

**2019 ANNUAL MEETING
ARRL BOARD OF DIRECTORS
Windsor, CT
January 18-19, 2019**

Report of the Chief Financial Officer

In 2018 we continued to challenge the management team to move forward with the same momentum and mind set of a continued commitment to expense and resource management, while at all times looking to advance the concept of “Advancing the art, science and enjoyment of Amateur Radio” through engagement. I believe we had a financially and operationally successful year in which the staff should be proud. As in most years, the year was filled with changes, challenges, accomplishments and disappointments all the while the staff worked hard and supported the organization with a positive attitude. I am proud of the staff’s hard work, support and commitment to ARRL and the staff should to be acknowledged for their continued efforts.

Some, and by no means all, of the initiatives ARRL set out and successfully accomplished this year include:

- Redesign of QST magazine.
- Analyzing and responding to the results of the member/non-member interest survey. This information is at the core of the work we are doing with Mintz + Hoke (M+H) to provide additional content to our members and others looking to advance their knowledge of Amateur Radio in the way in which they prefer to assimilate the information and therefore engage with the ARRL.
- Complete software specifications and select a vendor for the new Membership/Development system.
- Hire a new manager to lead the Lifelong Learning Department.
- Added the CQ Worked All Zones award to Logbook of the World which provided net positive revenue in 2018.
- Implement the International Grid Chase event, a year-long operating event for 2018. While the results were not as strong as originally anticipated, there was a positive impact on operating activity.

- ARRL VEC worked on developing a plan to provide remote entry of certain test session data to speed up the processing and issuance of licenses. The beta test group will include select ARRL VE teams and initial plans do not include sending SSN or date of birth information therefore will require FRNs for all participants.

Financial Results

The financial reports are included as Addendum #1 to this report. For the most part, this report will focus on the year-end results. As always, at this point in our year-end cycle, they are to be considered *preliminary and unaudited*. While we have included all the known transactions to this point, there will be additional invoices, etc. received before the books are finally closed for the year and the year-end audit is completed, generally in April.

Overall

For the second year in a row, income from operations was significantly better than Plan. While the overall results as measured by income from operations were very good, they were due to a variety of factors, both positive and negative including some one-time savings, which are discussed below in detail. Revenues were higher than Plan while expenses were under our original forecasts. Income from operations for the year was a gain of \$427,000, \$344,000 greater than originally planned, and \$290,000 less than 2017.

Net Available Income (NAI) for the year was also greater than projected due to the higher revenues and a small amount of underspending. Total NAI for the year was \$3.1 million in comparison to the Plan of \$2.8 million, about \$226,000 more than planned and \$84,000 less than 2017.

The value of the ARRL investment portfolio decreased during 2018 to a total of \$26 million, down from \$26.8 million at December 31, 2017. The portfolio had a year-to-date unrealized loss on investments of \$1.4 million as of the end of December. I will defer further discussion on the portfolio to the Treasurer and his report.

Balance Sheet

ARRL's balance sheet at December 31 continues to be in very good shape despite the effect of the downturn in the financial markets had on the investment portfolio. Assets are \$32.4 million at the end of December with \$29.3 million in cash and investments. This is down from \$32.7 million and \$29.3 million, respectively, at the end of 2017.

Income

Total revenues earned through December in the Income segment exceeded Plan by \$171,000. While this is a positive result, it is the net effect of several significant variances in the revenue line items. Total revenues in the Income segment for 2018 were \$13.8 million against a plan of \$13.6 million but lower than last year by \$216,000.

Publication sales revenue had a positive second half of 2018 due to the success of the *2019 ARRL Handbook Boxed Set* and Amazon, finally, increasing the order quantities of the new edition of the *Ham Radio License Manual*. Other than RSGB product sales, all other publication categories fell short of projections. This is a concern. One factor that worked against us this year was the lack of a blockbuster title that we have enjoyed in recent years. In addition, the International Grid Chase product line failed to generate anywhere near the revenue that was expected. While the boxed set of the *Handbook* was extremely successful, it did not support the long tail of other products. The major product areas of concern were training aids, Non-ARRL Publications, other books and membership supplies.

Another major contributor to the lower overall sales is the unpredictable purchase patterns of Amazon. Over the last several years, we have discussed with the A & F Committee the significant impact Amazon orders have made on our sales and warned that should they change their purchasing pattern; we would feel that impact directly and quickly. Amazon sales made up approximately 67% of all our dealer sales and 25% of total sales in 2018 which is down from 68% and 27%, respectively, in 2017. This is significant. While we have no clear understanding why Amazon orders have decreased by almost \$100,000 compared to last year, we continue to maintain our “Excellent” rating with Amazon by adhering to the ever increasing complexity of their rules and regulations for suppliers. We also remain proactive in how our products are displayed and categorized on the Amazon website and monitor Amazon’s activity closely, but sales to Amazon are extremely difficult to predict.

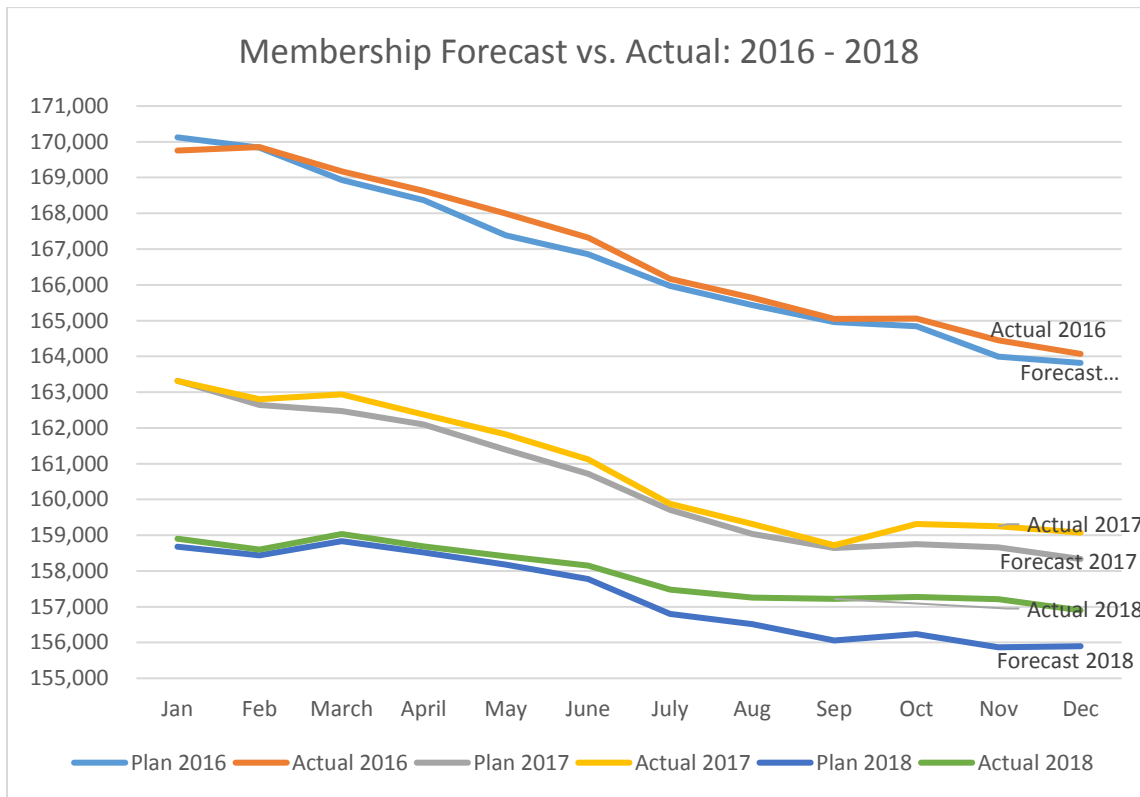
	2018	2017	2016
Sales to Amazon	\$739,646	\$832,787	\$822,694

Year-to-date publication sales totaled \$3.5 million, falling just short of Plan by \$12,000 and \$203,000 lower than 2017. As total gross sales for the year fell short by \$12,000, it should be noted that net sales were actually higher than planned by \$17,000 due to lower than estimated staffing expenses.

Advertising revenue continued to decline. Although the targets for 2018 were lower than 2017, we were still unable to meet those expectations. The number of businesses that advertise continues to shrink and ongoing advertisers are reducing their ad space or opting for one type of advertising over another. The Advertising department continues to engage our business partners in conversations that potentially can assist us in discovering new ways of advertising that will be beneficial to their bottom line and ours. During the last quarter of 2018, the Advertising department sent a brief survey to our current, past, and prospective advertisers to understand what their opinions are of our advertising products, what they would possibly like to see as new advertising opportunities and to elicit discussion points. Some of the information gained was that target audience ranked as the most crucial factor when choosing an advertising vehicle and that there is the need to engage a younger, more active customer base that are buying equipment rather than dismantling their stations. This mirrors the information gained through the various Readex surveys and resonates with the work being done with Mintz & Hoke (M+H).

The declining QST related advertising target was missed by a shortfall of \$109,000 through December. The expectation is that this trend will continue but at much slower rate in the future. Total advertising sales for the year were \$1.9 million, \$117,000 lower than planned and \$178,000 (8.5%) lower than 2017.

Earned dues income exceeded our expectations. Revenue from earned dues was \$6.75 million, about \$209,000 more than planned and \$72,000 more than the same period last year. The greater than expected results were from the increased number of transactions than originally planned. While forecasting the number of transactions and the timing of the transactions each year is always difficult, the fact that we are above target for the number of members as of year-end is a positive sign. The year ended with total membership at 156,899 members, 999 members greater than the forecast. For the last three years, or since the 2016 dues increase, we have experienced lower loss rates than originally anticipated when the decision was made to raise the dues.



The magazine revenue category in total is close to plan, however, QEX revenues fell slightly short of Plan for the year by \$2,000 while NCJ revenues exceeded Plan by almost \$7,000. 2018 totals for this category stood at \$233,000 against a Plan of \$231,000 but were \$6,000 lower than 2017.

Actual Subscriber Numbers

Issue >	Nov/Dec 2017	Nov/Dec 2018	Variance
NCJ	2,023	1,967	(56)
QEX	5,562	5,379	(183)

Total program fee revenues for 2018 were ahead of target by \$31,000. While most other areas were close to Plan, the greater than Plan awards revenues were more than enough to offset the lower than planned VEC and QSL Bureau fees. The higher results for DXCC awards revenues were due to the new DXCC entity (Kosovo-Z6) and the popularity of the FT-8 mode. DXCC awards combined with the CQ Awards brought in an additional \$54,000 over target. These revenues were more than enough to offset the shortfall in VEC fees of \$8,000. VEC fees were lower than planned due to ARRL's market share decreasing to 74% and VEs retained an average of \$0.47 per candidate more than planned. Program fees year-to-date were \$984,000 against the Plan of \$953,000 and \$77,000 greater than last year.

Investment income allocated to regular operations was \$279,000 in 2018, \$76,000 greater than planned and \$75,000 greater than the same period of last year. The actual rate of interest and dividend yield was higher than the rate used in the planning process.

Voluntary contributions exceeded the Plan in 2018. The greater than planned contributions came primarily from miscellaneous contributions (specifically bequests) combined with earnings on the Capital Campaign and Dave Bell Funds (a function of better than planned realized investment income) along with Spectrum Defense. The shortfall in the Education and Technology Fund was directly due to spending that did not occur resulting in a zero net effect on the bottom line. The Legislative Advocacy Fund fell short of its target due to the decision not to run an Advocacy Fund campaign this year.

Contributions for the year stood at \$1.16 million against the Plan of \$1.12 million, \$39,000 more than Plan and \$199,000 below last year (excluding the \$50,000 "pass through" donation last year to the ARRL Foundation we handled through the Education & Technology Fund due to the donor's requirements).

The year-end total for the other revenue category was \$123,000. This was \$17,000 less than Plan primarily due to the lower revenues generated through the affinity credit card program than originally planned.

Spending in the Income segment was under Plan for the year. Year-to-date spending was \$10.7 million, about \$55,000 less than planned and \$92,000 less than this time last year. Many of the departments' spending was close to plan. Significant variances include:

- Product Sales was underspent by \$29,000 due to the elimination of a part-time position in the Sales and Marketing Department.
- QST expenses were down \$12,000 due to the lower number of magazines being printed and mailed than planned.
- The unpaid salary of the Business Services Manager position for the majority of the year resulted in Advertising expenses lower than planned by \$70,000.
- Administration expenses were higher than planned by \$63,000 primarily due to the unplanned overlap of two CEO salaries.
- Development spending was lower than planned due to lower printing and postage spent for fund raising campaigns.

- IT spending was lower than plan in 2018 due to lower employee related costs and underspending on consultants, office supplies, software and internet costs.
- Personnel expenses were greater than plan due the costs related to the search and hire of a new CEO along with an increase to the amount of Paid Time Off employees had accrued as of year-end.

Spend

Spending on Advocacy, Member Programs and Governance was also under Plan for the year. Total spending on these activities stood at \$3.8 million, about \$78,000 less than planned and \$43,000 less than 2017. With the exception of the Washington Office, DXCC Awards, Emergency Preparedness and VEC, most departments were under spent or close to Plan.

- The Washington Office overspending was a result of the legal fee allocation of the actual billings versus the planned allocation. Total legal fees for the year were \$80,000 below plan.
- DXCC Awards did not realize a planned position elimination.
- Emergency Preparedness incurred greater expenses than planned which was related to the launching of ARES Connect.
- VEC's overspending was due to higher and unexpected printing costs.
- Governance was overspent primarily due to the costs of printing and mailing election ballots for five division instead of three which was the assumption in the Plan.

The Education and Technology Fund was underspent by \$82,000 due to a combination of consulting fees that were not utilized and the manager position that remained open for the first four months of the year. These expenses are offset against the lower than planned revenues mentioned in the contribution section of this report.

Cash Flow

Cash balances were strong for the year despite the negative year-to-date operating cash flow of \$169,000 before taking into account Life member dues and investment income which remained in the investment portfolio. In addition, excess cash of \$500,000 was transferred to the investment account back in February. Usually at some point during the summer months cash is transferred to the operating account from the investment cash to support operations. This transfer was not necessary in 2018.

Operational Results

Publications and Product Sales

As it has been noted in previous reports, the top 10 grossing publications and merchandise lines make up a significant percentage of gross sales (67%) in addition to net sales (66%).

Top 10 Grossing Publication Titles and Merchandise Lines in 2018

Product Description	QTY	Gross Sales	Net Sales
ARRL Handbook (New ed. Oct 2018)	13,450	\$644,352	\$461,260
ARRL Ham Radio License Manual (New ed. May 2018)	21,851	\$496,021	\$424,150
ARRL General Class License Manual	7,997	\$182,179	\$147,430
ARRL Extra Class License Manual	6,221	\$144,335	\$108,224
ARRL Antenna Book	2,957	\$108,137	\$91,371
ARRL Repeater Directory (New ed. Jan 2018)	8,164	\$107,234	\$71,268
ARRL Field Day merchandise (New items annually)	9,432	\$90,413	\$60,640
Get on the Air with HF Digital (New ed. Jan 2018)	4,973	\$83,408	\$77,888
Portable Operating for Amateur Radio (New May 2018)	4,268	\$69,309	\$59,322
Receiving Antennas for the Radio Amateur (New Mar 2018)	3,136	\$62,199	\$39,729
TOTAL – Top 10		\$1,987,587	\$1,541,282
TOTAL – All Products		\$2,976,635	\$2,346,165
Top 10 as a percentage of total sales		67%	66%

Note: our warehouse maintains inventories for over 564 SKUs.

Other notables for Publication and Product Sales:

- The Warehouse fulfilled 53,527 parcels in 2018, not including shipments to Amazon.
- In 2018, an interdepartmental team completed the specifications for the new Membership/Development system, evaluated proposals and made recommendations for product selection. This project was in depth, detailed and time consuming for the working group.
- As part of the 2018 Plan, printed membership cards were discontinued in January, eliminating the high cost of fulfilling the cards by mail (savings of nearly \$38,000 annually). Instead, we have introduced an ARRL Membership Confirmation, e-mailed to members. New and renewing members receive a personalized e-mail that includes their membership expiration date, a link to printing their membership certificate and card, and instructions for accessing other membership benefits including the digital edition of *QST*. The new Membership/Development module specifications include automating the acknowledgements for all membership transactions by e-mail, regardless of the payment channel (by mail, phone, email, FAX, etc.).

- Publications and Products sales staff successfully supported a number of the largest annual ham radio conventions this year:

Orlando HamCation - the ARRL Florida State Convention
 Hamvention, Xenia, Ohio -the ARRL Great Lakes Division Convention
 SEA-PAC, Seaside, Oregon - the Northwestern Division Convention
 International Exhibition of Radio Amateurs, Germany
 Huntsville Hamfest, Alabama, the ARRL Southeastern Division Convention
 Boxboro, Boxborough, Massachusetts, the ARRL New England Division Convention
 Ham Radio Outlet Superfest, Milwaukee, WI the ARRL Wisconsin State Convention
 Pacificon, San Ramon, California, the ARRL Pacific Division Convention

This was in addition to providing regular support for member-volunteers who organize exhibits outside of ham radio events, promoting ham radio to like-minded interest groups such as Maker Faires, IEEE events, collegiate activities, the National Association of Broadcasters (NAB) annual show and the Experimental Aircraft Association EAA AirVenture.

- An interdepartmental team completed an analysis of our shipping costs for sales fulfillment to members/customers. This effort helped us identify opportunities to (1) fine-tune the assignment of orders to shipping methods, and (2) negotiate with FedEx, our preferred carrier a new shipping program. As a result of this effort, we are estimating an annual savings for 2019 of approximately \$75,000.

VEC

The ARRL VEC continues to maintain its position as the largest VEC in the nation despite our market share dropping to 74% from 75%. Current license statistics compared to last year were slightly down.

FCC RESULTS THROUGH DECEMBER			
License Action	2017	2018	% Change
New Licenses	32,196	31,576	-2%
Upgraded Licenses	9,576	9,456	-1%
Total Licenses	41,772	41,032	-2%

Notables from our VEC department include:

- New amateur licenses granted by FCC were down 2% from last year.
- Upgraded licenses issued by FCC are down slightly from last year.
- 30,393 total license application forms were filed by ARRL, compared to 31,014 in 2017.

- A total of 7,035 exam sessions were conducted by ARRL VE teams in 2018, marginally behind the 7,075 sessions in 2017. For the fifth year in a row, we have conducted more than 7,000 Amateur Radio exam sessions in a year, an important milestone for the ARRL VEC.
- ARRL served 34,493 exam applicants in 2018, compared to 35,352 in 2017.
- Exam elements administered by ARRL were 45,817 in 2018, down from 47,152 last year.
- 1,781 new Volunteer Examiners (VEs) were added to our program.
- Club license activity grew in 2018. 1,803 Club license applications were sent to the FCC compared to 1,761 in 2017. New club license requests increased by 35% (455 in 2018 vs. 338 in 2017).
- Due to FCC rule violations, examination discrepancies, and/or VEC policy abuses, two ARRL VE Teams were discredited and their VE accreditations were suspended. The irregularities were reported to FCC as required. Because the session administration and/or the examination documents were compromised, licenses earned at these sessions were not granted by FCC.
- In April, ARRL VEC administered our first-ever exam session in Cambodia. Three US Amateurs who work abroad, coordinated a session at the National Polytechnic Institute of Cambodia. Two successful candidates earned Technician licenses, both Cambodian nationals, and one university professor who passed all three exams became an Amateur Extra.
- Maria Somma, AB1FM, is participating in the review and production of the new Element 3 General class question pool which will take effect July 2019. She is our representative to the NCVEC Question Pool Committee (QPC).

Membership

As mentioned earlier, the year ended with 156,899 members – putting us 999 members *ahead* of year-end goal. This represents a net *loss* for 2018 of 1.36% vs. the 2.0% originally forecast.

The *overall* renewal rate for 2018 remained at 83%. This is greater than the 78% industry average for associations with individual memberships (not trade associations) according to the 2018 Membership Marketing Benchmarking Report prepared annually by Marketing General Incorporated.

Diane Petrilli, KB1RNF, Membership Manger was involved in many activities this past year.

- Implemented a redesign of the New Ham mailing.
- Tested different content/material in 1st New Ham mailings.
- Redesigned the monthly membership mailing to lapsed and never members.

- Continued work with M+H through the ARRL working group.
- Analyzed the data from the Readex survey involving the *On the Air* test publication.
- Worked with an interdepartmental group of staff that completed specifications for the new Membership/Development system, evaluated proposals and made recommendations for product selection.
- Managed the ARRL Tour and Visitors Program which included just under 700 tours.

Development

The Development Office finished 2018 overall with good results.

Gross Contribution Results versus Plan as of December 31, 2018

2018	12 Month Actual	12 Month Plan
Diamond Club	365,304	365,000
Unrestricted Donations	178,230	70,000
Education & Technology Fund	134,936	145,000
Spectrum Defense Fund	287,160	285,000
Legislative Issues Advocacy Fund	8,474	45,000
Second Century	66,024	70,895
General Endowment	9,028	0
Other Established Funds	89,901	44,000
Total to Date	\$1,139,061	1,024,895

Included in the above are multiple estate bequests totaling \$115,000. Development welcomed 39 new Maxim Society members in 2018. Fourteen of these were welcomed into the Maxim Society when the ARRL Board of Directors approved to include ARRL Foundation donations in a donor's total accumulated lifetime giving. Additionally, five donors achieved a higher level of Maxim Society membership due to continued support.

Lauren Clarke, KB1YDD, also participated in the interdepartmental group of staff that completed specifications for the new Membership/Development system, evaluated proposals and made recommendations for product selection.

Production

The Editorial and Production Department had another busy year. In addition to producing the publications and productions below Steve Ford, WB8IMY, and Becky Schoenfeld, W1BXY, continued to be a part of the ARRL team working with M+H. The largest and one of the most important initiatives accomplished this year was the redesign of QST magazine. Beginning with the January 2018 issue we introduced a fresh design, intended to make the magazine more pleasing to the eye and more readable for as many Amateurs as possible. At the same time, we reduced the page count to 144 pages (from 160 pages) and changed the overall trim size of the

magazine to align it more with standard magazine sizing. With only a few exceptions, these changes were received well by our readership.

Publications Product Activity

- *2018 ARRL Periodicals DVD*, a collection of all *QST*, *QEX*, and *NCJ* magazines published in 2018.
- *2019 ARRL Handbook* as a multivolume boxed set, and as a single-volume softcover book.
- *Hands On Radio Experiments, Volume 3*, the final volume in the series.
- *Magic Band Antennas for Ham Radio* by Bruce Walker, N3JO
- *Receiving Antennas for the Radio Amateur* by Eric Nichols, KL7AJ
- *Portable Operating for Amateur Radio* by Stuart Thomas, KB1HQS.
- *Get on the Air with HF Digital, 2nd Edition*.
- New editions of both the *Ham Radio License Manual* and the *Technician Q&A*.
- *2017 Annual Report*
- *2019 ARRL Calendar*
- *2019 ARRL Repeater Directory*
- Monthly issues of *QST* and bimonthly issues of *NCJ* and *QEX* throughout the year.
- Biweekly *ARES E-Letter* and *Contest Update*, as well as the weekly *ARRL Letter*.
- Biweekly *Doctor is In* podcasts, and the weekly *ARRL Audio News* podcasts.

Lifelong Learning

In April of this year, Kris Bickell, K1BIC, was hired as the Lifelong Learning Manger. While only being on staff for part of the year, he has become an integral part of the team working with M+H in addition to having:

- Offered 3 Teacher's Institute session in 2018 including
 - TI-2 Newington, CT (week of July 9): 7 participants
 - TI-1 Dayton, OH (week of July 16): 10 participants
 - TI-1 Newington, CT (week of July 23): 12 participants
- ARISS Contacts
 - Ashford School – Ashford, CT. (October 2018) ARRL provided the loaner stations along with Lifelong Learning staff attended the event.
 - Pathfinder Regional Vocational Technical HS – Palmer, MA (November 2018) Contact led by Teacher's Institute participant Mariusz Zielinski, KB1MDS and attended by Lifelong Learning staff.
 - Hudson Memorial School – Hudson, NH (December 2018) Led by Teacher's Institute participant Dan Pooler, AC1EN.

- EC-001 Introduction to Emergency Communications Course
Lifelong Learning staff helped select the Canvas LMS (Learning Management System) as a temporary replacement for Moodle to deliver the EC-001 Introduction to Emergency Communication course. The course content was also updated and restructured to work effectively in the new learning system, in a joint effort with ARRL's Emergency Preparedness staff, and is scheduled to be offered in early 2019.

Information Technology

The IT Department headed by Michael Keane, K1MK, had another full year. During 2018 the development and infrastructure teams:

- Transitioned DXCC Replacement project from external vendor (Surge Development LLC) to an ARRL IT Department internal software development project, completed coding, deployed the app to its production server and begin user acceptance testing.
- Completed specification, statement of work and identified vendors for Membership & Development Request for Proposals (RFP), corresponded with vendors, evaluated proposals and made recommendations to senior management.
- Support for CQ Worked All Zones (WAZ) award added to Logbook of the World (LoTW).
- Assisted with the move of EC-001 (Introduction to Emergency Communications) class from Connecticut Distance Learning Consortium (CTDLC) and the Moodle learning management system (LMS) following announcement of the closure of CTDLC.
- Provide support to development work to provide "self-printed" contest and event (International Grid Chase) certificates. Development work being performed by external volunteers (Trey Garlough, N5KO & Bruce Horn WA7BNM).
- Sign ARRL VE ExamMaker app installer with current ARRL developer certificate to enable new installs and provide an update for 2018 July 01 Technician Question Pool to existing installations.
- Support assessment of current web site (www.arrl.org) capabilities as a part of the team working with M+H.
- Continue preparations for assessment of Personal Credit Industry Data Security Standard (PCI DSS) v3.2.1 compliance.
- New ARRL "Contest Portal" (contests.arrl.org) deployed. Currently this hosts log submission, logs received, "self-serve" certificate printing and the club competition registration. Additional legacy contest-related content -- results archive, log checking reports (LCRs), rules, etc. -- will continue to be moved to the new portal as (volunteer) resources are available to support.
- An intrusion detection and response (IDR) analytics tool (insightIDR) was added as a part of PCI DSS preparations.
- Launched required ongoing computer compliance training program for entire staff.
- Performed planned replacement/upgrade of 2 servers (to HP DL380 G9) in the HQ VMware cluster; upgraded VMware Vsphere/Esxi to latest stable version.

Radiosport and Field Services

The Radiosport and Field Services had a successful year:

- All Sections have registered in ARES Connect.
- Redesigned Award plaque branding for DXCC Challenge and 5 Bank DXCC.
- Enjoyed the efficiencies and success of the new online download of all contest certificates.
- Awards Application Activity

AWARD	2017	2018	% Change
DXCC	9,744	12,586	29%
WAS	1,596	2,179	37%
VUCC	575	913	59%
WPX	691	933	35%
WAZ	n/a	926	100%
WAC	130	103	-21%
Mobile DXCC	n/a	16	100%
QRP DXCC	n/a	5	100%

- Outgoing QSL Bureau

	2017	2018	% Change
# of Unique Users	1,453	1,353	-7%
# of Transactions	2,238	2,159	-4%
Total Weight (oz.)	25,698	31,900	24%
Avg Weight/Transaction	11.50	14.8	29%

- Contest Log Submissions

	2017	2018	% Change
HF			
DX-CW	4,031	3,294	-18.3%
DX-SSB	3,299	3,082	-6.6%
SS Phone	1,682	1,710	1.7%
SS-CW	1,268	1,276	.6%
Nov-SS	2,935	2,986	1.7%
SKN	190	190	0%
RTTY	1,812	1,706	-5.8%
FD	3,097	2,841	-8.3%
IARU	4,358	4,946	13.5%
160-M	1,428	1,389	-2.7%
10-M	1,791	1,901	6.1%
Total HF	25,891	25,321	-2.2%

VHF	2017	2018	% Change
Jan	689	742	7.7%
June	1,296	1,174	-9.4%
10-GHz	127	142	11.8%
222 MHz	199	147	-26.1%
Sept	488	572	17.2%
EME	148	196	32.4%
Total V/UHF	2,947	2,973	.9%

Lab

The Lab continues to provide a broad range of technical support not only to ARRL but also to the industry. These included technical support for our members mostly by telephone and e-mail, member contact travel and a pilot test using Skype to cost-effectively extend our reach at events. Ed Hare, W1RFI, and the Lab staff maintain a presence for Amateur Radio in major industry groups such as the IEEE and American National Standards Institute's C63® EMC committee by serving as members of various working groups.

Since the last Board meeting the Lab has:

- Tested 35 pieces of equipment for Product Review. In doing so, the Lab discovered an unusually high number of technical issues with several Amateur Radio transceivers that the manufacturers didn't know about. There were 18 retests of equipment due to these discoveries. Our test results and advice led manufacturers to make major improvements in their designs, benefiting the manufactures, members, and advertising clients.
- Handled 78 new cases of reported interference to Amateur Radio, including 22 new cases of interference that appear to be coming from power lines. Several of these cases have gotten to the point of the FCC sending advisory letters to the power companies.
- Working on the implementation of installing high-speed digital equipment, operated under protocols established by the Amateur Radio Emergency Digital Network (AREDN) group, with an eye towards utilizing more modern technology in routine and emergency Amateur communications.

Administrative Operations

The true administrative operations in the organization generally happen behind the scenes and if things are going well, as expected, no one ever hears about them and often forgets the amount of time and effort that goes into their success. These areas include the Controllers Department (which include the Mailroom and Purchasing), the Human Resource function and maintenance of the Building. Some of the accomplishments of this group for the year include:

- The annual audit was completed with no adjustments made to the financial statements, an unmodified opinion from the auditors and no management letter comments.

- The annual filing of IRS Form 990 and Form 990T.
- Delivered various required government filings including the Affordable Care Act Form 1095 and Form 720 (PCORI Fee), Flexible Spending Non-Discriminatory testing, monthly and quarterly sales tax filings, CT & Town business and Tax filings along with various Census filings as requested (required) by the Federal Government.
- As approved in the Plan, the renovation of the Editorial office space.
- Between late May and early June, the entire Headquarters staff received workplace harassment training provided by Mark Soycher, an HR lawyer from the Connecticut Business & Industry Association (CBIA). The Connecticut Legislature recently considered new, more stringent legislation on the topic and while it did not pass, we have been assured the topic will be back next session. This combined with all the headlines recently about harassment in the workplace we thought it would be prudent for the entire staff to undergo formal harassment training sooner than later.
- Completed the 2019-2020 planning cycle.
- Successfully completed the 2019 open enrollment process for employee health and dental insurance.

In Summary

By line item our income statement tells a very different story than our original Plan. However, with the permanent one-time savings in 2018 and a continued commitment to expense and resource management, we had a financially successful year. This success will help provide the necessary funds to invest in our infrastructure for the future growth and success of ARRL.

The staff also spent many hours working on a plan for the future growth of the organization with M+H in addition to all the day-to-day operations. The staff should be congratulated for all they have accomplished this year.

On a personal note, it has been almost a year since I became the Chief Financial Officer. It has been challenging and personally rewarding. I must thank both the staff and the Board, especially the Administration and Finance Committee for the support they have provided me over the past year.

If anyone has any questions about this report, please don't hesitate to contact me prior to the Board meeting.

Respectfully Submitted,

Diane Middleton, W2DLM
Chief Financial Officer