

The ARRL Foundation, Inc.

**Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

June 30, 2015 and 2014

The ARRL Foundation, Inc.

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Independent Auditor's Report

To the Board of Directors
The ARRL Foundation, Inc.

We have audited the accompanying financial statements of The ARRL Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ARRL Foundation, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 15 through 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CohnReznick LLP

Hartford, Connecticut
February 4, 2016

The ARRL Foundation, Inc.
Statements of Financial Position
June 30, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Assets:		
Cash and cash equivalents	\$ 798,726	\$ 1,115,486
Investments	3,626,313	3,237,666
Interest receivable	6,021	7,570
Total assets	<u>\$ 4,431,060</u>	<u>\$ 4,360,722</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accounts payable	<u>\$ 7,500</u>	<u>\$ -</u>
Commitments		
Net assets:		
Unrestricted	717,735	987,702
Temporarily restricted	1,540,096	1,465,395
Permanently restricted	2,165,729	1,907,625
Total net assets	<u>4,423,560</u>	<u>4,360,722</u>
Total liabilities and net assets	<u>\$ 4,431,060</u>	<u>\$ 4,360,722</u>

See Notes to Financial Statements.

The ARRL Foundation, Inc.

Statements of Activities
Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and other revenue:								
Contributions	\$ 2,865	\$ 47,463	\$ 258,766	\$ 309,094	\$ 10,224	\$ 40,654	\$ 38,000	\$ 88,878
Interest and dividend income	22,267	127,406	-	149,673	24,851	139,417	-	164,268
Net assets released from restrictions	240,779	(240,779)	-	-	220,874	(220,874)	-	-
	<u>265,911</u>	<u>(65,910)</u>	<u>258,766</u>	<u>458,767</u>	<u>255,949</u>	<u>(40,803)</u>	<u>38,000</u>	<u>253,146</u>
Expenditures:								
Scholarships	223,143	-	-	223,143	207,925	-	-	207,925
Grants	7,452	-	-	7,452	9,425	-	-	9,425
Administrative	25,954	-	-	25,954	26,610	-	-	26,610
	<u>256,549</u>	<u>-</u>	<u>-</u>	<u>256,549</u>	<u>243,960</u>	<u>-</u>	<u>-</u>	<u>243,960</u>
(Deficiency) excess of public support and other revenue over expenditures	9,362	(65,910)	258,766	202,218	11,989	(40,803)	38,000	9,186
Realized and unrealized gains (losses) on investments	(279,329)	139,949	-	(139,380)	260,829	(1,665)	-	259,164
Change in net assets before other changes	<u>(269,967)</u>	<u>74,039</u>	<u>258,766</u>	<u>62,838</u>	<u>272,818</u>	<u>(42,468)</u>	<u>38,000</u>	<u>268,350</u>
Other changes:								
Reclassification due to changes in donor intent	-	662	(662)	-	32,690	(220,297)	187,607	-
Total other changes	<u>-</u>	<u>662</u>	<u>(662)</u>	<u>-</u>	<u>32,690</u>	<u>(220,297)</u>	<u>187,607</u>	<u>-</u>
Change in net assets	(269,967)	74,701	258,104	62,838	305,508	(262,765)	225,607	268,350
Net assets, beginning of year	<u>987,702</u>	<u>1,465,395</u>	<u>1,907,625</u>	<u>4,360,722</u>	<u>682,194</u>	<u>1,728,160</u>	<u>1,682,018</u>	<u>4,092,372</u>
Net assets, end of year	<u>\$ 717,735</u>	<u>\$ 1,540,096</u>	<u>\$ 2,165,729</u>	<u>\$ 4,423,560</u>	<u>\$ 987,702</u>	<u>\$ 1,465,395</u>	<u>\$ 1,907,625</u>	<u>\$ 4,360,722</u>

See Notes to Financial Statements.

The ARRL Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Operating activities:		
Change in net assets	\$ 62,838	\$ 268,350
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Receipts to establish or increase permanent endowment	(258,766)	(38,000)
Unrealized loss (gain) on investments	389,114	(261,620)
Realized (gain) loss on investments	(249,734)	2,456
Change in operating asset:		
Interest receivable	1,549	6,175
Accounts payable	7,500	-
Net cash used in operating activities	(47,499)	(22,639)
Investing activities:		
Proceeds from sales of investments	876,227	540,226
Purchases of investments	(1,404,254)	(57,324)
Net cash provided by (used in) investing activities	(528,027)	482,902
Financing activities:		
Receipts to establish or increase permanent endowment	258,766	38,000
Net increase (decrease) in cash and cash equivalents	(316,760)	498,263
Cash and cash equivalents, beginning of year	1,115,486	617,223
Cash and cash equivalents, end of year	\$ 798,726	\$ 1,115,486

See Notes to Financial Statements.

The ARRL Foundation, Inc.

Notes to Financial Statements June 30, 2015 and 2014

Note 1 - Organization and summary of significant accounting policies

Organization

The ARRL Foundation, Inc. (the "Foundation") was incorporated as a not-for-profit corporation in September 1973 to administer programs to support the Amateur Radio community. The Foundation awards scholarships for higher education and awards grants for Amateur Radio related activities to groups throughout the United States and to individuals throughout the United States for the development of Amateur satellite and other innovative programs related to the mission of The American Radio Relay League, Inc. ("ARRL").

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are described as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Foundation is subject to either explicit donor-imposed stipulations, or to those imposed by operation of law, that can be fulfilled by actions of the Foundation or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations, or to those imposed by operation of law, that they be maintained permanently by the Foundation and stipulate the use of income and/or appreciation as temporarily restricted based on donor-imposed stipulations or by operation of law.

Tax exempt status

The Foundation is exempt under Section 501(c)(3) of the Internal Revenue Code (the "IRC") and is exempt from private foundation status under IRC Section 509(a)(3) and as such is not subject to Federal or state income taxes.

The Foundation has no unrecognized tax benefits at June 30, 2015 and 2014. The Foundation's Federal information returns prior to fiscal year 2012 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Foundation had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

The ARRL Foundation, Inc.

Notes to Financial Statements June 30, 2015 and 2014

Cash and cash equivalents

Cash and cash equivalents include all cash balances and highly liquid short-term instruments with an original maturity of three months or less when acquired. Cash equivalents were \$482,937 and \$1,115,486 as of June 30, 2015 and 2014, respectively.

Investments

The Foundation reports investments at fair value (see Note 4) and reflects any gain or loss in the statements of activities. Investment income and gains and losses are considered unrestricted unless temporarily restricted by donor stipulation or by operation of law.

Contributions

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 unrestricted net assets if the restrictions expire in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Endowment and spending policy

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

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

The ARRL Foundation, Inc.

Notes to Financial Statements June 30, 2015 and 2014

The Foundation has a policy of appropriating funds for distribution based on an annual review of investment results, available net assets and scholarship requests. The Board of Directors then votes on an annual basis to award funds to organizations that meet certain criteria. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at 4%. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Use of estimates

The preparation of the Foundation's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional expenses

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

Subsequent events

The Foundation has evaluated subsequent events through February 4, 2016, which is the date the financial statements were available to be issued.

Note 2 - Concentrations

Credit risk

Financial instruments which potentially subject the Foundation to concentrations of credit risk consist primarily of cash and cash equivalents. The Foundation maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits. At June 30, 2015, the Foundation had cash and cash equivalents in excess of Federally insured limits of approximately \$296,000.

Market value risk

The Foundation invests in various debt and equity securities. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is at least reasonably possible that these factors will result in changes in the value of the Foundation's investments which could materially affect amounts reported in the financial statements.

The ARRL Foundation, Inc.

**Notes to Financial Statements
June 30, 2015 and 2014**

Note 3 - Investments

The following summarizes the relationship between fair value and cost as presented in the financial statements as of June 30, 2015 and 2014:

	2015			2014		
	Fair Value	Cost	Unrealized Gain (Loss)	Fair Value	Cost	Unrealized Gain (Loss)
Corporate bonds	\$ 1,205,630	\$ 1,213,053	\$ (7,423)	\$ 589,214	\$ 576,361	\$ 12,853
Domestic common stocks	1,480,259	1,285,530	194,729	1,644,080	1,136,878	507,202
Domestic preferred stocks	583,785	603,908	(20,123)	599,966	603,908	(3,942)
Foreign preferred stocks	205,220	200,000	5,220	204,490	200,000	4,490
Other	107,553	104,960	2,593	153,690	111,591	42,099
U.S. Treasury bonds	43,866	37,156	6,710	46,226	38,108	8,118
Totals, end of year	<u>\$ 3,626,313</u>	<u>\$ 3,444,607</u>	181,706	<u>\$ 3,237,666</u>	<u>\$ 2,666,846</u>	570,820
Totals, beginning of year	<u>\$ 3,237,666</u>	<u>\$ 2,666,846</u>	570,820	<u>\$ 3,461,404</u>	<u>\$ 3,152,204</u>	309,200
Net unrealized gain (loss) for the year			<u>\$ (389,114)</u>			<u>\$ 261,620</u>

The following schedule summarizes the investment return in the statements of activities:

	2015	2014
Interest and dividend income	\$ 149,673	\$ 164,268
Net realized and unrealized gain (loss)	(139,380)	259,164
	<u>\$ 10,293</u>	<u>\$ 423,432</u>

Note 4 - Fair value measurements

The Foundation values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy was established that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The ARRL Foundation, Inc.

**Notes to Financial Statements
June 30, 2015 and 2014**

In determining fair value, the Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets carried at fair value at June 30, 2015 and 2014 are classified in the tables below in one of the three categories described above:

	2015			Total
	Level 1	Level 2	Level 3	
Corporate bonds	\$ -	\$ 1,205,630	\$ -	\$ 1,205,630
Domestic common stocks	1,480,259	-	-	1,480,259
Domestic preferred stocks	583,785	-	-	583,785
Foreign preferred stocks	205,220	-	-	205,220
Other	87,467	20,086	-	107,553
U.S. Treasury bonds	-	43,866	-	43,866
Totals	\$ 2,356,731	\$ 1,269,582	\$ -	\$ 3,626,313
	2014			
	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 589,214	\$ -	\$ 589,214
Domestic common stocks	1,644,080	-	-	1,644,080
Domestic preferred stocks	599,966	-	-	599,966
Foreign preferred stocks	204,490	-	-	204,490
Other	128,587	25,103	-	153,690
U.S. Treasury bonds	-	46,226	-	46,226
Totals	\$ 2,577,123	\$ 660,543	\$ -	\$ 3,237,666

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

The fair value of U.S. Treasury bonds and corporate bonds are estimated using market price quotations (where observable), based on recently executed transactions or bond spreads of the issuer (Level 2). If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves or bond spreads.

Investments in common stocks that are listed on a national securities exchange or reported on the NASDAQ national market are valued at their last sales price on the valuation date (Level 1). Investments in preferred stocks are valued at their last sales price on the valuation date (Level 1). Other investments that are listed on a national securities exchange or reported on the NASDAQ national market are valued at their last sales price on the valuation date (Level 1). In the absence thereof, a pricing model is used to develop a value based on securities with similar characteristics (Level 2).

The ARRL Foundation, Inc.

Notes to Financial Statements June 30, 2015 and 2014

The Foundation's policy is to recognize transfers in and transfers out of each level as of the actual event or change in circumstance that caused the transfer. There were no transfers during the years ended June 30, 2015 and 2014.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 5 - Contributions restricted by donors

The Foundation receives donor contributions which are restricted for purposes specified by the donors. These restricted contributions are administered by designated officials of the Foundation in accordance with those restrictions and are presented in further detail on the Restricted Fund Summary on pages 15 through 18.

Note 6 - Permanently restricted net assets

Permanently restricted net assets are composed of donor-restricted endowment fund investments. Income generated from these invested net assets are restricted for funding of scholarships and grant awards. These assets are presented in further detail on the Restricted Fund Summary on pages 15 through 18.

Note 7 - Endowment

The Foundation's endowment includes fifteen donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Board of Directors in a manner consistent with the standard of prudence prescribed by CTUPMIFA.

The ARRL Foundation, Inc.

**Notes to Financial Statements
June 30, 2015 and 2014**

In accordance with CTUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the Foundation and donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation (depreciation) of investments, (6) other resources of the Foundation and (7) the Foundation's investment policies.

Endowment net asset composition by type of fund as of June 30, 2015 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 430,618</u>	<u>\$ 2,165,729</u>	<u>\$ 2,596,347</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated endowment funds	<u>\$ 537,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,057</u>

Changes in endowment net assets for the year ended June 30, 2015 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 505,494	\$ 414,136	\$ 1,907,625	\$ 2,827,255
Investment income	20,000	87,074	-	107,074
Net realized and unrealized appreciation	20,020	87,557	-	107,577
Contributions	-	13,297	258,766	272,063
Change in donor intent	-	662	(662)	-
Amounts appropriated for expenditure	<u>(8,457)</u>	<u>(172,108)</u>	<u>-</u>	<u>(180,565)</u>
Endowment net assets, end of year	<u>\$ 537,057</u>	<u>\$ 430,618</u>	<u>\$ 2,165,729</u>	<u>\$ 3,133,404</u>

Endowment net asset composition by type of fund as of June 30, 2014 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	<u>\$ -</u>	<u>\$ 414,136</u>	<u>\$ 1,907,625</u>	<u>\$ 2,321,761</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Board designated endowment funds	<u>\$ 505,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,494</u>

The ARRL Foundation, Inc.

**Notes to Financial Statements
June 30, 2015 and 2014**

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 456,938	\$ 449,629	\$ 1,682,018	\$ 2,588,585
Investment income	22,011	93,135	-	115,146
Net realized and unrealized depreciation	(689)	(259)	-	(948)
Contributions	-	12,250	38,000	50,250
Change in donor intent	32,690	-	187,607	220,297
Amounts appropriated for expenditure	(5,456)	(140,619)	-	(146,075)
Endowment net assets, end of year	<u>\$ 505,494</u>	<u>\$ 414,136</u>	<u>\$ 1,907,625</u>	<u>\$ 2,827,255</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or applicable law requires the Foundation to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature that are reported in unrestricted net assets as of June 30, 2015 and 2014.

Note 8 - Commitments

The Foundation administers the William R. Goldfarb Memorial Scholarship which provides a meritorious young Amateur Radio operator a full scholarship. The scholarships will fund costs not already covered through financial aid or other scholarships. These scholarships are subject to certain performance requirements and are contingent upon an annual reassessment of need.

In addition, the Foundation has approved numerous partial scholarships to students that have met certain criteria in accordance with the scholarship and are contingent upon the students attending school in the fall and spring semesters.

Note 9 - Related party transactions

The Foundation has some common Board of Director members with ARRL. ARRL performs administrative services for the Foundation. Administrative fees charged for these services were \$14,983 and \$12,960 for the years ended June 30, 2015 and 2014, respectively, and are included in administrative expenditures on the accompanying statements of activities. In addition, the Foundation reimbursed ARRL for expenses totaling \$541 and \$343 for the years ended June 30, 2015 and 2014, respectively.

Note 10 - Reclassifications due to changes in donor intent

During the year 2014, certain donors notified the Foundation of their intent to change the restrictions on their gifts. Accordingly, the Foundation reclassified gifts totaling \$32,260 to unrestricted net assets, \$(220,297) from temporarily restricted net assets and \$187,607 to permanently restricted net assets on the statement of activities for the year ended June 30, 2014. During the year 2015, certain donors notified the Foundation of their intent to change the restrictions on their gifts. Accordingly, the Foundation reclassified gifts totaling \$662 to temporarily restricted net assets from permanently restricted net assets.

The ARRL Foundation, Inc.
 Restricted Funds Summary
 Year Ended June 30, 2015

Fund Name	Balance July 1, 2014	Contributions	Change in Donor Intent	Investment Income, Net	Realized and Unrealized Gain	Expenditures	Balance June 30, 2015
Donald Riebhoff Mem Scslshp	\$ 15,327	\$ -	\$ -	\$ 576	\$ 751	\$ (1,099)	\$ 15,555
General Scholarship	157,509	7,145	-	6,120	7,931	(9,067)	169,638
J Bieberman Merit Membr Fund	17,316	20	-	690	908	(120)	18,814
P and H Grauer Scslshp	58,666	-	-	2,270	2,970	(2,391)	61,515
PF Hadlock Mem Scslshp	733	-	-	30	39	(5)	797
ARRL Schslshp B Goldwater	45,060	-	-	1,799	2,361	(311)	48,909
VC ClarkYouth Incentive Prog	11,433	75	-	456	599	(79)	12,484
World Admn Radio Conf Fund	3,312	-	-	133	173	(22)	3,596
FR McDaniel Mem Scslshp	21,884	-	-	855	1,121	(648)	23,212
You've Got a Friend in PA	95,064	-	-	3,652	4,773	(4,629)	98,860
Edmond A Metzger Scslshp	12,078	-	-	463	607	(579)	12,569
L Phil Wicker Scholarship	67,680	-	-	2,630	3,442	(2,453)	71,299
W Bennett Mem Scslshp	10,648	-	-	407	532	(569)	11,018
Dr J.L. Lawson Mem Scslshp	25,979	-	-	1,001	1,309	(1,172)	27,117
Charles N Fisher Mem Scslshp	62,474	-	-	2,349	3,065	(4,404)	63,484
K2TEO MJ Green Sr Mem	967	1,000	-	60	51	(1,013)	1,065
PHD ARA Scholarships	34,302	-	-	1,294	1,693	(1,223)	36,066
Six Meter Club Chicago Scslshp	13,459	-	-	521	679	(590)	14,069
New England FEMARA Scslshp	139,328	5,000	-	5,517	7,249	(6,955)	150,139
Mississippi Scholarship	22,510	-	-	879	1,154	(653)	23,890
T and J Comstock Scslshp	2,960	2,000	-	74	51	(2,012)	3,073
IW Cook WA0CGS Scslshp	36,274	-	-	1,413	1,849	(1,244)	38,292
Nemal Electronics Scslshp	206	-	-	9	11	(2)	224
Michael J Flosi Mem Scslshp	700	-	-	29	37	(5)	761
Chicago FM Club Scslshp	1,944	-	-	59	76	(510)	1,569
ARRL Scout Handbook Fund	301	-	-	11	16	(2)	326
E "Gene" Sallee Mem Scslshp	1,386	-	-	55	73	(10)	1,504
AARC/Toby Cross Scslshp	204	-	-	8	11	(2)	221
Earl I. Anderson Scslshp	194	-	-	8	10	(2)	210
Indiana Digital Exp Scslshp	165	-	-	7	9	(1)	180
Member to Member Matching F	968	-	-	39	51	(33)	1,025
Francis Walton Mem Scslshp	1,801	-	-	72	95	(12)	1,966
Central Arizona DX Association	1,172	900	-	41	56	(1,007)	1,162
Bill Orr W6SAI Tch Writing Awd	181	-	-	5	10	(411)	(215)
WRTC USA Youth Fund	788	-	-	31	42	(5)	856
NE Strohmeier Mem Scslshp	2,543	-	-	85	108	(514)	2,222
YCCC Yankee Clipper Contest	5,415	2,491	-	178	205	(1,534)	6,755
Albert H. Hix, W8AH Mem	1,066	-	-	42	56	(7)	1,157
Carole Streeter Scholarship	27,330	-	-	1,099	1,484	(190)	29,723
Louisiana Memorial	4,724	1,911	-	189	208	(784)	6,248
Seth Horen K1LOM Mem Scslshp	9	-	-	-	-	-	9
Yasme Foundation Scholarship	2,262	3,000	-	71	13	(2,021)	3,325
Challenge Met Scholarship	982	30	-	22	25	(503)	556
Bendrickson Scholarship	56,072	-	-	2,167	2,834	(2,373)	58,700
Peoria Area ARC Schlrshp	1,918	-	-	76	101	(13)	2,082
Wagner K3OMI	1,178	1,000	-	29	10	(1,007)	1,210
Zachary Taylor Stevens Mem	16	-	-	-	1	-	17
Misek N8NPX Mem Schlrshp	3	-	-	-	-	-	3
Bill Salerno, W2ONV Mem Schlrshp	27,025	-	-	1,026	1,312	(1,179)	28,184
Porter Scholarship	1,938	-	-	42	50	(1,007)	1,023
Magnolia DX Association Sch	630	500	-	21	33	(504)	680
Wayne Nelson KB4UT Sch	1,344	-	-	15	18	(1,001)	376
Orlando Hamcation Sch	2,227	-	-	53	65	(1,008)	1,337
GwinnettAmtr Radio Soc. Schlrsp	6,267	1,000	-	266	354	(547)	7,340
Androscoggin Schlrsp	2,614	-	-	87	110	(514)	2,297
CW OPS Scholarship	697	-	-	29	37	(5)	758
Jackson City AR Schlrsp	570	1,000	-	11	4	(503)	1,082
Outdoor Ham Scholarship	2,792	-	-	76	95	(1,012)	1,951
Jack Sheldon Mem. Scholarship	2,514	-	-	103	131	(17)	2,731
David Knaus Mem. Scholarship	2,608	-	(1,196)	33	59	(1,504)	-
ARRL Rocky Mtn	2,627	-	-	87	111	(514)	2,311
Southeastern DX Club Schlrsp	1,154	-	-	28	35	(505)	712
ARRL Northwestern Div. Schl	8,621	1,130	-	320	399	(1,056)	9,414
Bryon Blanchard Mem. Schlrsp	10,198	100	-	390	509	(567)	10,630
Indianapolis Am.Radio Assn Schlrsp	1,140	1,050	-	31	21	(1,008)	1,234
A & B Watson Mem. Schlrsp	3,122	-	-	107	137	(517)	2,849
Jake McClain Schlrsp.	2,080	-	-	47	57	(1,007)	1,177
Victor D. Poor Schlrsp.	2,600	2,500	-	26	6	(2,507)	2,625
Dan Huettl, WZ7U Mem. Schlrshp	-	1,010	-	13	-	(3)	1,020
R. Kirkpatrick Mem. Schlrshp	-	2,500	-	-	-	-	2,500
H. Broughton K2AE Scslshp Earnings	49,758	-	-	6,533	10,366	(9,125)	57,532
WR Goldfarb Mem Scslshp Earnings	203,378	-	-	39,852	20,215	(124,619)	138,826
N TX B Nelson Mem Scslshp Earnings	608	-	-	43	66	(7)	710
IRARC Mem/JP Rubino Scslshp	2,760	-	-	887	1,461	(1,653)	3,455
Dayton Amateur Radio Assoc Scslshp	57,466	10,000	-	9,135	14,663	(9,596)	81,668
Morris Radio Club of NJ Schlrshp Earnings	4,809	-	-	1,363	2,267	(1,234)	7,205
Ray N0RP & Katie W0KTE Pautz Mem Earnings	5,487	-	-	1,465	2,367	(1,252)	8,067
Ted & Itice Goldthorpe Sch	3,826	100	-	464	758	(580)	4,568
Cebik Estate Scholarship	56,320	-	-	12,287	19,268	(12,118)	75,757
R & D Streeter Earnings	1,251	-	-	994	1,654	(1,174)	2,725
B Weatherford Schslsp Earnings	1,263	-	-	824	1,379	(1,142)	2,324
C Clark Cordle Schslshp Earnings	12,022	-	-	1,441	2,271	(1,249)	14,485
Mary Lou Brown Schslshp Earnings	10,508	-	-	2,326	3,805	(2,900)	13,739
Ernest & Marcia Baulch Earnings	4,556	-	662	5,830	5,543	(4,541)	12,050
David Knaus Memorial Schslp	124	-	1,196	1,540	1,474	(267)	4,067
Cothran Scholarship Earnings	-	2,000	-	466	-	(142)	2,324
Wm. C. Winscott Mem Schl Earnings	-	1	-	1,624	-	(509)	1,116
Total Temporarily Restricted Funds	\$ 1,465,395	\$ 47,463	\$ 662	\$ 127,406	\$ 139,949	\$ (240,779)	\$ 1,540,096

The ARRL Foundation, Inc.
Restricted Funds Summary
Year Ended June 30, 2015

Fund Name	Balance July 01, 2014	Contributions	Change in Donor Intent	Investment Income, Net	Realized and Unrealized Gain	Expenditures	Balance June 30, 2015
H. Broughton K2AE	\$ 119,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,551
Wm. R. Goldfarb Memorial	919,064	-	-	-	-	-	919,064
N. TX KB5BNU Nelson Memorial	500	-	-	-	-	-	500
IRARC Memorial, JP Rubino	20,000	-	-	-	-	-	20,000
Dayton Amateur Radio Assoc Scholarship	180,000	-	-	-	-	-	180,000
Morris Radio Club of NJ Scholarship	31,771	-	-	-	-	-	31,771
Ray NORP & Katie WOKTE Pautz Memorial	29,529	-	-	-	-	-	29,529
Ted & Itice Goldthorpe Scholarship	10,000	-	-	-	-	-	10,000
Cebik Estate Scholarship	299,048	-	-	-	-	-	299,048
R&D Streeter Sch.	25,000	-	-	-	-	-	25,000
B Weatherford Sch.	20,250	-	-	-	-	-	20,250
C Clarke Cordle Sch.	25,000	-	-	-	-	-	25,000
Mary Lou Brown Sch.	50,000	-	-	-	-	-	50,000
Ernest & Marcia Baulch Schlrshp	139,912	20,846	(662)	-	-	-	160,096
David Knaus Memorial Sch.	38,000	-	-	-	-	-	38,000
James Cothran Mem. Schlrshp	-	50,388	-	-	-	-	50,388
Wm C. Winscott Mem'l Schlrshp	-	187,532	-	-	-	-	187,532
Total Permanently Restricted Funds	<u>\$ 1,907,625</u>	<u>\$ 258,766</u>	<u>\$ (662)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,165,729</u>

See Independent Auditor's Report.

The ARRL Foundation, Inc.
Restricted Funds Summary
Year Ended June 30, 2014

Fund Name	Balance July 1, 2013	Contributions	Change in Donor Intent	Investment Income, Net	Realized and Unrealized Gain (Loss)	Expenditures	Balance June 30, 2014
Donald Riebhoff Mem Scslshp	\$ 15,811	\$ -	\$ -	\$ 682	\$ (21)	\$ (1,145)	\$ 15,327
General Scholarship	191,271	1,450	(32,690)	7,169	(215)	(9,476)	157,509
J Bieberman Merit Membr Fund	16,688	50	-	765	(24)	(163)	17,316
P and H Grauer Scslshp	58,697	-	-	2,602	(79)	(2,554)	58,666
PF Hadlock Mem Scslshp	1,701	-	-	38	-	(1,006)	733
ARRL Schslshp B Goldwater	43,554	-	-	1,993	(61)	(426)	45,060
VC ClarkYouth Incentive Prog	16,267	80	-	594	(17)	(5,491)	11,433
World Admn Radio Conf Fund	3,202	-	-	146	(4)	(32)	3,312
FR McDaniel Mem Scslshp	21,651	-	-	969	(30)	(706)	21,884
You've Got a Friend in PA	95,871	-	-	4,221	(130)	(4,898)	95,064
Edmond A Metzger Scslshp	12,173	-	-	536	(16)	(615)	12,078
L Phil Wicker Scholarship	67,410	-	-	3,001	(92)	(2,639)	67,680
W Bennett Mem Scslshp	10,792	-	-	472	(15)	(601)	10,648
Dr JL Lawson Mem Scslshp	26,107	-	-	1,154	(36)	(1,246)	25,979
Charles N Fisher Mem Scslshp	61,382	-	-	2,768	(86)	(1,590)	62,474
K2TEO MJ Green Sr Mem	1,913	-	-	69	(1)	(1,014)	967
PHD ARA Scholarships	33,188	1,000	-	1,475	(46)	(1,315)	34,302
Six Meter Club Chicago Scslshp	13,021	500	-	581	(18)	(625)	13,459
New England FEMARA Scslshp	139,652	-	-	6,183	(191)	(6,316)	139,328
Mississippi Scholarship	22,255	-	-	997	(30)	(712)	22,510
T and J Comstock Scslshp	2,890	2,000	-	90	(2)	(2,018)	2,960
IW Cook WA0CGS Scslshp	36,058	-	-	1,608	(49)	(1,343)	36,274
Nemal Electronics Scslshp	196	-	-	12	-	(2)	206
Michael J Flosi Mem Scslshp	674	-	-	32	-	(6)	700
Chicago FM Club Scslshp	2,379	-	-	86	(3)	(518)	1,944
ARRL Scout Handbook Fund	291	-	-	12	-	(2)	301
E "Gene" Sallee Mem Scslshp	1,339	-	-	62	(2)	(13)	1,386
AARC/Toby Cross Scslshp	194	-	-	12	-	(2)	204
Earl I. Anderson Scslshp	184	-	-	12	-	(2)	194
Indiana Digital Exp Scslshp	159	-	-	8	-	(2)	165
Member to Member Matching F	1,534	-	-	49	(1)	(614)	968
Francis Walton Mem Scslshp	1,740	-	-	81	(3)	(17)	1,801
Central Arizona DX Association	2,131	-	-	55	(2)	(1,012)	1,172
Bill Orr W6SAI Tch Writing Awd	64	500	-	3	-	(386)	181
WRTC USA Youth Fund	762	-	-	34	-	(8)	788
NE Strohmeier Mem Scslshp	2,954	-	-	116	(3)	(524)	2,543
YCCC Yankee Clipper Contest	3,904	2,612	-	129	(4)	(1,226)	5,415
Albert H. Hix, W8AH Mem	1,034	-	-	43	(1)	(10)	1,066
Jean R. Cebik Mem Scslshp	47,695	-	(47,695)	-	-	-	-
Carole Streeter Scholarship	27,413	-	-	1,212	(37)	(1,258)	27,330
Louisiana Memorial	4,997	325	-	201	(6)	(793)	4,724
Seth Horen K1LOM Mem Scslshp	507	-	-	2	-	(500)	9
Yasme Foundation Scholarship	6,171	-	-	115	(3)	(4,021)	2,262
Challenge Met Scholarship	1,065	390	-	36	(1)	(508)	982
Bendrickson Scholarship	56,190	-	-	2,489	(77)	(2,530)	56,072
Peoria Area ARC Schlrshp	1,856	-	-	83	(3)	(18)	1,918
Wagner K3OMI	1,154	1,000	-	32	(1)	(1,007)	1,178
Zachary Taylor Stevens Mem	763	-	-	3	-	(750)	16
Misek N8NPX Mem Schlrshp	3	-	-	-	-	-	3
Bill Salerno, W2ONV Mem Schlrshp	28,113	-	-	1,205	(37)	(2,256)	27,025
Porter Scholarship	2,871	-	-	88	(3)	(1,018)	1,938
Magnolia DX Association Sch	1,106	-	-	30	-	(506)	630
Wayne Nelson KB4UT Sch	2,293	-	-	65	(2)	(1,012)	1,344
Orlando Hamcatoon Sch	1,210	2,000	-	29	(1)	(1,011)	2,227
GwinnettAmtr Radio Soc. Schlrsp	5,061	1,000	-	274	(9)	(59)	6,267
Androscoggin Schlrsp	3,522	-	-	120	(4)	(1,024)	2,614
CW OPS Scholarship	671	-	-	32	-	(6)	697
Jackson City AR Schlrsp	552	500	-	24	-	(506)	570
Outdoor Ham Scholarship	3,705	-	-	117	(4)	(1,026)	2,792
Jack Sheldon Mem. Scholarship	1,394	2,000	-	24	-	(904)	2,514
David Knaus Mem. Scholarship	2,466	1,575	-	86	(2)	(1,517)	2,608
ARRL Rocky Mtn	2,546	500	-	110	(4)	(525)	2,627
Southeastern DX Club Schlrsp	619	1,000	-	48	(2)	(511)	1,154
ARRL Northwestern Div. Schl.	4,265	5,172	-	247	(7)	(1,056)	8,621
Bryon Blanchard Mem. Schlrsp	10,160	200	-	447	(13)	(596)	10,198
Indianapolis Am. Radio Assn Schlrsp	1,069	1,050	-	27	(1)	(1,005)	1,140
A & B Watson Mem. Schlrsp	3,517	-	-	139	(4)	(530)	3,122
Jake McClain Schlrsp.	2,024	1,000	-	72	(1)	(1,015)	2,080
Victor D. Poor Schlrsp.	2,548	2,500	-	66	(2)	(2,512)	2,600
Ernest & Marcia Baulch Schlrshp	139,912	-	(139,912)	-	-	-	-
H. Broughton K2AE Scslshp Earnings	48,911	-	-	7,546	(232)	(6,467)	49,758
WR Goldfarb Mem Scslshp Earnings	256,860	-	-	45,519	1,234	(100,235)	203,378
N TX B Nelson Mem Scslshp Earnings	568	-	-	47	(1)	(6)	608
IRARC Mem/JP Rubino Scslshp	1,787	-	-	1,035	(32)	(30)	2,760
Dayton Amateur Radio Assoc Scslshp Earnings	48,177	12,000	-	10,105	(408)	(12,408)	57,466
Morris Radio Club of NJ Schlrshp Earnings	4,362	-	-	1,542	(48)	(1,047)	4,809
Ray NORP & Katie WOKTE Pautz Mem Earnings	4,933	-	-	1,557	47	(1,050)	5,487
Ted & Itice Goldthorpe Sch Earnings	3,827	-	-	532	(16)	(517)	3,826
Cebik Estate Scholarship Earnings	57,889	-	-	13,982	(431)	(15,120)	56,320
R & D Streeter Earnings	141	-	-	1,154	(36)	(8)	1,251
B Weatherford Schslsp Earnings	113	250	-	937	(29)	(8)	1,263
C Clark Cordle Schslshp Earnings	11,550	-	-	1,633	(51)	(1,110)	12,022
Mary Lou Brown Schslshp Earnings	10,511	-	-	2,672	(83)	(2,592)	10,508
Ernest & Marcia Baulch Earnings	-	-	-	4,728	(151)	(21)	4,556
David Knaus Memorial Schslsp Earnings	-	-	-	146	(22)	-	124
Total Temporarily Restricted Funds	\$ 1,728,160	\$ 40,654	\$ (220,297)	\$ 139,417	\$ (1,665)	\$ (220,874)	\$ 1,465,395

The ARRL Foundation, Inc.
Restricted Funds Summary
Year Ended June 30, 2014

Fund Name	Balance July 1, 2013	Contributions	Change in Donor Intent	Investment Income, Net	Realized and Unrealized Gain	Expenditures	Balance June 30, 2014
H. Broughton K2AE	\$ 119,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119,551
Wm. R. Goldfarb Memorial	919,064	-	-	-	-	-	919,064
N. TX KB5BNU Nelson Memorial	500	-	-	-	-	-	500
IRARC Memorial, JP Rubino	20,000	-	-	-	-	-	20,000
Dayton Amateur Radio Assoc Scholarship	180,000	-	-	-	-	-	180,000
Morris Radio Club of NJ Scholarship	31,771	-	-	-	-	-	31,771
Ray N0RP & Katie W0KTE Pautz Memorial	29,529	-	-	-	-	-	29,529
Ted & Itice Goldthorpe Scholarship	10,000	-	-	-	-	-	10,000
Cebik Estate Scholarship	251,353	-	47,695	-	-	-	299,048
R&D Streeter Sch.	25,000	-	-	-	-	-	25,000
B Weatherford Sch.	20,250	-	-	-	-	-	20,250
C Clarke Cordle Sch.	25,000	-	-	-	-	-	25,000
Mary Lou Brown Sch.	50,000	-	-	-	-	-	50,000
Ernest & Marcia Baulch Schlrshp	-	-	139,912	-	-	-	139,912
David Knaus Memorial Sch.	-	38,000	-	-	-	-	38,000
Total Permanently Restricted Funds	<u>\$ 1,682,018</u>	<u>\$ 38,000</u>	<u>\$ 187,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,907,625</u>

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