

American Radio Relay League



Annual Report

2007

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About the Cover:

From a simple dipole antenna made with little more than a wire draped over a tree branch to satellite tracking, computer guided dishes, Amateur Radio operators enjoy one of the last remaining places in the electromagnetic spectrum where an individual can send their own signal around the world. New hams discover the “magic of radio” each time they realize that it is their own station that is making that contact with a new friend— not a corporation or some inscrutable network. There is nothing between hams but air and a burning desire to explore new horizons.



A Message from ARRL's President

"There is a reason your rear view mirror is much smaller than your windshield." It indicates where your attention should focus. You cannot, however, successfully move forward without knowledge of history.

We ended 2006 on a very high note. ARRL was successful in moving the FCC to act on WT Dockets 04-140 and 05-235 and we were ready to take Amateur Radio to the next level with a new influx of HF licensees.

As it played out, 2007 was a great year for ARRL and Amateur Radio. We experienced growth in the Amateur Service, growth in ARRL membership, the League is in good fiscal shape and hams are excited about getting on the air. Our headquarters staff is more excited and pumped about our mission than I've ever seen and that enthusiasm is being reflected in our membership numbers.

I'm always amazed when I look back in ARRL history. Some of the things we are dealing with today that seem like a "new issue" really aren't that new at all. For decades, the League has continued to grow and promote Amateur Radio. In the trials of yesterday, we remained focused on our mission. If we had lost that horizon, our focus would have shifted from the promotion and growth of the Amateur Radio Service into the sands of meaningless debates that would have led to self destruction. In today's trials, our focus must remain the same—the promotion and growth of the Amateur Radio Service. In doing so, we will move forward.

During the past year, I've made it a point to listen in and note on-air conversations and how many of the stations are League members. I listened to rag chews on all the bands, I listened to nets, DX contacts, contest QSOs, 2 meter repeaters and even a number of AM QSOs. I listened to people that still enjoyed calling CQ and making an unarranged QSO, I heard stations comment they had just gotten back on the air after being off for a period of time, and I heard stations tinkering and testing their latest "gadget" purchase. Over the year I recorded 1,302 callsigns from QSOs and then cross-checked to see how many were League members. We have always held the position that the vast majority of *active* hams are ARRL members. Of the 1302 callsigns I recorded, 1054 were ARRL members. That is a whopping 81% that were ARRL members.

Today, ARRL disseminates more information to more members than ever before. Aside from the ARRLWeb, weekly newsletters are sent out electronically to many groups. We have the *ARES E-Letter*, the *Contest Rate Sheet* and the *ARRL Letter*, *QST*, *QEX* and *NCJ* as well as annual proceedings from many specialty conferences held throughout the year. Not only are active Amateur Radio operators predominantly ARRL members, the ARRL is also seen by them as *the* primary source for accurate information about the Amateur Radio Service in all its forms.

It is a known fact that on-the-air activity increases significantly as the band conditions improve, and active hams become ARRL members! We have more HF licensees now and we are recruiting 30,000 more in 2008. All this is part of our effort to move forward and a huge part of it comes from our Board perspective as written in our strategic plan.

We are aware that most hams simply want to be able to walk into their shack whenever they have the opportunity, turn on their radio, get on the air and enjoy the time. They don't really understand or care about all the work that makes that possible. They support ARRL and leave the details to us. That is a great responsibility and trust, but it is one we are committed to fulfilling. That is our focus, still looking down the road and not just in the rear view mirror, yesterday, today and tomorrow.

Joel Harrison, W5ZN
President



Annual Report of the Chief Executive Officer for 2007

To The Board of Directors of The American Radio Relay League

For the ARRL, 2007 was a year of change and growth. As a result it was a very busy year for both volunteers and staff.

We ended the year with 153,535 members, a 3.3% increase over the previous year and our best result on the membership front since 1993. This reflects increased interest in Amateur Radio licensing and operating brought about by the FCC's decision to drop the Morse code requirement for all classes of amateur license. Upgrades to General and Amateur Extra went up dramatically and there was a significant, if somewhat less dramatic, increase in first-time licensees as well.

New licenses do not automatically lead to greater activity, because obtaining a license is not the principal barrier to entry into Amateur Radio. Unless one is content with a handheld VHF/UHF transceiver, setting up and learning how to use a station is far more difficult. Without personal attention and assistance, many if not most newcomers will get bored or give up before they ever experience their first "wow!" moment on the air.

Therefore, the mentoring of newcomers by a friendly, welcoming and supportive community of experienced amateurs is an essential part of "service after the sale." It's what turns license-holders into active, lifelong radio amateurs. It's what will ensure our success as a radio service and as a national and community resource for public service communications. The ARRL and its 2,100 affiliated clubs are working to meet the challenge.

How are we doing? The initial signs are encouraging. Despite the dearth of sun-spots and the resulting near-absence of propagation on the higher shortwave bands, on-the-air activity is brisk. When told to be patient because better times are coming, newcomers often say that they're having a terrific time already!

For Amateur Radio to exist, worthwhile access to the radio spectrum is absolutely essential. Preserving and expanding that access is a core mission of the ARRL, working directly as well as through support of the International Amateur Radio Union (IARU).

Every three or four years the International Telecommunication Union (ITU) holds a World Radiocommunication Conference (WRC) with an extensive agenda of potential changes to the international Radio Regulations. WRC-07 was held in Geneva over a four-week period in October and November. Improvements in our high frequency (HF) allocations did not materialize owing to a strong "no change" position adopted by many administrations in response to proposals for expanded allocations to shortwave broadcasting, but we managed to hold onto our existing HF allocations including the perennially embattled 7-MHz band. The amateur service did gain its first access to the low frequency (LF) range through a secondary allocation at 135.7-137.8 kHz, and a possible secondary allocation near 500 kHz is on the agenda for 2011. We had the privilege of welcoming ITU Secretary-General Dr. Hamadou Touré, HB9EHT, to the Amateur Radio community at a dinner sponsored by the International Amateur Radio Club, 4U1ITU; Dr. Touré earned his license by passing the Swiss examination.

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Access to the radio spectrum is necessary but not sufficient; the ability to transmit would mean little if there was so much interference that we could not hear one another. This is why the ARRL has fought so hard for adequate protection from interference by broadband over power line (BPL) systems. It is unconscionable that a priceless natural resource—the portion of the radio frequency spectrum that supports worldwide ionospheric communication—should be squandered by allowing it to be polluted by unnecessary radiation from unshielded power lines when there are better ways of delivering broadband services to consumers. Our appeal of the FCC's inadequate BPL rules was heard by the US Court of Appeals for the District of Columbia Circuit on October 23, 2007; a decision is expected in 2008. On a brighter note, the BPL industry now realizes that avoiding interference to radio amateurs is essential to its success and has engineered this capability into its second generation of products.

The future health of our organization and of Amateur Radio itself depends on how well we adapt to new circumstances arising from changes that, although some of them began earlier, certainly accelerated this year. In the coming year, we—the volunteers and staff of *the* national association for Amateur Radio—will look for ways to build upon this momentum.

David Sumner, K1ZZ
Chief Executive Officer

The Year in Review

ARRL Membership: a growing legacy

50 years ago, there were fewer than 90,000 ARRL members. In 2007, ARRL achieved the highest rate of membership growth since 1993. By year-end, there were 153,535 ARRL members—a single year increase of 3.3%. We attribute this growth to a combination of events and activities. Among these, license restructuring dramatically increased new licensees, thereby increasing the pool of membership prospects. In this period of growth, ARRL upheld its commitment and mission as *the* leading representative of active radio amateurs.

Throughout the year, ARRL reached out to every new ham in the United States with free resources to help them get started, to get on the air, and to encourage them to become ARRL members. ARRL mailed each newcomer the *Ham Express 411* guide. In its first year, thousands of new hams used the guide to find products, services, hints and tips, and to make decisions about selecting equipment. Over 2,000 new hams responded to these mailings by joining ARRL in 2007.

The benefits of membership

At ARRL, our goal is to continually increase the value of ARRL to its members. In 2007, we:

- Showcased ARRL at two major Amateur Radio conventions. Dayton Hamvention® (Ohio) and the Huntsville Hamfest (Alabama) were hosts to ARRL EXPO—where thousands of radio amateurs networked among the exhibition of ARRL programs, services and representatives.
- Introduced a group auto and home insurance benefit. Our MetLife® Group Insurance Discount Program is one more reason it pays to be a member of ARRL. The program also includes a banking benefit with consistent high interest rates for a variety of savings products including money market accounts, CDs and IRAs.
- Delivered new membership cards to tens of thousands of renewing members. Carrying the card means you have quick access to ARRL member services and benefits such as the Technical Information Service and VEC. It's just another way our proud members can show off their commitment to ARRL and Amateur Radio!

For a complete list of ARRL membership benefits, please visit www.arrl.org/benefits.



Section Manager Greg Sarratt, W4OZK, with Membership Manager Katie Breen, W1KRB, show off the benefits of ARRL membership.



Displaying our products at hamfests, ARRL is seen as the primary source for help at every stage of becoming a ham radio operator, upgrading your license class and setting up your own radio station.



ARRL Information Products

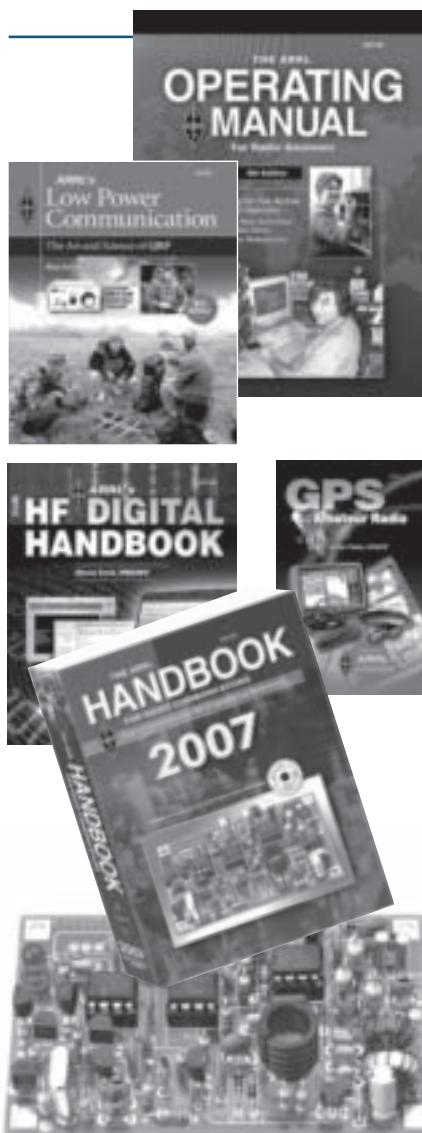
ARRL achieved \$3.26 million in product sales by the end of December 2007—a 12% increase over 2006, and representing a banner year. Our customer service and fulfillment teams experienced unprecedented levels of activity following license restructuring. Our staff responded to this high volume of sales by finding new efficiencies in processing and administration, while maintaining the highest levels of service which our members and customers have come to expect.

ARRL is on the leading edge of all Amateur Radio publishing, producing books, software, online courses and other resources to keep radio amateurs in the know about:

- experimenting
- operating
- licensing
- education and training

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Among the new ARRL publications introduced in 2007 were the eighty-fifth edition of *The ARRL Handbook for Radio Communications*, the twenty-first edition of *The ARRL Antenna Book*, the ninth edition of *The ARRL Operating Manual for Radio Amateurs*, and the fourth edition of ARRL's *HF Digital Handbook* by Steve Ford, WB8IMY. In the fall, we collaborated with MFJ Enterprises to offer a radio kit with the new third edition of ARRL's *Low Power Communication* by Rich Arland, W3OSS, giving readers a first-hand experience at project-building and operating. The book-with-kit bundle meets an important ARRL goal for developing active radio amateurs.

ARRL Offers the Latest in Amateur Radio News

The ARRL Letter

Sent at no charge via e-mail 50 times each year to the approximately 66,000 ARRL members who elect to receive it, *The ARRL Letter* is the standard bearer for current Amateur Radio news. *The Letter* offers a thorough overview of the latest news of importance to ARRL members in particular and to the Amateur Radio community in general. Since June 2007, *The Letter* has expanded its coverage of ARRL news and activities, including ARRL operating events and organizational news. Other Amateur Radio news outlets often cite *The ARRL Letter* in their own reports.

Breaking, Current News on the ARRL Web Site

The ARRL Web home page features a "news crawl"—continually updated news of interest to the Amateur Radio community. The site attracts approximately 400,000 unique visitors each month; "page views" range from around 200,000 to 250,000 per day. Ranked by page views, Amateur Radio news is the most-visited area. A monthly digest, "ARRL in Action," summarizes the previous month's ARRL activities.

Amateur Radio News in *QST*

Each month, *QST*, the ARRL's flagship publication and membership journal, features a variety of news. The monthly "Happenings" column includes an overall news summary, while other departments, including "This Just In," "Public Service," "Amateur Radio World," "How's DX?" "Eclectic Technology" and "Exam Info," focus on special-interest news. Feature articles convey news of major events, such as the biannual meetings of the ARRL Board of Directors.

The ARRL Audio News Webcast/Podcast

The weekly ARRL Audio News provides a digest of top news in radio newscast format for airing on repeaters and nets. This service is available from the ARRL Web site as well as via telephone. Almost 250 repeaters and other Amateur Radio outlets in the US and around the globe reported that they were airing our ARRL Audio News in full or in part. The League also makes ARRL Audio News available as a podcast (for downloading to an MP3 player)—a service members indicated they want and enjoy.

ARRL/W1AW Bulletins

News staff also prepares a full menu of general and special interest bulletins, including regular information about DX, satellites and Keplerian elements, propagation and news bulletins. ARRL/W1AW bulletins are transmitted over the air every weekday (except holidays) from the Hiram Percy Maxim Memorial Station, W1AW, and are distributed via e-mail to ARRL members who subscribe.



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Amateur Radio: A National Resource

Periodicals

Aside from the many books, CDs and other material the ARRL publishes each year are its three periodicals, *QST*, *QEX* and *NCJ*.

QST

Several design and editorial improvements helped keep *QST*, as the ARRL membership journal, fresh and interesting. A new column, "Hamspeak," consists of a glossary of terms that appear in articles and columns elsewhere in the issue. In addition, we freshened the look of several existing columns as well as the popular Workbench section. Among the several special issues published during the year was the focus on Emergency Communications in the September issue.

A reader survey gave the editors a clearer understanding of members' preferences. Late in the year, plans were well along to redesign and reposition the "Radiosport" section of the magazine. The changes were to be effective with the February 2008 issue.

QEX

The Forum for Communications Experimenters, *QEX* is published 6 times a year. In July, Larry Wolfgang, WR1B, was named *QEX* Editor to take over from Doug Smith, KF6DX, who had served in that capacity since 1998. *QEX* continues to provide the premier technical content Amateur Radio operators worldwide have come to expect. We are actively encouraging new authors to write for *QEX*, as well as identifying the best technical projects and theoretical content for the magazine.

Late in the year, a team of graphics, advertising production and editorial staff developed a completely new look for *QEX*, both inside and out. That new look debuted with the Jan/Feb 2008 issue.

To improve delivery to our overseas subscribers, copies are now being sent by airmail.

NCJ

After 5 years as editor of the *National Contest Journal*, Carl Luetzelschwab, K9LA, passed the torch to Al Dewey, K0AD, beginning with the Jan/Feb 2008 issue. Al is committed to retaining the high caliber of articles in *NCJ*, including articles on high performance antennas and contest station design. The *NCJ*-sponsored NA QSO Parties and NA Sprints are alive and well and will continue to be reported in *NCJ*.

W1AW

In February, HQ staff and visitors operated W1AW in the "Welcome To HF" operating event. 806 contacts were made on 160 to 2 meters using CW and SSB. As part of the *Welcome to HF* and *Field Day* operating events, videos, stills and notes/messages were uploaded to the ARRL blogs to the delight of many members.

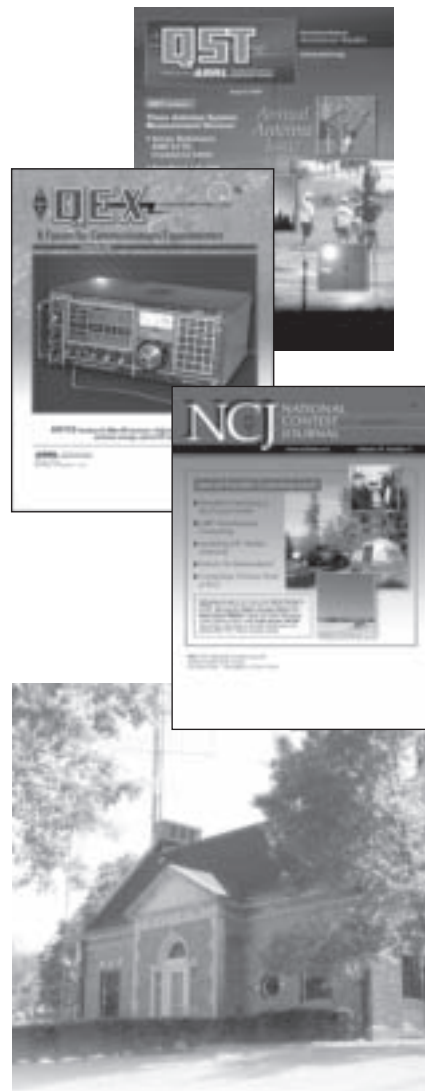
W1AW participated in the following operating events in 2007:

- North American QSO Party
- North American RTTY QSO Party
- ARRL International DX SSB contest
- New England QSO Party

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W1AW Station Manager, Joe Garcia, NJ1Q



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



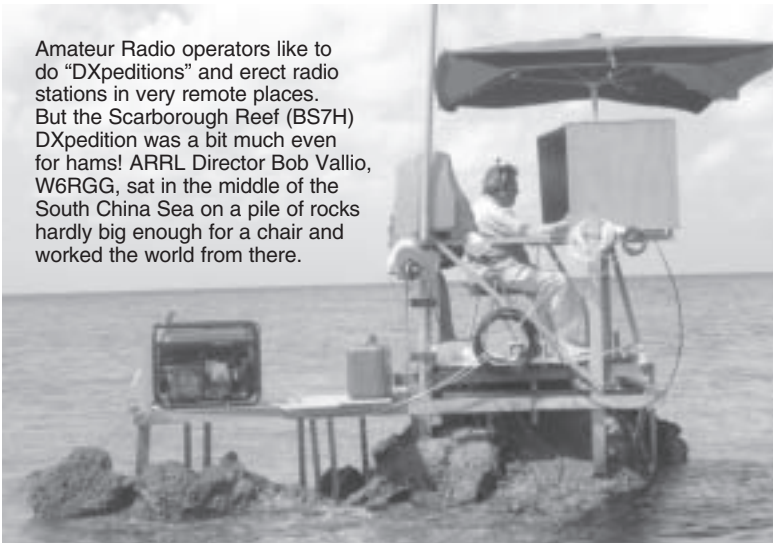
ARRL Chief Operating Officer, Harold Kramer, WJ1B, operating at W1AW.



"Kids Day" celebrations are always enjoyed by Amateur Radio operators and future hams-to-be as children of all ages wonder at the magic of radio.



Amateur Radio operators like to do "DXpeditions" and erect radio stations in very remote places. But the Scarborough Reef (BS7H) DXpedition was a bit much even for hams! ARRL Director Bob Vallio, W6RGG, sat in the middle of the South China Sea on a pile of rocks hardly big enough for a chair and worked the world from there.



- ARRL Field Day
- October Jamboree On The Air event
- ARRL November Phone Sweepstakes
- ARRL 160 Meter Contest
- W1AW was a *Lurker* station in the 2007 October *PropNET* exercise

The W1AW callsign also was used from a variety of locations in 2007:

- W1AW/7—2007 ARRL Northwestern Division Convention—Oregon
- W1AW/4—2007 IARU HF World Championship—North Carolina
- W1AW/4—2007 ARRL National Convention—Alabama
- W1AW/6—2007 ARRL Southwestern Division Convention—California
- W1AW/0—2007 ARRL Midwest Division Convention—Missouri

Other:

The IEEE gave an award to the ARRL in recognition of the ARRL's continued support of the IEEE's Connecticut Chapter. W1AW was included in this recognition.

The 2007 W1AW Frequency Measuring Test was conducted on November 14 at 9:45 PM EST. As with the 2006 FMT, there was also a West Coast test conducted just after the W1AW test. Participants in both tests used, for the first time, an online entry form that allowed the results to be compiled much faster and for them to be readily available for viewing.

W1AW holds the Army MARS callsign AAN1ARL and is currently active in the D-Star community (using the *W1XU-x* D-Star repeater system) using the callsign W1HQ.

Biweekly updates to the W1AW Web Code Practice files continue. This includes archived files for past Web practice sessions.

All contacts made with W1AW are being uploaded to Logbook of The World (LoTW) on a weekly basis.

Awards and Operating

ARRL operating awards programs have a long and honored position among Amateur Radio operators around the world. Despite another year without many sunspots to spark the ionosphere, interest in awards chasing is increasing. Participation in the DX Century Club (DXCC) is up more than 1,000 applications over 2006, and is the highest it has been since 2001 when the last solar cycle peaked. Much of the interest in DXCC and ARRL's Worked All States (WAS) award can be attributed to the strong use and performance of ARRL's Logbook of The World (LoTW) online QSO confirmation system, which links directly into those two awards. More than 150 million contacts have been loaded by users into LoTW! Meanwhile, the art of QSLing with traditional cards has not diminished with more than 1,000,000 QSLs sent from ARRL HQ around the world in 2007.

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Amateur Radio: A National Resource

ARRL Field Organization / Public Service

In the summer of 2007, a much anticipated step was taken with the fulfillment of a staff position to manage the emergency preparedness, response and communications needs of the League. Dennis Dura, K2DCD, was selected to fulfill this role. He will oversee the Amateur Radio Emergency Service program, developing plans and protocols to respond to disaster events, establishing closer working relationships with governmental and non-governmental organizations and moving the EmComm capabilities of the ARRL to a much higher level of professionalism.

The Field Organization/Public Service Team at Headquarters maintained contact with ARRL Field Organization and Section Leaders in disaster stricken areas when winter or spring storms and flooding or wildfires created havoc in different parts of the country. ARES®, SKYWARN, RACES and SATERN were among the Amateur Radio emergency service groups and individuals that responded to these emergency situations. ARRL was a national coalition member of National Preparedness Month (sponsored by the US Department of Homeland Security) in September, and co-sponsored SKYWARN Recognition Day with the National Weather Service in December.

ARRL Headquarters supported the Field Organization and its leaders in a variety of ways. We administered six Section Manager elections throughout the year, conducted a workshop in Newington for new Section Managers in October, and began hosting monthly teleconferences with small groups of Section Managers.

Affiliated Club Activity

There are currently 2097 clubs that are affiliated with ARRL, a net increase of 57 as compared to the same time last year. Of these clubs, 180 are designated as Special Service Clubs. These clubs provide programs and services that go the extra mile to promote Amateur Radio and community service. A snapshot of affiliated club activities:

- 1790 are general interest;
- 844 offer mentoring;
- 1731 highlight emergency communications;
- 587 indicate that they sponsor a hamfest;
- 1296 offer entry level licensing classes;
- 979 offer General or higher level classes.

ARRL Lab Provides Technical Support

The ARRL Laboratory has continued to serve as a major technical resource in the ARRL's defense of spectrum. As was the case in 2006, most of this work centered around broadband over power lines (BPL). Many of the utilities involved in BPL trials have chosen not to deploy BPL, primarily for economic reasons. There are notable exceptions, however, with Oncor deploying BPL for utility applications in the Dallas, Texas area, and IBEC implementing a number of systems, primarily to rural electric cooperatives. At this time, most of the BPL

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In an emergency, people "sink to the level of their training," and hams train hard by practicing emergency communications procedures while aiding communities in parades, marathons and other special events.



The fourth full weekend in June is "Field Day" when Amateur Radio operators across the country erect temporary stations without commercial electric power and practice emergency procedures.

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"A line is not a point." ARRL lab technicians test real-world interference from Broadband over Power Line (BPL) installations and find that the calculations assuming a single point source for potential interference don't match the actual results. The whole electric line radiates energy and it goes out much farther than claimed by BPL proponents.

manufacturers are not using the amateur bands in their deployments and have sufficient filtering to prevent widespread interference to Amateur Radio. The current regulations and industry standards don't reflect this successful model, however, so there is no certainty that what is working today will continue to work if BPL were to expand significantly.

The Lab has also been an important part of ARRL's efforts to work cooperatively with industry on electromagnetic compatibility (EMC). Ed Hare continues to serve on the IEEE EMC Society's Standards Development Committee as Secretary, the P1775 BPL EMC Working Group, the ANSI accredited C63™ EMC standards committee and other industry groups addressing all types of EMC issues. This contact with mainstream industry and technology as an active participant helps ensure that Amateur Radio continues to provide a respected resource to our technical society.

Mike Gruber, W1MG, ARRL's RFI engineer, helps amateurs across the country address power-line noise and other RFI problems. Mike manages ARRL's cooperative program with the FCC, helping the FCC target its RFI-related enforcement activities more efficiently by working directly with amateurs and electric utilities to solve many power-line noise problems. This year, there were several important milestones achieved in this program, with electric utilities in Florida and Texas receiving FCC Citations for failure to correct powerline interference.

ARRL members looked to the Technical Information Service (TIS) for help with a wide variety of issues. Under the leadership of Zack Lau, W1VT, ARRL's Senior Laboratory Engineer, TIS staff provided assistance via telephone and e-mail, and also directed members to an impressive collection of online resources.

Mike Tracy, KC1SX, ARRL's test engineer, put 26 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. New test data and an explanatory sidebar for blocking gain compression, receiver two-tone IMD, equivalent rectangular bandwidth and noise figure were introduced in the October issue of *QST*.



...a Force for
a Bright Future!



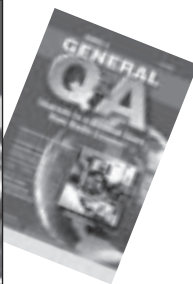
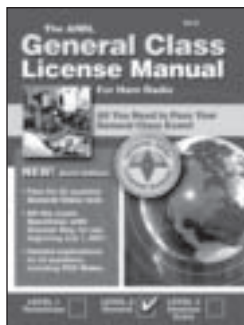
ARRL Education

Licensing and Instruction

The 2007 rules changes by the FCC generated increased interest in classes for licensing instruction at the introductory Technician level, as well as for the higher license levels that formerly required a Morse code test. There was also a strong interest in licensing from the emergency response sector.

Reports from the field indicate that licensing instruction is being adapted to the demands of emergency responders and fire, health and safety employers that want their employees licensed. Intensive courses to license these workers are in demand. The challenge is to produce new licensees who also have solid operating skills.

This increased interest in licensing has created a need for more support materials for licensing instruction. In response, a new *Tech/General Instructors Manual*, developed by Mark Spencer, WA8SME, is in the final stages of layout for publication and release in early 2008. The *ARRL General Class License Manual* was published to coordinate with the release of a new General Class License question pool that became effective July 1, 2007. The new manual, written by Ward Silver, NØAX, was reorganized using the same approach implemented in 2006 with the Technician class manual. As with the Technician manual, the new



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General Class Manual is supported by a Web site that offers students a study guide and a wealth of other resources to support their study of the licensing material.

The Continuing Education Program saw a 10.6% decline in online course enrollments in 2007 compared to 2006, including a decline in enrollments for the Emergency Communications courses. However, enrollments in the new Technician License course, introduced early in the year, made up for a good part of the decline and has been successfully marketed in a bundled package with a year of membership with ARRL and a copy of the *Ham Radio License Manual*.

Educational Outreach

Education & Technology Program

We conducted four sessions of our donor-funded professional development workshop, the Teachers Institute on Wireless Technology, during the summer of 2007. Teachers Institute participants came from 22 different states and represented 44 schools. They came from a broad range of backgrounds and contexts: student teachers, pre-school, elementary, middle, secondary, college and university, and school administrators. Forty-one percent of the non-ham participants took exams and became hams. Mark Spencer, WA8SME, ETP Program Manager, continues to develop new curricula for the program including instruction that will integrate Amateur TV and a radio telescope.

In addition, grant applications for station equipment, software and curriculum support materials totaling approximately \$24,000 were approved to provide resources for 19 schools exploring Amateur Radio as a part of their classroom curriculum.

Amateur Radio on the International Space Station (ARISS)

With the end of 2007, the European *Columbus* module is sitting on the launch pad awaiting flight aboard *Atlantis* to the ISS with two ham antennas. Once launched, we will have two ISS modules with Amateur Radio. Even with a busy year of construction, the ISS crew still managed to perform an unprecedented number of school contacts. In 2007, the ARISS team contacted 74 schools via Amateur Radio, almost double the average number in past years. Largely due to Astronaut Clay Anderson's (KD5PLA) personal effort, 39 ARISS contacts were made during Expedition 15, the highest total of contacts during an ISS Expedition. To keep things in perspective, it's important to know that 99% of all proposed ISS payloads do not win approval to fly on the ISS. The Amateur Radio community, the ARISS program and its sponsors, ARRL and AMSAT, and the target audience, our students and teachers, have been very lucky to have had such major participation by crews and commitment from NASA in support of ARISS QSOs.

The educational impact of our operations is truly something of which we should be proud. Over 250 million people around the world were tied into various contacts, with over 15,000 students being directly touched by the events. In 2007, the program also enjoyed fresh energy contributed by new ARISS Canadian delegates to the team, Daniel Lamoureux, VE2KA (one of our IARU participants), and Stefan Wagener, VE4NSA/KC8NSA, and from Mark Severance, N5XWF, from Johnson Space Center's ISS Program Office, plus a record number of new ARRL member volunteers doing outreach and supporting these radio contacts.

ARRL VEC

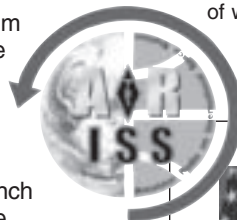
ARRL VEC is by far the largest of the 14 Volunteer Examiner Coordinator (VEC) groups in the country, coordinating approximately 71% of all Amateur Radio exams.

2007 was an extraordinary year for the VEC Department. The FCC rules changes created an increase in demand for VEC test sessions. Attendance at test sessions

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Mark Spencer, WA8SME, enjoys showing school teachers new ways to instruct students in the wonders of wireless technologies.



Astronaut Clay Anderson, KD5PLA

2007 was an extraordinary year for the VEC Department. The FCC's elimination of the Morse code exam created a heightened interest in Amateur Radio and an increased demand for VEC test sessions.



From the smallest stations to the largest, the hands-on learning done by hams serves them well in both their hobby and careers in wireless communications.



Mike Barrett of US Army MARS and ARRL Media and Public Relations Manager Allen Pitts, W1AGP, chat with US Congressman Mike Ross, WD5DVR, in Washington.

ARRL Vice Director, Tom Abernethy, W3TOM (Atlantic Division)—proudly flies the ARRL's "When all else fails" banner at an emergency powered station set up on the Capitol grounds in Washington.



nearly doubled that of recent years, with a greater interest in upgrading. Despite the hectic pace, the VEC Department kept up with the heavy license upgrade traffic by adding personnel and working extended hours.

In 2007, upgrades to General increased by 448% and upgrades to Extra increased by 97% over previous years. New Techs have increased by 19% this year, new General class licenses have increased by 327% and new Extras by 121%.

ARRL VEC recorded a 66% increase in test applicants served over the previous year. In 2007, 44,027 applicants were served at 6,439 sessions.

ARRL VEC continues to participate as a member of the National Conference of VEC's Question Pool Committee. The four-member committee prepared a revised Extra class question pool (Element 4) for examination use by the Amateur Community beginning July 1, 2008.

As one of three FCC-authorized Club Station Call Sign Administrators, the ARRL VEC processed and transmitted over 989 club licenses for the FCC. ARRL VEC is also one of five FCC-authorized 1 by 1 Special Event Call Sign Coordinators and has processed nearly 90% of the 4,800 Special Events authorized and documented in the NCVEC 1 by 1 database since the program's inception in September 1997. Additionally, ARRL has issued or renewed 989 International Amateur Radio Permits (IARPs) since the program was established in June 1999. IARPs provide instant operating authority to US amateurs when they travel to participating Central and South American countries.

ARRL VEC debuted the VE Honor Roll in September 2007 *QST*. The Honor Roll recognizes the top 25 ARRL VEs according to the total number of exam sessions they have participated in since their accreditation. It will run quarterly in September, December, March and June.

In November 2007, ARRL VEC launched a Club license renewal notification service. This renewal service provides clubs with FCC license renewal notification and instruction.

Advocacy

Our advocacy effort in Washington continues to be focused around working with key Congressional representatives that serve on the House Energy & Commerce Committee, the group that will be tasked with taking initial action on our bill, HR462, the Emergency Amateur Radio Interference Protection Act. To date, we have been successful in increasing the number of co-sponsors and raising the level of understanding of HR462, and its Senate counterpart, S1629, thanks primarily to letters of support from our grassroots effort as a preliminary or follow up to in-person meetings by Chwat & Co.

A "Garden Party" of Amateur Radio was held on October 3 in Washington, DC. Stuart S. Carter, Chief of Army MARS, invited Amateur Radio representatives to join a MARS demo outside the Capitol building. This was done with help from Tricia Russell, Legislative Aide to Rep Steve Israel, and Laura Abshire, Legislative Aide to Rep Mike Ross, WD5DVR, with coordination of the myriad details by "Pudge" Forrester, W4LTX, Systems Administrator for Rep Roscoe Bartlett.

FCC — The Federal Communications Commission

Three major activities occurred in 2007 that showed the strength of our relationship and need for continuing close relations with the FCC and its personnel.



Annual Report

Amateur Radio: A National Resource

In February 2007, the long-awaited removal of Morse code proficiency as a licensing requirement took effect for all Amateur Radio license classes. This led to an immediate increase in both the number of people seeking to earn an Amateur Radio license and an overwhelming wave of amateur operators who upgraded their licenses to a higher class.

The retasking of military PAVE PAWS radar systems in both Massachusetts and California caused the systems to become sensitive to Amateur Radio activity on the 440 MHz band where we are secondary users. Working cooperatively with the Department of Defense and FCC, the ARRL began aiding repeater owners in the affected areas seeking ways to mitigate the interference problem reported by the Department of Defense. This work is ongoing.

The League asked the US Court of Appeals-DC Circuit to review certain aspects of the Part 15 BPL (broadband over power lines) rules, specifically §15.611(c) (1)(iii), which sets a lower standard of protection for licensed mobile stations in any radio service, including public safety, that may receive BPL interference. This issue remains unresolved at the close of 2007. The League's *Petition for Review* asserts that the BPL rules "exceed the Commission's jurisdiction and authority; are contrary to the Communications Act of 1934; and are arbitrary, capricious, an abuse of discretion and otherwise not in accordance with law."

International Telecommunication Union (ITU)

WRC-07 is now history and WRC-11 is in the planning stages. At first glance, other than a possible new band around 500 kHz on the agenda for WRC-11, it doesn't appear there will be any major agenda items impacting Amateur Radio. The past two WRCs have been quite intense in preparation and execution of plans that are about to be realized worldwide. In 2009, broadcast stations are to vacate 7100-7200 kHz. A worldwide, primary amateur allocation will exist, and we still have access to 7200-7300 kHz here in IARU Region 2, which encompasses North and South America.

International Amateur Radio Union (IARU)

Founded in 1925, the IARU is a worldwide federation of national Amateur Radio societies with members in 159 countries and separate territories, broken down into three Regions. The IARU is very active in the International Telecommunication Union (ITU) and a team of IARU observers attended the World Radiocommunication Conference '07 in Geneva, Switzerland. ARRL is a founding member of IARU, the international Secretariat and a member of Regions 2 and 3. Rod Stafford, W6ROD, is the ARRL International Affairs Vice President and serves on the IARU Region 2 Executive Committee.

Regulatory Information Branch

2007 was a year in which the Amateur Service witnessed plenty of action in the areas of regulatory rules and ordinances. On February 23, 2007 the FCC rules changes became effective (Docket 05-235). Another change was the "Omnibus" Report and Order for Docket 04-14, which, among other things, refarmed operating frequencies for all classes of FCC licensees. A large part of 2007 was spent revising and updating materials for ARRL members and non-members alike.

Also in 2007, ARRL Regulatory Information Manager Dan Henderson, N1ND, served as the point of contact between Department of Defense officials and Amateur Radio 70 cm repeater owners for the resolution of the PAVE PAWS radar interference problems in California and Massachusetts. The ARRL held the primary goal of protecting amateur access to this band while meeting our responsibility as a secondary user by eliminating harmful interference to these national defense radars.

We continue to work closely with the FCC Enforcement Division on a wide range of interference issues and remain the primary resource to which the FCC directs amateurs with basic inquiries on rules and regulations.

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A Pave Paws military radar antenna is actually about 5 stories high and uses the same 70 cm frequencies as Amateur Radio. ARRL has worked to eliminate interference issues while minimizing restrictions on hams.



For the last nine months of 2007, ARRL Regulatory Information Manager Dan Henderson, N1ND, served as the principal point of contact with US Department of Defense officials and Amateur Radio 70 cm repeater owners on the PAVE PAWS radar interference problems in California and Massachusetts.



Cliff Segar, KD4GT, had an unused billboard on his property that borders Interstate 40 in Tennessee. Now the billboard is put to good use promoting Amateur Radio.



President George W. Bush sent ARRL his "greetings to all those celebrating 100 years of voices over the airwaves." He praised Amateur Radio operators for emergency communications, stating: "Your good work strengthens our security and represents the American spirit."



Antenna zoning and covenant queries continue to be major concerns. We assist amateurs across the nation in interpreting PRB-1 (FCC limited preemption of local ordinances) and CC&R (restrictions on local, private land use) issues. We also worked towards improving the Volunteer Counsel and Volunteer Consulting Engineer programs, making them a valuable resource to those amateurs facing local antenna restrictions. Thanks to the efforts of our volunteers, three states were added to those that have incorporated PRB-1 type protections for Amateur Radio into their statutes, bringing the total to 25.

Finally during 2007, the Regulatory Information Manager has become active as the staff liaison for the ARRL Legislative Action program. A reflector has been established that will enable the Division Legislative Action Coordinators to maintain communication on common issues.

Public Relations

One of the tenets of ARRL public relations is the promotion of not just ARRL, but of *all* Amateur Radio in what we do. This tradition is neither new, nor even ours. It has been inherited from past generations and begun by our founder, Hiram Percy Maxim himself. This fundamental belief, that by working for the good of all we raise ourselves to a higher plane, is rare in non-profit organizations if not unique.

2007 saw the second of three planned master campaigns for Amateur Radio, this one based on Amateur Radio's emergency communications services. While there was not a national communications crisis such as in Hurricane Katrina, the campaign garnered far more than the expected share of regional and national media.

- With initial aid from the Dayton Amateur Radio Association, over 220,000 copies of the Emergency Radio brochures were needed to meet demands of members placing them before the public.
- Print, radio and television articles warned people about the fragility of modern communications and ended with the praise of Amateur Radio as the fail-safe option. There was even an unexpected billboard and a suite of seven audio public service announcements for broadcast radio.
- "Talk on a Disk"—1000 special CDs with everything needed to make a group presentation about Amateur Radio EmComm actions—was an overwhelming success and "sold out" quickly.
- The message was driven home by the volunteer work of Dan McMonigle of Comcast and his placements of our video public service announcements in the New York-Philadelphia-Washington corridor. They are still bringing in positive comments.
- The message was convincingly illustrated in the Oregon storms at the end of the year with high praise from media and the comments of their Governor.
- The PR e-mail reflector remains a major source for current information with over 447 subscribers including Public Information Officers and professional media people.
- Over 1,000 copies of the 2007 "Swiss Army Knife for Public Information Officers" CD were requested
- Hits on the special PR Web sites remain high, averaging over 600,000 per month.

The efforts to forge much closer relationships between the PIOs and ARES leaders have already had positive results in those areas that implemented the plan. This, in turn, has provided not only more coverage of ARES activities but also higher quality reporting.

Annual Report

Amateur Radio: A National Resource



ARRL Development in 2007

Overall results for Development in 2007 were the strongest in several years. The key contribution area of Spectrum Defense ended the year close to its goal, while the Diamond Club and Education & Technology Program funding exceeded ambitious revenue targets. In 2007 Development once again ended the year with expenses under plan. The ARRL Officers and Directors achieved 100% participation as donors to ARRL Development Programs for the third straight year.

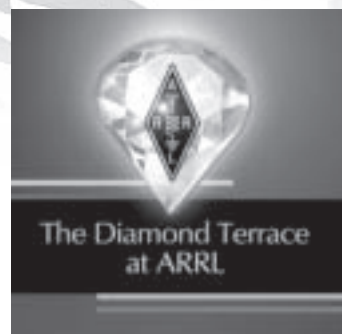
Annual Giving

The **Spectrum Defense Fund** remains the cornerstone of the annual giving campaigns. In the first half of 2007 the carryover from the fall campaign was very strong, reflecting solid membership support for the legal action against the FCC. These revenues were a result of the timing of the fall campaign, and from two large contributions from donors who took advantage of the charitable gift provisions of the Pension Protection Act of 2006. The 2008 campaign launched in the fall and focused on providing the members with an update of the legal action against the FCC. The campaign revenues totaled \$429,534 or 93.8% of its target.

The ARRL **Education & Technology Program** continues to be funded successfully by member contributions. The annual member solicitation during the first six months of 2007 yielded \$111,210 from more than 1050 donors. In addition, individual donor grants totaling \$168,000 were received to support the program's Teachers Institutes in Wireless Technology. The combined revenues from these efforts brought total revenues for education to \$279,210 by year end—well over goal.

Unrestricted Revenue

The Diamond Club results for 2007 were the strongest in the program's five year history. Full year results produced \$402,248 in gross revenues. The spark for the



The Diamond Club results for 2007 were the strongest in the program's five year history. Full year results produced \$402,248 in gross revenues. The spark for the outstanding results was the opening of the Diamond Terrace at ARRL in February 2007. Not only did current Diamond Club donors renew and upgrade in significant numbers, but new participants to the Diamond Club added much-needed revenues and we ended 2007 with 2099 donors.

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The ARRL Maxim Society continues to grow, recognizing donors whose lifetime giving exceeds \$10,000. The enrollment in this high level donor group now totals 42, with 5 new members being welcomed since the beginning of 2007. The Maxim Society has experienced 133% growth over the past three years.

outstanding results was the opening of the Diamond Terrace at ARRL in February 2007. Not only did current Diamond Club donors renew and upgrade in significant numbers, but new participants to the Diamond Club added much-needed revenues and we ended 2007 with 2099 donors.

A three-year analysis of the Diamond Club shows the impact of the Diamond Terrace. Not only did gross revenues increase 51%, but also the average contributions for new and renewing members increased by 50% for new Diamond Club donors and by 30% for renewing Diamond Club donors.

The composition of the Diamond Club between Term and Life Members has shifted to produce a donor base that is fewer Life Members and more Term members at the end of 2007. This change in composition is a positive one that produces more revenue and a higher average contribution.

Development projected that in 2007 the Diamond Club would show an increase in the number of donors of \$250 or more. At year end the Brass level (\$250 - \$499) (the level at which donors can participate in the Diamond Terrace) grew 240 donors and the Silver level (\$500 - \$999) and Gold level (\$1000 - \$2499) each experienced strong growth by 69% and 54% respectively. New online tools through the ARRL Web site have made it easier for members to select the Diamond Club when renewing their ARRL membership. The Diamond Club and other ARRL funds benefit from the prominence of Development programs on the new Membership pages of the ARRL Web site where the Diamond Terrace is highlighted. Diamond Club participation is now offered for two or three year commitments in an effort to dovetail their support with the ARRL multi-year membership option.

Beginning in June 2007, the renovation of the ARRL Headquarters entrance began with the painting of the roof area and the metal panels and window frames of the building. The second step was the demolition of the damaged sidewalk areas and site preparation for the Diamond Terrace. The actual laying of the brick pavers, including the personalized bricks, and the blue stone foundations for six granite benches was completed in July. Additional personalized bricks were placed until frozen ground postponed any further brick installation until the spring of 2008. The six engraved benches are in place and photographs have been shared with each of the six donors. The 400 photographs taken of this project during construction can be found on the Diamond Club pages of the ARRL Web site. More than 200 inscribed bricks have been installed so far with more awaiting the warmer temperatures of spring 2008.

The ARRL Maxim Society continues to grow, recognizing donors whose lifetime giving exceeds \$10,000. The enrollment in this high level donor group now totals 42, with 5 new members being welcomed since the beginning of 2007. The Maxim Society has experienced 133% growth over the past three years.

The Education & Technology Fund page that appeared in the April 2007 edition of *QST*.



The 2007 Year End Campaign mailed in November 2007 to 75,000 members and donors. This campaign is designed to close the gap and assist Development in meeting its annual funding commitment by raising \$52,500. As of year end the 2007 Year End campaign has raised \$28,037.

Additional unrestricted revenue comes to ARRL via the annual Combined Federal Campaign (CFC) for which ARRL has qualified for 2007 under federal guidelines. This program for federal employees attracts funding for Spectrum Defense, Education and Diamond Club as

Construction of The Diamond Terrace at ARRL Headquarters was completed in July of 2007.

Annual Report

Amateur Radio: A National Resource

well as unrestricted gifts. The revenue from CFC contributions and other unrestricted contributions totaled \$49,415 at year end.

On December 31, 2007 the charitable giving provision of the 2006 Pension Protection Act ended. In 2007 ARRL was the beneficiary of contributions from donor IRAs ranging from \$500 to \$10,000. One extraordinary contribution of \$77,603 in support of Spectrum Defense came from a Florida donor. These gifts were earmarked for a variety of ARRL funds including Spectrum Defense, Education & Technology and the Diamond Club. These gifts resulted in part from stories posted on the ARRL Web site and a special insert included with contribution acknowledgment letters.

Planned Giving

The ARRL Legacy Circle continues to grow with a total of 87 donors having informed ARRL that the League is included in their estate plans. This is an increase of 53% over the past two years.

In 2007, Development continues to include a brief brochure about the ARRL Legacy Circle and planned giving options with gift acknowledgment letters. The 2007 version of the brochure was in use through the fall of 2007 to provide charitable giving information related to the Pension Protection Act of 2006.

Other Activities

For the sixth year, ARRL hosted key donors at the annual reception in Dayton during Hamvention in May 2007 at the Meadowbrook Country Club. A record 120 donors accepted the invitation to hear remarks by ISS Commander Bill McArthur, KC5ACR, who mingled with guests and attended the ARRL EXPO at Hamvention.

During 2007 the Chief Development Officer traveled to conventions and meetings to strengthen donor relations, including Charlotte, North Carolina; Dayton, Ohio; the Northwestern Division at Seaside, Oregon; the ARRL National Convention in Huntsville, Alabama; the MFJ 35th Anniversary in Mississippi and W9DXCC in Chicago.

In 2007 Development continued to recognize long term members through the Member Loyalty recognition program, mailing personalized recognition certificates and pins to members of 40 years or more.

Personnel

Development experienced important staff changes in early 2007 with the departure of Debra Johnson to become the Manager of Educational Services and the movement of MaryAnn Macdonald to a full time Development employee. In addition, Development welcomed Margie Bourgoine, KB1DCO, in March as a Development Associate. Maryann and Margie make a capable and dedicated team. Margie attended her first Dayton Hamvention this year, handled the details of the Donor Reception and worked at the ARRL EXPO.



Margie Bourgoine, KB1DCO (seen here on the right with Membership Manager Katie Breen, W1KRB), joined MaryAnn Macdonald (left) to staff the Development Office in 2007.

The ARRL Legacy Circle continues to grow with a total of 87 donors having informed ARRL that the League is included in their estate plans. This is an increase of 53% over the past two years.



ARRL President Joel Harrison, W5ZN, greeted more than 100 key donors at the annual reception in May 2007.

In 2007 Development continued to recognize long term members through the Member Loyalty recognition program, mailing personalized recognition certificates and pins to members of 40 years or more.

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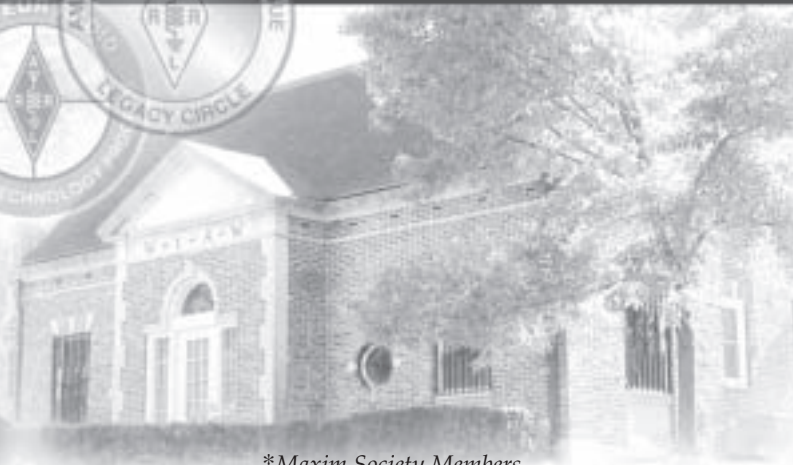
THANK YOU FOR YOUR SUPPORT

The American Radio Relay League is proud to honor those individuals and organizations whose 2007 contributions of \$1,000 or more support projects not funded by member dues, including participation in The ARRL Diamond Club, the Spectrum Defense Fund, the Education & Technology Fund, and the W1AW Endowment. ARRL is proud to honor Maxim Society donors whose lifetime donations exceed \$10,000.

Charles Alter, W9UC
Alan Applegate, KØBG
Louis G. Arnold, K9ALP
Merit Arnold, W6NQ *
Baker Family Foundation
(W5IZ & W5JKB)
Richard Baldwin, W1RU
Don Barber, K8GV *
John Barber, N5JB
Andrew Barbour, AG4XN
Glen Barney, NY3E
Marcia Baulch, WA2AKJ
Michael Beck, W7EDO
Mark Behrens, W4GP
Dave Bell, W6AQ and Alice
(Sam) Bell, W6QLT *
Alvin C. Borne, W6IVO
Clint Bradford, K6LCS
David Brandenburg, K5RQ *
William Buckner, WØVZK *
Bruce Butler, W6OSP *
Frank Butler, W4RH *
Randall Bynum, NR6CA
Kermit Carlson, W9XA
Central Arizona DX Association
(K7UGA)
Joseph G. Chaet, W1RGH
and Carla M. Chaet, N7OPU
Thomas Clements, K1TC
Jay Close, KØGEO
Joseph Cloutier, KC9JAC
Dr. Robert Conder, K4RLC
Ti Michelle Connelly, NJ6T
Stephen Cornell, K4AHA
Kay Craigie, N3KN
and Carter Craigie, N3AO *
William Deegan, K9XT
Lawrence DeGeorge, W1ISV
James Dicso, K2SZ *
Richard Dievendorff, K6KR *
Frank Donovan, W3LPL
Robert E. Dorbecker, N5DWW

Timothy J. Duffy, K3LR
DX Engineering/Paul D. Sergi, NO8D *
Rusty Epps, W6OAT
Martin Ewing, AA6E
Kenneth Fath, N4KF *
Neil Feldman, W3CAF
Harry Flasher, AC8G *
Sean Forrester, N8SEA
Ed Fowler, W5CML
William Fugate, W8IYD
James Garland, W8ZR
Kenneth M. Gleszer, W1KAY
Craig Goldman, K2LZQ
Ted Goldthorpe, W4VHF
and Itice Goldthorpe, K4LVV
Walter G. Groce, AJ1L
Elliot Gross, KB2TZ *
The Gryphon Fund *
Jim Hall, W4TVI
Jay Hamann, WØYUK
Theodore Hannah, K3CL
Daniel DANNY Herman, K4DHT
Fried Heyn, WA6WZO
and Sandra Heyn, WA6WZN
Douglas Hilton, WDØUG
and Diane Hilton, KI4LMO
Geoffrey Howard, WØCG
Thomas Hutton, N3ZZ
George R. Isely, W9GIG *
Ervin Jackson, N4BIG
W R (Dick) Jackson, W3EZ
Ronald Jansen, KB9WTB
Andrew John, W8OU *
Les Kalmus, W2LK
Jon Kannegaard, K6JEK
Robert Kares, K3SUH
Steven Katz, N8WL
and Constance Barsky, WD8ODC
David Kersten, N8AUH
Stanley King, W4KR
John Kludt, K7SYS
Kenneth Knudson, N5TY

Don Lisle, K6IPV *
Willis Mack, N1HAI
Bruce Marcus, N1XG *
Robinson Markel, W2IVS
William Marx, W2CQ
Richard McClure, N1VXP
Willis McDonald, KD7NZG
Gene McPherson, NØMHJ
Barry Merrill, W5GN
and Judith Merrill, KA5PQD *
Charles Miller, N6KW
Richard Mondro, K4FQT
Howard Morgan, KC2MIO
Theodore Morris, WB8VNV
Frank Morrison, KB1FZ
Dennis Motschenbacher, K7BV
William Mueller, AA5WM
Jack O'Keefe, W9MAD
Art Pahr, K9XJ
Benjamin F. Poinsett, K3BP
Thomas W. Porter, W8KYZ
Malcolm Preston, NP2L
Dr. Larry E. Price, W4RA *
Jeffrey Pulver, WA2BOT *
John Putnam, W1DRG
Lawrence Quinn
and Wendy Quinn, W1DY
George Race, WB8BGY
and Barbara Race, WB8UWX
Michael Raskin, W4UM
and Sherry Raskin, W4SLR *
John P. Rautenstrauch, N2MTG
Robert Ravenscroft, W7JZZ
Anthony Rich, W9VCI
Paul Rinaldo, W4RI *
Howard Rosen, VE2AED
Alfred Rousseau, W1FJ
Joseph Schroeder, W9JUV
Herbert Schuler, K2HPV
and Claudie Schuler *
Beurt SerVaas, W9WVO *
Raleigh Shaklee, W6BH



L. Dennis Shapiro, W1UF *
Arnold I. Shatz, N6HC
and Sheryl G. Shatz, KA6DOW
William Smith, W9VA
South Milwaukee Amateur Radio Club

Carl R. Stevenson, WK3C
Walton Stinson, W0CP
and Mary C. Stinson, K0ZV
Roger Strauch, KD6UO *
John Swartz, WA9AQN
TERAC, K7AUO
Craig Thompson, K9CT
John Thornton, W6HD
and Jane Thornton, KF6QHP
Ron Tingle, K4ML
James Tolbert, Jr. WW3S
Dave Topp, W5BXX *
William A. (Bill) Tynan, W3XO
Michael Valentine, W8MM *
WB9AEP, Columbus (Indiana)
Amateur Radio Club
Dennis Walach, W1OK
David Walker, K0COP
Joseph Walsh, WB6ACU *
James E. Weaver, K8JE
and Janice E. Weaver
Dick Weber, K5IU *
John Welch, KE6K
Clarence Wenzel, W9ILM
Steven West, W7SMW
and Donna Karam, KC5FTN *
Western States Weak Signal Society
Lee R. Wical, KH6BZF
Philip N. Windheim
Brian Wruble, W3BW
The YASME Foundation
Michael Zak, W1MU *
Allen Zimmerman, K3WGR
Anonymous: 51

**Maxim Society Members*

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

Alan Applegate, K0BG
Richard Baldwin, W1RU
Dave Bell, W6AQ
and Alice (Sam) Bell, W6QLT *
Alvin C. Borne, W6IVO
Clint Bradford, K6LCS
Frank Butler, W4RH *
Joseph G. Chaet, W1RGH
and Carla M. Chaet, N7OPU
Richard Dievendorff, K6KR *
Robert E. Dorbecker, N5DWW
Rusty Epps, W6OAT
Ed Fowler, W5CML
Kenneth M. Gleszer, W1KAY
Ted Goldthorpe, W4VHF
and Itice Goldthorpe, K4LVV
Walter G. Groce, AJ1L
Fried Heyn, WA6WZO
and Sandra Heyn, WA6WZN
Douglas Hilton, WD0UG
and Diane Hilton, KI4LMO
Geoffrey Howard, W0CG
Ronald Jansen, KB9WTB
Robert Kares, K3SUH
Steven Katz, N8WL
and Constance Barsky, WD8ODC
David Kersten, N8AUH
Don Lisle, K6IPV *
William Marx, W2CQ

Richard McClure, N1VXP
Gene McPherson, N0MHJ
Richard Mondro, K4FQT
Theodore Morris, WB8VNV
Dennis Motschenbacher, K7BV
Jack O'Keefe, W9MAD
Art Pahr, K9XJ
Benjamin F. Poinsett, K3BP
John Putnam, W1DRG
Lawrence Quinn
and Wendy Quinn, W1DY
George Race, WB8BGY
and Barbara Race, WB8UWX
Michael Raskin, W4UM
and Sherry Raskin, W4SLR *
John P. Rautenstrauch, N2MTG
Alfred Rousseau, W1FJ
Joseph Schroeder, W9JUV
Herbert Schuler, K2HPV
and Claudie Schuler *
Arnold I. Shatz, N6HC
and Sheryl G. Shatz, KA6DOW
Walton Stinson, W0CP
and Mary C. Stinson, K0ZV
John Swartz, WA9AQN
John Thornton, W6HD
and Jane Thornton, KF6QHP
James E. Weaver, K8JE
and Janice E. Weaver
John Welch, KE6K
Clarence Wenzel, W9ILM
Lee R. Wical, KH6BZF
Anonymous: 20



ARRL Headquarters—
Newington, Connecticut

Voluntary contributions continue to be a major source of revenues for the ARRL and help fund activities that would not be possible without this support from thousands of members each year.

Financial Summary

The stage was set for 2007 in late 2006 when the FCC released their long awaited decision regarding the elimination of Morse code as an examination element. This helped create a flurry of activity as thousands of individuals looked to join the Amateur Radio Service and/or upgrade their existing license. The ARRL was well positioned to support these licensees and, as a result, we saw an increase in revenues for the organization. This surge of revenues allowed us to increase spending in critical areas like advocacy and member programs while, at the same time, producing a break-even result in the organization's unrestricted bottom line. This is the fourth year in a row we have produced an excess of revenues over expenses, albeit a very small one in 2007.

Significant increases in revenues derived from membership dues, publication sales and program fees pushed total revenues for the organization to almost \$14.4 million. This was an increase of 5.4% over the prior year. The largest increases came from publication sales where the League's vast array of licensing and training materials was very popular with radio amateurs looking to upgrade their licenses. Revenues from publication sales totaled \$3.8 million, an increase of almost 12% in 2007 over 2006. As noted in last year's annual report, we had begun to see an increase in VEC fees almost immediately after the FCC's announcement and this trend carried into 2007 as people acted to upgrade their amateur licenses under the new rules. Although upgrades accounted for much of the revenue increase in VEC fees, new licensees taking their first exam also contributed and many of these people made the decision to join the ARRL as well. Membership increased by 3.3%, the first increase in several years and, as a result, dues revenues earned in 2007 increased over the prior year as well.

Voluntary contributions continue to be a major source of revenues for the ARRL and help fund activities that would not be possible without this support from thousands of members each year. Total contributions increased slightly in 2007 with the implementation of the Diamond Terrace recognizing annual, unrestricted contributions as well as an increase in support from the Diamond Club members. These two programs again provided valuable resources for ARRL operations. The Defense of Frequencies Fund became even more important this year helping to offset the costs of the League action in the US Court of Appeals, which continued throughout most of 2007, as well as other activities undertaken by the organization. In addition, during 2007, the ARRL was the recipient of a significant gift from the estate of a deceased radio amateur.

As noted earlier, the increase in revenues allowed us to increase the funding of several programs including work done in the areas of advocacy (including the aforementioned US Court of Appeals effort) and member programs like emergency communications. Total expenses for the organization increased in 2007 by 5.5% to over \$14.2 million while spending on programs, services and products for our members increased almost 5%.

Although there was some uncertainty in the financial markets late in 2007, the League's portfolio of investments grew again in 2007. Overall, the portfolio was valued at over \$15.0 million at the end of the year. It should be noted that these investments represent the League's temporarily and permanently restricted funds and support the Life Member reserves as well as the unrestricted net assets of the organization. Unrealized gains in the portfolio added \$134,000 to the net assets of the League in 2007.

Overall, 2007 was another good year, financially speaking, for the ARRL. We were able to grow our revenues and provide more resources for member programs and, in total, net assets grew by over \$900,000. As we look into 2008, it is not clear where the new year will take us. As always, revenue growth and prudent cost management will continue to be important financial objectives. Although we don't expect another year with growth at the levels we saw in 2007, it remains to be seen what levels can be achieved. Whatever happens, we will work hard to maximize the resources available to achieve our organizational objectives.

Annual Report

Amateur Radio: A National Resource

First Row:

Brian Mileschosky, Bill Edgar, Twila Greenheck, Harold Kramer
Karl Bullock, Patricia Hensley, Bob Vallio, Mike Raisbeck
Joyce Birmingham, Dennis Bodson, Coy Day, Joel Harrison
Jim Fenstermaker, Howard Huntington, Sandy Donahue

Second Row:

Mary Hobart, David Patton, George Isely, Cliff Ahrens
Paul Rinaldo, James McCobb, Tom Abernethy, David Sumner
Barry Shelley, Rick Roderick, Warren "Rev" Morton, Jay Bellows

Third Row:

Gary Johnston, Andy Oppel, William Sawders, Henry Leggette
Richard Norton, Edward "Ned" Stearns, Frank Butler, Earle Smith (RAC)
Chris Imlay, Kay Craigie, Bruce Frahm, Frank Fallon, Tom Frenaye

Top Row:

Jim Weaver, David Woolweaver, Rodney Stafford

*American Radio
Relay League*

*Board of Directors
January, 2007*



ARRL 2007 Annual Board Meeting—Windsor, Connecticut

Officers

Joel Harrison, W5ZN

President
Judsonia, Arkansas

Kay Craigie, N3KN

First Vice President
Blacksburg, Virginia

Rick Roderick, K5UR

Vice President
Little Rock, Arkansas

Rodney Stafford, W6ROD

Vice President,
International Affairs
San Jose, California

David Sumner, K1ZZ

Chief Executive Officer/Secretary

James McCobb Jr., K1LU

Treasurer
West Newbury, Massachusetts

Barry Shelley, N1VXY

Chief Financial Officer

Harold Kramer, WJ1B

Chief Operating Officer

Mary Hobart, K1MMH

Chief Development Officer

Paul Rinaldo, W4RI

Chief Technology Officer

Directors

Atlantic Division**Bill Edgar, N3LLR**

Director
Bradford, Pennsylvania

Tom Abernethy, W3TOM

Vice Director
Accokeek, Maryland

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

Gregory P. Widin, K0GW

Vice Director
Stillwater, Minnesota

Delta Division**Henry Leggette, WD4Q**

Director
Memphis, Tennessee

Karl Bullock, WA5TMC

Vice Director
Ripley, Mississippi

Great Lakes Division**Jim Weaver, K8JE**

Director
Mason, Ohio

Gary L. Johnston, KI4LA

Vice Director
Edgewood, Kentucky

Hudson Division**Frank Fallon, N2FF**

Director
East Williston, New York

Joyce Birmingham, KA2ANF

Vice Director
Ridgewood, New Jersey

Midwest Division**Bruce Frahm, K0BJ**

Vice Director
Colby, Kansas

Cliff Ahrens, K0CA

Vice Director
Hannibal, Missouri

New England Division**Tom Frenaye, K1KI**

Director
West Suffield, Connecticut

Mike Raisbeck, K1TWF

Vice Director
Chelmsford, Massachusetts

Northwestern Division**Jim Fenstermaker, K9JF**

Director
Vancouver, Washington

William Sawders, K7ZM

Vice Director
La Pine, Oregon

Pacific Division**Bob Vallio, W6RGG**

Director
Castro Valley, California

Andy Oppel, N6AJO

Vice Director
Alameda, California

Roanoke Division**Dennis Bodson, W4PWF**

Director
Arlington, Virginia

Patricia Hensley, N4ROS

Vice Director
Richburg, South Carolina

Rocky Mountain Division**Warren "Rev" Morton, WS7W**

Director
Casper, Wyoming

Brian Milesoshosky, N5ZGT

Vice Director
Albuquerque, New Mexico

Southeastern Division**Frank Butler, W4RH**

Director
Fort Walton Beach, Florida

Sandy Donahue, W4RU

Vice Director
Atlanta, Georgia

Southwestern Division**Richard Norton, N6AA**

Director
Topanga, California

Edward "Ned" Stearns, AA7A

Vice Director
Scottsdale, Arizona

West Gulf Division**Coy Day, N5OK**

Director
Union City, Oklahoma

Dr. David Woolweaver, K5RAV

Vice Director
Harlingen, Texas



Report of Independent Public Accountants

To the Board of Directors of
The American Radio Relay League, Incorporated

We have audited the accompanying statement of financial position of The American Radio Relay League, Incorporated (the League) as of December 31, 2007 and the related statements of activities and cash flows for the year 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 audit. The financial statements of The American Radio Relay League, Incorporated as of and for the year ended December 31, 2006, were audited by other auditors whose report dated April 12, 2007, expressed an unqualified opinion on these statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, Inc. as of December 31, 2007 and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the 2007 basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the 2007 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2007 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 basic financial statements taken as a whole. The basic financial statements of The American Radio Relay League, Incorporated for the year ended December 31, 2006, were audited by other auditors whose report dated April 12, 2007, expressed an unqualified opinion on those financial statements. Their report, as of the same date on supplemental information stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2006, taken as a whole.

As discussed in Note 5 to the financial statements, effective December 31, 2007 the League adopted FAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

Glastonbury, Connecticut
April 25, 2008

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006**

ASSETS

	<u>2007</u>	<u>2006</u>
Current assets:		
Cash	\$ 324,905	\$ 538,560
Accounts receivable, net of allowance for doubtful accounts of \$92,073 and \$74,170	366,878	443,814
Contribution receivable	600,000	-
Inventories, net	616,979	661,674
Prepaid expenses and other current assets	159,897	176,030
Other receivables	98,935	97,246
Total current assets	<u>2,167,594</u>	<u>1,917,324</u>
Other assets:		
Investments	15,053,094	13,985,195
Land, building and equipment, net	815,073	1,199,291
Total other assets	<u>15,868,167</u>	<u>15,184,486</u>
Total assets	<u>\$ 18,035,761</u>	<u>\$ 17,101,810</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 263,385	\$ 320,194
Accrued liabilities	169,351	182,213
Accrued pension liability, current portion	-	619,093
Deferred revenue other	6,063	5,674
Subtotal operational current liabilities	438,799	1,127,174
Deferred life membership dues - current portion	503,298	505,652
Deferred term membership dues - current portion	2,287,973	2,194,319
Total current liabilities	<u>3,230,070</u>	<u>3,827,145</u>
Long-term liabilities:		
Deferred life membership dues - less current portion	5,443,978	5,396,752
Deferred term membership dues - less current portion	607,910	585,160
Accrued pension liability, less current portion	1,803,187	1,223,187
Total long-term liabilities	<u>7,855,075</u>	<u>7,205,099</u>
Total liabilities	<u>11,085,145</u>	<u>11,032,244</u>
Commitments		
Net assets:		
Unrestricted	3,739,166	3,651,270
Unrestricted - Board designated	944,496	319,151
Temporarily restricted	1,826,303	1,676,098
Permanently restricted	440,651	423,047
Total net assets	<u>6,950,616</u>	<u>6,069,566</u>
Total liabilities and net assets	<u>\$ 18,035,761</u>	<u>\$ 17,101,810</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and contributions:				
Membership dues	\$ 5,187,781	\$ -	\$ -	\$ 5,187,781
Net publication sales	3,839,849	-	-	3,839,849
Advertising	2,628,880	-	-	2,628,880
Investment income	309,486	78,517	-	388,003
Examination fees and other	535,433	-	-	535,433
Program and service fees	412,949	-	-	412,949
Contributions and support	644,916	730,926	17,604	1,393,446
Net assets released from restrictions	672,321	(672,321)	-	-
	<u>14,231,615</u>	<u>137,122</u>	<u>17,604</u>	<u>14,386,341</u>
Expenditures:				
Programs and services	8,042,906	-	-	8,042,906
Publications	3,941,968	-	-	3,941,968
Administration	1,596,995	-	-	1,596,995
Fundraising	474,652	-	-	474,652
Governance	167,682	-	-	167,682
	<u>14,224,203</u>	<u>-</u>	<u>-</u>	<u>14,224,203</u>
Increase in net assets before other income	<u>7,412</u>	<u>137,122</u>	<u>17,604</u>	<u>162,138</u>
Other income (expense):				
Bequests - board designated functioning as an endowment	617,633	-	-	617,633
Unrealized gains on investments	134,504	13,083	-	147,587
	<u>752,137</u>	<u>13,083</u>	<u>-</u>	<u>765,220</u>
Change in net assets	<u>759,549</u>	<u>150,205</u>	<u>17,604</u>	<u>927,358</u>
Net assets, beginning of year, as previously reported	3,970,421	1,676,098	423,047	6,069,566
Cummulative effect of adoption of provisions of FAS No. 158	<u>(46,308)</u>	<u>-</u>	<u>-</u>	<u>(46,308)</u>
Net assets, beginning of year, restated	<u>3,924,113</u>	<u>1,676,098</u>	<u>423,047</u>	<u>6,023,258</u>
Net assets, end of year	<u>\$ 4,683,662</u>	<u>\$ 1,826,303</u>	<u>\$ 440,651</u>	<u>\$ 6,950,616</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and contributions:				
Membership dues	\$ 5,016,089	\$ -	\$ -	\$ 5,016,089
Net publication sales	3,435,316	-	-	3,435,316
Advertising	2,541,503	-	-	2,541,503
Investment income	340,865	74,423	-	415,288
Examination fees and other	328,694	-	-	328,694
Program and service fees	418,503	-	-	418,503
Government grant awards	122,397	-	-	122,397
Contributions and support	479,940	824,225	64,234	1,368,399
Net assets released from restrictions	824,895	(824,895)	-	-
	<u>13,508,202</u>	<u>73,753</u>	<u>64,234</u>	<u>13,646,189</u>
Expenditures:				
Programs and services	7,664,385	-	-	7,664,385
Publications	3,609,708	-	-	3,609,708
Administration	1,566,055	-	-	1,566,055
Fundraising	486,580	-	-	486,580
Governance	155,734	-	-	155,734
	<u>13,482,462</u>	<u>-</u>	<u>-</u>	<u>13,482,462</u>
Increase in net assets before other income	<u>25,740</u>	<u>73,753</u>	<u>64,234</u>	<u>163,727</u>
Other income:				
Bequests - board designated functioning as an endowment	49,217	-	-	49,217
Unrealized gains on investments	512,624	50,753	-	563,377
	<u>561,841</u>	<u>50,753</u>	<u>-</u>	<u>612,594</u>
Change in net assets	587,581	124,506	64,234	776,321
Net assets, beginning of year	<u>3,382,840</u>	<u>1,551,592</u>	<u>358,813</u>	<u>5,293,245</u>
Net assets, end of year	<u>\$ 3,970,421</u>	<u>\$ 1,676,098</u>	<u>\$ 423,047</u>	<u>\$ 6,069,566</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Operating activities:		
Change in net assets	\$ 927,358	\$ 776,321
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Receipts to establish or increase permanent endowment	(17,604)	(64,234)
Depreciation	594,660	578,856
Bad debt expense	18,000	26,983
Change in inventory reserve	17,327	29,139
Unrealized gain on investments	(147,587)	(563,377)
Realized gain on investments allocated to the general fund	(37,603)	(85,092)
Changes in operating assets and liabilities:		
Accounts receivable	58,936	(47,327)
Contribution receivable	(600,000)	-
Other receivables	(1,689)	130,300
Inventories, net	27,368	(157,067)
Prepaid expenses and other current assets	16,133	(758)
Accounts payable and accrued liabilities	(69,671)	23,940
Deferred revenue other	389	(129,643)
Deferred life membership dues, net of allocated realized gains and losses	44,872	62,203
Deferred term membership dues	116,404	94,827
Additional pension liability	(85,401)	65,191
Net cash provided by operating activities	<u>861,892</u>	<u>740,262</u>
Investing activities:		
Purchase of equipment	(210,442)	(255,255)
Net purchases of investments	(882,709)	(514,043)
Net cash used in investing activities	<u>(1,093,151)</u>	<u>(769,298)</u>
Financing activities:		
Receipts to establish or increase permanent endowment	17,604	64,234
Net (decrease) increase in cash and cash equivalents	(213,655)	35,198
Cash and cash equivalents, beginning of year	<u>538,560</u>	<u>503,362</u>
Cash and cash equivalents, end of year	<u>\$ 324,905</u>	<u>\$ 538,560</u>

See Notes to Financial Statements.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 1 – 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 primarily supported by membership dues, publication sales, advertising and contributions. The League’s members are primarily located throughout the United States.

Note 2 – Summary of significant accounting policies:

Cash and cash equivalents:

Cash and cash equivalents include all cash balances and highly liquid short-term instruments with an original maturity of three months or less when acquired. Temporary cash balances associated with investment accounts are included with investments in these financial statements. There were no cash equivalents as of December 31, 2007 or 2006.

Allowance for doubtful accounts:

Trade accounts receivable and contribution 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.

Inventories:

Inventories consist of publications, software, membership supplies and other miscellaneous items. Inventories are stated at the lower of cost or market. Cost is determined by the first-in, first-out (FIFO) method. Inventories are reflected net of reserves for slow moving inventory of \$111,466 and \$94,139 as of December 31, 2007 and 2006, respectively.

Investments:

The League reports investments at their current fair 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.

Land, building and equipment:

The League capitalizes expenditures for building and equipment with a useful life greater than one year and a cost of \$1,000 or more. Purchased land, building and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Estimated lives for financial reporting purposes are as follows:

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

**Note 2 – Summary of significant accounting policies (continued):
Land, building and equipment (concluded):**

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building	40 years
Furnishing, equipment and building improvements	3 - 15 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Donations of land, building and equipment are recorded as support at their estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire land, building and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be restricted, the League reports expirations of donor restrictions when the donated or acquired assets are placed in service. The League reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Expenses amounting to \$71,248 relate to web development costs that were incurred but will not be placed into service until 2008. These amounts are shown as construction in progress.

Pension liability:

During 2007, the League adopted FASB Statement No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106 and 132 (R)" ("FAS No. 158"). This statement requires retirement benefit accruals or prepaid benefit costs on the statements of financial position to be adjusted to the difference between the benefit obligations and the plan assets at fair value. The offset to the adjustment is recorded to income. The amount recorded in income represents the unrecognized actuarial gains or losses and unamortized service costs, which have previously been disclosed in the notes to the annual financial statements. The effect of adopting this statement was not material to the financial statements.

Net assets:

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.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of significant accounting policies (continued):

Net assets (concluded):

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 while the income earned thereon is made available for operations.

Revenue recognition:

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

The by-laws of the League provide for life membership in the League for 25 times the term membership annual dues rate. 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.

Publication Sales - Revenue from publication sales is recognized when the earnings process is complete and the risks and rewards of ownership have transferred to the customer, which is generally considered to have occurred upon shipment of the publication.

Advertising - Advertising revenue from magazines is recorded, net of agency commissions, during the period the magazines are sold.

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 temporarily restricted net assets even if the restrictions expire in the reporting period in which the support is recognized. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 2 – Summary of significant accounting policies (concluded):

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 from its magazines. The League generated unrelated business income tax of approximately \$1,000 for each of the years ended December 31, 2007 and 2006.

Use of estimates:

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

Significant estimates included in the financial statements consist of the estimated life expectancy of the life members, accounting for depreciation, the defined benefit pension plan obligation and certain accrued liabilities.

Note 3 – Investments:

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

	2007		2006	
	Fair Value	Cost	Fair Value	Cost
Cash	\$ 971,609	\$ 971,609	\$ 481,386	\$ 481,386
Fixed maturities	7,695,187	7,957,687	6,302,999	6,429,118
Equity securities	6,386,298	4,685,884	7,200,810	5,784,364
	<u>\$ 15,053,094</u>	<u>\$ 13,615,180</u>	<u>\$ 13,985,195</u>	<u>\$ 12,694,868</u>

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

	2007	2006
Life membership	\$ 5,947,276	\$ 5,902,404
Regular operations	5,936,542	5,698,957
Temporarily restricted	1,826,303	1,676,098
Functioning as an endowment	902,322	284,689
Permanently restricted	440,651	423,047
	<u>\$ 15,053,094</u>	<u>\$ 13,985,195</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 3 – Investments (concluded):

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

	2007	2006
Unrealized appreciation, beginning of year:		
Fair value	\$ 13,985,195	\$ 12,822,683
Cost	12,694,868	12,095,733
Net gain	1,290,327	726,950
Unrealized appreciation, end of year:		
Fair value	15,053,094	13,985,195
Cost	13,615,180	12,694,868
Net gain	1,437,914	1,290,327
Net unrealized gain for the year	\$ 147,587	\$ 563,377

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

	2007	2006
Interest and dividend income	\$ 659,825	\$ 625,437
Net realized gain on investments	81,216	191,296
Gross investment income	741,041	816,733
Less:		
Net investment income allocated to deferred life liability	(353,038)	(401,445)
Total investment income	\$ 388,003	\$ 415,288

Note 4 – Land, building and equipment:

Land, building and equipment, and related accumulated depreciation are comprised of the following at December 31, 2007 and 2006:

	2007	2006
Land and building	\$ 1,094,693	\$ 1,094,693
Furnishing, equipment and building improvements	4,675,193	5,324,029
Construction in progress	71,248	71,248
	5,841,134	6,489,970
Less accumulated depreciation	(5,026,061)	(5,290,679)
	\$ 815,073	\$ 1,199,291

Note 5 – Pension liability:

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 Massachusetts Mutual Life Insurance Company, which executes investment transactions and pays all benefits.

The League's funding policy is to contribute annually the amount necessary to meet the minimum funding standards established by the Employee Retirement Income Security Act. This contribution is based on a method that recognizes estimated future salary levels and service.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 – Pension liability (continued):

During 2007, the League adopted FAS No. 158. This statement requires retirement benefit accruals or prepaid benefit costs on the statements of financial position to be adjusted to the difference between the benefit obligations and the plan assets at fair value. The offset to the adjustment is recorded to income. The amount recorded in income represents the unrecognized actuarial gains or losses and unamortized service costs.

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

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

	<u>2007</u>	<u>2006</u>
Accumulated benefit obligation at end of year	<u>\$ 8,341,416</u>	<u>\$ 8,367,488</u>
Projected benefit obligation at beginning of year	<u>\$ 10,384,319</u>	<u>\$ 10,684,378</u>
Service cost	<u>505,426</u>	<u>488,897</u>
Interest cost	<u>644,004</u>	<u>564,660</u>
Assumption changes	<u>(802,509)</u>	<u>(444,493)</u>
Actuarial (gain)/loss	<u>298,341</u>	<u>(820,611)</u>
Benefits paid	<u>(443,359)</u>	<u>(88,512)</u>
Projected benefit obligation at end of year	<u>10,586,222</u>	<u>10,384,319</u>
Fair value of plan assets at beginning of year	<u>8,025,203</u>	<u>6,898,297</u>
Actual return on plan assets	<u>611,560</u>	<u>769,369</u>
Employer contributions	<u>619,093</u>	<u>483,240</u>
Expenses	<u>(29,462)</u>	<u>(37,191)</u>
Benefits paid	<u>(443,359)</u>	<u>(88,512)</u>
Fair value of plan assets at end of year	<u>8,783,035</u>	<u>8,025,203</u>
Unfunded status	<u>(1,803,187)</u>	<u>(2,359,116)</u>
Unrecognized loss	<u>-</u>	<u>511,336</u>
Unrecognized transition (asset)/obligation	<u>-</u>	<u>5,500</u>
Net accrued benefit cost	<u>\$ (1,803,187)</u>	<u>\$ (1,842,280)</u>
Accrued benefit liability is presented in the statements of financial position as follows:		
Current	<u>\$ -</u>	<u>\$ 619,093</u>
Long-term	<u>1,803,187</u>	<u>1,223,187</u>
	<u>\$ 1,803,187</u>	<u>\$ 1,842,280</u>

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 – Pension liability (continued):

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

Benefit Obligation:		
Discount rate	6.50%	6.00%
Rate of compensation increase	4.00%	4.00%
Benefit Cost:		
Discount rate	6.00%	5.75%
Expected return on plan assets	7.50%	7.50%
Rate of compensation increase	4.00%	4.00%
Net periodic benefit cost	\$ 533,692	\$ 548,431
Employer contribution	619,093	483,240
Benefits paid	(443,359)	(88,512)

The expected long-term rate of return on plan assets reflects the average rate of earnings expected on the funds invested or to be invested to provide for the benefits included in the projected benefit obligation. Estimation of this rate is derived using a building block method where appropriate consideration is given to the returns being earned by the plan assets in the fund and the rates of return expected to be available for reinvestment. The expected rate of return on each asset class is broken down into three components: (1) inflation, (2) the real risk-free rate of return (i.e., the long-term estimate of future returns on default-free U.S. government securities), and (3) the risk premium for each asset class (i.e., the expected return in excess of the risk-free rate.)

All three components are based primarily on historical data, with modest adjustments to take into account additional relevant information that is currently available. For the inflation and risk-free return components, the most significant additional information is that provided by the market for nominal and inflation-indexed U.S. Treasury securities. That market provides implied forecasts of both the inflation rate and risk-free rate for the period over which currently available securities mature. The historical data on risk premiums for each asset class is adjusted to reflect any systemic changes that have occurred in the relevant markets; e.g., the higher current valuations for equities, as a multiple of earnings, relative to the longer-term average for such valuations.

The exact expected return derived using the building block method will vary from year to year; however, as the rate is a long-term assumption, it remains constant as long as it remains within a reasonable range.

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

<u>Year Ending December 31:</u>	
2008	\$ 226,216
2009	233,935
2010	242,704
2011	319,081
2012	345,161
2013 – 2017	\$ 3,441,806

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 5 – Pension liability (continued):

The asset allocations by category as of December 31, 2007 are as follows:

	<u>Amount</u>	<u>%</u>
Equity securities	\$ 5,708,973	65%
Debt securities	3,074,062	35
	<u>\$ 8,783,035</u>	<u>100%</u>

The League sets investment guidelines with the assistance of investment professionals. These guidelines are established on market conditions, risk tolerance, funding requirements and expected benefit payments. The guidelines address the investment allocation process, selection of investment professionals and monitoring of asset performance. As pension liabilities are long-term in nature, the League employs a long-term total return approach to maximize the long-term rate of return on plan assets for a prudent level of risk. An annual analysis on the risk versus the return of the investment portfolio is conducted to justify the expected long-term rate of return assumption.

The investment portfolio contains a diversified portfolio of investment categories, including equities and fixed income securities. Securities are also diversified in terms of domestic and international securities, short and long-term securities, growth and value styles and large cap and small cap stocks. Presently, the guidelines require that investments in securities range as follows:

	<u>Investment Range</u>	<u>Target</u>
Equity securities	40-70%	65%
Debt securities	25-50%	33%
Money market	0-15%	2%

Based on the facts and circumstances that existed at the date of the financial statements, the League expects to contribute \$573,664 to the plan next fiscal year. The League believes with prudent risk tolerance and asset diversification, the plan should be able to meet its pension obligations in the future.

The League adopted the recognition provisions of FAS No. 158 as of December 31, 2007, which requires that the funded status of defined benefit pension plans be fully recognized in the statements of financial position. The incremental effects of applying FAS No. 158 on individual line items in the statements of financial position as of that date are as follows:

	<u>Before Application of FAS No. 158</u>	<u>Adjustments</u>	<u>After Application of FAS No. 158</u>
Pension liability	\$ 1,756,879	\$ 46,308	\$ 1,803,187
Total liabilities	11,038,837	46,308	11,085,145
Unrestricted net assets	4,729,970	(46,308)	4,683,662
Total net assets	6,996,924	(46,308)	6,950,616

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 6 – Board 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, 2007 and 2006, the Board has designated \$42,174 and \$34,462, respectively, for these purposes.

Since the beginning of 2004, the League has received bequests in the amount of \$902,322. The League's Board of Directors intent is to treat these unrestricted bequests as funds functioning as an endowment.

Note 7 – Temporarily restricted net assets:

Temporarily restricted net assets as of December 31, 2007 are available for the following purposes:

Exceptional Merit	Education and Research
Defense of Frequencies	Other Specific Purposes

Individual fund activities are disclosed on the supplementary pages.

Note 8 – 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 both December 31, 2007 and 2006.

In 2002, an endowment fund was set up for W1AW maintenance and upkeep. The principal of \$286,311 and \$268,707 is reflected as permanently restricted net assets in the accompanying statements of financial position at December 31, 2007 and 2006, respectively.

Note 9 – Lease obligations:

The League leases warehouse space, office space, and office equipment under operating leases with monthly payments ranging from \$464 to \$4,265 which expire at various times through January 2011. Total operating lease expense was \$96,241 and \$95,486 for the years ended December 31, 2007 and 2006, respectively.

The following are future minimum lease payments due under non-cancelable operating leases as of December 31, 2007:

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

NOTES TO FINANCIAL STATEMENTS

Note 9 – Lease obligations (concluded):

<u>Year Ending December 31,</u>	
2008	\$ 76,467
2009	66,102
2010	51,591
2011	4,265
	<u>\$ 198,425</u>

Note 10 – Concentrations of credit risk:

Financial instruments which potentially subject the League to concentrations of credit risk consist primarily of cash and trade receivables. The League maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed the Federally insured limit of \$100,000.

The League believes that the concentration of credit risk in its trade receivables is substantially mitigated by the League's credit evaluation process, relatively short collection terms and the financial stability of the larger customers comprising the League credit base. The League does not generally require collateral from customers. The League evaluates the need for an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Note 11 – Related party transactions:

The League has some common directors with The ARRL Foundation, Inc. The League performs administrative services for The ARRL Foundation, Inc. and charged an administrative fee of \$13,200 for the years ended December 31, 2007 and 2006.

A member of the Board of Directors provided investment advisory services to the League in the amount \$38,896 and \$36,873 during the years ended December 31, 2007 and 2006, respectively.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

**SCHEDULE OF EXPENDITURES
YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Salaries, compensation and benefits	\$ 6,136,346	\$ 5,974,221
Publication costs	2,380,816	2,268,596
Shipping and forwarding costs	1,395,261	1,206,185
Communication and postage	615,934	576,942
Legal and professional fees	612,009	436,815
Depreciation	594,660	578,856
Other	519,796	589,577
Office supplies and expenditures	512,497	497,476
Occupancy costs	434,138	436,821
Travel	415,279	293,119
Administrative expenses	383,182	372,466
Rentals and equipment maintenance	224,285	251,388
	<u>\$ 14,224,203</u>	<u>\$ 13,482,462</u>

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

TEMPORARILY RESTRICTED FUND SUMMARY

YEAR ENDED DECEMBER 31, 2007

Fund Name	Balance 01/01/07	Contributions	Investment Income, net	Change in Unrealized gain	Released from Restriction	Balance 12/31/07
H.P. Maxim Award	\$ 34,905	\$ -	\$ 1,980	\$ -	\$ (3,000)	\$ 33,885
Project Goodwill	12,133	100	-	-	-	12,233
Exceptional Merit	1,206,927	-	53,443	13,083	(40,000)	1,233,453
Legal Research & Resource	154,738	2,543	-	-	(720)	156,561
Starr Technology	4,081	-	-	-	-	4,081
Rinaldo Technology	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	-	-	-	6,709
Colvin Award	12,328	100	7,917	-	(15,000)	5,345
Educational Activities	3,580	-	-	-	-	3,580
Ham Aid Fund	185	1,140	-	-	-	1,325
Defense of Frequencies	-	441,031	1,321	-	(442,352)	-
Lab Fund	7,030	352	-	-	-	7,382
W1AW	39,656	65	13,856	-	(10,306)	43,271
Education and Technology	190,222	275,595	-	-	(158,380)	307,437
DARA CEP Project	2,563	-	-	-	(2,563)	-
Steven Rich Fund	-	10,000	-	-	-	10,000
Direction Finding	41	-	-	-	-	41
Total Temporarily						
Restricted Funds	\$ 1,676,098	\$ 730,926	\$ 78,517	\$ 13,083	\$ (672,321)	\$ 1,826,303

See Report of Independent Public Accountants.

THE AMERICAN RADIO RELAY LEAGUE, INCORPORATED

TEMPORARILY RESTRICTED FUND SUMMARY

YEAR ENDED DECEMBER 31, 2006

Fund Name	Balance 01/01/06	Contributions	Investment Income, net	Change in Unrealized gain	Released from Restriction	Balance 12/31/06
H.P. Maxim Award	\$ 33,029	\$ -	\$ 1,876	\$ -	\$ -	\$ 34,905
Project Goodwill	12,033	100	-	-	-	12,133
Exceptional Merit	1,143,638	-	52,536	50,753	(40,000)	1,206,927
Legal Research & Resource	155,352	1,894	-	-	(2,508)	154,738
Starr Technology	4,081	-	-	-	-	4,081
Rinaldo Technology	1,000	-	-	-	-	1,000
ARRL SAREX	6,709	-	-	-	-	6,709
Colvin Award	8,834	363	8,131	-	(5,000)	12,328
Educational Activities	3,580	-	-	-	-	3,580
Ham Aid Fund	11,597	2,975	-	-	(14,387)	185
Defense of Frequencies	-	564,085	1,248	-	(565,333)	-
Lab Fund	6,980	50	-	-	-	7,030
W1AW	42,975	-	10,632	-	(13,951)	39,656
Education and Technology	121,743	239,758	-	-	(171,279)	190,222
DARA CEP Project	-	15,000	-	-	(12,437)	2,563
Direction Finding	41	-	-	-	-	41
Total Temporarily	\$ 1,551,592	\$ 824,225	\$ 74,423	\$ 50,753	\$ (824,895)	\$ 1,676,098
Restricted Funds						

See Report of Independent Public Accountants.