	616,239	469,340	405,000	64,340	16%
Expense					
5100 · Convention	93,520	88,861	90,000	-1,139	-1%
5200 · NRHS Bulletin	63,793	91,625	90,000	1,625	2%
5300 · NRHS News	20,409	20,173	22,000	-1,827	-8%
5350 · Misc. Publication	1,200	1,209	3,000	-1,791	-60%
5400 · Membership Records	19,538	14,981	20,000	-5,019	-25%
5600 · Meetings & Travel	19,153	7,883	13,000	-5,117	-39%
5800 · Admin. Office	3,713	5,935	5,000	935	19%
5950 · Financial Fees	3,199	1,366	5,000	-3,634	-73%
6000 · Corporate	3,469	8,509	7,600	909	12%
6050 · Accounting	20,968	23,343	25,000	-1,657	-7%
6060 · Legal Fees	15,989	17,023	14,000	3,023	22%
6090 · Insurance	7,590	5,346	8,000	-2,654	-33%
6150 · Advertising	0	660	1,000	-340	-34%
6300 · Fund Raising	1,125	1,095	1,200	-105	-9%
6400 · Sales	2,379	4,422	2,500	1,922	77%
6500 · Services	7,173	9,846	8,000	1,846	23%
6600 · Library Operations	42	10,833	0	10,833	
6650 · Rent	14,255	8,917	15,000	-6,083	-41%
6700 · RailCamp	53,609	60,150	53,000	7,150	13%
6800 · IT Systems	0	2,028	3,700	-1,672	-45%
6900 · IT Systems Development	0	192	3,000	-2,808	-94%
9100 · Grants	20,000	21,000	15,000	6,000	40%
9200 · Donations	410,000	12,534	0	12,534	
9300 · Library Acquisitions	18,514	1,906	0	1,906	
Total Expense	799,636	419,837	405,000	14,837	4%
Net Income	-183,397	49,502	0	49,502	

Preliminary Report: NRHS Convention Financial Results

	Springdale	Rutland	Denver	Nashville	Cumberland
	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited
Income					
4400 Convention Income	166,415	274,495	116,556	114,570	101,955
Expenses					
5110 · Printing	15,215	10,060	939	660	578
5120 · Distribution	1,012	5,668	0	0	0
5125 · Association Management Support	17,434	15,834	0	0	0
5130 · Convention Staff Travel	2,899	2,496	7,335	7,151	8,399
5155 · Financial Fees	7,410	10,848	5,590	5,545	4,792
5160 · Transportation	74,499	191,000	60,730	57,006	54,479
5170 · Insurance	15,346	23,907	10,867	5,175	5,059
5180 · Supplies / Meals	31,403	22,434	19,785	11,806	11,354
5190 · Other Convention Expense	2,179	2,450	3,051	5,148	1,208
Total Expenses *	167,397	284,696	108,296	92,490	85,869
Net Income	-982	-10,201	8,657	22,080	16,086
Percent Net Income	-0.6%	-3.7%	7.4%	19.3%	15.8%

* Excludes indirect expenses including legal expenses, accounting fees, publicity expenses etc.

Preliminary Report NRHS Balance Sheet

	Dec 31, 18 Unaudited	Dec 31, 17 Audited	\$ Change Audited
ASSETS			
1000 · Cash Accounts	298,959	181,091	117,868
1183 · Three Month Tbills	25,000	0	25,000
1200 · Inventory	15,088	11,799	3,289
1300 · Prepaid Expenses	1,609	2,259	-650
1462 · NRHS Fund Receivable	0	40,093	-40,093
1499 · Undeposited Funds	0	31,419	-31,419
1600 · Historical Items	14,940	14,940	0
1900 · Info Systems	3,233	0	3,233
TOTAL ASSETS	358,829	281,601	77,228
LIABILITIES & EQUITY			
Liabilities			
1400 · Accounts Payable	6,051	8,782	-2,732
2210 · Prepaid Dues	124,331	90,609	33,722
2300 · Unpublished Bulletins	30,606	25,871	4,735
2950 · Litigation Settlement	64,000	72,000	-8,000
Total Liabilities	224,987	197,262	27,725
Equity			
3100 · Unrestricted Assets	119,662	83,026	36,636
3200 · Temporarily Restricted Assets			
3211 · Film & Video Library	460	95	365
3220 · Grants	5,281	911	4,370
3240 · RailCamp	8,439	273	8,166
3250 · Educational Program	0	34	-34
Total 3200 · Temporarily Restricted Assets	14,180	1,313	12,867
TOTAL LIABILITIES & EQUITY	358,829	281,601	77,228

Preliminary Report NRHS Fund Income and Expense

	2014 Audited	2015 Audited	2016 Audited	2017 Audited	2018 Unaudited	TOTAL Unaudited
Income						
4200 · Interest and Dividends	5	2	3	1,158	12,513	13,681
4530 · Unrealized Gains and Losses	0	0	0	2,523	-26,905	-24,382
4560 · Realized Capital Gains	0	0	0	0	-691	-691
4800 · Unrestricted Donations	7,620	9,869	2,887	67,102	26,614	114,092
4900 · Restricted Donations						
4910 · Library	0	55	125	50	0	230
4911 · Film and Video Library	20,000	0	5,000	9,110	8,107	42,217
4920 · Grants to by issued by NRHS	0	1,810	2,676	18,429	96,129	119,043
4940 · RailCamp	0	208	2,309	48,595	1,548	52,660
4950 · Educational Program	0	0	200	27,300	1,000	28,500
4990 · Other Restricted Donations	200	0	1,200	286,250	0	287,650
Total 4900 · Restricted Donations	20,200	2,073	11,510	389,734	106,784	530,300
Total Income	27,825	11,944	14,400	460,517	118,315	633,001
Expense						
5600 · Travel and Meetings	0	0	0	1,887	146	2,033
5700 · Office Expenses	0	73	0	348	388	809
5950 · Financial Fees	346	306	744	1,215	1,025	3,636
5990 · Interest Expense	6	0	0	0	0	6
6050 · Accounting Fees	0	7,570	9,825	9,933	12,421	39,749
6060 · Legal Fees	7,474	293	4,931	3,855	2,386	18,939
6300 · Fundraising Fees	31,846	0	1,295	0	0	33,140
6500 · Restricted Funds Usage	8,056	0	2,310	9,739	43,401	63,506
6800 · IT	0	0	0	0	330	330
8000 · Depreciation FFE	850	2,292	2,292	1,442	0	6,876
Total Expense	48,577	10,534	21,396	28,419	60,098	169,025
Net Income	-20,752	1,410	-6,997	432,097	58,217	463,976

Preliminary NRHS Fund Balance Sheet

	Dec 31, 18 Unaudited	Dec 31, 17 Audited	\$ Change Unaudited	% Change Unaudited
ASSETS				
1000 · Cash Accounts	61,818	164,600	-102,782	-62%
1500 · Investment Securities	404,948	288,837	116,111	40%
TOTAL ASSETS	466,766	453,437	13,329	3%
LIABILITIES & EQUITY				
Liabilities				
2100 · Bills paid by NRHS for Fund	0	40,093	-40,093	-100%
2110 · Bills Payable directly by Fund	120	473	-353	-75%
2400 · Restricted Funds Owed NRHS	0	7,313	-7,313	-100%
Total Liabilities	120	47,878	-47,758	-100%
Equity				
3000 · Net Assets				
3100 · Unrestricted Net Assets	6,535	17,030	-10,496	-161%
3200 · Temp. Restricted Net Assets				
3211 · Film & Video Library	21,981	13,749	8,232	60%
3220 · Grants	92,914	11,794	81,120	688%
3240 · RailCamp	31,772	49,285	-17,513	-36%
3250 · RailCamp Scholarships	27,244	27,500	-256	-1%
Total 3200 · Temp. Restricted Net Assets	173,911	102,329	71,583	70%
3300 · Perm. Restricted Net Assets	286,200	286,200	0	0%
TOTAL LIABILITIES & EQUITY	466,766	453,437	13,329	3%

Preliminary Unaudited Report:: NRHS Fund Investments as of 12/31/18

Name	Quote	Shares	Market Value	Book Value	Gain/Loss	Gain/Loss Percent	Dividend	Dividend Yield (%)	Amount Invested (%)
Mutual Funds									
DoubleLine Total Return Bond Fund Class N	10.41	1,455	15,148	15,444	-295	-1.9%		3.48	3.49
Energy Select Sector SPDR Fund	57.35	150	8,603	11,498	-2,895	-25.2%	0.53	3.39	2.69
Fidelity Select Retailing Portfolio	13.64	800.986	10,925	10,676	250	2.3%		0.17	2.44
FidelityÂ® International Capital Appreciation Fund	17.83	517.71	9,231	10,860	-1,629	-15.0%		0.46	2.48
FidelityÂ® Small Cap Growth Fund	21.2	472.028	10,007	11,794	-1,787	-15.2%		0.00	2.45
Goldman Sachs High Yield Municipal Fund Class C	9.62	2,161	20,792	20,647	146	0.7%		3.07	4.68
Ishares S&P PFD EFT	34.23	110	3,765	4,154	-389	-9.4%	0.26	6.18	0.97
Templeton Global Bond Fund Class C	11.33	1,742	19,742	20,736	-994	-4.8%		6.10	4.58
Vanguard Consumer Staples Index Fund ETF Shares	131.17	100	13,117	14,604	-1,487	-10.2%	1.04	2.75	3.42
Vanguard S&P 500 ETF	229.81	144	33,093	35,126	-2,033	-5.8%	1.29	2.04	8.22
Vanguard Telecommunication Services Index Fund ETF Shares	74.07	110	8,148	10,027	-1,879	-18.7%	0.25	2.66	2.35
Vanguard Value Index Fund Investor Shares	38.18	262.804	10,034	10,879	-845	-7.8%		2.59	2.48
Total Mutual Funds			162,605	176,442	-13,838	-7.8%			40.25
Stocks									
AT&T Inc	28.54	725	20,692	26,104	-5,412	-20.7%	0.51	6.91	6.11
Blackstone Group LP	29.81	244	7,274	7,400	-127	-1.7%	0.64	8.05	1.73
BP PLC	37.92	360	13,651	15,131	-1,480	-9.8%	0.62	6.37	3.54
Enterprise Products Partners LP	24.59	288	7,082	7,606	-524	-6.9%	0.43	6.86	1.78
Exxon Mobil Corp	68.19	131	8,933	10,083	-1,150	-11.4%	0.82	4.71	2.36
Ford Motor Co	7.65	1,325	10,136	16,549	-6,413	-38.8%	0.15	7.59	3.87
Merck & Co Inc	76.41	470	35,913	30,120	5,792	19.2%	0.55	2.91	7.05
PPL Corp	28.33	1,000	28,330	28,957	-627	-2.2%	0.41	5.83	6.77
Public Service Enterprise Group Inc	52.05	250	13,013	13,194	-181	-1.4%	0.45	3.54	3.09
Regions Financial Corp	13.38	500	6,690	9,330	-2,640	-28.3%	0.14	4.10	2.18
South Jersey Industries Inc	27.8	300	8,340	9,369	-1,029	-11.0%	0.29	4.28	2.19
Southern Co	43.92	500	21,960	22,735	-775	-3.4%	0.60	5.49	5.32
Union Pacific Corp	138.23	100	13,823	13,410	413	3.1%	0.80	2.32	3.14
Ventas Inc	58.59	200	11,718	11,967	-249	-2.1%	0.79	5.57	2.80
Verizon Communications Inc	56.22	619	34,800	33,469	1,331	4.0%	0.60	4.30	7.83
Total Stocks			242,354	255,425	-13,071	-5.1%			59.75
Totals:			404,959	431,867	-26,909	-6.2%			100.00