

10/11/2017

2018 Proposed NRHS Budget

To the Board of Directors of the National Railway Historical Society:

Attached is a spreadsheet for the 2018 proposed NRHS Budget. It includes unaudited financial data for 2017, with projections through December 31st to be used for comparison against the 2018 budget draft. The audited financial summary for 2016 has been included as well.

In addition to the budget proposals, there are five 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

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 most importantly providing budget recommendations for 2018

Based on the projections for the remainder of 2017, it is anticipated that we will end up with a positive cash flow to our net income at year end. The primary reasons for these increases were due to two large bequests totaling in excess of \$200,000.00 which were made to the Society, and the operation of a very successful convention in Nashville, TN

The 2018 Budget has been developed using conservative management of our financial resources while continuing to provide support and expanded services to our membership, chapters and other individuals and organizations through our educational and grant programs. It is a balanced budget.

We are expanding our long range financial planning efforts. The Society has been working with the NRHS Fund to establish an Investment Committee. This process has begun and should be functional by year end. The NRHS has also established a Treasury bill investment 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 reduction 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 2018.....

Income:

1. Membership is projected to decline. This has become a very disturbing trend. We have reduced our dues income for 2018. The NRHS must develop strategies to both preserve its existing membership as well as increase its membership base in 2018.

2. The 2017 convention in Nashville, TN generated a positive cash flow. Smaller more conservative conventions with shorter schedules and a varied mix of activities are the business model the Society will be using again for the 2018 convention in Cumberland, MD. 2018 convention income is projected at a conservative \$10,000.
3. We are planning for some decreases in donations in 2018. However, both the Society and the Fund are exploring new methods of fund raising.

Expenses:

1. In 2018 we plan to issue four printed NRHS Bulletins. Budget has been increased to \$90,000 based on projected costs provided by the Bulletin Editor.
2. 2018 will have election expenses.
3. The 2018 Budget worksheet also shows Non-expense cash requirements (separate from the budget) for the Litigation Settlement, Award Pin Inventory and Administrative expenses for the NRHS Fund.
4. We also have provided our Restricted Fund balances both in the NRHS and the NRHS Fund.

This budget will be presented at the Board of Director's meeting for discussion and approval at the Fall Conference in Kansas City, MO on Saturday, October 21, 2017. 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