

August 3, 2009

The National Convention Committee
National Railway Historical Society (NRHS)

Ladies and Gentlemen of the Committee:

As requested, we have audited and reviewed the financial activity and financial report associated with respect to the "Lone Star Rails 2008" NRHS Convention ("Convention") operated by the North Texas Chapter, NRHS ("Organization") in Ft. Worth, TX.

Our responsibility is to express an opinion on the financial statement based on our review and audit of the activity related to the Convention.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. The Organization is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included limited consideration of internal controls as a basis for determining audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the Organization's internal controls. Accordingly, we express no such opinion on those controls.

An audit also includes examining, on a test basis, evidence supporting the amounts of income and expense included in the statement. An audit also includes assessing the accounting principles used as well as evaluating the overall financial statement presentation. We believe that our audit and review work provides a reasonable basis for our opinion.

In our opinion, it appears, the financial statement presents fairly, in all material respects, the results of the Convention in conformity with generally accepted accounting principles.

Should there be any additional questions or if we can be of additional assistance, please feel free to contact us.

Respectfully submitted,

/s/

Roy J. Wullich II, CPA
3770 Flora Vista Ave. #404
Santa Clara, CA 95051-4348

/s/

Edward F. Graham
316 Innisfree Circle
Daly City, CA 94015-4358

Income

Cab Rides	720.00
Interest Income	424.22
Pre-Registration	12,234.00
Railroadiana Show	925.00
Registration	1,670.00
Souvenir Sales	4,559.00
Trips and Tours	214,619.75
Video Sales	410.00
Total Income	235,561.97

Expense

Advertising	225.00
Bus Expense	16,283.01
Bus Parking Permit	50.00
Cash	100.00
Chapter Dues	99.00
Convention Bag Expense	1,272.43
credit card fees	4,432.83
Donation	2,700.00
Food and Beverage	40,777.55
Gift	730.41
Insurance	1,044.00
Interest Expense	165.00
Liability Insurance	1,259.59
Logo Design	100.00
Meals	164.12
Office	1,467.75
Postage	1,072.94
Print Expense	891.96
Printing & Reproduction	7,059.09
Railcar Leasing	47,949.20
Railroadiana Show Expense	33.03
Refund	7,050.00
Rental	4,936.51
Returned Check	874.00
Returned Check Fee	3.50
Sales Tax	730.41
Security	4,095.00
shipping	162.42
Souvenir expense	6,327.29
T-Shirt	791.84
Tee Shirt Logo Fee	50.00
Telephone	489.59
Travel	5,499.35
Trips and Events	17,880.58
Volunteer Dinner	3,197.62
Total Expense	179,965.02

Net Income	55,596.95
------------	-----------

Lone Star Rails 2008 National NRHS Convention
North Texas Chapter, NRHS
Final Income Statement and Summary of Shared Net Income

Income		
Interest Income	\$424.22	
Pre-Registration	12,234.00	
Registration	1,670.00	
Trips and Tours	<u>214,619.70</u>	
Total Income		228,947.92
Expenses		
Advertising	225.00	
Bus Expense	16,283.01	
Bus Parking Permit	50.00	
Cash (petty cash paid)	100.00	
Convention Bag Expense	1,272.43	
Credit card fees	4,432.83	
Donation	2,700.00	
Food and Beverage	40,777.56	
Insurance	1,044.00	
Interest Expense	165.00	
Liability Insurance	1,259.59	
Logo Design	100.00	
Meals	164.12	
Office	1,467.75	
Postage	1,072.94	
Print Expense	891.96	
Printing & Reproduction	7,059.09	
Railcar Leasing	47,949.20	
Refunds	7,050.00	
Rental	4,936.51	
Returned Check	874.00	
Returned Check Fee	3.50	
Security	4,095.00	
Shipping	162.42	
T-Shirt	791.84	
Tee Shirt Logo Fee	50.00	
Telephone	489.59	
Travel	5,499.35	
Trips and Events	<u>17,880.58</u>	
Total Expenses:		<u>168,847.27</u>
Net Income		<u><u>\$60,100.65</u></u>
Allocation of Net Income		
First \$10,000		
NRHS - National	\$5,000.00	
NRHS - North Texas Chapter	5,000.00	
Remainder (\$50,100.65)		
NRHS - National (20%)	10,020.13	
NRHS - North Texas Chapter (80%)	<u>40,080.52</u>	
		<u><u>\$60,100.65</u></u>
Totals By Organization		
NRHS - National	\$15,020.13	
NRHS - North Texas Chapter	<u>45,080.52</u>	
		<u><u>\$60,100.65</u></u>