



Public Service



Advocacy



Education



Technology



Membership

2008 *Annual Report*



American Radio Relay League



Annual Report

2008

A Message from ARRL's President	2
Annual Report of the Chief Executive Officer	3-4
The Year in Review	5
Audited Financial Statements	25

About the Cover:

On May 17, 2008 ARRL, the national association for Amateur Radio, announced that it expanded its identity program to include greater emphasis on technology with a "fifth pillar." The announcement was made by ARRL President Joel Harrison, W5ZN, during the Dayton Hamvention®. In addition to the fifth pillar, ARRL has launched a year-long campaign that emphasizes the radio service as a scientific national resource. "We Do That" showed Amateur Radio in the 21st Century—where hams are using science, technology and experimentation to explore the radio spectrum. For over 90 years, ARRL has been at the forefront of technology, encouraging experimentation and education through its license training resources, publications and periodicals.

One of the defining principles of the service's very creation by the government is the amateur's proven ability to contribute to the advancement of the radio art. Today's technology is nothing new to ham radio!



A Message from ARRL's President

A major contributor to the ARRL's strength over the 90 years of its existence is the fact that its leaders have always had a clear understanding of our association's mission. Our mission has been expressed in different words by different generations but has remained fundamentally the same. Our current strategic plan states it in just six words: To advance and advocate Amateur Radio.

To add some additional definition to these words, in 2005 we identified four "pillars" of our association: public service, advocacy, education, and membership. Technology supports virtually everything we do, and as time went on we realized that it deserved its own pillar. So, with a bit of fanfare we unveiled technology as the "fifth pillar" at the ARRL EXPO area of the 2008 Dayton Hamvention®.

I am gratified that this recognition of technology as an essential and ongoing element of Amateur Radio has occurred during my service as ARRL President. The hands-on opportunities that I enjoyed as a young radio amateur led to a satisfying career in engineering. My story is far from unique; tens of thousands of ARRL members can say much the same, if not in engineering then in some related field. Ensuring that present and future generations of young people know these same opportunities is an important part of the League's mission.

As in every year, 2008 was marked by change. The retirement of Paul Rinaldo, W4RI, from the ARRL staff was a reminder of the many contributions to the League's success that Paul has made over the past quarter-century. The retirement of Riley Hollingsworth, K4ZDH, as FCC Special Counsel was a reminder of what "the bad old days" were like before Riley put his personal brand on FCC enforcement, and of how important it is that the FCC not leave this vacuum unfilled. In preparation for the retirement of Larry Price, W4RA, as IARU President in May 2009, it was my privilege to work with the regional organizations and other member-societies of the International Amateur Radio Union (IARU) to identify a strong nominee for this important office as well as for Vice President of our international federation.

At the end of March 2009 we will begin to enjoy the fruits of the ARRL's and IARU's decades-long efforts to improve the 40 meter band, when foreign broadcast stations move out of the 7100-7200 kHz segment. This and the ARRL's successful challenge of the FCC's flawed broadband over power line (BPL) rules in the Court of Appeals are two outstanding examples of our effectiveness in advocating on behalf of Amateur Radio.

Last year I mentioned that on-the-air activity increases as band conditions improve. We had expected some improvement during 2008, but as it turned out the year may go down as having the lowest sunspot numbers in modern times. In the spirit of making lemonade when life is handing out lemons, many amateurs—myself included—have concentrated on the lower-frequency bands where a lack of solar activity is actually a good thing. If you are a radio amateur who has not yet experienced the peak of a solar cycle, have faith—better times are coming! In the meantime there are plenty of reasons to turn on your gear and tune around. See you on the air!

Joel Harrison, W5ZN
President



Annual Report of the Chief Executive Officer for 2008

To The Board of Directors of The American Radio Relay League

As the ARRL began 2008 the main question facing us was whether the growth spurt that the Amateur Radio Service had enjoyed the previous year would continue. It did, with the number of new amateur licenses issued by the FCC rising to 28,066—a 5% increase over 2007. The ten-year license term makes the total number of licensees a poor indicator of current trends, but after a period of annual declines beginning in 2003 this figure also increased by 1.2% during the year. Thus it appears that the regulatory changes that took effect in February 2007 are having more than a short-term impact.

ARRL membership also grew slightly; we closed the year with 154,627 members. The growth was greatest among International members and in the Northwestern, Rocky Mountain and Delta Divisions. There is as yet no indication that the global economic crisis has begun to have a significant impact on new memberships and renewals, but of course we know there are ARRL members and potential members who are in economic distress and all of us are watching our pennies more closely. During this period of fiscal uncertainty it is especially important that we maintain a high perceived value of ARRL membership.

Our monthly journal, *QST*, remains the most tangible benefit of membership. It is a significant challenge to produce a magazine with appeal for newcomers and seasoned veterans alike, but the staff continues to meet that challenge every month. Our strategy for freshening and improving the appearance and content of *QST* is evolutionary, with changes introduced gradually in response to survey results and other feedback.

In contrast to print media, the rapidly rising expectations of Web-savvy members and others seeking information about Amateur Radio from the ARRL's Web site requires a different approach. During 2008 we began a major project to overhaul the Web site and plan to complete this "extreme makeover" by the end of 2009. Our goal is to make it much easier for members to keep abreast of new information about the specific areas of Amateur Radio that are of interest to them and to make their Web experience much more interactive.

The year's most gratifying development was the April decision by the United States Court of Appeals for the District of Columbia Circuit in our appeal of the FCC's Broadband over Power Line (BPL) rules. The Court panel found that FCC prejudice had tainted the rulemaking process and that the Commission had violated the Administrative Procedure Act by not disclosing in full the staff studies on which the Commission relied. The judges also found that the Commission had failed to justify its decision to apply to BPL systems an extrapolation factor that was designed for entirely different technologies and had summarily dismissed empirical data—submitted at the Commission's invitation—that supported a different conclusion. The Court even awarded the ARRL some of our costs; this reimbursed only a small fraction of the total cost of the appeal, but it was a moral victory and underscored the fact that we had substantially prevailed in our appeal. Remarkably, at yearend the FCC still had done nothing to comply with the Court's decision. Perhaps the change in administration will cause the FCC finally to meet its obligations.

(continued on next page)



During 2008 we began a major project to overhaul the Web site and plan to complete this “extreme makeover” by the end of 2009. Our goal is to make it much easier for members to keep abreast of new information about the specific areas of Amateur Radio that are of interest to them and to make their Web experience much more interactive.

An important milestone was reached in July when Paul Rinaldo, W4RI, retired from full-time employment after 25 years on the ARRL staff. Paul’s outstanding contributions to our technical publications and to our advocacy program are a matter of record; I am grateful for his support. In his role as Chief Technology Officer he remains available as a resource to the Board. Finding a qualified replacement for Paul to head our Technical Relations Office in Fairfax, Virginia was a high priority, and in September we succeeded in bringing Brennan Price, N4QX, back to the ARRL staff as Technical Relations Manager.

Finally, in 2008 the Board began the process of reviewing and updating the ARRL Strategic Plan, soliciting membership input for consideration at its first 2009 meeting. It is difficult, but essential, to set aside the immediate concerns of the day and to focus on what must be done in the next few years to ensure that Amateur Radio and the ARRL remain healthy far into the future. Envisioning the future is always risky, but it is even more dangerous not to try.

Amateur Radio serves the public interest in many ways, virtually all of them facilitated and supported in some way by the ARRL. On behalf of the staff, may I say that it continues to be a privilege to serve the membership of the ARRL and the thousands of volunteers who are the great strength of our association.

A handwritten signature in cursive script that reads "David Sumner".

David Sumner, K1ZZ
Chief Executive Officer

The Year in Review

ARRL Membership: Supporting Active Radio Amateurs

A second consecutive year of membership growth—154,627 ARRL members by the end of 2008—helps push forward the capabilities of the Amateur Radio Service as a national resource. The organization responded by devoting significant resources to recruiting new licensees, by introducing new membership benefits, and by encouraging technical and operating skills development.

Cutting Edge

At the 2008 Hamvention® in Dayton, Ohio, ARRL President Joel Harrison, W5ZN, introduced an expanded identity program for ARRL that includes greater emphasis on technology. This reinforces a precept of radio amateurs and ARRL—that ham radio is state of the art—innovative and relevant. ARRL publications, online resources and programs help provide members with resources and assistance on a variety of technical topics. Each month, *QST* magazine keeps members current with equipment reviews, technical tips, and projects. The ARRL Laboratory is a centerpiece of ham radio technology, contributing to radio electronics experimentation, spectrum development and advocacy, and radio frequency engineering.

Help for New Hams

Throughout the year, ARRL reached out to every new ham in the United States with free resources to help them get started, to get on the air, and to encourage them to become ARRL members. ARRL mailed each newcomer the *Ham Express 411* guide—a booklet chock full of practical tips and stories for new hams. In addition, local ham radio communities mentor new hams through ARRL's network of affiliated radio clubs, ARRL Volunteer Examiners and instructors. Together, ARRL members are working to make sure each new ham gets on the air and active.

More Benefits

ARRL membership benefits reflect the organization's deep commitment to active radio amateurs. For instance, members enjoy exclusive access to the Technical Information Service—where the “doctor is in” and ready to provide information and research on a variety of technical subjects. During the fall, ARRL introduced the online *QST* magazine archive to members. This new benefit—a free service for members—provides online copies of decades of *QST* magazine articles. Thousands of members have enjoyed searching, viewing and printing their favorite articles, projects and more.

Members also signed-on to enjoy exclusive association discounts and services such as the ARRL VISA Credit Card sponsored by US Bank, and automobile and homeowners insurance sponsored by MetLife. These endorsed services give back rewards or discounts to participating ARRL members, and also pay royalties back to ARRL—extending the organization's reach in the areas of public service, advocacy, education, technology and membership. ARRL members can feel good knowing there are even more ways to be involved and contribute to ARRL.

For a complete list of ARRL benefits, please visit www.arrl.org/benefits.



Amateur Radio operators at the Hamvention® in Dayton renew both memberships and friendships.



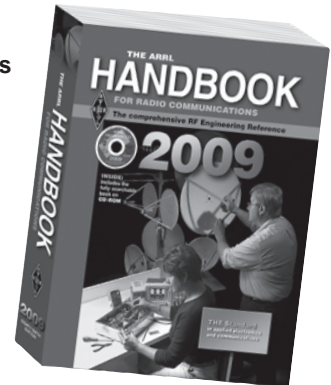
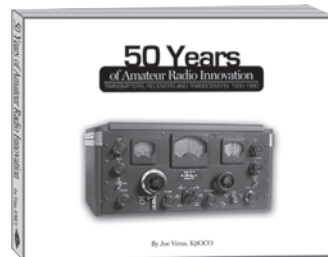
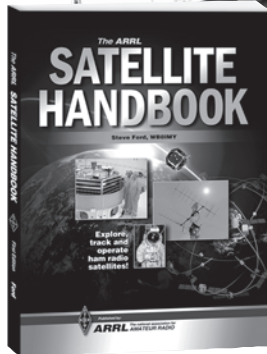
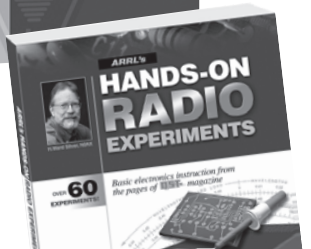
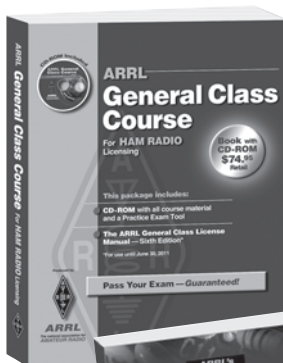
At the 2008 Hamvention® in Dayton, Ohio, ARRL President Joel Harrison, W5ZN, introduced an expanded identity program for ARRL that includes greater emphasis on technology. This reinforces a precept of radio amateurs and ARRL—that ham radio is state of the art—innovative and relevant.



ARRL Publications—Something for Every Ham

ARRL provides the highest quality Amateur Radio publications—journals, license manuals, books, software, and educational courses. The following publications were introduced in 2008:

- ARRL General Class Course For Ham Radio Licensing on CD-ROM
- The ARRL Extra Class License Manual—9th edition
- ARRL’s Extra Q&A—2nd edition
- ARRL’s VHF Digital Handbook—1st edition
- ARRL’s Hands-On Radio Experiments
- The ARRL Repeater Directory—2008/2009 edition
- TravelPlus for Repeaters™ CD-ROM—version 12.0
- The ARRL Instructor’s Manual—4th edition
- ARRL/VEC Volunteer Examiner Manual—9th edition
- The 2009 ARRL Handbook for Radio Communications
- 50 Years of Amateur Radio Innovation: Transmitters, Receivers and Transceivers—1930-1980
- Basic Antennas: Understanding Practical Antennas and Design
- The ARRL Satellite Handbook
- The ARRL Digital Technology for Emergency Communications Course on CD-ROM
- The Story of the Queen Mary and W6RO DVD
- 2009 ARRL Amateur Radio Calendar



ARRL News: Keeping Members Informed

The ARRL Letter

Sent at no charge via e-mail 50 times each year to the more than 70,000 ARRL members who elect to receive it, *The ARRL Letter* is the standard bearer for current Amateur Radio news. *The Letter* offers a thorough and reliably accurate overview of the latest news of importance to ARRL members in particular and to the Amateur Radio community in general. Other Amateur Radio news outlets often cite *The ARRL Letter* in their own reports.

Breaking, Current News on the ARRL Web Site

The ARRL Web home page features a “news crawl” — continually updated news of interest to the Amateur Radio community. The site attracts approximately 375,000 unique visitors each month; “page views” are around 160,000 per day. Ranked by page views, Amateur Radio news is the most-visited area. A monthly digest, “ARRL in Action,” summarizes the previous month’s ARRL activities on behalf of its members.

Amateur Radio News in *QST*

Each month, *QST*, the ARRL’s flagship publication and membership journal, features a variety of news. The monthly “Happenings” column includes an overall news summary, while other departments, including “This Just In,” “Public Service,” “Amateur Radio World,” “How’s DX?” “Eclectic Technology,” “Media Hits,” “The World Above 50 MHz” and “Exam Info,” focus on special-interest news. Feature articles report on news of major events, such as the semiannual meetings of the ARRL Board of Directors.

Annual Report

Radio Service as a Scientific National Resource

The ARRL Audio News Webcast/Podcast

The weekly ARRL Audio News provides a digest of the top news stories each week in radio newscast format for airing on repeaters and nets. This service is available from the ARRL Web site as well as via telephone. Almost 250 repeaters and other Amateur Radio outlets in the US and around the globe reported that they were airing our ARRL Audio News in full or in part. The League also makes ARRL Audio News available as a podcast (for downloading to an MP3 player), a service members have indicated they want and enjoy.

ARRL/W1AW Bulletins

News staff also prepares a full menu of general and special interest bulletins, including regular information about DX, satellites and Keplerian elements, propagation and news bulletins. ARRL/W1AW bulletins are transmitted over the air every weekday (except holidays) from the Hiram Percy Maxim Memorial Station, W1AW, and are distributed via e-mail to ARRL members who subscribe.

Periodicals

In addition to a wide variety of books, CDs and software, ARRL publishes three periodicals, *QST*, *QEX* and *NCJ*.

QST

Again this year, a number of design and editorial improvements helped keep *QST*, the ARRL membership journal, fresh and interesting. There were four well-received special issues: Vintage Radio in January, Field Day in June, Emergency Communications in September and Radiosport in October.

We are now surveying the readership several times a year, providing the editors with a clearer understanding of our members' preferences.

Managing Editor Joel Kleinman, N1BKE, visited the *QST* printing plant in Pontiac, Illinois and the nearby mailing facility to gain a better understanding of the processes involved in getting *QST* to ARRL members each month.

Effective with the February 2008 issue, the operating section of each issue (called "Radiosport") was redesigned to increase the usefulness, attractiveness and visibility of articles and columns relating to on-the-air events. As part of this initiative, a new column, "This Month in Contesting," debuted in the February issue.

QEX

The Forum for Communications Experimenters, *QEX*, is published 6 times a year. Edited by Larry Wolfgang, WR1B, *QEX* continues to provide the premier technical content Amateur Radio operators worldwide have come to expect. A complete redesign debuted with the Jan/Feb 2008 issue. *QEX* carried an exciting array of projects and technical articles throughout 2008, including the very popular NUE—PSK Digital Modem by Milt Cram, W8NUE, and George Heron, N2APB. We were saddened by the sudden passing of LB Cebik, W4RNL, in April. LB was a long-time Contributing Editor, with his Antenna Options column appearing in nearly every issue for four years.

Circulation increased steadily throughout 2008, ending the year at more than 7000 subscribers. This was an increase of more than 1000 from the beginning of the year.

NCJ

At year end, Al Dewey, KØAD, completed his first year as editor of the *National Contest Journal*, which is published six times a year. A new column entitled "Contesting 101" by Kirk Pickering, K4RO, was added to explain the fine points of Radiosport to new contest enthusiasts in language that is easy to understand. The newest innovations in contesting, such as CW Skimmer, were presented and debated in the pages of *NCJ* during 2008. The *NCJ*-sponsored NA QSO Parties and NA Sprints continue to be very popular among contesters.

The ARRL Web home page features a "news crawl" — continually updated news of interest to the Amateur Radio community. The site attracts approximately 375,000 unique visitors each month; "page views" are around 160,000 per day. Ranked by page views, Amateur Radio news is the most-visited area.





The Amateur Radio Emergency Service® (ARES®) continues to be called on to provide critical radio communications in emergencies.

Membership and Volunteer Programs

Awards and Operating

2008 was much the same as 2007 for radio conditions and sunspot activity. Despite the long period of low to non-existent solar activity, 2008 was the busiest year ever for contesting and contest submissions. 20,668 entries were received at HQ in 2008, led by the fabulous running of the 75th November Sweepstakes events. To commemorate SS's 75th anniversary, Sweepstakes contest manager Ken Adams, K5KA, saw to it that special Clean Sweep brooms were available, as well as 75th anniversary magnets for anyone who could work 75 sections. The RTTY Roundup also experienced an increase in participation and log submissions in 2008.

DXCC and ARRL's operating awards exceeded participation estimates with nearly 7300 DXCC applications over the year, another solid increase over the previous year. As for 2008, much of the interest in DXCC and ARRL's Worked All States (WAS) award can once again be attributed to ARRL's Logbook of the World™ (LoTW) online QSO confirmation system, which links directly into those two awards. More than 200 million contacts have been loaded into LoTW by more than 23,500 individual users! And the art of QSLing with traditional cards has not diminished with more than 650,000 QSLs sent from ARRL HQ's QSL Bureau around the world in 2008.

ARRL Field Organization / Public Service

During the hurricane season of 2008, ARRL HQ was able to exercise a level of command, control and coordination supporting the Field Organization Sections that were impacted by a series of tropical events. An adaptive model of the Incident Command System was used to allow HQ staff to maintain and increase their level of situation awareness on the events impacting our field personnel, and how direct assistance would be achieved. As the tropical events increased and the season wore on, the interface with the Field Organization became more refined. This presented a solid framework to build upon for the future development of plans and protocols that would position the ARRL to be more effective in its Emergency Preparedness & Response program, and in the relationships with non-governmental organizations that rely on Amateur Radio capabilities.

Throughout the year, an effort was made to increase the overall awareness of ARES® operations undertaken in our 71 Sections. Because past activities involving actual disaster responses may not have received attention as they were happening, or simply become a historical note after their completion, there is a clear requirement to have timely and specific reports of undertaken ARES® missions. This knowledge serves two primary needs, operations and public relations. From the operations perspective, details on what is occurring permits HQ Staff to coordinate the support response, if necessary, and provides information to partner organizations and the government on Amateur Radio's response roles. This information directly transfers to the public relations/media interest side—so we can tell our story. And a proud story it is!

Recent examples from south and north show the continuing importance of the ARRL's ARES® program and provide some insight into how Amateur Radio will be used in disaster situations as we approach the second decade of this century.

In September 2008, ARES® ham radio operators provided critical communications during and after Hurricane Ike. Hams also served at almost all of the Points of Distribution (PODs), Emergency Operations Centers and with many VOAD groups in the Houston-Galveston area. While Texas amateurs primarily provided supplemental communications between EOCs, the National Guard and in coordination of shipments of supplies to PODs, hams in adjacent ARRL sections and states were supporting agencies throughout the entire region. The storm's aftermath was felt as far north as Ohio, Indiana, Illinois, and Kentucky, and hams throughout the Midwest assisted served agencies in their area. ARRL headquarters helped with multi-state

Annual Report

Radio Service as a Scientific National Resource

coordination and emergency shipments of radio equipment to the Gulf Coast under the Ham Aid program.

Going north, in December a major ice storm—accompanied by freezing rains, flooding and strong winds—severely impacted New England. ARES®, RACES, SKYWARN and MARS operators worked together to respond to calls for assistance from many served agencies and to participate in the recovery phase of the storm. As the storm continued unabated, ice accumulations up to 1.5 inches were common throughout a very large area of Western, Central and Northeast Massachusetts, as well as parts of New Hampshire and Maine. Damage to normal communications infrastructure in the affected area was significant and Amateur Radio's fail-safe abilities were again requested and used by our served agencies.

Through wildfires, floods, Search & Rescue operations, tornadoes and broken phone lines, ARES® operators proudly and skillfully served their communities in 2008.

The Field Organization Team hosted 14 Section Managers for training at HQ—many of them new to the job. The Team also coordinated and participated in teleconferences with the leaders of sections in three divisions in the second half of 2008, and the entire nation over the last year and a half.

Affiliated Club Activity

The year 2008 saw 53 new clubs join the ARRL Affiliated Club Program with the number of active clubs currently at 2,094. While this is a slight net decrease from last year's report, the number can be attributed to better database management. The Special Service Club program remains steady, and the number of activities in which clubs participate has increased. License classes have increased significantly with more clubs offering General and higher class license instruction. The number of clubs that offer mentoring programs has also increased, reinforcing the tradition of the local club being the place where new radio amateurs will find the best help and instruction.

W1AW

W1AW was again active during operating events in 2008. Visitor operations at the station on weekdays continue to be popular, with thousands of QSOs going into the station log.

In November, Matt Strelow, KC1XX, and Andrew Toth of XX Towers Inc, performed the Autumn antenna/tower inspections and planned maintenance work.

The 2008 Autumn W1AW Frequency Measuring Test took place on Wednesday, November 12 at 9:45 PM EST. The test consisted of two audio tones (of unknown frequency) being sent on W1AW's 80 and 40 meter "digital" frequencies.

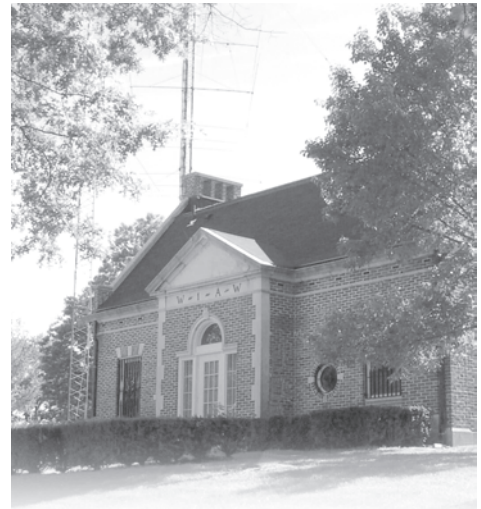
The two tones were sent separately in 10 second intervals.

The object of the FMT was to measure the two tones.

Participants used a Web-based form to input their measurements. Mike Fahmie, WA6ZTY, also ran a West Coast version of the test immediately following W1AW.

During the 2008 hurricane season, W1AW was manned during various weekends and over the Labor Day holiday.

Donations and contributions of equipment for installation at W1AW were received from several companies, including Yaesu, Ameritron, Flex Radio Systems, Acom, and Icom. The three operating studios at W1AW are sparkling and loaded with state of the art equipment.

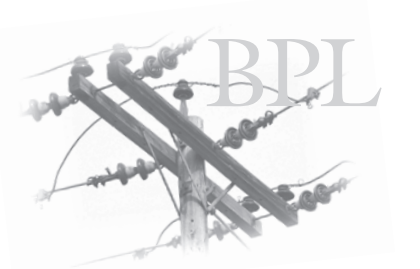


W1AW is the flagship station of the ARRL and serves the world with information, bulletins and friendly radio contacts.



More information about the W1AW operation:

- Total number of bulletins sent in 2008: 249
- There are approximately 3,600 subscribers to the W1AW ListServer.
- There are approximately 47,000 subscribers to the ARRL "Members Only" Web site W1AW bulletin distribution system.
- W1AW Logs are uploaded to Logbook of The World™ on a regular basis.



ARRL Lab Provides Technical Support to Members and Industry

The ARRL Laboratory has continued to serve as a major technical resource in the ARRL's defense of Amateur Radio spectrum. This year, work on BPL related issues slowed some, but BPL is not dead on the vine. One of the BPL manufacturers, IBEC, announced that it is deploying BPL in rural areas in seven states.

BPL is also being used to some degree in the automation and modernization of the power grid, although most "smart grid" deployments are using wireless, fiber or even high-speed cellular broadband as the backbone. At this time, all of the BPL manufacturers are not using the amateur bands in their deployments, with sufficient filtering to prevent widespread interference to Amateur Radio. The current FCC regulations and industry standards don't reflect this successful model, however.

The Lab has also been an important part of ARRL's efforts to work cooperatively with industry on electromagnetic compatibility (EMC). Ed Hare, W1RFI, continues to serve on the IEEE EMC Society's Standards Development Committee as Secretary; the P1775 BPL EMC Working Group; the ANSI accredited C63™ EMC standards committee and other industry groups addressing all types of EMC issues. This contact with mainstream industry and technology as an active participant helps ensure that Amateur Radio continues to provide a technical resource to our technical society.

Mike Gruber, W1MG, ARRL's RFI engineer, helps amateurs across the country address power-line noise and other RFI problems. Mike manages ARRL's cooperative program with the FCC, helping the FCC target its RFI-related enforcement activities more efficiently by working directly with amateurs and electric utilities to solve many power-line noise problems. As Riley Hollingsworth was retiring from the FCC, Mike documented the procedure used to resolve power line cases and helped develop procedures that can be used to perform field investigations of power-line and other RFI problems. This program was put into limbo after Hollingsworth retired, but Mike kept the Lab's role in the program going and prepared the necessary documentation to ensure a smooth transition for Riley's expected replacement. The documentation has also been submitted to the IEEE for consideration as the start of an IEEE Recommended Practice on the identification and resolution of power-line noise. Mike completed a new test fixture that allows the Lab to make calibrated measurements of conducted noise from consumer devices.

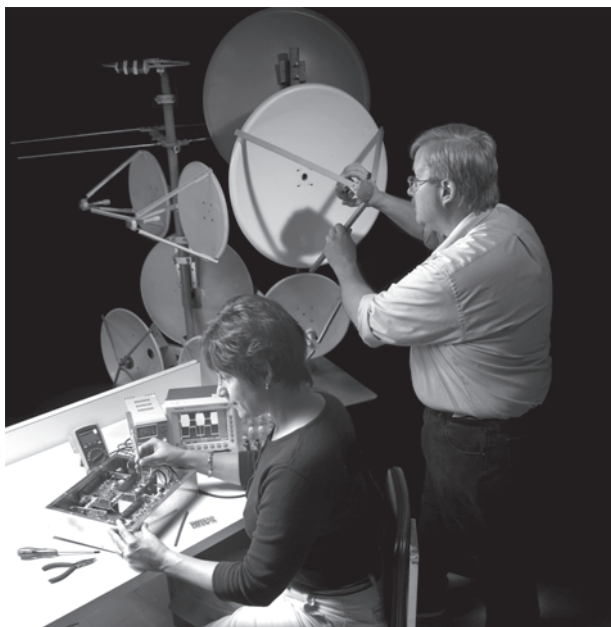
The ARRL Lab uses this test room designed to the specifications of the ANSI C63.4 testing standard to accurately measure conducted radio noise from various consumer devices. The Rohde and Schwarz ESH3 and ESHV EMC receivers and the EZM spectrum monitor were donated to the Lab by Dr. Ulrich Rohde, N1UL, the Chairman of Synergy Microwave.

ARRL members looked to the Technical Information Service (TIS) for help with a wide variety of technical issues. Under the leadership of Zack Lau, W1VT, ARRL's Senior Laboratory Engineer, TIS staff provided assistance via telephone and e-mail, and also directed members to an impressive collection of online resources.

Mike Tracy, KC1SX, ARRL's test engineer, left in May, but ARRL was lucky to hire Bob Allison, WB1GCM, to replace him. Bob came to ARRL with 35 years as a ham and 28 years of experience in the broadcast industry. He hit the ground running and has kept the Product Review process running smoothly. Bob and Mike did some real synergy, using ARRL's new conducted-emissions test fixture to measure the noise from dc power inverters for the Product Review column in QST.



In 2008, the US Court of Appeals decided a line is NOT a point—as ARRL had argued and shown in many BPL emissions measurements.



The daily activities of the ARRL Lab and Technical Information Service prove "It's not your grandfather's radio anymore."

ARRL Educational Services

Licensing and Instruction

The vigorous level of interest in Amateur Radio licensing experienced in 2007 in response to the FCC's elimination of the Morse code test requirement continued. As in 2007, there was strong interest in Amateur Radio licensing from hospitals, police, fire and the emergency responder sector. License upgrades to General class and Amateur Extra class were also strong, though license upgrades in 2008 didn't match the surge experienced in 2007.

To meet this demand for licensing preparation, our volunteer instructors responded by offering more classroom instruction—539 classes conducted throughout the US were listed with ARRL, though that number certainly doesn't include all classes that were offered. ARRL continued to offer an entry-level Technician license course online, and recorded 664 enrollments, an 11% increase over 2007 enrollments. In addition to a new Extra Class study manual developed to incorporate the changes in the licensing question pool effective on July 1, we released a General class license course offered in CD media format.

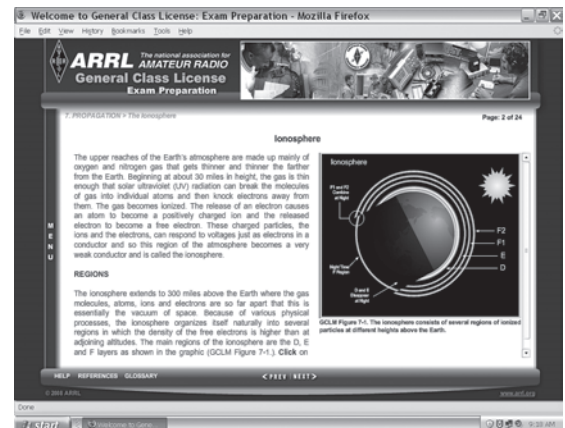
Continuing Education

The Continuing Education Program experienced 2% growth in all online course enrollments, in spite of the retirement of two course offerings during the year. Sustained interest in our Emergency Communications courses produced significant growth in field examinations (24%), while total online enrollments in the three Emergency Communications courses remained about even.

Education & Technology Program

Expansion of this donor funded program resulted in hiring two additional instructors to support our professional development workshop, the Teachers Institute on Wireless Technology, and to provide ongoing advice and support to teachers and schools receiving resources from this program. Nathan McCray, K9CPO, and Miguel Enriquez, KD7RPP, joined our team of instructors, helping to conduct six sessions of the Teachers Institute during the spring and summer of 2008. Seventy-seven Teachers Institute participants came from 29 different states. The participating teachers were involved with classroom instruction across all grade levels, and represented a broad range of backgrounds and contexts. The 2008 Teachers Institute curriculum introduced a new robotics instructor's activity board added to the robotics unit. A 24 hour clock kit was added to the soldering 101 unit, a new, more flexible seismometer that can be used not only to study earthquakes but also to control the movements of the robot was added to connect the science of radio unit to the robotics unit, and a radio telescope and sudden ionospheric disturbance (SID) exploration resources were added to expand the space technology unit.

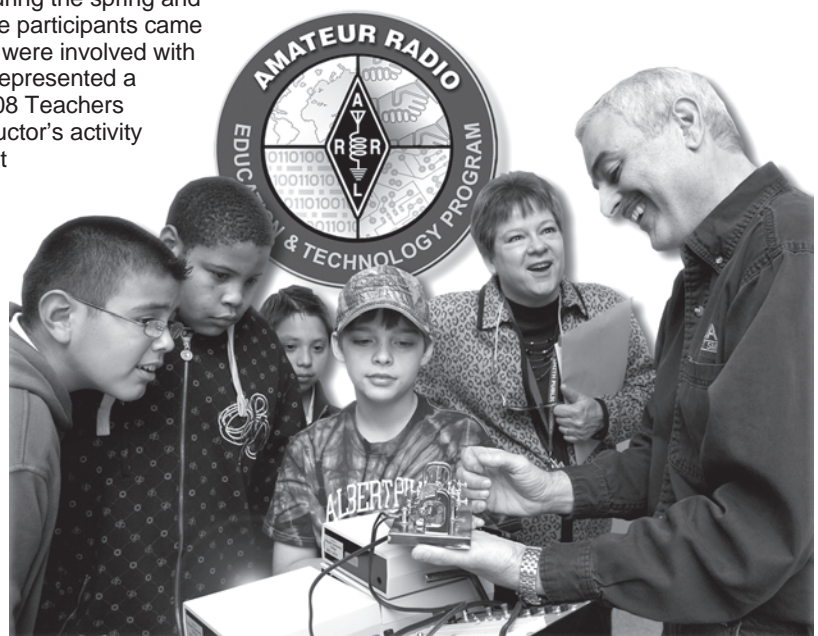
In addition to the support for the Teachers Institute, grant applications for station equipment, software and curriculum support materials totaling approximately \$35,500 were approved to provide resources for 30 schools exploring Amateur Radio as a part of their classroom curriculum. Over 350 schools received grants for resources, radio station equipment and training from this program by the end of 2008.

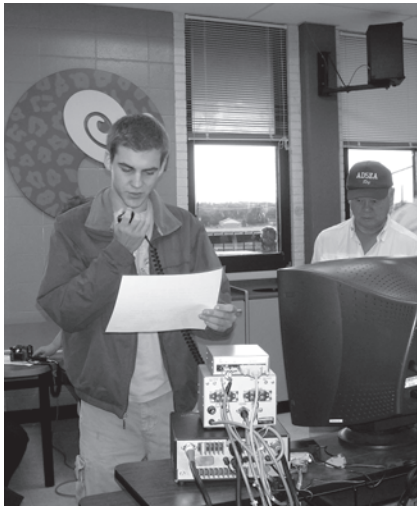


ARRL launched a new, computer-based General license course CD in 2008.



For over 90 years, Amateur Radio's evolving technologies have never lost their "wow factor" for students.





The once in a lifetime chance to talk to an orbiting astronaut is realized by the ARISS program.

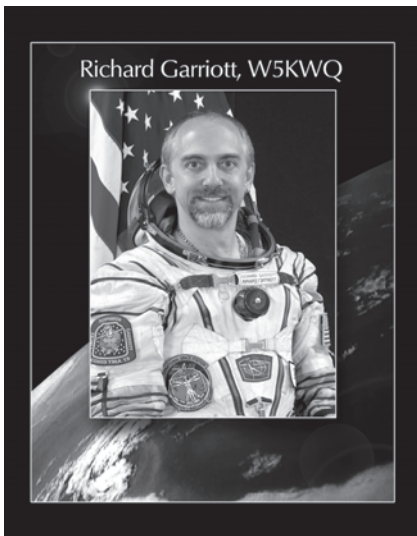
Amateur Radio on the International Space Station (ARISS)

The primary goal of the ARISS program is effective educational outreach: engaging students in science, technology, engineering and math (STEM) learning activities tied to Amateur Radio and space that will inspire their interest. Part of that goal is to expose students to the capabilities and learning opportunities offered by Amateur Radio. To that end, we are pleased that more ARRL affiliated clubs are supporting ARISS contacts and extending their involvement to teach lessons about Amateur Radio in the classroom prior to talking with the International Space Station. In some instances students are even building the equipment used to make the ISS contact.

With the assistance of local Amateur Radio clubs, Boy Scout troops are turning ARISS radio contacts, called "QSOs," into Radio Merit Badge seminars. With more engagement in preparation for the QSO with the ISS, more teachers are thinking about ways to regularly bring Amateur Radio into the classroom and are exploring the resources offered by ARRL's Education & Technology Program. The result is that more students taking part in ARISS QSOs are getting involved in Amateur Radio.

ISS QSOs arranged through the ARISS program totaled 63 in 2008 and included 27 contacts in the USA. Fifty-one of the 63 contacts were made with schools; the remainder were conducted with Scout camps, museums or in other public forums.

ARISS team members also planned education activities with US Department of Education staff and NASA to celebrate 2008 International Education Week in November. As part of this event, an ISS QSO was scheduled for three schools located in North Carolina, Maryland, and Ecuador. The following day, schools tied into a videoconference during which students interviewed a panel of scientists, all ARISS volunteers.



Some of the most exciting days of 2008 were the 11 days in October when Richard Garriott, W5KWQ, went to space. He was following in the footsteps of his father, Owen Garriott, W5LFL, who was the first ham in space. Richard Garriott started radio ops within two hours of the Soyuz docking to the ISS. All told, he made over 500 QSOs including many with Scouts during their Jamboree on the Air. The ARISS team also arranged QSOs between Garriott and students at six Challenger Centers and seven schools. Garriott engaged students learning about space, technology, and ham radio (one school built their own turnstile antenna used to make the contact), and he transmitted Slow Scan TV images via Amateur Radio directly to radio stations on Earth. 2200 images from space were posted to a Web site for all to see. Hams loved the activity, which generated a number of national level news stories.

After five years of planning and preparation, ARISS also recorded a noteworthy technical achievement in 2008 with the launch of ARISS L-band and S-band antennas for the European *Columbus* module.

ARRL VEC

ARRL Supports Amateur Radio Licensing —VEC Activity Remains High

The total number of US amateurs rose in 2008 by 1.2% to 663,500 (the 2007 total was 655,800). Amateur Radio continues to experience a healthy growth as there remains an amplified interest in new licenses, which increased by 5% (2008 new license total was 28,066 versus the 2007 total of 26,728).

ARRL VEC is by far the largest of the 14 Volunteer Examiner Coordinator (VEC) groups in the country, coordinating approximately 70% of all Amateur Radio exams. In 2008, 33,850 applicants were served at 6,150 sessions, keeping the VEC staff very busy.



Annual Report

Radio Service as a Scientific National Resource

ARRL VEC also recorded a 34% increase in US territory and foreign testing activity over 2007. The 2008 overseas testing locations included: Austria, Bahamas, Canada, Costa Rica, Ecuador, Germany, Great Britain, Italy, Japan, Malaysia, Mexico, Panama, Russian Federation, South Korea and Trinidad and Tobago. The Austria session was our first exam session conducted in that country.

ARRL VEC continues to participate as a member of the National Conference of VEC's Question Pool Committee. The four member committee prepared and implemented a revised Extra class question pool (Element 4) for examinations used by the amateur community beginning July 1, 2008. It will remain valid until June 30, 2012.

As one of three FCC-authorized Club Station Call Sign Administrators, ARRL VEC processed and transmitted over 1,300 club licenses for the FCC in 2008. ARRL is also one of five FCC-authorized 1x1 Special Event Call Sign Coordinators and has processed nearly 90% of the 5,600 Special Events authorized and documented in the NCVEC 1x1 database since the program's inception in September 1997.

We have issued or renewed 1,084 International Amateur Radio Permits (IARPs) since the program was established in June 1999. IARPs permit instant operating authority by US amateurs when traveling to participating Central and South American countries.

ARRL VEC also processed and transmitted electronically to the FCC nearly 6,000 address changes and license renewals for ARRL Members in 2008. This service to members continues to be greatly appreciated.

Advocacy

During the 2nd Session of the 110th Congress, the ARRL continued to press for action on the Emergency Amateur Radio Interference Protection Act, HR462 and S1629. These bills, introduced in the House by Rep. Mike Ross and in the Senate by Sen. Mark Pryor, both of Arkansas, sought to require that the FCC make a serious study of the radio interference potential of broadband over power line (BPL) systems. Unfortunately, it proved to be impossible in an election year to move these bills forward. In part this was because of the favorable action by the U.S. Court of Appeals for the District of Columbia Circuit, which remanded major parts of the FCC's BPL rules back to the Commission. We argued on Capitol Hill that this provided a window of opportunity for exactly the sort of study called for in the legislation, but committee staffs saw the remand as justification for a "wait and see" approach.

We were unable to find a sponsor for a new legislative approach to the growing problem of prohibitions on effective Amateur Radio antennas in areas that are subject to covenants, conditions and restrictions. Our efforts on this important issue will be redoubled in 2009.

Federal Communications Commission (FCC)

Aside from the Court of Appeals decision mentioned earlier, the big FCC news as far as radio amateurs are concerned was the midyear retirement of Special Counsel Riley Hollingsworth, K4ZDH. For the past decade Riley has served as the "cop on the beat" for the Amateur Radio Service, dealing not only with the tiny handful of social misfits in our midst but also with other sources of interference such as power lines. While someone like Riley can never be fully replaced, it is essential that his work be carried on. Unfortunately, despite the urging of the ARRL, at yearend the position remained unfilled.

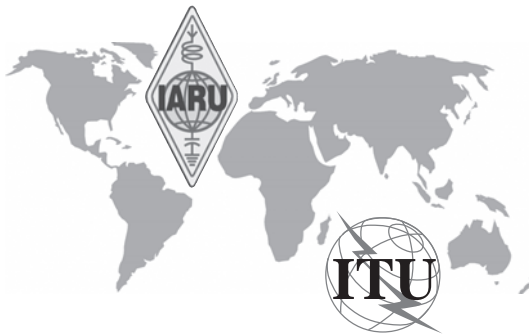
(continued on next page)



ARRL VEC processed nearly 6,000 license changes and renewals in 2008 for our members.



Riley Hollingsworth, K4ZDH.



It is no secret that the ARRL was disappointed with Kevin Martin's tenure as FCC Chairman. While the arrival of a new administration and the resulting change in control of the FCC does not ensure an improvement, it at least creates the possibility of better times ahead. We look forward to acquainting the incoming Chairman and the other new Commissioners with the public benefits provided by the Amateur Radio Service at minimal expense to the government.

International Telecommunication Union (ITU)

2008 marked the beginning of preparations for World Radiocommunication Conference 2011. Volunteers named in an ARRL experimental license are conducting experiments near 500 kHz to demonstrate compatibility of amateur operations with incumbent licensees. This work supports our efforts to gain an international secondary allocation near 500 kHz. While WRC-11 does not appear to pose a significant risk to Amateur Radio spectrum, ARRL staff is monitoring several agenda items that could affect Amateur Radio in a worst-case scenario, most notably accommodation of oceanographic radar between 3 and 50 MHz. Conditions for amateurs on 40 meters in most of the world will improve on March 29, 2009, when broadcasters worldwide are required to vacate 7100-7200 kHz. This relocation of broadcasters is the culmination of a significant victory for Amateur Radio at WRC-03.

International Amateur Radio Union (IARU)

The ARRL serves as the International Secretariat of the IARU, a global federation of national Amateur Radio associations with members in 159 countries and separate territories. The main focus of IARU activity is representing the Amateur Radio Service to the International Telecommunication Union (ITU) and regional telecommunications organizations. The President is Larry E. Price, W4RA, and the Vice President is Tim Ellam, VE6SH. These officers serve five-year terms. The current terms expire on May 9, 2009. In 2008 Mr. Ellam was nominated to serve as President for the upcoming term of office; Ole Garpestad, LA2RR, of Norway is the nominee for Vice President. David Sumner, K1ZZ, serves as the IARU Secretary, while ARRL International Affairs Vice President Rod Stafford, W6ROD, is a member of the IARU Region 2 (the Americas) Executive Committee. The IARU Administrative Council is responsible for the policy and management of the Union; it is composed of the three officers and two representatives from each of the three IARU regions. The Administrative Council held its annual meeting in Konstanz, Germany in June.



Ole Garpestad, LA2RR

The ARRL serves as the International Secretariat of the IARU, a global federation of national Amateur Radio associations with members in 159 countries and separate territories. The main focus of IARU activity is representing the Amateur Radio Service to the International Telecommunication Union (ITU) and regional telecommunications organizations.



New IARU president Tim Ellam, VE6SH/G4HUA will take office in May 2009.

While there were no Part 97 rules changes from the FCC, the year 2008 saw plenty of activity in the Regulatory Information Branch. The military's "PAVE PAWS" radar systems continued to be a major topic, with the Air Force conducting two additional rounds of testing in California and Massachusetts. By summer, mitigation at the Cape Cod Air Force Station site was handled to the point that the local repeater coordinator could begin working with the RIB and the ARRL Lab to develop a process for evaluating new repeater coordination requests. While problems affecting the Beale AFB site in California continue, significant progress has been made in resolving the interference issues while maintaining as much amateur activity in the 70 cm band as possible in the affected areas.

After the July retirement of Riley Hollingsworth as the FCC's Special Counsel handling Amateur Radio issues, the RIB continued to serve as an informational source for queries related to the enforcement of Amateur Radio rules. Once a new Special Counsel begins work in 2009, the RIB will again work closely with him/her and the FCC as a resource to foster operating legally, safely and appropriately.

Antenna zoning and the impact of restrictive covenants, conditions and restrictions (CC&Rs) on Amateur Radio operators continues as a primary activity of the RIB. Pennsylvania became the 27th state to incorporate PRB-1 into state law. The RIB provided information and materials to amateurs in more than half the states of the US to assist with PRB-1 or CC&R related issues. During 2008, the RIB also became more actively involved in the ARRL Legislative Action program, serving as a conduit of contact between the ARRL's lobbyist in Washington and Division Legislative Action Coordinators and Legislative Action Assistants in numerous states. At the end of the year, the RIB was working to better facilitate the flow of information to the grassroots program. The goal is to effectively promote the ARRL's legislative agenda with the incoming 111th Congress.

The most common queries from ARRL members to the RIB involved operating outside of the USA. In February 2008, the European Radiocommunications Office (ERO) modified the European Conference of Postal and Telecommunications Administrations (CEPT) agreement and changed the criteria for reciprocal operating for US amateurs visiting signatory countries; only Advanced and Extra class licensees now qualify. The RIB has been working to get updated public notices from the FCC on CEPT reciprocity, as well as to have CEPT accept the FCC General license as equivalent to the CEPT Novice license.

During 2008, the RIB also became more actively involved in the ARRL Legislative Action program, serving as a conduit of contact between the ARRL's lobbyist in Washington and Division Legislative Action Coordinators and Legislative Action Assistants in numerous states.

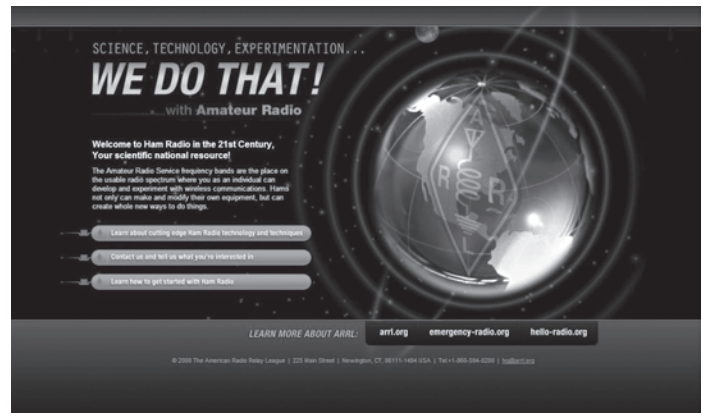
Public Relations

Following the Hello campaign of 2006 and the Emergency campaign of 2007, 2008 saw the launch of the third and concluding major campaign planned by the ARRL Public Relations Committee and staff. Coinciding with the ARRL's debut of the "5th Pillar," this campaign promoted the technologies of modern ham radio, career possibilities, training options and creative skills of hams. Like its predecessors, "We Do That—Radio" is also a multifaceted activity.

Leading the technology campaign was the "We DoThat!" brochure, and thousands were requested. Paired with the brochure was the launching of the www.WeDoThat-Radio.org Web site, created with the help of Fathom. This fulfilled the Web-based trinity: Hello-Radio.org, Emergency-Radio.org and WeDoThat-Radio.org. Together, these three campaigns address the three primary areas bringing people to investigate Amateur Radio: the hobby and friendships; the emergency service, and the unique ability to explore wireless radio communications and technologies.

The computer CD disk "ARRL Swiss Army Knife for PIOs" was issued in an updated edition and continues to be a highly requested resource for the 450+ ARRL Public Information Officers throughout the country. The second edition of "Talk on a Disk" was also released and it too contained a multi-media presentation on Amateur Radio technologies as well as emergency operations.

Because the foundations of the ARRL public relations activities rest on volunteer PIOs, they are kept informed on events via a special PIO Web page (www.arrl.org/pio), a monthly electronic newsletter (*CONTACT*) and a special e-mail reflector that currently has 490 PIOs, reporters and other subscribers. In addition, ARRL makes available many materials that are freely taken, used or modified for local situations including audio and video Public Service Announcements (PSAs), news releases, promotional videos and informational "backgrounder" sheets.



Alyssa Ivanson of WANE-TV in Fort Wayne, IN, won the Bill Leonard Award for professional journalism covering Amateur Radio topics.



2008

SUPPORT AMATEUR RADIO AND ARRL

WELCOME TO THE DEVELOPMENT OFFICE



THANK YOU... for your interest in the fund raising efforts of the ARRL Development Office

ARRL Development in 2008

The second half of 2008 created a perfect storm for ARRL Development and rendered overall results for fundraising the lowest in several years. Financial results from Development activities to support operations reached \$915,603 or 77% of the overall goal for the year. Estate contributions to the ARRL Endowment as well as income from several invested funds added significantly to produce total revenues for the year in excess of \$1.769 million.

Development continued to work closely with Membership, Sales and Marketing to create complementary offers and giving opportunities to members. The launch of the new Web-based membership form presented opportunities to focus attention on donations to the annual giving programs with good results. Development took advantage of the ability to change the campaign message on the membership enrollment page and target messages in conjunction with mail campaigns during the year.

In the final weeks of 2008, Development turned to electronic communications to contact 4,000 donors and encourage contributions to the Spectrum Defense campaign. A message from CEO David Sumner, K1ZZ, was sent via e-mail in mid-December. This effort produced nearly \$14,000 in revenue over the ensuing weekend. In addition, the e-message may have sparked members to mail Spectrum Defense contributions, or to contribute via the Web. A Web offer was developed with the Marketing staff to offer a \$10 publication coupon as a thank you for a contribution of \$25 or more to any ARRL Fund before December 31. That offer was publicized in *The ARRL Letter* and on the ARRL Web site in early December. The overall result helped boost December revenues.

The launch of the new Web-based membership form presented opportunities to focus attention on donations to the annual giving programs with good results. Development took advantage of the ability to change the campaign message on the membership enrollment page and target messages in conjunction with mail campaigns during the year.

Annual Report

Radio Service as a Scientific National Resource

The **Spectrum Defense Fund** continued to be the cornerstone of ARRL Development campaigns. After the court ruling regarding ARRL's challenge to the FCC decision on BPL, a thank you letter was mailed to 18,500 donors who had contributed to the Defense Fund over a five year period. Their support had provided funding for the ARRL battle against BPL interference — including the legal action against the FCC. The campaign produced \$88,533 in revenue. The fall Spectrum Defense campaign was mailed in late October when the country was experiencing the confluence of challenging economic conditions. The Spectrum Defense campaign felt the impact of those conditions and reached \$175,564 or 56% of its fall campaign target. The national preoccupation with current economic and financial conditions and an historic Presidential election may have contributed to weak campaign results. Total revenues for Spectrum Defense in 2008 totaled \$297,995 or 67% of the year's target.

The ARRL **Education & Technology Fund** provided a bright spot in 2008 by successfully funding the grants to schools and the six Teachers Institutes in Wireless Technology. The solicitation to ARRL members reached \$85,094—9% over its annual revenue target. In addition, strong individual donor gifts totaled \$146,000 for the Teachers Institute program, bringing the revenue total for the year to \$231,094. For the first time in 2008 the Education & Technology Fund contributed to the operations of the newly formed ARRL Education Services Department.

A grant writer, hired on contract, conducted extensive research early in the year on corporations and foundations whose funding guidelines fit those of the ARRL and its Teachers Institute. Letters of Inquiry were sent to 12 institutions. In the fall of 2008 the grant writer submitted full proposals to 6 institutions seeking a total of \$163,400 in funding. To date ARRL has not received positive response to those grant funding requests.

The **W1AW Endowment** was added to the Development schedule in 2008 after a one year hiatus. The campaign was targeted to add \$55,250 to the W1AW Endowment. Actual results exceeded the target and added \$64,493 to the campaign. The addition of this revenue raised the W1AW Endowment to \$350,804.

Two test campaigns were added to the schedule for the summer of 2008. With a potential \$20,000 challenge to ARRL members from the YASME Foundation, a campaign for **Historic Preservation** was mailed and produced a modest \$7,159 in contributions.

Based on the integral part that the **ARRL Lab** plays in Spectrum Defense, product reviews and member support through the Technical Information Service program, a test campaign was produced to raise \$5,000. The campaign raised \$2,380, less than 50% of the campaign target.

The challenge for the ARRL **Diamond Club** for 2008 was to repeat the outstanding results of 2007. After weaker than usual results early in the fall, strong December revenue pushed Diamond Club gross revenues for the year to \$306,136. At the close of 2008 The Diamond Club counted 1928 members, reflecting some impact of the current economic climate.

The Diamond Club renewal rate for the year reached 71.3% and the overall average contribution reached \$146.06. We welcomed 389 new members in 2008, including 118 members who upgraded after renewing their ARRL membership. The Diamond Terrace continued to be the touchstone of the Diamond Club program, with 237 bricks added to the Diamond Terrace.

Solicitations for new Diamond Club members continued as part of the monthly ARRL membership renewal process. The Diamond Club continued to be the focus of the first two member renewal letters. A request for members to upgrade to the Diamond Club continued to be included with the mailing of all new membership cards during 2008.

(continued on page 21)



Mary Hobart, K1MMH, not only leads Development efforts, she is also an active ham and instructor for Amateur Radio classes, enabling others to achieve their license and get on the air.

The ARRL Education & Technology Fund provided a bright spot in 2008 by successfully funding the grants to schools and the six Teachers Institutes in Wireless Technology. The solicitation to ARRL members reached \$85,094 —9% over its annual revenue target. In addition, strong individual donor gifts totaled \$146,000 for the Teachers Institute program, bringing the revenue total for the year to \$231,094.

The American Radio Relay League is proud to honor those individuals and organizations whose 2008 contributions of \$1,000 or more support projects not funded by member dues, including participation in The ARRL Diamond Club, the Spectrum Defense Fund, the Education & Technology Fund, and the WIAW Endowment. ARRL is proud to honor Maxim Society donors whose lifetime donations exceed \$10,000.

Ken Adams, K5KA	Andrew Clegg, W4JE	Byrness Haworth, W8LE
Charles Alter, W9UC	Casey Coley, W9LP	Fried Heyn, WA6WZO and Sandra Heyn, WA6WZN
Alan Applegate, K0BG	Ms. Ti-Michelle Connelly, NJ6T*	Douglas S. Hilton, WD0UG and Diane S. Hilton, KI4LMO
Merit Arnold, W6NQ*	Kay Craigie, N3KN and Carter Craigie, N3AO*	Thomas H. Hodgson, W3DNN
Gary Audiss, N6SI	Jonathan Daniels, K4ETC	Geoff Howard, W0CG, PJ2DX
Donald Backys, K9UQN and Ann Backys, K9ANN	James Dicso, K2SZ*	Thomas Hutton, N3ZZ
Baker Family Foundation, W5IZ and W5JKB	Richard Dievendorff, K6KR *	George R. Isely, W9GIG *
Sherman Banks, W4ATL and Mary Banks, K4MRY	Robert Dorbecker, N5DWW	Dick Jackson, W3EZ*
Robert Barden, N2BB	Timothy J. Duffy, K3LR	Jim Jaeger, K8RQ*
Marcia Baulch, WA2AKJ	Loney Duncan, W0GZV	Andrew C. John, MD, JD, W8OU*
Michael Beck, W7EDO	DX Engineering / Paul, NO8D*	Les Kalmus, W2LK
Mark A. Behrens, W4GP	Rusty Epps, W6OAT	David Kaplan, WA1OUI*
Dave Bell, W6AQ, Alice (Sam) Bell, W6QLT*	Martin Ewing, AA6E	Robert Kares, K3SUH
The Buttschardt-Vierthaler Trust*	Kenneth Fath, N4KF*	Christopher J. Karpinsky, AA1VL
Bergen Amateur Radio Association, Inc	Harry Flasher, AC8G*	Steven Katz, N8WL and Constance Barsky, WD8ODC
Clint Bradford, K6LCS	Sean Forrester, N8SEA	Dave Kersten, N8AUH
David Brandenburg, K5RQ*	William Gerhold, K2WH	Kenneth Knudson, N5TY
William Buckner, W0VZK*	Kenneth Gleszer, W1KAY	Alfred A. Laun, III, K3ZO
Bruce Butler, W6OSP*	Craig Goldman, K2LZQ	Don Lisle, K6IPV*
Frank Butler, W4RH*	The Goldthorpe Foundation	Bob Locher, W9KNI*
Randall Bynum, NR6CA	Marty Green, K2PLF	Robert F. Loll, WA6UPX
Joseph Chaet, W1RGH and Carla Chaet, N7OPU	Walter Groce, AJ1L	Willis Mack, N1HAI
	Elliot Gross, KB2TZ*	Bruce Marcus, N1XG*
	The Gryphon Fund*	



William Marx, W2CQ

Willis McDonald, KD7NZG*

Barry Merrill, W5GN
and Judith Merrill, KA5PQD*

David Mikitka, KA9LZI

Kan Mizoguchi, JA1BK

Richard Mondro, K4FQT

Theodore Morris, WB8VNV

Frank Morrison, KB1FZ

Dennis Motschenbacher, K7BV

William Mueller, AA5WM*

Peter Naumburg, K5HAB

Tod Olson, K0TO

Art Pahr, K9XJ

Kurt Pauer, W6PH

Bruce Pfeiffer, N7CPP

Benjamin F. Poinsett, K3BP

Thomas W. Porter, W8KYZ

Poughkeepsie ARC

Malcolm Preston, NP2L

Larry Price, W4RA*

Keith D. Pugh, W5IU

Jeff Pulver, WA2BOT*

John Putnam, W1DRG

Wendy Quinn, W1DY
and Lawrence Quinn

George Race, WB8BGY
and Barbara Race, WB8UWX

Michael M. Raskin, W4UM
and Sherry L. Raskin, W4SLR*

Paul Rasmussen, W6PR

John P. Rautenstrauch, N2MTG

James Rautio, AJ3K

Robert Ravenscroft, W7JZZ

Anthony Rich, W9VCI

Paul Rinaldo, W4RI*

Alfred Rousseau, W1FJ

Joseph Schroeder, W9JUV

Claudie & Herb Schuler, K2HPV*

Dr. Beurt SerVaas, W9WVO*

L. Dennis Shapiro, W1UF *

Arnold Shatz, N6HC
and Sheryl Shatz, KA6DOW

William Smith, W9VA

Walton Stinson, W0CP
and Mary Stinson, K0ZV

Roger A. Strauch, KD6UO*

H. Dale Strieter, W4QM*

Craig Thompson, K9CT*

John Thornton, W6HD
and Jane Thornton, KF6QHP

*Maxim Society member

Ron Tingle, K4ML

Michael Valentine, W8MM*

Arnold van der Valk, AG3V
and Suzanne van der Valk,
ND0D

David Walker, K0COP

Joseph Walsh, WB6ACU*

Robert B. Wareham, N0ESQ

James E. Weaver, K8JE
and Janice E. Weaver

Dick Weber, K5IU*

John Welch, KE6K

Steven West, W7SMW
and Donna Karam,
KC5FTN*

Dan White, W5DNT

Lee Wical, KH6BZF/
7J1AAP

John Williams, K8JW

Mitch Wolfson, DJ0QN

Edward Zimmer, N0OKW

Francis Donovan, W3LPL*

E. Glenn Wolf, N5RN

Charles Heath, K6ZIZ
The Allen-Heath Memorial
Foundation

Anonymous: 58



The ARRL Legacy Circle honors individuals who have included ARRL in their will or other estate plans.

Alan Applegate, KØBG

Donald Backys, K9UQN
and Ann Backys,
K9ANN

Marcia Baulch,
WA2AKJ

Michael Beck, W7EDO

Dave Bell, W6AQ,
Alice (Sam) Bell,
W6QLT*

Alvin C. Borne, W6IVO

Clint Bradford, K6LCS

Frank Butler, W4RH*

Joseph Chaet, W1RGH
and Carla Chaet, N7OPU

Jonathan Daniels,
K4ETC

Richard Dievendorff,
K6KR*

Robert Dorbecker,
N5DWW

Rusty Epps, W6OAT

William Gerhold, K2WH

Kenneth Gleszer, W1KAY

The Goldthorpe Foundation

Walter Groce, AJ1L

Elliot Gross, KB2TZ*

Fried Heyn, WA6WZO
and Sandra Heyn, WA6WZN

Douglas S. Hilton, WDØUG
and Diane S. Hilton, KI4LMO

Thomas H. Hodgson, W3DNN

Geoff Howard, WØCG, PJ2DX

Robert Kares, K3SUH

Christopher J. Karpinsky, AA1VL

Steven Katz, N8WL
and Constance Barsky, WD8ODC

Dave Kersten, N8AUH

Don Lisle, K6IPV*

William Marx, W2CQ

Richard Mondro, K4FQT

Theodore Morris, WB8VNV

Dennis Motschenbacher, K7BV

Art Pahr, K9XJ

Bruce Pfeiffer, N7CPP

Benjamin Poinsett, K3BP

Keith D. Pugh, W5IU

John Putnam, W1DRG

Wendy Quinn, W1DY
and Lawrence Quinn

George Race, WB8BGY
and Barbara Race, WB8UWX

Michael M. Raskin, W4UM
and Sherry L. Raskin, W4SLR*

John P. Rautenstrauch, N2MTG

Alfred Rousseau, W1FJ

Joseph Schroeder, W9JUV

Claudie & Herb Schuler, K2HPV*

Arnold Shatz, N6HC
and Sheryl Shatz, KA6DOW

Walton Stinson, WØCP
and Mary Stinson, KØZV

John Thornton, W6HD
and Jane Thornton, KF6QHP

Robert B. Wareham, NØESQ

James E. Weaver, K8JE
and Janice E. Weaver

John Welch, KE6K

Steven West, W7SMW
and Donna Karam, KC5FTN*

Lee Wical, KH6BZF/7J1AAP

Anonymous: 30

(continued from page 17)

The ARRL **Maxim Society** continued to grow as it recognized donors whose lifetime giving reached \$10,000. With the addition of 8 new members in 2008, the Maxim Society numbered 53 donors by the end of the year.

The **Combined Federal Campaign (CFC)** for which ARRL qualified under OMB guidelines was a bright spot in 2008. Unrestricted revenues including CFC contributions reached \$63,348, exceeding the annual target. Some contributions to ARRL through CFC are designated to the Spectrum Defense Fund, the Education & Technology Fund and the Diamond Club, but without advice from a donor, contributions are included as unrestricted gifts.

Development traveled to conventions to engage donors in conversation about ARRL and to establish the feasibility of a capital campaign to build the ARRL Endowment significantly by the centennial year of 2014. The conversations proved very encouraging and laid the groundwork for an endowment campaign.

The planned giving program—the ARRL Legacy Circle—expanded to a total of 98 known commitments with the addition of 5 new commitments in 2008.

The ARRL Endowment grew significantly in 2008 with the addition of \$741,925 in estate gifts. The largest gifts were \$617,144 from the estate of Walter Coss, \$56,757 from the estate of Robert Stoner and \$33,024 from the estate of Gilbert Scholz.

ARRL entertained more than 100 key donors at a reception at Dayton's Meadowbrook Country Club during Hamvention® in May 2008. The Guest of Honor was Olof Lundberg, SMØCKV.

In addition to Dayton Hamvention®, Development staff traveled to conventions in Visalia, Dallas and Orlando.

In 2008 Development continued to recognize long term members through the Member Loyalty recognition program, mailing personalized recognition certificates and pins to members of 40 years or more.

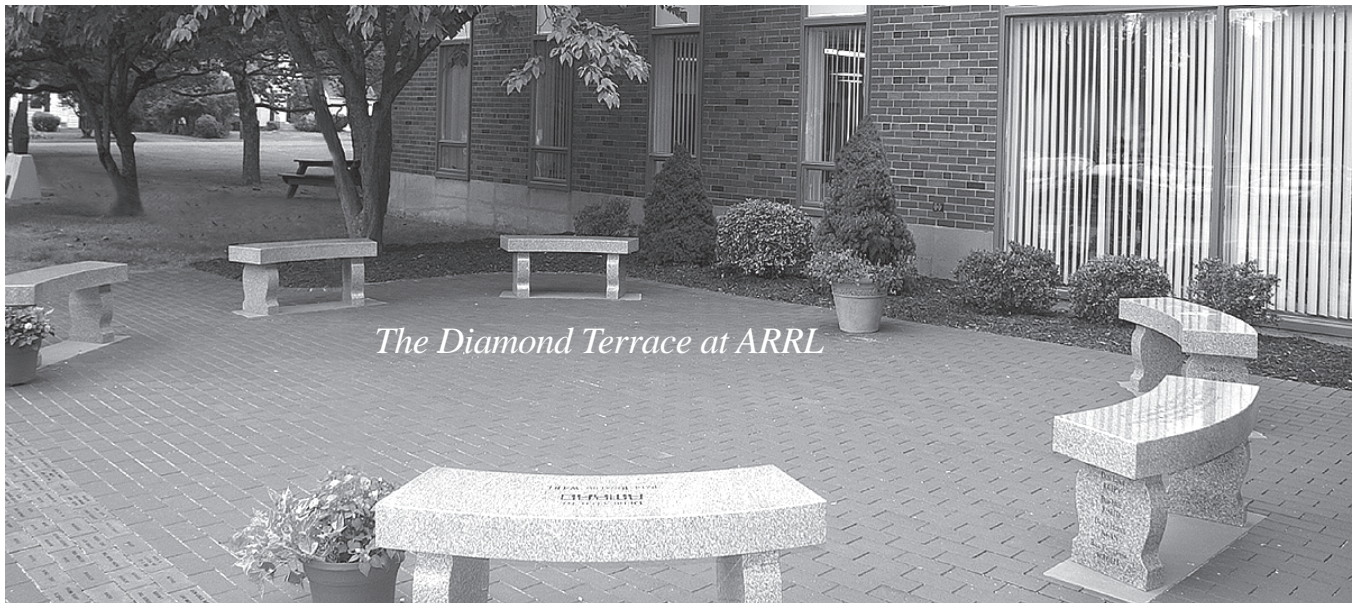
Along with these direct fund raising activities, Development staff continues to engage in activities that support the entire organization, including the Publications Feedline meetings, committee work on the Web redesign project with Fathom and the hiring of the new Membership Manager.



ARRL CEO David Sumner, K1ZZ, with Guest of Honor Olof Lundberg, SMØCKV, mobile satellite pioneer, at the 2008 Dayton Donor Reception.



Mark Spencer, WA8SME, ARRL Vice President Kay Craigie, N3KN, and ARRL CEO David Sumner, K1ZZ, accept the contributions from Jim Simpson, WB8QZZ, of the Dayton Amateur Radio Association for the Teachers Institute in Wireless Technology.





ARRL Headquarters—
Newington, Connecticut

While very cautious about the financial outlook in 2009, we believe that the organization can continue to grow and produce solid financial results that will allow us to serve our members and the Amateur Radio community as a whole.

Financial Summary

The ARRL entered 2008 fresh off a year where we had experienced a significant increase in revenues resulting from the overall reaction to the FCC's decision on Morse code. While we didn't expect to equal the results of the prior year, we were still optimistic about 2008. There was a growing uncertainty in the financial markets but no indication of what was going to unfold in this country and the overall global economy.

We certainly weren't expecting everything that we ultimately had to face in 2008. During the first half of the year we were concerned about inflation and the impact of the rising cost of energy on many areas of our operation. By the end of December, this seemed like a distant memory as the precipitous drop in value of the financial markets and the state of the global economy had us focused on an entirely different set of concerns. Recession is now a word that we hear on a daily basis along with reports of rising unemployment, Federal Reserve actions, credit crunches, business failures, bailouts and economic stimulus packages.

Against this backdrop, the ARRL showed some resiliency as membership increased, revenues from sales of publications and advertising remained strong and activity fees in many of our programs increased—a sign of increasing activity among amateurs. While expenses did exceed revenues this past year (although by less than 1% of total revenues), this was the first time since 2003 that we had shown a loss from operations.

Total revenues earned in 2008 were down by 2.3% from the 2007 level while total expenses were only down 0.7%. Spending on programs and services actually increased 3.4% in 2008. Where the effects of the overall economic situation were felt most immediately was in the level of voluntary contributions that were made to the ARRL. Excluding bequests, voluntary contributions were almost 24% less in 2008 than 2007. The Defense of Frequencies campaign, held in the second half of the year when the fiscal crisis was gaining momentum, was particularly affected as were donations to the ARRL Diamond Club.

While it weathered the financial storm operationally, not unlike many other not-for-profit organizations, the ARRL did experience a significant loss of value in its investment portfolio and, in addition, the assets held in the company's pension plan. While the League's own portfolio still totaled almost \$12.5 million at the end of 2008, there had been unrealized losses of \$3.1 million during the year. A similar impact in the portfolio of the ARRL's pension plan also caused the organization to take a non-cash charge in the Statement of Activities. Steps have been taken to reduce this loss in the plan in the coming years.

Despite the losses in the investment portfolio, the ARRL remains financially strong. While very cautious about the financial outlook in 2009, we believe that the organization can continue to grow and produce solid financial results that will allow us to serve our members and the Amateur Radio community as a whole. We will continue to pursue our financial objectives of revenue growth and prudent cost management which, in turn, will help us meet our organizational goals.

Annual Report

Radio Service as a Scientific National Resource

First Row: _____

Harold Kramer, Mary Hobart, Joyce Birmingham, Kay Craigie, Joel Harrison,
Rick Roderick, Rodney Stafford, Patricia Hensley, Bob Vallio

Second Row: _____

Sandy Donahue, Gregory Widin, Jim Weaver, Bill Edgar, Coy Day,
Jim Fenstermaker, Dennis Bodson, Karl Bullock, Mike Raisbeck, Barry Shelley

Third Row: _____

William Sawders, Howard Huntington, Gary Johnston, Chris Imlay, Cliff Ahrens,
Paul Rinaldo, David Sumner, James McCobb

Fourth Row: _____

Dave Patton, Frank Fallon, Dr. David Woolweaver, Jay Bellows,
David Goodwin (RAC), Richard Norton, Marty Woll, Dwayne Allen

Top Row: _____

Andy Oppel, Henry Leggette, Tom Abernethy, George Isely, Frank Butler,
Bruce Frahm, Tom Frenaye, Greg Sarratt

Not in photo: Brian P. Mileschosky

*American Radio
Relay League*

*Board of Directors
January, 2008*



ARRL 2008 Annual Board Meeting — Houston, Texas

Officers

Joel Harrison, W5ZN

President
Judsonia, Arkansas

Kay Craigie, N3KN

First Vice President
Blacksburg, Virginia

Rick Roderick, K5UR

Vice President
Little Rock, Arkansas

Rodney Stafford, W6ROD

Vice President,
International Affairs
San Jose, California

David Sumner, K1ZZ

Chief Executive Officer/Secretary

James McCobb Jr., K1LU

Treasurer
West Newbury, Massachusetts

Barry Shelley, N1VXY

Chief Financial Officer

Harold Kramer, WJ1B

Chief Operating Officer

Mary Hobart, K1MMH

Chief Development Officer

Paul Rinaldo, W4RI

Chief Technology Officer

Directors

Atlantic Division**Bill Edgar, N3LLR**

Director
Bradford, Pennsylvania

Tom Abernethy, W3TOM

Vice Director
Accokeek, Maryland

Central Division**George R. Isely, W9GIG**

Director
St. Charles, Illinois

Howard Huntington, K9KM

Vice Director
Hawthorn Woods, Illinois

Dakota Division**Jay Bellows, K0QB**

Director
St. Paul, Minnesota

Gregory Widin, K0GW

Vice Director
Stillwater, Minnesota

Delta Division**Henry Leggette, WD4Q**

Director
Memphis, Tennessee

Karl Bullock, WA5TMC

Vice Director
Ripley, Mississippi

Great Lakes Division**Jim Weaver, K8JE**

Director
Mason, Ohio

Gary L. Johnston, K14LA

Vice Director
Edgewood, Kentucky

Hudson Division**Frank Fallon, N2FF**

Director
East Williston, New York

Joyce Birmingham, KA2ANF

Vice Director
Ridgewood, New Jersey

Midwest Division**Bruce Frahm, K0BJ**

Director
Colby, Kansas

Cliff Ahrens, K0CA

Vice Director
Hannibal, Missouri

New England Division**Tom Frenaye, K1KI**

Director
West Suffield, Connecticut

Mike Raisbeck, K1TWF

Vice Director
Chelmsford, Massachusetts

Northwestern Division**Jim Fenstermaker, K9JF**

Director
Vancouver, Washington

William Sawders, K7ZM

Vice Director
La Pine, Oregon

Pacific Division**Bob Vallio, W6RGG**

Director
Castro Valley, California

Andy Oppel, N6AJO

Vice Director
Alameda, California

Roanoke Division**Dennis Bodson, W4PWF**

Director
Arlington, Virginia

Patricia Hensley, N4ROS

Vice Director
Richburg, South Carolina

Rocky Mountain Division**Brian Milesosky, N5ZGT**

Director
Albuquerque, New Mexico

Dwayne Allen, WY7FD

Vice Director
Devils Tower, Wyoming

Southeastern Division**Greg Sarratt, W4OZK**

Director
Harvest, Alabama

Sandy Donahue, W4RU

Vice Director
Dothan, Alabama

Southwestern Division**Richard Norton, N6AA**

Director
Topanga, California

Marty Woll, N6VI

Vice Director
Chatsworth, California

West Gulf Division**Coy Day, N5OK**

Director
Union City, Oklahoma

Dr. David Woolweaver, K5RAV

Vice Director
Harlingen, Texas

Report of Independent Public Accountants

To the Board of Directors of
The American Radio Relay League, Incorporated

We have audited the accompanying statements of financial position of The American Radio Relay League, Incorporated (the "League") as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the League's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Radio Relay League, Incorporated as of December 31, 2008 and 2007, and the changes in its net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 6 to the financial statements, effective December 31, 2007 the League adopted FAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

 J.H. Cohn LLP

Glastonbury, Connecticut
May 15, 2009

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007**

ASSETS

	2008	2007 (Restated)
Current assets:		
Cash	\$ 256,521	\$ 324,905
Accounts receivable, net of allowance for doubtful accounts of \$109,855 and \$92,073	479,357	366,878
Inventories, net	760,167	616,979
Prepaid expenses and other current assets	155,209	159,897
Other receivables	96,827	98,935
Contribution receivable	-	600,000
Total current assets	1,748,081	2,167,594
Other assets:		
Investments	12,471,562	15,053,094
Land, building and equipment, net	643,677	815,073
Total other assets	13,115,239	15,868,167
Total assets	\$ 14,863,320	\$ 18,035,761

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 209,014	\$ 263,385
Accrued liabilities	219,663	169,351
Deferred revenue	6,258	6,063
Subtotal operational current liabilities	434,935	438,799
Deferred life membership dues - current portion	504,048	503,298
Deferred term membership dues - current portion	2,295,415	2,287,973
Total current liabilities	3,234,398	3,230,070
Long-term liabilities:		
Deferred life membership dues - less current portion	5,427,356	5,443,978
Deferred term membership dues - less current portion	667,264	607,910
Accrued pension liability	5,943,680	1,803,187
Total long-term liabilities	12,038,300	7,855,075
Total liabilities	15,272,698	11,085,145
Commitments		
Net assets:		
Unrestricted	(3,365,079)	3,681,751
Unrestricted - Board designated	941,100	961,375
Temporarily restricted	1,506,777	1,866,839
Permanently restricted	507,824	440,651
Total net assets	(409,378)	6,950,616
Total liabilities and net assets	\$ 14,863,320	\$ 18,035,761

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and contributions:				
Membership dues	\$ 5,316,844	\$ -	\$ -	\$ 5,316,844
Net publication sales	3,766,117	-	-	3,766,117
Advertising	2,638,970	-	-	2,638,970
Investment income	256,873	66,390	-	323,263
Examination fees and other	415,503	-	-	415,503
Program and service fees	526,331	-	-	526,331
Contributions and support	452,787	544,816	67,173	1,064,776
Net assets released from restrictions	645,717	(645,717)	-	-
	<u>14,019,142</u>	<u>(34,511)</u>	<u>67,173</u>	<u>14,051,804</u>
Expenditures:				
Programs and services	8,315,973	-	-	8,315,973
Publications	4,052,922	-	-	4,052,922
Administration	1,087,961	-	-	1,087,961
Fundraising	486,673	-	-	486,673
Governance	176,601	-	-	176,601
	<u>14,120,130</u>	<u>-</u>	<u>-</u>	<u>14,120,130</u>
Increase (decrease) in net assets before other income (expense)	<u>(100,988)</u>	<u>(34,511)</u>	<u>67,173</u>	<u>(68,326)</u>
Other income (expense):				
Bequests - Board designated functioning as an endowment	141,925	-	-	141,925
Unrealized losses on investments	(2,804,620)	(325,551)	-	(3,130,171)
Defined benefit pension plan actuarial loss	(4,303,422)	-	-	(4,303,422)
	<u>(6,966,117)</u>	<u>(325,551)</u>	<u>-</u>	<u>(7,291,668)</u>
Change in net assets	(7,067,105)	(360,062)	67,173	(7,359,994)
Net assets, beginning of year	<u>4,643,126</u>	<u>1,866,839</u>	<u>440,651</u>	<u>6,950,616</u>
Net assets, end of year	<u>\$ (2,423,979)</u>	<u>\$ 1,506,777</u>	<u>\$ 507,824</u>	<u>\$ (409,378)</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total (Restated)</u>
Revenues and contributions:				
Membership dues	\$ 5,187,781	\$ -	\$ -	\$ 5,187,781
Net publication sales	3,839,849	-	-	3,839,849
Advertising	2,628,880	-	-	2,628,880
Investment income	308,385	79,618	-	388,003
Examination fees and other	535,433	-	-	535,433
Program and service fees	412,949	-	-	412,949
Contributions and support	644,916	730,926	17,604	1,393,446
Net assets released from restrictions	672,321	(672,321)	-	-
	<u>14,230,514</u>	<u>138,223</u>	<u>17,604</u>	<u>14,386,341</u>
Expenditures:				
Programs and services	8,042,906	-	-	8,042,906
Publications	3,941,968	-	-	3,941,968
Administration	1,596,995	-	-	1,596,995
Fundraising	474,652	-	-	474,652
Governance	167,682	-	-	167,682
	<u>14,224,203</u>	<u>-</u>	<u>-</u>	<u>14,224,203</u>
Increase in net assets before other income	<u>6,311</u>	<u>138,223</u>	<u>17,604</u>	<u>162,138</u>
Other income:				
Bequests - Board designated functioning as an endowment	617,633	-	-	617,633
Unrealized gains on investments	130,452	17,135	-	147,587
	<u>748,085</u>	<u>17,135</u>	<u>-</u>	<u>765,220</u>
Change in net assets	<u>754,396</u>	<u>155,358</u>	<u>17,604</u>	<u>927,358</u>
Net assets, beginning of year, as previously reported	<u>3,970,421</u>	<u>1,676,098</u>	<u>423,047</u>	<u>6,069,566</u>
Cumulative effect of adoption of provisions of FSP FAS 117-1	(35,383)	35,383	-	-
Cumulative effect of adoption of provisions of SFAS No. 158	(46,308)	-	-	(46,308)
	<u>(81,691)</u>	<u>35,383</u>	<u>-</u>	<u>(46,308)</u>
Net assets, beginning of year, as restated	<u>3,888,730</u>	<u>1,711,481</u>	<u>423,047</u>	<u>6,023,258</u>
Net assets, end of year	<u>\$ 4,643,126</u>	<u>\$ 1,866,839</u>	<u>\$ 440,651</u>	<u>\$ 6,950,616</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

	2008	2007
Operating activities:		
Change in net assets	\$ (7,359,994)	\$ 927,358
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Receipts to establish or increase permanent endowment	(67,173)	(17,604)
Depreciation	332,464	594,660
Bad debt expense	18,000	18,000
Change in inventory reserve	1,712	17,327
Unrealized loss (gain) on investments	3,130,171	(147,587)
Realized loss (gain) on investments allocated to the general fund	10,653	(37,603)
Changes in operating assets and liabilities:		
Accounts receivable	(130,479)	58,936
Contribution receivable	600,000	(600,000)
Other receivables	2,108	(1,689)
Inventories	(144,900)	27,368
Prepaid expenses and other current assets	4,688	16,133
Accounts payable and accrued liabilities	(4,059)	(69,671)
Deferred revenue	195	389
Deferred life membership dues, net of allocated realized gains and losses	(4,844)	44,872
Deferred term membership dues	66,796	116,404
Accrued pension liability	4,140,493	(85,401)
Net cash provided by operating activities	595,831	861,892
Investing activities:		
Purchase of equipment	(161,068)	(210,442)
Net purchases of investments	(570,320)	(882,709)
Net cash used in investing activities	(731,388)	(1,093,151)
Financing activities:		
Receipts to establish or increase permanent endowment	67,173	17,604
Net decrease in cash	(68,384)	(213,655)
Cash, beginning of year	324,905	538,560
Cash, end of year	\$ 256,521	\$ 324,905

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization:

The American Radio Relay League, Incorporated (the "League") is a not-for-profit organization formed to promote interest in amateur radio communication, experimentation and the advancement of radio art, further the public welfare and foster education in the field of electronic communication. The League also publishes documents, books, magazines and pamphlets necessary or incidental to its purpose. The League's operations are primarily supported by membership dues, publication sales, advertising and contributions. The League's members are primarily located throughout the United States.

Note 2 - Summary of significant accounting policies:**Fair value measurements:**

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157 "Fair Value Measurements" ("SFAS 157"), which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. In early 2008, the FASB issued Staff Position ("FSP") FAS-157-2, "Effective Date of FASB Statement No. 157", which delays by one year, the effective date of SFAS 157 for certain nonfinancial assets and nonfinancial liabilities. The League has adopted the portion of SFAS 157 that has not been delayed as of the beginning of its 2008 calendar year and plans to adopt the balance of its provisions as of the beginning of its 2009 calendar year.

Cash and cash equivalents:

Cash and cash equivalents include all cash balances and highly liquid short-term instruments with an original maturity of three months or less when acquired. Temporary cash balances associated with investment accounts are included with investments in these financial statements. There were no cash equivalents as of December 31, 2008 or 2007.

Allowance for doubtful accounts:

Trade accounts receivable and contribution receivable are stated at the amount management expects to collect from outstanding balances. The League performs on-going credit evaluations of its customers' financial condition and grants credit based on each customer's ability to pay. The League evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Inventories:

Inventories consist of publications, software, membership supplies and other miscellaneous items. Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method. Inventories are reflected net of reserves for slow moving inventory of \$113,178 and \$111,466 as of December 31, 2008 and 2007, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (continued):

Investments:

The League reports investments at their current fair value and reflects any gain or loss in the statement of activities. Investment income and gains and losses are considered unrestricted unless temporarily restricted by donor stipulation.

Land, building and equipment:

The League capitalizes expenditures for building and equipment with a useful life greater than one year and a cost of \$1,000 or more. Purchased land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Estimated lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building	40 years
Furnishings, equipment and building improvements	3 - 15 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Donations of land, building and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire land, building and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be restricted, the League reports expirations of donor restrictions when the donated or acquired assets are placed in service. The League reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Expenses amounting to \$52,840 relate to web development costs that were incurred but will not be placed into service until 2009. These amounts are shown as construction in progress.

Pension liability:

During 2007, the League adopted FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106 and 132 (R)" ("SFAS No. 158"). This statement requires retirement benefit accruals or prepaid benefit costs on the statements of financial position to be adjusted to the difference between the benefit obligations and the plan assets at fair value. The offset to the adjustment is recorded to income. The amount recorded in income represents the unrecognized actuarial gains or losses and unamortized service costs, which have previously been disclosed in the notes to the annual financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (continued):

Net assets:

To ensure observance of limitations and restrictions placed on the use of resources available to the League, the accounts of the League are maintained in the following net asset categories:

Unrestricted - Unrestricted net assets represent available resources other than donor-restricted contributions. The Board of Directors of the League has earmarked certain of those funds which are shown as designated unrestricted net assets in the accompanying statements of financial position.

Temporarily Restricted - Temporarily restricted net assets represent contributions and earnings thereon that are restricted by the donor either as to purpose or as to time of expenditure.

Permanently Restricted - Permanently restricted net assets represent contributions received with the donor restriction that the principal be invested in perpetuity while the income earned thereon is made available for operations.

Revenue recognition:

Membership Dues - Revenue from term membership dues is recognized to the extent of acquisition costs when memberships are received. The remaining portion is recognized as revenue on the straight-line basis ratably over the applicable membership period.

The by-laws of the League provide for life membership in the League for 25 times the term membership annual dues rate. Life member dues are deferred upon receipt. Investment earnings on allocated life member investments are deferred. Revenue is recognized at an amount representative of the estimated cost to the League for providing services to the life members.

Publication Sales - Revenue from publication sales is recognized when the earnings process is complete and the risks and rewards of ownership have transferred to the customer, which is generally considered to have occurred upon shipment of the publication.

Advertising - Advertising revenue from magazines is recorded, net of agency commissions, during the period the magazines are sold.

Contributions - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets even if the restrictions expire in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of significant accounting policies (concluded):

Income taxes:

The League is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the League is subject to any Federal and state income tax as a result of unrelated business income arising from net advertising income from its magazines. The League did not have unrelated business income tax during the years ended December 31, 2008 and 2007.

Use of estimates:

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New accounting pronouncements:

Accounting for uncertainty in income taxes:

In July 2006, FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes - An Interpretation of SFAS No. 109," was issued. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 also prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FASB Staff Position ("FSP") FIN 48-3 deferred adoption for most nonpublic enterprises to annual periods beginning after December 15, 2008. Many not-for-profit entities have not previously applied the provisions of SFAS No. 109 and during the deferral period the FASB plans to issue guidance on how to apply the provisions of FIN 48 to these entities. The League, pursuant to the FSP, has elected to defer its application until its required effective date of January 1, 2009. Management does not expect the adoption of FIN 48 to have a material effect on the financial condition or the results of operations of the League.

Endowment fund accounting:

In August 2008, FASB issued FSP FAS 117-1 "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" which provides guidance on the net asset classification of donor-restricted endowment funds for applicable entities and improves disclosures about the League's endowment funds. The provisions of this FSP are effective for fiscal years ending after December 15, 2008.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 3 - Investments:

Investments are carried at their aggregate fair value. The following summarizes the relationship between the cost and fair values as presented in the financial statements as of December 31:

	<u>2008</u>		<u>2007</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 2,151,984	\$ 2,149,970	\$ 971,609	\$ 971,609
Fixed maturities	5,412,295	6,093,499	7,695,187	7,957,687
Equity securities	4,907,283	5,920,350	6,386,298	4,685,884
	<u>\$ 12,471,562</u>	<u>\$ 14,163,819</u>	<u>\$ 15,053,094</u>	<u>\$ 13,615,180</u>

The League allocates its investments as those related to regular operations, life memberships, temporarily restricted and endowment funds. The following summarizes the market value of investments related to each category as of December 31:

	<u>2008</u>	<u>2007</u>
Life membership	\$ 5,931,404	\$ 5,947,276
Regular operations	3,617,085	5,879,127
Temporarily restricted	1,506,777	1,866,839
Functioning as an endowment	908,472	919,201
Permanently restricted	507,824	440,651
	<u>\$ 12,471,562</u>	<u>\$ 15,053,094</u>

The following summarizes changes in relationships between cost and fair values of investments:

	<u>2008</u>	<u>2007</u>
Unrealized appreciation, beginning of year:		
Fair value	\$ 15,053,094	\$ 13,985,195
Cost	13,615,180	12,694,868
Net gain	<u>1,437,914</u>	<u>1,290,327</u>
Unrealized (depreciation) appreciation, end of year:		
Fair value	12,471,562	15,053,094
Cost	14,163,819	13,615,180
Net (loss) gain	<u>(1,692,257)</u>	<u>1,437,914</u>
Net unrealized (loss) gain for the year	<u>\$ (3,130,171)</u>	<u>\$ 147,587</u>

Investment income is summarized as follows for the years ended December 31:

	<u>2008</u>	<u>2007</u>
Interest and dividend income	\$ 586,269	\$ 659,825
Net realized (loss) gain on investments	(22,133)	81,216
Gross investment income	564,136	741,041
Less:		
Net investment income allocated to deferred life liability	(240,873)	(353,038)
Total investment income	<u>\$ 323,263</u>	<u>\$ 388,003</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair value measurements:

As stated in Note 2, on January 1, 2008, the League adopted the methods of fair value as described in SFAS 157 to value its financial assets and liabilities. As defined in SFAS 157, fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, SFAS 157 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the League utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets and liabilities carried at fair value at December 31, 2008 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 2,151,984	\$ -	\$ -	\$ 2,151,984
Fixed maturities	893,930	4,518,365	-	5,412,295
Equity securities	4,907,283	-	-	4,907,283
Total assets at fair value	<u>\$ 7,953,197</u>	<u>\$ 4,518,365</u>	<u>\$ -</u>	<u>\$ 12,471,562</u>

The fair value of cash and cash equivalents is estimated using third party quotations.

The fair value of fixed maturities, which consists principally of corporate bonds and tax exempt bonds, is estimated using market price quotations (where observable), recently executed transactions or bond spreads of the issuer. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves or bond spreads.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 4 - Fair value measurements (concluded):

Investments in equity securities that are listed on a national securities exchange or reported on the NASDAQ national market are valued at their last sales price on the valuation date.

Note 5 - Land, building and equipment:

Land, building and equipment, and related accumulated depreciation are comprised of the following at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Land and building	\$ 1,094,693	\$ 1,094,693
Furnishings, equipment and building improvements	4,854,667	4,675,193
Construction in progress	52,840	71,248
	<u>6,002,200</u>	<u>5,841,134</u>
Less accumulated depreciation	<u>(5,358,523)</u>	<u>(5,026,061)</u>
	<u>\$ 643,677</u>	<u>\$ 815,073</u>

Note 6 - Pension liability:

The League has a noncontributory group annuity retirement plan which covers all full-time employees. The assets of the plan are primarily invested in a group annuity contract with Massachusetts Mutual Life Insurance Company, which executes investment transactions and pays all benefits.

The League's funding policy is to contribute annually the amount necessary to meet the minimum funding standards established by the Employee Retirement Income Security Act. This contribution is based on a method that recognizes estimated future salary levels and service.

During 2007, the League adopted SFAS No. 158. This statement requires retirement benefit accruals or prepaid benefit costs on the statements of financial position to be adjusted to the difference between the benefit obligations and the plan assets at fair value. The offset to the adjustment is recorded to income. The amount recorded in income represents the unrecognized actuarial gains or losses and unamortized service costs.

The League uses a December 31 measurement date for its plan.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 6 - Pension liability (continued):

The following sets forth the plan's funded status and amounts recognized in the League's statements of financial position at December 31:

	<u>2008</u>	<u>2007</u>
Accumulated benefit obligation at end of year	\$ 10,005,036	\$ 8,341,416
Projected benefit obligation at beginning of year:	\$ 10,586,222	\$ 10,384,319
Service cost	420,953	505,426
Interest cost	676,185	644,004
Assumption changes	908,352	(802,509)
Actuarial (gain) loss	(114,683)	298,341
Benefits paid	(163,304)	(443,359)
Projected benefit obligation at end of year	12,313,725	10,586,222
Fair value of plan assets at beginning of year:	8,783,035	8,025,203
Actual return on plan assets	(2,827,464)	611,560
Employer contributions	606,550	619,093
Expenses	(28,772)	(29,462)
Benefits paid	(163,304)	(443,359)
Fair value of plan assets at end of year	6,370,045	8,783,035
Unfunded status	(5,943,680)	(1,803,187)
Net accrued benefit cost	\$ (5,943,680)	\$ (1,803,187)

Accrued benefit cost is presented in the statements of financial position as a long-term liability.

	<u>2008</u>	<u>2007</u>
Net unrecognized actuarial loss	\$ 4,349,730	\$ 46,310

The amount of amortization of unrecognized actuarial loss that will be amortized as a component of pension cost in 2009 will be \$272,584.

The weighted average actuarial assumptions used in the accounting for the League's pension benefit plan were:

	<u>2008</u>	<u>2007</u>
Benefit obligation:		
Discount rate	6.00%	6.50%
Rate of compensation increase	4.00%	4.00%
Benefit cost:		
Discount rate	6.50%	6.00%
Expected return on plan assets	7.50%	7.50%
Rate of compensation increase	4.00%	4.00%
Net periodic benefit cost	\$ 443,621	\$ 533,692
Employer contribution	606,550	619,093
Benefits paid	(163,304)	(443,359)

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 6 - Pension liability (continued):

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. Estimation of this rate is derived using a building block method where appropriate consideration is given to the returns being earned by the plan assets in the fund and the rates of return expected to be available for reinvestment. The expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities) and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate).

All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

The exact expected return derived using the building block method will vary from year to year; however, as the rate is a long-term assumption, it remains constant as long as it remains within a reasonable range.

Retiree benefit payments, which reflect expected future service, are expected to be paid as follows:

<u>Year Ending December 31,</u>	
2009	\$ 250,278
2010	258,852
2011	312,963
2012	336,716
2013	439,767
2014 – 2018	3,903,333

The asset allocations by category as of December 31 are as follows:

	<u>2008</u>		<u>2007</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Equity securities	<u>\$3,758,327</u>	<u>59%</u>	\$ 5,708,973	65%
Debt securities	<u>2,611,718</u>	<u>41</u>	3,074,062	35
	<u>\$6,370,045</u>	<u>100%</u>	<u>\$ 8,783,035</u>	<u>100%</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 6 - Pension liability (concluded):

The League sets investment guidelines with the assistance of investment professionals. These guidelines are established on market conditions, risk tolerance, funding requirements and expected benefit payments. The guidelines address the investment allocation process, selection of investment professionals and monitoring of asset performance. As pension liabilities are long-term in nature, the League employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk. An annual analysis on the risk versus the return of the investment portfolio is conducted to justify the expected long-term rate of return assumption.

The investment portfolio contains a diversified portfolio of investment categories, including equities and fixed income securities. Securities are also diversified in terms of domestic and international securities, short and long-term securities, growth and value styles and large cap and small cap stocks. Presently, the guidelines require that investments in securities range as follows:

	Investment Range	Target
Equity securities	40-70%	65%
Debt securities	25-50%	33%
Money market	0-15%	2%

Based on the facts and circumstances that existed at the date of the financial statements, the League expects to contribute \$224,034 to the plan next fiscal year. The League believes with prudent risk tolerance and asset diversification, the plan should be able to meet its pension obligations in the future.

The League adopted the recognition provisions of SFAS No. 158 as of December 31, 2007, which requires that the funded status of defined benefit pension plans be fully recognized in the statements of financial position. The incremental effects of applying SFAS No. 158 on individual line items in the statements of financial position as of that date are as follows:

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Accrued pension liability	\$1,756,879	\$46,308	\$1,803,187
Total liabilities	11,038,837	46,308	11,085,145
Unrestricted net assets	4,689,434	(46,308)	4,643,126
Total net assets	6,996,924	(46,308)	6,950,616

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 7 - Board designated unrestricted funds:

The League's Board of Directors has designated funds for the purpose of acquiring, restoring and preserving amateur radio related artifacts, defending the use of radio frequencies by amateur radio operators and for future maintenance on the League's administrative building. As of December 31, 2008 and 2007, the Board has designated \$32,628 and \$42,174, respectively, for these purposes.

Since the beginning of 2004, the League has received bequests in the amount of \$1,044,247. The League's Board of Directors intent is to treat these unrestricted bequests as funds functioning as an endowment. As of December 31, 2008 and 2007, the balance of the bequests, net of investment income and unrealized gains and losses, are \$908,472 and \$919,201, respectively.

Note 8 - Temporarily restricted net assets:

Temporarily restricted net assets as of December 31, 2008 are available for the following purposes:

Exceptional Merit	Education and Research
Defense of Frequencies	Other Specific Purposes

Individual fund activities are disclosed on the supplementary pages.

Note 9 - Permanently restricted funds:

The permanently restricted funds are those funds received from donors with the stipulation that the principal is to be maintained in perpetuity and invested for the purpose of producing present and future income. The income earned on the funds may be expended by the League if the income is unrestricted or expended in accordance with the gift instrument if restricted.

In 1993, the League became entitled, as beneficiary, to proceeds from a life insurance policy on one of its members. This endowment specifies that the principal is to be maintained in a fund and invested for the purpose of producing future income. The income from this endowment will be expended to reward deserving radio amateurs. The principal of \$154,340 is reflected as permanently restricted net assets in the accompanying statements of financial position at both December 31, 2008 and 2007.

In 2002, an endowment fund was set up for W1AW maintenance and upkeep. The principal of \$353,484 and \$286,311 is reflected as permanently restricted net assets in the accompanying statements of financial position at December 31, 2008 and 2007, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 10 - Endowment:

As stated in Note 2, the League has adopted the guidance in FSP FAS 117-1 to classify its net assets of donor restricted endowment funds. The League classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the League in a manner consistent with the standard of prudence prescribed by applicable laws and regulations.

Changes in endowment net assets for the year ended December 31, 2007 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, January 1, 2007	\$ 284,689	\$ 51,984	\$ 423,047	\$ 759,720
Net asset reclassification from adoption of FSP FAS 117-1	-	35,383	-	35,383
Endowment net assets after reclassification	284,689	87,367	423,047	795,103
Investment income, net	13,856	22,874	-	36,730
Net unrealized appreciation	3,023	4,320	-	7,343
Contributions	617,633	165	17,604	635,402
Amounts appropriated for expenditure	-	(25,306)	-	(25,306)
Endowment net assets, December 31, 2007	<u>\$ 919,201</u>	<u>\$ 89,420</u>	<u>\$ 440,651</u>	<u>\$ 1,449,272</u>

Endowment net asset composition by type of fund as of December 31, 2007 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 89,420	\$ 440,651	\$ 530,071
Board-Designated Endowment Funds	919,201	-	-	919,201
Total funds	<u>\$ 919,201</u>	<u>\$ 89,420</u>	<u>\$ 440,651</u>	<u>\$ 1,449,272</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 10 - Endowment (concluded):

Changes in endowment net assets for the year ended December 31, 2008 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, January 1, 2008	\$ 919,201	\$ 89,420	\$ 440,651	\$ 1,449,272
Investment income, net	38,107	18,626	-	56,733
Net unrealized depreciation	(190,761)	(69,778)	-	(260,539)
Contributions	141,925	-	67,173	209,098
Amounts appropriated for expenditure	-	(38,268)	-	(38,268)
Endowment net assets, December 31, 2008	<u>\$ 908,472</u>	<u>\$ -</u>	<u>\$ 507,824</u>	<u>\$ 1,416,296</u>

Endowment net asset composition by type of fund as of December 31, 2008 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 507,824	\$ 507,824
Board-Designated Endowment Funds	<u>908,472</u>	<u>-</u>	<u>-</u>	<u>908,472</u>
Total funds	<u>\$ 908,472</u>	<u>\$ -</u>	<u>\$ 507,824</u>	<u>\$ 1,416,296</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the League to retain as a fund of perpetual duration. In accordance with FSP FAS 117-1, deficiencies of this nature that are reported in unrestricted net assets were \$57,678 as of December 31, 2008. These deficiencies resulted from unfavorable market fluctuations that occurred during 2008. There were no such deficiencies as of December 31, 2007.

Note 11 - Lease obligations:

The League leases warehouse space, office space and office equipment under operating leases with monthly payments ranging from \$464 to \$4,265 which expire at various times through January 2011. Total operating lease expense was \$91,123 and \$96,241 for the years ended December 31, 2008 and 2007, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 11 - Lease obligations (concluded):

The following are future minimum lease payments due under noncancelable operating leases as of December 31, 2008:

<u>Year Ending December 31,</u>	
2009	\$ 71,389
2010	56,409
2011	4,265
	<u>\$ 132,063</u>

Note 12 - Concentrations of credit risk:

Financial instruments which potentially subject the League to concentrations of credit risk consist primarily of cash, trade receivables and investments. The League maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed the Federally insured limit of \$250,000.

The League believes that the concentration of credit risk in its trade receivables is substantially mitigated by the League's credit evaluation process, relatively short collection terms and the financial stability of the larger customers comprising the League credit base. The League does not generally require collateral from customers. The League evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

The League invests in various debt and equity securities. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is at least reasonably possible that these factors will result in changes in the value of the League's investments which could materially affect amounts reported in the financial statements.

Note 13 - Related party transactions:

The League has some common directors with The ARRL Foundation, Inc. The League performs administrative services for The ARRL Foundation, Inc. and was reimbursed for these services in the amount of \$13,200 for the years ended December 31, 2008 and 2007.

A member of the Board of Directors provided investment advisory services to the League in the amount \$40,323 and \$38,896 during the years ended December 31, 2008 and 2007, respectively.

Note 14 - Subsequent events:

In April 2009, the League's Board of Directors voted to freeze the noncontributory group annuity retirement plan effective May 31, 2009. In addition, the League has created a 403(b) plan. There will be a plan curtailment on May 31, 2009 resulting in a decrease in the pension liability of approximately \$2,000,000.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**SCHEDULES OF EXPENDITURES
YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
Salaries, compensation and benefits	\$ 6,112,775	\$ 6,136,346
Publication costs	2,507,664	2,380,816
Shipping and forwarding costs	1,557,319	1,395,261
Communication and postage	660,085	615,934
Office supplies and expenditures	563,363	512,497
Legal and professional fees	525,743	612,009
Other	514,075	519,796
Occupancy costs	438,636	434,138
Administrative expenses	408,041	383,182
Depreciation	332,464	594,660
Travel	327,169	415,279
Rentals and equipment maintenance	172,796	224,285
	<u>\$ 14,120,130</u>	<u>\$ 14,224,203</u>

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

TEMPORARILY RESTRICTED FUND SUMMARY

YEAR ENDED DECEMBER 31, 2008

<u>Fund Name</u>	<u>Balance 01/01/08</u>	<u>Contributions</u>	<u>Investment Income, net</u>	<u>Change in Unrealized Loss</u>	<u>Released from Restriction</u>	<u>Balance 12/31/08</u>
H.P. Maxim Award	\$ 33,885	\$ -	\$ 1,467	\$ -	\$ -	\$ 35,352
Project Goodwill	12,233	-	-	-	-	12,233
Exceptional Merit	1,233,185	-	45,369	(255,773)	(40,000)	982,781
Legal Research & Resource	156,561	1,055	-	-	(2,700)	154,916
Starr Technology	4,081	-	-	-	-	4,081
Rinaldo Technology	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	-	-	-	6,709
Educational Activities	3,580	-	-	-	-	3,580
Ham Aid Fund	1,325	2,232	-	-	-	3,557
Defense of Frequencies	-	303,405	928	-	(304,333)	-
Lab Fund	7,382	2,591	-	-	-	9,973
Education and Technology	307,437	235,533	-	-	(260,416)	282,554
Steven Rich Fund	10,000	-	-	-	-	10,000
Direction Finding	41	-	-	-	-	41
Colvin Fund earnings	30,481	-	6,545	(34,026)	(3,000)	-
W1AW Fund earnings	58,939	-	12,081	(35,752)	(35,268)	-
Total Temporarily Restricted Funds	<u>\$ 1,866,839</u>	<u>\$ 544,816</u>	<u>\$ 66,390</u>	<u>\$ (325,551)</u>	<u>\$ (645,717)</u>	<u>\$ 1,506,777</u>

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**TEMPORARILY RESTRICTED FUND SUMMARY
YEAR ENDED DECEMBER 31, 2007**

<u>Fund Name</u>	<u>Balance 01/01/07 As Originally Reported</u>	<u>Reclassification From Adoption of FSP FAS 117-1</u>	<u>Balance 01/01/07 As Restated</u>	<u>Contributions</u>	<u>Investment Income, net</u>	<u>Change in Unrealized Gain</u>	<u>Released from Restriction</u>	<u>Balance 12/31/07</u>
H.P. Maxim Award	\$ 34,905	\$ -	\$ 34,905	\$ -	\$ 1,980	\$ -	\$ (3,000)	\$ 33,885
Project Goodwill	12,133	-	12,133	100	-	-	-	12,233
Exceptional Merit	1,206,927	-	1,206,927	-	53,443	12,815	(40,000)	1,233,185
Legal Research & Resource	154,738	-	154,738	2,543	-	-	(720)	156,561
Starr Technology	4,081	-	4,081	-	-	-	-	4,081
Rinaldo Technology	1,000	-	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	6,709	-	-	-	-	6,709
Educational Activities	3,580	-	3,580	-	-	-	-	3,580
Ham Aid Fund	185	-	185	1,140	-	-	-	1,325
Defense of Frequencies	-	-	-	441,031	1,321	-	(442,352)	-
Lab Fund	7,030	-	7,030	352	-	-	-	7,382
Education and Technology	190,222	-	190,222	275,595	-	-	(158,380)	307,437
DARA CEP Project	2,563	-	2,563	-	-	-	(2,563)	-
Steven Rich Fund	-	-	-	10,000	-	-	-	10,000
Direction Finding	41	-	41	-	-	-	-	41
Colvin Fund earnings	12,328	23,237	35,565	100	8,303	1,513	(15,000)	30,481
W1AW Fund earnings	39,656	12,146	51,802	65	14,571	2,807	(10,306)	58,939
Total Temporarily Restricted Funds	\$ 1,676,098	\$ 35,383	\$ 1,711,481	\$ 730,926	\$ 79,618	\$ 17,135	\$ (672,321)	\$ 1,866,839

See Report of Independent Public Accountants.

ARRL is the national association for Amateur Radio operators.

The seed for Amateur Radio was planted in the 1890s, when Guglielmo Marconi began his experiments in wireless telegraphy. By 1914, there were thousands of Amateur Radio operators—hams—in the United States. Hiram Percy Maxim, a leading Connecticut inventor and industrialist, saw the need for an organization to band together this fledgling group of radio experimenters.

In May 1914 he founded the American Radio Relay League (ARRL) to meet that need. Today ARRL is the largest organization of radio amateurs in the world.

The ARRL is proud of its continuing traditions in five key areas of action:

PUBLIC SERVICE

ARRL members provide thousands of volunteer hours for communities and organizations requesting aid in emergency communications planning and disasters. Its ARES® program is recognized by federal, state and national organizations for service in crises.

ARRL members provide even more hours of volunteer communications services annually to local organizations conducting large activities such as parades, scouting events and marathons.

ADVOCACY

The ARRL represents US radio amateurs in legislative matters.

The ARRL also represents US amateurs with the Federal Communications Commission and other government agencies in the US and abroad.

The ARRL is the International Secretariat for the International Amateur Radio Union, which is made up of similar societies in more than 150 countries around the world.

EDUCATION

The ARRL promotes interest in Amateur Radio communications and experimentation.

The ARRL publishes the monthly journal *QST*, as well as newsletters and many other publications covering all aspects of Amateur Radio.

The ARRL sponsors and coordinates classes in licensing, radio communications, electronic technology and related topics both nationally and internationally.

TECHNOLOGY

The Amateur Radio Service frequency bands are the place on the usable radio spectrum where you as an individual can develop and experiment with wireless communication.

Hams not only can make and modify their own equipment, but also pioneer new technologies.

MEMBERSHIP

The ARRL maintains fraternalism and a high standard of conduct among Amateur Radio operators.

The ARRL provides direct services to members, such as the Volunteer Examiner Coordinator Program and a QSL bureau.

The staff at ARRL Headquarters, in the Hartford suburb of Newington, is dedicated to providing quality member services.



The Radio Amateur is
PATRIOTIC...

**station and skill
always ready for
service to country
and community.**

—from The Amateur's Code

Basis and purpose of the Amateur Service

(a) Recognition and enhancement of the value of the amateur service to the public as a voluntary noncommercial communication service, particularly with respect to providing emergency communications.

(b) Continuation and extension of the amateur's proven ability to contribute to the advancement of the radio art.

(c) Encouragement and improvement of the amateur service through rules which provide for advancing skills in both the communication and technical phases of the art.

(d) Expansion of the existing reservoir within the amateur radio service of trained operators, technicians and electronics experts.

(e) Continuation and extension of the amateur's unique ability to enhance international goodwill.

Title 47, Code of Federal Regulations



For More Information Contact:

ARRL 225 Main Street • Newington CT 06111-1494

Telephone: 860-594-0200

Telefax: 860-594-0259

http: //www.arrl.org/

Internet: hq@arrl.org