

# NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION

## Report of Audit Committee For the Year ended December 31, 2010

TO THE BOARD OF DIRECTORS OF NPRHA:

Philip Beach and Dave Hillard are the members of the NPRHA Audit Committee (“the committee,” or “we”).

In general, an audit is an evaluation of an organization, including systems and processes, as well as an independent assessment of the fairness by which an organization's financial statements are presented. Audits are performed to ascertain the validity and reliability of information, and to provide an assessment of the organization's system of internal control. The goal of an audit is to express an opinion on an organization based on work done on a test basis.

We performed procedures considered necessary and appropriate to accomplish the above objectives. The scope of our work was on transactions of NPRHA (“the association”) and the NPRHA Company Store (“the store”) for the period beginning January 1, 2010 and ending December 31, 2010. In some instances transactions subsequent to 2010 were examined. In addition, we provided guidance and assistance to the Treasurer to make corrections and adjustments where considered necessary and appropriate.

Based on the audit work performed, in our opinion, the accompanying Financial Statements fairly present the financial condition and the results of operations of the association and the store in all material respects. Testing performed found no material control weaknesses.

Our findings and recommendations are summarized below.

### Accounting Controls and Procedures

Ken Vogel has been the association's Treasurer since 2009. We thank Ken for his assistance in our work, and acknowledge the many improvements Ken has made to the accounting systems and procedures during his tenure.

NPRHA accounting records are maintained on a computerized system using QuickBooks software.

The NPRHA Board of Directors has issued a Policy on Financial Procedures regarding bank and investment accounts. Board minutes include authorization of disbursements for capital

equipment purchases and certain donations. The Committee was informed that there are no formal policies regarding authorization of disbursements for day-to-day operations.

The financial statements of the association and store are attached to this report and will be discussed separately.

### The Association

#### Cash

As noted in our 2009 report, in addition to the Operating account at Wells Fargo Bank, and the investment accounts at Fargo State Bank, the association maintains seven checking, savings or investment accounts with several different financial institutions in the Puget Sound region. The accounts earn interest at various rates and, in the case of certificates of deposit, have various renewal dates. **We are aware that one account was closed in 2011, but encourage further consolidation of the various accounts so that interest earned is maximized, and management of renewals, accounting, etc. is simplified.**

#### Results of Operations

We believe the attached Profit and Loss Statement of the association accurately presents the revenues and expenditures of the association for fiscal 2010. However, we believe that the following analysis will assist the Board in evaluating the results of operations for the year and the adequacy of current dues levels.

Table 1 summarizes the financial results of the 2010 convention. The convention as a whole produced a net profit, but registration and fees did not cover the cost of non-excursion and non-raffle items. **We recommend that the Board consider how to insure that conventions are self-sustaining excluding revenue from excursions and the raffle.**

Table 1  
2010 Convention Revenues and Expenditures.

	Excursion	Raffle	Convention other than Excursion and Raffle	Totals
Revenues	\$31,350.00	\$3,285.00	\$23,668.00	\$58,303.00
Expenditures	21,992.00	909.01	27,273.07	50,174.08
Net Profit	\$9,358.00	\$2,375.99	(\$3,605.07)	\$8,128.92

As reported in the attached Profit and Loss Statement, net income of the association for fiscal 2010 was \$14,443.52. This amount includes \$8,128.92 net profit from the 2010 convention.

The Winter 2010 issue of *The Mainstreeter* was not published until January 2011. As a result, 2010 operating expenses include only the cost of printing and mailing three issues. Based on the

average cost of the three issues published during 2010, we estimate that operating expenses would have increased, and net income decreased by, \$7,418.74 if the Winter issue had been published in 2010.

Operating expenses for 2010 include \$11,818.60 paid to the Pacific Northwest Railroad Archive (PNRA), including \$10,000 designated as a capital contribution. Assuming that the capital contribution is not expected to be a recurring item, that amount should be excluded when evaluating the ongoing operating results of the association.

Table 2 illustrates the effect of the above mentioned items on the operating results for the year. **We suggest that the Board consider whether the existing amounts for dues remains adequate for the operation of the association.**

Table 2  
2010 Association Revenues and Expenditures.

Revenues as stated in Association P&L	\$125,066.27
Expenditures as stated in Association P&L	110,622.75
Net Income as stated in Association P&L	14,443.52
Net Income excluding convention net income	6,314.60
Publication expenditures as stated in Association P&L	29,301.43
Estimated additional publication expenditures if four <i>Mainstreeters</i> had been charged in 2010 (expenditures for three issues \$22,256.23)	7,418.74
Net loss of association excluding convention and adding one additional <i>Mainstreeter</i>	(\$1,104.14)
Add back capital contribution to PNRA	\$10,000.00
Net income of association including only ordinary expenditures	\$8,895.86

In addition to the capital contribution to PNRA, the association expended nearly \$6,000 on the PNRA and the Jackson Street Archives. The association also made two donations totaling nearly \$4,900 from the preservation fund. At the end of 2010 the association had \$208,000 in cash and cash equivalents, including \$9,800 in the preservation fund. We believe the association is well positioned to help insure the preservation of NP materials, but suggest that caution be exercised in the expenditure of those funds in that one or more large collections of NP materials may become available for sale in the next few years. As identified in last year's audit report the membership of the association averaged sixty-six years of age and new members are not significantly younger. As those who actually remember the NP no longer contribute, it may be that the resources of the association are now at or near their apex, further reason for caution.

In our 2009 report we noted that the cost of a new file server to host the NPRHA.org website was paid by the company store. As we are of the opinion that the website is essential to the primary

mission of the association to preserve and share information on the Northern Pacific Railway, we questioned whether such cost should have been paid by the association. The cost of the web server and related software was transferred to the association during 2010. Depreciation expense amounting to \$709, including \$229 relating to 2009, is included in the association's Profit & Loss Statement for 2010.

### The Company Store

#### Cash

**We continue to believe that the company store maintains cash balances which are excessive for its needs. The principal use of cash by the store is to purchase inventory. During 2009 and 2010 inventory purchases were approximately \$29,000 and \$17,000, respectively. Average cash balances were approximately \$50,000 and \$47,000 during each of those years. We suggest that some cash be transferred to the association and combined with other investments to maximize yield.**

#### Inventory

Our 2009 report stated that we were not able to express an opinion as to the accuracy of inventory quantities and costs due to discrepancies noted during our work, largely related to "kit" items which included components purchased from separate vendors which were combined to make up a single stock keeping unit. As many of the items in question were sold during 2010, their value is less significant. We worked with the Treasurer to make adjustments to quantities and costs, which resulted in a net increase to Cost of Goods Sold of approximately \$700. We believe the adjusted inventory value at December 31, 2010 is reasonably stated.

However, based on a review of quantities on hand relative to recent sales, we believe that quantities on hand for some items are far in excess of realistic sales levels. A common measure for evaluating the effectiveness of inventory management is inventory turnover, i.e. the number of times inventory is sold or used in a time period such as a year. Based on 2010 figures, we computed that the store's inventory turns over once every two years. Inventory turnover at several national retail chains is 3 to 6 times per year.

We also note that the store's investment in inventory exceeded \$31,000 at December 31, 2010. Further, during 2011 approximately \$4,000 has been invested in the Color Card Project. We suggest that the Board consider the maximum amount of inventory investment with which it is comfortable. We understand that a contract being negotiated with a new Fulfillment Contractor includes a storage fee based upon the number of individual Stock Keeping Units (SKU's) held in inventory. We believe this is further incentive to control inventory levels. Tables 3 and 4

include suggestions for reducing current inventory levels for items where quantities on hand are far in excess of realistic sales levels:

Table 3

Items that could be used as gifts at a future annual convention in lieu of purchasing mementos, or in conjunction with membership recruiting at swap meets:

	On Hand	Sold in 2009 & 2010	Value
NP Yellowstone Patch 3"	215	38	\$276
Minnetonka Pin	101	11	\$202
NPRHA Logo Pin	375	23	\$664
1930's Note Pad	182	3	\$0

Table 4

Items that could be offered for sale at reduced prices or used as raffle prizes at the upcoming annual convention:

Item Description	12/31/2010 On Hand	12/31/2010 Value	Average number sold 09 & 10	No. of Yrs On Hand
3127 HO Handcar Setout (3-Pak)	27	\$164.70	1	27.0
6001 Classic Steam Era	62	1,131.93	2	31.0
6005 NPRy of McGee & Nixon	25	419.58	2	16.7
6006 NW RR of McGee	22	395.67	2	14.7
6037 The Northern Pacific	59	1,147.74	3	19.7
7010 2005 NPRHA Veterans Panel	10	107.00	1	10.0

The store inventory at December 31, 2010 included over 14,000 copies of back issues of *The Mainstreeter* and more than 1,700 Calendars for years prior to 2011. While there is some demand for these items, and they produce revenue, we believe that the quantities on hand for many issues far exceed sales expectations. **We suggest that the excess quantities be offered for sale at greatly reduced prices at annual conventions.**

### Sales

The store utilizes the Storehost Online Commerce Suite ("Storehost") to process its on-line operations under an agreement with Xfactor Multimedia Inc. Reports from Storehost serve as the basis for recording sales in the store accounting records. Our report for 2009 noted a few

instances where sales were cancelled or otherwise adjusted after the initial entry in Storehost, with the result that those sales were improperly recorded. The 2009 report also included a recommendation that sales orders entered in Storehost be reviewed periodically to ensure that any subsequent corrections or adjustments are handled properly. During our work for 2010 we noted similar occurrences, which resulted in an adjustment to revenue and accounts receivable in excess of \$1,000. **We again recommend that sales orders entered in Storehost be reviewed on a regular basis, and that corrections or adjustment be handled in a timely manner.**

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#### Mainstreeter and Calendar Sales

Our 2009 report noted that extra copies of *The Mainstreeter* and the annual Calendar not mailed to NPRHA members are turned over to the store for sale. The store does not pay NPRHA for these items (i.e., they are not included in the store’s inventory asset as found on the store’s Balance Sheet). While the appropriateness of this practice may be debated, we believe that the Board should be aware that store operations, and net income, are subsidized by the gross profit from the sale of these items. Gross profit from *Mainstreeter* and Calendar sales exceeded \$2,700 in 2009 and \$2,400 in 2010. The store also receives proceeds from bulk sales of *Mainstreeters* and Calendars to hobby shops, which totaled \$4,700 in 2009 and \$5,600 in 2010.

During our work for 2010 we became aware that the store incurs bank fees and fulfillment costs to process membership dues and convention registrations on behalf of the association which are paid by credit card. We estimate that such fees totaled \$960 in 2009 and \$2,200 in 2010. The association does not reimburse the store for these costs; therefore they offset the effect of the subsidy from *Mainstreeter*, Calendar, and Hobby Shop sales. We estimate that the net subsidy from the association to the store was \$6,440 in 2009 and \$5,800 in 2010. Table 5 shows the estimated results for 2009 and 2010 if the association subsidies were removed from the store’s profit and loss statement.

Table 5

	2009	2010
Net income as stated on store P&L	\$7,619	\$4,300
Subtract gross profit from sale of <i>Mainstreeters</i> and calendars	2,700	2,400
Subtract gross proceeds from bulk sales of <i>Mainstreeters</i> and calendars	4,700	5,600
Add bank fees and fulfillment costs	960	2,200
Adjusted net income (loss) on store P&L	\$1,179	(\$1,500)

**We believe that the company store is a valuable asset to the association and its members. We also believe that the association should receive credit for the significant subsidies to the store, and recommend that the store pay a dividend equal to its reported net income to the association each year.**

In addition to the subsidies mentioned above, we noted several areas where we believe that allocation of expenses between the company store and the association could be improved. For example, the store has been incurring the entire cost of advertising in *Classic Trains* magazine, however the advertising promotes both the association and the store. We also understand that the rental of space occupied by the company store at the 2010 Convention held in Spokane was paid by the association. **We believe that operating results would be more meaningful if more attention were given to allocation of expenses between the store and the association.**

#### Modeling Committee

We recommended in the 2009 audit report that the Modeling Committee develop a procedure in conjunction with the Treasurer to accurately and efficiently report the costs to the store of the kits produced by the committee. We are not aware of anything the committee has done to implement this procedure which was endorsed by the Board of Directors.

#### Financial Procedures and By-Laws

**We recommend that the “Policy on Financial Procedures” be repealed in its entirety (see attached).** It was adopted by the Board of Directors in a situation which no longer exists. We believe that the provisions of the By-Laws dealing with financial and membership matters (see attached selected provisions) are in need of revision to reflect experience and current practices. **We recommend that the Board establish a process for revision so that the changes can be brought to the membership at the 2012 Annual Meeting.** After the By-Law revisions are adopted by the membership it can be determined whether there is a need for a “Policy on Financial Procedures.”

**Northern Pacific Railway Historical Association  
Policy on Financial Procedures**

- A. The names of the Association President and Treasurer shall be on all financial accounts of the Association. The Treasurer shall receive directly all the statements and correspondence from the financial institutions holding Association accounts. The Association Treasurer may deposit and withdraw funds from all accounts of the Association. All procedures for receipt and disbursement of funds and all reporting formats shall be approved by the Association Auditor.
- B. Company Store Account: The name of the Manager of the Company Store shall be on the account as well as the Association President and Treasurer. The Treasurer shall directly receive all statements and correspondence from the financial institution holding the account. The Manager of the Company Store shall deposit and withdraw funds from the Company Store Account except that the honorarium for the Store Manager shall be paid by the Treasurer from another account. The Company Store Manager at the time of the Annual Association Convention shall submit to the Board of Directors (a) profit and loss statements for the immediate prior calendar year and the first six months of the convention year and (b) the dollar amounts of the store inventory at the beginning and end of the immediately prior calendar year and the end of the first six months of the convention year. The Manager of the Company Store shall submit a quarterly financial report to the Treasurer.
- C. Convention Account: The name of the Convention Registrar shall be on the account as well as the Association President and Treasurer. The Treasurer shall directly receive all statements and correspondence from the financial institution holding the account. The Convention Registrar shall deposit and withdraw funds from Convention Account. By October 15 of each year the Convention Registrar shall submit to the Treasurer a profit and loss statement for the convention. On or about that date the Convention Registrar name on the account will be changed to that of the registrar for the next convention and the Association Treasurer will withdraw from the account surplus funds.
- D. Membership Account: The name of the Membership Secretary shall be on the account as well as the Association President and Treasurer. The Treasurer shall directly receive all statements and correspondence from the financial institution holding the account. The Membership Secretary shall deposit funds in the account, but shall not withdraw funds from the account. At the discretion of the Treasurer the Membership Account may also be the Treasurer's Account, but in any event the depositing of funds should be convenient for the Membership Secretary. If the Treasurer's Account is a separate account, the Treasurer shall periodically withdraw money from the Membership Account so excess funds do not accumulate in the account.

Adopted by the Board of Directors, July 19, 2000, Helena, MT.



## **Selected Provisions in the NPRHA By-Laws**

### Article IV. OFFICERS

Section 7. Treasurer. The Treasurer shall be the principal accounting and financial officer of the Association. The Treasurer shall:

- A. Have charge of and be responsible for the maintenance of adequate books of account of the Association;
- B. Have charge and custody of all funds and securities of the Association, and be responsible therefore, and for the receipt and disbursement thereof;
- C. Maintain a current list of members having voting rights;
- D. Review promptly, upon receipt, the financial report of the Convention Chair, and report any unresolved issues to the President;
- E. Make a report at each Annual Meeting of the financial condition of the Association;
- F. File IRS reports, as required; and
- G. Perform all other duties incident to the office of Treasurer and such other duties as may be assigned from time to time by the President or the Board of Directors. If required by the Board of Directors, the Treasurer shall give bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors may prescribe and authorize payment for.

### Article V. COMMITTEES

Section 6. Finance Committee. The Finance Committee oversees the financial affairs of the Association. The Treasurer of the Association serves as the chairperson of the Finance Committee. The responsibilities of the Finance Committee are as follows:

- A. To prepare a long-range financial plan and an annual budget for the Association for review and approval by the Board of Directors;
- B. To recommend the amount of annual dues to be charged to members of the Association;
- C. To oversee fund-raising activities of the Association;
- C. To oversee the financial aspects of the Company Store, and any other entities and activities of the Association.
- E. To recommend to the Board of Directors the manner in which the funds and financial assets of the Association shall be invested and preserved; and
- F. To carry out such other duties as the President or the Board of Directors may from time to time assign.

Section 11. Audit Committee. The Audit Committee reviews the books of account and such other records as may be deemed appropriate to certify their accuracy and the proper use of the

funds and financial assets of the Association. The Board of Directors shall designate three members of the Association who are neither current nor immediate past officers or directors to serve as members of the Audit Committee and shall designate one of them to serve as chairperson of the Committee. The responsibilities of the Audit Committee are as follows:

- A. To conduct an audit of the books of account and finances of the Association immediately following the Annual Membership Meeting and to report their findings in writing to the Board of Directors within ninety days following said Annual Meeting; and
- B. To carry out such other duties as the President or the Board of Directors may from time to time assign.

Section 12. Membership Committee. The Membership Committee consists of a chairman and several members residing in various cities and communities. The chairman oversees the other committee members and their recruitment activities, and keeps up-to-date record of all such activities. The responsibilities of the Membership Committee are as follows:

- A. To establish and carry out procedures in actively recruiting new members on a continuing basis;
- B. To develop and use recruiter's kits containing accurate and timely information about the NPRHA, membership applications, and any other items of interest likely to attract potential members;
- C. To follow up with those whose membership has lapsed, to ascertain the reason for the lapse, and attempt to re-enlist them; and,
- D. To make recommendations for recruiting additional members; and,
- E. To carry out such other duties as the President or the Board of Directors may from time to time assign.

#### Article IX. CONTRACTS, BANKING, GIFTS AND LOANS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on the behalf of the Association and such authority may be general or confined to specific instances.

Section 2. Checks and Drafts. All checks, drafts and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer and countersigned by the President or Vice President of the Association. In all cases, expenditures

shall be made only within the current approved budget, unless specifically authorized by action of the Board of Directors, or at the discretion of the President or Vice President of the Association for amounts not to exceed \$500.

Section 3. Deposits. All funds of the Association shall be deposited promptly upon receipt, to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept, or direct the acceptance by resolution, on behalf of the Association any contribution, gift, bequest or devise for the general purposes or any special purposes of the corporation.

Section 5. Loans. No indebtedness for borrowed money shall be contracted on behalf of the Association and no evidence of such indebtedness issued in its name unless authorized by or under the authority of such a resolution of the Board of Directors. Such authorization may be general or confined to specific instances.

#### Article X. RESTRICTIONS ON INCOME AND ACTIVITIES

Section 1. No part of the net earnings of the Association shall inure to the benefit of, or be distributed to, its members, trustees, officers or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation in furtherance of the purposes set forth in Article 2 of the Articles of Incorporation. No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing and distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on any other activity not permitted to be carried on (a) by a corporation exempt from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contribution to which is deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).



# NORTHERN PACIFIC RAILWAY

HISTORICAL ASSOCIATION

MAIN STREET OF THE NORTHWEST

## MAINSTREETER & CALENDAR COSTS YEAR 2010

<b>Issue 29-1</b>	Printing	\$5,157.64	2500 Units	Est. Membership 2000
<b>SPRING</b>	Postage	<u>\$1,740.66</u>		
		\$6,898.30	Cost per unit \$2.75	\$3.44
<b>Issue 29-2</b>	Printing	\$5,222.40	2500 Units	
<b>SUMMER</b>	Postage	<u>\$2,291.01</u>		
		\$7,513.41	Cost per unit \$3.00	\$3.75
<b>Issue 29-3</b>	Printing	\$5,119.72	2500 Units	
<b>FALL</b>	Postage	<u>\$1,686.57</u>		
		\$6,806.29	Cost per unit \$2.72	\$3.40
<b>Issue 29-4</b>	Printing	\$5,801.68	2500 Units	
<b>WINTER</b>	Postage	<u>\$1,621.21</u>		
		\$7,422.89	Cost per unit \$2.96	\$3.71
<b>2011 CALENDAR</b>	Printing	\$4,909.20	2900 Units	
	Design	\$1,597.50		
	Envelopes			
	Incidental cost	_____		
		\$6,506.70	Cost per unit \$2.24	\$3.25

**TOTAL COST OF MAINSTREETERS AND CALENDAR PER UNIT FOR YEAR 2010 = \$13.67**

**ESTIMATED MEMBERSHIP 2000 = \$17.55**

**NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION  
NPRHA COMPANY STORE  
Combined Balance Sheet  
December 31, 2010**

<b>ASSETS</b>	<b>NPRHA</b>	<b>Co Store</b>	<b>Eliminations</b>	<b>Combined</b>
<b>Current Assets</b>				
Cash and short-term Investments - Undesignated	\$156,078	\$41,842		\$197,920
Accounts receivable		2,715	\$(2,389)	326
Inventory		31,680		31,680
	<u>156,078</u>	<u>76,237</u>		<u>229,926</u>
<b>Non-Current Assets</b>				
Long-term Investments - Undesignated	23,959			23,959
Computer equipment & software - net	1,680			1,680
	<u>25,639</u>	<u>-</u>		<u>25,639</u>
<b>Designated Assets</b>				
Preservation fund	9,774			9,774
Prepaid dues	18,263			18,263
	<u>28,037</u>	<u>-</u>		<u>28,037</u>
<b>Total Assets</b>	<b><u>\$209,754</u></b>	<b><u>\$76,237</u></b>		<b><u>\$283,602</u></b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable & other current liabilities	\$2,510	\$4,652	\$(2,389)	\$4,773
Sales tax payable		(862)		(862)
<b>Total Liabilities</b>	<u>2,510</u>	<u>3,790</u>		<u>3,911</u>
<b>Equity</b>	<u>207,244</u>	<u>72,447</u>		<u>279,691</u>
<b>Total Liabilities and Equity</b>	<b><u>\$209,754</u></b>	<b><u>\$76,237</u></b>		<b><u>\$283,602</u></b>

**Northern Pacific Railway Historical Association  
Balance Sheet**

As of December 31, 2010

**ASSETS**

**Current Assets**

**Checking/Savings**

**CD's Maturing in:**

		2011	2012	2013
CD #3 Twin Star Credit Union	###	\$11,170.51	\$11,170.51	
CD#1, Fargo State Bank	###	11,763.58	11,763.58	
CD#2, Fargo State Bank	###	12,195.82		12,195.82
CD#5 Twin Star Credit Union	###	27,001.75	27,001.75	
CD#6, Fargo State Bank	###	16,335.14	16,335.14	
Checking, Operating	###	62,353.60	62,353.60	
Checking, Postage	###	3,101.10	3,101.10	
Convention, Wells Fargo	###	6,314.05	6,314.05	
Petty Cash - Membership Mailing	###	150.00	150.00	
Savings, Wells Fargo	###	17,909.60	17,909.60	
Timberland Bank CD	###	19,243.84	19,243.84	
Twin Star Credit Union	###	20,535.43	20,535.43	
<b>Total Checking/Savings</b>	<b>###</b>	<b>208,074.42</b>	<b>184,115.02</b>	<b>12,195.82</b>

**Accounts Receivable**

Accounts Receivable

Due From Company Store

**Total Accounts Receivable**

**Total Current Assets**

###	
###	<u>          -</u>
###	<u>208,074.42</u>

**Fixed Assets**

Computer Equipment & software

Accumulated Depreciation

**Net fixed assets**

	2,388.99
	(708.99)
###	<u>1,680.00</u>

**TOTAL ASSETS**

### \$209,754.42

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

Other Current Liabilities

Due to Company Store

**Total Other Current Liabilities**

**Total Current Liabilities**

**Total Liabilities**

	<u>\$2,510.11</u>
###	<u>2,510.11</u>
###	<u>2,510.11</u>
###	<u>2,510.11</u>

**Equity**

Opening Bal Equity

Retained Earnings

Net Income

**Total Equity**

###	112,501.27
###	80,299.52
###	<u>14,443.52</u>
###	<u>207,244.31</u>

**TOTAL LIABILITIES & EQUITY**

### \$209,754.42

**NPRHA Company Store  
Balance Sheet**

As of December 31, 2010

**ASSETS**

**Current Assets**

**Checking/Savings**

10000 · CoStore Checking \$23,012.44

10200 · CoStore Savings 18,829.97

**Total Checking/Savings** 41,842.41

**Accounts Receivable**

11000 · Accounts Receivable 326.43

11100 · Due from NPRHA 2,388.99

**Total Accounts Receivable** 2,715.42

**Other Current Assets**

12100 · Inventory Asset 31,256.37

12300 · Swap Meet Inventory 422.69

**Total Other Current Assets** 31,679.06

**Total Current Assets** 76,236.89

**TOTAL ASSETS**

**\$76,236.89**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

20000 · Accounts Payable \$4,773.88

**Total Accounts Payable** 4,773.88

**Other Current Liabilities**

20200 · Convention Fees Due (743.00)

20300 · Memberships Due 581.00

20400 · Preservation Fund Due 40.00

23000 · Model Committee Due -

25500 · Sales Tax Payable (861.69)

**Total Other Current Liabilities** (983.69)

**Total Current Liabilities** 3,790.19

**Total Liabilities** 3,790.19

**Equity**

30000 · Opening Balance Equity 60,536.87

32000 · Unrestricted Net Assets 7,609.82

**Net Income** 4,300.01

**Total Equity** 72,446.70

**TOTAL LIABILITIES & EQUITY**

**\$76,236.89**

**Northern Pacific Railway Historical Association  
Profit & Loss**

January through December 2010

<b>Income</b>		
Convention Excursion Fees		\$31,350.00
Convention Raffle Sales		3,285.00
Convention Registration & Fees		23,668.00
Donations - Restricted		
Jackson Street Roundhouse	170.00	
Donations - Restricted - Other	<u>37.50</u>	
Total Donations - Restricted		207.50
Donations - Unrestricted		
Donations - Unrestricted - Other	<u>4,399.93</u>	
Total Donations - Unrestricted		4,399.93
Investment Income		2,050.34
Membership Dues		59,988.50
Returned Check Service Charges		<u>117.00</u>
Total Income		<u>125,066.27</u>
<b>Expense</b>		
Ad Layout	590.75	590.75
Administrative Expenses		
Board Expenses	65.00	
Membership Expenses	956.65	
President Expenses	67.02	
Secretary Expenses	98.71	
Treasurer Expenses	744.85	
Administrative Expenses - Other	<u>106.93</u>	
Total Administrative Expenses		2,039.16
Audit Work Related		393.91
Bank Fees		624.66
Convention Expenses		
Excursion	21,962.20	
Hotel & Banquet	23,301.95	
Raffle	909.01	
Convention Expenses - Other	<u>4,000.92</u>	
Total Convention Expenses		50,174.08
Depreciation Expense		708.99
Donation		4,861.69
Internet Webpage		1,294.40
Jackson Street Archives		
Jackson Street Archives - Other	<u>4,137.61</u>	
Total Jackson Street Archives		4,137.61
Legal & Accounting Fees		1,802.00
Membership Recruit & Retention		2,495.38
PNRA		11,818.60
Post Office Box Rental		176.00
Publications		
Calendar Printing & Layout	6,856.20	
Editor Expenses	189.00	
Mainstreeter Printing & Layout	16,537.99	
Postage, Mainstreeter	<u>5,718.24</u>	
Total Publications		29,301.43
Research		
Website	112.50	
Research - Other	<u>795.00</u>	
Total Research		907.50
Special Projects		(1,000.00)
Storage Unit Rental		202.86
USPS		<u>93.73</u>
Total Expense		<u>110,622.75</u>
Net Income		<u>\$14,443.52</u>



**NPRHA Company Store**  
**Profit & Loss**  
 January through December 2010

<b>Ordinary Income/Expense</b>	
<b>Income</b>	
46000 · Merchandise Sales	\$24,769.27
46500 · Hobby Shop Sales	5,575.95
46700 · Shipping & Handling	<u>2,868.00</u>
<b>Total Income</b>	<u>33,213.22</u>
<b>Cost of Goods Sold</b>	
50000 · Cost of Goods Sold	<u>15,189.25</u>
<b>Total COGS</b>	<u>15,189.25</u>
<b>Gross Profit</b>	<u>18,023.97</u>
<b>Expense</b>	
60000 · Advertising and Promotion	1,995.88
60100 · Refunds	36.45
60400 · Bank Service Charges	67.10
60600 · Bankcard Fees	951.75
60800 · Bankcard Discount Fee	2,472.28
61000 · Business Licenses and Permits	10.00
61300 · Cash Over and Short	(20.52)
61800 · Postage & Shipping	2,638.76
65100 · SP Monthly Service Fee	2,460.00
65200 · SP Insurance	444.00
65300 · SP Merchandise Orders	1,446.50
65400 · SP Virtual Sales Processing	566.00
65500 · SP Storage Unit	196.95
66900 · Reconciliation Discrepancies	-
67000 · Sales Tax Expense	48.61
69000 · Other Expense	<u>437.84</u>
<b>Total Expense</b>	<u>13,751.60</u>
<b>Net Ordinary Income</b>	<u>4,272.37</u>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
70200 · Interest Income	<u>27.64</u>
<b>Total Other Income</b>	<u>27.64</u>
<b>Net Other Income</b>	<u>27.64</u>
<b>Net Income</b>	<u><u>\$4,300.01</u></u>

**NORTHERN PACIFIC RAILWAY HISTORICAL ASSOCIATION**  
**Preservation Fund**  
**December 31, 2010**

Year	Donations Received		Contributions Paid	Balance
1996	\$5,066.00	1		\$5,066.00
1997	5,126.00	1		10,192.00
1998	7,854.00	1		18,046.00
1999	650.00		\$7,500.00 <sup>2</sup>	11,196.00
2000	822.00		7,500.00 <sup>2</sup>	4,518.00
2001	5,198.34		1,200.00 <sup>3</sup>	8,516.34
2002	6,767.91		5,187.10 <sup>4</sup>	10,097.15
2003	9,090.54		4,209.27 <sup>5</sup>	14,978.42
2004	8,965.00		9,842.73 <sup>6</sup>	14,100.69
2005	8,172.40		4,274.54 <sup>7</sup>	17,998.55
2006	11,603.30		12,474.73 <sup>8</sup>	17,127.12
2007	14,499.50		5,254.25 <sup>9</sup>	26,372.37
2008	11,969.95		9,622.10 <sup>10</sup>	28,720.22
2009	9,967.50 <sup>11</sup>		12,702.32 <sup>12</sup>	25,985.40
2010	4,606.55		20,817.90 <sup>13</sup>	9,774.05

Notes:

- 1 McGee Photo Preservation appeal. Includes all contributions to the NPRHA.
- 2 A total of \$15,000 contributed to the Montana Historical Society for preservation, indexing and archival of the McGee photo collection.
- 3 Lake Superior Railroad Museum: Dave Carlson Memorial fund to refurbish NP equipment owned by LSRM \$1,000; for assistance in convention \$200.
- 4 City of Sprague, Washington, preservation of NP depot \$1,000; Jackson Street Roundhouse Archives (JSRH) project \$4,187.10.
- 5 JSRH \$4,209.27.
- 6 Livingston Depot Roof \$2,000; Shannon Donation moving expenses \$1,974.21; Triangle Room Renovation \$1,793.58; JSRH \$4,074.94.
- 7 Triangle room Renovation \$1,072.35; JSRH \$3,202.19.
- 8 Includes \$8,715 donation restricted to matching funds to Montana Historical Society McGee photo exhibit; JSRH \$3,759.73.
- 9 Montana Historical Society \$1,535 (McGee photo); Moose Lake Historical Society \$200; North Dakota State Railroad Museum \$250; Almont Historical Society \$250; JSRH \$3,019.25.
- 10 White River Valley Museum, Passenger Trains of Puget Sound, 1900 - 1970 \$1,000; JSRH \$6,048.10; BN Card Scanning \$2,574.
- 11 Includes donations restricted for JSRH \$300; NP 3617 Painting \$255.
- 12 Iron Horse Central Railroad, Dynamometer Car \$2,000; Museum of North Beach, Building Fund \$2,000; White Bear Lake Historical Society \$300; JSRH \$4,058.32; BN Card Scanning \$4,344.
- 13 White River Valley Museum, McGee traveling exhibit \$2,000; Lake Superior, Paint NP 3617 \$2,861.99; JSRH \$4,137.61; PNRA \$11,818.60.

**NPRHA  
"Prepaid" Dues**

<b>Per Membership Database</b>	<b>Dues 11</b>	<b>Dues 12</b>	<b>Dues 13</b>	<b>Dues 14</b>	<b>Total</b>
12/31/2010	\$13,903.00	\$4,207.00	\$125.00	\$28.00	\$18,263.00

*"Prepaid" dues are dues received from members for renewal dates beyond the current reporting period.*

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Accrual Basis

**NPRHA Company Store**  
**Profit & Loss**  
January through December 2010

	<u>Jan - Dec 10</u>	<u>Jan - Dec 09</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
45000 · Sales Clearing Account	0.00	0.00
46000 · Merchandise Sales	24,769.27	43,079.89
46500 · Hobby Shop Sales	5,575.95	4,696.20
46700 · Shipping & Handling	2,868.00	0.00
<b>Total Income</b>	<u>33,213.22</u>	<u>47,776.09</u>
<b>Cost of Goods Sold</b>		
50000 · Cost of Goods Sold	15,189.25	24,926.14
<b>Total COGS</b>	<u>15,189.25</u>	<u>24,926.14</u>
<b>Gross Profit</b>	18,023.97	22,849.95
<b>Expense</b>		
60000 · Advertising and Promotion	1,995.88	1,684.18
60100 · Refunds	36.45	43.95
60400 · Bank Service Charges	67.10	12.11
60600 · Bankcard Fees	951.75	622.68
60800 · Bankcard Discount Fee	2,472.28	1,538.80
61000 · Business Licenses and Permits	10.00	10.00
61300 · Cash Over and Short	-20.52	0.00
61800 · Postage & Shipping	2,638.76	4,854.25
64900 · Office Supplies Expense	0.00	45.92
65100 · SP Monthly Service Fee	2,460.00	2,665.00
65200 · SP Insurance	444.00	325.00
65300 · SP Merchandise Orders	1,446.50	2,248.50
65400 · SP Virtual Sales Processing	566.00	435.00
65500 · SP Storage Unit	196.95	775.00
66900 · Reconciliation Discrepancies	0.00	-3.00
67000 · Sales Tax Expense	48.61	0.00
69000 · Other Expense	437.84	0.00
<b>Total Expense</b>	<u>13,751.60</u>	<u>15,257.39</u>
<b>Net Ordinary Income</b>	4,272.37	7,592.56
<b>Other Income/Expense</b>		
<b>Other Income</b>		
70200 · Interest Income	27.64	27.26
<b>Total Other Income</b>	<u>27.64</u>	<u>27.26</u>
<b>Net Other Income</b>	27.64	27.26
<b>Net Income</b>	<u><u>4,300.01</u></u>	<u><u>7,619.82</u></u>

**NPRHA Company Store  
 Balance Sheet  
 As of December 31, 2010**

	<u>Dec 31, 10</u>	<u>Dec 31, 09</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
10000 · CoStore Checking	23,012.44	37,122.05
10200 · CoStore Savings	18,829.97	17,796.74
<b>Total Checking/Savings</b>	<u>41,842.41</u>	<u>54,918.79</u>
<b>Accounts Receivable</b>		
11000 · Accounts Receivable	326.43	99.95
11100 · Due From NPRHA	2,388.99	0.00
<b>Total Accounts Receivable</b>	<u>2,715.42</u>	<u>99.95</u>
<b>Other Current Assets</b>		
11500 · CC Sales Clearing	0.00	295.25
12100 · Inventory Asset	31,256.37	29,205.71
12300 · Swap Meet Inventory	422.69	0.00
12500 · Office Supplies	0.00	423.92
<b>Total Other Current Assets</b>	<u>31,679.06</u>	<u>29,924.88</u>
<b>Total Current Assets</b>	<u>76,236.89</u>	<u>84,943.62</u>
<b>Fixed Assets</b>		
15000 · Furniture and Equipment	0.00	3,715.05
<b>Total Fixed Assets</b>	<u>0.00</u>	<u>3,715.05</u>
<b>TOTAL ASSETS</b>	<u><u>76,236.89</u></u>	<u><u>88,658.67</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
20000 · Accounts Payable	4,773.88	0.00
<b>Total Accounts Payable</b>	<u>4,773.88</u>	<u>0.00</u>
<b>Other Current Liabilities</b>		
20100 · Due to NPRHA	0.00	539.34
20200 · Convention Fees Due	-743.00	2,915.00
20300 · Memberships Due	581.00	13,941.00
20400 · Preservation Fund Due	40.00	1,804.50
23000 · Model Committee Due	0.00	1,312.14
25500 · Sales Tax Payable	-861.69	0.00
<b>Total Other Current Liabilities</b>	<u>-963.69</u>	<u>20,511.98</u>
<b>Total Current Liabilities</b>	<u>3,790.19</u>	<u>20,511.98</u>
<b>Total Liabilities</b>	<u>3,790.19</u>	<u>20,511.98</u>
<b>Equity</b>		
30000 · Opening Balance Equity	60,536.87	60,536.87
32000 · Unrestricted Net Assets	7,809.82	-10.00
Net Income	4,300.01	7,619.82
<b>Total Equity</b>	<u>72,446.70</u>	<u>68,146.69</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>76,236.89</u></u>	<u><u>88,658.67</u></u>

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Accrual Basis

## Northern Pacific Railway Historical Association

## Profit &amp; Loss

January through December 2010

	Jan - Dec 10	Jan - Dec 09
<b>Income</b>		
Convention Excursion Fees	31,350.00	415.00
Convention Model Sales	0.00	60.00
Convention Raffle Sales	3,285.00	3,164.00
Convention Registration & Fees	23,668.00	22,234.00
<b>Donations - Restricted</b>		
Jackson Street Roundhouse	170.00	300.00
NP3617 Painting	0.00	255.00
Donations - Restricted - Other	37.50	0.00
<b>Total Donations - Restricted</b>	207.50	555.00
Donations - Sustaining Members	0.00	5,950.00
Donations - Unrestricted	4,399.93	3,462.50
Investment Income	2,050.34	2,697.48
Membership Dues	59,988.50	58,044.56
Returned Check Service Charges	117.00	0.00
<b>Total Income</b>	125,066.27	96,582.54
<b>Expense</b>		
Ad Layout	590.75	427.50
<b>Administrative Expenses</b>		
Board Expenses	65.00	90.47
Membership Expenses	956.65	1,214.99
President Expenses	67.02	316.43
Secretary Expenses	98.71	0.00
Treasurer Expenses	744.85	535.60
Administrative Expenses - O...	106.93	1.00
<b>Total Administrative Expenses</b>	2,039.16	2,158.49
Audit Work Related	393.91	0.00
Bank Fees	624.66	718.67
BN Card Scanning Project	0.00	4,343.98
<b>Convention Expenses</b>		
Excursion	21,962.20	5,811.19
Hotel & Banquet	23,301.95	4,980.00
Misc Convention	0.00	1,660.08
Raffle	909.01	69.48
Convention Expenses - Other	4,000.92	1,965.82
<b>Total Convention Expenses</b>	50,174.08	14,486.57
Depreciation Expense	708.99	0.00
Donation	4,861.69	4,300.00
Internet Webpage	1,294.40	1,391.40
Jackson Street Archives	4,137.61	4,058.32
Legal & Accounting Fees	1,802.00	500.00
Membership Recruit & Retention	2,495.38	1,494.62
Model Committee	0.00	514.97
PNRA	11,818.60	0.00
Post Office Box Rental	176.00	170.00
<b>Publications</b>		
Calendar Printing & Layout	6,856.20	6,979.92
Editor Expenses	189.00	308.41
Mainstreeter Printing & Layout	16,537.99	29,139.17
Postage, Mainstreeter	5,718.24	7,854.52
<b>Total Publications</b>	29,301.43	44,282.02

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Accrual Basis

**Northern Pacific Railway Historical Association**  
**Profit & Loss**  
January through December 2010

	<u>Jan - Dec 10</u>	<u>Jan - Dec 09</u>
Reconciliation Discrepancies	0.00	84.75
Refunds Membership	0.00	12.50
Research		
Members	0.00	227.54
Website	112.50	1,647.74
Research - Other	795.00	0.00
<b>Total Research</b>	<u>907.50</u>	<u>1,875.28</u>
Special Projects	-1,000.00	2,500.00
Storage Unit Rental	202.86	0.00
USPS	93.73	56.41
<b>Total Expense</b>	<u>110,622.75</u>	<u>83,375.48</u>
<b>Net Income</b>	<u><u>14,443.52</u></u>	<u><u>13,207.06</u></u>

## Northern Pacific Railway Historical Association

## Balance Sheet

As of December 31, 2010

	Dec 31, 10	Dec 31, 09
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
BNWestCreditUnion Checking	0.00	1,000.63
BNWestCreditUnion Savings	0.00	5,694.52
CD #3 Twin Star Credit Union	11,170.51	0.00
CD#1, Fargo State Bank	11,763.58	11,476.66
CD#2, Fargo State Bank	12,195.82	11,726.75
CD#3, Twin Counties CreditU...	0.00	11,149.60
CD#4, BNWest Credit Union	0.00	12,191.90
CD#5 Twin Star Credit Union	27,001.75	26,925.17
CD#6, Fargo State Bank	16,335.14	15,524.62
Checking, Operating	62,353.60	29,705.68
Checking, Postage	3,101.10	3,425.84
Convention, Wells Fargo	6,314.05	6,314.05
Petty Cash - Membership Ma...	150.00	150.00
Savings, Wells Fargo	17,909.60	17,900.64
Timberland Bank CD	19,243.84	0.00
Twin County Credit Union	0.00	20,514.84
Twin Star Credit Union	20,535.43	0.00
<b>Total Checking/Savings</b>	<b>208,074.42</b>	<b>173,700.90</b>
<b>Accounts Receivable</b>		
Due From Company Store	0.00	19,199.84
<b>Total Accounts Receivable</b>	<b>0.00</b>	<b>19,199.84</b>
<b>Total Current Assets</b>	<b>208,074.42</b>	<b>192,900.74</b>
<b>Fixed Assets</b>		
<b>Computer Server &amp; Software</b>		
Cost	2,388.99	0.00
Less Accumulated Depreciat...	-708.99	0.00
<b>Total Computer Server &amp; Softw...</b>	<b>1,680.00</b>	<b>0.00</b>
<b>Total Fixed Assets</b>	<b>1,680.00</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>209,754.42</b>	<b>192,900.74</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Other Current Liabilities</b>		
Accounts Payable	0.00	99.95
Due To Company Store	2,510.11	0.00
<b>Total Other Current Liabilities</b>	<b>2,510.11</b>	<b>99.95</b>
<b>Total Current Liabilities</b>	<b>2,510.11</b>	<b>99.95</b>
<b>Total Liabilities</b>	<b>2,510.11</b>	<b>99.95</b>



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Accrual Basis

## Northern Pacific Railway Historical Association

### Balance Sheet

As of December 31, 2010

	<u>Dec 31, 10</u>	<u>Dec 31, 09</u>
<b>Equity</b>		
Opening Bal Equity	112,501.27	112,501.27
Retained Earnings	80,299.52	67,092.46
Net Income	14,443.52	13,207.06
<b>Total Equity</b>	<u>207,244.31</u>	<u>192,800.79</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>209,754.42</b></u>	<u><b>192,900.74</b></u>

**NPRHA Company Store**  
**Profit & Loss**  
 January through December 2010

	<u>Jan - Dec 10</u>	<u>Jan - Dec 09</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
45000 · Sales Clearing Account	0.00	0.00
46000 · Merchandise Sales	24,769.27	43,079.89
46500 · Hobby Shop Sales	5,575.95	4,696.20
46700 · Shipping & Handling	2,868.00	0.00
<b>Total Income</b>	<u>33,213.22</u>	<u>47,776.09</u>
<b>Cost of Goods Sold</b>		
50000 · Cost of Goods Sold	15,189.25	24,926.14
<b>Total COGS</b>	<u>15,189.25</u>	<u>24,926.14</u>
<b>Gross Profit</b>	18,023.97	22,849.95
<b>Expense</b>		
60000 · Advertising and Promotion	1,995.88	1,684.18
60100 · Refunds	36.45	43.95
60400 · Bank Service Charges	67.10	12.11
60600 · Bankcard Fees	951.75	622.68
60800 · Bankcard Discount Fee	2,472.28	1,538.80
61000 · Business Licenses and Permits	10.00	10.00
61300 · Cash Over and Short	-20.52	0.00
61800 · Postage & Shipping	2,638.76	4,854.25
64900 · Office Supplies Expense	0.00	45.92
65100 · SP Monthly Service Fee	2,460.00	2,665.00
65200 · SP Insurance	444.00	325.00
65300 · SP Merchandise Orders	1,446.50	2,248.50
65400 · SP Virtual Sales Processing	566.00	435.00
65500 · SP Storage Unit	196.95	775.00
66900 · Reconciliation Discrepancies	0.00	-3.00
67000 · Sales Tax Expense	48.61	0.00
69000 · Other Expense	437.84	0.00
<b>Total Expense</b>	<u>13,751.60</u>	<u>15,257.39</u>
<b>Net Ordinary Income</b>	4,272.37	7,592.56
<b>Other Income/Expense</b>		
<b>Other Income</b>		
70200 · Interest Income	27.64	27.26
<b>Total Other Income</b>	<u>27.64</u>	<u>27.26</u>
<b>Net Other Income</b>	27.64	27.26
<b>Net Income</b>	<u><u>4,300.01</u></u>	<u><u>7,619.82</u></u>

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 05/10/11  
 Accrual Basis

## NPRHA Company Store Balance Sheet As of December 31, 2010

	<u>Dec 31, 10</u>	<u>Dec 31, 09</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
10000 · CoStore Checking	23,012.44	37,122.05
10200 · CoStore Savings	18,829.97	17,796.74
<b>Total Checking/Savings</b>	<u>41,842.41</u>	<u>54,918.79</u>
<b>Accounts Receivable</b>		
11000 · Accounts Receivable	326.43	99.95
11100 · Due From NPRHA	2,388.99	0.00
<b>Total Accounts Receivable</b>	<u>2,715.42</u>	<u>99.95</u>
<b>Other Current Assets</b>		
11500 · CC Sales Clearing	0.00	295.25
12100 · Inventory Asset	31,256.37	29,205.71
12300 · Swap Meet Inventory	422.69	0.00
12500 · Office Supplies	0.00	423.92
<b>Total Other Current Assets</b>	<u>31,679.06</u>	<u>29,924.88</u>
<b>Total Current Assets</b>	<u>76,236.89</u>	<u>84,943.62</u>
<b>Fixed Assets</b>		
15000 · Furniture and Equipment	0.00	3,715.05
<b>Total Fixed Assets</b>	<u>0.00</u>	<u>3,715.05</u>
<b>TOTAL ASSETS</b>	<b><u>76,236.89</u></b>	<b><u>88,658.67</u></b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>		
20000 · Accounts Payable	4,773.88	0.00
<b>Total Accounts Payable</b>	<u>4,773.88</u>	<u>0.00</u>
<b>Other Current Liabilities</b>		
20100 · Due to NPRHA	0.00	539.34
20200 · Convention Fees Due	-743.00	2,915.00
20300 · Memberships Due	581.00	13,941.00
20400 · Preservation Fund Due	40.00	1,804.50
23000 · Model Committee Due	0.00	1,312.14
25500 · Sales Tax Payable	-861.69	0.00
<b>Total Other Current Liabilities</b>	<u>-983.69</u>	<u>20,511.98</u>
<b>Total Current Liabilities</b>	<u>3,790.19</u>	<u>20,511.98</u>
<b>Total Liabilities</b>	<u>3,790.19</u>	<u>20,511.98</u>
<b>Equity</b>		
30000 · Opening Balance Equity	60,536.87	60,536.87
32000 · Unrestricted Net Assets	7,609.82	-10.00
Net Income	4,300.01	7,619.82
<b>Total Equity</b>	<u>72,446.70</u>	<u>68,146.69</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>76,236.89</u></b>	<b><u>88,658.67</u></b>

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

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### **BOD eMail Action** - January 5, 2010

The NPRHA Modeling Committee researched and proposed a 2010 convention car project for a custom run of N scale General American Airslide covered hoppers. The goals for the project included prototypically correct NP livery, offering a car that NP modelers would warmly embrace (with a sell-out in 1-2 years), and a car type that would sell beyond NP modelers (increasing NPRHA exposure). The car would be from Athearn and feature some of their newest toolings of two body styles (GATC 2600 Airslides) with each style having its own road number. The car types would feature 1955 paint schemes (road number 75XXX) and 1965 paint schemes (road number 75YYY) with a quantity of 252 cars for each era. Splitting the eras between 1955 and 1965 would give good representations for both (and all cars would work well in those periods of 1965 and beyond). Discussion included the potential for additional supplementary numbering decals to be investigated to broaden the appeal. The total commitment would be for 504 cars ordered at a total NPRHA cost of \$6,254.64. A 50% deposit of \$3,127.00 is required for initiation with \$3,127.64 being paid 30 days after shipment (roughly May or June). Advertising and promotion was also discussed in the proposal.

*Motion to build and deliver a quantity of 504 Athearn N-scale General American Airslide covered hoppers in 1955/1965 schemes as the 2010 NPRHA convention car offering. The project requires a \$6,254.64 commitment by the NPRHA in two payments (half at initiation, half after shipment). - Frissell, Vogel 2nd, carried.*

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### **BOD eMail Action** - January 14, 2010

The Pacific Northwest Railroad Archive 501©(3) application requires a \$850 submission fee for this status. Bill Sornsin of GNRHS has agreed to share the administrative costs of this application.

*Motion for NPRHA (with GNRHS matching) to provide \$450 to PRNA to cover the submission fee and mailing costs of their 501©(3) application – Tarbox, Hillard 2nd, carried.*

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### **BOD eMail Action** - March 29, 2010

A discussion about proper Conflict-of-Interest management was raised with review of several examples (including those considered by the Pacific Northwest Railroad Archive). It was proposed that two orders of action take place with regards to the following NPRHA declaration:

*We, the Directors of the Northern Pacific Railway Historical Association, resolve that no member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over on the matter involved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known. (The Northern Pacific Railway Historical Association website is <http://www.NPRHA.org>)*

Action 1 – Seek approval by the membership for the amendment of the NPRHA By-Laws such that a new section be created – Article III Board of Directors, Section 14 Conflict of Interest.

Action 2 – Administer the Board of Directors Conflict of Interest policy in its meetings by reading the policy into board minutes and recording all present affirm their agreement with the procedure.

*Motion to amend the NPRHA By-Laws with the stated Conflict of Interest policy and to affirm this practice at each meeting of the NPRHA Board of Directors by the President and Secretary – Hillard, Tarbox 2nd, carried.*

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

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### **BOD eMail Action** – April 30, 2010

Gary Tarbox presented the board with a proposal about creating a West-End Archive for the NPRHA. This work was initially based upon a five-year effort by a small group of NPRHA members to catalog Jim Fredrickson's collections. In looking to secure a reliable and affordable archive space between Seattle and South Tacoma, no suitable facility could be found. Existing institutions were considered, but previous insights by other projects and NPRHA experience favored more of a dedicated and organization-controlled space.

A separately formed nonprofit entity, Pacific Northwest Railroad Archive (PNRA), shared an operating plan with the NPRHA to facilitate its ability to create a West-End Archive space comparable to the Jackson Street Roundhouse archives on the East End. The plan describes how Railroad History Organizations (RHO) will collaborate in the use of a 7,500 square foot archive building in Burien, Washington, to share facilities, equipment, training, and services. Funding for the PNRA facility would happen through grants, private donations, rentals, services, and capital participation of five identified RHOs active in the Pacific Northwest. The PNRA is a stand-alone entity with its own governance, finances, board of directors, operating committees, and staff.

A spirited discussion was conducted with board members and other experienced parties. Issues regarding timing, financial liabilities, comparable leases, legal review, commitments by other RHOs, NPRHA membership benefit, overall project merits, duration and scope of NPRHA commitments (financial and otherwise), etc. were vigorously discussed with significant clarifications and modifications made to the original proposal. A ten-year lease agreement (until 31 May 2020) and initial capital contribution by the NPRHA (\$10,000) was formulated.

*Motion for the NPRHA to establish its West-End Archive in the Pacific Northwest Railroad Archive (PNRA) facility under the terms stated in the NPRHA-PNRA Lease Term Sheet shown as Exhibit A. Furthermore, we authorize the:*

- 1. President to submit the proposed NPRHA-PNRA Lease Agreement to legal counsel to review the agreement and confirm that the NPRHA's obligations under the agreement are commensurate only with that of a tenant of PNRA.*
- 2. President to negotiate terms of the final lease agreement with PNRA and present it to the Board for approval before signing.*
- 3. Payment of the \$10,000 Capital Contribution and the first month's rents as defined in the NPRHA-PNRA Lease Agreement after the signing of the Lease agreement.*

*Motion – Tarbox, Frissell 2nd, carried.*

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### **BOD eMail Action** – May 2, 2010

On behalf of the NPRHA, Missoula attorney Peter S. Dayton conducted a legal review of the NPRHA-PNRA Lease Agreement per the directives of the board motion for participation. Per counsel advice, Taylor conducted discussion of the revised agreement between board members without Tarbox to avoid any possible Conflict of Interest issues. Final concerns with the lease documentation, attached exhibits, and a question of parking were addressed.

*Motion for the NPRHA to accept Gary Tarbox's revised lease agreement for the PNRA space as dated 5/22/2010, together with the revised floor plan as shown as Exhibit "A" of 6/2/2010 and inclusion of the first month's rent payment of \$200 – Hillard, Frissell 2nd, carried.*

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

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### BOD Spokane WA – July 13, 2010

#### Finance Audit Committee Presentation

Call to order by President Taylor at 7:06 pm.

**Members in Attendance:** Phil Beach, Duane Durr, Dave Franz, Dave Hillard, Bill Kuebler, Bob McCoy, Larry Schrenk, Gary Wildung, **Board:** Jack Christensen, James Dick, Chris Frissell, John Fujii, John Hillard, Allan Manson, Gary Tarbox, Jan Taylor, Ken Vogel.

The NPRHA Audit Committee (Phil Beach, Dave Hillard) presented a review of their audit report to the board. The committee found the association's books in reasonable condition but observed a few issues with the company store that required attention. The audit was an independent assessment of the organization's systems, processes, and reporting validity. It examined transactions of the NPRHA and NPRHA Company Store over the period of calendar 2009 (Jan 1 – Dec 31). The committee also provided guidance to the Treasurer to make corrections and adjustments where considered necessary and appropriate. Summary of sections covered below (full details in submitted report):

- **Review of Accounting Controls and Procedures**
- **Bank and Investment Accounts** – recommendations included updating account authorizations on all accounts, consolidations of accounts to simplify management and maximize interest, and rebalancing company store cash balances
- **Due from Company Store** – recommendation to improve membership accounting and frequency of transfers from Company Store for membership
- **Income from Membership Dues and Donations** – recommendation to update renewal form to reflect all dues levels
- **Membership Demographics**
- **Expenditures** – most significant expenses of NPRHA are those to publish *The Mainstreeter* – recommendations included improved invoice review processes, review of expenses relative to current dues levels, and specific authority records in minutes for special projects.
- **Form 990-EZ**
- **Board of Director Minutes** – question about cost of server to host NPRHA.org and its expense coming out of the company store as apposed to NPRHA organization
- **Governance and Volunteer Recruiting** – recommendations for improved documentation of key contracts and agreements as well as better recruiting and risk management of key organization functions (some critical functions lack sufficient alternative backups in terms of owners)
- **NPRHA Company Store**
  - **Review of Accounting Controls and Procedures**
  - **Bank and Investment Accounts** – recommendations included rebalancing cash held by store
  - **Accounts Receivable**
  - **Credit Card Sales Clearing**
  - **Office Supplies**
  - **Furniture and Equipment**
  - **Inventory** – random audit of 20% of stocked items by SKU yielded good results – merchandise was in good condition, adequately stored, and only minor discrepancies detected – additionally, certain discrepancies were discovered relative to inventory and records in QuickBooks such that additional processes were recommended to properly compute cost of sales (for kits and kit components)
  - **Other Current Liabilities**
  - **Merchandise Sales** – recommendations for improved processes with credit card follow ups (rejections) and also discussion about factoring the costs of publications (*The Mainstreeter* and the Calendar) that are transferred to the store for further sale – original expenses borne by NPRHA and not store, so how should net profit be calculated?

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

- **Hobby Shop Sales** – recommendations were offered about sales tax accounting, improved review processes of Storehost (online vendor), and onsite convention credit card processing to avoid delays in credit card approvals
- **Cost of Goods Sold**
- **Expenses**
- **Northern Pacific Railway Historical Association – Policy on Financial Procedures**

The Audit Committee also noted their reimbursement for the cost of gasoline to visit Winlock and Sonrisa's location in Raymond, WA.

*Motion to accept the report by the NPRHA audit committee – Frissell, Dick 2nd, carried.*

Adjournment at 8:20 pm.

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### BOD Spokane WA – July 14, 2010

Call to order by President Taylor at 7:05 am.

**Members in Attendance:** Duane Durr, Dave Franz, Dave Hillard, Bob Horne, Bill Kuebler, Bob McCoy, Craig Reese, Larry Rice, Larry Schrenk, Bill Taylor, Gary Wildung, **Board:** Jack Christensen, James Dick, Chris Frissell, John Fujii, John Hillard, Allan Manson, Gary Tarbox, Jan Taylor, Ken Vogel

**Agenda** – reviewed and approved.

Conflict of Interest (COI) statement read aloud and affirmed:

*We, the Directors of the Northern Pacific Railway Historical Association, resolve that no member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over on the matter involved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

BOD recorded minutes published to nprha.org. *Motion to accept last minutes – Dick, Tarbox 2nd, carried.*

#### **Finance**

Vogel presented a financial report that also reflected the recent audit. Tarbox commented that great progress has been made and timeliness of reporting was appreciated.

*Motion to accept the treasurer's report – Tarbox, Dick 2nd, carried.*

#### **Audit**

Taylor noted that the report was accepted the previous night and the actions would be reviewed and accepted at the Sunday morning.

#### **Spokane Convention Train Ride**

Bill Taylor reported that the train ride this week was the result of a lot of hard work and commitments honored by MRL (Tom Walsh) and BNSF (Matthew Rose, Mike Powers et al working to make private fleet available). Both railroads supported this idea since day one – an unprecedented gesture by two railroads and their CEOs. Some last minute logistics relative to insurance needed to be ironed out, but that problem solving was achieved. Route starts near Sandpoint, ID (Kootenai siding) to Paradise, MT and back - MRL to expedite us to Paradise. Compliments all around, especially to Mike Powers, Mike Lustig, Mike Applegate, and Jan Taylor, for their hard work on all fronts. Final notes – safety first (second, and third), keep train clean, and abide requests not to cross any tracks as specified by MRL.

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*Motion for resolution of thanks and appreciation to the many people, partners, and railroads who made this happen – Tarbox, Vogel 2nd, carried.*

### **Mainstreeter Advertising**

General consensus of committee after research and discussion is to drop advertising of external businesses in *The Mainstreeter* after existing agreement concludes with W&R. Inserts may be considered in the future but membership would rather sunset use of space directly in the magazine.

*Motion to accept report and recommendations – Hillard, Vogel 2nd, carried.*

### **Archives - East-End Report of Joint Archives**

Dick presented Mike Borkan's report about the NPRHA JSRH Joint Archives.

- **Events** - The archives group hosts ongoing events several times a year. Historical and modeling topics have included topics on 1933 Chicago World's Fair, NP Wheel Reports, NP's University of Minnesota line change, model show-and-tell, and Upper Midwest RR slide show.
- **Collections and Displays** - A lot of progress here – special thanks to Larry Schrenk for his hard work on the Stewardess Nurse displays.
- **Archiving Sessions** – Weekly sessions are held Tuesday evenings throughout the year. Several CDs were produced by Hudson Leighton of the archive group covering the NP standard plans book (available from the Company Store now). Other CDs are planned.
- **Facilities and Equipment** – Upgrades for computer software and a digital projector was received for presentations at East End meets.

The JSRH relationship continues to be very good. Bill Taylor commented that as a user, he found the resources and space excellent and appreciated the help of all volunteers there. Dick noted that there is a need to help narrow down requests from the Internet (narrow your topic, specify the expected end result) so that volunteer resources can be more effective.

*Motion to accept committee report – Hillard, Vogel 2nd, carried.*

### **Archives – West-End Report**

Ed Sherry's 2010 West-End Archive Report was presented. Taylor noted that the budget requested was for archive boxes, external hard drive, professional scans, and emergent items - \$932.50. Tarbox reported that the PNRA has secured the building. NPRHA collections received to date include materials from Bill McKown, Bob Hundman, Harold Stewart, et al. Current work includes applying for grants for shelving and other archive materials. The NPRHA will not have to purchase scanners and such.

*Motion to accept committee report – Tarbox, Manson 2nd, carried.*

### **Calendar Report**

Kuebler noted that the report carries the current process documentation (Memorandum of Understanding) between the NPRHA Calendar Committee and the board with regards to creation and delivery of the product. The process continues to work well with the deadlines outlined (major deadlines being October 1st of two years prior to calendar year and January 15th of year prior to calendar year). The committee is always looking for more and new sources of images. The ability to balance the calendar will become more difficult as these sources are tapped out. The committee doesn't keep a stockpile on hand of clean images – we clean as we go. The production company used is Digi-Graphics & Photos Inc in Minneapolis (they do an outstanding job). Vogel noted that the calendar is an excellent PR piece, especially for selling the NPRHA. Tarbox noted that production coordination for this piece was up for new assignment. Taylor requested that a job description be developed for this to help find the additional help.

*Motion to accept committee report – Frissell, Manson 2nd, carried.*

### **Company Store**

Tarbox reviewed the store report covering dates 1 July 2009 – 30 Jun 2010. The merchandise report showed that modeling was the highest percentage of sales at 45.0% during the past year. DVDs continue to hold but the market is in decline – online content is growing. A clothing business vendor or vendors should be considered due to the space required to maintain inventory in different sizes. Sales of *The Mainstreeter* still remain active as new members begin



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their libraries – typically 20 issues are ordered at a time. Joy and Gary Wildung got good digital copies of older issues to preserve continuity. The Company Store pays for these reprints. In terms of selling digital content (non-physical fulfillment), this has not been developed yet (but perhaps can be investigated by the next store manager).

*Motion to accept committee report – Dick, Christensen 2nd, carried.*

### Conventions

*2011:* James Dick reported that the Blackbear Casino & Resort ([www.blackbearcasinoresort.com](http://www.blackbearcasinoresort.com)) in Carlton, MN, has been selected as the convention hotel. Duluth was also investigated but this was the best property and value of the choices. Carlton is where the NP started. He urged that advanced registration be investigated – like airline pricing, best rates are achieved early – currently \$55 (Tue-Thu) and \$79 (Fri-Sat) and \$55 (Sun). This facility is newer, has three restaurant choices, and fairly convenient to get to (Twin Cities and Duluth airports – note that Duluth is anticipating a 3-year road project that will leave only one lane each way for traffic). The gambling area must be traversed to get to the convention rooms. The hotel is locked in now for the convention – 13-16 July 2011.

*2012:* Bill Taylor reported that the War Bonnet Inn ([www.buttewarbonnet.com](http://www.buttewarbonnet.com)) in Butte, MT, has been selected as the convention hotel. The NP Depot is thrilled to support us – it will host some events. Butte is waiting for us and there are lots of opportunities to do things there. The only bad piece of news is that the Virginia City – steam powered trip (2-8-0) is down due to tube life issues. They do run a motor car with trolleys. The convention dates are 18-21 July 2012.

*2013:* This is a East-end convention (dividing line – Billings, MT) that is to be determined.

*2014:* Larry Rice gave an invitation pitch for Toppenish/Yakima in 2014. Yakima would be the convention location but Toppenish is close by as an area of interest. The local volunteers would love to see us there. They have a 1911 full scale – class 1 – depot (but it lacks a beanery) – the interior is completely restored into a museum. Locomotives NP 1364 and NP 2152 from Auburn will also be there. There are yards and the old roundhouse is available. The original turntable is on a flat car in our yard. Yakima trolleys are some of the last interurbans in the United States. The Holiday Inn in Yakima is a recommended convention hotel to investigate. Many comments of support were offered by the board for this proposal, especially for the active group of NP enthusiasts there.

### Grants

Bob Horne reported that a committee of himself (lead), Phil Beach, John Bird, and Harold Shannon was formed to begin focusing on grants discussion. They are collecting, organizing, and structuring information needed to undertake this. They have the approved grant policy from the board – it is a good starting point but doesn't do the entire job. The West-End Archives needs to be added in for gift giving coordination. Tarbox commented that while we do get inquiries for grants, the organization strengthened its policies and processes a year ago. We don't own equipment or buildings – we collect information. We will fund some projects but we needed a grant review body to evaluate such projects. It would review and make recommendations to the board. Horne agreed – the committee will look at granting and also sources of material and dollars for providing grants. Frissell works for a non-profit and noted that this was for accountability – how money was spent and its accounting – the board is accountable for showing progress. Full funding is usually contingent on completion, so only partial funding is usually given out in segments. We should require proper status reports for continued funding. If not, funds revert back to the organization. Annual audits may also be in order, especially where funds move between non-profits.

*Motion to accept committee report – Tarbox, Dick 2nd, carried.*

### The Mainstreeter

Craig Reese reported that there two goals to meet:

- *publication schedule* began to slip – get as much done before getting on press
- *pipeline problem* – turned around the issue of getting a line up of stuff for the next couple of issues

Reese wanted to continue to refine the production process and have more front-end work being done by us, less at the printers. We need to keep the content pipeline as full and active as possible. We need to look at passionate convention presenters and encourage them to package their work for *The Mainstreeter*. He also thanked the board for help with obtaining preproduction software from Tech Soup. Dick asked about specific content requests. Reese noted that certainly convention issue locale information was always welcome. Railroad history content –

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chronological and inventory information – is really important. It can be leavened with plain story telling, too, to help round out the reader engagement. Horne agreed – we can help writers and storytellers alike – we can lose good contributors by not supporting them with editorial help. Tarbox said he would continue to work with Craig to help solicit content.

Adjournment at 9:54 am.

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### Annual Membership Meeting Spokane WA – July 17, 2010

Called to order by President Jan Taylor at 2:21 pm.

Financial summaries, condensed minutes, and a proposed conflict of interest proposal [pink] were passed out to members present.

Taylor noted that the condensed minutes were summaries of both in-person business and electronic transactions up to this month. The full minutes for calendar 2009 were available on NPRHA.org and at the beginning of the week upon request. Only the 2009 business portion was being approved at this time.

*Motion to approve the NPRHA 2009 minutes – Duane Durr, Ed Berntsen 2nd, carried.*

#### Financials

Ken Vogel thanked Mike Applegate and Mike Lustig for a great convention. He reported that 2009 was a good year for the organization and it made money in that period. It remains solvent and moving forward in its various businesses. Jim Dick asked about how many financial assistance requests we had received – the White Bear Lake organization last year appreciated our small donations. Taylor reported that the NPRHA conducted an internal audit to independently understand our operating status. Dave Hillard, a retired auditor, and Phil Beach undertook this task as independent volunteers. The board accepted the audit report and its results are under review for additional action.

#### Advertising Committee

Allan Manson reported that after discussion and consideration, a proposal was made to drop all advertising from *The Mainstreeter*. This will take place after W&R leaves the business. Futures potentials for advertising would be inserts included with the publication but not in the magazine itself. This would leave more space for NPRHA content. A question about lost revenue was answered that the current ad was a non-revenue ad (it came from past consideration of the donated raffle brass model and no income was tendered).

#### East-End Archives

James Dick congratulated the formation of West-End and East-End archives. He also acknowledged the fine BNSF donation of maps through the work by Mike Powers. He also encouraged the membership to use the archive services and provide leads for archive materials of interest to the NPRHA. There is no dividing line between the two archives – they will work with you to determine the best location for any of your donations. The East-End archives has a core group of five volunteers working continuously on the collections. He invited others to come and help if they were interested. Taylor noted there are no plans at this time to transfer materials to the West-End from the East-End archives.

#### West-End Archives

Ed Sherry, new director for the NPRHA West-End Archives, reported he is looking for volunteers. The goal is to make the two archives be as seamless as possible for NP interests. The West-End collections will be housed in Burien, WA, as part of the Pacific Northwest Railroad Archive (PNRA) project. Tarbox mentioned it was only one block from City Hall in Burien. It was easily accessible between two freeways and at the geographic center of our interested membership. He encouraged volunteers to join the work. Taylor said that the NPRHA group there would be responsible for getting our materials into the PNRA.

#### Calendar

Bill Kuebler reported that the working committee was Duane Durr, Gary Wildung, and himself. It functioned under a memorandum of understanding with the NPRHA board that was working well for its production process. He

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mentioned that production started two years prior to the calendar year (example – 2010 for 2012). John Kutz of Kirkland, WA works on the design. Distribution of the calendar goes out with the “dash-2” issue of the quarterly every year. The calendar committee is always seeking good sources of imagery to help balance aspects of color, B&W, equipment, personnel, etc. The calendar is also an excellent recruiting tool for the NPRHA. Dick asked what happens to unused materials? Durr stated that materials are maintained electronically and submissions are often returned to their submitting member.

### **Company Store**

Gary Tarbox mentioned that the store report was attached to the financial report previously covered. Inventory has been moved from Auburn to Raymond, WA. The store is predominantly an Internet online store – website orders go to Dave Cooley for fulfillment. A store manager role is currently open for a new manager. (Tarbox has served as “interim manager” for the past five years.) New projects will become available at the store such as the NP color chip project. Sales between 2009 and 2010 were lower (convention attendance was down which contributes to yearly sales). The store functions as a service to the NPRHA membership – it makes products of value to the membership – it doesn’t try to compete with major vendors. Questions were fielded about contacts for interested contributors to the product lines and also a lack of breakdown of merchandise activity reported to the membership this year–wasn’t this detail available during last year’s meeting?

### **Grants**

Bob Horne reported that work was in progress and no additional report was available at this time.

### ***The Mainstreeter***

Craig Reese’s report was postponed.

### **Membership**

Jan Taylor thanked Dave Hillard for his work as Membership Chair. For a brief moment, the NPRHA topped 2,000 members. Ken Vogel was looking for volunteers east of Missoula who could help go to swap meets to sell NPRHA memberships. He has a new membership kit that includes a banner, *Mainstreeters*, posters, etc.

### **NPRHA.org Website**

Gary Tarbox reported that the content server’s storage has increased to 82GB from 15GB. The aperture card project has increased the storage requirements. This online service is a rich source of information. A new version of SharePoint was anticipated soon. The Xfactor MM relationship has been quite good – they will help with the upgrade.

### **Pacific Northwest Railroad Archives**

Jan Taylor noted that Gary Tarbox was stepping down from the board at the end of this convention to focus on the PNRA project. He was given a standing ovation of thanks from the membership present. He retired from Microsoft over five years ago and he was excited to see the potentials going forward. This convention was an example of high attendance and high excitement, and people like this will help move things forward all over. He appreciated his time here and looked forward to working with everyone in the future on projects for the NPRHA and PNRA.

### **Nominations**

Chris Frissell reported that Allan Manson was stepping down from the board. The Nominating Committee proposed a slate for election as:

- Jan Taylor (2 year term)
- John Hillard (2 year term)
- Dave Franz (2 year term) – Allan Manson vacate
- Milt Clark (1 year term) – Gary Tarbox vacate

Nominations were invited from the floor three times per procedure. Hearing none, the nominations were closed.

*Motion to close nominations and declare these nominations seated – Chris Frissell, Allan Manson 2nd, carried.*

### **Conflict of Interest Adoption**

Jan Taylor introduced text for a conflict of interest statement to be read into the minutes of every official NPRHA meeting. *Motion to accept text was made by Bob McCoy, Mike Lustig 2nd.* Discussion produced a motion to amend

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statements in the text with the conjunction “and”, a change from “involved” to “resolved”, and to strike text preceding “...no member of the board...”. *The motion to amend by Bob McCoy, Ed Berntsen 2nd, carries. Vote on amended motion carries.* Final accepted text is as follows:

*No member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over and the matter resolved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

### **New Business**

The need for a new company store manager and attributes were discussed. Bill Seifert noted that the NPRHA convention conflicted with the NMRA convention every year – can we have any coordination with them for the 50% of the membership who models? Taylor said it would be considered.

Adjournment at 3:22 pm.

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### **BOD Spokane WA – July 18, 2010**

Call to order by President Taylor at 9:06 am.

**Members in Attendance:** Mike Applegate, Phil Beach, Duane Durr, Bill Kuebler, Mike Lustig, Dean O’Neill, Larry Schrenk, Ed Sherry, Bill Taylor, Gary Wildung, Richard Yaremko **Board:** Milt Clark, Jack Christensen, James Dick, Dave Franz, Chris Frissell, John Fujii, John Hillard, Allan Manson, Jan Taylor, Gary Tarbox, Ken Vogel

**Agenda** – reviewed and approved.

Conflict of Interest (COI) statement read aloud and affirmed:

*No member of the Board of Directors shall participate in any discussion or vote on any matter in which he or she or a member of his or her immediate family has potential conflict of interest due to having material economic involvement regarding the matter being discussed. When such a situation presents itself, the director must announce his or her potential conflict, disqualify himself or herself, and be excused from the meeting until discussion is over and the matter resolved. The President of the meeting is expected to make inquiry if such conflict appears to exist and the board member has not made it known.*

### **Modeling**

O’Neill reviewed the modeling committee’s report which included mission statement, 2009-2010 noteworthy items, needed feedback, and future to-dos. He covered issues with the first N scale rolling stock special – General American Airslide covered hoppers in two body styles and road numbers. The color card project has had great feedback and hopefully will be delivered in the Fall of 2010. Three committee members have left the modeling committee, so its membership stands at eleven individuals. In the areas of new business, it was discussed that presentations at conventions were important to keep. There was a recommendation to replace the contest with a “RPM” (Railroad Prototype Modeling) event instead where for 4-6 hours, people would bring their work (completed/uncompleted) and have opportunities to discuss it interactively. It would be open to the public (like the swap meet). RPM events are growing in popularity across the country. It would be hard to find time that doesn’t overlap with other activities, but the general format seemed sound and supportive of NP modelers’ interests. Discussion for the motion included considering more than just models – also techniques and research (such as resurrecting photos). The general desire was to start small and see how it went.

*Motion to adopt the RPM format into the convention Tuesday evening slot – Tarbox, Dick 2nd, carries.*

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### Membership

Taylor reviewed the July 2010 membership report with the board. At one moment, we hit 2,000 members. Tarbox noted we get about 200-220 new members each year as a balance to 100-150 lost each year. Ken Vogel's attendance at swap meets has made a large difference in these numbers. Everyone needs to promote the NPRHA. Taylor planned to share these numbers with railroad officials for our ongoing work. Attendees mentioned how they were promoting the NPRHA such as publicly displaying the calendar at hobby shops, sharing issues of *The Mainstreeter* (if not archiving them), etc.

The need to have additional copies of *The Mainstreeter* for public promotion plus variations (such as a "sampler" issue that covered system-wide articles of the NPRHA from past issues for marketing purposes) was discussed. Near term needs at the JSHR East-End archive would be handled by having 25 extra issues on hand. The membership committee should consider revisiting the expanded-issue idea as a potential valuable marketing piece for the NPRHA using existing article assets of interest.

### Conventions

2010 : Mike Lustig reported there were 200 registrants for the Spokane Convention and everyone seemed to enjoy themselves. He thanked everyone for their help (and Jan Taylor thanked the chairs for doing a great job). Future recommendations discussed included dual coffee coasters for couple registrants and dessert at the banquet. Request for registration refunds came up – the fees are non-refundable after a given date because the money is used in our guarantees. The train trip registrations were accommodated in a few unusual cases (major health issues), but these can become more and more difficult with this age group. There is no easy policy for refunds except the previously announced cut off dates. The \$35 skirted tables were a surprise to some. General thanks to the entire committee was made by all present.

### NPRHA.org Website

Gary Tarbox reported that the new server continues to work well (for past year). New software will be coming for Windows SharePoint Server. We will perform a test site before migrating to this new software (SharePoint Services to SharePoint Server). Additional software from TechSoup (provider of discounted software to nonprofits) included 18 licenses of Windows7 and Office2010 for East-End computers. There are no West-End computers yet.

### West-End Archives

Taylor introduced Ed Sherry as the new NPRHA manager for the archives. He's been with the NPRHA since the 1980's. He's an NP modeler. He worked for Boeing since 1965 and was a charter member of the Boeing Model Railroad Club. He made an open invitation for help with the new archives as they continue to form.

### Company Store

Taylor announced that Bruce Butler would step up to manage the Company Store. She will do some transition work with him but hasn't had a lot of time to talk to him yet.

*Motion to accept the committee reports as stated – Dick, Manson 2nd, carried.*

### Finance Audit Actions

Taylor noted that the board accepted the audit report on Tuesday night. Now was the point of going through the recommendations and addressing them.

- **Review of Accounting Controls and Procedures**
- **Bank and Investment Accounts** – consolidation recommendation accepted and to ensure president and treasurer's name is uniformly on all CDs – *motion to support obtaining CDs held by Durr – Hillard, Tarbox 2nd, carries*
- **Due from Company Store** – Vogel stated transfer is being done now
- **Income from Membership Dues and Donations** – Discussion about master roster records expiration – *motion to move records one year after 2nd renewal notice to inactive database effective 18 July 2010 – Vogel, Hillard 2nd, carries* ; Discussion of Sustaining membership and what it means to the organization's operations, especially where allocations go such as preservation fund; Discussion about renewal form not reflecting proper veteran and non-veteran rates – Tarbox reported this is already done, Larry Ruffin and Dave Hillard already do this this correctly.

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

- **Membership Demographics**
- **Expenditures** – Discussion about editor review of *The Mainstreeter* invoices, Vogel reports he talked to Reese about additional oversight specified; Discussion about Raffle inventory and expenses for Special Projects – expense receipts requirements and inventory needs better definitions including needs for transfer vouchers (receipts of received items by NPRHA from individual) – Bill Taylor, Chris Frissell, Phil Beach volunteer to work to define this policy for guidance and custody reports.
- **Form 990-EZ**
- **Board of Director Minutes**
- **Governance and Volunteer Recruiting** – it was agreed that this set of recommendations take place
- **NPRHA Company Store**
  - **Review of Accounting Controls and Procedures** – Vogel agreed that he would implement these
  - **Bank and Investment Accounts** – Vogel agreed that this can be implemented
  - **Accounts Receivable**
  - **Credit Card Sales Clearing**
  - **Office Supplies**
  - **Furniture and Equipment**
  - **Inventory** – Vogel agreed that this would be corrected and properly implemented
  - **Other Current Liabilities**
  - **Merchandise Sales** – Vogel agreed that this would be corrected and properly implemented ; Frissell stated the Modeling Committee would also participate to support this work within SKUs.
  - **Hobby Shop Sales** – Vogel stated that Dave Cooley will enter all sales ; Vogel will follow up on bad credit cards and checks per the onsite observation made.
  - **Cost of Goods Sold**
  - **Expenses**
- **Northern Pacific Railway Historical Association – Policy on Financial Procedures** – Vogel commented on individual sections:
  - **Section A** – President and Treasurer will be on both accounts
  - **Section B** – Company Store will not be able to write checks – Tarbox noted the Company Store Manager makes purchases via credit card to which Vogel responded that a receipt and bill was required for reimbursement.
  - Vogel noted that only section A was being followed and sections B-D were not – Taylor directed the Treasurer and Audit Committee to revise this policy from 2000 and present it to the board.

A discussion started about *The Mainstreeter* publication costs being properly accounted for in Company Store statements (page 12 of Audit Committee Report). This would require current consideration and discussion. It was noted that all monies are NPRHA regardless of classification. Taylor recommended follow up online after the convention.

### Reimbursements

Vogel reported that he received \$500 cash for unspent monies from Bob McCoy. He also received \$500 cash for unspent monies from Gary Wildung this week.

### Grants

Taylor noted that there is a need to work further with Bob Horne on the application process and evaluation criteria. We just want to focus on an application process and criteria for being judged. Acquisitions are beyond the current need at the moment.

### New Business

#### NPRHA Officers

Gary Tarbox noted that after 5 years on the board, he appreciated his time here and now he was leaving to focus on PNRA (and continuing on with the NPRHA website and new articles generation with Craig Reese). The important view for the NPRHA is to continue to preserve NP history and to help people with communication. Taylor expressed the organization's appreciation for his service.

Nominations were invited for the roles of President, Vice President, Secretary, and Treasurer.

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2010

*Motion to accept slate – Clark, Franz 2nd, carried.*

*Motion to approve 2010-2011 NPRHA Board Officers as follows:*

- *President – Jan Taylor*
- *Vice President – James Dick*
- *Secretary – John Fujii*
- *Treasurer – Ken Vogel*

*Approval by acclamation.*

Allan Manson thanked the board for the opportunity to contribute. He suggested considering making a small donation (\$500) to Mike Gelhaus for his work on the passenger cars visited during the convention. Taylor noted that we still need to finish the accounting costs of the convention (such as the train movement).

Adjournment at 11:53 am.

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### **BOD eMail Action** – November 4, 2010

The Minnesota Transportation Museum is experiencing down attendance and up expenses. James Dick noted this in a letter he picked up from the MTM. He suggested making a donation to help them defray costs through the end of the year. He also assumed it was an isolated request away from our pre-existing agreement, so it would not set a precedent.

*Motion for a one-time donation of \$100 to the Minnesota Transportation Museum to help with 2010 expenses – Dick, Hillard 2nd, carried.*

---

### **BOD eMail Action** – November 8, 2010

James Dick found out that NPRHA member, Ted Pope, was disposing of his 46” flat file drawer that was an opportunity for the NPRHA JSRH archives to acquire it at substantial savings over comparable drawers (retail at about \$500). It would also come with a permanent loan of a great number of USGS maps of various sizes and scales.

*Motion for the grant of \$300 for the purchase of a 46” flat file to be used at either JSRH NPRHA archive for oversized map storage, some of which are included in a “permanent loan” – Dick, Clark 2nd, carried.*

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*Respectfully submitted December 15, 2010 – John Fujii, Secretary*

## NPRHA Calendar Committee Report July 2011

**Calendar Committee Members:** Bill Kuebler, Chair; Duane Durr, Gary Wildung

The NPRHA Calendar Committee continues to operate in accordance with the *Memorandum of Understanding* established between the Committee and the Board of Directors in July 2006. The procedures outlined therein are working well.

The Committee also continues to operate with the following deadlines:

- **October 1<sup>st</sup>**, two years prior to a calendar's year: Images must be submitted to Committee in order to be considered for use in that calendar. Submission by the deadline does not guarantee image use.
- **January 15<sup>th</sup>**, year prior to a calendar's year: Committee must submit all materials to editor/printer for layout work.
  - Editor/printer submits initial proof (Adobe file; no deadline) to Committee for a cover-to-cover review, but must allow a minimum of two weeks for this review.
  - Extra time must be allowed for any late substitutions of images due to technical problems with a chosen image. (This has not occurred since 2006, when the Committee assumed responsibility for having images cleaned professionally at DigiGraphics & Photos, Inc., in Minneapolis).
  - Calendar for the following year is published and mailed with the No. 2 issue of *The Mainstreeter*.

In addition to these procedures, beginning with the 2012 calendar the Committee has also assumed some of the responsibilities once held by Gary Tarbox, namely working closely with John Kutz during the entire photo editing and layout process. The 2012 calendar, released just recently, is the first one to come out of this new process. Though there was a bit of a "learning curve" for us committee members, everything went well and was completed on or before deadlines. We have enjoyed working with John Kutz. We believe his work is excellent and that the results speak for themselves. We recommend continuing this process.

### Cosmetic Changes to the Calendar

With the 2012 calendar, we made a few minor, mostly cosmetic changes to the calendar grids. These include:

- Limited the space for historic notes in any one date-square to six lines of text, thus reducing clutter (Six lines fills about one-half a square, leaving room for personal notes to be hand-written in if desired)
  - Added moon phases to each month
  - Added color background to some of the thumbnail images, for contrast with the date squares; this makes the calendar grid stand out better
  - Changed several of the thumbnail photos
  - Used images of important operational documents (time tables and train orders) as some of the new thumbnails, so as to emphasize the operational aspects of the NP



John Kutz has pooled and archived—with careful attention to maintaining correct dates—all unused historic notes (i.e., those that were removed account the new six-line text limit) for future use on a rotation-basis from year to year. This means that some of the notes will change from year to year; all of them will be kept in the data pool.

### Photo Selection and Placement Criteria

The Committee continues to strive for *balance*, *variety* and *quality*. Naturally, these goals sometimes conflict, and trade-offs and judgment calls must be made. For example, the Committee may choose a photo with a flaw that cannot be removed, if the photo otherwise offers something very valuable that cannot be obtained by use of another image. The Committee tries to balance subject matter and categories, including but not limited to these:

- Steam, diesel, cars, M.O.W. equipment, structures, signals, etc.
- Locations/geographic settings (i.e., lines east vs. lines west; branches; etc.).
- Time frame (good images prior to 1930s are difficult to come by!)
- Color vs. Black & White images (no signature limitations exist, however)
- Employees in view
- Photographers and collectors represented in the calendar

Generally, the Committee favors action shots or views that imply activity and thus attract attention, rather than simple roster shots—although a roster shot is not ruled out if it has other unique qualities that meet our criteria (e.g., a rare piece of equipment, setting, or time frame).

The Committee does not maintain a large “stockpile” of cleaned images for use in the calendar, because doing so would tend to tie our hands during the photo selection process. This is why the Committee needs funds each year to clean additional photos—an on-going process. Thus, we basically “pay as we go.”

The most serious problem we see looming on the distant horizon is the number of good sources. It has now likely reached its potential. We believe that in just a few years, the variety of images available to us will decrease to the point where subject balancing and category-variety will be impacted. This is inevitable for a railroad that has been gone now for 41 years!

The Calendar Committee maintains its long-standing philosophy that the calendar should, most of all, please the audience. We deem the audience to be (in this order of preference): (1) current NPRHA members; and (2) potential NPRHA members (i.e., the Committee sees the Calendar as a recruiting tool).

The Committee has received much positive, and no negative, feedback in recent years. Therefore, the Committee’s current system appears to be highly effective. The Committee is especially pleased with the professional work of DigiGraphics & Photos, Inc., and has developed a very good working relationship with them. They continue to give the NPRHA outstanding service at a reasonable price.

Respectfully submitted,

Bill Kuebler  
NPRHA Calendar Committee Chair

3:54 PM

11/09/11

Accrual Basis

# Northern Pacific Railway Historical Association

## Profit & Loss

January through June 2011

	<u>Jan - Jun 11</u>
<b>Income</b>	
Convention Raffle Sales	955.00
Convention Registration & Fees	9,624.00
Donations - Restricted	
Fredrickson Collection	500.00
Donations - Restricted - Other	70.00
<b>Total Donations - Restricted</b>	<u>570.00</u>
Donations - Unrestricted	1,942.00
Investment Income	46.15
Membership Dues	29,223.00
<b>Total Income</b>	<u>42,360.15</u>
<b>Expense</b>	
Administrative Expenses	
Membership Expenses	493.87
Treasurer Expenses	355.46
Administrative Expenses - Ot...	15.84
<b>Total Administrative Expenses</b>	<u>865.17</u>
Audit Work Related	16.17
Bank Fees	123.50
Convention Expenses	
Hotel & Banquet	28.00
Misc Convention	12.00
Raffle	34.76
Registration & Banquet	217.00
<b>Total Convention Expenses</b>	<u>291.76</u>
Depreciation Expense	240.00
Internet Webpage	614.70
Jackson Street Archives	2,424.00
Membership Recruit & Retention	2,374.33
Miscellaneous Expenses	0.88
Model Committee	0.00
PNRA	1,350.00
Post Office Box Rental	176.00
Publications	
Calendar Printing & Layout	8,647.50
Mainstreeter Printing & Layout	11,780.64
Postage, Mainstreeter	3,279.36
<b>Total Publications</b>	<u>23,707.50</u>
<b>Total Expense</b>	<u>32,184.01</u>
<b>Net Income</b>	<u><u>10,176.14</u></u>

2:34 PM  
 06/30/11  
 Accrual Basis

**NPRHA Company Store**  
**Profit & Loss**  
 January through June 2011

	<u>Jan - Jun 11</u>	<u>Jan - Jun 10</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
46000 · Merchandise Sales	6,355.34	8,359.94
46500 · Hobby Shop Sales	1,760.20	1,979.44
46700 · Shipping & Handling	1,043.00	1,374.00
<b>Total Income</b>	<u>9,158.54</u>	<u>11,713.38</u>
<b>Cost of Goods Sold</b>		
50000 · Cost of Goods Sold	3,023.34	4,184.60
<b>Total COGS</b>	<u>3,023.34</u>	<u>4,184.60</u>
<b>Gross Profit</b>	6,135.20	7,528.78
<b>Expense</b>		
60000 · Advertising and Promotion	997.94	997.94
60100 · Refunds	19.95	27.95
60400 · Bank Service Charges	29.00	0.00
60600 · Bankcard Fees	433.04	443.38
60800 · Bankcard Discount Fee	535.08	1,333.93
61000 · Business Licenses and Permits	10.00	0.00
61800 · Postage & Shipping	1,182.08	1,212.33
64900 · Office Supplies Expense	17.51	0.00
65100 · SP Monthly Service Fee	1,070.00	1,230.00
65200 · SP Insurance	185.00	222.00
65300 · SP Merchandise Orders	496.00	675.50
65400 · SP Virtual Sales Processing	142.00	271.00
65500 · SP Storage Unit	0.00	196.95
66900 · Reconciliation Discrepancies	0.00	0.00
<b>Total Expense</b>	<u>5,117.60</u>	<u>6,610.98</u>
<b>Net Ordinary Income</b>	1,017.60	917.80
<b>Other Income/Expense</b>		
<b>Other Income</b>		
70200 · Interest Income	11.69	13.46
<b>Total Other Income</b>	<u>11.69</u>	<u>13.46</u>
<b>Other Expense</b>		
61600 · Modeling Committee Expenses	0.00	0.00
<b>Total Other Expense</b>	<u>0.00</u>	<u>0.00</u>
<b>Net Other Income</b>	11.69	13.46
<b>Net Income</b>	<u><u>1,029.29</u></u>	<u><u>931.26</u></u>

**NPRHA Company Store**  
**Balance Sheet**  
As of June 30, 2011

	<u>Jun 30, 11</u>	<u>Jun 30, 10</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
10000 · CoStore Checking	18,211.85	14,589.37
10200 · CoStore Savings	18,841.66	18,588.85
<b>Total Checking/Savings</b>	<u>37,053.51</u>	<u>33,178.22</u>
<b>Accounts Receivable</b>		
11000 · Accounts Receivable	526.62	77.88
<b>Total Accounts Receivable</b>	<u>526.62</u>	<u>77.88</u>
<b>Other Current Assets</b>		
12100 · Inventory Asset	30,474.70	33,932.80
12200 · Inventory In Progress	4,009.51	0.00
12300 · Swap Meet Inventory	422.69	0.00
12600 · Office Supplies	0.00	423.92
<b>Total Other Current Assets</b>	<u>34,906.90</u>	<u>34,356.72</u>
<b>Total Current Assets</b>	<u>72,487.03</u>	<u>67,612.82</u>
<b>Fixed Assets</b>		
15000 · Furniture and Equipment	0.00	3,715.05
<b>Total Fixed Assets</b>	<u>0.00</u>	<u>3,715.05</u>
<b>TOTAL ASSETS</b>	<u><b>72,487.03</b></u>	<u><b>71,327.87</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Other Current Liabilities</b>		
20200 · Convention Fees Due	0.00	941.00
20300 · Memberships Due	0.00	883.00
23000 · Model Committee Due	0.00	1,312.14
25500 · Sales Tax Payable	-988.96	-886.22
<b>Total Other Current Liabilities</b>	<u>-988.96</u>	<u>2,249.92</u>
<b>Total Current Liabilities</b>	<u>-988.96</u>	<u>2,249.92</u>
<b>Total Liabilities</b>	<u>-988.96</u>	<u>2,249.92</u>
<b>Equity</b>		
30000 · Opening Balance Equity	60,536.87	60,536.87
32000 · Unrestricted Net Assets	11,909.83	7,609.82
Net Income	1,029.29	931.26
<b>Total Equity</b>	<u>73,475.99</u>	<u>69,077.95</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>72,487.03</b></u>	<u><b>71,327.87</b></u>

## Announcement of Grants

The Northern Pacific Railway Historical Association “NPRHA” will award a limited number of grants in the areas of railway history and the preservation of railway heritage including structures, publications, research and educational projects. Grant requests for basic software and computer equipment are discouraged. The maximum individual award will be \$2,500. Applicants are restricted to one application annually and may be either individuals or organizations knowledgeable in Northern Pacific Railway (“NPR”) history and operations. Consideration may be given to material relating to historical affiliates of the NPR.

NPRHA grant awards (“Grants”) will be based upon the following criteria:

- The proposed project contributes to the preservation of, increases the general knowledge and understanding of, or promotes public interest in NPR history.
- The proposed project does not duplicate work already underway or completed elsewhere.
- Grants are made only for specific work not yet undertaken at the time of the award.
- The applicant is able to complete the scope of the project as proposed within a reasonable time. Urgency of the project, if any, should be clearly stated.
- The applicant has a plan to provide matching contributions of at least 50 percent of the total cost of the project. Proof of pledges, etc. should be included.
- Routine maintenance of already-restored assets is not eligible for NPRHA funding. Also not eligible for funding is maintenance or repair of an already restored artifact that has deteriorated due to wear and tear through use, has not been adequately protected, or has reached the end of its service life. Any proposal for restoration should be accompanied by a statement of plans to maintain the restored item or building.
- Applicants **must** be public bodies, 501(c) (3) entities, or private individuals.
- Membership in the NPRHA or endorsement by (a) current NPRHA member(s) are not absolute requirements, but will be considered as a tie-breaker between two proposals of otherwise equal value.
- A previous award of An NPRHA Grant to the same applicant is not a consideration. However, any individual or organization which has received a Grant in two consecutive years is disqualified from applying for a period of one year following the second award.

Grant requests **MUST** be submitted using the NPRHA Application Form. Failure to do so **WILL DISQUALIFY** the application. The application format and process is available on our website ([www.nprha.org](http://www.nprha.org)), and must be completed on line. Submissions to the website will be acknowledged promptly by email to the sender.

Please condense the information regarding your project. It is essential that all pertinent information be included on the application form within the spaces on the pages provided.

Applicants for and Recipients of Grants are required to adhere to the Terms and Conditions enclosed with this Announcement.

Applications for Grants to be made in any calendar year must be received at our website prior to the end of the Prior Calendar Year. If deemed appropriate or necessary, the person listed on the Page 1 of the Application as Preparer may subsequently be asked for additional information regarding the Application.

## Terms and Conditions

All applications will be reviewed by a committee appointed by the President of the NPRHA. The decision to make an award will be made by a vote of the NPRHA Board of Directors, and shall be considered final.

Grant recipients shall sign a letter of agreement consenting to the Terms and Conditions listed herein.

Recipient shall provide matching contributions of at least 50% of the **total** cost of the project, which may consist of any or all of:

- Contribution of the recipient's funds;
- Other grants and contributions raised by the recipient;
- Grants and contributions raised by other organizations with which the recipient has a formal cooperation; and
- Volunteer labor (valued at \$10 per hour) contributed to the project.

The NPRHA has no requirement that this Grant be repaid. However, recipients who receive revenue as a result of a project funded by an NPRHA grant are expected to return to NPRHA a significant portion of the grant received. Recipients who successfully complete a project which results in monetary improvement to the Grantee's net worth are expected to make a donation to the NPRHA Grants Program equivalent to 10 % of that improvement, so that the NPRHA can fund additional worthwhile projects.

Recipient will provide quarterly progress reports at the First of each calendar quarter (January, March, July, and September) to the NPRHA, including:

- Description of progress made;
- Photographs of work in progress;
- Accounting of funds received and disbursed; and
- Accounting of volunteer labor expended.

On completion of the project, recipients will provide the NPRHA with a timely final report (preferably by July 1, prior to the Annual Convention) including:

- Description of work completed;
- Photographs of work completed;
- Accounting of funds received and disbursed, including copies of receipts and evidence of expenditures; and
- Accounting of volunteer labor expended.

Recipients acknowledge the right of representatives of the NPRHA to make on-site inspections of the work in progress and upon completion.

If the project is terminated for any reason, any unused grant funds shall be returned to the NPRHA, along with a full accounting of the funds spent.

Failure of the recipient to use the grant funds for the purpose requested or within one year of the schedule proposed, without the written approval of the NPRHA, shall constitute default. In the event of default, all unused grant funds shall be returned to the NPRHA and the recipient shall be barred from consideration for future grants under this program.

Grantees agree to acknowledge and list NRHS financial support by conspicuously posting in exhibits, by mention in publications and by inclusion in promotional materials. Recipients further acknowledge the right of NPRHA to publicize its support of the project and to use project photographs.

## **Instructions for the Proper Completion of the Application Form**

NOTE: Applicants are restricted to one application for one project annually.

- Grant requests **MUST** be submitted using the on-line NPRHA Application Form. Failure to do so will **DISQUALIFY** the application. No alteration may be made to the format of the application form. A copy of the Application Form is included below for your convenience in composing your application.
- Applications must be submitted on the form on the website. **Maximum: Six Pages.**
- Parts A through N on the application **MUST** be answered — **Incomplete applications WILL BE DISQUALIFIED.**
- The information regarding your project must be condensed so that all pertinent information is included on the six-page application form within the spaces provided; financial information for Part K may be placed on a separate single page.
- Photograph(s) of the artifact(s) that are the subject of the application must be attached. If photos are not included, an explanation for their absence must be provided. Other pictures and diagrams related to the proposed project may be attached. Concise descriptive literature about major items to be purchased should also be attached. Videos, booklets or other similar material should not be sent.
- Adherence to the policies stated in the Grants Announcement is required.
- All grant applications and supporting materials including photographs must be received at the website by 11:59 p.m. PST, December 31. **NO EXCEPTIONS WILL BE MADE!**
- All applications will be evaluated by the Grants Review Board, whose members reside throughout the United States of America. Their selection Recommendation(s) will be made to the NPRHA Board of Directors. Grant decisions will be announced on the website ([www.nprha.org](http://www.nprha.org)) by April 15, with letters mailed to each applicant from the previous year.





- Provide a brief description of how this project will contribute to NPR history:
  
- Cost and Budget - Submit the following:
  - Separate lists of the cost of materials, cost of paid labor and the value of hours of volunteer labor.
  - Indicate specific use of NPRHA grant funds in dollars totalling the amount of the grant being sought.
  - If this project is part of a larger project, show detailed cost and budget for this project, as well as a general budget for the larger project. (As requests for basic computer equipment and software are discouraged, applicants are urged to seek donations of equipment and software. If the cost of computer equipment is requested from the NPRHA, the applicant must specify who will have custody and who will be the ultimate owner.)
  
- Schedule: (Summary of significant project timeline(s):

- List all grants received by applying organization within the last five years, including dollar amounts, grantors and projects.

If the applying organization previously received grants from the NPRHA, for each grant attach a statement indicating work undertaken on that project, specific use of NPRHA funds, acknowledgment to NPRHA for the grant, and whether a report was submitted.

- Amount of funds currently raised for this project (exclusive of volunteer labor):

- Amount of additional funds to be raised to complete this project (other than from NPRHA), indicating how the applicant plans to accomplish raising the funds:

- Matching Funds:
  1. Specify the ways in which matching contributions are to be made (see Announcement of Grants), and verify that such contributions will constitute at least 50% of the cost of the project.

2. Will the requested NPRHA grant result in the receipt of matching funds? If so, from what source and how much?

- Describe the applying organization's membership, its size and geographic area served:

1. Indicate how many members are active.

2. Indicate how many people are expected to work on this project.

3. If the applying organization or group is not an NPRHA member group, indicate if it has a close affiliation with any NPRHA member group, and estimate how many of its members are also NPRHA members.

- Assurance of continuing care and maintenance of the Project to be Funded:
  1. Provide a detailed statement of all the applying organization's revenues and expenditures, by category, for each of the past two years. This financial information should clearly show the ability to maintain any restored asset in good condition.

- Is this project expected to generate revenue, and if so, approximately how much, annually?

- Federal Tax Status

1. Is the applicant a Not-For-Profit organization?     YES     NO

2. Does the organization currently have Federal Tax Exemption Status under Section 501(c) (3) of the Internal Revenue Code?     YES     NO

If YES, submit documentation of same.

- Provide a description of your plan for public acknowledgment of NPRHA financial support of this project.

**REMINDER: COMPLETED APPLICATIONS MUST BE RECEIVED  
NOT LATER THAN YEAR-END**

**\*\*\* The Following is For Use by NPRHA ONLY \*\*\***

Date applicant approved filed application \_\_\_\_\_

Name of person preparing application \_\_\_\_\_

Title of person preparing the application \_\_\_\_\_

Application date \_\_\_\_\_

A completed NPRHA Grant Application was received at the NPRHA Website on:

\_\_\_\_\_  
Date received

\_\_\_\_\_  
Name/Signature of person receiving

Specific Decision Points for deliberation by the BOD on the NPRHA Grants Proposal,

in addition to general comments on content in the Proposal itself.

1. Does the NPRHA already have a policy for Support for the Restoration and Maintenance of Structures and Equipment?

Recommendation: Yes, a policy was adopted by the BOD on 7/11/01, at Duluth, MN which covered the subject in fairly general terms, including our intent, and with a limit of \$2,000 in any Calendar Year. The current Grants Proposal reflects those intents, sets conditions for the submission of Requests, and increases the funding limitations to reflect our current financial conditions.

2. How much money, per year, are we willing/able to invest?

Recommendation: \$2,500 each, with a maximum of \$5,000 in any Fiscal Year (July through June). This represents our current average annual balance of cash available after expenses.

3. What is the best timing for soliciting, considering, and making the annual award(s)?

Recommendation: Solicit as soon as possible following the 2011 Annual Convention, with awards being made as early as possible following deliberation and approval of proposals. In future years, it may be more practical to request submissions earlier in the year, so that approvals could be reviewed and authorized by the BOD at each Annual Convention.

4. How and When should the Grants be advertised?

Recommendation: Initial announcement made in the next Mainstreeter, with a posting on the Website at the time of M/S publication and mailing. Any presently-known organizations should be contacted specifically. Note: The Website should include a downloadable form, as well as a form which could be completed and submitted online, as well as a mailing address to which inquiries (for clarification) could be made.

Note: A draft Announcement is appended to this Document.

5. Should the quantity of data submitted be limited?

Recommendation: Initially, 100 to 150 words per section, with a definite maximum of 200. If additional information or documentation deemed necessary to the submission is available, it should be appended electronically or mailed in.

6. Should the Requests be submitted by mail, online, or online with a mailed copy?

Recommendation: This is probably best judged on the basis of the experience gained during the initial process. Any changes for the second and ensuing years can be announced later on the Website and in The Mainstreeter.

7. How should the Approval Committee be constituted?

Recommendation: A Review Panel, consisting of three current (or former?) members of the BOD to study the Requests, and to make a recommendation to the President for consideration and vote of the full BOD. Note - If the Treasurer is not included on the Approval Committee, his counsel must be sought prior to any consideration by the BOD.

8. How should any one Request be scored against others?

Recommendation: For the initial year (2011), unless there are a large number of submissions, it would probably be best to make a (substantially) subjective decision, based in the apparent merits of each project, as stated by the submitter(s).

9. Should a 'Scoring System' be developed for use of the Review Board?

Recommendation: Hopefully, the objective information received from the submitter(s) will provide enough material to identify the 'best' project(s). Using the experience of the initial process, it should be possible to devise a more objective set of criteria for 2012 and beyond.

10. How will the Grants Program be announced to potential Grantees?

Recommendation: Following is a Draft of an announcement which should be published in the Mainstreeter, and Duplicated on the NPRHA website immediately following the Annual Convention in Carlton, MN.

[To be published in the first Mainstreeter issued after the Annual Convention in Carlton, MN]

“The NPRHA is pleased to announce a new program of Preservation Grants, designed to encourage and assist organizations and individuals in the preservation of Northern Pacific Railway artifacts, structures, and other historical (NPR) equipment.

The program will initially consist of a limited number of modest grants, intended to help inspire those who have an opportunity to preserve the history of the NPR for future generations. The NPRHA Board of Directors will receive requests for one of the two \$2,500 grants which will be awarded annually.

Details of the process for requesting the Grants can be found online, at the NPRHA website, <<http://www.nprha.org>>[www.nprha.org](http://www.nprha.org). Applicants can either download the necessary forms and mail them to the address given on the website, or complete and submit the application online. Following an initial review, the applicant may be asked to provide additional specific information regarding the project being proposed.

For this, the initial year, we would expect Grant Applications to be submitted by October 1, 2011, so that the screening process can be completed and the Grant(s) approved by the Board of Directors and awarded by December 31, 2011.

In future years, we plan to initiate the process at the first of each calendar year, beginning in January 2012, in order that proposals can be submitted, finalized and evaluated by July 1, so that the Board of Directors can make their decision each year at the Annual Convention in July. The Grants would be conveyed to the grantees by August 1.

The NPRHA, as a tax-exempt 501 (c) 3 organization, is presently contemplating the establishment of an NPRHA Preservation Fund, which would provide additional assets with which to fund more and/or larger Preservation Grants in the future.”



## **NPRHA GNRHS JSRH Joint Archives Report**

July 2011

Prepared by Mike Borkan

### **Events**

The Archives group coordinates and hosts the NPRHA East End Meet a couple times per year; the meet lasts about four hours. Approximately twenty to thirty people attend, coming from as far west as Whitefish, MT and as far east as Chicago, IL. The meet is usually scheduled twice per year, early Nov and late winter (Feb/Mar); coupled with the annual convention held each July, this allows for NPRHA get-togethers about once every four months. Historical and modeling topics over the past year have included:

- Designing a Model Train Layout for Operations by Jeff Otto
- Mystery photo quiz with ten pictures to identify place, equipment, what was going on, etc by Larry Schrenk
- NP's Classification System for Steam Locomotives by Larry Schrenk
- Drawing for a one-of-a-kind kit for making a model of an NP standard repair shed. Doug Complin won the drawing. Everyone received a copy of the plans. Drawing and kit by Larry Schrenk
- Ellensburg Depot restoration update and video by Jim Dick
- 2011 NPRHA convention update by Jim Dick
- Twin Ports slide show by Gary Wildung
- Pioneer Steam Era book update by Larry Schrenk
- 1929 All Pullman West slide show by Gary Wildung
- Making of the Silver Streak slide show by Gary Wildung
- Ellensburg Depot restoration and video presented by Jim Dick
- 2011 NPRHA convention update by Jim Dick

### **Collections and Displays**

Several collections were either donated or added to during the past year, including:

- a. Allan Brennan collection – NPR annual reports 1877-1968
- b. William Oberg collection – NP Drum and Bugle Corp coats, books, photo
- c. Wilder Foundation c/o Kyle Herskovitz – Rwy Transfer Co of Mpls annual reports from the 1910s
- d. Thomas Taber collection – two summary compilation books on RR historical societies
- e. Carroll Mattlin collection – most items donated to the MTM; REA safe; RR and train magazines; RPO practice sorting kit
- f. John Palewicz collection – books, including a 1953 Car Builder's Cyclopeda
- g. Chuck Lavallee collection
- h. Bill Bursack collection – several boxes of books

A couple years ago, Lila Kravetz, who helped start the NP stewardess nurse program, donated a very nice maple and glass display case to house the stewardess nurse uniform donated by Barbara (Person) Hancock during the 2009

NP convention. The display case has been placed in the JSRH museum. We regret to report that Lila Kravetz passed away during mid-January 2011.

### **Archiving and Research Sessions**

Weekly archiving sessions of the NPRHA/GNRHS/MTM Joint Archives at the Jackson Street Roundhouse in St. Paul are held Tuesday evenings throughout the year. The sessions run from 6 to 9 PM. Regarding NPRHA members' activity, there are one-half dozen members who show up regularly. We plan on moving winter sessions to Saturday mornings – from Thanksgiving thru March.

The Archives group continues to periodically contribute the column "From the Archives" to the NPRHA's Mainstreeter magazine. A couple dozen queries are answered each year, many supporting research for articles and presentations. Some of the topics researched at the Archives and the Minnesota Historical Society over the past year:

- Roberts, MT NP depot plans and information
- Name change from NP Junction to Carlton information
- NP observation cars as part of NP passenger car research
- Ellensburg, WA NP depot information – Steve Hayden and Erin Confit
- Butte depot plans sent to the owner of the depot
- Toppenish depot plans sent to the depot museum
- Freight car information
- Northern Pacific and Manitoba RR material including survey notes of the Cascades and North Dakota branch line info. Bill Bursack has passed away and Jerry and Frank Vlysak are working together to publish the NP North Dakota branch line book
- Lacey, WA NP depot information and AFE searches for Dr. James Hannum, who is involved in the rebuilding of the depot
- Information for Roger Hinman - additional materials were sent to him. MDT book is at the press at this time.
- Stockyards and M&St.L/NP interactions information for Doug Harding
- NP Mechanical Files information for Ed Hawkins, who does the highly Railway Cyclopedias; getting an NP tidbit or photo in one of these books goes far <http://www.rpcycpub.com>
- Manfred Family of Spokane area - NP personnel files searched for 25 family members' records
- Snoqualmie trestle AFE project information gathered from microfilm
- Posted on "The Telltale" Yahoo group: 1953 NP passenger train movements and consists for the entire system
- Posted on "The Telltale": meat packing house freight movements on the NP

Over the past year, Hudson Leighton of the Archives group has scanned in an additional 150+ photos from the Gene Hawk collection and they are posted on the GN-NP Joint Archives website. His other work includes scanning several Officers Agents and Stations books and putting them on a CD, along with scanning NP timetables and maps. Hudson provides computer support for all groups at the JSRH Archives. He has also made a Duluth panorama banner for the 2011 NPRHA convention.

## **Operations, Facilities and Equipment**

In consultation with the GN group and those who run the Joint Archives website, we are in the process of upgrading the computers in the Archives office to Windows 7.

The digital projector purchased in June 2009 is being used at the 2011 NPRHA convention.

JSRH Security: There are no significant security events from the past year.

MTM = Minnesota Transportation Museum, owners of JSRH

JSRH = Jackson Street Roundhouse

GNRHS = Great Northern Railway Historical Society

## The Mainstreeter Annual Report – July 2011

I assumed the position of editor December 2010 due to Craig Reese being unable to continue due to work commitments. I have now been involved with the production of the first two issues in 2011, Vol 30, No 1 and 2, No 2 having been mailed July 5th. Previously I have been a proofreader, stating back several years when Tim Repp was editor.

I am still feeling out the position and what constitutes a good or more precisely an excellent publication. My first goal is to get the publication back on schedule, with a first of the month mailing in March, June, September and December. The next area I will address is style and along with that consistency of the publication. I do not foresee any changes, just consistency from issue to issue. Another goal is to maintain a balance between historical and modeling, with historical being the more important, as it is the basis for modeling

Our last print run (Vol 30, No 2) was 2300. I will be meeting with the printer to learn more about their end of getting an issue out. One item currently under discussion is changing to a poly bag for mailing. There has been considerable discussion about this and I anticipate having a sample at the convention. Unless there is significant disagreement, I anticipate using a poly bag for the next issue.

Currently, there are articles for the next few issues. The third issue of the year has a convention recap along with a main article or two. The first issue of the year features an article on the NP in that locale. We can use more articles on the east end of the NP; there are currently no articles on hand for that area. An 'In Memory of' column for deceased NP veterans is under discussion; we will need someone to be the point person/focal for that column. It would name them along with their most notable job or the division they retired from, etc. Along these lines I see a priority of ours to be recording what the vets did do in their jobs –interviewing them and writing down what they did. This would be the basis for articles for The Mainstreeter. As an example, one that has been considered is how they turned steam locomotive wheels at Auburn. This type of information probably won't be available 20-30 years from now. The important thing is get something recorded –audio for transcription or in writing; once we have it down so people can read it the feedback and additions will come much more readily. Along these lines we should be recording the presentations at our conventions, especially the veterans panels; this can be expanded on and will form the basis of articles for The Mainstreeter. I included an 'Editor's Desk' column in the issue that just went out. I envision that being the place for solicitations and for follow-on for articles that have been published as it was for that issue. It seems that information always shows up as a result of seeing something in print.

Ed Sherry  
The Mainstreeter editor,  
206-244-3884  
ersherry@comcast.net

**NPRHA  
Membership Report  
July 2011**

	6/30/10 Through <u>6/30/11</u>	6/30/09 Through <u>6/30/10</u>	7/12/08 Through <u>6/30/09</u>
Membership, beginning of period	1,957	1,904	1,885
New Members	188	214	170
Non-renewals	(141)	(147)	(144)
Deceased	<u>(16)</u>	<u>(14)</u>	<u>(7)</u>
Membership, end of period	<u>1,988</u>	<u>1,957</u>	<u>1,904</u>
Net Change	31	53	19
Half-Price Memberships sponsored by existing members	8	8	21
Members with expirations beyond one year	28%	26%	23%

**Note:** Current membership includes 42 members with Spring 2011 expirations who had not renewed as of June 30, 2011. Technically, those memberships will lapse when the Summer issue of *The Mainstreeter* is published. The Summer issue is to be published in early July. If the Summer issue had been published on schedule in June, the net change for the current period would have been a decline of 11 members.

**Renewals and Retention:**

Membership renewals are encouraged by:

Including a message on the mailing envelope for each *Mainstreeter* to continually remind members of their expiration date and encourage early renewal.

Mailing of renewal notices about one month prior to expiration continues to be the most successful method of encouraging renewals.

**Recruitment:**

The source of many of the new memberships cannot be identified, however approximately 40% of new memberships between 6/30/10 and 6/30/11 were entered through the NPRHA Company Store website.

Ken Vogel's efforts at swap meets and railroad shows in the Seattle and Portland areas have been very effective, and accounted for nearly one-third of the new members recruited during the current period.

# 3NPRHA Modeling Committee Annual Report

Dean O'Neill – July 2011

## Mission Statement

Enable and energize NP modeling through various efforts, including special runs with manufacturers, assisting manufacturers in their research, and researching and producing our own original kits.

### 1. 2010-2011 Noteworthy Items:

- A. Released one of our largest projects, the NP Color Drift Control Cards.
- B. Reached an agreement to move wood structure kit production from Bruce Barney to Blair Line.
- C. The ModCom assisted Intermountain with one NP specific project over the last year.
- D. Modeling committee membership remained the same this year.

### 2. Feedback Needed

- A. What is the modeling committee doing right?
- B. What does the modeling committee need to do better?
- C. What is the modeling committee not doing that we should be doing?
- D. How can the modeling committee improve communication with NP modelers?

### 3. Future ToDo:

- A. Need to delegate more work on the committee.
- B. Need to get the committee officially incorporated into the NPRHA by the bylaws.
- C. Need to get color cards to model manufactures.
- D. Would like to start working more closely with manufactures on new kit development. Just like last year.

## Current Offerings:

SKU	Description
N3100	Motor Car/Work Shed - HO
N3101	Wooden Fuel Shed - HO
N3102	Scale House - HO
N3103-HO-M	NP 4-Dome Train West Sign - HO
N3103-N-S	NP 4-Dome Train West Sign - N
N3103-O-L	NP 4-Dome Train West Sign - O
N3106	Phone Booth - HO (2 Pack)
N3107	Ice Shed - HO
N3108-1	Tool Shed – HO (Single)
N3108-2	Tool Shed Single - HO (2 Pack)
N3121	HO Scale - NP 30x48 Standard Depot
N3124	N Scale - NP 30x48 Standard Plan Depot
N3120	NP 57-Foot Mechanical Reefer - HO

SKU	Description
N3109	Double Stall Tool Shed - HO
N3110	Motor Car Shed & Fuel Shed – N
N3111	Double Privy – HO
N3112	NP Flat Car 53-Foot – HO
N3113	NP Stock Car 42' 8" – HO
N3104	HO Stock Car Ends – HO
N3039	NP 50-Ft Single-Sheath Box Car – HO
N3114	NP 2-Story - N Scale
N3105	NP 2-Story Depot - HO Scale
N3116	Bay Window Caboose - HO
N3117	Caboose Side Door Add-On Kit - HO
N3123	O Scale - NP Motor Car/Work Shed
N3122	HO Scale - NP East Helena Depot

## Nominating Committee Report 2011

There are four members on the NPRHA's Board of Directors whose terms expire this year. These directors are: Jack Christensen, Jim Dick, John Fujii and Chris Frissell. The nominating committee contacted each of these board members and asked them to serve again and everyone responded to our request with a positive indication that they would stand for re-election to another 2 year term.

Two of the Board members have indicated that they do not wish to serve on the Board any longer. The first of these Board members is Milt Clark who was filling the remainder of the seat formerly occupied by Gary Tarbox leaving an opening for a 2 year assignment on the Board. Also John Hillard has tendered his resignation from the Board effective at this year's convention leaving a one year term the board of Directors to fill.

The nominating committee has therefore canvassed the Association members for candidates to fill these two seats on the BOD. For the 2 year position the committee is recommending Bill Ziedel from Olympia WA and for the one year position we are recommending Allen Dahlman from Wahpeton, ND.

Respectfully submitted,

Dave Franz, John Hillard and Ken Vogel - NPRHA 2011 Nominating committee

June 2, 2011

## NPRHA Board of Directors (BOD) Combined Minutes / Actions of 2011

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### **BOD eMail Action** - May 3, 2011

The NPRHA Company Store management and fulfillment positions are in transition. Jeanne Franz accepted the role of Company Store manager from Al Ahlgrim so he can continue with the mailing project. Dave Cooley will finish his contract to the end of June without renewal so that he can develop other opportunities. His four and one-half years of excellent work for the NPRHA Company was noted and appreciated.

After discussion of several alternatives for continuity, the BOD reviewed a proposal dated 4/26/2011 from the Pacific Northwest Railroad Archive (PNRA) for secure storage, inventory, and fulfillment services (order and payment processing, handling and shipment) of the NPRHA Company Store inventory. Additional fee services included audit support, "Convention Store" packing for transport and inventory restocking, and special projects coordinated and agreed upon by both parties. A fee schedule of service charges was provided for areas such as space rental, reporting, transactional work, stocking, order processing, payment processing, and convention order support.

Insurance liability, inventory transfer logistics, and audit committee inputs were also discussed. The PNRA proposal was deemed best for the current NPRHA Company Store fulfillment needs. Additional business operations and store mission would be an ongoing review by the BOD and other parties.

*Motion to accept the proposal to move the NPRHA Company Store to the PNRA for inventory storage and fulfillment services – Franz, Dick 2nd, carried.*

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*Respectfully submitted July 4, 2011 – John Fujii, Secretary*



## 2010-2011 NPRHA Company Store

- Jeanne Franz became Store Manager this Spring, responsible for monitoring inventory levels, ordering replacement inventory, and preparing Store flyers for mailing with the Fall Mainstreeter.
- PNRA took over the Store fulfillment at the end of June 2011. The Store inventory was moved from Raymond to Burien WA and orders are being shipped from that location.
- During the last year no “must have” products were introduced, reducing product sales.
- The new NP Color Drift Cards introduced at Carlton should increase sales this Fall.
- The Store sales by Product Category from July 1, 2010, to June 30, 2011, are shown below along with comparisons to the three previous years:

Product Category	Sales Source	Item Quantity	2010-11 Sales	2010-11 Percent	2010-11 Percent	2009-10 Percent	2008-09 Percent	2007-08 Percent
Clothing	Online	26	\$409.92	2.5%	3.6%	3.9%	2.5%	3.3%
	Convention		\$337.59	8.4%				
Modeling	Online	199	\$6,113.23	36.5%	38.0%	45.0%	49.3%	37.6%
	Convention		\$1,776.84	44.3%				
Specialties	Online	66	\$377.48	2.3%	3.0%	3.8%	1.9%	1.1%
	Convention	55	\$234.60	5.8%				
Mainstreeters	Online	314	\$1,769.14	10.6%	8.6%	10.9%	7.3%	11.2%
	Convention	3	\$19.32	0.7%				
Books	Online	135	\$5,390.38	32.2%	31.3%	20.2%	26.4%	27.5%
	Convention	39	\$1,101.47	27.4%				
CD & DVDs	Online	86	\$2,273.06	13.6%	13.4%	15.9%	12.6%	19.3%
	Convention	27	\$509.36	12.7%				
Calendars	Online	71	\$393.64	2.4%	2.1%	1.9%		
	Convention	6	\$34.96	0.9%				
Totals	Online	897	\$16,726.85	80.6%				
	Convention	215	\$4,014.14	19.4%				
2010-11 Totals	Product Sales	1112	\$20,740.99	100.0%	100.0%			
2009-10 Totals	Product Sales	1303	\$25,950.14			100.0%		
2008-09 Totals	Product Sales	1976	\$44,289.50				100.0%	
2007-08 Totals	Product Sales	1877	\$33,358.12					100.0%
2010-11 Memshp Proc	Online	314	\$14,442.00					
2010-11 Conven Regs	Online	40	\$4,236.00					
2009-10 Totals	Online	473	\$46,427.50					
2008-09 Totals	Online	357	\$20,002.00					
2007-08 Totals	Online	304	\$16,888.00					

# 2011 Web Site Report

*Gary Tarbox May 2011*

The 2010-2011 year has seen an evolution and maturing of the *NPRHA.org* and *GN-NPJointArchive.org* web sites and their servers behind-the-scenes. The most visible additions have been to the Joint Archive site where Hudson Leighton has been scanning the Gene Hawk collection of passenger car builder's photos and Bill Sornsin has added a large quantity of GN photos and NP and GN AFE records.

The upgrade of the sites to SharePoint 2010 turned out to be much more involved than originally anticipated. The new SharePoint software version required an upgrade to the 64-bit version of Windows Enterprise Server which would have required an extended shutdown of the web sites and reposting of all the current data on the original NPRHA server, which was not an acceptable approach. Instead, the GNRHS and PNRA Boards agreed to purchase a web server and its required software to configure that server to run the 64-bit versions of Windows Enterprise Server and SharePoint 2010 which will not require a reposting of the site data. In addition, PNRA agreed to pay the \$50 per month hosting fee to XFactorMM for the new web server.

The new web server is now configured for testing the SharePoint 2010 configuration offline. This "test bed" will confirm the operational capability of the SharePoint 2010 with the Access database developed by Jeff Otto for use in cataloging the Jackson Street Roundhouse collections of the GNRHS and NPRHA, along with the material currently on the two web sites. When this testing is complete, the two servers will be configured to work together with the new server taking over the web server duties and the existing server confined to the database server duties. The major benefit of this two server configuration will be faster search results to address all the information in the all the databases and the ability to handle higher traffic loads without slowing of site performance.

The following activities highlighted the past year:

- NPRHA.org has 112 databases accessed from the "Links to All Site Databases & Lists" at the top of the Research Library home page.
- The scanned Aperture Cards of NP and GN drawings of structures and station plats plus the NP and GN AFE databases can be accessed on the *GN-NPJointArchive.org* site.
- The data on the NPRHA.org server has grown to 141 GB with the backed up, hard drives of the server running at twenty per cent of their 696 GB capacity.
- The full SharePoint 2010 upgrade is expected to increase the search capability on all the sites, as-well-as allowing integration of the JSRH Collections Database and its special features written by Jeff Otto into the web site. This will allow members anywhere in the world to help catalog items accurately from their home computers.
- The Web Site column in the *Mainstreeter* during the past year has included detailed instructions on how to search for specific items posted on the *NPRHA.org* site and how to drill down on items of interest.
- XFactorMM continues to provide the NPRHA with their "top of the line" commerce site where our Company Store operates and hosts our *NPRHA.org* server in a commercial data center for the same \$99 per month fee as called for in our 2003 agreement.

## Memo

Subject: Possible use of Yellowstone Park for Railroad Historical Convention

As I wrote earlier, I have done some investigating on holding a railroad historical association convention in Yellowstone National Park. This week I have had the opportunity to sit down with Rick Hoeninghausen Director, Marketing and Sales for Xanterra to further explore the possibilities of holding a convention in the Yellowstone Park.

As I believe I mentioned in my earlier note about this subject, Yellowstone is not really set up to accommodate conventions where large groups gather to hold conference style meetings. Only one facility has a space large enough to offer accommodations for group meetings and that is at Old Faithful in the Recreation Hall.

Yellowstone Park was established for the enjoyment of the people and therefore the government directs what the purveyor of rooms and lodging can do in terms of accommodating the general public. A large meeting of people will necessitate special arrangements which will not fit into the general theme of serving the public. Thus, Xanterra says our convention would have to be after the season for the general public closes, which means that a convention would have to be held in mid to late October. While this is a still a nice time to see and be in Yellowstone Park, several of the facilities will be closed and it is possible that even the general store and gift shop at Old Faithful may be closed.

Some of the factors that came out of this discussion are the following:

- Xanterra would like to accommodate a railroad historical group convention, but they have some limitations.
- The only Yellowstone Park facility that could possibly accommodate our present type convention would be at Old Faithful where they have a recreation hall that could be used for our meetings and ending banquet. It is thought that we could get up to 400 in the recreation hall.
- The only way that the government would let Xanterra handle a large group such as ours would be to book the convention after the Old Faithful facilities close for the season. Xanterra has three major lodging and food service facilities at Old Faithful, and if we booked our convention at Old Faithful after the season closed, Xanterra would keep enough employees on for the time of our convention to fulfill our needs for maid service and food service, etc. This would not guarantee that the General stores would stay open for our convention.
- Depending on the size of the convention attendance, the ending banquet may have to be served cafeteria style as kitchen facilities are not central to the Recreation Hall and all food would have to be transported to the recreation hall.
- If our convention were held in Yellowstone Park at Old Faithful or even outside the Park at West Yellowstone ( which would be sac-religious because Union Pacific served West Yellowstone), Xanterra would be willing to provide us bus tours to see the Park with knowledgeable guides accompanying each tour bus.
- The time element being considered would have to be middle to late October and as such, weather could become somewhat adverse to doing tourist things and even driving to and from Old Faithful may be hazardous at times.

Considering the factors that have been developed thus far, it is my opinion that Yellowstone Park may not be the proper venue for an NPRHA convention or a combined convention as I don't feel the October date would be agreeable to most members.

John Hillard  
Livingston, MT  
July 6, 2011