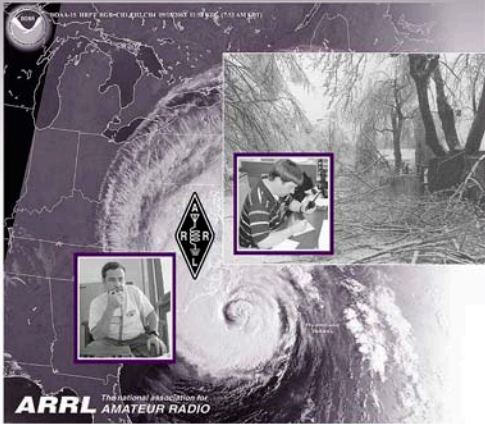


2003
AMERICAN RADIO RELAY LEAGUE

2003 ANNUAL
REPORT



Emergency Communications and Public Service

BASIS AND PURPOSE OF THE AMATEUR SERVICE

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

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

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

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

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

Title 47, Code of Federal Regulations

About the Cover

Background photo:

Hurricane Isabel bears down on the Southeast coastline in September 2003.
Photo Credit: NOAA

Inset photos from upper right:

A February ice storm hits Kentucky in 2003. This photo was taken two miles south of downtown Lexington. Photo Credit: Rob Neuzel

Brandon Nuttall, KG4RRI, of Frankfort, was stationed at Kentucky Utilities and is shown copying a ham radio message coming in from the Emergency Operations Center. Photo Credit: Brandon Nuttall, KG4RRI

ARRL Assistant Emergency Coordinator Greg Terranova, N4QLD, operates from the Perquimins County Emergency Operations Center during Hurricane Isabel.
Photo Credit: Gary Pearce, KN4AQ

Back Cover:

Hank Wolcott, KA1WTS, seated at the left and Tom Dean, KB1JJJ, demonstrate Amateur Radio to a group of Scouts at a Connecticut Rivers Council Boy Scout Show and campout. Photo Credit: Larry Wolfgang, WR1B

American Radio Relay League



Annual Report

2003

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A Message from ARRL's President



The year 2003 was an eventful one for ARRL, marked with a great deal of success on several fronts, and considerable challenge as well. The League's Board of Directors tackled some weighty issues during the year as part of our commitment to help ensure the future vitality of the organization and the Amateur Radio Service. Our work is far from over, but with persistence and the valued support of our members, I know we can achieve our goals.

High on my priority list for 2003 was the continued effort to network with federal agencies and our elected representatives in Washington. I met to discuss a number of important Amateur Radio issues with representatives at the Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Emergency Management Agency and on Capitol Hill. In June, I had the privilege of testifying on the Hill on behalf of the Amateur Radio Spectrum Protection Act. Amateur Radio *does* matter in Washington, and ARRL's legislative team continued to serve us well throughout the year.

At the ARRL National Convention in June, we were extremely honored to sign a *Statement of Affiliation* with Citizens Corps, an initiative within the Department of Homeland Security created to enhance public preparedness and safety. Ever since the events of September 11, 2001, Amateur Radio has received a great deal of recognition as a vital emergency communications resource. The opportunity to partner with Citizens Corps is a testament to the capabilities of radio amateurs across the nation.

In September, we received word that ARRL was awarded a second-year federal grant by the Corporation for National and Community Service (CNCS). The grant will provide free training for some 1,700 *more* members who register for ARRL's on-line Emergency Communications Level I Course. The second year of CNCS funding was granted because of our outstanding success during year one, and only made possible by all those who made the commitment to emergency communications and preparedness.

Amid the many achievements of 2003, ARRL had a number of serious issues to address as well. Among them, and perhaps the most troubling, was the onset of Broadband over Power Line (BPL) testing in communities throughout the country. The interference BPL causes on Amateur Radio frequencies is a very big concern, and ARRL will continue the work it began this year to combat the problem.

The challenges continued during the year as the League assessed its finances and took a hard look at the membership numbers. Both have fared better in the past, as they have for many non-profit organizations currently operating in uncertain financial times. I am realistic about the current state of affairs, but also optimistic that ARRL's commitment to a long-term strategic plan will help bring added stability to the organization.

I owe a great deal of thanks to the ARRL members who helped support the League's initiatives on the national level during the year, and also to the countless number of volunteers who worked tirelessly on behalf of the League and Amateur Radio in their communities. ARRL is only as strong as its membership, and I'm proud to be a part of an organization in which true fellowship and the spirit of volunteerism continues to thrive.

Jim Haynie, W5JBP
President

Annual Report of the Chief Executive Officer for 2003



To The Board of Directors of The American Radio Relay League

Looking back over the last 12 months, there are several events that had a significant impact on Amateur Radio and ARRL. One that certainly stands out was the 2003 World Radiocommunication Conference (WRC-03) held in Geneva, Switzerland. Years of preparation went into the event, and several important Amateur Radio issues were on the agenda.

Revisiting the decades-old incompatibility problem between amateurs and broadcasters on the 7-MHz (or 40 meters) band was a top priority, and we were pleased with the outcome. In 2009, the worldwide portion of the 7-MHz Amateur Radio band will double in size as a result of broadcasters relocating higher in frequency. This decision marked the first time in history that a broadcast allocation has been relocated in order to meet the needs of another service.

Two other decisions that arose out of WRC-03 are also noteworthy. Changes made to Article 25 of the international *Radio Regulations* enhance the ability of the Amateur Service to provide communications in support of disaster relief on behalf of "third parties." Also, individual administrations were given the choice to retain or remove Morse code as an examination requirement for access to the high frequency (HF) amateur bands. In the United States, that decision is up to the Federal Communications Commission, and in 2004 the League will be making its recommendation to the Commission.

We did not get everything we asked for at the conference, but we were pleased with the results. Work on behalf of the International Amateur Radio Union (IARU) at these conferences is a collective effort. We owe a great deal of thanks to our IARU colleagues who helped Amateur Radio gain ground at WRC-03, in the face of heavy competition for spectrum. ARRL is already planning for WRC-07.

Just prior to WRC-03, the FCC put out a Notice of Inquiry on Broadband over Power Line (BPL) technology. This proved to be a pivotal development for ARRL. Not since the League dealt with Little LEO satellites in the late 1990's had we been up against such a serious threat of interference to popular Amateur Radio frequencies. ARRL launched a well-planned, comprehensive effort in response to this growing problem. BPL would not only affect Amateur Radio users, but cause substantial interference for other radio services as well, some of them emergency-related. We are confident that in time, policymakers will come to the realization that the negative effects of BPL far outweigh any of the supposed benefits.

One of the highlights of 2003 was the debut of ARRL's new video *Amateur Radio Today*. Never before have we had such a polished and meaningful presentation to share with the non-ham public. Narrated by legendary newsman Walter Cronkite, himself a ham radio operator, the short video spotlights Amateur Radio emergency communications activities. The program was enthusiastically received during visits on Capitol Hill, in meetings with local emergency officials and among audiences of young and old alike. President Haynie was the spark plug behind this impressive program.

The ARRL, quite simply, would not be able to function without the financial and volunteer support of its members. They have a unique pride in belonging that is demonstrated in so many ways each and every year. Much of what the League does however, whether in Washington, in the international communications arena or in the schools, truly benefits *all* of the nation's Amateur Radio operators. As ARRL approaches its 90th Anniversary in 2004, we welcome the opportunity to share that pride in belonging with more of our friends in the Amateur Radio community.

A handwritten signature in dark ink, appearing to read "David Sumner". The signature is fluid and cursive, written in a professional style.

David Sumner, K1ZZ
Chief Executive Officer



The Focus on Membership

As 2003 came to a close, ARRL membership stood at 154,545. Compared with year-end 2002, that figure represents a 1.5% membership loss for the year. ARRL continued to implement new ideas and improve upon the organization's plans for membership retention and recruitment during the year.



With Broadband over Power Line (BPL) a legitimate concern for many Amateur Radio operators, a BPL-themed membership solicitation was sent to approximately 140,000 General and Amateur Extra class licensees. The results were moderately successful. Other efforts this year included a partnership with ICOM America, one of several makers of Amateur Radio equipment, to provide an incentive for ICOM customers to join the League.

In 2004 ARRL will continue to develop and implement special membership initiatives, and work with equipment manufacturers on mutually beneficial incentive programs.

In 2003, ARRL carried 345 Amateur Radio-related publications and products. Of those, approximately 260 were produced by the ARRL.

ARRL Offers the Latest in Amateur Radio News and Information

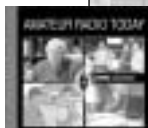
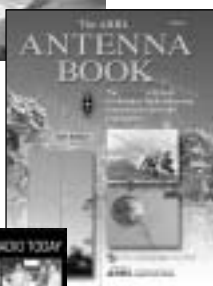
In print and on the Web, the League strives to deliver the best in news and information to members of the Amateur Radio community.

Each month, ARRL's flagship publication *QST* offers a wide variety of Amateur Radio news and feature articles for ARRL members. A significant number of technical articles were submitted to editorial staff during the second half of the year, enough to fill available pages into 2005. In response to member feedback from a *QST* Reader Survey, more articles for beginners will be published in the

"Workbench" section of the magazine in 2004. A new *QST* column "ARRL in ACTION" debuted this year, highlighting activities of ARRL staff and leadership officials on behalf of the membership. ARRL's two special-interest magazines—*QEX* for technical buffs and the *National Contest Journal (NCJ)* for contesting enthusiasts—remained popular with subscribers.



For those who want their news fast, our news editors work hard to bring readers daily news stories, updates on important issues, columns and more on the ARRL Web site. *ARRL Audio News* runs down the top stories of the week and can be accessed via telephone or the Web. In addition, it is broadcast weekly over ham radio repeater systems nationwide. Another news source is the *ARRL Letter*, which was delivered via e-mail to nearly 66,800 members. The newsletter gained 1,753 subscribers during the year.



The League's "Book Team," along with assistance from the in-house production department and outside authors, accomplished a lot in 2003. New titles included the *2004 ARRL Handbook*, the new *Technician Video Course* on DVD and VHS, *Experimental Methods in RF Design* and a new *Extra Class Q&A*. New editions released in 2003 included the *ARRL Antenna Book*, *VHF/UHF Antenna Classics*, *Now You're Talking!*, *Tech Q&A* to go along with the new Technician class license question pools, the *FCC Rule Book*, *Hints & Kinks* and 2003-2004 editions of the *Repeater Directory* and *TravelPlus*.

The *Amateur Radio Today* video debuted in January, and was made available for sale in a number of formats. Copies were given to all members of Congress and widely distributed throughout the ARRL Field Organization.

In 2003, ARRL carried 345 Amateur Radio-related publications and products. Of those, approximately 260 were produced by the ARRL. A clothing line and other items imprinted with the ARRL logo remained popular with ham radio shoppers.

W1AW

The Hiram Percy Maxim Memorial Station is a must see on the ARRL Headquarters tour. Visitors from all over the United States and around the world enjoy making contacts with other Amateur Radio operators from one of the station's state-of-the-art operating studios, and learning more about W1AW's rich history.

In 2003, W1AW was on the air during a number of ARRL and non-ARRL operating events and contests. ARRL staff members and others participated in these events, and often shared the experience with youth groups and newly licensed hams. In July, W1AW/3 was operated from the K3LR super station in Western Pennsylvania during the IARU HF World Championship.

W1AW is the source of Morse code practice sessions, along with news and technical-information bulletins. By year-end, 58,500 ARRL members were subscribed to receive W1AW Bulletins via e-mail. More than 300 W1AW Bulletins were distributed this year. Also this year, several antenna and equipment repairs were made to keep the station in top operating condition.

ARRL's Lab is the Hub of Technical Expertise

Lab staff lent invaluable technical support to the League's Broadband over Power Line (BPL) efforts throughout the year. Technical papers were prepared for ARRL's filing in response to an FCC Notice of Inquiry on BPL. Staff also took measurements and recorded interference at three BPL trial communities. The results substantiated the League's position that BPL does cause harmful interference to Amateur Radio frequencies.

While the BPL effort was a major activity, staff remained committed to helping members with interference complaints and related issues, including other instances of Power Line Noise. Work with ARRL technical committees continued, as did important networking opportunities with groups such as The Alliance for Telecommunications Industry Solutions, the Consumer Electronics Association and the Society of Automotive Engineers.

ARRL members looked to the Technical Information Service (TIS) for help with a wide variety of technical issues. TIS staff provided assistance via telephone and e-mail, and also directed members to an impressive collection of on-line resources. In March, ARRL mourned the loss of Technical Information Service Coordinator Al Alvareztorres, AA1DO, who was the driving force behind much of the information offered by TIS today.

Lab engineers put nearly 30 pieces of Amateur Radio equipment through rigorous tests in the League's "screen room" this year. The results were printed in *QST*'s popular "Product Review" column, side by side with manufacturers' product specifications.

ARRL Expands its On-line Services

After much anticipation and two years of software development, "Logbook of the World" debuted on the Web in September. The program offers an electronic alternative to the traditional method of collecting and submitting QSL cards to claim ARRL operating awards. By year-end, more than 30 million on-air contacts were entered on-line by more than 5,000 Amateur Radio operators. Staff worked to accommodate requests and meet the needs of foreign amateurs who are interested in using Logbook. Eventually, instructions and frequently asked questions will be posted in other languages. Tools to manage individual Logbook accounts and claim credit toward ARRL awards will be added to the system in early 2004.

(continued on next page)



W1AW, the Hiram Percy Maxim Memorial Station.



W1AW Station Manager Joe Garcia, NJ1Q, adjusts a Harris RF-3200 exciter at the Hiram Percy Maxim Memorial Station.



ARRL Lab Manager Ed Hare, W1RFI, in his "BPL-mobile," specially equipped to monitor for BPL signals. Hare used a typical high-frequency (HF) transceiver and other receiving equipment to listen for BPL interference and take field strength measurements.





FEMA official Ron Castleman (left) and ARRL President Jim Haynie, W5JBP, sign the *Statement of Affiliation* between Citizens Corps and ARRL.



As wildfires burned in California in late August, ham radio volunteers answered the call to assist with communications. Photo Credit: Ben Vickers, WB6FRM

Zachary Castle, KCØNHM (seated), helps fellow student Max O'Rourke get on the air in Colorado. Zachary is a member of the East Middle School Amateur Radio Club in Grand Junction. Photo Credit: Larry Allison, AJØL



ARRL continued to follow the trend of the public's interest in on-line learning. Through the League's Certification-Continuing Education Program (C-CE), Amateur Radio operators can sharpen their technical skills by taking "Antenna Modeling" or get certified to better assist their communities during disasters through three levels of emergency communications training. The League also offers additional C-CE courses, and by year-end, the finishing touches were being added to two new on-line offerings: a practical antenna course and a Technician licensing course. The efforts of volunteer mentors are a large part of the on-line learning process and the continued success of the C-CE program.

Throughout the year, the League's Web and Software Development Department was busy with a number of projects to enhance ARRL's Web presence, including a new youth section, pages to support the League's Development Office and an upgraded search engine. In testing was an "ARRL Scrapbook" page for members to upload personal stories about their ham radio experiences.

By the end of the year, 63,000 ARRL members held arrl.net e-mail addresses—an all-time high—and 100,367 members were subscribed to the League's various "Members-Only" features.

Public Service and Emergency Communications— Cornerstones of Amateur Radio

While there are many facets of Amateur Radio today, public service and emergency communications are activities deeply rooted in the ham radio community. In 2003, Amateur Radio volunteers lent their communications expertise during a number of emergencies, including the space shuttle *Columbia* recovery effort, the Northeast Blackout, Hurricane Isabel and wildfires in California. They also helped support public safety communications during marathons, bike races, parades and other community events.

In June the ARRL signed a *Statement of Affiliation* with Citizens Corps, a Department of Homeland Security initiative promoting public safety and preparedness. ARRL already has similar, formal agreements with the Federal Emergency Management Agency (FEMA), The Red Cross, The National Weather Service and other organizations and groups.

The League is fortunate to have an active "Field Organization" of volunteers specially appointed to oversee and participate in local emergency communications activities.

By the end of the year, more than half of the League's Section Managers had developed detailed emergency plans for Amateur Radio contributions in their respective sections of the country.

Sharing the "Magic of Radio" with Young People

Longtime Amateur Radio operators often talk of the "magic of radio" when referring to their experiences on the air. ARRL works to bring hands-on opportunities to young people throughout the country so they can experience that magic for themselves, and learn about the many benefits ham radio has to offer.

Students from elementary-school level to high school used ham radio this year to broaden their skills in math, communications, science and geography. Through the ARRL Amateur Radio Education and Technology Program, all of these disciplines were being taught through Amateur Radio in 60 schools by year-end. A survey of participating schools showed that nearly 3,000 students were touched by the program in 2003. ARRL education staff works with a core group of teachers on the curriculum and lesson plans, and additional material on wireless technology was added this year to broaden the appeal of the program.

(continued on next page)

Report

2003 Annual Report

Photo Credit: NASA

This was the fifth year for the International Space Station in space, and the Amateur Radio on the International Space Station (ARISS) program has been a part of the ISS since November 2000. This unique project, sponsored by the ARRL, NASA and the Radio Amateur Satellite Corporation (AMSAT), gives students the chance to talk live with US astronauts and Russian cosmonauts living on the space station.

On-air events—such as the Jamboree on the Air (JOTA) for scouts and the ARRL-sponsored Kid's Day—give children of all ages the opportunity to get on the air and have fun making friends and learning more about Amateur Radio technology. Both events were extremely popular in 2003, with thousands of young people taking part.

The League worked to further the organization's educational initiatives this year by networking with other education-based groups. In partnership with NASA, ARRL highlighted Amateur Radio school activities at conventions of the National Science Teachers Association, the International Technology Education Association and the National Council of Teachers of Math.



Expedition 8 Commander Mike Foale, KB5UAC, with the Amateur Radio equipment onboard the space station's Zvezda Service Module.
Photo Credit: NASA

ARRL Supports Amateur Radio Licensing

ARRL is by far the largest of the 14 Volunteer Examiner Coordinator (VEC) groups in the country. In 2003, ARRL's Volunteer Examiners (VEs) administered approximately 70% of all Amateur Radio examinations, which were then forwarded to the FCC for processing. The FCC system that processes the data worked extremely well this year, with licenses often being generated within hours of receipt of the data.

During the year, ARRL's VEC staff handled more than 27,000 FCC license applications. Approximately 50% of the applications were for new Amateur Radio licensees, and the other half represented license class upgrades and license renewals.

By year-end, the League had approximately 25,000 accredited VEs around the country. ARRL provides VE Teams with test booklets, software packages and other materials to help them conduct their test sessions. In December, the National Question Pool Committee released a new General class question pool, for use in exams beginning July 1, 2004.

On-the-Air Activities for Fellowship and Friendly Competition

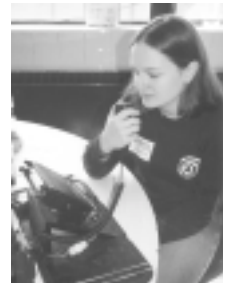
Amateur Radio operators worldwide enjoy the sport of "contesting" and being a part of their own unique community. ARRL sponsors several contests each year, and contest participation remained strong in 2003, after hitting an all-time-high in 2002. ARRL members enjoy seeing the contest scores posted on-line, along with personal stories and photos submitted by participants. The ARRL *Contester's Rate Sheet*, a free biweekly newsletter for both active and casual contesters, grew in popularity with subscribers.

While overall activity was down in the Awards Branch in 2003, several of the League's plaques and certificates for operating achievements remained popular, the Worked All States (WAS) award and the DX Century Club (DXCC) awards in particular.

As of December, ARRL's Outgoing QSL Service mailed 1,358,474 QSL cards to various foreign QSL bureaus for distribution to individual Amateur Radio operators. This represents a decrease of nearly 31% from the previous year. The decrease may be a combined result of a declining sunspot cycle and the number of operators who began using "Logbook of the World."

Venturing Crew 80 member Lisa Harman, WE4BBSA, was among crew members volunteering to help in the aftermath of Hurricane Isabel.

Here, Harman works at a Red Cross shelter set up at Edison High School in Fairfax County, Virginia. Harman's father is Dick Harman, WA4USB.
Photo Credit: Jason Kobielus



Dave Collingham, K3LP, takes a break during the ARRL International DX Contest.



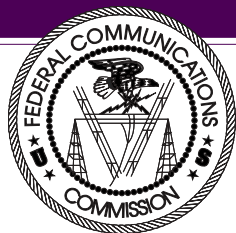
ARRL Represents Amateur Radio in the Nation's Capital

The League's work in Washington, DC, is one of the organization's most important efforts on behalf of the Amateur Radio Service. ARRL's Washington staff meets regularly with House and Senate staff members and monitors a wide range of potential legislation.

Early in the year, as expected, the House and Senate versions of the "Amateur Radio Spectrum Protection Act" were reintroduced on the Hill. Bills HR 713 and S 537 would require the Federal Communications Commission to provide equivalent replacement spectrum if it makes any reallocations of Amateur Radio Service radio frequency allocations. By the end of the congressional session, HR 713 had garnered an impressive 77 cosponsors, and the Senate version had eight. ARRL is working to help secure a vote on HR 713 in 2004, and additional cosponsors are expected to add their names to the list when Congress reconvenes in 2004.

In March, Rep Steve Israel (D-NY), along with 13 original cosponsors, introduced HR 1478, the "Amateur Radio Emergency Communications Consistency Act." This bill could provide much-needed relief to amateurs prevented by private deed covenants, conditions and restrictions (CC&Rs) from installing outdoor antennas. Because of the increased legislative focus on spectrum issues this Congress and the progress being made by the spectrum protection bills, HR 1478 received less attention. However, members of Congress were still actively supporting it as the year began to wind down.

The FCC continued its efforts in 2003 to aggressively and effectively handle Amateur Radio enforcement issues. The ARRL is very pleased with the outstanding work of the FCC's Enforcement Bureau.



Federal Communications Commission (FCC)

The Federal Communications Commission is the US government agency charged by Congress to regulate communications involving radio, television, wire, cable and satellites. This includes Amateur Radio.

In April, the FCC released its Notice of Inquiry (NOI) on the deployment of Broadband over Power Line (BPL) technology. ARRL filed its substantial concerns about BPL during the comment period, and included lab studies documenting BPL interference on Amateur Radio frequencies. By the end of the year, government agencies, various industry representatives and individual Amateur Radio operators had filed thousands of comments on the deployment of BPL.

Work continued in 2003 on previous requests to the FCC for two new Amateur Radio bands. One at the high-frequency (HF) allocation at 5.25 to 5.4 MHz would aid emergency communications activities, and one at a low-frequency (LF) portion of the spectrum would help further the efforts of ham radio experimenters.

The FCC denied the League's request for a new LF allocation, and granted five channels—rather than the full 150 kHz requested—in the 5 MHz range. The outcomes of these two decisions were somewhat disappointing, though we intend to revisit both of them in the near future. On a brighter note, at the same time, the FCC elevated the Amateur Service to primary status at 2400 to 2402 MHz, a portion of the spectrum that supports activities in the Amateur Satellite Service. The Amateur Service now has a primary allocation in the entire band between 2390 and 2417 MHz.

The FCC continued its efforts in 2003 to aggressively and effectively handle Amateur Radio enforcement issues. The ARRL is very pleased with the outstanding work of the FCC's Enforcement Bureau.

International Telecommunication Union (ITU)

Amateur Radio is also governed by international *Radio Regulations*, administered by the ITU, a specialized agency of the United Nations responsible for organizing frequency allocations for radio services worldwide. The ITU is where 189 Member States and some 690 Sector and Associate Members collaborate for the use of radio spectrum. The League is particularly interested in the work of the ITU Radiocommunication and Telecommunication Development Sectors.

In 2003, ARRL staff and International Amateur Radio Union (IARU) representatives attended ITU "Working Party" and "Study Group" meetings with representatives from other radio services to discuss issues of concern to the Amateur Radio Service. Global regulatory policies and regulations are developed within the ITU process on issues that affect Amateur Radio such as compatibility between amateur services and broadcasters, synthetic aperture radars (SARs) and ultra-wideband (UWB) devices. ARRL supported the essential work of the IARU for these meetings.

ARRL and fellow IARU delegates spent the first part of the year preparing for the 2003 World Radiocommunication Conference (WRC-03) held June 9 to July 4 in Geneva, Switzerland. Earlier in the Annual Report, ARRL Chief Executive Officer David Sumner, K1ZZ, reported on several outcomes of the conference affecting Amateur Radio.

International Amateur Radio Union (IARU)

The IARU, founded in 1925, is a worldwide federation of national Amateur Radio societies with members in 159 countries and separate territories, broken down into three "Regions." ARRL is a founding member of IARU, the International Secretariat and a member of Regions 2 and 3. Three new societies joined IARU in 2003, representing the countries of Georgia, Armenia and Vietnam.

ARRL's International Affairs Vice President spent much of the year working on IARU Region 2 activities. Agenda items for the Region 2 Executive Committee this year included work on 2003 World Radiocommunication Conference preparations, participation in Inter-American Telecommunication Commission (CITEL) meetings, and the declining number of amateurs in the countries and the member societies that make up Region 2.

The IARU Region 3 Conference scheduled for Taipei in late August had to be postponed because of a SARS outbreak and was rescheduled for early 2004.

Amateur Radio Public Relations Efforts Pay Off

The League is dedicated to promoting Amateur Radio in the media, and working to increase positive public awareness about the importance and relevance of Amateur Radio in today's wireless world.

While most news is local, Amateur Radio garnered a good deal of press in many high-profile news outlets during the year. Some of those that covered Amateur Radio included *The New York Times*, *The Wall Street Journal*, *USA Today*, *The Washington Post*, *Dallas Morning News*, *Los Angeles Times*, *The New Yorker* magazine, MSNBC News and the Associated Press.

When news of Broadband over Power Line (BPL) technology began heating up in the press late in the year, ARRL Headquarters staff and several members in the field were quick to voice the important downside of the story for Amateur Radio and other users of the radio spectrum. Letters to editors appeared in print, and follow-up articles positively represented ARRL's concerns and those of licensed operators around the country.

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ITU Headquarters—
Geneva, Switzerland



The League is dedicated to promoting Amateur Radio in the media, and working to increase positive public awareness about the importance and relevance of Amateur Radio in today's wireless world.



Dan Dankert, N6PEQ; Chip Margelli, K7JA, and Bill Scholz, W1HIJ, enjoy operating this Field Day station and meeting new friends during a trip to Cuba. Photo Credit: Chip Margelli, K7JA.

Emergency communications and preparedness continued as a recurring theme in many Amateur Radio-related news stories this year. The press covered ham radio activity during events such as the shuttle *Columbia* recovery effort, the Northeast Blackout and Hurricane Isabel. Field Day is a popular event with ham radio participants, and very popular with print and broadcast reporters, too.

Public relations staff promoted a number of ARRL-sponsored events in 2003, including the scout Jamboree on the Air (JOTA), Kid's Day and Amateur Radio Week. Sample press releases and other publicity materials were created to help the League's public information volunteers promote local ham radio involvement in these annual events. There was also a fair amount of coverage for ARRL's second-year grant from the Corporation for National and Community Service.

Volunteer Public Information Coordinators and Public Information Officers continue to bolster the League's public relations program on the local level. The new on-line newsletter *Contact!* was created this

year to assist volunteers in their efforts. Beyond generating press coverage, many of ARRL's grassroots volunteers were keenly aware of the public relations potential of setting up ham radio displays in libraries, putting on public demonstrations, speaking to civic organizations and the like.

ARRL's Development Office is devoted to forging lasting relationships with individuals, groups, foundations and corporations to generate financial support for programs not funded by member dues. Along the continuum of philanthropy, development campaigns offer opportunities for giving to fit donor interests and produce operating and endowment revenue that contributes to a solid financial future for ARRL.

Development Efforts Continue Pattern of Solid Growth

In 2003, the ARRL Development Office marked just over two full years in operation. The program's progress is evidenced in part by year-end figures showing a 60% increase in revenues over 2002, and a 13% decrease in expenses over the same time period.

The development program is organized into three areas: annual giving, major gifts and planned giving. The overall success of the program is due to the generosity of ARRL members and others who believe in the League and the future of Amateur Radio.

Annual Giving

2003 Spectrum Defense Fund

The League takes an aggressive approach in its spectrum defense activities, which include work in Washington, DC, and in the international communications arena. Giving to The Spectrum Defense Fund helps support these important, and often critical, efforts.

Along with the traditional fall campaign, two special spectrum defense campaigns were created in 2003. ARRL's work against the emerging threat of Broadband over Power Line (BPL) and its participation in the 2003 World Radiocommunication Conference (WRC-03) created giving opportunities for donors to help support these specific causes.

By year-end, 12,074 donors had contributed a combined total of \$606,282 to the three spectrum defense campaigns.

ARRL Education & Technology Fund

Launched as a new giving opportunity in 2002, the campaign helps fund the important work of this ARRL educational initiative. In 2003, the campaign raised \$113,000 from 1,494 donors.



Report

2003 Annual Report

Historic Preservation Fund

New for 2003, the Historic Preservation Fund was established as a test-campaign in the spring to fund ongoing archival activities at ARRL Headquarters. A retired staff person working part-time and a local volunteer organized and archived documents, photographs and other items of historical value. The campaign produced modest results, bringing in \$3,512 from donors with a particular interest in preserving a part of Amateur Radio history.



Major Gifts

The ARRL Diamond Club continued to grow in 2003. This donor recognition program gives ARRL members an opportunity to donate at one of six different annual giving levels: Introductory (\$75-\$249, \$50 for Life Members), Brass (\$250-\$499), Silver (\$500-\$999), Gold (\$1,000-\$2,499), Platinum (\$2,500-\$4,999) and Director Level (\$5,000-plus).

An offer to join the Diamond Club was included in regular monthly membership renewal mailings during the year, and a special repeat appeal went out to Life Members in the spring. Development staff also ran a targeted campaign to 16,500 individuals who were League members for a period of seven to nine years. The program fell short of its projected revenues for the year, bringing in \$88,265, but the number of donors reached a high of 919.

In 2003, seven members were welcomed into the Maxim Society, which recognizes lifetime giving of \$10,000 or more.



Planned Giving

The ARRL Legacy Circle honors donors who include ARRL in their will or other estate plans. By year-end there were a total of 30 members in the Legacy Circle. Informational mailings about this giving opportunity increased the prospect file of interested members to 200.

The Development Office launched the *Legacy Circle Letter* in 2003, a newsletter for Legacy Circle members and interested prospects offering helpful information and articles about estate planning.

In July, the ARRL Board of Directors approved the creation of the ARRL Endowment. Established as a "savings account" for ARRL, the Endowment is designed to produce investment earnings on endowment gifts to help ensure the financial future of ARRL. Donors may choose to have their earnings placed in a general fund, or in one of several specific funds based on ARRL's mission. The ARRL Endowment Fund will be rolled out in 2004.

Donor Recognition Matters

In an effort to build relationships with key donors and show the League's appreciation for their generosity, the second-annual ARRL Donors' Recognition Reception was held in conjunction with the Dayton Hamvention in May. Donors, ARRL Board members and family gathered at the Officers Club at Wright Patterson Air Force Base in Dayton, Ohio. This year's special guest and keynote speaker was Vice Admiral John Scott Redd, USN (ret.), Amateur Radio call sign KØDQ. For the first time, ARRL held a second donor reception this year, held at the Kellogg Conference Center of Gallaudet University in Washington, DC. Representative Mike Ross of Arkansas, WD5DVR, joined guests and shared his personal experiences in Amateur Radio.



From left to right, ARRL CEO David Sumner, K1ZZ, Donna Redd, Vice Admiral John Scott Redd, KØDQ, and ARRL President Jim Haynie, W5JBP, at the second-annual ARRL Donors' Recognition Reception.



Corporate and Federal Grants Support Emergency Communications Training

United Technologies Corporation awarded ARRL a second public service grant of \$150,000 over three years starting in 2003. This new national grant is primarily funding the League's Amateur Radio Emergency Communications Course (ARECC) Level II and Level III training.

In June 2003, ARRL successfully reached the goals set for the first year of the Corporation for National and Community Service (CNCS) federal grant for emergency communications by certifying 1,416 radio amateurs in the ARECC Level I course. Not long after, ARRL was notified that CNCS was awarding a second year of funding based on the program's demonstrated success. The new grant year runs September 1, 2003 to August 31, 2004, and with the grant of nearly \$180,000, approximately 1,700 more Amateur Radio operators will be able to register to take the Level I emergency course for free.

The American Radio Relay League is proud to honor those individuals and organizations whose 2003 contributions support projects not funded by member dues, including participation in The ARRL Diamond Club, The ARRL Maxim Society, the Spectrum Defense Fund (including special campaigns for WRC-03 and BPL), the Education & Technology Fund, the W1AW Endowment, Historic Preservation as well as Memorial and other unrestricted contributions.

3900 Club	Lawrence J. DeGeorge, W1ISV	Joseph K. Hildreth, KL7DWE
The ARRL Foundation, Inc.	Richard DeWoskin, N9AGN	IBM Corporation
Paul J. Azar, Jr. MD, N5AN	Robert V. C. Dickinson, W3HJ/ The Ebenezer Fund	George R. Isely, W9GIG
Baker Family Foundation (W5IZ)	James A. Dicso, K2SZ*	W. R. (Dick) Jackson Jr., W3EZ
Dave Bell, W6AQ	Frank Donovan, W3LPL	Trevor Jacobs, K6ESE
David W. Brandenburg, K5RQ, Brandenburg Life Foundation*	Donald L. Doughty, W6EEN	Andrew C. John, MD, JD, AD5FX
John Jay Bryant III, K9QLS	DX Engineering, Akron, Ohio	Jon Kannegaard, K6JEK
Bruce W. Butler, W6OSP	James A. Eberwine, W4APV	Glenn D. Kaufman, KA3GLY
Alan M. Cohen and Nancy E. Bloom	Arthur C. Erdman, W8VWX	Estate of Steven C. Klenc, KCØACQ
Shawn J. Collier, KG6SKN	Kenneth A. Fath, N4KF	Las Vegas Radio Amateur Club
Stephen H. Cornell, K4AHA	Joseph H. Fell III, W3GMS	Alfred A. Laun, III, K3ZO
Corporation for National & Community Service	Ted F. Goldthorpe Jr., W4VHF and Itice R. Goldthorpe, K4LVV	William D. Leahy, KØMP
Carter W. Craigie, N3AO* and Kay Craigie, N3KN*	Greater Newington Amateur Radio League	Don Lisle, K6IPV
Max W. Dahlgren, NN5L	Elliot A. Gross, KB2TZ	Robert F. Loll, WA6UPX
Leland Deane	The Gryphon Fund*	Estate of Thornton Lyford, WØQIK
		Willis C. Mack, N1HAI

Report

2003 Annual Report

Clifford A. Major, AB2KV

Bruce S. Marcus, N1XG

J. Dalton McCrary, W4PJV

Barry W. Merrill Jr. W5GN*
and Judith S. Merrill, KA5PQD*

Northern California DX Club

Tod Olson, KØTO

Glenn W. Pelikan, K7GWP

Dr. Larry E. Price, W4RA

Prudential Foundation

Radio Club of America, W2RCA

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

Stan Reubenstein, WA6RNU

Paul L. Rinaldo, W4RI

Andrew J. Sanazaro Sr., KØRPG

Eric L. Scace, K3NA

C. Wayne Schuler, AI9Q

Theodore Schurter, WB2NVK

Dr. Beurt SerVaas, W9WVO

L. Dennis Shapiro, W1UF

Thomas K. Snell, K4HCW

Southern California DX Club

Joseph Squarzini, K4AA

Sparky Terry, KD4KL

United Technologies Corporation

Michael D. Valentine, W8MM*

Joseph F. Walsh, WB6ACU*

Dick Weber, K5IU

Robert B. Weinstock, W3RQ

Steven M. West, W7SMW/
Donna M. Karam, KC5FTN

Robert J. Wiley, W6CP

John K. Williams, K8JW

Owen Wormser, K3CB

Brian F. Wruble, W3BW

Anonymous — 18 donors

*Member of the ARRL Maxim Society

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

Marcia E. Baulch, WA2AKJ

Alvin C. Borne, W6IVO

S. Clint Bradford, K6LCS

John Jay Bryant III, K9QLS

Frank M. Butler Jr., W4RH

Carl B. Eubanks, KD4QQC

Edward L. Fowler Jr., W5CML

Fried Heyn, WA6WZO
and Sandra M. Heyn, WA6WZN

Robert M. Kares, K3SUH

Robert J. Kelemen, W1US

Frank I. Lester, W4AMJ

James A. Maxwell, W6CF (SK)

Richard J. Mondro, W8FQT

Karl H. Muller, W3UBQ
and Barbara E. Muller

Jack V. O'Keefe, W9MAD

Bruce R. Pfeiffer, N7CPP

Lawrence Quinn, N1LCV
and Wendy Quinn, W1DY

George, WB8BGY
and Barbara, WB8UWX Race

Alfred C. Rousseau, W1FJ

James E. Weaver, K8JE
and Janice E. Weaver

Clarence W. Wenzel, W9ILM

Lee R. Wical, KH6BZF

Anonymous — 10 donors



ARRL Meets Challenges Head-On

From a financial standpoint, 2003 was another difficult year for the League. For the third year in a row, the organization finished the year with a loss from operations. While this string of losses was the result of a conscious decision to operate at a deficit and use some of the League's reserves to invest in several projects and programs, this is not a trend we can maintain into the future. The League must make difficult decisions going forward on how to allocate the organization's resources in the most efficient way possible and still meet our strategic objectives. To that end, the Board of Directors spent a considerable amount of time during the year developing new long-term objectives and strategies that we believe will help stabilize the financial underpinnings of the League.

Total revenues from our traditional operations did not grow significantly, finishing the year relatively flat


in comparison to the prior year. Revenues from sales of League publications and other product offerings grew slightly in 2003 but we don't see this trend continuing into the new year. Advertising in our publications was basically the same as the prior year. Revenue from print advertising continues to be a particularly challenging area for the League as it is for everyone in the publishing industry. Alternative opportunities for spending marketing dollars, coupled with the declining number of companies in the Amateur Radio industry, have put significant pressure on this important revenue source. The League experienced a significant decline in revenues from its fee generating programs in 2003. This is the result of a trend identified in our market surveys indicating today's Amateurs are less active than their predecessors.

The financial picture was not totally bleak, however. The rebound in the financial markets that occurred in 2003 did help bolster the League's financial reserves to a degree. And the amount of money that members committed to the organization through voluntary contributions increased significantly. These contributions have become a major source of funds for the organization. They allow us to offer programs like the Education and Technology Program that we couldn't afford but for the generosity of the members. They also help us continue our extensive advocacy efforts in areas like BPL and spectrum defense.

We will face additional challenges on the financial front in the coming years.

The results of our market survey revealed the realities of the world we will be living in for the near term. Membership in the League has decreased in the past several years and the existing members are an aging population. In addition, for a variety of reasons, amateurs are less active. It has always been the case that active amateurs are more likely to be members of the organization, participate in its programs and purchase other products and services. This trend in activity will make it more difficult to increase our annual revenues, and thereby, overall resources available for our programs.

Looking ahead specifically to 2004, one of our goals is to return to a "break-even" financial result. This will require discipline, but we are committed to doing everything necessary to meet this objective. If we are able to achieve this, and with some help from an improving national economy, we will be in a better position to meet our longer-term goals for the organization as a whole.



ARRL Headquarters—
Newington, Connecticut

American Radio Relay League

Board of Directors
January 17, 2003

From Bottom Left:

Row One: Joel Harrison, Wayne Mills, John Kanode, Twila Greenheck, Dick Mondro, Jim Fenstermaker, Bob Vallio, Bernie Fuller, Stephen A. Mendelsohn, Coy C. Day, Fried Heyn, Dennis Bodson, Rosalie White, Mike Raisbeck

Row Two: Dennis Motschenbacher, Mary Hobart, Jim D. Haynie, Paul Rinaldo, Frank M. Butler, Jr., Tuck Miller, Rev. Leslie Shattuck, Rick Roderick

Row Three: James Weaver, George R. Isely, Bill Gillis, Rodney Stafford, Barry J. Shelley, Jim Maxwell, Bill Edgar, Christopher Imlay, Mark Wilson, David Sumner

Row Four: Dave Patton, Bruce Frahm, Wade Walstrom, Frank Fallon, Tom Frenaye, James McCobb, Jr., Jay Bellows, Greg Milnes, Dr. David Woolweaver, Sandy Donahue, Art Goddard, Larry Price, Kay C. Craigie, Howard Huntington, Rev Morton, Walt Stinson, Henry R. Leggette



ARRL 2003 Annual Board Meeting

Windsor, Connecticut

Officers

Jim Haynie, W5JBP

President
Dallas, Texas

Joel Harrison, W5ZN

First Vice President
Judsonia, Arkansas

Kay Craigie, N3KN

Vice President
Paoli, Pennsylvania

Fried Heyn, WA6WZO

Vice President
Costa Mesa, California

Rodney Stafford, W6ROD

Vice President,
International Affairs
San Jose, California

David Sumner, K1ZZ

Chief Executive Officer/Secretary

James McCobb Jr., W1LLU

Treasurer
West Newbury, Massachusetts

Barry Shelley, N1VXY

Chief Financial Officer

Mark Wilson, K1RO

Chief Operating Officer

Mary Hobart, K1MMH

Chief Development Officer

Directors

Atlantic Division**Bernie Fuller, N3EFN**

Director
Saegertown, Pennsylvania

Bill Edgar, N3LLR

Vice Director
Bradford, Pennsylvania

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

Director
St. Charles, Illinois

Howard Huntington, K9KM

Vice Director
Hawthorn Woods, Illinois

Dakota Division**Jay Bellows, K0QB**

Director
St. Paul, Minnesota

Twila Greenheck, N0JPH

Vice Director
Shoreview, Minnesota

Delta Division**Rick Roderick, K5UR**

Director
Little Rock, Arkansas

Henry Leggette, WD4Q

Vice Director
Memphis, Tennessee

Great Lakes Division**Jim Weaver, K8JE**

Director
Mason, Ohio

Richard Mondro, W8FQT

Vice Director
Dearborn Heights, Michigan

Hudson Division**Frank Fallon, N2FF**

Director
East Williston, New York

Stephen Mendelsohn, W2ML

Vice Director
Dumont, New Jersey

Midwest Division**Wade Walstrom, W0EJ**

Director
Cedar Rapids, Iowa

Bruce Frahm, K0BJ

Vice Director
Colby, Kansas

New England Division**Tom Frenaye, K1KI**

Director
West Suffield, Connecticut

Mike Raisbeck, K1TWF

Vice Director
Chelmsford, Massachusetts

Northwestern Division**Greg Milnes, W7OZ**

Director
Hillsboro, Oregon

Jim Fenstermaker, K9JF

Vice Director
Vancouver, Washington

Pacific Division**Bob Vallio, W6RGG**

Director
Castro Valley, California

Andy Oppel, N6AJO

Vice Director
Alameda, California

Roanoke Division**Dennis Bodson, W4PWF**

Director
Arlington, Virginia

Rev. Leslie Shattuck Sr., K4NK

Vice Director
Anderson, South Carolina

Rocky Mountain Division**Walt Stinson, W0CP**

Director
Denver, Colorado

Warren "Rev" Morton, WS7W

Vice Director
Casper, Wyoming

Southeastern Division**Frank Butler, W4RH**

Director
Ft. Walton Beach, Florida

Sandy Donahue, W4RU

Vice Director
Atlanta, Georgia

Southwestern Division**Art Goddard, W6XD**

Director
Costa Mesa, California

Tuck Miller, NZ6T

Vice Director
National City, California

West Gulf Division**Coy Day, N5OK**

Director
Union City, Oklahoma

Dr. David Woolweaver, K5RAV

Vice Director
Harlingen, Texas

Remembering **Jim Maxwell, W6CF**,
and his service as ARRL Director
and Vice Director

January 1, 1994 — February 6, 2003

INDEPENDENT AUDITORS' REPORT

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, 2003 and 2002 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 audits 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, 2003 and 2002, and the results of its activities and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

April 15, 2004

Haggett, Longobardi & Company, LLC

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

STATEMENTS OF FINANCIAL POSITION

December 31, 2003 and 2002

ASSETS		
	2003	2002
Current assets		
Cash and cash equivalents	\$ 196,176	\$ 308,081
Accounts receivable, net of allowance for doubtful accounts of \$69,880 and \$60,991, respectively	440,113	515,836
Inventory	727,254	648,110
Grants and other receivables	247,305	344,844
Prepaid expenses and other current assets	187,672	132,642
	<u>1,798,520</u>	<u>1,949,513</u>
Other assets		
Investments	11,880,970	11,195,513
Land, building and equipment, net	2,103,684	2,473,563
	<u>13,984,654</u>	<u>13,669,076</u>
Total assets	<u>\$ 15,783,174</u>	<u>\$ 15,618,589</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 362,985	\$ 498,159
Accrued liabilities	322,024	457,386
Deferred revenue other	169,987	139,688
Deferred life membership dues - current portion	511,488	510,196
Deferred term membership dues - current portion	2,042,932	2,233,915
	<u>3,409,416</u>	<u>3,839,344</u>
Other liabilities		
Deferred life membership dues - less current portion	5,625,416	5,538,125
Deferred term membership dues - less current portion	820,457	820,717
Pension liability	1,470,971	1,291,913
	<u>7,916,844</u>	<u>7,650,755</u>
Total liabilities	<u>11,326,260</u>	<u>11,490,099</u>
Net assets		
Unrestricted	2,688,651	2,453,073
Designated unrestricted	69,781	90,414
Temporarily restricted	1,504,942	1,398,859
Permanently restricted	193,540	186,144
Total net assets	<u>4,456,914</u>	<u>4,128,490</u>
Total liabilities and net assets	<u>\$ 15,783,174</u>	<u>\$ 15,618,589</u>

The accompanying accounting policies and notes are an integral part of the financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Contributions				
Membership dues	\$ 5,103,853	\$ -	\$ -	\$ 5,103,853
Net publication sales	3,427,405	-	-	3,427,405
Advertising revenue	2,586,059	-	-	2,586,059
Investment income	291,516	46,306	-	337,822
Examination fees and other	288,454	-	-	288,454
Program and service fees	377,868	-	-	377,868
Government grant awards	157,221	-	-	157,221
Contributions and support	213,368	797,507	7,396	1,018,271
Net assets released from restrictions	839,602	(839,602)	-	-
	13,285,346	4,211	7,396	13,296,953
Expenditures				
Programs and services	8,349,506	-	-	8,349,506
Publications	3,668,804	-	-	3,668,804
Administration	1,607,836	-	-	1,607,836
Governance	217,797	-	-	217,797
	13,843,943	-	-	13,843,943
(Decrease) increase in net assets before other income (loss)	(558,597)	4,211	7,396	(546,990)
Other income (loss)				
Unrealized gains on investments	1,071,308	101,872	-	1,173,180
Loss on disposal of assets	(297,766)	-	-	(297,766)
	773,542	101,872	-	875,414
Change in net assets	214,945	106,083	7,396	328,424
Net assets, beginning of year	2,543,487	1,398,859	186,144	4,128,490
Net assets, end of year	\$ 2,758,432	\$ 1,504,942	\$ 193,540	\$ 4,456,914

The accompanying accounting policies and notes are
an integral part of the financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2002

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and Contributions				
Membership dues	\$ 5,083,353	\$ -	\$ -	\$ 5,083,353
Net publication sales	3,394,465	-	-	3,394,465
Advertising revenue	2,577,776	-	-	2,577,776
Investment income	259,517	57,130	-	316,647
Examination fees and other	278,107	-	-	278,107
Program and service fees	468,317	-	-	468,317
Government grant awards	68,033	-	-	68,033
Contributions and support	126,373	619,323	31,804	777,500
Net assets released from restrictions	633,426	(633,426)	-	-
	12,889,367	43,027	31,804	12,964,198
Expenditures				
Programs and services	7,910,259	-	-	7,910,259
Publications	3,628,920	-	-	3,628,920
Administration	1,693,510	-	-	1,693,510
Governance	159,521	-	-	159,521
	13,392,210	-	-	13,392,210
(Decrease) increase in net assets before other income (loss)	(502,843)	43,027	31,804	(428,012)
Other income (loss)				
Unrealized losses on investments	(1,484,486)	(126,929)	-	(1,611,415)
Change in net assets	(1,987,329)	(83,902)	31,804	(2,039,427)
Net assets, beginning of year	4,530,816	1,482,761	154,340	6,167,917
Net assets, end of year	\$ 2,543,487	\$ 1,398,859	\$ 186,144	\$ 4,128,490

The accompanying accounting policies and notes are
an integral part of the financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2003 and 2002

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 328,424	\$ (2,039,427)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Receipts to establish or increase permanent endowment	(7,396)	(31,804)
Depreciation	506,415	332,218
Loss on disposal of assets	297,766	-
Change in unrealized (gains) losses on investments	(1,173,180)	1,611,415
Realized gain on investments allocated to general fund	(98,036)	(119,780)
Provision for deferred income taxes	-	21,182
(Increase) decrease in:		
Accounts receivable, net	75,723	2,511
Grants and other receivables	97,539	(239,597)
Inventory	(79,144)	18,228
Prepaid expenses and other current assets	(55,030)	(2,246)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(270,536)	242,324
Deferred revenue other	30,299	133,126
Deferred life membership dues, net of allocated realized gains and losses	(44,054)	143,031
Deferred term membership dues	(191,243)	40,446
Pension liability	179,058	112,484
Net cash (used in) provided by operating activities	(403,395)	224,111
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(440,985)	(734,740)
Net sales of investments	718,396	324,875
Proceeds from sale of assets	6,683	-
Net cash provided by (used) in investing activities	284,094	(409,865)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts to establish or increase permanent endowment	7,396	31,804
Net cash provided by financing activities	7,396	31,804
Net decrease in cash and cash equivalents	(111,905)	(153,950)
Cash and cash equivalents, beginning of year	308,081	462,031
Cash and cash equivalents, end of year	\$ 196,176	\$ 308,081

The League disposed of \$139,805 and \$477,302 worth of fully depreciated equipment during the years ended December 31, 2003 and 2002, respectively.

The accompanying accounting policies and notes are an integral part of the financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Cash Equivalents

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

Investments

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

Allowance For Doubtful Accounts

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. The League performs on-going credit evaluations of its customers' financial condition and grants credit based on each customer's ability to pay. The League evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information. Changes in the valuation allowance have not been material to the financial statements.

Inventory

Inventory consists of publications, software, membership supplies and other miscellaneous items. Inventory is carried at the lower of cost or market, with cost being determined using the first-in, first-out (FIFO) method. Inventory is reflected net of reserves for slow moving inventory of \$37,055 and \$38,685 as of December 31, 2003 and 2002, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Membership Dues

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

The by-laws of the League provide for life membership in the League for 25 times the term membership annual dues rate once paid in full. Dues are deferred and recognized in income over the estimated life expectancy of the respective life members (approximately 34 years). Investment earnings on allocated life member investments are deferred and are recognized as dues at an amount representative of the estimated cost to the League for providing services to the life members.

Net Asset Categories

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

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

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

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

Contributions and Grants

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

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Grants (Continued)

Grants are recorded as receivables in the year the commitment is made by the grantor and are deemed to be earned and reported as revenue and support when the League has expended funds that meet the specific grant restrictions. Unexpended amounts are classified as deferred revenue other in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions. Significant estimates included in the financial statements consist of the estimated life expectancy of the life members, depreciation and the defined benefit pension plan obligation. Such estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses at December 31, 2003 and 2002. Actual results may differ from the estimates.

Income Taxes

The League is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, the League is subject to any federal and state income tax due as a result of unrelated business income arising primarily from net advertising income related to QST magazine.

At December 31, 2003 and 2002, the League did not generate unrelated business income tax.

Reclassifications

Certain reclassifications have been made to the prior year financial statements and supplementary financial information to make them comparable to the current year financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

(1) Investments

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

	2003		2002	
	Market	Cost	Market	Cost
Cash	\$765,530	\$765,530	\$1,016,011	\$1,016,011
Fixed maturities	4,805,431	4,790,532	4,843,190	4,923,330
Equity securities	6,310,009	5,728,697	5,336,312	5,833,141
	<u>\$11,880,970</u>	<u>\$11,284,759</u>	<u>\$11,195,513</u>	<u>\$11,772,482</u>

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

	2003	2002
Life membership	\$6,136,904	\$6,048,321
Regular operations	4,045,584	3,562,189
Temporarily restricted	1,504,942	1,398,859
Endowment	193,540	186,144
	<u>\$11,880,970</u>	<u>\$11,195,513</u>

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

	2003	2002
Unrealized (decline) appreciation, beginning of year:		
Market value	\$11,195,513	\$13,105,144
Cost	11,772,482	12,070,698
Net (loss) gain	<u>(576,969)</u>	<u>1,034,446</u>
Unrealized appreciation (decline), end of year:		
Market value	11,880,970	11,195,513
Cost	11,284,759	11,772,482
Net gain (loss)	<u>596,211</u>	<u>(576,969)</u>
Change in net unrealized gain (loss) during year	<u>\$1,173,180</u>	<u>\$(1,611,415)</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS (Continued)

(1) Investments (continued)

Investment income for the year ended December 31, 2003 can be summarized as follows:

Interest and dividend income	\$478,800
Net realized gain (loss) from sale of investments	230,673
Gross investment income	<u>709,473</u>
Less:	
Net investment income allocated to deferred life liability	<u>(371,651)</u>
Total investment income	<u>\$337,822</u>

(2) Land, Buildings and Equipment

The League capitalizes, at cost, all expenditures for property and equipment with a useful life of greater than one year and a cost of \$1,000 or more. Depreciation is recorded over the estimated useful lives of the respective assets on a straight-line basis. Buildings are depreciated over a 40-year life. Furniture, equipment and building improvements are depreciated over their estimated useful lives ranging from 3 to 15 years.

Land, building and equipment and related accumulated depreciation are comprised of the following at December 31, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Land and building	\$1,094,693	\$1,094,693
Furnishing, equipment and building improvements	4,444,179	4,138,675
Construction in progress	212,111	520,883
	<u>5,750,983</u>	<u>5,754,251</u>
Less accumulated depreciation	<u>(3,647,299)</u>	<u>(3,280,688)</u>
	<u>\$2,103,684</u>	<u>\$2,473,563</u>

(3) Pension Plan

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

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS (Continued)

(3) Pension Plan (continued)

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 following sets forth the Plan's funded status and amounts recognized in the League's statements of financial position at December 31, 2003 and 2002:

	2003	2002
Benefit obligation	\$8,280,950	\$6,446,514
Fair value of Plan assets	5,449,948	4,248,167
Funded status	<u>\$(2,831,002)</u>	<u>\$(2,198,347)</u>
Accrued benefit cost recognized in statements of financial position	<u>\$1,470,971</u>	<u>\$1,291,913</u>
Weighted-average assumptions:		
Discount rate	6.3%	6.8%
Expected return on plan assets	8.0	8.0
Rate of compensation increase	4.0	4.0
Net periodic benefit cost	\$530,082	\$402,266
Employer's contribution	351,024	289,782
Participants' contributions	-	-
Benefits paid	58,652	42,323

(4) Lease Obligations

The League leases warehouse space, office space and office equipment under various operating leases with monthly payments ranging from \$351 to \$4,265 which expire through March 2007. Total expense for operating leases was \$101,939 and \$110,647 for the years ended December 31, 2003 and 2002, respectively.

The following are future minimum lease payments due under these non-cancelable operating leases as of December 31, 2003:

<u>Year Ended December 31,</u>	
2004	\$98,787
2005	85,090
2006	22,094
2007	1,053
	<u>\$207,024</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS (Continued)

(5) Designated Unrestricted Funds

The League's Board of Directors has designated funds for the purpose of acquiring, restoring and preserving amateur radio related artifacts, defending the use of radio frequencies by amateur radio operators and for future maintenance on the League's administrative building. As of December 31, 2003 and 2002, the Board has designated \$69,781 and \$90,414, respectively, for these purposes.

(6) Permanently Restricted Funds

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

In 1993, the League became entitled, as beneficiary, to proceeds from a life insurance policy on one of its members. This endowment specifies that the principal is to be maintained in a fund and invested for the purpose of producing future income. The income from this endowment will be expended to reward deserving radio amateurs. The principal of \$154,340 is reflected as permanently restricted net assets in the accompanying statements of financial position at December 31, 2003 and 2002.

In 2002, an endowment fund was set up for W1AW maintenance and upkeep. The principal of \$39,200 and \$31,804 is reflected as permanently restricted net assets in the accompanying statements of financial position at December 31, 2003 and 2002, respectively.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets as of December 31, 2003 are available for the following purposes:

- Exceptional Merit
- Defense of Frequencies
- Education and Research
- Other Specific Purposes

Individual fund activities are disclosed on Schedule 2.

(8) Concentrations of Credit Risk

The League maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. The League has not experienced any loss in such accounts. The League believes that it is not exposed to any significant credit risk on cash and cash equivalents.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS (Continued)

(8) Concentrations of Credit Risk (Continued)

The League extended credit to customers (accounts receivable) of \$509,993 and \$576,827 at December 31, 2003 and 2002, respectively. The League believes that the concentration of credit risk in its accounts receivable is substantially mitigated due to the large number of customers comprising the League's credit base.

The League invests in various debt and equity securities. These investment securities are recorded at market value. Accordingly, the investment securities can fluctuate because of interest rates, reinvestment, credit and other risks depending on the nature of the specific investment. Therefore, 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.

(9) Related Party Transaction

The League has some common directors with The ARRL Foundation, Inc. board. The League performs administrative services for The ARRL Foundation, Inc. and charges an administrative fee which amounted to \$13,200 during the years ended December 31, 2003 and 2002. At December 31, 2003 and 2002, the League was owed \$0 and \$6,600, respectively, relating to these services.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

SCHEDULE OF EXPENDITURES

For the Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Salaries, compensation and benefits	\$ 6,395,940	\$ 6,245,221
Publication costs	2,318,479	2,471,539
Shipping and forwarding costs	1,313,829	1,242,390
Communication and postage	649,600	609,372
Depreciation	506,415	332,218
Office supplies and expenditures	487,854	580,006
Administrative expenses	464,285	402,103
Legal and professional fees	445,781	383,262
Occupancy costs	401,844	366,449
Other	367,985	321,511
Travel	322,412	269,145
Rentals and equipment maintenance	169,519	168,994
	<u>\$ 13,843,943</u>	<u>\$ 13,392,210</u>

The accompanying accounting policies and notes are an integral part of the financial statements.

THE AMERICAN RADIO RELAY LEAGUE, INC.

TEMPORARILY RESTRICTED FUND SUMMARY

For the Year Ended December 31, 2002

Fund Name	Balance 01/01/02	Contributions	Investment Income, net	Change in Unrealized loss	Released from Restriction	Balance 12/31/02
H.P. Maxim Award	\$ 36,634	\$ -	\$ 1,876	\$ -	\$ (1,628)	\$ 36,882
Project Goodwill	12,888	100	-	-	-	12,988
Exceptional Merit	1,058,833	647	47,352	(126,929)	-	979,903
Legal Research & Resource	125,378	16,013	-	-	(570)	140,821
Starr Technology	2,081	2,000	-	-	-	4,081
Rinaldo Technology	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	-	-	-	6,709
Colvin Award	12,807	25	7,902	-	(8,150)	12,584
Educational Activities	3,580	-	-	-	-	3,580
Defense of Frequencies	70,634	310,199	-	-	(380,833)	-
Lab Fund	3,949	633	-	-	-	4,582
W1AW	27,597	10,860	-	-	(5,983)	32,474
Education and Technology	120,630	245,846	-	-	(203,262)	163,214
ARECC	-	33,000	-	-	(33,000)	-
Direction Finding	41	-	-	-	-	41
Total Temporarily Restricted Funds	\$ 1,482,761	\$ 619,323	\$ 57,130	\$ (126,929)	\$ (633,426)	\$ 1,398,859

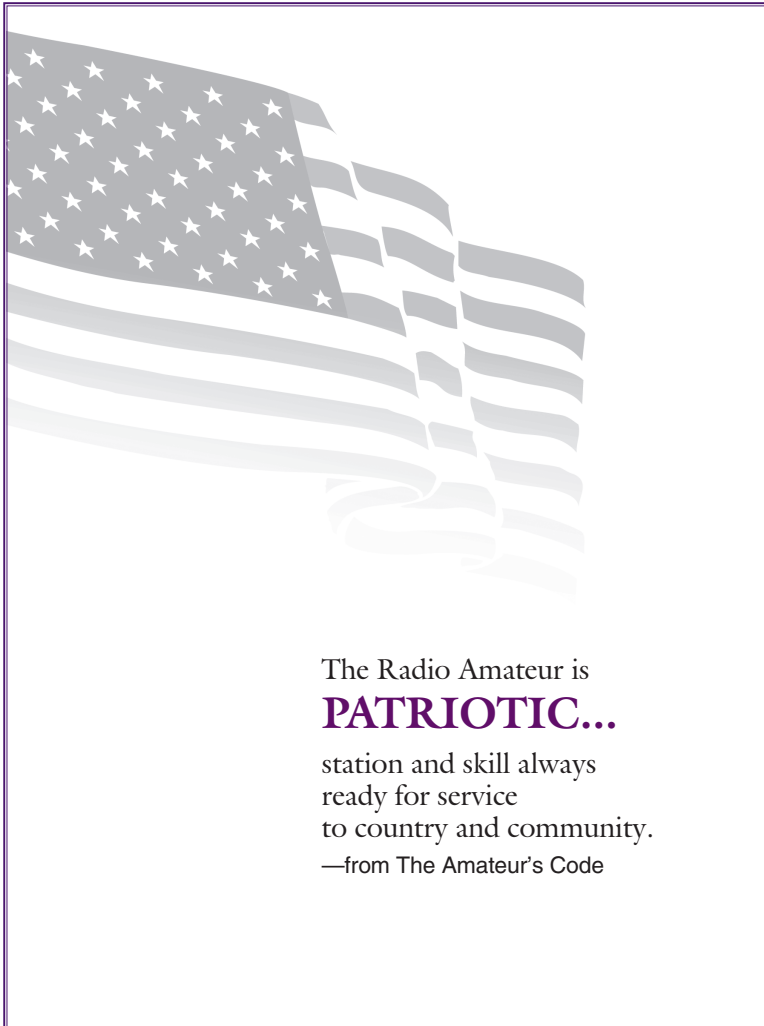
THE AMERICAN RADIO RELAY LEAGUE, INC.

TEMPORARILY RESTRICTED FUND SUMMARY

For the Year Ended December 31, 2003

Fund Name	Balance 01/01/03	Contributions	Investment Income, net	Change in Unrealized gain	Released from Restriction	Balance 12/31/03
H.P. Maxim Award	\$ 36,882	\$ -	\$ 1,403	\$ -	\$ (3,127)	\$ 35,158
Project Goodwill	12,988	-	-	-	(1,212)	11,776
Exceptional Merit	979,903	-	38,822	101,872	-	1,120,597
Legal Research & Resource	140,821	8,386	-	-	(3,787)	145,420
Starr Technology	4,081	-	-	-	-	4,081
Rinaldo Technology	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	-	-	-	6,709
Colvin Award	12,584	-	6,081	-	-	18,665
Educational Activities	3,580	-	-	-	-	3,580
Defense of Frequencies	-	620,313	-	-	(620,313)	-
Lab Fund	4,582	298	-	-	-	4,880
W1AW	32,474	-	-	-	-	32,474
Education and Technology	163,214	118,510	-	-	(161,163)	120,561
ARECC	-	50,000	-	-	(50,000)	-
Direction Finding	41	-	-	-	-	41
Total Temporarily Restricted Funds	\$ 1,398,859	\$ 797,507	\$ 46,306	\$ 101,872	\$ (839,602)	\$ 1,504,942

The accompanying accounting policies and notes are an integral part of the financial statements.



The Radio Amateur is
PATRIOTIC...
station and skill always
ready for service
to country and community.
—from The Amateur's Code



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