

ARRL  
The national association for  
AMATEUR RADIO



COMMUNICATION



ELECTRONICS

PUBLIC SERVICE



VOLUNTEERS

2000

ANNUAL REPORT

AMERICAN RADIO RELAY LEAGUE

## 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

### About the Cover

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#### **“Communication”**

Ham radio can be a wonderful family hobby where dad (or mom) helps the kids learn geography, math, science and electronics through the magic of radio. Northern California resident William Paul, KD6JUI, with sons Ian (center) and Bruce are shown on vacation in Mexico. The father/son team contacted other stations throughout North America, Asia and Europe.

#### **“Electronics”**

Amateur Radio operators like to “get out and get under,” working directly with circuits and antennas to design, build or fine tune.

#### **“Public Service”**

In disasters, volunteer Amateur Radio operators are there to provide communication until telephones and other regular systems have been restored. Michael Goodman, KD5FAQ, handles disaster communication after a devastating storm hit Arkansas.

#### **“Volunteers”**

Ham radio operators are always ready when disaster strikes because of proficiency gained during operating events such as October's Simulated Emergency Test and June's Field Day. Pictured on the lower left of the cover, the West Chester (Ohio) Amateur Radio Club poses in front of their Field Day site at the former Voice of America station near Cincinnati.



# ANNUAL REPORT OF THE AMERICAN RADIO RELAY LEAGUE FOR 2000

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# A MESSAGE FROM ARRL'S PRESIDENT



When I was a young boy, my father bought me a shortwave radio receiver that allowed me to listen to voices from all over the world. It was fascinating. Having the opportunity later to get into Amateur Radio, and be able to *talk* to people all over the world—now that was just plain magic. That sense of wonderment is still with me and it has been an honor to serve as President of the American Radio Relay League as we entered the new millennium.

The 21<sup>st</sup> Century ushered in a standout year for Amateur Radio and the ARRL. It was a year of change and one marked by events that over and over demonstrated ham radio's important role in today's high-tech world of communications.

High on my agenda is to educate young people about electronics and the "magic of Amateur Radio." Time and time again, we've heard stories from adults who credit their education or career choices to an early passion for ham radio. In 2000, the League started the initial work on the ARRL Amateur Radio Education Project, which we hope will eventually bring ham radio

equipment and a specialized curriculum into classrooms throughout the country. This will be no small task, but like a retirement plan, every small contribution adds up. The end result in this case may be a whole new generation of Amateur Radio operators, engineers, scientists and the like.

Another priority for 2000 was to continue our work on behalf of Amateur Radio in Washington. To this end, we made a lot of headway this year during a number of successful meetings with members of the FCC, congressional leaders and others who have the ability and the resources to affect Amateur Radio. Representation in Washington continues to be one of ARRL's most important membership benefits.

Although the year 2000 brought with it many bright spots, we still have some real challenges ahead of us. If Amateur Radio is going to continue to thrive, we need to work harder to secure our place in the spectrum. We also need to press forward on the issue of "reasonable accommodation" for Amateur Radio antennas in communities governed by

covenants, conditions and restrictions (CC&Rs). The future for Amateur Radio as an enjoyable pastime and as a much needed disaster communications resource depends on it.

Throughout the year, I felt it was important to be as personally involved with the membership as possible. The dedication and the volunteer spirit of our members make this association what it is today. I made every attempt to be visible and responsive to your needs as members and to the Amateur Radio community at large. I want to thank all of the members for their support, and it is my hope that we can recruit more fine folks into Amateur Radio and into the League in the very near future.

We hope you enjoy your look back on ARRL's activities during the millennium year. These are interesting times!

A handwritten signature in black ink, appearing to read 'Jim Haynie'.

Jim Haynie, W5JBP  
President

## ANNUAL REPORT OF THE EXECUTIVE VICE PRESIDENT FOR 2000



Last year at this time we were anxiously awaiting the arrival of the millennium year and were predicting a very busy year for Amateur Radio. As 1999 came to a close, workers across the country, and of course those in the Amateur Radio Service, were on standby to assist with any Y2K communication breakdowns. Luckily, Y2K proved to be uneventful. On the heels of that non-event, however, came an entire year full of memorable occurrences for Amateur Radio and the ARRL.

One of the most notable events in 2000 was the April 15 implementation of FCC's Amateur Radio license restructuring. Because the FCC's Report and Order had been handed down the previous December, we were prepared for the upcoming changes. It remained to be seen, however, how restructuring would play out for the amateur community. Overall, the changes proved to be positive ones as ARRL members and prospective members turned out in droves to upgrade their current licenses. The impact of restructuring on the ARRL, largely in terms of staff workload, lasted well into the year. We expect to see the full effects of restructuring emerge in 2001.

Effecting change on behalf of Amateur Radio is one of our most rewarding activities. Our voice matters in the international communications

arena. At the 2000 World Radiocommunication Conference (WRC) in Istanbul, Amateur Radio was represented internationally by the International Amateur Radio Union, for which the ARRL serves as the International Secretariat. The United States delegation was among a handful of delegations having an Amateur Radio representative, in the case of the US supplied by the ARRL. WRC-2000 agreed on several agenda items of great importance to us for the next WRC in 2003. Preparations for WRC-03 began literally at the closing gavel for WRC-2000 and will be a major preoccupation for the next three years.

The year 2000 also marked two important milestones for Amateur Radio in space. The Amateur Radio station aboard the International Space Station became operational, and we witnessed the long anticipated launch of the largest and most expensive Amateur Radio satellite ever built. Surely, anyone who might think that Amateur Radio is a thing of the past need only look at these two exciting accomplishments to see that ham radio ingenuity does not end here on Earth.

Nor is it confined to space. We can claim without fear of contradiction that radio amateurs are doing more than anyone else to advance the state of the art with respect to the use of digital data modes in the high frequency (HF) bands. PSK31 became a mainstream

mode in 2000, with other new "flavors" of soundcard-based digital modes introduced on what seemed to be a weekly basis. Low-power (QRP) enthusiasts recognized the merits of PSK31 and introduced inexpensive, easy-to-build transceiver kits to take advantage of the effectiveness of the mode. During the year many veteran amateurs told us their enthusiasm had been rekindled by PSK31.

Indeed, ham radio operators are unique. Along with their technical know-how comes an inherent dedication to volunteerism. During 2000, ham radio operators spent countless hours assisting with various communications emergencies, demonstrating this fascinating technology to the public, and helping young people discover something beyond the traditional wired world. Ham radio volunteers have the ability to make a difference in people's lives and they demonstrate that time and time again.

Please take a few moments to look back over this millennium year and you will see in greater detail what a year it was. We are optimistic that ARRL and the Amateur Radio community will be experiencing another outstanding year in 2001, and many more to come.

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

David Sumner, K1ZZ  
Executive Vice President

# ARRL ANNUAL REPORT 2000



## FCC LICENSE RESTRUCTURING SENDS ARRL INTO HIGH GEAR

The long-awaited FCC Report & Order announcing changes to the current Amateur Radio licensing structure was released late in 1999, but it was early 2000 before the changes started taking effect. With credit being given for some exams already taken, the incentive to upgrade brought amateurs out in droves. Some Volunteer Examiners held “midnight madness” test sessions to keep up with the demand.

Restructuring affected many different departments at ARRL Headquarters and other facets of the organization. It was a major factor in increased book and other product sales during the first half of the year. We saw a substantial increase in phone calls and e-mail inquiries from members and non-members who wanted to know how restructuring would affect them.

The Restructuring R&O did not include everything the ARRL had petitioned for, and early in 2000, we filed a Petition for Partial Reconsideration with the FCC, asking for two modifications in the restructured system. The League requested that the FCC continue to maintain records to show whether or not a Technician class licensee had received Morse code credit, and sought permanent Morse code credit for any amateur who had ever passed an FCC recognized Morse code exam of at least five words per minute. We were still awaiting FCC action at year-end.

## ARRL SEES MODEST MEMBERSHIP INCREASE

ARRL has always put a high priority on member recruitment and our efforts paid off in 2000 with a net increase of 900 members by year-end, bringing the ARRL membership total up to 164,106.

Throughout the year, we continued our mailings to lapsed members and those who had never joined the League. We also offered a coupon to amateurs taking an ARRL VEC test.

International members were extremely pleased with the new *QST* delivery method that ships magazines to the target country by air. This has resulted in much quicker delivery to International members with only a modest increase in cost.

## ARRL LEADS THE WAY IN AMATEUR RADIO INFORMATION

*QST* has long been *the* magazine in Amateur Radio and our membership journal looked even better when it debuted in full color in December 2000. Member feedback on the overall, more up-to-date look and new content was very positive. Of the new columns that debuted in January 2000, “Old Radio” was the most enthusiastically received with “QRP Power” running a close second. The “Short Takes” product reviews continue to be popular, particularly the software reviews. *QST* continues to deliver an even mix of simple and more complex articles, offering all readers something that interests them.

ARRL maintained its tradition of delivering accurate, timely news stories to the ham radio community via Audio News, the *ARRL Letter* and the Web. With a keen sense of what the amateur community wants and needs to know, the League’s news department churned out hundreds of stories, including breaking news items and updates. Nearly 300 news bulletins on a variety of topics were distributed via the WIAW bulletin service.

Restructuring kept ARRL’s publications staff busy during the year. The Book Team spent considerable time and effort on revising material for all license class study guide publications. The *Extra Class License Manual* was a top seller, and it became harder and harder to keep it in stock as the April 15th deadline for upgrading approached. Major revisions were made to two of ARRL’s most popular publications, the *Operating Manual* and the *Antenna Book*. We also introduced several new titles, new printings and new CD-ROM products.

By year-end, ARRL carried more than 200 books and software products, 125 of which were published by the League itself.

Work has begun on new Technician and General class video courses, a very popular method of study, and a new book on digital signal processing.

ARRL’s newly acquired *Communications Quarterly* merged successfully with *QEX* in 2000, giving the amateur community an expanded resource for technical articles. The *National Contest Journal (NCJ)* continues to be the number one magazine for Amateur Radio contesters. A new *NCJ* Web site now offers limited *NCJ* editorial material, information on *NCJ* contests and current news from the contesting community.



## ARRL DELIVERS TECHNICAL EXPERTISE

The ARRL Lab again led the way in offering top notch technical information and assistance to ARRL members and to groups and organizations outside of the Amateur Radio arena. More than 10,000 inquiries on topics ranging from antenna building to interference issues were handled by the Technical Information Service (TIS). The TIS Web site grew to more than 700 separate pages or articles covering a wide variety of topics, and the number of "hits" to the site increased dramatically during the year.

Lab staff offered technical expertise on RFI issues involving Pacific Gas and Electric (PG&E) and other utilities. We also worked with AT&T on an interference problem with PX-421 wireless modem jacks, which had been causing widespread interference in the Amateur Radio 80 meter band since 1999. AT&T eventually ordered a total recall of the product. ARRL's work with the company continues. We also supported ARRL's Washington office on a number of RFI and regulatory matters, and maintained strong alliances with groups such as the IEEE, The Society of Automotive Engineers and the Consumer Electronics Association.

The "screen room" continued to be a popular stop on the Headquarters tour. ARRL Lab engineers tested a number of Amateur Radio products including transceivers, receivers, linear amplifiers and an ATV transmitter.

## ARRL'S ELECTRONIC SERVICES GROW AND IMPROVE

In the fall, ARRL unveiled a wholly redesigned Web page. The new design proved to be a hit with users, who liked the dramatic improvements in navigability and usability. Along with improved search features, Amateur Radio news items now appear prominently on the first page and new articles are added frequently throughout the week. Other improvements included a redesign of the online publications catalog, the addition of discussion forums to support ARRL's Certification & Continuing Education Program initiative and a certificate maker for volunteers in the field. Total Web "hits" for 2000 were estimated at 102,744,100.

The arrl.net e-mail forwarding service continued to be very popular, with almost double (43,000) the number of members signed up at the end of 2000 versus 1999. Anywhere from 60,000 to 80,000 messages flowed through the server on a daily basis.

## PUBLIC SERVICE REMAINS HIGH ON THE LIST OF PRIORITIES

The dedication that Amateur Radio operators show to public service has always been remarkable, and their efforts are often recognized by local officials, emergency management personnel, and people in the community who benefit from their volunteerism. In the year 2000, amateurs were involved in providing emergency communications for a number of disasters including a tornado in Ohio, flooding in Arizona, fires in Arizona and an avalanche in Alaska.

In December ARRL opened enrollment for The Certification & Continuing Education Program, and based on membership demand, the first ever Web-based class covered basic emergency communications. Within a 24-hour period, all 45 registration slots were filled. High levels of participation are expected as additional courses are added in the coming year.

New alliances were formed in 2000 when ARRL signed new memoranda of understanding with the Society of Broadcast Engineers and the National Association of Radio and Telecommunications Engineers (NARTE). We will also be working with the American Red Cross and the Federal Emergency Management Agency (FEMA) on new versions of our existing memoranda of understanding that will serve our mutual needs.

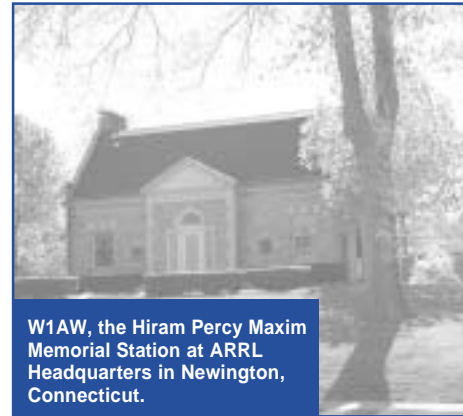
Our long-standing relationship with the National Weather Service continued. An ARRL/NWS special event was held in 2000, with hundreds of contacts made from the Amateur Radio station at the National Hurricane Center in Florida.

## ARRL SHARES THE MAGIC OF RADIO WITH THE NEXT GENERATION

One of the best ways to get young people interested in ham radio is to get them on the air, at any age. Events such as Kid's Day, the School Club roundup and the Scout Jamboree on the Air (JOTA) continued to be popular with kids and their adult mentors.

Not only is ham radio fun for kids, an early interest in ham radio communications may even influence future education or career decisions. With that in mind, ARRL unveiled plans in 2000 to develop the ARRL Amateur Radio Education Project. Still in the planning stage, the education initiative would provide equipment and learning materials to selected schools throughout the country, at no cost to the schools themselves. The project will be unfolding in the coming year.

Students at the Luther Burbank Elementary School near Chicago carved out their own little piece of history during the first Amateur Radio on the International Space Station (ARISS) contact in December. The students had a long list of questions for Commander William "Shep" Shepherd, Amateur Radio call sign KD5GSL. With NASA's help, many more school contacts with the Space Station Alpha crews will take place in 2001.



W1AW, the Hiram Percy Maxim Memorial Station at ARRL Headquarters in Newington, Connecticut.

As the millennium dawned, ARRL's Amateur Radio station W1AW, was buzzing with activity as League staff members held a Y2K operating event. No emergency communications services were needed, but hundreds of operators throughout the country made contact with the station as the clock ticked down to the year 2000. Hundreds of visitors tour W1AW each year and don't miss the opportunity to operate from the station. Each year, the ability to work with the most modern equipment, donated by manufacturers, ensures that visitors remember their stay.



The public service capacity of Amateur Radio is a national treasure. The Shelby County (Ohio) ARES team, shown in front of their communications trailer, is ready for any disaster.



ARRL sponsors several programs to share the magic of Amateur Radio with young people. One of the most popular has been Kid's Day. Pictured here are Geena and Luciano Shipelliti, working in their parents' (Jeanne, K1MOM and Peter, W1DAD) radio shack during Field Day.



The ARRL Volunteer Exam Coordinator (VEC) staff processes thousands of Amateur Radio license examinations every year. Pictured here, VEC staff member Wayne Irwin, W1KI follows up by telephone to gather information missing from a license application.



Long days and lots of fun are provided by many of ARRL's operating events, which test the skill of ham operators both domestically and around the world. Here, Ken Boyd, K4DXA, of Charlotte, NC operates on 50 MHz during the ARRL "VHF QSO Party."



ARRL works diligently to monitor events in Washington on Capitol Hill, at the FCC and at other federal agencies. Pictured here, the ARRL team meets with Florida Congressman Michael Bilirakis (second from right) who introduced legislation to protect Amateur Radio frequencies

## ARRL SUPPORTS AMATEUR RADIO LICENSING ACTIVITIES

One of the League departments hit hardest by the FCC's license restructuring was the Volunteer Examiner Coordinator (VEC) Department. In just two months following the April 15<sup>th</sup> implementation date, the ARRL/VEC processed 14,295 applications for General licenses and 10,770 applications for Extra Class licenses, more than three times as many license applicants as during the same period in 1999. Upgrade exam activity both before and after April 15<sup>th</sup> caused a processing backlog that lasted well into June. Temporary help and volunteers from other departments were needed on nights, weekends and holidays to make a dent in the backlog.

Restructuring also created the need for all new question pools, license exams and FCC license forms. The ARRL worked with the national Question Pool Committee and other VEC offices around the country to get all of the necessary license materials ready.

The FCC's Universal Licensing System (ULS) database program, which went online in 1999, was still somewhat unreliable during much of 2000. By year-end, the ULS system was back on track and amateurs were able to register important license-related information with the FCC with little trouble.

The vanity call sign program remained popular throughout the year, as did the 1×1 call signs that individuals and groups requested for special operating events.

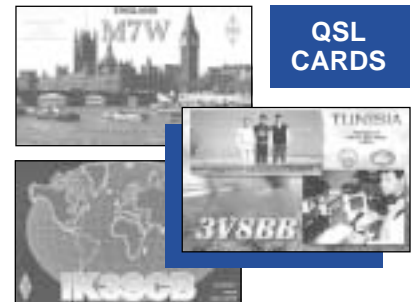
## ARRL SUPPORTS ON-THE-AIR ACTIVITIES

Amateur Radio contesting enthusiasts manned their stations in record numbers during 2000. More than 18,000 contest logs were submitted, making the millennium year the most popular contesting year ever. Late in the year, the "Cabrillo file format" became the official format for contest log submissions, eliminating the inaccuracies often found with the traditional paper log submissions.

ARRL's DXCC awards continued to be popular, and several new awards were added to the list in 2000, including the one-time-only DXCC Millennium award. The DXCC monthly list continued to appear on the ARRL Members Only Web site. The Annual List continues in the DXCC Yearbook and the Honor Roll list will remain in *QST*. The VHF/UHF Century Club (VUCC) program continued to grow slowly during the year with 2621 participants in the VUCC database at year-end.

The A-1 Operator Award Program, a club that recognizes good operators, showed a significant increase in 2000. For the year 2000, there were 359 A-1 Operator nominations, resulting in 186 new A-1 Operators, more than double the number we had in 1999.

During 2000, the Outgoing QSL Service mailed 1,868,895 cards to the various foreign QSL Bureaus, only a 1 percent increase over the number of cards mailed in 1999.



## ARRL REPRESENTS AMATEUR RADIO IN THE PUBLIC POLICY ARENA

Each year, ARRL's legislative staff brings important Amateur Radio issues to the attention of Washington's decision makers. We meet with congressional leaders, telecommunications committee members and others who have the ability to affect Amateur Radio in local congressional districts and on the national level.

The House and Senate versions of the Amateur Radio Spectrum Protection Act, H.R.783 and S.2183, were the primary focus of our legislative efforts in 2000. The Act would have ensured the availability of spectrum to Amateur Radio operators. Unfortunately, as the 106<sup>th</sup> Congress came to a close, the Amateur Radio Spectrum Protection Act had not moved out of committee in spite of attracting a very impressive number of cosponsors.

The House bill, H.R.783, got 167 cosponsors and the Senate bill, S.2183, got 11. In fact, very little telecommunications legislation passed in 2000. We are confident, however, that the bills will be reintroduced when the next Congressional Session opens in 2001.

One other highlight for 2000 was the passage of H.R.2346, which authorizes enforcement by State and local governments

of FCC regulations against illegal use of CB equipment. ARRL worked with members of Congress to rewrite the legislation in a way that protects Amateur Radio interests and helps the congressional members achieve their own legislative ends.

### Federal Communications Commission (FCC)

The FCC is the government agency charged by Congress with regulating all non-government telecommunications in the United States, including Amateur Radio. In recent years, the FCC has become more proactive on enforcement issues and our working relationship with the Commission was strengthened significantly this year through regular meetings with some of the FCC's key players.

One issue at the forefront in 2000 was our fight for "reasonable accommodation" for Amateur Radio operators living in areas governed by covenants, conditions, and restrictions (CC&Rs). ARRL petitions urging that CC&Rs be covered under PRB-1 had previously been denied, and the latest denial late in 1999 prompted the League to ask for full FCC review of that particular official order. Our work on the CC&R issue will continue to be one of our top priorities well into the new year. The FCC license restructuring plan, another major event this year, has been covered elsewhere in this report.

In January, the League filed comments asking the FCC to deny a request by the Kenwood Communications Corporation to permit operation of its "Sky Command" system in the 2-meter band. Kenwood's request was later denied.

### International Telecommunication Union (ITU)

Amateur Radio is also governed by International Radio Regulations administered by the United Nations body known as the International Telecommunication Union. The ITU is responsible for allocating frequencies for radio services all over the world.

In 2000, Amateur Radio was well represented at the ITU World Radiocommunication Conference (WRC-2000) in Istanbul. Delegates from the International Amateur Radio Union (IARU) and the ARRL were on hand to participate in discussions about spectrum allocation and other issues that could potentially affect ham radio. It was a very significant conference for Amateur Radio as several important Amateur Radio issues emerged on the agenda for WRC-03. They include a revised (and we hope improved) arrangement between amateurs and broadcasters at the 7-MHz allocation, other issues related to high frequency broadcasting and a possible revision of Article S25 of the International Radio Regulations.

### International Amateur Radio Union (IARU)

The IARU is the international organization of Amateur Radio's 153 "sister societies," including the ARRL. ARRL representatives traveled to Darwin, Australia in 2000 to participate in the IARU Region 3 Conference. One of the most important issues on the table concerned the continued necessity of Morse code as a required testing element for operation on the high frequency Amateur Radio bands. The conference decided to support deletion of the Morse code requirement from the International Radio Regulations. ARRL cast the only vote in opposition. The Morse code issue will no doubt be on the agenda for the Region 2 conference in 2001. The determining vote is likely to happen during WRC-03, mentioned above.

## ARRL PUTS AMATEUR RADIO IN THE MEDIA SPOTLIGHT

Year after year, the Amateur Radio community has received its fair share of media coverage and the year 2000 was certainly no exception. The ball got rolling with a January 1<sup>st</sup> Kid's Day segment on the NBC Nightly News.

The biggest "media hit" in 2000, and very likely the best coverage for Amateur Radio in several years, was the coverage of ham radio's lifesaving role in the van Tuijl family tragedy. The ham radio operators who assisted the van Tuijls after their son was shot at sea, combined with ARRL President Haynie's success in getting young Willim to the United States for medical treatment, gave the media the makings of a perfect human interest story. Coverage included ABC's "Good Morning America," CBS's "Early Show," ABC's "20/20", *People* magazine, The Associated Press, *The Dallas Morning News*, *Cruising World* magazine, *The Miami Herald*, *The National Examiner* and others.

Restructuring was the other major ARRL public relations effort during the first part of the year. A Boston-based PR firm, retained to pitch the story to the press, got articles placed in *The Detroit Free Press* and *The Philadelphia Inquirer* among others. PR volunteers on the local level were even more successful with the restructuring story, many of which tied it in with local Amateur Radio events.

The film "Frequency" opened in theaters nationwide on April 28. ARRL's PR department had been contacted in early 1999 for information on ham radio, and HQ provided the call sign used by Dennis Quaid's character in the movie. ARRL PR staff worked with New Line Cinema (the distribution company) to find clubs in the larger US markets, provide them with sneak preview passes and

(continued on next page)



The Ak-Sar-Ben radio club in Omaha, Nebraska, created a stir with this eye-catching display during opening weekend of the movie "Frequency."



Members of the Boeing Employees Amateur Radio Society get on the air during Field Day.

encourage their efforts to promote ham radio on the local level. Members of the ham radio industry sponsored a contest for clubs that did the best job promoting ham radio at their local movie theaters. The top prize went to the Ak-Sar-Ben group in Omaha, Nebraska.

ARRL's PR staff continued to support publicity efforts for annual events such as Kid's Day, Exam Day and Amateur Radio Week/Field Day, the ARRL National Convention, and Board elections.

Some of the large circulation newspapers that carried Amateur Radio stories this year included *The New York Times*, *The Cleveland Plain Dealer*, *The Charlotte Observer*, the *Atlanta Constitution*, the *Miami Herald*, the *Los Angeles Times*, *Detroit News* and *USA Today*. Amateur Radio also got good coverage in a number of specialty magazines throughout the year.

Traditionally, the majority of Amateur Radio stories appear in smaller, local publications and on local radio stations and TV affiliates. Numerous stories featured the accomplishments of local hams and club activities. Events such as Awareness Day, JOTA, and the Simulated Emergency Test garnered excellent coverage at the local and regional levels. ARRL worked with the Public Relations Coordinators (PICs) and the Public Relations Officers (PIOs) who spent countless hours promoting these and other activities.

This year's Bill Leonard, W2SKE, Professional Award program was quite successful. We received twice as many nominations as we did in 1999.

## ARRL FINANCES STEADY

We entered the millennium year in a very good financial position, and overall, we were able to again hold our own financially in 2000 as total revenues outpaced our original projections and exceeded the year 1999.

Restructuring was certainly a big event for the year 2000, and it served to fuel our financial results for much of the first half of the year. By mid-year, total revenues for the organization were 15 percent ahead of our projections and 12 percent more than the same period of the prior year. The second half of the year was not as fruitful as the impact of restructuring waned.

Publication sales were higher with the impact of restructuring as sales of our training materials far exceeded our expectations. Training materials produced almost 200 percent more revenue than was initially projected.

Also due in large part to restructuring, ARRL's program fees soared to a level almost as high as the three prior years combined. Increased activity also helped drive fees in other member program areas, pushing DXCC and Contest related fee revenues to almost 50 percent more than the prior year.

In the first six months of 2000, several major and smaller new *QST* advertisers came on board. Aside from radio manufacturers and electronics companies, recruitment ads were placed by the US State Department and the US Justice Department (FBI), organizations that wanted to tap into the ARRL membership pool of skilled technicians. Overall in 2000, however, advertising revenues for the year did not meet our expectations, even with a rate increase implemented at the beginning of the year. Looking back over the year, it appears that the industry's early enthusiasm for restructuring did not translate into more advertising purchases. This will be a continuing struggle as we go into the new year.

Voluntary contributions continue to play a larger role in funding our operations. For the year, we applied over \$400,000 in contributions received in the Defense of Frequencies campaigns. In addition to the Defense Fund, we received about \$130,000 in unrestricted bequests during the year. Most of this amount came from one family trust of a deceased ham radio operator in California. The ARRL Amateur Radio Education Project also received several contributions and pledges totaling almost \$130,000. Overall, voluntary contributions will continue to be an important source of revenue to the organization as we move forward in the coming years.

What began as a year full of uncertainty because of restructuring proved to be a positive one for League finances. As we look forward to the coming years, the challenge will be to find the resources to support new programs and services that will propel the League into the future and ensure not only a healthy organization but the general welfare of the Amateur Radio community at large.



*Voluntary contributions continue to play a larger role in funding our operations.*

*For the year, we applied over \$400,000 in contributions received in the Defense of Frequencies campaigns.*

# OFFICERS

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### **Gary Johnston, KI4LA**

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Edgewood, Kentucky

## **Hudson Division**

### **Frank Fallon, N2FF**

Director  
East Williston, New York

### **J. P. Kleinhaus, W2XX**

Vice Director  
Cortlandt Manor, New York

## **Midwest Division**

### **Wade Walstrom, W0EJ**

Director  
Cedar Rapids, Iowa

### **Bruce Frahm, K0BJ**

Vice Director  
Colby, Kansas

## **New England Division**

### **Tom Frenaye, K1KI**

Director  
West Suffield, Connecticut

### **Mike Raisbeck, K1TWF**

Vice Director  
Chelmsford, Massachusetts

## **Northwestern Division**

### **Greg Milnes, W7OZ**

Director  
Hillsboro, Oregon

### **Jim Fenstermaker, K9JF**

Vice Director  
Vancouver, Washington

## **Southeastern Division**

### **Frank Butler, W4RH**

Director  
Ft. Walton Beach, Florida

### **Evelyn Gauzens, W4WYR**

Vice Director  
Miami, Florida

## **Southwestern Division**

### **Fried Heyn, WA6WZO**

Director  
Costa Mesa, California

### **Art Goddard, W6XD**

Vice Director  
Costa Mesa, California

## **West Gulf Division**

### **Coy Day, N5OK**

Director  
Union City, Oklahoma

### **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, 2000 and 1999, and the related statements of activities and change in net assets and cash flows for the years then ended. These financial statements and the schedule referred to below are the responsibility of the League's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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, 2000 and 1999, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule I 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 our audits of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Hartford, Connecticut  
April 25, 2001

## THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

Statements of Financial Position  
As of December 31, 2000 and 1999

	2000	1999
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 768,854	\$ 690,325
Accounts receivable, less allowance for doubtful accounts of \$41,829 in 2000 and \$39,943 in 1999	660,725	672,063
Inventory	707,217	646,836
Prepaid expenses and other	<u>95,960</u>	<u>222,053</u>
Total current assets	2,232,756	2,231,277
INVESTMENTS	12,820,091	15,065,746
LAND, BUILDING AND EQUIPMENT, net	1,619,684	1,116,935
DEFERRED TAX ASSET	29,682	38,548
DEFERRED COSTS	<u>33,334</u>	<u>50,000</u>
Total assets	<u>\$ 16,735,547</u>	<u>\$ 18,502,506</u>
<b>LIABILITIES AND NET ASSETS</b>		
LIABILITIES:		
Accounts payable	\$ 414,646	\$ 509,630
Accrued liabilities	335,555	228,009
Deferred life membership dues	5,751,757	5,689,934
Deferred term membership dues	2,455,831	2,507,912
Pension liability	<u>953,920</u>	<u>774,641</u>
Total liabilities	<u>9,911,709</u>	<u>9,710,126</u>
COMMITMENTS AND CONTINGENCIES (Notes 7 and 11)		
NET ASSETS:		
Unrestricted	5,065,982	6,884,149
Designated unrestricted	90,711	95,197
Temporarily restricted	1,512,805	1,658,694
Permanently restricted	<u>154,340</u>	<u>154,340</u>
Total net assets	<u>6,823,838</u>	<u>8,792,380</u>
Total liabilities and net assets	<u>\$ 16,735,547</u>	<u>\$ 18,502,506</u>

*The accompanying notes are an integral part of these financial statements.*

**THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED**

Statement of Activities and Change in Net Assets  
For the Year Ended December 31, 2000

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND CONTRIBUTIONS:</b>				
Membership dues	\$ 4,667,274	\$ -	\$ -	\$ 4,667,274
Net publication sales	3,982,201	-	-	3,982,201
Advertising revenue	2,562,850	-	-	2,562,850
Investment income	687,939	27,173	-	715,112
Examination fees	431,473	-	-	431,473
Program and service fees	330,589	-	-	330,589
Contributions and support	170,462	369,513	-	539,975
Net assets released from restrictions	<u>464,229</u>	<u>(464,229)</u>	<u>-</u>	<u>-</u>
Total revenues and contributions	<u>13,297,017</u>	<u>(67,543)</u>	<u>-</u>	<u>13,229,474</u>
<b>EXPENDITURES:</b>				
Programs and services	7,285,907	-	-	7,285,907
Publications	3,985,677	-	-	3,985,677
Administration	1,481,071	-	-	1,481,071
Governance	<u>177,483</u>	<u>-</u>	<u>-</u>	<u>177,483</u>
Total expenditures	<u>12,930,138</u>	<u>-</u>	<u>-</u>	<u>12,930,138</u>
Excess (deficit) of revenues and contributions over expenditures from operations	366,879	(67,543)	-	299,336
Change in unrealized gains (losses) on investments	(2,180,666)	(78,346)	-	(2,259,012)
Income taxes on unrelated business income	<u>(8,866)</u>	<u>-</u>	<u>-</u>	<u>(8,866)</u>
CHANGE IN NET ASSETS	(1,822,653)	(145,889)	-	(1,968,542)
NET ASSETS, beginning of year	<u>6,979,346</u>	<u>1,658,694</u>	<u>154,340</u>	<u>8,792,380</u>
NET ASSETS, end of year	<u>\$ 5,156,693</u>	<u>\$ 1,512,805</u>	<u>\$ 154,340</u>	<u>\$ 6,823,838</u>

*The accompanying notes are an integral part of this financial statement.*

**THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED**

Statement of Activities and Change in Net Assets  
For the Year Ended December 31, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND CONTRIBUTIONS:</b>				
Membership dues	\$ 4,653,937	\$ -	\$ -	\$ 4,653,937
Net publication sales	3,508,044	-	-	3,508,044
Advertising revenue	2,368,453	-	-	2,368,453
Investment income	618,243	27,617	-	645,860
Examination fees	139,042	-	-	139,042
Program and service fees	253,608	-	-	253,608
Contributions and support	151,741	316,175	-	467,916
Net assets released from restrictions	<u>379,694</u>	<u>(379,694)</u>	<u>-</u>	<u>-</u>
Total revenues and contributions	<u>12,072,762</u>	<u>(35,902)</u>	<u>-</u>	<u>12,036,860</u>
<b>EXPENDITURES:</b>				
Programs and services	6,713,742	-	-	6,713,742
Publications	3,508,868	-	-	3,508,868
Administration	1,320,065	-	-	1,320,065
Governance	<u>166,256</u>	<u>-</u>	<u>-</u>	<u>166,256</u>
Total expenditures	<u>11,708,931</u>	<u>-</u>	<u>-</u>	<u>11,708,931</u>
Excess (deficit) of revenues and contributions over expenditures from operations	363,831	(35,902)	-	327,929
Change in unrealized gains (losses) on investments	455,070	104,483	-	559,553
Income taxes on unrelated business income	<u>(33,651)</u>	<u>-</u>	<u>-</u>	<u>(33,651)</u>
CHANGE IN NET ASSETS	785,250	68,581	-	853,831
NET ASSETS, beginning of year	<u>6,194,096</u>	<u>1,590,113</u>	<u>154,340</u>	<u>7,938,549</u>
NET ASSETS, end of year	<u>\$ 6,979,346</u>	<u>\$ 1,658,694</u>	<u>\$ 154,340</u>	<u>\$ 8,792,380</u>

*The accompanying notes are an integral part of this financial statement.*

**THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED**

Statements of Cash Flows

For the Years Ended December 31, 2000 and 1999

	<b>2000</b>	<b>1999</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,968,542)	\$ 853,831
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and Amortization	447,096	433,550
Change in unrealized gains on investments	2,259,012	(559,553)
Change in unrealized gains on investments designated for life memberships	128,036	113,792
Provision for income taxes	8,866	11,514
Change in assets and liabilities:		
Accounts receivable, net	11,338	(44,948)
Inventory	(60,381)	25,277
Prepaid expenses and other current assets	126,093	71,950
Deferred costs	-	(50,000)
Accounts payable and accrued liabilities	12,561	204,202
Deferred life membership dues	61,823	22,795
Deferred term membership dues	(52,081)	(92,510)
Pension liability	<u>179,278</u>	<u>(75,229)</u>
Net cash provided by operating activities	<u>1,153,099</u>	<u>914,671</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net capital purchases	(933,179)	(284,717)
Net purchases of investments	<u>(141,391)</u>	<u>(1,006,974)</u>
Net cash used in investing activities	<u>(1,074,570)</u>	<u>(1,291,691)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,529	(377,020)
CASH AND CASH EQUIVALENTS, beginning of year	<u>690,325</u>	<u>1,067,345</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 768,854</u>	<u>\$ 690,325</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Cash paid during the year for income taxes	<u>\$ -</u>	<u>\$ 11,400</u>

*The accompanying notes are an integral part of these financial statements.*

## **THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED**

Notes to Financial Statements and Schedules  
December 31, 2000 and 1999

### **(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 the 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 supported by dues from members, advertising income and various product sales. The League's members are primarily located throughout the United States.

### **(2) SIGNIFICANT ACCOUNTING POLICIES**

#### **Cash equivalents**

Cash equivalents are stated at cost plus accrued interest, which approximates market value. For the purposes of the statements of cash flows, the League considers all unrestricted investments with an original maturity of 90 days or less to be cash equivalents.

#### **Inventory**

Inventory consists of publications, software, membership supplies and other miscellaneous items. Inventory is carried at the lower of cost or market, with cost being determined using the first-in, first-out (FIFO) method. Inventory is reflected net of reserves for slow moving inventory of \$62,899 and \$30,350 as of December 31, 2000 and 1999, respectively.

#### **Deferred costs**

In December 1999, the League purchased the right, title and interest in a magazine. This amount is reflected as deferred costs in the accompanying statements of financial position at December 31, 2000 and 1999 and is being amortized over 3 years. The accumulated amortization is \$16,666 at December 31, 2000.

#### **Term 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.

#### **Net asset categories**

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 and that only the income earned thereon be available for operations.

### Use of estimates in the preparation of financial statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### 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 due as a result of unrelated business income arising primarily from net advertising income related to QST magazine. The League accounts for income taxes in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." Under SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The League's deferred tax asset is a result of the recognition of membership fee income related to a discounted five year membership offered in 1997 over the term of the membership for financial reporting purposes, and in the year cash is received for tax purposes.

The deferred tax asset was \$29,682 and \$38,548 as of December 31, 2000 and 1999, respectively. Deferred tax assets consist mainly of available future tax benefits from investment tax credit carryforwards for statement income tax purposes and financial statement reserves not currently deductible for income tax purposes. Deferred tax liabilities consist mainly of temporary differences between the carrying amount of depreciable assets for book and tax purposes.

The provision for federal and state income taxes consisted of the following for the years ended December 31, 2000 and 1999:

	<b>2000</b>	<b>1999</b>
Deferred	<u>\$ 8,866</u>	<u>\$ 11,514</u>
Current:		
Federal	-	14,865
State	<u>-</u>	<u>7,272</u>
	<u>-</u>	<u>22,137</u>
	<u>\$ 8,866</u>	<u>\$ 33,651</u>

### (3) INVESTMENTS

The League identifies its investments as those related to life memberships, regular operations, temporarily restricted and endowment funds. The League reports its equity and debt investments at fair value with unrealized gains and losses reported in the statements of activities.

Investments identified as life membership are comprised of the following:

	2000		1999	
	Cost	Market	Cost	Market
Fixed maturities:				
Corporate bonds	\$ 3,047,379	\$ 2,912,893	\$ 3,463,832	\$ 3,369,768
U.S. Government and Government agency	<u>752,392</u>	<u>741,272</u>	<u>777,496</u>	<u>736,781</u>
	<u>3,799,771</u>	<u>3,654,165</u>	<u>4,241,328</u>	<u>4,106,549</u>
Equity securities:				
Common stocks	489,026	720,365	594,689	996,467
Preferred stocks	<u>850,000</u>	<u>806,730</u>	<u>850,000</u>	<u>753,500</u>
	<u>1,339,026</u>	<u>1,527,095</u>	<u>1,444,689</u>	<u>1,749,967</u>
Total life membership investments	<u>\$ 5,138,797</u>	<u>\$ 5,181,260</u>	<u>\$ 5,686,017</u>	<u>\$ 5,856,516</u>

Investments identified as regular operations are comprised of the following:

	2000		1999	
	Cost	Market	Cost	Market
Fixed maturities:				
Corporate bonds	\$ 733,817	\$ 738,136	\$ 395,050	\$ 397,812
U.S. Government and Government agency	<u>500,000</u>	<u>496,796</u>	<u>500,000</u>	<u>482,610</u>
	<u>1,233,817</u>	<u>1,234,932</u>	<u>895,050</u>	<u>880,422</u>
Equity securities:				
Common stocks	3,383,348	4,603,125	3,632,796	7,078,872
Preferred stocks	<u>598,250</u>	<u>528,375</u>	<u>529,515</u>	<u>429,750</u>
	<u>3,981,598</u>	<u>5,131,500</u>	<u>4,162,311</u>	<u>7,508,622</u>
Total regular operations investments	<u>\$ 5,215,415</u>	<u>\$ 6,366,432</u>	<u>\$ 5,057,361</u>	<u>\$ 8,389,044</u>

Investments identified as temporarily restricted are comprised of the following:

	2000		1999	
	Cost	Market	Cost	Market
Cash	\$ 800,552	\$ 800,552	\$ 324,883	\$ 324,883
Securities	100,000	97,213	100,000	91,458
Common stocks	<u>137,448</u>	<u>220,763</u>	<u>82,556</u>	<u>252,300</u>
Total temporarily restricted investments	<u>\$ 1,038,000</u>	<u>\$ 1,118,528</u>	<u>\$ 507,439</u>	<u>\$ 668,641</u>

Investments identified as endowment are comprised of the following:

	2000		1999	
	Cost	Market	Cost	Market
Cash	\$ 54,340	\$ 54,340	\$ 54,340	\$ 54,340
Fixed maturities:				
U.S. Government and Government agency	<u>100,000</u>	<u>99,531</u>	<u>100,000</u>	<u>97,203</u>
Total endowment investments	<u>\$ 154,340</u>	<u>\$ 153,871</u>	<u>\$ 154,340</u>	<u>\$ 151,543</u>
Total investments	<u>\$ 11,546,552</u>	<u>\$ 12,820,091</u>	<u>\$ 11,405,157</u>	<u>\$ 15,065,744</u>

**(4) LAND, BUILDING AND EQUIPMENT**

Land, building and equipment are recorded at cost. Depreciation is recorded over the estimated useful lives of the respective assets on a straight-line basis. Buildings are depreciated over a 40-year life. Furniture, equipment and building improvements are depreciated over their estimated useful lives ranging from 3 to 15 years.

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

	2000	1999
Land and building	\$ 1,094,693	\$ 1,094,693
Furniture, equipment and building improvements	<u>3,020,629</u>	<u>3,366,676</u>
	4,115,322	4,461,369
Less – Accumulated depreciation	<u>(3,155,511)</u>	<u>(3,344,434)</u>
	959,811	1,116,935
Construction-in-progress	<u>659,873</u>	<u>-</u>
Total fixed assets	<u>\$ 1,619,684</u>	<u>\$ 1,116,935</u>

## Long-lived assets

Impairments of long-lived assets are accounted for in accordance with the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". SFAS No. 121 requires a company to review long-lived assets for impairment whenever events of changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairments were recorded during the years ended December 31, 2000 and 1999.

## Derivative instruments

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" establishes accounting and reporting standards for derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. SFAS No. 133, as amended by SFAS No. 137 and SFAS No. 138, is effective for the League on January 1, 2001. The League does not expect the adoption of SFAS No. 133 to have a material impact on the League's results of operations as they do not have any derivative instruments.

## (5) PENSION PLAN

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 MassMutual 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 which recognizes estimated future salary levels and service.

The following table sets forth the Plan's funded status and amounts recognized in the League's statements of financial position at December 31, 2000 and 1999:

	<b>2000</b>	<b>1999</b>
Benefit obligation at December 31	\$ 5,093,256	\$ 5,032,556
Fair value of Plan assets at December 31	<u>4,555,842</u>	<u>4,258,578</u>
Funded status	<u>\$ (537,414)</u>	<u>\$ (773,978)</u>
Accrued benefit cost recognized in statements of financial position	<u>\$ 953,920</u>	<u>\$ 774,641</u>
Weighted-average assumptions as of December 31:		
Discount rate	7.5%	7.5%
Expected return on plan assets	7.0	7.0
Rate of compensation increase	5.0	5.0
Benefit cost	\$ 348,932	\$ 380,083
Employer's contribution	169,653	453,829
Benefits paid	88,938	185,967

**(6) DEFERRED LIFE MEMBERSHIP DUES AND INVESTMENT EARNINGS**

The by-laws of the League provide for a paid-up life membership in the League for twenty five times the term membership annual dues rate. Life membership dues are invested in assets segregated from regular membership investments. Dues are deferred and recognized in income over the estimated life expectancy of the respective life members (approximately 34 years). Investment earnings on these segregated life member investments are deferred and recognized in an amount which is representative of the estimated cost (reduced by dues recognized) to the League of providing services to the life members.

The following is a summary of deferred life membership dues and investment earnings activity:

	<b>2000</b>	<b>1999</b>
Balance, beginning of year	<u>\$ 5,689,934</u>	<u>\$ 5,667,139</u>
Additions:		
Membership dues received	170,364	117,420
Investment income deferred	474,899	474,159
Change in unrealized gains on investments	<u>(128,036)</u>	<u>(113,792)</u>
	<u>517,227</u>	<u>477,787</u>
Deductions:		
Net transfer to revenue:		
Membership dues earned	(412,941)	(284,493)
Investment income recognized	<u>(42,463)</u>	<u>(170,499)</u>
	<u>(455,404)</u>	<u>(454,992)</u>
Balance, end of year	<u>\$ 5,751,757</u>	<u>\$ 5,689,934</u>

**(7) LEASE OBLIGATIONS**

The League leases warehouse space, office space and office equipment under various operating leases which expire through 2006. Total expense for operating leases was \$94,688 and \$80,020 for the years ended December 31, 2000 and 1999, respectively.

The following are the future minimum lease payments due under these noncancelable operating leases as of December 31, 2000:

<b>Year Ended December 31,</b>	<b>Amount</b>
2001	\$ 94,315
2002	93,217
2003	84,814
2004	72,381
2005	60,014
Thereafter	<u>4,265</u>
Total	<u>\$ 409,006</u>

**(8) 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, 2000 and 1999, the Board had designated \$90,711 and \$95,197, respectively, for these purposes.

**(9) TEMPORARILY RESTRICTED FUNDS**

The League receives contributions from donors which are temporarily restricted for specific purposes as specified by the donors. These temporarily restricted contributions are administered by designated officials of the League in accordance with the directions of the donors. The following is a summary of activity relating to these funds which are included in temporarily restricted net assets in the accompanying statements of financial position.

	H.P. Maxim Award	Project Goodwill	Exceptional Merit	Legal Research & Resource Fund	Star Technology	Rinaldo Technology	ARRL Sarex Fund	Colvin Award	EAD Funds	Defense Fund	Lab Contributions	WIAW Fund	Education Project	Direction Finding	Total
BALANCE, December 31, 1998	\$ 35,601	\$ 12,888	\$ 964,838	\$ 99,467	\$ 1,931	\$ 1,000	\$ 6,689	\$ 17,732	\$ 3,080	\$ 446,887	\$ -	\$ -	\$ -	\$ -	\$ 1,590,113
CONTRIBUTIONS	-	-	1,420	8,996	-	-	20	-	500	268,215	2,500	34,524	-	-	316,175
INVESTMENT INCOME EARNED	-	-	21,617	-	-	-	-	6,000	-	-	-	-	-	-	27,617
CHANGE IN UNREALIZED GAINS ON INVESTMENTS	-	-	104,483	-	-	-	-	-	-	-	-	-	-	-	104,483
NET ASSETS RELEASED FROM RESTRICTIONS	<u>(1,000)</u>	<u>-</u>	<u>(5,000)</u>	<u>(2,894)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>(364,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(379,694)</u>
BALANCE, December 31, 1999	34,601	12,888	1,087,358	105,569	1,931	1,000	6,709	17,732	3,580	350,302	2,500	34,524	-	-	1,658,694
CONTRIBUTIONS	-	-	-	15,092	-	-	-	-	1,000	263,219	566	3,000	84,636	2,000	369,513
INVESTMENT INCOME EARNED	3,139	-	18,134	-	-	-	-	5,900	-	-	-	-	-	-	27,173
CHANGE IN UNREALIZED GAINS ON INVESTMENTS	-	-	(78,346)	-	-	-	-	-	-	-	-	-	-	-	(78,346)
NET ASSETS RELEASED FROM RESTRICTIONS	<u>(1,084)</u>	<u>-</u>	<u>(18,029)</u>	<u>(517)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,000)</u>	<u>(1,000)</u>	<u>(420,956)</u>	<u>-</u>	<u>(4,643)</u>	<u>-</u>	<u>(2,000)</u>	<u>(464,229)</u>
BALANCE, December 31, 2000	<u>\$ 36,656</u>	<u>\$ 12,888</u>	<u>\$1,009,117</u>	<u>\$ 120,144</u>	<u>\$ 1,931</u>	<u>\$ 1,000</u>	<u>\$ 6,709</u>	<u>\$ 7,632</u>	<u>\$ 3,580</u>	<u>\$ 192,565</u>	<u>\$ 3,066</u>	<u>\$ 32,881</u>	<u>\$ 84,636</u>	<u>\$ -</u>	<u>\$ 1,512,805</u>

**(10) PERMANENTLY RESTRICTED FUNDS**

The permanently restricted funds are those funds received from donors with the stipulation that the principal is to be maintained inviolate and 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 and the investment earnings of \$5,900 and \$6,000 are included in temporarily restricted net assets in the accompanying statements of financial position as of December 31, 2000 and 1999.

**(11) CONTINGENCIES**

The League at times is party to litigation arising in the normal course of business. Management believes the disposition of these matters will not have a material adverse effect on the League's results of operations or financial position.

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Schedule I

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

Schedule of Expenditures  
For the Years Ended December 31, 2000 and 1999

	2000	1999
Salaries, Compensation and Benefits	\$ 5,297,138	\$ 4,992,983
Publication Costs and Forwarding Expenses	4,248,387	3,804,341
Communication and Postage	562,003	497,194
Office Supplies and Expenditures	576,502	463,959
Administrative Expenses - Authorized by the Board of Directors	409,809	392,120
Occupancy Costs	340,116	303,330
Legal and Professional Fees	349,190	262,358
Depreciation	430,430	433,550
Travel	261,228	210,790
Rentals and Equipment Maintenance	146,257	139,529
Other	<u>309,078</u>	<u>208,777</u>
Total expenditures	<u>\$ 12,930,138</u>	<u>\$ 11,708,931</u>

*The accompanying notes are an integral part of this schedule.*

AMERICAN RADIO  
RELAY LEAGUE  
BOARD OF  
DIRECTORS  
JANUARY 2000

- Row One:** Ed Metzger, Frank Butler, Fried Heyn, Kay Craigie, John Kanode, Rod Stafford, Joel Harrison, Steve Mendelsohn, Hugh Turnbull, Larry Price, Bob Vallio, Ken Oelke
- Row Two:** J.P. Kleinhaus, Frank Fallon, Tom Frenaye, Jay Bellows, James McCobb, Jr., Henry Leggette, Art Goddard, Walt Stinson, Bruce Frahm, David Sumner, Jim Maxwell, Jim Haynie
- Row Three:** Greg Milnes, Wade Walstrom, Howard Huntington, Steve Mansfield, Dennis Bodson, George Race, Coy Day, Bernie Fuller, Rick Roderick, Jim Fenstermaker, Evelyn Gauzens
- Row Four:** Chris Imlay, Paul Rinaldo, Twila Greenheck, Barry Shelley, Gary Johnston, Mark Wilson, Bill Kennamer, Rosalie White, Dave Patton



ARRL 2000 ANNUAL BOARD MEETING  
MEMPHIS, TENNESSEE

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