

Executive Director's Report October 2010

Membership (YTD starting April 1, 2010)

	October 2010	October 2009	YTD 2010	YTD 2009	Gain/(Loss) vs. prior yr.	
New Members	82	95	650	672		
Lapsed Members	(256)	(189)	(1,407)	(1,981)		
Net Gain (Loss)	(174)	(94)	(757)	(1,309)		
			10/31/2010	10/31/2009		
Regular Members			16,466	17,751	(1,285)	-7.2%
Family/Associate			1,094	1,151	(57)	-5.0%
Life			243	245	(2)	-0.1%
Contributory			135	121	14	11.6%
Business			178	141	37	26.2%
Total Members			18,116	19,409	(1,293)	-6.7%
Budget Dues	\$96,170		\$658,720			
Actual Dues	\$96,440		\$638,398	\$691,100	(\$57,197)	-7.6%
Difference	\$270		(\$20,322)		vs. budget >	-3.1%

Fiscal year-to-date membership is down 757 (4.0 percent) compared to down 1,309 (6.3 percent) last year and down 159 the preceding year.

Finances

FY 2011 OPERATIONS SUMMARY

	INCOME	EXPENSES	Net Inc/Exp	CAPITAL	NET
FIRST QTR	498,543	570,479	(71,936)	2,860	(74,796)
SECOND QTR	516,887	545,864	(28,977)	6,000	(34,977)
OCT 2010	253,972	214,004	39,968	4,782	35,186
YTD ACTUAL	1,269,402	1,330,347	(60,945)	13,642	(74,587)
YTD BUDGET	1,258,710	1,333,040	(74,330)	17,000	(91,330)
YTD VARIANCE	10,692	2,693	13,385	3,358	16,743

Income for the current year is 0.8 percent above budget, while expenses are below budget by 0.2 percent. This is a net actual shortfall of \$60,945 on a YTD expense budget of \$1,333,040 before capital.

Investments

FUND	COST	VALUE 10/31/2010	INSTRUMENTS
NAWCC Investment Fund	\$540,504	\$483,468	Corporate Bonds, CD & Cash
Life Membership Fund	128,329	82,424	Stocks, Bonds & Cash
Museum Endowment Fund	300,110	290,640	Mutual Funds, CD & Cash
Museum & Library Investment Fund	781,629	735,222	Bonds, Equities, CD & Cash
Library & Research Center Endowment	88,353	89,550	Bonds, Equities & Cash
School Endowment	173,395	179,153	CD & Cash
	<u>\$2,012,320</u>	<u>\$1,860,457</u>	

The current values on investments reflect paper gains and losses due to market fluctuations. Since most of our fixed income investments are held to maturity, actual gains and losses will only occur at maturity or when an investment is sold.

Development

Regular donations total \$85,524 YTD versus \$65,062 the previous year. Grants total \$0 YTD versus \$23,923 last year. Endowment/investment fund donations total \$270 versus \$21,684 last year. Pledge payments YTD are \$8,692. In-kind donations total \$5,067 versus \$5,846 last year. In-kind donations do not include items donated to the School or to Museum collections for which the value is not determined.

In addition to the above gifts, we received this month a \$100,000 gift for a Charitable Gift Annuity (CGA). The CGA will pay to the donor \$5,400 a year for the life of the donor. This will result in an immediate tax deduction for the donor plus a portion of the annual payments to the donor are tax free. The gift is invested in a CGA reserve to guarantee the payments and at the end of CGA contract, the principal remaining in the reserve is an unrestricted gift to the NAWCC.

Information Services

Kevin Osborne set up Web pages for the Crafts Competition held at the National. There are links to it on the nawcc.org homepage and Member Central page. The Crafts Competition page also has a link to a secondary page featuring additional photos of the entries. Clicking on a photo will open a larger image for better viewing.

In preparation for installing Exchange Server 2010 for email on our new server donated by George Kabacinski, we have purchased and received Exchange Server 2010, Microsoft Server 2008 and Backup Exec 2010. We have upgraded the memory on the server to 15 gigabytes, required for Microsoft Server 2008.

On our file and print server we have moved the SAGE accounting program from Microsoft SQL Server 2000 to Microsoft SQL Server 2005. We have also added a Registration database to be used with the Registration program to integrate Mart Regionals data into iMIS. We will be upgrading the operating system to Windows Server 2008 and installing Backup Exec 2010. The upgrade will allow us to communicate with the Exchange server as well as bring the Server up to newer specs.

Our next step is to set up and integrate the new Exchange server into our network. This will also bring us up to date with current email technology. We are expecting that it will resolve some issues we've been having with receiving some emails. The install should take place November 17, 2010.

We've upgraded computers at the Library front desk and another in Membership. We've been reconfiguring and reinstalling operating systems on the PCs that were replaced by newer computers. We are planning to find new homes for them and realize some income from their sale for NAWCC.

School of Horology

Classes continued during the month of October. Watch Instructor Sam Sherman spent a week in Switzerland attending a WOSTEP "Train the Trainers" class. This class goes toward his continuing education for the State of Pennsylvania and ACCSC. The SOH service center has had a steady stream of watch and clock repair work. The service center continues to repair and sell timepieces on eBay for customers. The customers are required to pay for repairs and the service center receives a commission from each sale. The service center received a new database program that will allow for better tracking of all previous and current jobs. The school eBay store continues to list school items as time allows.

Museum/Library

Museum admission revenue for October was \$4,469. Visitation for October was 1,117 visitors, including 101 NAWCC members (9 %). The Museum held its second annual wine-tasting fund raiser this month. The event had 241 attendees and grossed \$3,650 in ticket sales. NAWCC Store sales for October were \$5,535. The

Museum Director submitted the Museum AAM Accreditation Self-Study to the AAM. American Association of Museums staff will review the submission and make requests for clarification and/or further documentation as needed. This should take approximately 1 to 2 months.

The Museum's online searchable collection database recorded 2,223 searches via the database webpage. The Museum staff is continuing to facilitate two significant gifts of objects to the Museum (a watch collection and a German clock movement collection). The Museum curator and volunteers (including NAWCC School of Horology Clock Instructor Al Dodson) continue to work on refining collection database information, making it more useful for researchers.

Museum staff assisted the Mid-Eastern Regional event in York, PA, this month, providing cases and examples from the Museum collection for the regional exhibit. Museum staff continues to develop 2011 exhibits and develop the exhibit schedule beyond 2013.

As mentioned above, the Museum was host site for the second annual Wine & Chimes event, which included dozens of vendors who offered food and wine samples and provided door prizes for the event. The Museum has received free promotional advertising through its media partner 101 the Rose and Smooth Jazz. Staff continues to work with the Gallet Watch Group on the development of promotional materials for Web and print for the sale of Gallet's Museum Edition Flight Officer wristwatch. Grant requests for a variety of projects were mailed to prospective donors.

The Library had 251 visitors for the month and loaned 212 items; 155 research and reference questions were answered, 339 items were donated, and seven acquisitions were purchased.

Publications

The December Bulletin was finalized in October. Due to the Symposium occurring at the end of the month, the issue was delivered to Cadmus on November 1. The December issue features seven articles, a majority of these are about watches, and the 2010 Crafts Competition winners, first and second place winners are featured on the covers. This is the final issue for Scotty Dean's repair series. The December issue again includes 32 pages of color.

The December MART was delivered to the vendor on November 9. Advertising activity remained low for the December issue, despite our continued efforts via email, letter, and phone call reminders. This issue we also contacted all members registered on the 4Sale site to make them aware of the special ad offer we have developed for new members. The issue is 64 pages and includes two NAWCC promotional stories in the MART Magazine, one by Kim St. Dennis about his experiences at the National Convention and one by members of the Midwest Regional Committee about their successful regional.

Mark McKinley's *Talking Clocks* book is at the printer. The sound files are prepared and ready to send out for CD creation. 500 copies of the book and CD will be ordered. Richard Watkins' book on watch collecting is in the final stages of lay out. Philip Balcomb's, *The Clock Book*, was scanned and OCR'd. Reviewing the text is now in process.

Copyediting and proofing continues on all marketing material, including the eHappenings newsletter. Promotional NAWCC MART ads were developed and designed as needed, including ads for the 2011 Convention and Symposium. Promotional posters were designed for the museum educator, including Santa's Workshop and Cohen's watch and clock appraisal courses.

Annual fund material for the Bulletin carrier sheet and direct mail campaign was copyedited and designed.

A program book and poster were designed for the 2010 Time Symposium, and the Symposium website was updated as needed. Updates were made to the Publications area of the website.

Communications

Communications maintained NAWCC websites, augmenting them as needed and implementing new software options for our members. This service included (as always) monitoring and troubleshooting all NAWCC online resources, plus acting as technical advisor and offering individual customer service via phone and email. Work was done on several chapter websites, both updating them and working with chapter personnel on editing techniques and procedure. The November issue of our online members e-zine Happenings was researched and produced, along with numerous special email press releases and membership notifications, among them special updates on the upcoming clock appraisal course and our all-new watch appraisal course. Newsletters for Chapter 134, Chapter 141, and Chapter 3 were printed, mailed, and invoiced. Advertising included the Wine & Chimes and Home School Day events on various websites and print media. Promotional mailings for the 2011 event schedule were sent to the York Convention and Visitors Bureau.

Communications also prepared and mailed press releases for the November Calendar of Events, Santa's Visit, and the Clock Workshop. Communications collaborated with the special events committee to produce the successful Wine & Chimes event. Staff coordinated details for the annual Halloween party, obtained a Christmas tree for the Museum lobby, and made preliminary arrangements for the December Board meeting. Communications also sent promotional materials to chapters and media outlets, specifically to Chapter 16. Staff also prepared was Santa poster mailing to York and Lancaster Libraries in support of the Museum's Christmas events.

Education/Volunteers

We continue to give assistance to workshop instructors, including coordinating materials for the watch and clock valuation courses. We also continue to make sure that hands-on stations in the Museum have the appropriate materials to complete the activities for family learning. We are continuing background research on the clockwork exhibit for April of 2011 including securing additional loans of objects.

We continue to process School of Horology student financial aid, and keep up-to-date on the latest changes and requests from the U.S. Department of Education regarding financial aid for students. We are continuing to learn the financial aid processes, including procedures for returning funds when students withdraw from a program, as we had one student do so this month.

We participated in Harrisburg Area Community College's internship and job shadowing fair this month, which informed local students about our internship opportunities. We also held a volunteer open house, and as a result we recruited one volunteer for the library/archives as well as special events and exhibits. An Elizabethtown College student is volunteering for the Museum, assisting with a scanning project for his work study program. Total Volunteer Hours for October: 494.

The second annual Wine and Chimes Program was held on October 22 with much success. We also held a candy clock making program for children at the beginning of the month. We are still in the process of preparing materials for our November Home School Day program. We attended a Boy Scout camp program about 15 miles from the Museum where we were invited to have an activity station for over 2,000 scouts who participated in the camp weekend. We were also asked to serve as official time judges for the scouts' attempt at tying the longest continuous rope for the Guinness Book of World Records.

Facilities

The Facilities department continues to maintain the buildings and grounds. We replaced bulbs in several parking lights and spent extra time cleaning the main building after the Wine and Chimes event. The representative from Johnson Controls started to test and reset the controls for the boiler. He will return to complete these tests. The test on the water in the heating system passed, but we need to increase the number of times we purge the water.

We continue to recycle when we can. This month we recycled over four hundred pounds of cardboard, as well as all of our aluminum cans.

Admin/Other

The latest contact with the IRS indicated that they would be reviewing the Group Exemption material submitted at the end of September during the week of November 8. Hopefully a decision will be forthcoming shortly after their review.

I attended the Symposium in Williamsburg and spent one afternoon at the Mid-Eastern Regional in York. I also attended a planned giving lunch in York, a legislative affairs breakfast sponsored by the Chamber, and the Wine & Chimes event at the Museum.

The staff is currently working on annual staff evaluations and preparing their budgets for the 2011-12 fiscal year.

J. Steven Humphrey, Exec. Dir. 11/12/10