

10/1/2018

2019 Proposed NRHS Budget

To the Board of Directors of the National Railway Historical Society
To the Board of Trustees of the National Railway Historical Society Fund

Attached is a spreadsheet for the 2019 proposed NRHS Budget. It includes unaudited financial data for 2018 through August 31, 2018. We have provided financial projections through December 31st to be used for comparison against the 2019 budget draft. The unaudited financial summary for 2017 has been included as well.

There are six additional financial documents which are being provided both for the NRHS and the NRHS Fund. These are:

- NRHS Balance Sheet
- NRHS Budget vs. Actual
- Convention results
- NRHS Fund Balance Sheet
- NRHS Fund Income / Expenses
- NRHS Fund Investment Securities

We have also included the **draft** of the NRHS 2017 Audit Report from RKL (formerly PG &A) who serve as the auditors for the Society. This report is currently under review by NRHS and Fund management.

I would like to thank our Comptroller, Bob Heavenrich, the NRHS Officers and Service Directors for their work in putting the Budget spreadsheet together with both current and prior year data and providing budget recommendations for 2019

Based on the projections for the remainder of 2018, it is anticipated that we will end up with a positive cash flow to our net income at year end. Some of the reasons for this are the operation of a very successful convention in Cumberland, MD, and increases in dues income because of gains in new memberships and a strong renewal rate.

The 2019 Budget is a balanced one. It has been developed using conservative management of our financial resources while continuing to provide support and services to our membership, chapters and other individuals and organizations through our educational and grant programs.

The NRHS Fund has established an Investment Committee. The investment process has begun and a portfolio developed. An unaudited report of the results is attached. The NRHS continues its Treasury bill purchase program. The goals of these investments are to insure that the Society has funding for future preservation and educational programs.

Much of the complex management work of the Society continues to be performed by a small cadre of dedicated volunteers. This volunteer work force must be expanded for several reasons. The first is to assist in the management of costs to operate our non-profit educational organization, and secondly to ensure that there are volunteers being trained to continue to do the work of the Society, both now and in the future.

A recap of the budget highlights for 2019.....

Income:

1. Membership is projected to experience modest increases for 2019 with more aggressive promotion of the Society and the benefits of membership.
2. The 2018 convention in Cumberland generated a positive cash flow. The 2019 Salt Lake City UT, convention is projected to have reduced income due to less trip events being offered directly by the Society.
3. We are planning for increases in donations in 2019 using more varied fund raising methods and through bequests.

Expenses:

1. In 2019 we will continue to issue four printed NRHS Bulletins. Budget has been increased to \$115,000 based on projected costs provided by the Bulletin Editor.
2. There will be a reduction in expenses with the donation of the NRHS library which had been housed at National Library Relocaters and the closing our Philadelphia Office at DVARP.
3. The 2019 Budget worksheet also shows Non-expense cash requirements (separate from the budget) for the Litigation Settlement, Award Pin Inventory and web site development.

This budget will be presented at the Board of Director's meeting for discussion and approval at the Fall Conference in Scranton, PA on October 13, 2018. Questions can be directed to the Treasurer at treasurer@nrhs.com.

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

Bob Bitzer

NRHS Treasurer