

**Report of the Administration and Finance Committee
for the July 2009 meeting of the ARRL Board of Directors**

Opening Comments

During the first half of 2009, the A&F Committee met via an Internet Go-to-Meeting for the first time. Thanks to Director Bill Edgar N3LLR for arranging and monitoring this new methodology for meeting and discussing the issues facing the committee and the ARRL. I believe the use of this technology a success and recommend that the A&F hold additional meetings using this media as we move forward. But, due to the criticality of viewing and reviewing the upcoming 2010 budget in November, I believe that an in-person meeting is warranted. In summary, meeting on-line allows the Committee to meet and share information while, at the same time, saving travel resources and personal time

Committee Activity

As noted above, the A&F committee remotely met on April 30 with a continuation meeting on May 4. CFO Shelley noted the League is in a hold-even position with revenues slightly above plan and expenses under budget for the year-to-date. This financial position is “normal” for operations for the first quarter of the year. The committee awaits the report from CFO Shelley during the A&F Meeting on July 16 to see the YTD financial status and recommendations regarding the budgetary situation for the remaining half of 2009.

Treasurer Jim McCobb has noted the impact of the economic situation in the country on the investment portfolio. The impact of the devaluation of the portfolio is especially critical when viewing the pension funding and projected needs for fully funding our pension obligations. Mr. McCobb anticipates a slight improvement during the second Quarter of 2009.

In addition, the Pension Subcommittee (Shelley, McCobb and Fenstermaker) met to receive and act on recommendations regarding investments for the League’s pension portfolio from MassMutual. Two recommendations were received and the committee reviewed the investments in each group and selected what we believe is the “best” mix of investments to begin the relationship with the pension investment underwriter, the Standard.

Budget Reforecasting in July for the remainder of 2009

The Committee is anxious to hear the recommendations of the Officers regarding budgetary matters as we move into the second half of 2009. As you have read from CFO Shelley’s monthly reports, the ARRL is doing as best as could be expected for the YTD, given the nature of the US economy and investment markets. This is not to say that we are in as good as financial position as is possible. As we move through the latter part of 2009, cost monitoring and control will become even more important. During my verbal

report to the Board on Friday, July 17, I expect to report on changes recommended for the remainder of the year.

In Conclusion

The Committee looks forward to the upcoming Board Meeting and Strategic Planning exercise as we chart the future of the ARRL and Amateur Radio. Recognition of what Amateur Radio is and what we can do and will be important as we move forward. Our future is dependent on both our vision as well as the financial stability of the ARRL. It is important that we exercise cost control while, at the same time, serve the needs of our members. To this end, the Committee plans to review and recommend a review of our fiscal guidelines and expense history. The change from a defined benefit plan to a defined contribution plan was a major event that occurred in the spring. This is always a stressful event and the abilities of the ARRL executive staff to communicate the need for the change and assisting staff members through the implementation was superb. The able guidance of Mr. Shelley and McCobb is appreciated. Additionally, we anticipate a positive report from our auditor and a primer regarding required changes to the reporting of the League's financial position.

Thanks to the members of the A&F for their interest and focus on the financial affairs of the ARRL and the overall health of the business.

A&F Committee

Jim Fenstermaker K9JF, Chairman

Cliff Ahrens K0CA

Jay Bellows K0QB

Dennis Bodson W4PWF

Brian Mileschosky N5ZGT

Jim McCobb K1LU

Jim Weaver K8JE

Plus ARRL Officers:

Dave Sumner K1ZZ, CEO

Barry Shelley N1VXY, CFO

Mary Hobart, K1MMH, CDO

Harold Kramer, WJ1B, COO

15 July 2009