

**National Railway Historical Society**

**Financial Statements**

**December 31, 2017 and 2016**



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NATIONAL RAILWAY HISTORICAL SOCIETY  
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## Independent Auditor's Report

To the Board of Directors  
National Railway Historical Society

We have audited the accompanying consolidated financial statements of National Railway Historical Society, which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of National Railway Historical Society as of December 31, 2017, and the results of their consolidated operations and their consolidated cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Report on Consolidating Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 14 and 15 are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

## **Other Matter**

The financial statements of National Railway Historical Society, as of and for the year ended December 31, 2016, were audited by other auditors (who have merged with RKL LLP), whose report, dated August 18, 2017, expressed an unmodified opinion on those statements.

RKL LLP

November 9, 2018  
Mechanicsburg, Pennsylvania

NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31	
	2017	2016
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 377,110	\$ 453,780
Inventory	11,799	14,835
Prepaid expenses	2,259	3,250
Total Current Assets	391,168	471,865
<b>Other Assets</b>		
Investments	288,837	-
Historical collections	14,940	14,940
Total Other Assets	303,777	14,940
Fixed Assets, Net of Accumulated Depreciation	-	1,442
<b>TOTAL ASSETS</b>	<b>\$ 694,945</b>	<b>\$ 488,247</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 9,257	\$ 6,155
Promissory note, current portion	8,000	8,000
Deferred income	90,609	140,275
Accrued expenses	25,871	20,623
Grants payable	7,313	-
Total Current Liabilities	141,050	175,053
Promissory Note, Long-term Portion	64,000	72,000
Total Liabilities	205,050	247,053
<b>Net Assets</b>		
Unrestricted	100,055	115,863
Temporarily restricted	103,640	107,932
Permanently restricted	286,200	17,399
Total Net Assets	489,895	241,194
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 694,945</b>	<b>\$ 488,247</b>

See notes to the consolidated financial statements

NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>				
Member dues	\$ 221,630	\$ -	\$ -	\$ 221,630
Emblem sales	3,648	-	-	3,648
RailCamp	28,041	17,399	-	45,440
Convention	114,570	-	-	114,570
Interest and dividends	1,420	-	-	1,420
Contributions	252,537	98,370	286,200	637,107
Net assets released from restrictions	120,061	(120,061)	-	-
Miscellaneous	17,817	-	(17,399)	418
	<u>759,724</u>	<u>(4,292)</u>	<u>268,801</u>	<u>1,024,233</u>
<b>Total Support and Revenues</b>				
<b>Expenses</b>				
Convention	87,975	-	-	87,975
Bulletin	63,793	-	-	63,793
Publication	21,609	-	-	21,609
Membership records	19,538	-	-	19,538
Office	3,713	-	-	3,713
Meeting and travel	21,040	-	-	21,040
Insurance	7,590	-	-	7,590
Bank and investment fees	9,958	-	-	9,958
Corporate	3,817	-	-	3,817
Professional fees	50,744	-	-	50,744
Fundraising	1,125	-	-	1,125
Emblem sales	2,353	-	-	2,353
RailCamp	60,922	-	-	60,922
Grants and donations	380,000	-	-	380,000
Periodical and book purchases	18,514	-	-	18,514
Depreciation	1,442	-	-	1,442
Film presentation	2,426	-	-	2,426
Other miscellaneous	21,496	-	-	21,496
	<u>778,055</u>	<u>-</u>	<u>-</u>	<u>778,055</u>
<b>Total Expenses</b>				
Net Unrealized Gain on Investments	<u>2,523</u>	<u>-</u>	<u>-</u>	<u>2,523</u>
Increase (Decrease) in Net Assets	(15,808)	(4,292)	268,801	248,701
Net Assets, Beginning of Year	<u>115,863</u>	<u>107,932</u>	<u>17,399</u>	<u>241,194</u>
Net Assets, End of Year	<u>\$ 100,055</u>	<u>\$ 103,640</u>	<u>\$ 286,200</u>	<u>\$ 489,895</u>

See notes to the consolidated financial statements

NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenues				
Member dues	\$ 246,316	\$ -	\$ -	\$ 246,316
Emblem sales	3,272	-	-	3,272
RailCamp	45,450	-	-	45,450
Convention	116,556	-	-	116,556
Interest and dividends	10	-	-	10
Contributions	76,606	23,312	-	99,918
Net assets released from restrictions	14,139	(14,139)	-	-
Miscellaneous	10	-	-	10
	<u>502,359</u>	<u>9,173</u>	<u>-</u>	<u>511,532</u>
Total Unrestricted Revenues				
Expenses				
Convention	105,587	-	-	105,587
Bulletin	45,028	-	-	45,028
Publication	17,053	-	-	17,053
Membership records	14,609	-	-	14,609
Office	3,347	-	-	3,347
Meeting and travel	4,267	-	-	4,267
Insurance	7,136	-	-	7,136
Bank and investment fees	24,885	-	-	24,885
Corporate	4,880	-	-	4,880
Professional fees	58,322	-	-	58,322
Advertising	824	-	-	824
Fundraising	1,295	-	-	1,295
Emblem sales	2,074	-	-	2,074
RailCamp	53,382	-	-	53,382
Grants and donations	35,000	-	-	35,000
Periodical and book purchases	700	-	-	700
Depreciation	2,292	-	-	2,292
Other miscellaneous	22,617	-	-	22,617
	<u>403,298</u>	<u>-</u>	<u>-</u>	<u>403,298</u>
Total Expenses				
Increase in Net Assets	99,061	9,173	-	108,234
Net Assets, Beginning of Year	<u>16,802</u>	<u>98,759</u>	<u>17,399</u>	<u>132,960</u>
Net Assets, End of Year	<u>\$ 115,863</u>	<u>\$ 107,932</u>	<u>\$ 17,399</u>	<u>\$ 241,194</u>

See notes to the consolidated financial statements

NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATED STATEMENT OF CASH FLOWS

	Years Ended December 31	
	2017	2016
Cash Flows From Operating Activities		
Change in net assets	\$ 248,701	\$ 108,234
Adjustments to reconcile changed in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(2,523)	-
Depreciation	1,442	2,292
Amortization	-	893
Change in assets and liabilities:		
(Increase) decrease in:		
Inventories	3,036	(9,733)
Prepaid expenses	991	(3,144)
Increase (decrease) in:		
Accounts payable	3,101	981
Deferred income	(49,666)	96,773
Accrued expenses	5,248	20,623
Grants payable	7,313	-
Net Cash Provided by Operating Activities	217,643	216,919
Cash Flows From Investing Activities		
Purchases of investments	(286,313)	-
Net Cash Used in Investing Activities	(286,313)	-
Cash Flows From Financing Activities		
Promissary note, net	(8,000)	(10,000)
Net Cash Used in Financing Activities	(8,000)	(10,000)
Net Increase (Decrease) in Cash	(76,670)	206,919
Cash and Cash Equivalents, Beginning of Year	453,780	246,861
Cash and Cash Equivalents, End of Year	\$ 377,110	\$ 453,780

See notes to the consolidated financial statements



NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Activities

The National Railway Historical Society, Inc. (the Society) was founded in 1935 and incorporated in Maryland in 1937. The Society is dedicated to the interpretation and preservation of railway education and history. Members of the Society receive various publications throughout the year in exchange for an annual dues payment. The Society is supported primarily through this dues payment, donor contributions and special event revenues. There are local chapters of the Society located in the United States, Canada and Japan. All local chapters of the Society are separate entities and their financial information is not included in this report. All officers and directors serve voluntarily and without remuneration.

The National Railway Historical Society Fund (the Fund) was founded in 2014. The Fund was founded for soliciting donations to support the Society, to provide funds to support the Society's train, railway and station preservation projects, and to provide funds to support the educational programs, photographic archives, events, publications, standards definitions and shared resources of the Society. All officers and trustees serve voluntarily, without remuneration and are appointed by the Society.

Summary of Significant Accounting Policies

This summary is presented to assist in understanding the Society's financial statements. The consolidated financial statements and notes are representations of the Society's management who is responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the consolidated financial statements.

*Principles of Consolidation* – The consolidated financial statements include the accounts of National Railway Historical Society, Inc. and National Railway Historical Society Fund, a controlled affiliate of the National Railway Historical Society. Intercompany balances and transactions between National Railway Historical Society, Inc. and National Railway Historical Society Fund have been eliminated in the presentation of the consolidated financial statements.

*Use of Estimates* – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Basis of Presentation* – The Society adopted the provisions of FASC 958-205, "Presentation of Financial Statements for Not-for-Profit Entities." Under FASC 958-205, 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. As permitted by the standard, the Society does not use fund accounting.

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

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

Permanently restricted net assets – Net assets subject to donor-imposed restrictions that must be maintained permanently by the Society.

NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Summary of Significant Accounting Policies (Continued)

*Contributions* – The Society also adopted the provisions of FASC 958-605, “Revenue Recognition for Not-for-Profit Entities.” Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

*Cash and Cash Equivalents* – For the purposes of the consolidated statement of cash flows, the Society considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

*Income Taxes* - The Society and the Fund are exempt from all federal and state income taxes, in accordance with Section 501(c)(3) of the Internal Revenue Code.

The Society and the Fund reviewed the impact of FASC 740-10-05 on the consolidated financial statements and has determined there are no material uncertain tax positions or unrecognized tax benefits and there is no material impact on the consolidated statement of financial position, statements of activities and changes in net assets or cash flows.

The IRS Form 990 for the years ended December 31, 2016, 2015 and 2014 remain open for an examination by the IRS.

*Fixed Assets* – Furniture, equipment and leasehold improvements are capitalized at cost. It is the Society's policy to capitalize expenditures for those items in excess of \$1,000. Lesser amounts are expensed. Furniture, equipment and improvements are being depreciated over estimated useful lives of three to ten years using a straight-line method. Expenditures for maintenance and repair of equipment are charged to expense as incurred.

*Long-Lived Assets* – Long-lived assets, other than those held for sale, are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management of the Society concluded that no impairment adjustments were required during the years ended December 31, 2017 and 2016.

*Library, Film and Art Collections* – The collections consist of film and photographs, which were acquired through purchases and contributions since the Society's inception, are not recognized as assets on the consolidated statements of financial position. Purchases of collection items are recorded as decreases in unrestricted net assets in the year in which the items are acquired or as temporarily or permanently restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not reflected on the consolidated financial statements. As of December 31, 2017 and 2016, collections consisting of historical paintings are reflected on the consolidated financial statements and valued at fair market value.

NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

1. Nature of Business and Summary of Significant Accounting Policies (Continued)

Summary of Significant Accounting Policies (Continued)

*Investments* – The Society follows FASC 958-320-05, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, in accounting for its investments. Under FASC 958-320-05, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets.

*Reclassifications* – Certain items in the 2016 consolidated financial statements have been reclassified to conform to the 2017 financial statement presentation. The reclassifications have no effect on the results of operations or the change in net assets.

*Subsequent Events* – The date to which events occurring after December 31, 2017, the date of the most recent consolidated statement of financial position, have been evaluated for possible adjustments to the consolidated financial statements or disclosure is November 9, 2018, which is the date on which the consolidated financial statements were available to be issued.

*Recent Accounting Pronouncements* - In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue From Contracts With Customers (Topic 606)*, which provides a robust framework for addressing revenue recognition issues and, upon its effective date, replaces almost all existing revenue recognition guidance. This guidance is effective for annual reporting periods beginning after December 15, 2018. The Society is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions”, and expands disclosures about the nature and amount of any donor restrictions. This guidance is effective for annual periods beginning after December 15, 2017. The Society is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

2. Disclosure of Cash Balances in Excess of Federally Insured Amounts

The Society and the Fund maintain separate cash in bank deposit accounts that, at times, may exceed federally insured limits. The Society and the Fund also each maintain a PayPal account which is uninsured. The Society and the Fund have not experienced any losses in such accounts. The Society and the Fund believe they are not exposed to any significant credit risk on cash and cash equivalents.

NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

3. Investments

The composition of investments at December 31 is set forth in the following table.

	<u>2017</u>		<u>2016</u>	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Common stock	189,113	192,169	-	-
Mutual funds	<u>97,201</u>	<u>96,668</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 286,314</u>	<u>\$ 288,837</u>	<u>\$ -</u>	<u>\$ -</u>

Investment income is comprised of the following for years ended December 31:

	<u>2017</u>	<u>2016</u>
Investment Income:		
Interest and dividend income	\$ 968	\$ -
Investment management fees	<u>(25)</u>	<u>-</u>
	<u>\$ 943</u>	<u>\$ -</u>
Other Changes in Unrestricted Net Assets:		
Unrealized gains on other than trading securities	<u>\$ 2,523</u>	<u>\$ -</u>

4. Advertising Costs

The Society expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2017 and 2016 was \$-0- and \$824, respectively.

5. Functional Expenses

Functional expenses for the years ended December 31 are as follows:

	<u>2017</u>	<u>2016</u>
Program Services	\$ 712,399	\$ 328,101
Management and General	64,531	59,146
Fundraising	<u>1,125</u>	<u>16,051</u>
	<u>\$ 778,055</u>	<u>\$ 403,298</u>

NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

6. Related Party Transactions

National Railway Historical Society Fund (the Fund) is under common ownership with National Railway Historical Society, Inc. (the Society). The Fund often borrows working capital from the Society when needed. At December 31, 2017 and 2016, the net receivable from the Fund totaled \$40,093 and \$86,834, respectively.

At the Fund's inception, the Society loaned the Fund \$50,000, bearing no interest and no term. During 2017, the Society extinguished this loan with no recourse to the Fund.

During 2017, the Society transferred assets between the two entities in the amount of \$360,000. The total transfer consists of \$46,500 temporarily restricted for the Rail Camp, \$27,300 temporarily restricted for the Educational Program, and \$286,200 permanently restricted for the archival preservation project and the purchase of investments. The transfers were recorded as donation expense for the Society and contribution income for the Fund.

7. Promissory Note

During 2014, the Society signed a promissory note as a result of a settlement of a lawsuit in the amount of \$100,000. Under the note, twelve annual payments are due through 2026 in the following amounts: \$10,000 for each of the first two years and \$8,000 thereafter. This is a non-interest bearing note.

Principal maturities for the next 5 years and in the aggregate are as follows:

2018	\$	8,000
2019		8,000
2020		8,000
2021		8,000
2022		8,000
Thereafter		<u>32,000</u>
	<u>\$</u>	<u>72,000</u>

8. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Society has the ability to access.

*Level 2* – Inputs to the valuation methodology include other significant observable inputs such as:

NATIONAL RAILWAY HISTORICAL SOCIETY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2017 AND 2016

8. Fair Value Measurements (Continued)

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

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

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as general classification of such assets and liabilities pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2017.

*Common stock* – Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions.

*Mutual funds* – Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds are deemed to be actively traded.

Assets/liabilities measured at fair value on recurring basis comprise the following at December 31:

	2017			
	Fair Value	Level 1	Level 2	Level 3
Investments				
Common stock	\$ 192,169	\$ 192,169	\$ -	\$ -
Mutual funds	96,668	96,668	-	-
Total	\$ 288,837	\$ 288,837	\$ -	\$ -

**CONSOLIDATING INFORMATION**

NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017  
(See Independent Auditor's Report)

ASSETS

	Society	Fund	Eliminations	Consolidated Total
<b>Current Assets</b>				
Cash and cash equivalents	\$ 212,510	\$ 164,600	\$ -	\$ 377,110
Accounts receivable	40,093	-	(40,093)	-
Inventory	11,799	-	-	11,799
Prepaid expenses	2,259	-	-	2,259
Total Current Assets	266,661	164,600	(40,093)	391,168
<b>Other Assets</b>				
Investments	-	288,837	-	288,837
Historical collections	14,940	-	-	14,940
Total Other Assets	14,940	288,837	-	303,777
<b>TOTAL ASSETS</b>	\$ 281,601	\$ 453,437	\$ (40,093)	\$ 694,945

LIABILITIES AND NET ASSETS

	Society	Fund	Eliminations	Consolidated Total
<b>Current Liabilities</b>				
Accounts payable	\$ 8,785	\$ 40,565	\$ (40,093)	\$ 9,257
Promissory note, current portion	8,000	-	-	8,000
Deferred income	90,609	-	-	90,609
Accrued expenses	25,871	-	-	25,871
Grants payable	-	7,313	-	7,313
Total Current Liabilities	133,265	47,878	(40,093)	141,050
Promissory note, long-term portion	64,000	-	-	64,000
Total Liabilities	197,265	-	-	205,050
<b>Net Assets</b>				
Unrestricted	83,025	17,030	-	100,055
Temporarily restricted	1,311	102,329	-	103,640
Permanently restricted	-	286,200	-	286,200
Total Net Assets	84,336	405,559	-	489,895
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 281,601	\$ 453,437	\$ (40,093)	\$ 694,945



NATIONAL RAILWAY HISTORICAL SOCIETY  
CONSOLIDATING STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2017  
(See Independent Auditor's Report)

	<u>Society</u>	<u>Fund</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>Support and Revenues</b>				
Member dues	\$ 221,630	\$ -	\$ -	\$ 221,630
Emblem sales	3,648	-	-	3,648
RailCamp	45,440	-	-	45,440
Convention	114,570	-	-	114,570
Interest and dividends	262	1,158	-	1,420
Contributions	230,271	406,836	(360,000)	277,107
Miscellaneous	418	-	-	418
	<u>616,239</u>	<u>407,994</u>	<u>(360,000)</u>	<u>664,233</u>
<b>Expenses</b>				
Convention	87,975	-	-	87,975
Bulletin	63,793	-	-	63,793
Publication	21,609	-	-	21,609
Membership records	19,538	-	-	19,538
Office	3,713	-	-	3,713
Meeting and travel	19,153	1,887	-	21,040
Insurance	7,590	-	-	7,590
Bank and investment fees	8,743	1,215	-	9,958
Corporate	3,469	348	-	3,817
Professional fees	36,957	13,787	-	50,744
Fundraising	1,125	-	-	1,125
Emblem sales	2,353	-	-	2,353
RailCamp	53,609	7,313	-	60,922
Grants and donations	380,000	-	(360,000)	20,000
Periodical and book purchases	18,514	-	-	18,514
Depreciation	-	1,442	-	1,442
Film presentation	-	2,426	-	2,426
Other miscellaneous	21,496	-	-	21,496
	<u>749,637</u>	<u>28,418</u>	<u>(360,000)</u>	<u>418,055</u>
<b>Income (Loss) Before Extinguishment of Debt</b>				
	<u>(133,398)</u>	<u>379,576</u>	<u>-</u>	<u>246,178</u>
Gain on Extinguishment of Debt (Note 6)	-	50,000	(50,000)	-
Loss on Extinguishment of Loan (Note 6)	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net Unrealized Gain on Investments	<u>-</u>	<u>2,523</u>	<u>-</u>	<u>2,523</u>
Increase (Decrease) in Net Assets	(183,398)	432,099	-	248,701
Net Assets, Beginning of Year	<u>267,734</u>	<u>(26,540)</u>	<u>-</u>	<u>241,194</u>
Net Assets, End of Year	<u>\$ 84,336</u>	<u>\$ 405,559</u>	<u>\$ -</u>	<u>\$ 489,895</u>