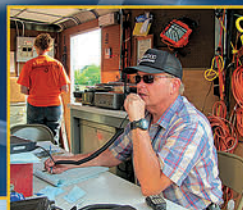
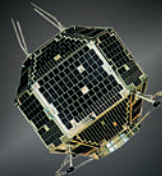


2010 *Annual Report*

Devoted Entirely to Amateur Radio



American Radio Relay League



Annual Report

2010

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About the Cover:

Orbiting high above the earth, Amateur Radio satellites, such as those in the OSCAR series, allow hams to continue the enjoyment of experimenting in new technologies. "It definitely isn't your grandfathers' radio!"

Dennis South, KD4IDD, shows that no matter if you are working out of an Emergency Operations Center, a shelter, a campsite in the woods or just enjoying the radio from your own home, the communications skills of Amateur Radio operators will find a way to get messages through.

American Red Cross Emergency Response Vehicle driver Rickey Buie steps into a devastated neighborhood during the 2010 Tennessee floods. In March 2010 ARRL President Kay Craigie, N3KN, signed a new Memorandum of Understanding (MoU) with the American Red Cross. Photo Credit: Daniel Cima/American Red Cross.

The Boy Scouts of America celebrated their 100th anniversary in 2010 and included in the festivities were special merit badges and activities including Amateur Radio. Their annual Jamboree on the Air (JOTA) is always a major draw for Amateur Radio.



A Message from ARRL's President

It is a privilege to report to you as President of our League. The year 2010 brought us some significant challenges, not all of which have yet been completely overcome, as well as opportunities that we will continue to explore in the future. In other countries of our hemisphere, the value of Amateur Radio and the courage of radio amateurs were shown once again when disasters struck.

In legislative matters, we came tantalizingly close to getting our bill on the President's desk in the session of Congress just concluded. The divisive atmosphere on Capitol Hill caused our bill and many others to stall. As soon as the Board has adopted the legislative goals for the new session of Congress, our work will begin again. The introduction of our electronic newsletter on legislative affairs and the expanded capabilities of the new ARRL website, in addition to work being done by volunteers in the field, will improve our chances of legislative success in the coming year.

Members have said they want to know more about the ARRL's advocacy on behalf of Amateur Radio. Consequently, we are planning a short video summarizing the ARRL's advocacy program—encompassing regulation, legislation and litigation on the domestic side, and our work in cooperation with the International Amateur Radio Union on the international side. Drawing upon the expertise of volunteers and using the website's options for video, we will develop an informative presentation for clubs and conventions. It will increase members' awareness of the ARRL's total advocacy program. In addition, it may increase their willingness to contribute to advocacy-related fund drives and to write to their Representatives and Senators in support of the League's legislative objectives. This is not the only video we expect to produce in 2011. A number of departments within ARRL also have plans to create informative short videos on many topics of interest to members.

The ARRL.org website is our window to the world. In 2010, the site had its ups and downs as we encountered unanticipated problems in both the programming and the deployment of many new functions. But as the year closed, most of the problems had been addressed and the site's increased functionality was apparent. The ability to provide audio, video, file downloads, and many interactive features has made it the "go to" place for information about Amateur Radio. The website will continue to grow as ever more functions are added and we collectively learn to utilize all the options this medium offers.

This year, International Affairs Vice President Jay Bellows, K0QB, attended the centennial celebration of our sister society, The Wireless Institute of Australia, on behalf of the League. I spoke with WIA President Michael Owen VK3KI in the final QSO of the commemorative call sign VK100WIA. The ARRL's own centennial in 2014 is fast approaching. We will have a full program of commemorative activities that will honor our history and set us on the path towards the future. These varied activities will be both educational and enjoyable for members.

The evolving role of Amateur Radio in emergencies continues to be debated within the Amateur Radio family. The need to keep Amateur Radio relevant to today's disaster telecommunications environment has to be balanced with protecting our spectrum from encroachment by commercial entities. Recent changes in the FCC's Rules on emergency communications followed an intense and thoughtful discussion in which the League took a lead role. The ARRL continues to revise and improve our training courses for Amateur Radio emergency communicators. Combined with other training experiences, these courses prepare amateurs to do our best when the worst things happen.

No report regarding 2010 could be complete without mention of the devastation in Haiti. The horrors of January 2010, and heart-breaking events following the earthquake brought forth efforts by volunteer Amateur Radio operators whose actions were in accord with our highest traditions. ARES®, MARS, NHC and the University of Miami Hospital, Dominican hams, IARU—all these were involved and saved lives. ARRL shipments of "Ham Aid" equipment were deployed and heavily used as amateur operators from many countries came to Haiti and set up communications.

Chile also experienced a disastrous earthquake in 2010. There, too, amateurs bravely came to the assistance of their country. Despite severe damage to their headquarters, our sister society in Chile continued to lead their volunteers in service to their fellow citizens. To all of the volunteers involved in both Haiti and Chile we send our respect and gratitude.

Kay C. Craigie, N3KN
President

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Annual Report of the Chief Executive Officer for 2010

To The Board of Directors of The American Radio Relay League

For the ARRL, 2010 was another year of welcome stability in an uncertain world. The volunteer leadership of our association transitioned smoothly from outgoing President Joel Harrison, W5ZN to Kay Craigie, N3KN. ARRL membership increased slightly, the fourth year in a row in which we have experienced growth. Our financial results were somewhat better than expected once again, thanks to the loyal support of members and our continuing attention to cost control.

Rule making proceedings and other FCC actions kept us busy throughout 2010. The FCC moved quickly to resolve a contentious issue with regard to the rules governing the involvement of employees in emergency and disaster preparedness drills. New rules were adopted to govern vanity and club station call signs. Existing and potential interference from Broadband over Power Line (BPL) systems, Wireless Communications Services operating in the 2305-2320 MHz band, and a video surveillance system authorized by waiver to operate in the 430 MHz band required significant attention by the ARRL during the year. The Commission issued long-awaited Notices of Proposed Rule Making in response to ARRL petitions for changes to the rules governing operation near 5 MHz and using spread spectrum emission above 420 MHz, but final action was not forthcoming in either proceeding by yearend.

Preparations continued for the next World Radiocommunication Conference, to be held in Geneva in January and February 2012. On the conference agenda is a possible secondary allocation to the amateur service somewhat below the AM broadcasting band.

On the legislative front, 2010 ended on a somewhat disappointing note in that S.1755, which passed the United States Senate in December 2009, was not taken up by the House of Representatives. Neither did a similar bill, H.R.2160, make it through the House. These two bills would have required the Department of Homeland Security to study and report on impediments to Amateur Radio Service emergency communications, such as the effects of unreasonable or unnecessary private land use regulations. We hope for the enactment of such a bill by the 112th Congress.

In April a new ARRL website was unveiled. The transition from old to new proved to be more difficult than expected, but the end result is that the ARRL and Amateur Radio are now represented on the Web to growing numbers of visitors in a fresh, positive way. By the end of the year our IT staff had developed considerable proficiency in addressing and resolving website issues. Simultaneously, they were able to complete the programming for Logbook of the World (LOTW) to support the VUCC Award, which promises to encourage VHF and UHF activity much as LOTW has kept HF activity growing right through the longer-than-expected sunspot minimum.

In closing I would like to thank everyone who has provided support and cooperation over the past year. The ARRL members, volunteers and staff are a great team. We have accomplished a lot in a challenging economic climate. Unlike many membership associations, our membership is increasing and our renewal rate is high and holding steady. We are financially healthy—healthier now than at any time in the history of the organization despite the recession. There are challenges on the horizon: commercial pressure on the radio spectrum, an inevitable decline in print advertising revenue, a compelling need to introduce a digital edition of our membership journal, and the unavoidable impact of an aging membership base. But we also have great strengths, and if we harness them effectively over the next few years the ARRL and Amateur Radio will be well positioned for a bright second century—at least as bright as their first.

Sincere 73,

A handwritten signature in dark ink, reading "David Sumner". The signature is fluid and cursive, with a large initial "D" and "S".

David Sumner, K1ZZ
Chief Executive Officer



ARRL Membership Manager Diane Petrilli, KB1RNF, helped staff the ARRL booth at this year's AES Superfest. The other HQ representative, Publications Manager Steve Ford, WB8IMY, gave two talks on digital communications.

Membership recruitment is integrated into many ongoing activities:

- ARRL-affiliated radio clubs participate in the Club Commission Program, signing club members for ARRL membership. Clubs keep a portion of the dues for each new member or renewal.
- ARRL Volunteer Examiners distribute membership invitations following an exam session. The invitation includes a special signing incentive for exam candidates.
- ARRL Field leadership sponsor local membership boosters. Clubs earn fun prizes and recognition for achieving top levels of ARRL membership recruitment.
- Daily visitors to ARRL Headquarters in Newington, Connecticut enjoy the hospitality of local volunteers, receiving tours and helpful technical advice.

The Year in Review

ARRL Membership: Supporting Active Radio Amateurs

With more than 156,000 members, ARRL is the national association for Amateur Radio in the USA. But the activities and coordination of such a diverse and vibrant group could not happen without thousands of these members working together with ARRL staff and leadership in volunteer roles. As we report on ARRL's highlights for 2010, we recognize that the goals achieved were only made possible by the time, dedication and passion our volunteers have given for the League and the Amateur Radio Service.

Our Membership

For the fourth consecutive year, ARRL membership grew—totaling 156,475 members at year end. Though a small gain over 2009, we are glad to have weathered an economic environment that wasn't as kind to many other membership associations.

One reason for this success is listening to our members. We receive surveys, member feedback, and our day-to-day contact with members (and prospective members). This approach has allowed us to closely match members' desires and expectations with actual membership benefits and services.

The new ARRL website has also contributed to positive membership results. The site encourages newcomers to get involved and create an online "guest" account, for up to 90 days, intended to introduce new and prospective hams to the breadth of information and resources available to ARRL members. Guests are encouraged to subscribe to e-newsletters, attend local club meetings, get licensed (or upgrade), and ultimately join ARRL.

Members' Role in Recruiting Members

ARRL members are a critical part of membership recruitment. ARRL members share our commitment for Amateur Radio with family and friends. They have given talks to community groups, RV and boating enthusiasts, public safety personnel and others—demonstrating the merits of combining Amateur Radio with these pursuits. We reinforced their efforts by placing ads in various magazines and journals such as *Public Safety Communications*, *Trailer Life*, and IEEE's *ComSoc Magazine*.

The Top 5 ARRL Benefits Chosen By Our Members:

1. *QST magazine*
2. *ARRL publications and products*
3. *Washington representation*
4. *Support for FCC enforcement*
5. *Public relations for Amateur Radio*

— ARRL Survey, August 2010

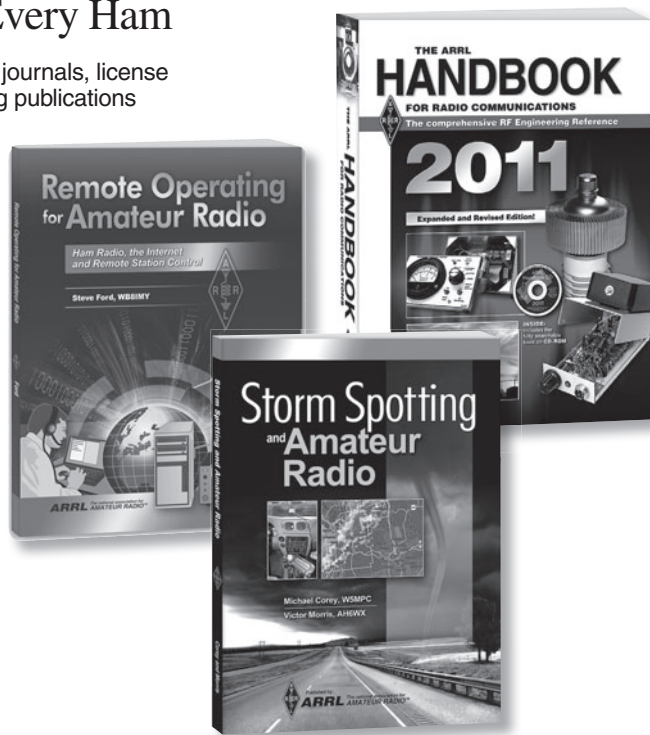
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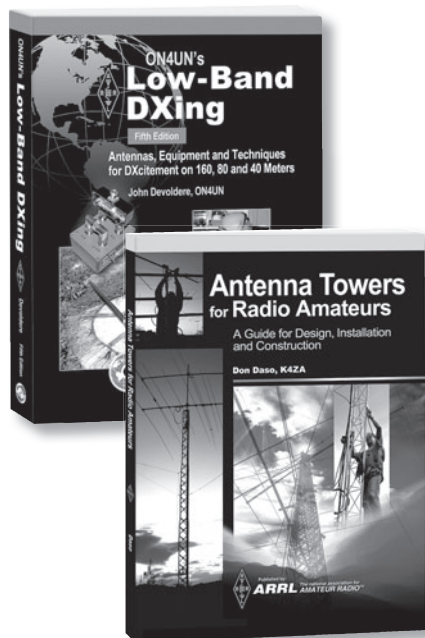
ARRL Publications—Something for Every Ham

ARRL provides the highest quality Amateur Radio publications—journals, license manuals, books, software, and educational courses. The following publications were introduced in 2010:

- 2009 ARRL Periodicals CD-ROM
- Storm Spotting and Amateur Radio
- 2010-2011 ARRL Repeater Directory
- TravelPlus CD-ROM, Version 14.0
- Antenna Towers for Radio Amateurs
- PIC Programming for Beginners
- Remote Operating for Amateur Radio
- The 2011 ARRL Handbook for Radio Communications
- 2009 DXCC Yearbook
- ON4UN's Low Band DXing, 5th edition
- The ARRL RFI Book, 3rd edition
- Understanding Basic Electronics, 2nd edition
- Understanding Antenna Tuners
- Technician Q&A
- Ham Radio License Manual, 2nd edition



In late 2010, the *Ham Radio License Manual* was published as a revised 2nd edition that included the debut of the new *ARRL Exam Review* software on CD-ROM. At nearly the same time, *PIC Programming for Beginners* was published as a revised 1st edition paired with the introduction of ARRL's new PIC Programming Kit.



ARRL News: Keeping Involved Members Informed

ARRL promotes an active, not just passive, life within the Amateur Radio community by providing members with current information that has been carefully vetted and documented.

The ARRL Letter

Sent at no charge via e-mail 50 times each year to the more than 76,000 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 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 Website

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.



ARRL News Editor
S. Khrystyne Keane,
K1SFA.

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," "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.

The ARRL Audio News Webcast/Podcast

The weekly ARRL Audio News provides a digest of top news each week in radio newscast format for airing on repeaters and nets. This service is available from the ARRL website 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

Our 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

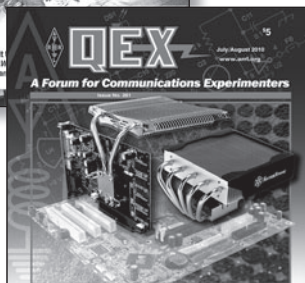
In addition to a wide variety of books, CDs and software, ARRL publishes three periodicals, *QST*, *QEX* and *NCJ*.

QST This year saw continuing design and editorial improvements. Several special issues earned highly positive reactions: DIY (Do It Yourself) in January, Antennas in March, Emergency Communications in September and DXing in October.

We continue to survey the readership several times a year, providing the editors with a clearer understanding of our members' preferences. In 2010 *QST* introduced the QuickStats online polls. Three or four poll questions are offered each month on the ARRL website and the results are published in the form of colorful charts and graphs in every issue of *QST*.

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. Circulation continued to increase throughout 2010, ending the year at more than 7600 subscribers.

NCJ National Contest Journal, which is published six times a year, continues as a prime source of information for its subscriber base of radio contest enthusiasts. Under the editorship of Al Dewey, K0AD, *NCJ* introduced new authors and many new topics in 2010.



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Membership and Volunteer Programs

Awards and Operating

Many facets of Amateur Radio have a part in the make-up of the Membership and Volunteer Programs Department (MVP). Throughout the year we work with people who are active or interested in a wide range of topics, including:

- The Official Observer Program (FCC calls it the Amateur Auxiliary);
- Emergency communications, preparedness and training;
- Operating Awards (DXCC, WAS, WAC, VUCC) and operating events;
- Contests and competitive operating events;
- W1AW, the flagship station of the ARRL;
- Field Service and holding elections for Section Managers across the country;
- Hamfest and convention programs and support;
- Logbook of the World and electronic awards confirmations and record-keeping;
- Support for club groups and affiliation

There is a key piece of glue found intertwined among all of these avocations within ARRL and Amateur Radio—the *volunteer*.

Perhaps like no other part of the Amateur Radio Service, it is the volunteers that make ARRL a success when it comes to the MVP Department. Public Service and emergency communications provide opportunities and valuable roles for amateurs in all walks of life and with all levels of experience and interest—these aspects are, after all, one of the major reasons ham radio in the United States enjoys such prominence.

ARES®

2010 was the 75th anniversary of the Amateur Radio Emergency Service (ARES®). While the name has changed a few times over the years, this program and service within the ARRL continues to provide emergency communication services to a host of critical emergency response organizations. Despite the technological advances in communications, or perhaps because of their complexity, the requests for ARES aid continue. With more than 40,000 individuals helping in ARES, it is the largest group of volunteers associated with ARRL. These volunteers are largely overseen by a fantastic group of elected officials in each of ARRL's 71 Sections in the USA, who in turn have appointed about 8,000 field service volunteers who help run the sections. These Field Organization volunteers aid with recruitment, public relations, training, youth involvement, on-air activities, meeting attendance, "Elmering" (hams traditionally call a ham mentor an "Elmer"), and dozens of other aspects of Amateur Radio.

In 2010 the ARRL's Amateur Radio Emergency Service was active on both domestic and international fronts, with responses to fires, flooding and storm events all around the country. The earthquake in Haiti exposed the serious issues third-world nations have with communications as part of infrastructure failure and destruction. ARRL's Emergency Preparedness Manager and other staff assisted with equipment procurement and delivery to Haiti, and with support to response organizations located both domestically and in-country. Of special note was the communications for the University of Miami Hospital and ARRL's international participation within the framework of the International Amateur Radio Union (IARU) that got equipment into Haiti thanks to exceptional cooperation with the Dominican Republic's Radio Club Dominicano.

When it comes to ARRL's operating awards and contest programs, reliance on the expert work and assistance of hundreds of volunteers is also of vital importance.

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Mike Corey,
W5MPC,
Emergency
Preparedness
Manager



Amateur Radio operators supporting the 2010 Make A Wish Foundation Triathlon event in Bethany Beach, Delaware.
Photo by Walt Palmer, W4ALT



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



ARRL Contest Manager
Sean Kutzko, KX9X, making
contacts at W1AW.



Under the supervision of Jack Satterfield, W4GRJ, Dr. Elizabeth Greig was able to use 2 meter FM to arrange transportation for a badly injured survivor in the wake of the Haitian earthquake last January.
Photo by Louis Cruz, N4LDG.

2010 saw record levels of interest and participation in contests and awards chasing. There are nearly 200 ARRL-affirmed radio contact verification Card Checkers who help DXers (people who enjoy making unusual long-range radio contacts) around the world participate in the radio world's most popular award, DXCC, and ARRL's other awards. In addition, nearly 400 individuals are authorized to check contact cards for the "Worked All States" and VUCC (VHF-UHF Century Club) awards. Many of these individuals come from America's best clubs, qualified as Special Service Clubs, and provide the best of service and atmosphere for their members and for ARRL. With over 2,100 affiliated clubs driving the service and enjoyment aspects of Amateur Radio for ARRL, our year was strong and the future is bright.

To support contest activity, a dedicated group of expert programmers and statisticians assist HQ staff to produce contest results, scores and articles. The administration of 14 operating events is a major undertaking and would not be possible at today's high level of competition without this attention to all aspects of the process. At Headquarters itself there are numerous volunteers who enjoy spending a few hours per week assisting where they can inside the MVP department, bringing with them hundreds of years of cumulative experience to augment the parts of the operations they enjoy the most. MVP's success in 2010 relied a great deal upon its volunteers, who helped to make the experienced staff even better.

W1AW

The radio systems at W1AW, the flagship station of the ARRL, were expanded in 2010 with the installation of a full D-Star repeater system. Housed in the ARRL Laboratory, this system provides us access to the world-wide D-Star gateway system on 2 meters, 70 cm and 23 cm (voice/digital). The digital side of the 23 cm D-Star system is used to connect to the EchoLink system. This allows for demonstrations of both D-Star and EchoLink at the same time.

- A generous donation of various audio products from Heil Sound was received in August.
- A long term goal of the station was realized when Mike McKaughan, K1DM, a 2010 volunteer, sorted all of W1AW's QSL cards alphabetically.
- Total number of W1AW bulletins sent was 245 and there are approximately 3,400 subscribers to the W1AW ListServer.

W1AW continues to provide Amateur Radio operators information bulletins, and practice transmissions while serving as a major resource that can be used in emergency situations.

Media and Public Relations

In the past few years, news media have dramatically changed the way in which they cover news and events. "Citizen Journalism" is replacing traditional reporting. This tidal change was mirrored in 2010 at ARRL HQ with the creation of the new website. The ability to quickly post not only text, but graphics, audio and video pieces opened up many new possibilities for our hundreds of volunteer Public Information Officers around the country. Now not only can they read of events, they can see them, download them and show them to others. The increase in resources expended on website related work has appeared to pay off well according to many complimentary e-mails received from PIOs in the field stating they appreciate the easier access to resources. In addition, many items that were once only available by mailing a CD disk are now freely downloadable as are public service announcements and videos, training materials and forms.

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Once again the highlight of the year for media coverage was the annual Field Day event in June and both the quality and quantity of news coverage exceeded even the high marks of 2009. Adding to the mix in 2010 was a serious effort and evaluation using Twitter.com and other social media options for Field Day promotion. Despite expectations, we did not see a significant return for those efforts while traditional media continued to bring in visitors and good coverage of Field Day sites. However, the Media & PR department will continue to keep an active presence on Twitter (ARRL_PR) and news staff work with Facebook.com.

While the year began with the intention of promoting the technical aspects of the Service, and this was successful with major articles in several influential places (*Computerworld*, *Make Magazine*, HP's *Real Life*, *TUAW*, *hack5.org*, *Linux Journal* and *Popular Mechanics*), events quickly turned media focus to emergency work with the earthquake in Haiti. Because there were very few indigenous amateurs in Haiti at the time, along with the international aspect, it was very different from Katrina operations. Despite this, Amateur Radio was noted for its service in the chaos. The two repeaters provided by ARRL (one near the airport and one in the hills) were well used by many international responders and the WX4NHC team working with the University of Miami Hospital locations was greatly appreciated.

The year ended with a celebration of the 75th anniversary of ARES®. First mentioned as the "Amateur Radio Emergency Corps" in a 1935 article in *QST*, the program continues to be the largest media-getting activity of all. Public service announcements, press releases, logos and even special stickers and coins were produced and distributed for members' use in promoting this service within their communities.



Amateur Radio Licensing Volunteers Help Our Community Grow

Volunteer Examiners (VEs) are our ambassadors in the field, providing Amateur Radio exams in their local community. 2010 was a banner year for the ARRL Volunteer Examiner Coordinator program. 2,054 amateurs joined our Volunteer Examiner (VE) program and the total number of ARRL Accredited VEs reached an all time high of 33,822, with 11,016 VEs active on a regular basis. The ARRL VEC thanks our volunteer examiners around the world. Their dedication and service contribute to the success of Amateur Radio.

Helping the Amateur Operator

The ARRL VEC is by far the largest of the 14 Volunteer Examiner Coordinator (VEC) groups in the country, coordinating more than 70% of all Amateur Radio exams and participating as a member of the National Conference of VECs Question Pool Committee. We meet the needs of the Amateur Radio community by helping people to first become radio amateurs or to upgrade their existing license. In 2010, 32,694 applicants were served at 6,294 sessions.

The ARRL VEC recorded a 39% increase in US territory and international examinations over 2009 (72 sessions versus 52 sessions). Overseas testing locations, all manned by volunteer examiners, included: Antarctica, Bahamas, Canada, Costa Rica, Cuba (US Naval Base Guantanamo Bay), Germany, Great Britain, Honduras, India, Italy, Japan, Mexico, Philippines, Russian Federation, South Korea, Taiwan, Thailand and Trinidad & Tobago. The India exam session was our first exam session conducted in that country. The Trinidad and Tobago session was a "floating" exam session conducted aboard a yacht anchored in a marina.

After months of planning, the ARRL VEC had a major success on October 8 with the first exam session ever given via video conference. 9100 miles and 150 degrees Fahrenheit separated the three VE team members. Ernie Gray, W1MRQ, ran the

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The year ended with a celebration of the 75th anniversary of ARES®.

*First mentioned as the "Amateur Radio Emergency Corps" in a 1935 article in *QST*, the program continues to be the largest media-getting activity of all.*



A view of the unique VE session between Connecticut and Antarctica. Photo by Ernie Gray, W1MRQ.

Year End Totals of US Amateurs

2010: 696,041—AR grew by 2% over 2009

2009: 682,497—AR grew by 2.8% over 2008

2008: 663,564—AR grew by 1.2% over 2007

2007: 655,842

Broken down by license class, at the end of 2010 there were:

15,731 Novices

342,191 Technicians

155,781 Generals

59,387 Advanced

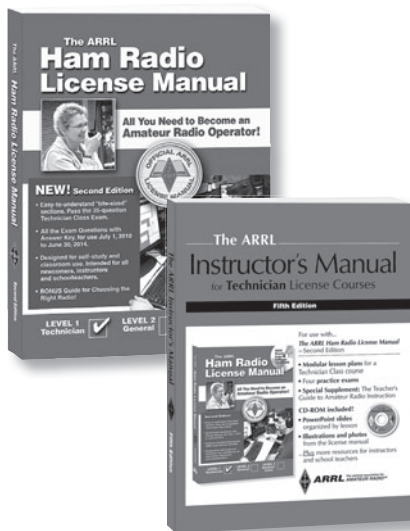
122,951 Amateur Extra class licensees

Statistics courtesy of www.AH0A.org



Lt. Col. John Haefner taking his Amateur Radio License exam.

The ARRL VEC is by far the largest of the 14 Volunteer Examiner Coordinator (VEC) groups in the country.



ARRL engaged the services of Jeff Cantor, K1ZN, to develop a new instructor manual to coordinate with the Ham Radio License Manual, our student exam preparation study manual.

unique session at Amundsen-Scott South Pole Station, Antarctica while Penny Harts, N1NAG, and Steve Ewald, WV1X, observed remotely from the VEC office in Newington, CT. The session produced 8 new Technician class licensees.

Overall, the FCC issued 27,528 new Amateur Radio licenses in 2010. When looking at the statistics over the last 10 years, these are some of the highest license numbers we've seen. Our total numbers grew each year over the last three years and we ended 2010 with just under 700,000 licensees.

As one of three FCC-authorized Club Station Call Sign Administrators, ARRL VEC processed and transmitted nearly 1,200 club licenses for the FCC in 2010. ARRL is also one of five FCC-authorized 1×1 Special Event Call Sign Coordinators. We also issue or renew International Amateur Radio Permits (IARPs) allowing instant operating authority by US amateurs when traveling to participating Central and South American countries.

ARRL VEC also processed and electronically transmitted to the FCC nearly 5,300 address changes and license renewals in 2010. This service to members continues to be a strong draw.

The VEC system was created to ensure the ability of the Amateur Service to continue to grow and prosper. Recognizing that each exam session requires at least three Volunteer Examiners (VEs) and an average time commitment of 2-4 volunteer hours or more per person, the thousands of hours these VEs have afforded their local communities is extraordinary! ARRL VEC applauds all the volunteers whose hard work and contribution of countless hours of time helps to ensure the future of Amateur Radio.

Licensing and Instruction Aids

As we transitioned to a new release of the question pool used in the entry level Technician license exams, dedicated instructors continued to volunteer hundreds of hours of their time to develop lesson plans, conduct classes and mentor new licensees and licensees aspiring to upgrade their licenses to take advantage of more advanced privileges. ARRL engaged the services of Jeff Cantor, K1ZN, to develop a new instructor manual to coordinate with the *Ham Radio License Manual*, our student exam preparation study manual. The new manual was released in April, in advance of the new question pool that became effective July 1. The instructor manual went to press in December and will be available in early 2011. Also during the 4th quarter, we began work on a revision to the ARRL study manual for the General Class License exams in anticipation of question pool changes to be effective.

Continuing Education Program

We phased out our old course and created a new Introduction to Emergency Communications course for our volunteers in ARES® and similar programs. This new course will be released in 2011. The volunteer mentors who supported our previous training program over the past 10 years reflected on the rewards of their supporting role in this new program and told us of their desire to support future courses once the new platform is up and running.

In April we launched a new management course designed for ham volunteers who are experienced radio amateurs and who have an official leadership or management role in local public service communications operations. This course, Public Service and Emergency Communications Management for Radio Amateurs, is currently offered on our website rather than on an online learning management system platform.

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Together, these two courses will form the backbone of our Emergency Communications training program. They have been designed to integrate learning with the FEMA Emergency Management Institute independent study courses. In this way we prepare Amateur Radio volunteers to work alongside other local, state, federal and non-profit agencies in times of emergency.

Educational Outreach

Education & Technology Program (ETP)

Our impact in classrooms continues to grow as the reach of our donor funded professional development opportunity, the Teachers Institute on Wireless Technology, expands. The Teachers Institute program is one component of the grant offerings within the Education & Technology Program portfolio of resources made available to schools and school teachers to advance the integration of wireless technology literacy and ham radio into school curricula. The ETP is possible only because of the generous donations of individuals and clubs who share in the passion of Amateur Radio and understand its benefit for hands-on learning with STEM (Science, Technology, Engineering and Mathematics) subjects. By the end of the year we had provided resources in the form of curriculum materials, professional development and/or grants for radio station equipment and other resources to 525 schools/teachers through this outreach program.

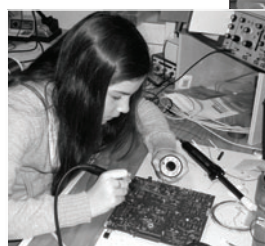
We offered seven Teachers Institute seminars with 88 teachers from 26 states. Seminars were held in Arizona, California, Ohio, New Mexico, South Carolina and at ARRL headquarters in Newington, Connecticut. In addition to five introductory seminars, two of these seminars were advanced TI-2 workshops: one on the topic of Space in the Classroom, focusing on satellite communications; the other topic was Basic Electronics. These advanced sessions were offered to prior graduates of the foundational Teachers Institute workshop.

To sustain and expand our outreach efforts with the ETP, we will need to look for more funding from external sources. In partnership with Penn State University, we sent a survey to teachers who have participated in our Teachers Institute from 2004-2009 to help us determine the impact this training has upon their ability to introduce wireless technology and related STEM topics in their classrooms. We plan to use the survey results to determine the strengths and weaknesses of our approach. One lesson we've learned early on in our school outreach activities is that schools and teachers who receive active support from radio amateurs in their communities are much more likely to be successful engaging in hands-on radio activities in their classrooms. The role of local Amateur Radio clubs in support of these teachers and schools is a very important to launching and sustaining a successful integration of Amateur Radio in classroom learning. In addition to providing training and resources for teachers through the Teachers Institute (including complete ham radio stations for each of the participants of the TI-2), during 2010 we were able to provide 11 more grants of radio station equipment, software and other instructional materials to 9 schools to support their classroom use of Amateur Radio as a tool for learning.

With the options available in ARRL's new website, we are telling the story of our outreach efforts and post reports we receive from teachers with anecdotes and stories of their exploration of wireless technology and Amateur Radio with their students. These reports communicate the possibilities and excitement that exist in learning about radio science to other teachers and supporters. (www.arrl.org/classroom-activities)



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2010 ARISS educational activities include:

- *Kid's Day with international contacts being made and students learning hands-on mapping skills to track the locations of the hams they contacted.*
- *Space Day with 120 fourth graders studying the Solar System, making models of their favorite space object, researching facts about it, and writing reports they presented to other classes in the school.*
- *Lockheed employees and members of the Tri-County Amateur Radio Club gave demonstrations on satellite communications, helped make Sputnik models, taught how to track the ISS and to determine the heat of an object traveling in space.*
- *At Space Jam 4 for Boy and Girl Scout troops from four Midwest states, merit badges were earned in Space Exploration, Radio, Aviation, and Electronics. Scouts made their first radio contacts and learned about space, principles of ham radio communications, propagation, and amateur satellites.*



Astronaut Colonel Douglas Wheelock, KF5BOC, enjoyed talking to students while aboard the ISS, NA1SS.

Amateur Radio on the International Space Station (ARISS)

ARISS celebrated its 10th anniversary in 2010. On December 21, 2000, the first ISS commander, Bill Shepherd, KD5GSL, supported the first ARISS radio contact with Burbank School students near Chicago. At the 10-year point, ARISS touted sponsorship of 566 school/youth group educational events. During 2010 alone, 48 ARISS education events took place with 13 of those for US groups. The US ARISS volunteer team members were kept busy before, during, and after the educational contacts. They guided the school and youth group leaders plus the local ham volunteers in every step of the ARISS educational event: radio system set-up, training of students for on-air conduct, scheduling of the contact, giving expectations for the day-long event, arranging EchoLink and IRLP operations, moderating the actual contact and collecting evaluations.

Amateur Radio operators volunteering from each locale ensured that youth knew Amateur Radio was the infrastructure behind the science interviews, how the ham radio system worked, and that Amateur Radio operators were at the helm. The US ARISS radio contact events were delivered as part of a program of rich educational activities, some incorporating ARRL Education Technology Program (ETP) curriculum and involving teachers who participated in the ARRL Teachers Institute on Wireless Technology. Strong support from the local Amateur Radio clubs in these locations led to volunteer follow-on opportunities for licensing and further exploration of Amateur Radio by youth. But in each of these, the real goal was to increase middle school and high school students' interest in science.

Making it all happen were the ARISS team members who signed up to give talks about ARISS at many venues including teacher conferences. Other volunteers monitored the ISS Amateur Radio equipment throughout the year to ensure successful QSOs would occur. Volunteers managed the many processes necessary to win NASA approval for astronauts to use the VHF and UHF Ericsson handheld radios in the ISS Columbus module and for equipment to be installed in 2011.

Back in Houston, volunteer Amateur Radio operators taught and gave the licensing exam to astronauts who learned on-air protocol and to operate the radios. In the second half of 2010, Astronaut Doug Wheelock, KF5BOC, got on the air in his leisure time between supper and bedtime to talk personally to an amazing total of over 600 hams in addition to completing 17 ARISS school education QSOs. A number of hams made YouTube videos or did interviews with area media about how exciting it was to talk to Doug.

With support from NASA and the Russian Space Agency, Energia, an entirely volunteer group of AMSAT members completed design, assembly, testing, and delivery of ARISSat in 2010 in readiness for a launch on a Progress rocket in 2011. Among other features, ARISSat carries a student research project from Kursk University and includes a software defined transponder built by volunteers that can relay several conversations using CW and SSB simultaneously.

There are 76 US volunteers who, throughout a year's time, perform a leadership function for some vital aspect of ARISS and hundreds of other volunteers step up in some capacity for the many area schools and youth groups selected for an ARISS educational event. It takes an extensive volunteer team of many dedicated and capable individuals!



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Boy Scouts and Amateur Radio

The Boy Scouts of America celebrated their 100th anniversary with a climax at the National Jamboree at Fort A.P. Hill, Virginia. Throughout the year ARRL supported the BSA's special anniversary merit badge for "Signaling," which included Morse code proficiency. Their introduction of the Wireless Merit Badge in 1918 makes the ARRL one of the Boy Scouts' oldest partners. Amateur Radio volunteers throughout the U.S. have a century long tradition of participation in leadership roles in the scouting organization and in the educational role of offering scouts an introduction to radio science and electronics. In 2010, the annual Jamboree on the Air, which engages Scouts around the world in weekend long on-the-air event, marked its 53rd year.



ARRL Lab

The ARRL Lab supports our members in four major ways, each using the technological capabilities of our lab and expertise of its world-respected staff.

Membership Technical Questions

The ARRL Lab answers members' technical questions and provides support for other ARRL functions and programs. With the deployment of the new ARRL website, we created additional Technical Information Services pages to meet member needs even better. Our external volunteers help maintain two of the website Technology pages and our special linked e-mail addresses are a simplified way for members to receive helpful and accurate answers from the Lab staff as well as be a source of questions and answers for the *QST* "Doctor" column.



RFI Problems

The Lab also supports members experiencing power-line and other interference problems, working effectively with complainants, power companies and the FCC. In 2010, Lab staff met with the FCC in Gettysburg to discuss power-line cases and do a presentation to FCC staff explaining the cooperative and successful process used by ARRL and the FCC to resolve them. The ARRL helps approximately 300 members a year in this way.

Product Reviews

All radio amateurs want to know how well a piece of equipment can be expected to perform before purchasing it and 35 items were tested for *QST*'s Product Review in 2010. This included several instances of working closely with manufacturers to help improve their product design to correct problems. We also updated the Laboratory Test Procedures Manual and added new measurements to our *QST* Product Reviews to reflect the improved test processes.

Technical Information for Regulators

Important, but often unseen by amateurs, is our technological support in regulatory efforts. In 2010 we provided a number of major reports in support of ARRL's pleadings in the BPL Further Notice of Proposed Rulemaking and technical support to ARRL's pleadings on the 2.4 GHz Wireless Communications Systems rulemaking. We also provided ongoing support to ARRL's Petition for Reconsideration of an FCC Waiver permitting Recon Robotics (RR) to market robotic devices that operate on the 70 cm band by providing information that demonstrated that the testing done for the FCC certification of the RR transmitter was technically flawed. And we provided ongoing technical support to the ARRL's work to address Amateur Radio interference to the military PAVE-PAWS radar systems by analyzing repeater coverage and helping verify the Air Force mitigation requirements.

Our continued, strong participation in industry committee meetings, representing Amateur Radio at IEEE and ANSI accredited committees in 2010, resulted in Lab

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Does it work as advertised? ARRL Lab staff evaluate equipment for hams before they buy.



Unpaid volunteers, rewarded only by members' appreciation have led the ARRL for almost 100 years.



President Obama's appointment of Howard Schmidt, W7HAS, as White House Cybersecurity Coordinator showed where a high school interest in Amateur Radio technology can lead.

ARRL staff and leadership volunteers continued to promote legislation of interest and concern to the Amateur Radio services. League efforts in support of the "Amateur Radio Emergency Communications Enhancement Act" (S.1755 in the US Senate and H.R. 2160 in the US House of Representatives) continued throughout the year. While neither bill was enacted, the Senate approved S.1755 while H.R.2160 ended up with 42 members of the House sponsoring or co-sponsoring the bill. It is anticipated both bills will be reintroduced into the 112th Congress starting in January 2011.

Manager Ed Hare receiving an award from the ANSI asc C63® EMC committee for outstanding contributions helping organize its website. Mr. Hare also chairs a C63® Task Group developing distance extrapolation methodology below 30 MHz.

We note that the IEEE EMC Society Standards Development Committee voted to withdraw as co-sponsor of the P1775 BPL EMC standard, citing major technical flaws in the standard as the principal reason.

Regulatory Information

Our close cooperation with the FCC continued in early 2010 as we worked with FCC officials in verifying information for emergency Amateur Radio operators headed into Haiti following the disastrous earthquake of January 12, 2010. Information was provided to dozens of volunteers as they prepared to provide communications on the ground in Haiti—a challenging task when one considers the Haitian telecommunications ministry was severely damaged by the quake.



Dan Henderson, N1ND, Regulatory Information Manager

The highlight of 2010 on the Regulatory front was the FCC's amending Part 97.113 to allow amateurs to take part, without an FCC waiver, in government-sponsored disaster preparedness drills on behalf of their employers participating in the exercise. The FCC also amended the rules to allow employees to participate in non-government drills and exercises up to one hour per week and up to two 72-hour periods during the year. Late in 2010, the Commission also released new rules affecting vanity and club station call signs within the Amateur Radio Service, which will go into effect in mid-February 2011.

Legislation

ARRL staff and leadership volunteers continued to promote legislation of interest and concern to the Amateur Radio services. League efforts in support of the "Amateur Radio Emergency Communications Enhancement Act" (S.1755 in the US Senate and H.R.2160 in the US House of Representatives) continued throughout the year. While neither bill was enacted, the Senate approved S.1755 while H.R.2160 ended up with 42 members of the House sponsoring or co-sponsoring the bill. It is anticipated both bills will be reintroduced into the 112th Congress starting in January 2011.

The ARRL also activated its Grassroots Program targeting several other pieces of legislation. We asked League members to contact their US Senators asking that S.1536—The ALERT Drivers Act—be amended to exempt Amateur Radio from the provision of the bill. We also asked members to contact their Senators and Congressmen in support of S.2881/H.R.4809—The FCC Commissioners' Technical Resource Enhancement Act. Finally, the ARRL sent letters supporting an increase in the charitable mileage deduction rate, which has been unchanged since 1998.

Cell phone-distracted driving and antenna ordinances were high priority items for many state and local governments for 2010. Restrictive zoning ordinances in several states were successfully addressed that would have negatively affected Amateur Radio licensees' ability to erect antenna support structures. These state and local ordinances pose a constant threat. In many cases, we only learn about them when contacted by hams affected by these restrictive ordinances. The cooperative effort between ARRL members, the ARRL Regulatory Information office, and numerous local volunteers, such as ARRL Volunteer Counsels and Volunteer Consulting Engineers, are the cornerstone to keeping amateurs on the air.

Washington, DC

The professional staff at the ARRL Washington Area Office in Fairfax, Virginia, continued its domestic and international advocacy efforts as the World Radiocommunication Conference (WRC-12) approached. Through persistence and persuasion, and over substantial opposition from maritime interests, office staff secured formal United

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States and Inter-American Telecommunications Commission (CITEL) support for an affirmative outcome on WRC-12 Agenda Item 1.23, which calls for consideration of a secondary Amateur Radio allocation of about 15 kHz in the range 415-526.5 kHz. Both the United States and CITEL support a two-band approach, with amateur operation contemplated at 461-469 kHz and 471-478 kHz. WRC-12 is scheduled for January 23-February 17, 2012, in Geneva, and further preparatory work will be a prime focus of the Washington Area Office in 2011.

International Amateur Radio Union (IARU)

The main focus of IARU activity this year was also on preparations for the 2012 World Radiocommunication Conference in Geneva, where the possibility of a secondary amateur allocation in the vicinity of 500 kHz is on the agenda. Several other agenda items require attention for defensive reasons.

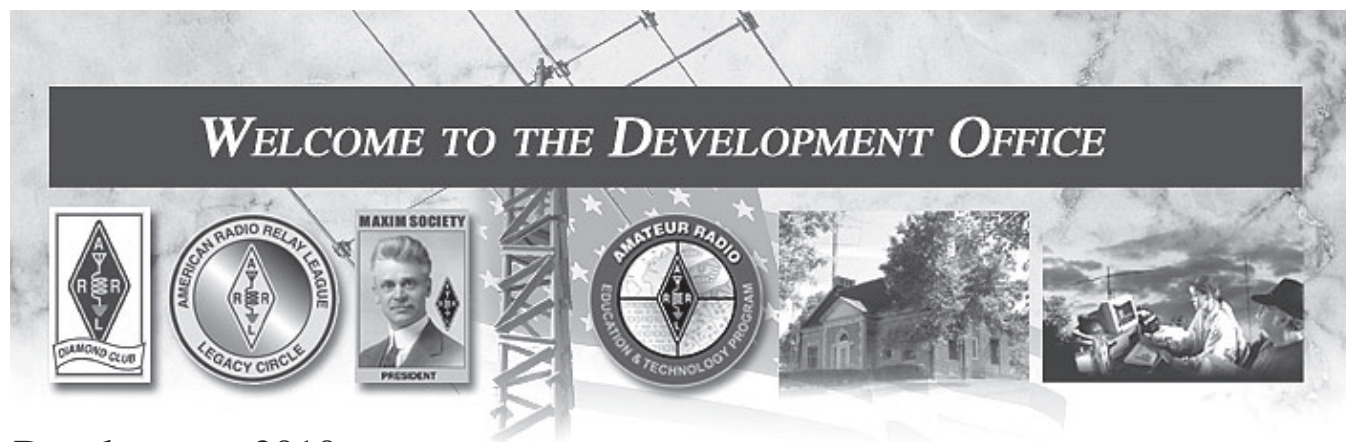


In October IARU Region 2, the regional organization covering the Americas, held its triennial conference on the Pacific coast of El Salvador. The ARRL delegation was headed by President Craigie and included International Affairs Vice President Bellows and Chief Executive Officer Sumner. Mr. Bellows was elected to the IARU Region 2 Executive Committee replacing Rod Stafford, W6ROD, who became IARU Secretary in 2009.

In August the Montenegrin Amateur Radio Pool became the newest IARU member-society. Following the application of a new procedure by the IARU Administrative Council, two member-societies that formerly represented Papua New Guinea and Myanmar/Burma were deemed to no longer exist.



Dr Luis Méndez Menéndez, head of SIGET (the telecommunications administration of El Salvador) formally opened the IARU Region 2 General Assembly.



Development 2010

Revenue Results Mixed

Revenue results for 2010 were mixed—reflecting the cautious economic mood of the country. The Diamond Club's annual giving revenues exceeded expectations, while ARRL's Spectrum Defense Fund fell short of its goal. The Education & Technology Program netted low results while the W1AW Endowment's revenue expectation exceeded its target. Exciting results in estate giving added significantly to the ARRL Endowment, holding promise for earned income to benefit ARRL's programs in the future.

In an effort to generate both interest and contributions to the annual solicitations for Spectrum Defense, Education and the W1AW Endowment, Development added new elements to campaign plans. For Spectrum Defense an entirely new approach was implemented, combining multiple media elements via the mail, e-mail and the ARRL website.

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*To fulfill the dual commitments of attracting Spectrum Defense Fund revenue over the entire year, and keeping ARRL members informed on Defense issues, a newsletter, *Spectrum Defense Matters*, was designed, written and distributed to ARRL members. Three issues were completed in 2010 with copies sent to ARRL donors and a large segment of the ARRL members. All three issues were posted in a special section of the Spectrum Defense Fund pages of the ARRL website.*



Chief Development Officer Mary Hobart, K1MMH, and Jim Simpson, WB8QZZ, President of DARA, (Dayton Amateur Radio Association) at the 2010 Hamvention reception in Dayton, Ohio.

The ARRL Spectrum Defense Fund continues to be the cornerstone of ARRL Development and one of the key goals of every year. In 2010 Development tapped the writing talents of Chief Executive Officer David Sumner, K1ZZ, and Chief Technology Officer Brennan Price, N4QX, as well as the in-house expertise of the graphics team to produce a new approach to raising this vital revenue. To fulfill the dual commitments of attracting Spectrum Defense Fund revenue over the entire year, and keeping ARRL members informed on Defense issues, a newsletter, *Spectrum Defense Matters*, was designed, written and distributed to ARRL members. Three issues were completed in 2010 with copies sent to ARRL donors and a large segment of the ARRL members. All three issues were posted on the ARRL website in a special Spectrum Defense Fund section. Response to the newsletter was solid in the weeks following

the distribution of the first issue in July. While the newsletter was well-received, the overall financial results fell 11% short of the annual goal.

Donations to the ARRL Education & Technology Program continue to have a positive impact on teachers and schools by integrating Amateur Radio and related topics into school curricula. In 2010 the successful Teachers Institute presented seven sessions and two advanced TI-II seminars—one focusing on space and the second on electronics. These seminars and the grants for stations in schools were funded entirely by member contributions. Overall fund raising for the Education & Technology Program reached \$175,441 of which funding for the Teachers Institutes reached \$131,450.

At the beginning of 2010 the ARRL Diamond Club focused on boosting both participation and revenue. It is always a challenge to craft program elements to add value and interest, but in 2010 a very simple change made all the difference.

In January a letter was sent to all Diamond Club members encouraging monthly or quarterly giving by credit card with a \$10 per month minimum. Based on strong results to the initial offer, a letter was sent out again in September to those who did not respond in January. The successful results in 2010 indicate that the installment plan was a



The Diamond Terrace at ARRL continues to be the most popular benefit of the Diamond Club program with personalized bricks laid and Lucite replicas produced for donors. More than 800 bricks have been placed in the Diamond Terrace since it opened in 2007.

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desirable option for donors. Not only did the total number of Diamond Club participants increase by 9% in 2010, but the total net revenue to the Diamond Club reached \$277,344—well over the target by 5%.

The Diamond Terrace at ARRL continued to grow. In addition to bricks requested by Diamond Club donors, clubs and other individuals requested bricks and Lucite replicas to honor Silent Keys. 126 bricks were added to the Diamond Terrace in 2010, bringing the total number of bricks installed since 2007 to 816.

The Diamond Club continued to be integrated with ARRL membership in the renewal mail process and as an option on the membership enrollment page of the website. The creative partnership between Development and Circulation is vital to the continued growth of the Diamond Club program, especially as membership continues to grow. The ARRL Maxim Society continued to recognize donors whose lifetime giving reached \$10,000 or more. With more than 74 donors in the Maxim Society through the end of 2010, recognition of major donors in that group contributes significantly as a motivation for giving as the Maxim Society members have continued their annual support and are reaching even higher plateaus of giving.

The final campaign of the year was conducted completely by electronic solicitation at the beginning of December. Gifts to this effort were spread among the various funds—Spectrum Defense, Education & Technology, the W1AW Endowment and others.

ARRL qualified again for the Combined Federal Campaign (CFC) in 2010. This national campaign for federal employees runs parallel with the United Way campaign each fall. In 2010 ARRL received \$30,768.79 from ARRL members and donors in this way. Many of those gifts were applied to specific programs at the donor's request. Contributions from the Combined Federal Campaign added to other individual contributions resulted in unrestricted revenue totaling \$62,982.

ARRL realized significant results from estate gifts that helped build the ARRL Endowment. In the last quarter of 2010 ARRL received distributions totaling \$1.4 million from the Mathias Joint Trust. By the end of 2010, estate gifts had added more than \$1.6 million to the ARRL Endowment, bringing the total funds in the Endowment to more than \$3.3 million.

The W1AW Endowment Fund is part of the ARRL Endowment. That fund grew in 2010 as a result of a successful mail campaign. The mailing exceeded its target of \$65,000 by adding \$82,056 to the W1AW Endowment. This fund produces earnings that are used to maintain and improve ARRL's flagship station.

In May, Development hosted the biggest Donor Reception in Dayton, Ohio since the first such event in 2002. The reception was held at the Meadowbrook Country Club and was attended by donors whose annual support reached or exceeded \$1,000 in 2010 plus ARRL Directors, Officers and selected staff. This event is a major donor recognition activity that allows donors access to ARRL Officers and Directors, and to important guest speakers. This year it was a pleasure to shine the spotlight on President Kay Craigie, N3KN, whose remarks focused on the path she followed during her years as a radio amateur to reach the position of ARRL President. As is the custom at the reception, new Maxim Society donors were welcomed by existing Maxim Society donors.

Development continued the program of recognizing long term ARRL members through the Member Loyalty program. Members of 40 years or more are mailed personalized recognition certificates and pins. In 2010 letters of congratulation, personalized certificates and pins were sent to 905 members. Members who have reached the 50-year milestone are awarded a single complimentary year of Diamond Club membership and benefits.

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Outgoing President Joel Harrison, W5ZN, was recognized for over 27 years of volunteer service to ARRL.

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Mary Hobart, K1MMH, with Maxim Society donors Itice and Ted Goldthorpe, K4LVV and W4VHF.

The American Radio Relay League is proud to honor those individuals and organizations whose 2010 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.

Robert Ahmann, W7SC	Joseph G. Chaet, W1RGH and Carla M. Chaet, N7OPU	Kenneth R. Goodwin, K5RG *
Allen-Heath Memorial Foundation * (K6ZIZ and K6OKO)	J. Clark, K1QX	Marty Green, K2PLF
Dwayne Allen, WY7FD and Katie Allen, WY7KRA	Casey Coley, W9LP	Walter Groce, AJ1L
Alan Applegate, K0BG	Ti-Michelle Connelly, NJ6T *	Elliot Gross, KB2TZ *
Louis G. Arnold, K9ALP	Stephen Cornell, K4AHA	The Gryphon Fund
Merit Arnold, W6NQ *	Kay Craigie, N3KN * and Carter Craigie, N3AO	Richard Hanson, K5AND
C. Baker, W4IJY	Mark Croney, W4ZF	John W. Hays, N6JWH
Sherman Banks, W4ATL * and Mary Banks, K4MRY	Chuck Davis, K5PVP	Richard Hemingway, N5XRD
Don Barber, K8GV *	Robert Dickey, AK5V	Daniel DANNY Herman, K4DHT
John Barber, N5JB	James Dicso, K2SZ *	Fried Heyn, WA6WZO and Sandra Heyn, WA6WZN
Andrew Barbour, AG4XN	Richard Dievendorff, K6KR *	Michael Hightower, KF6SJ
Bob Barden, MD0CCE *	Frank Donovan, W3LPL *	Douglas Hilton, WD0UG and Diane Hilton, KI4LMO
Glen Barney, NY3E	Joseph J. Dubeck, NA9A	Mary Hobart, K1MMH
Richard M. Battles, WB4BYQ	Daniel DuBray, KI4RSD	Paul Horenstein, K2PH
Robert Beach, W8LCZ/ZD8RB	Richard DuBroff, W9XW	Geoffrey Howard, W0CG
Robert Beaudet, W1YRC	Tim Duffy, K3LR *	George Huff, W7KCU
Michael Beck, W7EDO	Loney Duncan, W0GZV	Thomas J. Hutton, N3ZZ *
Mark A. Behrens, W4GP	Dennis G. Eksten, W9SS	Bob Irish, K5ZOL
Dave Bell, W6AQ * and Alice (Sam) Bell, W6QLT	Ronald D. Erickson, K0IC	George R. Isely, W9GIG *
Paul Bittner, W0AIH	Steven Ewald, WV1X	Dick Jackson, W3EZ *
Andrew Bodony, K2LE	Martin Ewing, AA6E	James Jaeger, K8RQ *
Alvin C. Borne, W6IVO	Kenneth Fath, N4KF *	Thomas Jakubec, N5ZR
Clint Bradford, K6LCS	Gale V. Flagg, N1FG	Andrew John, W8OU *
David Brandenburg, K5RQ *	Harry Flasher, AC8G * and Marjorie Flasher, WD8ATP	Scott Johns V.M.D., W3TX
William Buckner, W0VZK *	Sean Fleming, K8KHZ *	La Reintz Johnson, WN3Y
Bruce Butler, W6OSP *	Thomas Frenaye, K1KI	Les Kalmus, W2LK
Frank Butler, W4RH *	Ken Garg, W3JK	David Kaplan, WA1OUI *
Randall Bynum, NR6CA	James Garland, W8ZR *	Robert Kares, K3SUH and Gale Kares
Kermit A. Carlson, W9XA	William Gerhold, K2WH	Steven Katz, N8WL and Constance Barsky, WD8ODC
Richard Carnett, N5PEN	Craig Goldman, K2LZQ *	David Kersten, N8AUH and Rev. Beth McGuire
Kenneth Cary, K9UCX	Theodore Goldthorpe, W4VHF * and Itice Goldthorpe, K4LVV	



Kenneth Knudson, N5TY
 Alfred Laun, K3ZO
 Don Lisle, K6IPV *
 Joe Locascio, K5KT
 Jimmy Long, W4ZRZ *
 Robinson Markel, W2IVS *
 William Marx, W2CQ
 Charles McConnell, W6DPD
 Willis McDonald, KD7NZG *
 Loren Mitchell, K6BK
 and Nancy Mitchell, N6NCY
 Kiyoshi Mizoguchi, JA1BK
 Dick Mondro, K4FQT
 Theodore Morris, WB8VNV
 Frank Morrison, KB1FZ *
 Dennis Motschenbacher, K7BV
 Col. Frank M. Mroz, W1COL *
 William Mueller, AA5WM *
 Mark Murray, W2OR
 David A. Norris, K5UZ
 Tod Olson, K0TO *
 Joseph Osburn, Jr. W4CFA
 Art Pahr, K9XJ
 Kurt Pauer, W6PH *
 Thomas W. Porter, W8KYZ*
 Malcolm Preston, NP2L *
 Larry E. Price, W4RA *
 Keith Pugh, W5IU
 Lawrence Quinn, W1LDQ
 and Wendy Quinn, W1DY
 Michael Raskin, W4UM *
 and Sherry Raskin, W4SLR

Paul Rasmussen, W6PR
 John P. Rautenstrauch, N2MTG
 Robert Ravenscroft, W7JZZ *
 Jerry Redding, KA8Q
 Paul Rinaldo, W4RI *
 Mike Roden, W5JR
 and Kim Roden, W5KAR
 Alfred Rousseau, W1FJ
 Eric Scace, K3NA *
 Joseph Schroeder, W9JUV
 C. Wayne Schuler, AI9Q *
 Herbert Schuler, K2HPV *
 and Claudie Schuler
 Edward Seeliger, KD5M
 and Claudia Seeliger
 Paul D. Sergi, NO8D *
 L. Dennis Shapiro, W1UF *
 Arnold Shatz, N6HC
 and Sheryl G. Shatz, KA6DOW
 Timothy Slay, N4IB
 William Smith, W9VA
 Roger Strauch, KD6UO *
 H. Dale Strieter, W4QM *
 Temple, TX Amateur Radio Club
 (TARC)
 John Thomas, K1VW
 Craig Thompson, K9CT *
 John Thornton, W6HD
 and Jane Thornton, KF6QHP
 Ron Tingle, K4ML
 David Topp, W5BXX *
 W. Paul Trouten, W8PI
 Michael Valentine, W8MM *

* Maxim Society member

Arnold van der Valk, AG3V
 and Suzanne van der Valk, ND0D
 W5IZ/W5JKB –
 Baker Family Foundation
 David Walker, K0COP
 Joseph Walsh, WB6ACU *
 Robert B. Wareham, N0ESQ
 James Weaver, K8JE
 and Janice Weaver
 Dick Weber, K5IU *
 Walter Wessel, W0CM
 and Martha Wessel, K0EPE
 Steven West, W7SMW
 and Donna Karam, KC5FTN *
 Philip Westover, WA7URV
 Skip Westrich, WB8OWM
 Dan White, W5DNT
 Lee Wical, KH6BZF
 Larry Will, W3LW
 John Williams, K8JW
 Henry Wixon, WX0N
 E. Glenn Wolf, Jr., N5RN
 Mitch Wolfson, DJ0QN
 Walter Wooten, W1LW *
 Owen Wormser, K3CB *
 The YASME Foundation
 Allen Zimmerman, K3WGR *
Anonymous: 70



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

Robert Ahmann, W7SC
 Alan Applegate, KØBG
 Andrew Barbour, AG4XN
 Bob Barden, MDØCCE *
 Robert Beach, W8LCZ/ZD8RB
 Michael Beck, W7EDO
 Dave Bell, W6AQ *
 and Alice (Sam) Bell, W6QLT
 Paul Bittner, WØAIH
 Alvin C. Borne, W6IVO
 Clint Bradford, K6LCS
 Frank Butler, W4RH *
 Kenneth Cary, K9UCX
 Joseph G. Chaet, W1RGH
 and Carla M. Chaet, N7OPU
 J. Clark, K1QX
 Robert Dickey, AK5V
 Richard Dievendorff, K6KR *
 Dennis G. Eksten, W9SS
 Ronald D. Erickson, KØIC
 William Gerhold, K2WH
 Theodore Goldthorpe, W4VHF *
 and Itice Goldthorpe, K4LVV
 Walter Groce, AJ1L
 Elliot Gross, KB2TZ *

Richard Hemingway, N5XRD
 Fried Heyn, WA6WZO
 and Sandra Heyn, WA6WZN
 Douglas Hilton, WDØUG
 and Diane Hilton, KI4LMO
 Geoffry Howard, WØCG
 Thomas Jakubec, N5ZR
 Scott Johns V.M.D. W3TX
 Robert Kares, K3SUH
 and Gale Kares
 Steven Katz, N8WL
 and Constance Barsky, WD8ODC
 David Kersten, N8AUH
 and Rev. Beth McGuire
 Don Lisle, K6IPV *
 Joe Locascio, K5KT
 William Marx, W2CQ
 Dick Mondro, K4FQT
 Theodore Morris, WB8VNV
 Dennis Motschenbacher, K7BV
 David A. Norris, K5UZ
 Art Pahr, K9XJ
 Keith Pugh, W5IU
 John Putnam, W1DRG
 Lawrence Quinn, W1LDQ
 and Wendy Quinn, W1DY

Michael Raskin, W4UM *
 and Sherry Raskin, W4SLR
 John P. Rautenstrauch, N2MTG
 Alfred Rousseau, W1FJ
 Joseph Schroeder, W9JUV
 Herbert Schuler, K2HPV *
 and Claudie Schuler
 Arnold Shatz, N6HC
 and Sheryl G. Shatz, KA6DOW
 John Thomas, K1VW
 John Thornton, W6HD
 and Jane Thornton, KF6QHP
 Robert B. Wareham, NØESQ
 James Weaver, K8JE
 and Janice Weaver
 Walter Wessel, WØCM
 and Martha Wessel, KØEPE
 Steven West, W7SMW
 and Donna Karam, KC5FTN *
 Lee Wical, KH6BZF
Anonymous: 40

* Maxim Society member

Annual Report

Devoted Entirely to Amateur Radio



ARRL Headquarters—
Newington, Connecticut

From a financial perspective, the prior two years had provided a veritable roller coaster which saw the organization produce a loss from operations (2008) and follow that with a very respectable gain from operations (2009). During that period of time, the financial markets and pension accounting rules led to swings in our overall net asset position which made our own financial outlook unpredictable. However, through it all the ARRL continued to thrive and 2010 was no different in this regard. We finished the year in excellent financial condition and, once again, produced a financial gain from operations, although the underpinnings of the gain were less about revenue than expense control.

Financial Summary

In 2010 we began to see the beginnings of an economic turnaround in some portions of the economy although unemployment across the board was still much higher than anyone wanted. However, there was still a good deal of uncertainty, not only about the economy, but how that would impact the ARRL. At the beginning of the year, there was no clear path to an economic recovery for the country, but the signs were improving and, for the ARRL, the signs were improving as well. Membership had increased in the prior year, fees from programs provided indications of a steady level of activity, publication sales had increased and sales of advertising had been level with the prior year.

From a financial perspective, the prior two years had provided a veritable roller coaster which saw the organization produce a loss from operations (2008) and follow that with a very respectable gain from operations (2009). During that period of time, the financial markets and pension accounting rules led to swings in our overall net asset position which made our own financial outlook unpredictable. However, through it all the ARRL continued to thrive and 2010 was no different in this regard. We finished the year in excellent financial condition and, once again, produced a financial gain from operations, although the underpinnings of the gain were less about revenue than expense control.

In total, revenues from operations were basically flat in 2010 when compared to 2009. Total revenues for the organization stood at \$14.3 million in 2010 and roughly the same in the prior year. Membership dues grew about 3.2%, while the total membership in the organization increased by only a slight amount. Sales of publications and other products actually decreased slightly in 2010 to almost \$3.8 million from \$4.0 million in the prior year. Program fees were also down slightly but stayed at a very healthy level. We did experience a significant turnaround in the level of voluntary contributions in 2010 as the economy began its recovery. This was led by two large estate contributions received in the latter part of the year. Significant gains were made in expense management which served to reduce the overall level of expenses by about \$600,000 from those of the prior year.

All of this resulted in a total gain from operations of about \$787,000 in 2010. This was up from 2009 when the gain from operations was about \$220,000. In some ways, we had met our financial objectives for the year as we wanted to restore some of the basic net asset value in the organization in 2010 that had been lost in 2008. In large part because of the estate contributions received in the fourth quarter, along with improving financial markets, the ARRL's investment portfolio increased to over \$18 million at the end of 2010. This, in turn, increased the total net assets of the organization to over \$9.3 million at the end of the year.

The financial gain from operations, coupled with the increase in the investment portfolio, puts the organization in a strong, stable financial position from which to move forward. There are signs that the overall revenues of the organization are beginning to flatten out and will, in some cases, decrease in the near term. The reserves we have built will provide on-going support for the programs that are delivered to the membership and in support of the Amateur Radio Service going forward.

*American Radio
Relay League
Board of Directors
January 2010*

First Row (seated): _____

Jay Bellows, Rod Stafford, Kay Craigie, Joel Harrison, Rick Roderick

Second Row: _____

Dennis Bodson, Jim Fenstermaker, Joyce Birmingham, Harold Kramer, Bob Vallio,
Bill Edgar, Mickey Cox, Mike Raisbeck, James Boehner, Kermit Carlson

Third Row: _____

Mary Hobart, Gary Johnston, Brian Mileschosky, Cliff Ahrens, Paul Rinaldo,
John Thomason, David Sumner, Marty Woll, Bruce Frahm

Fourth Row: _____

Brennan Price, Jim Tiemstra, James McCobb, Chris Imlay, Tom Abernethy,
David Norris

Top Rows: _____

Frank Fallon, Jeff Beals, Jim Weaver, George Isely, Richard Norton, Barry Shelley,
David Woolweaver, Greg Sarratt, Gregory Widin, Tom Frenaye, Dwayne Allen,
Steve Ford



ARRL 2010 Annual Board Meeting — Windsor, Connecticut

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President
Blacksburg, Virginia

Rick Roderick, K5UR
First Vice President
Little Rock, Arkansas

Bruce Frahm, K0BJ
Vice President
Colby, Kansas

Jay Bellows, K0QB
Vice President,
International Affairs
West St Paul, Minnesota

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

Brennan Price, N4QX
Chief Technology Officer

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Bill Edgar, N3LLR
Director
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Tom Abernethy, W3TOM
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Accokeek, Maryland

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Kermit Carlson, W9XA
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Dakota Division

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Director
Stillwater, Minnesota

Kent Olson, KA0LDG
Vice Director
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Mickey Cox, K5MC
Director
West Monroe, Louisiana

David Norris, K5UZ
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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

Cliff Ahrens, K0CA
Director
Hannibal, Missouri

Rod Blocksom, K0DAS
Vice Director
Robins, Iowa

New England Division

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Northwestern Division

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Vice Director
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Pacific Division

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Director
Castro Valley, California

Jim Tiemstra, K6JAT
Vice Director
Oakland, California

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Dennis Bodson, W4PWF
Director
Arlington, Virginia

Dr. James Boehner, N2ZZ
Vice Director
Aiken, South Carolina

Rocky Mountain Division

Brian Milesoshky, N5ZGT
Director
Albuquerque, New Mexico

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John Robert Stratton, N5AUS
Vice Director
Austin, 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, 2010 and 2009, 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, 2010 and 2009, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information on pages 24 through 26 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 3, 2011

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009**

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		
Cash	\$ 756,404	\$ 863,013
Accounts receivable, net of allowance for doubtful accounts of \$99,256 and \$92,343	541,754	605,744
Inventories, net	723,978	602,414
Prepaid expenses and other current assets	145,191	175,957
Other receivables	164,440	85,907
Total current assets	<u>2,331,767</u>	<u>2,333,035</u>
Other assets:		
Investments	18,099,375	14,909,196
Land, building and equipment, net	491,180	578,175
Total other assets	<u>18,590,555</u>	<u>15,487,371</u>
Total assets	<u>\$ 20,922,322</u>	<u>\$ 17,820,406</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 368,401	\$ 227,257
Accrued liabilities	274,626	219,426
Deferred revenue	8,739	5,223
Subtotal operational current liabilities	<u>651,766</u>	<u>451,906</u>
Deferred life membership dues	508,771	505,621
Deferred term membership dues	2,469,284	2,396,576
Total current liabilities	<u>3,629,821</u>	<u>3,354,103</u>
Long-term liabilities:		
Deferred life membership dues, less current portion	5,438,237	5,405,137
Deferred term membership dues, less current portion	722,291	626,438
Accrued pension liability	1,813,041	2,596,756
Total long-term liabilities	<u>7,973,569</u>	<u>8,628,331</u>
Total liabilities	<u>11,603,390</u>	<u>11,982,434</u>
Commitments		
Net assets:		
Unrestricted:		
Undesignated	3,878,624	2,480,198
Board designated	3,074,763	1,201,734
Temporarily restricted	1,766,040	1,644,303
Permanently restricted	599,505	511,737
Total net assets	<u>9,318,932</u>	<u>5,837,972</u>
Total liabilities and net assets	<u>\$ 20,922,322</u>	<u>\$ 17,820,406</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and contributions:				
Membership dues	\$ 5,581,174	\$ -	\$ -	\$ 5,581,174
Net publication sales	3,769,357	-	-	3,769,357
Advertising	2,638,923	-	-	2,638,923
Investment income	297,887	72,232	-	370,119
Examination fees and other	417,160	-	-	417,160
Program and service fees	464,260	-	-	464,260
Contributions and support	484,613	487,936	87,768	1,060,317
Net assets released from restrictions	609,752	(609,752)	-	-
	<u>14,263,126</u>	<u>(49,584)</u>	<u>87,768</u>	<u>14,301,310</u>
Expenditures:				
Programs and services	7,641,288	-	-	7,641,288
Publications	3,862,884	-	-	3,862,884
Administration	1,357,081	-	-	1,357,081
Fundraising	475,477	-	-	475,477
Governance	178,933	-	-	178,933
	<u>13,515,663</u>	<u>-</u>	<u>-</u>	<u>13,515,663</u>
Increase (decrease) in net assets before other income	<u>747,463</u>	<u>(49,584)</u>	<u>87,768</u>	<u>785,647</u>
Other income:				
Bequests, Board designated functioning as an endowment	1,630,590	-	-	1,630,590
Unrealized gains on investments	878,435	171,321	-	1,049,756
Defined benefit pension plan actuarial gain	14,967	-	-	14,967
	<u>2,523,992</u>	<u>171,321</u>	<u>-</u>	<u>2,695,313</u>
Change in net assets	3,271,455	121,737	87,768	3,480,960
Net assets, beginning of year	<u>3,681,932</u>	<u>1,644,303</u>	<u>511,737</u>	<u>5,837,972</u>
Net assets, end of year	<u>\$ 6,953,387</u>	<u>\$ 1,766,040</u>	<u>\$ 599,505</u>	<u>\$ 9,318,932</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and contributions:				
Membership dues	\$ 5,410,673	\$ -	\$ -	\$ 5,410,673
Net publication sales	4,023,731	-	-	4,023,731
Advertising	2,694,930	-	-	2,694,930
Investment income	220,851	65,292	-	286,143
Examination fees and other	443,130	-	-	443,130
Program and service fees	499,792	-	-	499,792
Contributions and support	453,368	519,653	3,913	976,934
Net assets released from restrictions	605,410	(605,410)	-	-
	<u>14,351,885</u>	<u>(20,465)</u>	<u>3,913</u>	<u>14,335,333</u>
Expenditures:				
Programs and services	7,776,898	-	-	7,776,898
Publications	3,988,770	-	-	3,988,770
Administration	1,728,856	-	-	1,728,856
Fundraising	441,171	-	-	441,171
Governance	180,025	-	-	180,025
	<u>14,115,720</u>	<u>-</u>	<u>-</u>	<u>14,115,720</u>
Increase (decrease) in net assets before other income	<u>236,165</u>	<u>(20,465)</u>	<u>3,913</u>	<u>219,613</u>
Other income:				
Bequests, Board designated functioning as an endowment	106,547	-	-	106,547
Unrealized gains on investments	2,024,254	157,991	-	2,182,245
Defined benefit pension plan actuarial gain	3,738,945	-	-	3,738,945
	<u>5,869,746</u>	<u>157,991</u>	<u>-</u>	<u>6,027,737</u>
Change in net assets	6,105,911	137,526	3,913	6,247,350
Net assets, beginning of year	<u>(2,423,979)</u>	<u>1,506,777</u>	<u>507,824</u>	<u>(409,378)</u>
Net assets, end of year	<u>\$ 3,681,932</u>	<u>\$ 1,644,303</u>	<u>\$ 511,737</u>	<u>\$ 5,837,972</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Operating activities:		
Change in net assets	\$ 3,480,960	\$ 6,247,350
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Receipts to establish or increase permanent endowment	(87,768)	(3,913)
Depreciation	206,935	262,648
Loss on disposal of equipment	297	-
Bad debt expense	18,000	18,059
Change in inventory reserve	16,322	(18,855)
Unrealized gain on investments	(1,049,756)	(2,182,245)
Realized loss on investments allocated to the general fund	14,695	47,658
Changes in operating assets and liabilities:		
Accounts receivable	45,990	(144,446)
Other receivables	(78,533)	10,920
Inventories	(137,886)	176,608
Prepaid expenses and other current assets	30,766	(20,748)
Accounts payable and accrued liabilities	196,344	18,006
Deferred revenue	3,516	(1,035)
Deferred life membership dues, net of allocated realized loss	53,210	29,780
Deferred term membership dues	168,561	60,335
Accrued pension liability	(783,715)	(3,346,924)
Net cash provided by operating activities	<u>2,097,938</u>	<u>1,153,198</u>
Investing activities:		
Purchase of equipment	(120,237)	(197,146)
Sales of investments	2,825,076	4,591,928
Purchases of investments	(4,997,154)	(4,945,401)
Net cash used in investing activities	<u>(2,292,315)</u>	<u>(550,619)</u>
Financing activities:		
Receipts to establish or increase permanent endowment	87,768	3,913
Net (decrease) increase in cash	<u>(106,609)</u>	606,492
Cash, beginning of year	<u>863,013</u>	256,521
Cash, end of year	<u>\$ 756,404</u>	<u>\$ 863,013</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies:

Nature of activities:

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.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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 - Net assets represent available resources other than contributions restricted by donor-imposed stipulations or by operation of law. The Board of Directors of the League has earmarked certain of those funds which are shown as board designated net assets in the accompanying statements of financial position.

Temporarily Restricted - Net assets represent contributions and earnings thereon that are restricted by donor-imposed stipulations or by operation of law either as to purpose or as to time of expenditure.

Permanently Restricted - Net assets represent contributions received that are subject to donor-imposed restrictions or to those imposed by operation of law that the principal be invested in perpetuity while the income earned thereon is made available for operations.

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, 2010 or 2009.

Allowance for doubtful accounts:

Trade accounts receivable is 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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (continued):

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 \$110,645 and \$94,323 as of December 31, 2010 and 2009, respectively.

Investments:

The League reports investments at fair value (see Note 3) and reflects any gain or loss in the statements of activities. Investment income and gains and losses are considered unrestricted unless temporarily restricted by donor stipulation or by operation of law.

Land, building and equipment:

The League capitalizes expenditures for building and equipment with a useful life of 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 change of net assets for the period.

The League reviews long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of an asset may not be recoverable. There were no impairment losses related to long-lived assets as of December 31, 2010 and 2009.

Donations of land, building and equipment are recorded as support at their estimated fair 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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (continued):

Pension liability:

The League follows the accounting standard that requires retirement benefit accruals or prepaid benefit costs reported on the statements of financial position to be adjusted to the difference between the benefit obligations and the plan assets at fair value. The adjustment is recorded as part change in net assets and represents the unrecognized actuarial gains or losses and unamortized service costs, which have previously been disclosed in the notes to the financial statements.

Endowment and spending policy:

The League adheres to investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the League must hold in perpetuity as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in accordance with sound investment practices that emphasize long-term investment fundamentals. It is recognized that short-term market fluctuations may cause variations in account performance.

To satisfy its long-term rate of return objectives, the League relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The League targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The League appropriates funds for distribution based on an annual review of investment results and available net assets. The League's objective is to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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 a life membership dues rate that equals 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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (continued):

Revenue recognition (concluded):

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 in which the magazines are sold.

Contributions and Bequests - Contributions and bequests received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions or those imposed by operations of law. 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.

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 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, 2010 and 2009.

The League has no unrecognized tax benefits at December 31, 2010 and 2009. The League's U.S. Federal information returns prior to calendar year 2007 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the League has unrelated business income taxes, the League will recognize interest and penalties associated with uncertain tax positions as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Functional expenses:

The cost of providing various program and supporting services have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 - Organization and summary of significant accounting policies (concluded):

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.

Subsequent events:

The League has evaluated events and transactions for potential recognition or disclosure through May 3, 2011, which is the date the financial statements were available to be issued. There were no subsequent events required to be reported.

Note 2 - 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:

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 3,024,322	\$ 3,019,734	\$ 1,687,263	\$ 1,689,108
Equities and mutual funds	7,499,448	7,411,429	6,454,392	5,997,499
Fixed maturities	7,575,605	6,128,468	6,767,541	6,732,601
	<u>\$ 18,099,375</u>	<u>\$ 16,559,631</u>	<u>\$ 14,909,196</u>	<u>\$ 14,419,208</u>

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

	2010	2009
Life membership	\$ 5,947,008	\$ 5,910,758
Regular operations	6,712,059	5,657,694
Temporarily restricted	1,766,040	1,644,303
Functioning as an endowment	3,074,763	1,184,704
Permanently restricted	599,505	511,737
	<u>\$18,099,375</u>	<u>\$14,909,196</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 - Investments (concluded):

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

	2010	2009
Unrealized appreciation (depreciation), beginning of year:		
Fair value	\$ 14,909,196	\$ 12,471,562
Cost	14,419,208	14,163,819
Net gain (loss)	489,988	(1,692,257)
Unrealized appreciation, end of year:		
Fair value	18,099,375	14,909,196
Cost	16,559,631	14,419,208
Net gain	1,539,744	489,988
Net unrealized gain for the year	\$ 1,049,756	\$ 2,182,245

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

	2010	2009
Interest and dividend income	\$ 640,628	\$ 597,846
Net realized loss on investments	(31,655)	(98,084)
Gross investment income	608,973	499,762
Less:		
Net investment income allocated to deferred life liability	(238,854)	(213,619)
Total investment income	\$ 370,119	\$ 286,143

Note 3 - Fair value measurements:

The League values its financial assets and liabilities 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, a fair value hierarchy that prioritizes observable and unobservable inputs is 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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 3 - Fair value measurements (concluded):

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 carried at fair value at December 31, 2010 and 2009 are classified in the tables below in one of the three categories described above:

	2010			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ -	\$ 3,024,322	\$ -	\$ 3,024,322
Equities and mutual funds:				
Domestic large cap	5,499,238	-	-	5,499,238
International developed	691,573	-	-	691,573
Domestic mid cap	661,090	-	-	661,090
Domestic small cap	315,863	-	-	315,863
Foreign large blend	132,934	-	-	132,934
Diversified emerging markets	87,339	-	-	87,339
Real estate	78,230	-	-	78,230
Foreign large value	33,181	-	-	33,181
Total equities and mutual funds	7,499,448	-	-	7,499,448
Fixed Maturities:				
Corporate bonds	-	6,380,742	-	6,380,742
International developed bonds	-	735,142	-	735,142
Global high yield taxable	-	414,461	-	414,461
Fixed income other	-	45,260	-	45,260
Total fixed maturities	-	7,575,605	-	7,575,605
Total assets at fair value	\$ 7,499,448	\$ 10,599,927	\$ -	\$ 18,099,375
2009				
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,687,263	\$ -	\$ -	\$ 1,687,263
Fixed maturities	1,286,941	5,480,600	-	6,767,541
Equity securities	6,454,392	-	-	6,454,392
Total assets at fair value	\$ 9,428,596	\$ 5,480,600	\$ -	\$ 14,909,196

The fair value of cash and cash equivalents is estimated using third party quotations (Level 2).

The fair value of fixed maturities (Level 2), which consists principally of corporate 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.

Investments in equity securities (Level 1) 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.

There were no changes in valuation techniques during the current year.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 4 - Land, building and equipment:

Land, building and equipment, and related accumulated depreciation are comprised of the following at December 31, 2010 and 2009:

	2010	2009
Land and building	\$ 1,094,693	\$ 1,094,693
Furnishings, equipment and building improvements	5,091,102	4,922,103
Construction in progress	18,731	182,550
	<u>6,204,526</u>	<u>6,199,346</u>
Less accumulated depreciation	(5,713,346)	(5,621,171)
	<u>\$ 491,180</u>	<u>\$ 578,175</u>

Construction in progress represents web development costs incurred but not yet placed into service as of December 31, 2010 and 2009.

Note 5 - Pension liability:

The League has a noncontributory group annuity retirement plan (the "Plan") which covers all full-time employees. The Plan was frozen effective May 31, 2009 and as a result, there was a curtailment gain of \$2,303,990 recognized in 2009.

The assets of the plan are primarily invested in a group annuity contract with Standard Retirement Services Inc., 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.

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

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

	2010	2009
Accumulated benefit obligation at end of year	<u>\$ 11,496,473</u>	<u>\$ 10,758,892</u>
Projected benefit obligation at beginning of year:	\$ 10,758,892	\$ 12,313,725
Service cost	35,000	189,188
Interest cost	613,906	658,777
Curtailment gain	-	(2,303,990)
Actuarial loss	305,515	112,913
Benefits paid	<u>(216,840)</u>	<u>(211,721)</u>
Projected benefit obligation at end of year	<u>11,496,473</u>	<u>10,758,892</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 - Pension liability (continued):

	2010	2009
Fair value of plan assets at beginning of year:	<u>8,162,136</u>	<u>6,370,045</u>
Actual return on plan assets	989,108	1,779,488
Employer contributions	786,000	230,000
Plan expenses	(36,972)	(5,676)
Benefits paid	<u>(216,840)</u>	<u>(211,721)</u>
Fair value of plan assets at end of year	<u>9,683,432</u>	<u>8,162,136</u>
Unfunded status	<u>(1,813,041)</u>	<u>(2,596,756)</u>
Net accrued benefit cost	<u>\$ (1,813,041)</u>	<u>\$ (2,596,756)</u>

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

Net periodic benefit cost recognized in changes in unrestricted net assets for the years ended December 31, 2010 and 2009 consist of the following:

	2010	2009
Service cost	\$ 35,000	\$ 189,188
Interest cost	613,906	658,777
Expected return on plan assets	(631,654)	(476,331)
Amortization of net gain / loss	-	250,387
Total net periodic benefit cost	<u>\$ 17,252</u>	<u>\$ 622,021</u>

Net periodic benefit cost is included in salaries, compensation and benefits on the schedule of expenditures.

Other changes in plan assets and benefit obligations, recognized in changes in unrestricted net assets and presented under other income on the statements of activities, for the years ended December 31, 2010 and 2009 consist of the following:

	2010	2009
Curtailment gain	<u>\$ -</u>	<u>\$ 2,303,990</u>
Actual return on plan assets	989,108	1,779,488
Expected return	(631,654)	(476,331)
Totals	<u>357,454</u>	<u>1,303,157</u>
Other actuarial loss	(305,515)	(112,913)
Plan expenses	(36,972)	(5,676)
Amortization of net gain / loss	-	250,387
Totals	<u>(342,487)</u>	<u>131,798</u>
Total of other changes recognized in changes in unrestricted net assets	14,967	3,738,945
Net unrecognized actuarial loss, beginning of year	<u>(610,787)</u>	<u>(4,349,732)</u>
Net unrecognized actuarial loss, end of year	<u>\$ (595,820)</u>	<u>\$ (610,787)</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 - Pension liability (continued):

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

	<u>2010</u>	<u>2009</u>
Benefit obligation:		
Discount rate	5.50%	6.00%
Rate of compensation increase	0%	4.00%
Benefit cost:		
Discount rate	6.00%	6.00%
Expected return on plan assets	7.50%	7.50%
Rate of compensation increase	0%	4.00%
Net periodic benefit cost	\$ 17,252	\$ 622,021
Employer contribution	786,000	230,000
Benefits paid	(216,840)	(211,721)

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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 - Pension liability (continued):

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

<u>Year Ending December 31,</u>	
2011	\$ 300,299
2012	320,785
2013	388,712
2014	534,311
2015	548,455
2016 – 2020	3,643,676

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

	<u>2010</u>		<u>2009</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Equity securities	\$ 6,689,249	69%	\$ 5,531,195	68%
Debt securities	2,881,566	30	2,490,596	30
Other	112,617	1	140,345	2
	<u>\$ 9,683,432</u>	<u>100%</u>	<u>\$ 8,162,136</u>	<u>100%</u>

The pension assets carried at fair value at December 31, 2010 and 2009 are classified in the tables below. See Note 3 for definitions of levels:

	<u>2010</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ -	\$ 112,617	\$ -	\$ 112,617
Equity securities:				
Growth	3,249,322	-	-	3,249,322
Value	1,907,217	-	-	1,907,217
Foreign blend	1,532,710	-	-	1,532,710
Debt securities:				
Bond funds	-	2,881,566	-	2,881,566
	<u>\$ 6,689,249</u>	<u>\$ 2,994,183</u>	<u>\$ -</u>	<u>\$ 9,683,432</u>

	<u>2009</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity securities	\$ 5,531,195	\$ -	\$ -	\$ 5,531,195
Debt securities	-	2,490,596	-	2,490,596
Other	-	140,345	-	140,345
	<u>\$ 5,531,195</u>	<u>\$ 2,630,941</u>	<u>\$ -</u>	<u>\$ 8,162,136</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 - Pension liability (concluded):

Investments in debt securities and other are designated as Level 2 instruments as valuations are obtained from readily-available pricing sources for comparable instruments. Investments in equity securities are valued using market prices on active markets. Level 1 instruments valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets. There were no changes in valuation techniques during the current year.

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 \$170,000 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.

Note 6 - 403(b) plan:

The League established the ARRL, Inc. 403(b) Pension Plan in 2009. Employees are eligible to participate in the plan immediately upon employment. After an employee has worked for 6 months, the League provides a contribution of 2% of the employee's compensation and will match any elective contributions made by the employee at the rate of 50 cents per dollar contributed up to the employee's contribution of 4% of their compensation. Total employer contributions were \$155,103 and \$89,385 in 2010 and 2009, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 7 - Board designated net assets:

The League's Board of Directors has designated net assets 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. There were no Board designations for these purposes as of December 31, 2010. The Board designated \$17,030 for these purposes as of December 31, 2009.

Since the beginning of 2004, the League has received bequests in the amount of \$2,781,384. The League's Board of Directors' intent is to treat these unrestricted bequests as funds functioning as an endowment. As of December 31, 2010 and 2009, the balance of the bequests, net of investment income and unrealized gains and losses, are \$3,074,763 and \$1,184,704, respectively.

Note 8 - Temporarily restricted net assets:

Temporarily restricted net assets as of December 31, 2010 and 2009 are available for the following purposes:

	2010	2009
Exceptional Merit	\$ 1,292,554	\$ 1,147,723
Education and Research	171,452	238,170
Other Specific Purposes	302,034	258,410
	<u>\$ 1,766,040</u>	<u>\$ 1,644,303</u>

Note 9 - Permanently restricted net assets:

Permanently restricted net assets as of December 31, 2010 and 2009 were comprised of the following:

	2010	2009
W1AW fund	\$ 445,165	\$ 357,397
Colvin fund	154,340	154,340
	<u>\$ 599,505</u>	<u>\$ 511,737</u>

In 2002, an endowment fund was established for W1AW maintenance and upkeep.

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 AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 10 - Endowment:

The League's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation 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 Board of Directors in a manner consistent with the standard of prudence prescribed by CTUPMIFA. In accordance with CTUPMIFA, the League considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the League and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the League and (7) the League's investment policies.

Changes in endowment net assets for the year ended December 31, 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2010	\$ 1,184,704	\$ 18,025	\$ 511,737	\$ 1,714,466
Investment income, net	63,850	22,599	-	86,449
Net unrealized appreciation	195,619	33,630	-	229,249
Contributions	1,630,590	-	87,768	1,718,358
Amounts appropriated for expenditure	-	(3,390)	-	(3,390)
Endowment net assets, December 31, 2010	<u>\$ 3,074,763</u>	<u>\$ 70,864</u>	<u>\$ 599,505</u>	<u>\$ 3,745,132</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 10 - Endowment (concluded):

Endowment net asset composition by type of fund as of December 31, 2010 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 70,864	\$ 599,505	\$ 670,369
Board Designated Endowment Funds	3,074,763	-	-	3,074,763
Total funds	<u>\$ 3,074,763</u>	<u>\$ 70,864</u>	<u>\$ 599,505</u>	<u>\$ 3,745,132</u>

Changes in endowment net assets for the year ended December 31, 2009 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, January 1, 2009	\$ 908,472	\$ -	\$ 507,824	\$ 1,416,296
Investment income, net	35,983	17,659	-	53,642
Net unrealized appreciation	133,702	18,366	-	152,068
Contributions	106,547	-	3,913	110,460
Amounts appropriated for expenditure	-	(18,000)	-	(18,000)
Endowment net assets, December 31, 2009	<u>\$ 1,184,704</u>	<u>\$ 18,025</u>	<u>\$ 511,737</u>	<u>\$ 1,714,466</u>

Endowment net asset composition by type of fund as of December 31, 2009 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 18,025	\$ 511,737	\$ 529,762
Board Designated Endowment Funds	1,184,704	-	-	1,184,704
Total funds	<u>\$ 1,184,704</u>	<u>\$ 18,025</u>	<u>\$ 511,737</u>	<u>\$ 1,714,466</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 the accounting guidance, there were no deficiencies of this nature reported in unrestricted net assets as of December 31, 2010. Deficiencies of this nature that are reported in unrestricted net assets as of December 31, 2009 were \$1,141. These deficiencies resulted from unfavorable market fluctuations that occurred during 2008.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 11 - Lease obligations:

The League leases warehouse space, office space and office equipment under operating leases with monthly payments ranging from \$107 to \$4,265 which expire at various times through January 2016. Total operating lease expense was \$96,394 and \$89,790 for the years ended December 31, 2010 and 2009, respectively.

The following are future minimum lease payments due under noncancelable operating leases as of December 31, 2010:

<u>Year Ending December 31,</u>	
2011	\$ 36,293
2012	21,127
2013	5,160
2014	5,160
2015	5,160
Thereafter	430
	<u>\$ 73,330</u>

Note 12 - Concentrations:

Credit risk:

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

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's 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.

Market risk:

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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO 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 each of the years ended December 31, 2010 and 2009.

A member of the Board of Directors provided investment advisory services to the League. Fees for these services were \$42,203 and \$38,618 for the years ended December 31, 2010 and 2009, respectively, and are included in administrative expenditures in the accompanying statements of activities.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**SCHEDULES OF EXPENDITURES
YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
Salaries, compensation and benefits	\$ 6,017,535	\$ 6,397,511
Publication costs	2,149,080	2,395,004
Shipping and forwarding costs	1,514,921	1,537,047
Communication and postage	727,955	669,941
Legal and professional fees	527,437	474,094
Other	506,333	501,377
Office supplies and expenditures	488,232	468,189
Occupancy costs	443,465	447,322
Administrative expenses	410,496	417,286
Travel	328,168	360,202
Depreciation	206,935	262,648
Rentals and equipment maintenance	<u>195,106</u>	<u>185,099</u>
Totals	<u>\$ 13,515,663</u>	<u>\$ 14,115,720</u>

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED
TEMPORARILY RESTRICTED FUND SUMMARY
YEAR ENDED DECEMBER 31, 2010

Fund Name	Balance January 1, 2010	Contributions	Investment Income, net	Unrealized Gain	Released from Restriction	Balance December 31, 2010
H.P. Maxim Award	\$ 35,318	\$ -	\$ 1,551	\$ -	\$ -	36,869
Project Goodwill	12,233	-	-	-	(2,500)	9,733
Exceptional Merit	1,147,723	-	47,140	137,691	(40,000)	1,292,554
Legal Research & Resource	153,896	10,120	-	-	(20,698)	143,318
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	5,713	2,188	-	-	-	7,901
Defense of Frequencies	-	299,610	942	-	(300,552)	-
Lab Fund	11,394	124	-	-	-	11,518
Education and Technology	234,590	175,894	-	-	(242,612)	167,872
Steven Rich Fund	10,000	-	-	-	-	10,000
Direction Finding	41	-	-	-	-	41
Colvin Fund earnings	18,025	-	6,647	8,952	1,000	34,624
W1AW Fund earnings	-	-	15,952	24,678	(4,390)	36,240
Total Temporarily Restricted Funds	\$ 1,644,303	\$ 487,936	\$ 72,232	\$ 171,321	\$ (609,752)	\$ 1,766,040

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED
TEMPORARILY RESTRICTED FUND SUMMARY
YEAR ENDED DECEMBER 31, 2009

Fund Name	Balance January 1, 2009	Contributions	Investment Income, net	Unrealized Gain	Released from Restriction	Balance December 31, 2009
H.P. Maxim Award	\$ 35,352	\$ -	\$ 1,466	\$ -	\$ (1,500)	\$ 35,318
Project Goodwill	12,233	-	-	-	-	12,233
Exceptional Merit	982,781	-	45,317	139,625	(20,000)	1,147,723
Legal Research & Resource	154,916	845	-	-	(1,865)	153,896
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	3,557	2,156	-	-	-	5,713
Defense of Frequencies	-	290,214	850	-	(291,064)	-
Lab Fund	9,973	1,421	-	-	-	11,394
Education and Technology	282,554	225,017	-	-	(272,981)	234,590
Steven Rich Fund	10,000	-	-	-	-	10,000
Direction Finding	41	-	-	-	-	41
Colvin Fund earnings	-	-	6,145	17,880	(6,000)	18,025
W1AW Fund earnings	-	-	11,514	486	(12,000)	-
Total Temporarily Restricted Funds	\$ 1,506,777	\$ 519,653	\$ 65,292	\$ 157,991	\$ (605,410)	\$ 1,644,303

See Report of Independent Public Accountants.

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



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