

National Model Railroad Association[®], Inc.

Financial Statements

For the Fiscal Year Ended December 31, 2008

Tom Draper - HLM, DSA

NMRA Treasurer

National Model Railroad Association, Inc.
Statement of Financial Position
December 31, 2008

Assets

Cash and Cash Equivalents (Note 1)	\$182,507
Investments at Market (Note 2)	121,226
Building, Equipment and Land Net of Accumulated Depreciation (Note 3)	691,300
Accounts Receivable (Note 4)	0
Prepaid Expense (Note 5)	1,146
Inventory	<u>186,011</u>
Total Assets	<u>1,182,189</u>

Liabilities and Fund Balances

Current Liabilities

Unearned Income (Dues Paid In Advance)	84,964
Income Tax Payable	4,819
Accounts Payable (Note 6)	<u>1,303</u>
Total Current Liabilities	91,086

Fund Balances

Permanently Restricted Funds (Note 7)	120,595
Temporarily Restricted Funds (Note 8)	952,446
Unrestricted Funds	<u>18,062</u>
Total Fund Balances	<u>1,091,103</u>

Total Liabilities and Fund Balances	<u>1,182,189</u>
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The accompanying notes are an integral part of these financial statements

National Model Railroad Association, Inc.
Statement of Activities
for the Fiscal Year Ended December 31, 2008

Income

Dues Income	
Member Dues	\$447,907
Rail Pass Dues	1,782
Family Dues	4,202
Student Dues	876
Sustaining Dues	6,542
Life Dues	65,677
Corporate Dues	<u>1,508</u>
Total Dues Income	528,494
Scale Rails Subscriptions Income	
Member Subscriptions	178,609
Rail Pass Subscriptions	6,908
Student Subscriptions	1,474
Sustaining Subscriptions	1,325
Life Subscriptions	27,715
Corporate Subscriptions	<u>73</u>
Total Scale Rails Subscriptions Income	<u>216,104</u>
Total Dues & Scale Rails Subscriptions Income	744,598
Other Income	
Temporarily Restricted Funds Closeout	26,430
Non Dues Programs	<u>1,063,717</u>
Total Other Income	<u>1,090,148</u>
Total Income	1,834,746

Expenses

Non Dues Programs	748,321
Region Rebates	33,543
President	26,550
Vice President	1,244
Secretary	1,504
Treasurer	11,504
Meetings	55,180
Meetings and Train Shows Department	21,321
Development Department	1,333
Publications Department	466,719
Education Department	8,209
MAP Department	4,373
Membership Services & Promotion Department	3,158
Standards & Conformance Department	8,404
Administration	362,270
Library	126,981
Depreciation	<u>26,344</u>
Total Expenses	<u>1,906,958</u>

Net Income/(Loss) **(72,212)**

National Model Railroad Association, Inc.
Comparison of Statement of Financial Positions 12-31-08 to 12-31-07
December 31, 2008

<u>Assets</u>	<u>12/31/08</u>	<u>12/31/07</u>	<u>Difference</u>
Cash & Cash Equivalents (Note 1)	\$182,507	\$249,473	(\$66,966)
Investments at Market (Note 2)	121,226	269,040	(147,814)
Building, Equipment and Land Net of Accumulated Depreciation (Note 3)	691,300	717,644	(26,344)
Accounts Receivable (Note 4)	0	0	0
Prepaid Expense (Note 5)	1,146	633	513
Inventory	<u>186,011</u>	<u>179,090</u>	<u>6,921</u>
Total Assets	<u>1,182,189</u>	<u>1,415,880</u>	<u>(233,691)</u>
 <u>Liabilities and Fund Balances</u>			
<u>Current Liabilities</u>			
Unearned Income (Dues Paid In Advance)	84,964	94,529	(9,565)
Income Tax Payable	4,819	11,161	(6,342)
Accounts Payable (Note 6)	<u>1,303</u>	<u>3,863</u>	<u>(2,560)</u>
Total Current Liabilities	91,086	109,553	(18,467)
 <u>Fund Balances</u>			
Permanently Restricted Funds (Note 7)	120,595	120,719	(124)
Temporarily Restricted Funds (Note 8)	952,446	1,095,334	(142,888)
Unrestricted Funds	<u>18,062</u>	<u>90,274</u>	<u>(72,212)</u>
Total Fund Balances	<u>1,091,103</u>	<u>1,306,327</u>	<u>(215,224)</u>
Total Liabilities and Fund Balances	<u>1,182,189</u>	<u>1,415,880</u>	<u>(233,691)</u>

The accompanying notes are an integral part of these financial statements

National Model Railroad Association, Inc.
Financial Report Notes
December 31, 2008

Note 1 - Cash and Cash Equivalents			
Account	12/31/08	12/31/07	Difference
Regular Checking Account	29,382	61,585	(32,203)
Operations Checking Account	7,257	638	6,619
Payroll Checking Account	804	978	(175)
Howell Day Museum Checking Account	14,010	17,563	(3,553)
Headquarters Postage Account	4	453	(449)
NTS (Train Show) Checking Account	83,756	74,095	9,661
NMRC (National Convention) Checking Account	31,943	73,458	(41,515)
NMRA Investments Money Market Account	5,173	10,685	(5,512)
Museum Investments Money Market Account	4,396	4,359	37
NTS Investments Money Market Account	<u>5,783</u>	<u>5,659</u>	<u>124</u>
Total Cash and Cash Equivalents	182,507	249,473	(66,966)

Note 2 - Investments at Market			
Account	12/31/08	12/31/07	Difference
NMRA	64,037	215,243	(151,206)
Howell Day Museum	<u>57,189</u>	<u>53,797</u>	<u>3,392</u>
Total Investments at Market	121,226	269,040	(147,814)

Note 3 - Building, Equipment and Land Net of Accumulated Depreciation			
Account	12/31/08	12/31/07	Difference
Building	1,102,642	1,102,642	(0)
Equipment	241,254	241,254	(0)
Land	40,000	40,000	0
Less accumulated Depreciation	<u>(692,596)</u>	<u>(666,252)</u>	<u>(26,344)</u>
Total Building, Equipment and Land Net of Depreciation	691,300	717,644	(26,344)

Note 4 - Accounts Receivable			
Account	12/31/08	12/31/07	Difference
	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Accounts Receivable	0	0	0

Note 5 - Prepaid Expense			
Account	12/31/08	12/31/07	Difference
2009 Expenses - Brestel	280	633	(353)
2009 Expenses - Voss	<u>866</u>	<u>0</u>	<u>866</u>
Total Prepaid Expense	1,146	633	513

National Model Railroad Association, Inc.
Financial Report Notes
December 31, 2008

Note 6 - Accounts Payable			
Account	12/31/08	12/31/07	Difference
Winchester Communications	0	500	(500)
403b Payable	0	1,195	(1,195)
Postage Meter Payable	0	2,021	(2,021)
Sales Tax Payable	<u>1,303</u>	<u>147</u>	<u>1,156</u>
Total Accounts Payable	1,303	3,863	(2,560)

Note 7 - Permanently Restricted Funds			
Account	12/31/08	12/31/07	Difference
Howell Day Museum Fund	75,595	75,719	(124)
Heart of America Fund	<u>45,000</u>	<u>45,000</u>	<u>0</u>
Total Permanently Restricted Funds	120,595	120,719	(124)

Note 8 - Temporarily Restricted Funds			
Account	12/31/08	12/31/07	Difference
NTS (National Train Show) Fund	89,539	79,755	9,784
NMRC (National Convention) Fund	31,943	73,458	(41,515)
Life Fund	811,644	896,342	(84,698)
Gift Annuity Fund	0	10,150	(10,150)
Colburn Book Publication Fund	0	16,280	(16,280)
Promotion Booth Fund	455	0	455
Pacesetters Fund	18,865	18,865	0
DCC Testing Platform Fund	<u>0</u>	<u>484</u>	<u>(484)</u>
Total Temporarily Restricted Funds	952,446	1,095,334	(142,889)

National Model Railroad Association, Inc.
Statement of Cash Flows from Operating Activities
For the Fiscal Year Ended December 31, 2008

Decrease in Net Assets	(\$215,224)
Adjustments to reconcile change in Net Assets to Net Cash used by operating activities:	
Depreciation and Amorization	26,344
Plus: Decreases in Current Assets and Increases in Current Liabilities	
Decrease in Accounts Receivable	
Increase in Inventory	(6,920)
Increase in Accounts Payable	
Increase in Income Tax Payable	
Increase in Unearned Income	
Less: Increases in Current Assets and Decreases in Current Liabilities	
Increase in Accounts Receivable	
Increase in Prepaid Expense	(513)
Decrease in Accounts Payable	(2,560)
Decrease in Income Tax Payable	(6,342)
Decrease in Unearned Income	(9,565)
Net Cash from Operating Activities	(214,780)
Cash Flows from Investing Activities	
Net Cash from (used in) Investing Activities	<u>147,814</u>
Net Cash from Investing Activities	147,814
Cash Flows from Financing Activities	
Payment of Notes Payable	
Net Cash from Financing Activities	0
Net Increase/(Decrease) in Cash and Cash Equivalents	(66,966)
Cash and Cash Equivalents on 12-31-07	249,473
Cash and Cash Equivalents on 12-31-08	182,507

National Model Railroad Association, Inc.
NMRA Investments Portfolio
for the Fiscal Year Ended December 31, 2008

RBC Dain Rauscher NMRA Money Market Account

Beginning Balance (1-1-08)		\$10,685
<u>Income</u>		
Sales Proceeds and Redemptions	138,427	
Deposits	375	
Interest	8,611	
Dividends	165	
Securities Purchased	0	
Return of Principal	<u>21,167</u>	
Total Income		168,745
<u>Expenses</u>		
Withdrawals and Distributions	165,375	
Funds to Purchase Securities	<u>8,881</u>	
Total Expenses		<u>174,257</u>
Ending Balance (12-31-08)		5,173

RBC Dain Rauscher NMRA Investments at Market

Beginning Balance (1-1-08)		215,243
<u>Income</u>		
Securities Purchased	8,881	
Unearned Gain	<u>0</u>	
Total Income		8,881
<u>Expenses</u>		
Return of Principal	21,167	
Securities Sold or Redeemed	138,427	
Unearned Loss	<u>494</u>	
Total Expenses		<u>160,088</u>
Ending Balance (12-31-08)		64,037

National Model Railroad Association, Inc.
Museum Investments Portfolio
for the Fiscal Year Ended December 31, 2008

RBC Dain Rauscher Museum Money Market Account

Beginning Balance (1-1-08)		\$4,359
<u>Income</u>		
Sales Proceeds and Redemptions	0	
Interest	3,194	
Dividends	112	
Securities Purchased	0	
Return of Principal	<u>7,617</u>	
Total Income		10,923
<u>Expenses</u>		
Withdrawals and Distributions	0	
Taxes Withheld	0	
Funds to Purchase Securities	<u>10,886</u>	
Total Expenses		<u>10,886</u>
Ending Balance (12-31-08)		4,396

RBC Dain Rauscher Museum Investments at Market

Beginning Balance (1-1-08)		53,797
<u>Income</u>		
Securities Purchased	10,886	
Unearned Gain	<u>124</u>	
Total Income		11,009
<u>Expenses</u>		
Return of Principal	7,617	
Unearned Loss	0	
Securities Sold or Redeemed	<u>0</u>	
Total Expenses		<u>7,617</u>
Ending Balance (12-31-08)		57,189

**National Model Railroad Association, Inc.
Howell Day Museum Fund - Funding Analysis
Inception to Date
as of December 31, 2008**

Income

Howell Day Donations	\$371,500	
Museum Cars	10,088	
Elliott Collection	3,519	
Other Donations	<u>30,886</u>	
Total Donations		415,993
FTB Checking Interest Earned	864	
Investment Gains/(Loss)	<u>19,974</u>	
Total Other		<u>20,838</u>
Total Income		436,831

Expenses

Withdrawals	29,094	
Expenses to date	<u>332,142</u>	
Total Expenses		<u>361,236</u>
Fund Balance		75,595

Funding in Museum Accounts

FTB Museum Checking Acct	14,010	
Investments (Money Market Account)	4,396	
Investments (at Market)	<u>57,189</u>	
Total Accounts Balance		<u>75,595</u>

National Model Railroad Association, Inc.
Howell Day Museum Fund
Statement of Activities
For the Fiscal Year Ended December 31, 2008

Income

Howell Day Donations	\$0	
Development Donations	524	
Elliot Collection	0	
Surplus Item Sales	8,752	
Museum Cars	0	
Other Donations	<u>0</u>	
Total Donations		9,276
FTB Checking Interest Earned	54	
Investment Gains/(Loss)	<u>3,429</u>	
Total Other		<u>3,483</u>
Total Income		12,759

Expenses

Postage	15	
Shipping	7	
Utilities	0	
Security	201	
Insurance	6,849	
Taxes	374	
Trademarks	0	
Elliot Estate	0	
Museum Committee Meetings	437	
HDM Car Refunds	0	
Rent	0	
Consultant	0	
Bulline Cars	5,000	
Other	<u>0</u>	
Total Expenses		<u>12,883</u>
Net		(124)

National Model Railroad Association, Inc.
Detailed Statement of Income Activities
for the Fiscal Year Ended December 31, 2008

Income

Dues Income

Member Dues	\$447,907
Rail Pass Dues	1,782
Family Dues	4,202
Student Dues	876
Sustaining Dues	6,542
Life Dues	65,677
Corporate Dues	<u>1,508</u>
Total Dues Income	528,494

Scale Rails Subscriptions Income

Member Subscriptions	178,609
Rail Pass Subscriptions	6,908
Student Subscriptions	1,474
Sustaining Subscriptions	1,325
Life Subscriptions	27,715
Corporate Subscriptions	<u>73</u>
Total Scale Rails Subscriptions Income	<u>216,104</u>

Total Dues & Scale Rails Subscriptions Income 744,598

Other Income

Temporarily Restricted Funds Closeout 26,430

Non Dues Programs

Gauges & Collectables	57,016
Calendar	51,206
Labels	42,623
MWTM	0
Heritage Cars	14,115
Living Legends Cars	4,917
Advertising (Scale Rails)	134,433
Book Publications	48,658
Residual Clinic & Symposium Books	2,504
2008 Clinic Book	2,066
Other Income Activity	552
Databook	0
InfoPak	195
Library Income Activity	18,655
Detroit Convention & Train Show	0
Anaheim Convention	312,691
Anaheim Train Show	281,421
General Donations & Other Admin	15,461
70th Anniversary Car	623
Development Income Activity	76,580
Matching Grant Program (Chait/Freytag)	0
Donations to Matching Program	0
C & I Inspection Fees	0
Museum Rental	<u>0</u>

Total Non Dues Programs 1,063,717

Total Other Income 1,090,147

Total Income 1,834,746

National Model Railroad Association, Inc.
Detailed Statement of Expense and Net Activities
for the Fiscal Year Ended December 31, 2008

Expenses

Other Expenses

Non Dues Programs

Gauges & Collectables	18,894
Calendar	24,749
Labels	5,513
MWTM	313
Heritage Cars	11,944
Living Legends Cars	2,669
Advertising (Scale Rails)	52,403
Book Publications	33,217
Residual Clinic & Symposium Books	1,170
2007 Clinic Book	298
Other Income Activity	250
Databook	0
InfoPak	25
Library Income Activity	0
Detroit Covention & Trade Show	0
Anaheim Convention	299,195
Anaheim Train Show	297,066
General Donations & Other Admin	0
70th Anniversary Car	615
Development Income Activity	0
Matching Grant Program (Chait/Freytag)	0
Donations to Matching Program	0
C & I Inspection Fees	0
Museum Rental	<u>0</u>

Total Non Dues Programs 748,321

Region Rebates 33,543

Department Expenses

President	26,550
Vice President	1,244
Secretary	1,504
Treasurer	11,504
Meetings	55,180
Meetings and Train Shows Department	21,321
Development Department	1,333
Publications Department	466,719
Education Department	8,209
MAP Department	4,373
Membership Services & Promotion	3,158
Standards & Conformance	8,404
Administration	362,270
Library	<u>126,981</u>

Total Department Expenses 1,098,750

Depreciation 26,344

Total Expenses 1,906,958

Net Income/(Loss) (72,212)

National Model Railroad Association, Inc.
Other Income Programs
For the Fiscal Year Ended December 31, 2008

	<u>Gross Income</u>	<u>Gross Expenses</u>	<u>Net Income</u>
Non Dues Programs			
Gauges & Collectibles	57,016	18,894	38,121
Calendar	51,206	24,749	26,457
Labels	42,623	5,513	37,110
MWTM	0	313	(313)
Heritage Cars	14,115	11,944	2,172
Living Legends Cars	4,917	2,669	2,248
Advertising (Scale Rails)	134,433	52,403	82,031
Book Publications	48,658	33,217	15,441
Residual Clinic & Symposium Books	2,504	1,170	1,335
2008 Clinic Book	2,066	298	1,767
Other Income Activity	552	250	302
Databook	0	0	0
InfoPak	195	25	171
Library Income Activity	18,655	0	18,655
Detroit Convention & Train Show	0	0	0
Anaheim Convention	312,691	299,195	13,496
Anaheim Train Show	281,421	297,066	(15,645)
General Donations & Other Admin	15,461	0	15,461
70th Anniversary Car	623	615	8
Development Income Activity	76,580	0	76,580
Matching Grant Program (Chait/Freytag)	0	0	0
Donations to Matching Program	0	0	0
C & I Inspection Fees	0	0	0
Museum Rental	<u>0</u>	<u>0</u>	<u>0</u>
Total Non Dues Programs	1,063,717	748,321	315,396