

COMMITTEE ON NATURAL RESOURCES
113th Congress Disclosure Form
As required by and provided for in House Rule XI, clause 2(g) and
the Rules of the Committee on Natural Resources

Oversight hearing titled *"American Metals and Mineral Security: An examination of the domestic critical minerals supply and demand chain."* / July 23, 2014

For Individuals:

1. Name:
2. Address:
3. Email Address:
4. Phone Number:

* * * * *

For Witnesses Representing Organizations:

1. Name: Brett Lambert
2. Name of Organization(s) You are Representing at the Hearing: National Defense Industrial Association
3. Business Address: [REDACTED] [Information Redacted for Privacy]
4. Business Email Address: [REDACTED] [Information Redacted for Privacy]
5. Business Phone Number: [REDACTED] [Information Redacted for Privacy]

For all Witnesses

Name/Organization: Brett Lambert, Senior Fellow, National Defense Industrial Association

Title/Date of Hearing: Oversight hearing titled "American Metals and Mineral Security: An examination of the domestic critical minerals supply and demand chain." / July 23, 2014

a. Any training or educational certificates, diplomas or degrees or other educational experiences that are relevant to your qualifications to testify on or knowledge of the subject matter of the hearing.

N/A

b. Any professional licenses, certifications, or affiliations held that are relevant to your qualifications to testify on or knowledge of the subject matter of the hearing.

N/A

c. Any employment, occupation, ownership in a firm or business, or work-related experiences that relate to your qualifications to testify on or knowledge of the subject matter of the hearing.

Current Senior Fellow, NDIA, with a focus on industrial base and supply chain matters
Former Deputy Assistant Secretary of Defense for Manufacturing and Industrial Base Policy
Former Executive Vice President, DFI International, a national security consultancy

d. Any federal grants or contracts (including subgrants or subcontracts) from the *Department of the Interior (and/or other agencies invited)* that you have received in the current year and previous four years, including the source and the amount of each grant or contract.

None.

e. A list of all lawsuits or petitions filed by you against the federal government in the current year and the previous four years, giving the name of the lawsuit or petition, the subject matter of the lawsuit or petition, and the federal statutes under which the lawsuits or petitions were filed.

None.

f. A list of all federal lawsuits filed against you by the federal government in the current year and the previous four years, giving the name of the lawsuit, the subject matter of the lawsuit, and the federal statutes under which the lawsuits were filed.

None.

g. Any other information you wish to convey that might aid the Members of the Committee to better understand the context of your testimony.

See attached biography.

Witnesses Representing Organizations

Name/Organization: Brett Lambert, Senior Fellow, National Defense Industrial Association

Title/Date of Hearing: Oversight hearing titled "American Metals and Mineral Security: An examination of the domestic critical minerals supply and demand chain." / July 23, 2014

h. Any offices, elected positions, or representational capacity held in the organization(s) on whose behalf you are testifying.

Senior Fellow

i. Any federal grants or contracts (including subgrants or subcontracts) from the Department of the Interior (and /or other agencies invited) that were received in the current year and previous four years by the organization(s) you represent at this hearing, including the source and amount of each grant or contract for each of the organization(s).

None.

j. A list of all lawsuits or petitions filed by the organization(s) you represent at the hearing against the federal government in the current year and the previous four years, giving the name of the lawsuit or petition, the subject matter of the lawsuit or petition, and the federal statutes under which the lawsuits or petitions were filed for each of the organization(s).

None.

k. A list of all federal lawsuits filed against the organization(s) you represent at the hearing by the federal government in the current year and the previous four years, giving the name of the lawsuit, the subject matter of the lawsuit, and the federal statutes under which the lawsuits were filed.

None.

l. For tax-exempt organizations and non-profit organizations, copies of the three most recent public IRS Form 990s (including Form 990-PF, Form 990-N, and Form 990-EZ) for each of the organization(s) you represent at the hearing (not including any contributor names and addresses or any information withheld from public inspection by the Secretary of the Treasury under 26 U.S.C. 6104)).

See attached Form 990s.



Brett B. Lambert

*Former Deputy Assistant Secretary of Defense for
Manufacturing and Industrial Base Policy*

Brett B. Lambert joined the US Department of Defense (DoD) in 2009 as Deputy Assistant Secretary of Defense for Manufacturing and Industrial Base. Mr. Lambert served as the principal advisor to the USD (AT&L) on all matters relating to the defense industrial base, including industrial capabilities and assessments, defense industry mergers, acquisitions and consolidation; preservation of essential industries and technologies; and other related matters. In 2011 Mr. Lambert led President Obama's effort at the Department of Defense to establish the first National Network for

Manufacturing Innovation site, which culminated in the selection of additive manufacturing as the focal point for the Administration's pursuit of a manufacturing renaissance. In 2011 he was awarded the Secretary of Defense Medal for Outstanding Public Service and in 2013 he was awarded the Secretary of Defense Medal for Distinguished Public Service, the highest award from the Secretary available to a non-career civilian. Also in 2013, Mr. Lambert was awarded the National Defense Industrial Association (NDIA) Gold Medal, the highest honor awarded by the industry organization which has over 1,700 corporate and 80,000 private members, for his efforts in support of the defense industrial base while in office

Prior to joining the DoD, Mr. Lambert spent 20 years working with defense and intelligence firms. From 1989 until 2007, Mr. Lambert held positions of increasing responsibility at DFI International, a national security consultancy he built with the founder and which he assisted in selling in 2007. At the conclusion of his tenure with DFI, Mr. Lambert held the titles of Executive Vice President of DFI International and Managing Director of DFI Investment Partners. He was also the company's Ethics Officer and served as a member of the Board of Directors. Mr. Lambert specialized in technology assessments, strategic planning, and market analyses for defense, intelligence, and space companies. His engagements assisted client's identification and quantification of new or evolving markets, described the political and business environments in which they operated, and provided execution guidance to ensure the implementation of successful ventures. Mr. Lambert also worked closely with a number of leading venture funds, merchant banks, and private equity firms in support of their national security portfolio companies.

Before joining DFI, Mr. Lambert worked for the US Department of State at the American Embassy in New Delhi. Prior to this, he attended graduate school at Jawaharlal Nehru University on a Rotary Graduate Scholarship he received during his senior year at Kansas State University. He also worked as an independent journalist in India, Pakistan and Burma. Mr. Lambert is currently an Executive in Residence with Renaissance Strategic Advisors, a Senior Associate at the Center for Strategic and International Studies (CSIS), a Senior Fellow at the National Defense Industrial Association (NDIA), a life member of the Council on Foreign Relations, a Board Member of the Henry L. Stimson Center and serves on several \$100M+ revenue corporate boards of both public and private companies involved in national security.

Mr. Lambert is an avid mountaineer with high altitude experience on four continents. He lives in Chevy Chase, MD with his wife and two daughters. He also maintains the small family farm in Densmore, Kansas where he was raised by his mother and grandparents.

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2011
Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Terminated
 Amended return
 Application pending

C Name of organization
 NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite
 2111 WILSON BOULEVARD NO 400

City or town, state or country, and ZIP + 4
 ARLINGTON, VA 222013061

D Employer identification number
 53-0196547

E Telephone number
 (703) 522-1820

G Gross receipts \$ 41,184,144

F Name and address of principal officer
 LA WRENCE P FARRELL JR
 2111 WILSON BOULEVARD NO 400
 ARLINGTON, VA 222013061

H(a) Is this a group return for affiliates? Yes No

H(b) Are all affiliates included? Yes No
 If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status 501(c)(3) 501(c) () (insert no) 4947(a)(1) or 527

J Website: ▶ WWW NDIA ORG

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1919 **M** State of legal domicile DC

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROMOTE THE INTEREST OF DEFENSE PREPAREDNESS		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	30
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	30
	5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	80
	6 Total number of volunteers (estimate if necessary)	6	95,000
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,338,665
b Net unrelated business taxable income from Form 990-T, line 34	7b	-2,000	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	343,814	294,884
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	36,373,380	32,737,108
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	514,699	907,596
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	882,785	938,403
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	38,114,678	34,877,991
	14 Benefits paid to or for members (Part IX, column (A), line 4)	76,925	61,000
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	10,708,253	11,461,278
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰	0	0
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	23,688,285	21,222,692
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	34,473,463	32,744,970
19 Revenue less expenses Subtract line 18 from line 12	3,641,215	2,133,021	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	54,653,970	59,340,566
	22 Net assets or fund balances Subtract line 21 from line 20	20,534,402	19,841,063
		34,119,568	39,499,503

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on information furnished by filer.

Sign Here

 Signature of officer

BRONISLAW PROKUSKI JR SECRETARY/TREASURER
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ KAREN GRIES Date

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ CLIFTONLARSONALLEN LLP
 4250 N FAIRFAX DRIVE SUITE 1020
 ARLINGTON, VA 22203

May the IRS discuss this return with the preparer shown above? (see instructions)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

1 Briefly describe the organization's mission

THE MISSION OF THE NATIONAL DEFENSE INDUSTRIAL ORGANIZATION (NDIA) AND ITS SUBSIDIARY AFFILIATES THE ASSOCIATION FOR ENTERPRISE INFORMATION (AFEI), THE NATIONAL TRAINING AND SIMULATION ASSOCIATION (NTSA), THE PRECISION STRIKE ASSOCIATION (PSA), AND WOMEN IN DEFENSE (WID), IS TO ADVOCATE CUTTING EDGE TECHNOLOGY AND SUPERIOR WEAPONS, EQUIPMENT, TRAINING, AND SUPPORT FOR THE WAR-FIGHTER AND FIRST RESPONDER, TO PROMOTE A VIGOROUS, RESPONSIVE GOVERNMENT - INDUSTRY NATIONAL SECURITY TEAM, AND TO PROVIDE LEGAL AND ETHICAL FORUMS FOR THE EXCHANGE OF INFORMATION BETWEEN INDUSTRY AND GOVERNMENT ON NATIONAL SECURITY ISSUES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 20,021,872 including grants of \$ 61,000) (Revenue \$ 29,029,804)

THE NDIA PROMOTES ACTIVITIES AND FORUMS FOR THE INTERCHANGE BETWEEN INDUSTRY AND GOVERNMENT ON TECHNOLOGY AND ACQUISITION DEVELOPMENTS IN ADDITION IT PROVIDES STATE OF THE ART DEFENSE TECHNOLOGY UPDATES AND PROMOTES BETTER MANAGEMENT TECHNIQUES THROUGH SYMPOSIA NDIA'S OVER 30 DIVISIONS COVER A WIDE SPECTRUM OF INTEREST AREAS THAT ARE IMPORTANT TO THE NATIONAL DEFENSE PREPAREDNESS EFFORT THE DIVISIONS ARE ORGANIZED TO PROMOTE THE EXCHANGE OF TECHNICAL INFORMATION RELATED TO THE RESEARCH, DEVELOPMENT, PRODUCTION, LOGISTICS, AND MANAGEMENT OF WEAPON SYSTEMS, POLICY, ASSOCIATED SUPPORT, AND TRAINING AMONG THE DEPARTMENT OF DEFENSE, OTHER FEDERAL GOVERNMENT AND STATE AGENCIES, INDUSTRY, ACADEMIA AND SCIENTIFIC AGENCIES

4b (Code) (Expenses \$ 3,922,865 including grants of \$) (Revenue \$ 3,189,453)

CHAPTERS AND DIVISIONS THE NDIA AND WID CHAPTERS ARE PART OF THE NDIA ENTITY AND ARE ORGANIZED GEOGRAPHICALLY FOR THE PURPOSE OF ENCOURAGING ACTIVITIES THAT SUPPORT THE ASSOCIATION'S VISION, MISSION, AND GOALS MANY ARE LOCATED NEAR MAJOR MILITARY COMMANDS, RESEARCH CENTERS, AND DEFENSE AGENCIES AND CONDUCT PROGRAMS TO INFORM THEIR MEMBERS AND COMMUNITIES ABOUT NATIONAL SECURITY AND THE INDUSTRIAL BASE

4c (Code) (Expenses \$ 2,419,630 including grants of \$) (Revenue \$ 1,456,254)

EDUCATIONAL SERVICES THE NATIONAL DEFENSE MAGAZINE IS A MONTHLY MAGAZINE THAT IS PUBLISHED TO HELP EDUCATE GOVERNMENT, INDUSTRY, AND THE PUBLIC REGARDING DEFENSE ISSUES AND RELATED TECHNOLOGY DEVELOPMENTS

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 26,364,367

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	Yes	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>	Yes	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	Yes	
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Part I.</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? <i>If "Yes," complete Schedule F, Part II and IV.</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? <i>If "Yes," complete Schedule F, Part III and IV.</i>		No
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.		

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35a Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	38	Yes	
Note. All Form 990 filers are required to complete Schedule O			

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 30		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return. 80		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.		
13b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the aggregate amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	Yes	
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	Yes	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed DC
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 BRONISLAW PROKUSKI JR
 2111 WILSON BOULEVARD NO 400
 ARLINGTON, VA 222013061
 (703) 522-1820

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- 1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.
- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							4,812,355	0	868,717	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **21**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

Part VIII Statement of Revenue

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a					
	b	Membership dues 1b					
	c	Fundraising events 1c					
	d	Related organizations 1d					
	e	Government grants (contributions) 1e					
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	294,884				
	g	Noncash contributions included in lines 1a-1f \$ _____					
	h	Total. Add lines 1a-1f ▶	294,884				
Program Service Revenue			Business Code				
	2a	MEETINGS	900099	16,658,632	16,658,632		
	b	EXHIBITS	900099	9,591,320	9,591,320		
	c	MEMBERSHIP DUES	900099	3,431,597	3,431,597		
	d	PUBLICATIONS	541800	1,562,019	223,354	1,338,665	
	e	SPONSORSHIPS	900099	1,493,540	1,493,540		
	f	All other program service revenue					
g	Total. Add lines 2a-2f ▶		32,737,108				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶		784,309		784,309	
	4	Income from investment of tax-exempt bond proceeds . . ▶					
	5	Royalties ▶					
	6a	(i) Real		(ii) Personal			
		Gross rents					
		Less rental expenses					
		Rental income or (loss)					
	d	Net rental income or (loss) ▶					
	7a	(i) Securities		(ii) Other			
		Gross amount from sales of assets other than inventory	6,429,440				
		Less cost or other basis and sales expenses	6,306,153				
		Gain or (loss)	123,287				
	d	Net gain or (loss) ▶		123,287		123,287	
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b	Less direct expenses b					
c	Net income or (loss) from fundraising events . . ▶						
9a	Gross income from gaming activities See Part IV, line 19 a						
b	Less direct expenses b						
c	Net income or (loss) from gaming activities . . ▶						
10a	Gross sales of inventory, less returns and allowances a						
b	Less cost of goods sold b						
c	Net income or (loss) from sales of inventory . . ▶						
Miscellaneous Revenue		Business Code					
11a	MISCELLANEOUS REVENUE	900099	514,386	514,386			
b	CHAPTER MISC REVENUE	900099	424,017	424,017			
c							
d	All other revenue						
e	Total. Add lines 11a-11d ▶		938,403				
12	Total revenue. See Instructions ▶		34,877,991	32,336,846	1,338,665	907,596	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	10,000	10,000		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	51,000	51,000		
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	4,055,248	2,537,199	1,518,049	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	5,704,830	3,520,823	2,184,007	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	723,721	477,896	245,825	
9	Other employee benefits	489,995	354,260	135,735	
10	Payroll taxes	487,484	324,099	163,385	
11	Fees for services (non-employees)				
a	Management				
b	Legal				
c	Accounting	116,168	7,160	109,008	
d	Lobbying	765	765		
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	169,353		169,353	
g	Other	1,397,708	1,232,478	165,230	
12	Advertising and promotion	529,310	529,310		
13	Office expenses	1,899,796	1,074,043	825,753	
14	Information technology				
15	Royalties				
16	Occupancy	824,376	424,909	399,467	
17	Travel	894,531	714,135	180,396	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	10,365,452	10,301,061	64,391	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	42,694	22,073	20,621	
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	EXHIBIT EXPENSES	2,077,304	2,077,304		
b	ALL OTHER EXPENSES	1,744,114	1,544,731	199,383	
c	PUBLICATIONS	929,154	929,154		
d	MEMBERSHIP SERVICES	231,967	231,967		
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	32,744,970	26,364,367	6,380,603	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	750	1	700
	2 Savings and temporary cash investments	17,710,037	2	19,545,343
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	514,493	4	323,455
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,924,043	9	1,613,590
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	2,803,266		
	b Less accumulated depreciation	2,687,039	155,495	10c 116,227
	11 Investments—publicly traded securities	29,894,956	11	31,762,797
	12 Investments—other securities See Part IV, line 11	3,877,260	12	5,361,055
	13 Investments—program-related See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	576,936	15	617,399
16 Total assets. Add lines 1 through 15 (must equal line 34)	54,653,970	16	59,340,566	
Liabilities	17 Accounts payable and accrued expenses	5,490,401	17	4,445,237
	18 Grants payable		18	
	19 Deferred revenue	11,166,741	19	10,034,771
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	3,877,260	25	5,361,055
	26 Total liabilities. Add lines 17 through 25	20,534,402	26	19,841,063
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	32,803,610	27	38,178,768
	28 Temporarily restricted net assets	692,458	28	689,235
	29 Permanently restricted net assets	623,500	29	631,500
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	34,119,568	33	39,499,503	
34 Total liabilities and net assets/fund balances	54,653,970	34	59,340,566	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	34,877,991
2	Total expenses (must equal Part IX, column (A), line 25)	2	32,744,970
3	Revenue less expenses Subtract line 2 from line 1	3	2,133,021
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	34,119,568
5	Other changes in net assets or fund balances (explain in Schedule O)	5	3,246,914
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	39,499,503

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2011

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV.) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12 Gross receipts from related activities, etc. (See instructions) **12****13 First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** **Section C. Computation of Public Support Percentage****14** Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f)) **14****15** Public Support Percentage for 2010 Schedule A, Part II, line 14 **15****16a 33 1/3% support test—2011.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **b 33 1/3% support test—2010.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization **17a 10%-facts-and-circumstances test—2011.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization **b 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization **18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,863,831	2,941,193	3,299,425	3,655,107	294,884	13,054,440
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	27,704,932	26,107,878	29,839,922	31,573,440	32,737,108	147,963,280
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	30,568,763	29,049,071	33,139,347	35,228,547	33,031,992	161,017,720
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						161,017,720

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6	30,568,763	29,049,071	33,139,347	35,228,547	33,031,992	161,017,720
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	938,237	669,827	722,450	772,949	738,243	3,841,706
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	938,237	669,827	722,450	772,949	738,243	3,841,706
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	511,349	786,507	898,653	1,145,563	938,403	4,280,475
13 Total support (Add lines 9, 10c, 11 and 12)	32,018,349	30,505,405	34,760,450	37,147,059	34,708,638	169,139,901
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	95.200 %
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	94.940 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	2.270 %
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	2.530 %

- 19a 33 1/3% support tests—2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private Foundation** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

Complete if the organization is described below.

Attach to Form 990 or Form 990-EZ. See separate instructions.

2011

Open to Public Inspection

Department of the Treasury Internal Revenue Service

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV
2 Political expenditures
3 Volunteer hours

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955
2 Enter the amount of any excise tax incurred by organization managers under section 4955
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?
4a Was a correction made?
b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b
4 Did the filing organization file Form 1120-POL for this year?
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	465													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	128,300													
c	Total lobbying expenditures (add lines 1a and 1b)	128,765													
d	Other exempt purpose expenditures	32,616,205													
e	Total exempt purpose expenditures (add lines 1c and 1d)	32,744,970													
f	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000													
<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
h	Subtract line 1g from line 1a If zero or less, enter -0-	0													
i	Subtract line 1f from line 1c If zero or less, enter -0-	0													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	109,510	120,365	127,268	128,765	485,908
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	490	555	7,768	465	9,278

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2011

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number 53-0196547

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically importantly land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

Table with 2 columns: Description, Held at the End of the Year. Rows 2a-2d: Total number of conservation easements, Total acreage restricted by conservation easements, Number of conservation easements on a certified historic structure included in (a), Number of conservation easements included in (c) acquired after 8/17/06.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	860,216	822,237	756,445	721,586	
b Contributions	9,001	3,000		7,000	
c Investment earnings or losses	9,393	34,979	65,792	27,859	
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	878,610	860,216	822,237	756,445	

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment
- b** Permanent endowment 82.500 %
- c** Term endowment 17.500 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i) Yes	
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		2,803,266	2,687,039	116,227
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				116,227

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other (A) DEFERRED COMPENSATION INVESTMENT	5,361,055	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	5,361,055	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED COMPENSATION OBLIGATION	5,361,055
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	5,361,055

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	34,877,991
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	32,744,970
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	2,133,021
4	Net unrealized gains (losses) on investments	4	3,170,010
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	96,207
9	Total adjustments (net) Add lines 4 - 8	9	3,266,217
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,399,238

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	30,785,773
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	30,785,773
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	169,353
b	Other (Describe in Part XIV)	4b	3,922,865
c	Add lines 4a and 4b	4c	4,092,218
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	34,877,991

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	29,289,957
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	29,289,957
4	Amounts included on Form 990, Part IX, line 25, but not on line 1 :		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	169,353
b	Other (Describe in Part XIV)	4b	3,285,660
c	Add lines 4a and 4b	4c	3,455,013
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	32,744,970

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ACTIVE ENDOWMENT FUNDS ARE PRIMARILY USED FOR SCHOLARSHIP AWARDS THE CHOU AND ZERNOW FUNDS ARE PRIMARILY FOR RECOGNIZING PROFESSIONAL COMPETENCE IN TERMS OF BEST PAPER AND BEST AUTHOR AT THE NORMALLY, ANNUAL BALLISTICS CONFERENCE
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE ASSOCIATION IS EXEMPT FROM THE PAYMENT OF INCOME TAXES ON ITS EXEMPT ACTIVITIES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) HOWEVER, THE ASSOCIATION IS SUBJECT TO TAXES ON ITS UNRELATED BUSINESS ACTIVITIES THE INTERNAL REVENUE SERVICE HAS DETERMINED THAT THE ASSOCIATION IS NOT A PRIVATE FOUNDATION AS THE ASSOCIATION IS CLASSIFIED UNDER SECTION 509(A)(2) OF THE IRC THE ASSOCIATION IS FOLLOWING THE GUIDANCE IN THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS THE ASSOCIATION EVALUATED ITS TAX POSITIONS AND DETERMINED ITS POSITIONS ARE MORE-LIKELY-THAN-NOT TO BE SUSTAINED UPON EXAMINATIONS THE ASSOCIATION'S TAX RETURNS ARE SUBJECT TO REVIEW AND EXAMINATION BY FEDERAL AND STATE AUTHORITIES THE TAX RETURNS FOR THE FISCAL YEARS 2010, 2011, AND 2012 ARE OPEN TO EXAMINATION BY FEDERAL AND STATE AUTHORITIES
PART XII, LINE 4B - OTHER ADJUSTMENTS		CHAPTER REVENUE 3,189,453 INVESTMENT INCOME 733,412
PART XIII, LINE 4B - OTHER ADJUSTMENTS		CHAPTER EXPENSES 3,285,660

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

2011

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. Attach to Form 990

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number 53-0196547

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Row 1 contains data for WOUNDED WARRIOR PROJECT.

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
3 Enter total number of other organizations listed in the line 1 table

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SKIBBIE SCHOLARSHIP	1	6,000		N/A	
(2) I/ITSEC SCHOLARSHIP	1	10,000		N/A	
(3) USW FELLOWSHIP AWARD	3	18,000		N/A	
(4) HORIZONS SCHOLARSHIP AWARD	2	17,000		N/A	

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 I/ITSEC TRAINING SYSTEMS A SCHOLARSHIP AWARD FUNDED BY THE ANNUAL MEETING SCHOLARSHIPS ARE OFFERED AT A MASTERS LEVEL IN THE AMOUNT \$5,000, AND AT A DOCTORAL LEVEL IN THE AMOUNT OF \$10,000 APPLICANTS MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN CERTAIN DISCIPLINES, BE A US CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE MODELING, SIMULATION & TRAINING SYSTEMS AND/OR EDUCATION INDUSTRY THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE SUBMITTED APPLICATION DOCUMENTS IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE FOLLOWING THE ELIGIBILITY GUIDELINES A PANEL CONSISTING OF INDIVIDUALS FROM THE MILITARY SERVICES AND PAST AND PRESENT I/ITSEC CHAIRS DETERMINE THE SELECTION UNDERSEA WARFARE FUND THE NDIA UNDERSEA SYSTEMS WARFARE DIVISION (USWD) UNIVERSITY FELLOWSHIP FUND IS TO FUND SCHOLARSHIPS FOR DOCTORAL CANDIDATES IN SCIENCE AND ENGINEERING RELATED TO UNDERSEA WARFARE AT THE UNIVERSITY OF TEXAS AUSTIN, THE PENNSYLVANIA STATE UNIVERSITY AT STATE COLLEGE, AND THE UNIVERSITY OF WASHINGTON SEATTLE SPECIFIC ELIGIBILITY RULES FOR THE FELLOWSHIP ARE ESTABLISHED AT THE PARTICIPATING UNIVERSITIES, WHICH FORWARD CANDIDATES TO THE DIRECTOR OF APPLIED RESEARCH LABORATORIES AT THE UNIVERSITY OF TEXAS WITH THEN REVIEW AND APPROVAL BY UNDERSEA WARFARE EXECUTIVE BOARD THE FELLOWSHIP IS NORMALLY FOR ONE-YEAR NOT TO EXCEED IN-STATE TUITION COSTS AND FEES, EXTENDIBLE TO A SECOND YEAR BASED ON STUDENT PERFORMANCE HORIZONS SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO PROVIDE FINANCIAL ASSISTANCE TO FURTHER EDUCATIONAL OBJECTIVES OF WOMEN WHO ARE US CITIZENS EITHER EMPLOYED OR PLANNING CAREERS IN DEFENSE OR NATIONAL SECURITY AREAS (THIS IS NOT LAW ENFORCEMENT OR CRIMINAL JUSTICE) THE AMOUNT OF THE AWARDS VARIES EACH YEAR THE APPLICANT MUST BE CURRENTLY ENROLLED EITHER PART OR FULL TIME AT AN ACCREDITED UNIVERSITY OR COLLEGE WITH A MINIMUM GRADE POINT AVERAGE OF 3.25 AWARDS ARE BASED ON ACADEMIC ACHIEVEMENT, PARTICIPATION IN DEFENSE AND NATIONAL SECURITY ACTIVITIES, FIELD OF STUDY, WORK EXPERIENCE, STATEMENTS OF OBJECTIVES, RECOMMENDATIONS, AND FINANCIAL NEED A PANEL OF JUDGES, COMPOSED OF WID (NDIA AFFILIATE) MEMBERS, CONSIDERS APPLICATIONS AND MAKES AWARDS ONCE EACH YEAR SKIBBIE SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO SUPPORT ONE OR MORE ADVANCED GRADUATE STUDENT(S) IN ENGINEERING, SCIENCE, OR MANAGEMENT, WITH THE TOTAL AVAILABLE FOR AWARD BEING \$10,000 THE APPLICANT MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN ENGINEERING, THE SCIENCES OR MANAGEMENT AS RELATED TO THE NDIA MISSION, BE A US CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE DEFENSE OR NATIONAL SECURITY INDUSTRY, THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE APPLICATION DOCUMENTS FINAL SELECTION OF THE AWARDEE(S) IS MADE BY THE NDIA EXECUTIVE COMMITTEE THE AWARD WILL BE MADE DIRECTLY TO THE INSTITUTION FOR TUITION AND IS SUBJECT TO THEIR POLICIES AND PROCEDURES IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE SUBJECT TO THE ELIGIBILITY GUIDELINES

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Part I Questions Regarding Compensation

Yes No

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items

- First-class or charter travel
- Travel for companions
- Tax idemnification and gross-up payments
- Discretionary spending account
- Housing allowance or residence for personal use
- Payments for business use of personal residence
- Health or social club dues or initiation fees
- Personal services (e g , maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply

- Compensation committee
- Independent compensation consultant
- Form 990 of other organizations
- Written employment contract
- Compensation survey or study
- Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
See Additional Data Table							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
	PART I, LINE 1A	THE PRESIDENT OF THE ORGANIZATION RECEIVES A MEMBERSHIP IN TWO SOCIAL CLUBS. NO AMOUNT IS REQUIRED TO BE REPORTED IN TAXABLE INCOME.

Software ID:
Software Version:
EIN: 53-0196547
Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
BRONISLAW PROKUSKI JR	(i)	230,481	370,000	103,449	41,000	8,654	753,584	0
	(ii)	0	0	0	0	0	0	0
LAWRENCE P FARRELL JR	(i)	353,861	554,000	205,792	29,968	5,431	1,149,052	0
	(ii)	0	0	0	0	0	0	0
DAVID E CHEESEBROUGH	(i)	121,096	51,258	0	70,887	18,372	261,613	0
	(ii)	0	0	0	0	0	0	0
FREDERICK L LEWIS	(i)	183,288	135,563	40,223	32,029	8,559	399,662	0
	(ii)	0	0	0	0	0	0	0
BARRY D BATES	(i)	183,018	135,563	45,018	27,809	3,217	394,625	0
	(ii)	0	0	0	0	0	0	0
SANDRA I ERWIN	(i)	124,009	69,332	7,471	34,700	2,053	237,565	0
	(ii)	0	0	0	0	0	0	0
THOMAS A OWENS	(i)	127,282	16,500	11,395	14,376	6,261	175,814	0
	(ii)	0	0	0	0	0	0	0
DINO K PIGNOTTI	(i)	114,840	110,092	1,545	38,600	20,446	285,523	0
	(ii)	0	0	0	0	0	0	0
PETER M STEFFES	(i)	153,211	88,769	22,116	127,859	5,859	397,814	0
	(ii)	0	0	0	0	0	0	0
THOMAS NORDBY	(i)	139,025	80,000	8,252	40,696	24,474	292,447	0
	(ii)	0	0	0	0	0	0	0
SASAN OGHOLIDOS	(i)	125,329	50,000	0	37,166	6,157	218,652	0
	(ii)	0	0	0	0	0	0	0
SCOTT J REKDAL	(i)	129,404	28,000	0	34,670	20,449	212,523	0
	(ii)	0	0	0	0	0	0	0
E RICHARD TAYLOR	(i)	105,321	51,000	0	32,971	8,855	198,147	0
	(ii)	0	0	0	0	0	0	0
LUELLEN HOFFMAN	(i)	87,666	50,000	0	28,428	6,815	172,909	0
	(ii)	0	0	0	0	0	0	0
MICHAEL A DAUTH	(i)	86,979	44,000	0	27,641	1,689	160,309	0
	(ii)	0	0	0	0	0	0	0
BRITT BOMMELJE	(i)	74,169	35,000	0	60,782	5,534	175,485	0
	(ii)	0	0	0	0	0	0	0
DONALD B ROULSTONE	(i)	99,038	60,000	0	31,865	4,445	195,348	0
	(ii)	0	0	0	0	0	0	0

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD OF DIRECTORS, THE IMMEDIATE PAST CHAIRMAN, AND FOUR ADDITIONAL MEMBERS ELECTED BY THE BOARD OF DIRECTORS FOR A TERM OF OFFICE OF ONE YEAR THE EXECUTIVE COMMITTEE SHALL HAVE AND EXERCISE THE AUTHORITY OF THE BOARD OF DIRECTORS IN THE MANAGEMENT OF THE ASSOCIATION, EXCEPT THE AUTHORITY TO ADOPT A MENDMENTS TO THESE BY-LAWS IN ADDITION, IT SHALL REVIEW INDIVIDUAL, CORPORATE AND GOVERNMENT MEBERSHIP STANDINGS AT EACH OF ITS REGULAR MEETINGS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 6	<p>THE ASSOCIATION HAS THREE CLASSES OF MEMBERSHIP INDIVIDUAL, CORPORATE, AND ALLIED INDIVIDUAL MEMBERSHIP SHALL BE EITHER REGULAR, LIFE, STUDENT, OR HONORARY , AS DESCRIBED BELOW INDIVIDUAL MEMBERS MUST BE UNITED STATES CITIZENS INDIVIDUAL MEMBERS SHALL BE ENTITLED TO VOTE AS A MEMBER OF ONE OF THE ASSOCIATION'S CHAPTERS ONLY ON MATTERS AFFECTING THE CHAPTER (A) REGULAR MEMBERSHIP IS OPEN TO THOSE INDIVIDUALS WHO DO NOT QUALIFY FOR ANY OTHER TYPE OF INDIVIDUAL MEMBERSHIP; (B) LIFE MEMBERSHIP IS OPEN TO INDIVIDUAL MEMBERS UPON PAYMENT OF LIFE-TIME MEMBERSHIP DUES, (C) STUDENT MEMBERSHIP IS OPEN TO STUDENTS IN COLLEGES AND TECHNICAL SCHOOLS, AND (D) HONORARY MEMBERSHIP IS CONFERRED IN THE DISCRETION OF THE BOARD OF DIRECTORS OR THE EXECUTIVE COMMITTEE ON THOSE WHO HAVE RENDERED MERITORIOUS SERVICE IN THE CAUSE OF DEFENSE PREPAREDNESS AND NATIONAL SECURITY HONORARY MEMBERS WILL PAY NO DUES CORPORATE MEMBERS SHALL BE TERMED REGULAR CORPORATE MEMBERS REGULAR CORPORATE MEMBERSHIP IS OPEN TO ALL BUSINESSES, INCLUDING PARTNERSHIPS, SOLE PROPRIETORSHIPS, CORPORATIONS, FIRMS, EDUCATIONAL INSTITUTIONS, FOUNDATIONS, ASSOCIATIONS, AND COMPONENTS THEREOF (HEREINAFTER REFERRED TO AS "CORPORATIONS") ORGANIZED OR OTHERWISE CHARTERED WITHIN THE UNITED STATES A KEY REPRESENTATIVE, EMPOWERED TO SPEAK (VOTE) FOR HIS OR HER CORPORATION ON MATTERS AFFECTING THE ASSOCIATION AS A WHOLE (HEREINAFTER REFERRED TO AS "KEY REPRESENTATIVE") WILL BE DESIGNATED BY EACH REGULAR CORPORATE MEMBER REGULAR CORPORATE MEMBERS SHALL HAVE THE RIGHT TO NOMINATE EMPLOYEES TO REGULAR MEMBERSHIP IN THE ASSOCIATION, THE TOTAL NUMBER OF SUCH MEMBERSHIPS TO BE RELATED TO THE ANNUAL MEMBERSHIP DUES OF THE REGULAR CORPORATE MEMBER, AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS OR THE EXECUTIVE COMMITTEE SUCH MEMBERS SHALL NOT BE REQUIRED TO PAY INDIVIDUAL MEMBERSHIP DUES ALLIED MEMBERSHIP SHALL BE EITHER INDIVIDUAL OR CORPORATE AS DESCRIBED BELOW (A) ALLIED INDIVIDUAL MEMBERSHIP MAY BE CONFERRED BY THE PRESIDENT OF THE ASSOCIATION ON INDIVIDUALS WHO ARE CITIZENS OF (1) NATIONS BELONGING TO THE NATO ALLIANCE, (2) JAPAN, AUSTRALIA, OR NEW ZEALAND, (3) NATIONS WITH WHICH THE UNITED STATES MAINTAINS A RECIPROCAL PROCUREMENT AGREEMENT, (4) NATIONS WITH WHICH THE UNITED STATES DEPARTMENT OF DEFENSE HAS SPECIFICALLY REQUESTED THE ASSOCIATION TO CONDUCT MEETINGS AND ENHANCE COMMUNICATIONS ON AN INDUSTRY-TO-INDUSTRY BASIS ALLIED INDIVIDUAL MEMBERS MAY PARTICIPATE AS INDIVIDUAL NON-VOTING MEMBERS IN THE ACTIVITIES OF THE CHAPTERS, SUBJECT TO ANY RESTRICTIONS THAT MAY BE PLACED ON SUCH PARTICIPATION BY THE UNITED STATES GOVERNMENT IN THE CASE OF CHAPTERS LOCATED OUTSIDE THE FIFTY STATES, ALLIED MEMBERS MAY PARTICIPATE AS INDIVIDUAL VOTING MEMBERS IN THE ACTIVITIES OF THOSE CHAPTERS (B) ALLIED CORPORATE MEMBERSHIP MAY BE CONFERRED BY THE PRESIDENT OF THE ASSOCIATION ON CORPORATIONS WHICH ARE CHARTERED AND CONTROLLED UNDER THE LAWS OF (1) NATIONS BELONGING TO THE NATO ALLIANCE, (2) JAPAN, AUSTRALIA, OR NEW ZEALAND, (3) NATIONS WITH WHICH THE UNITED STATES MAINTAINS A RECIPROCAL PROCUREMENT AGREEMENT, (4) NATIONS WITH WHICH THE UNITED STATES DEPARTMENT OF DEFENSE HAS SPECIFICALLY REQUESTED THE ASSOCIATION TO CONDUCT MEETINGS AND TO ENHANCE COMMUNICATIONS ON AN INDUSTRY-TO-INDUSTRY BASIS ALLIED CORPORATE MEMBERS SHALL HAVE THE RIGHT TO NOMINATE A DESIGNATED NUMBER OF EMPLOYEES AS THEIR REPRESENTATIVES TO RECEIVE ALL BENEFITS OF ALLIED INDIVIDUAL MEMBERS SUCH MEMBERS SHALL NOT BE REQUIRED TO PAY INDIVIDUAL MEMBERSHIP DUES</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 7A	THE ASSOCIATION'S BOARD OF DIRECTORS ARE ELECTED BY A MAJORITY VOTE FROM THE FOLLOWING ELECTORS THE PRESIDENT OF EACH CHAPTER IN THE FIFTY STATES SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE FOR EACH 100 INDIVIDUAL MEMBERS OF THE CHAPTER, OR A PORTION THEREOF THE CHAIRMAN OF EACH DIVISION SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE THE KEY REPRESENTATIVE OF EACH REGULAR CORPORATE MEMBER SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	FORM 990, PART VI, SECTION A, LINE 10 THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM AND IS PROVIDED PRIOR TO FILING TO THE NDIA BOARD OF DIRECTORS FOR THEIR INFORMATION AND REVIEW AT THE SAME TIME, A DETAILED REVIEW IS CONDUCTED BY THE NDIA TREASURER, THE NDIA PRESIDENT, THE NDIA VICE PRESIDENT FOR BUSINESS OPERATIONS (FINANCE), THE NDIA CONTROLLER, AND THE NDIA EXECUTIVE COMMITTEE WHICH HAS BOARD AUTHORITY DESIGNATED TO IT ALL PARTIES ARE ABLE TO ASK QUESTIONS AND REQUEST CHANGES TO THE FORM 990 PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEETING BEGINS WITH A REVIEW OF A CHART OUTLINING THE CONFLICT OF INTEREST POLICY AND THE BOARD CHAIRMAN CALLING FOR ANY DISCLOSURES THE POLICY IS ALSO OUTLINED IN THE DIRECTOR'S HANDBOOK, WHICH EACH BOARD MEMBER RECEIVES BOARD MEMBERS, OFFICERS, AND INDIVIDUALS HOLDING STAFF EXECUTIVE POSITIONS ARE REQUIRED TO COMPLETE DISCLOSURE FORMS ANNUALLY AT THE BEGINNING OF EACH FISCAL YEAR, LISTING ALL INTERESTS WHICH EITHER DO, OR POTENTIALLY COULD REPRESENT A CONFLICT OF INTEREST OFFICERS AND THOSE INDIVIDUALS HOLDING EXECUTIVE POSITIONS ARE REQUIRED TO UPDATE THEIR DISCLOSURE FORMS THROUGHOUT THE YEAR SHOULD CIRCUMSTANCES CHANGE THE DISCLOSURE FORM IS A THREE PART FORM THE FIRST SECTION ASKS IF THERE ARE ANY RELEVANT RELATIONSHIPS TO DISCLOSE (RELEVANT BEING THOSE RELATIONSHIPS RELATED TO THE INTERESTS AND ACTIVITIES OF NDIA AND ITS AFFILIATES), THE SECOND SECTION REQUESTS DISCLOSURE OF RELEVANT FINANCIAL, COMMERCIAL OR OTHER ORGANIZATIONAL RELATIONSHIPS, AND THE FINAL SECTION REQUESTS A CATEGORY LISTING OF RELATIONSHIPS TO BE DISCLOSED AS APPROPRIATE ANY ISSUES RAISED WOULD BE PRESENTED TO THE PRESIDENT AND CEO OF NDIA, SUBSEQUENTLY TO THE NDIA FINANCE COMMITTEE CHAIRMAN AND THE NDIA BOARD EXECUTIVE COMMITTEE FOR APPROPRIATE ACTION ALL POTENTIAL AND ACTUAL CONFLICTS AND PROCEEDINGS ARE NOTED IN THE MEETING MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE COMPENSATION FOR THE PRESIDENT & CEO OF NDIA, LAWRENCE P FARRELL, JR , LT GEN USAF (RET), IS UNDER CONTRACT AS SIGNED BY THE CHAIRMAN, NDIA THE PRESIDENT'S BASE COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA COMPENSATION COMMITTEE AS PART OF ITS REVIEW OF THE INCENTIVE AWARDS JUSTIFICATIONS AS PRESENTED TO IT AND SUBSEQUENTLY BY THE NDIA EXECUTIVE COMMITTEE AT THE FALL NDIA BOARD AS PART OF THE EXECUTIVE COMMITTEE MEETING AGENDA FOLLOWING THE BOARD MEETING IN EXECUTIVE SESSION, WITH GENERAL COUNSEL PARTICIPATING THE MOST RECENT REVIEW WAS IN NOVEMBER, 2012 THE JUSTIFICATION PACKAGE PRESENTED TO BOTH COMMITTEES INCLUDES SURVEY COMPENSATION DATA PRIMARILY THAT OF PRM CONSULTING GROUP WHICH DOES EXTENSIVE SURVEYS OF THE NON-PROFIT INDUSTRY THE LAST CHANGE IN THE PRESIDENT'S BASE COMPENSATION WAS AT THE BEGINNING OF FY 2012 THE COMPENSATION OF THE OTHER OFFICERS IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA PRESIDENT AND THE NDIA COMPENSATION COMMITTEE AS PART OF ITS REVIEW OF THE INCENTIVE AWARDS JUSTIFICATIONS AS PRESENTED TO IT AND SUBSEQUENTLY BY THE NDIA EXECUTIVE COMMITTEE AT THE FALL NDIA BOARD AS PART OF THE EXECUTIVE COMMITTEE MEETING AGENDA FOLLOWING THE BOARD MEETING IN EXECUTIVE SESSION, WITH GENERAL COUNSEL PARTICIPATING THE JUSTIFICATION PACKAGE PRESENTED TO BOTH COMMITTEES INCLUDES SURVEY COMPENSATION DATA PRIMARILY THAT OF PRM CONSULTING GROUP WHICH DOES EXTENSIVE SURVEYS OF THE NON-PROFIT INDUSTRY THE MOST RECENT REVIEW WAS IN NOVEMBER, 2012 FOR THE OTHER OFFICERS AFFILIATE PRESIDENTS, D CHEESEBROUGH , F LEWIS AND J ROBB, AND VICE PRESIDENTS, B BATES, S ERWIN, T OWENS, D PIGNOTTI, B PROKUSKI, AND P STEFFES KEY EMPLOYEES' COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA PRESIDENT USING THE APPROPRIATE COMPARABILITY DATA AND INFORMATION FROM INDIVIDUAL PERFORMANCE INCENTIVE REVIEWS KEY EMPLOYEE COMPENSATION IS INDIRECTLY REVIEWED BY NDIA'S FINANCE COMMITTEE AS PART OF THE ANNUAL BUDGETING PROCESS</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ASSOCIATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED GAINS ON INVESTMENTS 3,170,010 CHAPTER REVENUE OVER EXPENSES 76,904 TOTAL TO FORM 990, PART XI, LINE 5 3,246,914

Additional Data

Software ID:
Software Version:
EIN: 53-0196547
Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
SEAN O'KEEFE BOARD CHAIR	1 00	X		X				0	0	0
ARNOLD J PUNARO BOARD VICE CHAIR	1 00	X		X				0	0	0
JOHN D ILLGEN BOARD PAST CHAIR	1 00	X		X				0	0	0
BRONISLAW PROKUSKI JR VICE PRES/BOARD SECR-TREAS	40 00	X		X				703,930	0	49,654
RICHARD A CODY DIRECTOR	1 00	X						0	0	0
MR TREVOR L HUTH DIRECTOR	1 00	X						0	0	0
MS PATRICIA M WARD DIRECTOR	1 00	X						0	0	0
MARGARET MYERS DIRECTOR	1 00	X						0	0	0
DALE W CHURCH DIRECTOR	1 00	X						0	0	0
RICHARD L HAVER DIRECTOR	1 00	X						0	0	0
MAURICE A GAUTHIER DIRECTOR	1 00	X						0	0	0
STEVEN F GAFFNEY DIRECTOR	1 00	X						0	0	0
HELEN GREINER DIRECTOR	1 00	X						0	0	0
GERALD G HARVEY JR DIRECTOR	1 00	X						0	0	0
GEORGE J PEDERSEN DIRECTOR	1 00	X						0	0	0
JOANNA T LAU DIRECTOR	1 00	X						0	0	0
WILLIAM C HOOVER DIRECTOR	1 00	X						0	0	0
ANDREW M MCHUGH DIRECTOR	1 00	X						0	0	0
JOHN H MOELLERING DIRECTOR	1 00	X						0	0	0
WILLIAM B MOORE DIRECTOR	1 00	X						0	0	0
RICHARD ANDREW HOVE DIRECTOR	1 00	X						0	0	0
FREDERICK M STRADER DIRECTOR	1 00	X						0	0	0
THOMAS A VECCHIOLA DIRECTOR	1 00	X						0	0	0
MR FRANCIS M WALTON DIRECTOR	1 00	X						0	0	0
GRAHAM E SHIRLEY DIRECTOR	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
KENNETH J WOLBECK DIRECTOR	1 00	X						0	0	0
JAMES T MCALEESE DIRECTOR	1 00	X						0	0	0
STEPHEN E KELLY DIRECTOR	1 00	X						0	0	0
BOBBY STURGELL DIRECTOR	1 00	X						0	0	0
LAWRENCE P FARRELL JR CEO/PRESIDENT	40 00			X				1,113,653	0	35,399
DAVID E CHEESEBROUGH PRESIDENT, AFEI	40 00			X				172,354	0	89,259
FREDERICK L LEWIS PRESIDENT, NTSA	40 00			X				359,074	0	40,588
BARRY D BATES VICE PRESIDENT	40 00			X				363,599	0	31,026
SANDRA I ERWIN VICE PRESIDENT	40 00			X				200,812	0	36,753
THOMAS A OWENS VICE PRESIDENT	40 00			X				155,177	0	20,637
DINO K PIGNOTTI VICE PRESIDENT	40 00			X				226,477	0	59,046
PETER M STEFFES VICE PRESIDENT	40 00			X				264,096	0	133,718
THOMAS NORDBY ASSISTANT VP, BUSINESS OPERATIONS	40 00				X			227,277	0	65,170
SASAN OGHOLIDOS DIRECTOR, NETWORK SYSTEMS	40 00				X			175,329	0	43,323
SCOTT J REKDAL ASST VP, BUSINESS OPERATIONS, MARKETING	40 00				X			157,404	0	55,119
E RICHARD TAYLOR CONTROLLER	40 00					X		156,321	0	41,826
LUELLEN HOFFMAN DIRECTOR, EXHIBITS	40 00					X		137,666	0	35,243
MICHAEL A DAUTH DIRECTOR, OPERATIONS	40 00					X		130,979	0	29,330
BRITT BOMMELJE DIRECTOR, OPERATIONS	40 00					X		109,169	0	66,316
DONALD B ROULSTONE ASSISTANT VICE PRESIDENT	40 00					X		159,038	0	36,310

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)
 The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047
2010
Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10-01-2010 and ending 09-30-2011

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION	D Employer identification number 53-0196547
	Doing Business As	E Telephone number (703) 522-1820
	Number and street (or P O box if mail is not delivered to street address) Room/suite 2111 WILSON BOULEVARD NO 400	G Gross receipts \$ 43,561,395

F Name and address of principal officer LAWRENCE P FARRELL JR 2111 WILSON BOULEVARD NO 400 ARLINGTON, VA 222013061	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions) H(c) Group exemption number
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I Tax-exempt status: 501(c)(3) 501(c) () (Insert no) 4947(a)(1) or 527

J Website: WWW.NDIA.ORG

K Form of organization: Corporation Trust Association Other

L Year of formation: 1919 **M** State of legal domicile: DC

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROMOTE THE INTEREST OF DEFENSE PREPAREDNESS		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	29
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	29
	5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	82
	6 Total number of volunteers (estimate if necessary)	6	90,000
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,405,147
b Net unrelated business taxable income from Form 990-T, line 34	7b	-2,000	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	119,121	343,814
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	34,424,920	36,373,380
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	989,613	514,699
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	36,432,307	38,114,678
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	70,000	76,925
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	9,999,779	10,708,253
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) \rightarrow 0		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	22,680,458	23,688,285
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	32,750,237	34,473,463
19 Revenue less expenses Subtract line 18 from line 12	3,682,070	3,641,215	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	50,634,789	54,653,970
	22 Net assets or fund balances Subtract line 21 from line 20	18,905,827	20,534,402
		31,728,962	34,119,568

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on information furnished by filer.

Sign Here	***** Signature of officer	
	BRONISLAW PROKUSKI JR SECRETARY/TREASURER Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature
	Firm's name \rightarrow CLIFTONLARSONALLEN LLP	
	Firm's address \rightarrow 2900 SOUTH QUINCY ST SUITE 150 ARLINGTON, VA 22206	

May the IRS discuss this return with the preparer shown above? (see instructions)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission

THE MISSION OF THE NATIONAL DEFENSE INDUSTRIAL ORGANIZATION (NDIA) AND ITS SUBSIDIARY AFFILIATES THE ASSOCIATION FOR ENTERPRISE INFORMATION (AFEI), THE NATIONAL TRAINING AND SIMULATION ASSOCIATION (NTSA), THE PRECISION STRIKE ASSOCIATION (PSA), AND WOMEN IN DEFENSE (WID), IS TO ADVOCATE CUTTING EDGE TECHNOLOGY AND SUPERIOR WEAPONS, EQUIPMENT, TRAINING, AND SUPPORT FOR THE WAR-FIGHTER AND FIRST RESPONDER, TO PROMOTE A VIGOROUS, RESPONSIVE GOVERNMENT - INDUSTRY NATIONAL SECURITY TEAM, AND TO PROVIDE LEGAL AND ETHICAL FORUMS FOR THE EXCHANGE OF INFORMATION BETWEEN INDUSTRY AND GOVERNMENT ON NATIONAL SECURITY ISSUES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 20,893,437 including grants of \$ 76,925) (Revenue \$ 31,793,073)

THE NDIA PROMOTES ACTIVITIES AND FORUMS FOR THE INTERCHANGE BETWEEN INDUSTRY AND GOVERNMENT ON TECHNOLOGY AND ACQUISITION DEVELOPMENTS IN ADDITION IT PROVIDES STATE OF THE ART DEFENSE TECHNOLOGY UPDATES AND PROMOTES BETTER MANAGEMENT TECHNIQUES THROUGH SYMPOSIA NDIA'S OVER 30 DIVISIONS COVER A WIDE SPECTRUM OF INTEREST AREAS THAT ARE IMPORTANT TO THE NATIONAL DEFENSE PREPAREDNESS EFFORT THE DIVISIONS ARE ORGANIZED TO PROMOTE THE EXCHANGE OF TECHNICAL INFORMATION RELATED TO THE RESEARCH, DEVELOPMENT, PRODUCTION, LOGISTICS, AND MANAGEMENT OF WEAPON SYSTEMS, POLICY, ASSOCIATED SUPPORT, AND TRAINING AMONG THE DEPARTMENT OF DEFENSE, OTHER FEDERAL GOVERNMENT AND STATE AGENCIES, INDUSTRY, ACADEMIA AND SCIENTIFIC AGENCIES

4b (Code) (Expenses \$ 3,357,765 including grants of \$ 0) (Revenue \$ 2,964,140)

CHAPTERS THE NDIA AND WID CHAPTERS ARE PART OF THE NDIA ENTITY AND ARE ORGANIZED GEOGRAPHICALLY FOR THE PURPOSE OF ENCOURAGING ACTIVITIES THAT SUPPORT THE ASSOCIATION'S VISION, MISSION, AND GOALS MANY ARE LOCATED NEAR MAJOR MILITARY COMMANDS, RESEARCH CENTERS, AND DEFENSE AGENCIES AND CONDUCT PROGRAMS TO INFORM THEIR MEMBERS AND COMMUNITIES ABOUT NATIONAL SECURITY AND THE INDUSTRIAL BASE

4c (Code) (Expenses \$ 2,502,118 including grants of \$ 0) (Revenue \$ 1,616,167)

EDUCATIONAL SERVICES THE NATIONAL DEFENSE MAGAZINE IS A MONTHLY MAGAZINE THAT IS PUBLISHED TO HELP EDUCATE GOVERNMENT, INDUSTRY, AND THE PUBLIC REGARDING DEFENSE ISSUES AND RELATED TECHNOLOGY DEVELOPMENTS

4d Other program services (Describe in Schedule O) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 26,753,320

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A.</i>	Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instruction)?		No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I.</i>		No
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II.</i>	Yes	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III.</i>		
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I.</i>		No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II.</i>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III.</i>		No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV.</i>		No
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V.</i>	Yes	
11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>	Yes	
b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>	Yes	
c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		No
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		No
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X.</i>	Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>	Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.</i>		No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E.</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Parts I and IV.</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Parts II and IV.</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Parts III and IV.</i>		No
17 Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions).</i>		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II.</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III.</i>		No
20a Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H.</i>		No
b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)		

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> <input checked="" type="checkbox"/>	21	Yes	
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> <input checked="" type="checkbox"/>	22	Yes	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> <input checked="" type="checkbox"/>	23	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c		No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29		No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30		No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34		No
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		No
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36		No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.		
1a	38		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.		
1b	0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.		
2a	82		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	Yes	
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
7d	If "Yes," indicate the number of Forms 8282 filed during the year.		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
10a	Initiation fees and capital contributions included on Part VIII, line 12.		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter		
11a	Gross income from members or shareholders.		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		
13c	Enter the amount of reserves on hand.		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		No
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (29), 1b (29), 2 (No), 3 (No), 4 (No), 5 (No), 6 (Yes), 7a (Yes), 7b (No), 8a (Yes), 8b (Yes), 9 (No).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a (Yes), 10b (Yes), 11a (Yes), 12a (Yes), 12b (Yes), 12c (Yes), 13 (Yes), 14 (Yes), 15a (Yes), 15b (Yes), 16a (No), 16b.

Section C. Disclosure

- 17 List the States with which a copy of this Form 990 is required to be filed VA
18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization. BRONISLAW PROKUSKI JR, 2111 WILSON BOULEVARD NO 400, ARLINGTON, VA 222013061, (703) 522-1820

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See Additional Data Table										
1b Sub-Total										
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)							4,389,655	0	880,357	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **17**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a					
	b Membership dues 1b					
	c Fundraising events 1c					
	d Related organizations 1d					
	e Government grants (contributions) 1e					
	f All other contributions, gifts, grants, and similar amounts not included above 1f	343,814				
	g Noncash contributions included in lines 1a-1f \$					
	h Total. Add lines 1a-1f	343,814				
	Program Service Revenue	2a MEETINGS	900099	19,780,690	19,780,690	
b EXHIBITS		900099	9,994,335	9,994,335		
c MEMBERSHIP DUES		900099	3,394,793	3,394,793		
d PUBLICATIONS		541800	1,616,167	211,020	1,405,147	
e SPONSORSHIPS		900099	1,587,395	1,587,395		
f All other program service revenue						
g Total. Add lines 2a-2f			36,373,380			
Other Revenue		3 Investment income (including dividends, interest and other similar amounts)		772,949		772,949
	4 Income from investment of tax-exempt bond proceeds					
	5 Royalties					
	6a Gross Rents	(i) Real				
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss)					
	7a Gross amount from sales of assets other than inventory	(i) Securities	5,188,467			
		(ii) Other				
		b Less cost or other basis and sales expenses	5,446,717			
		c Gain or (loss)	-258,250			
d Net gain or (loss)		-258,250		-258,250		
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a						
	b Less direct expenses b					
	c Net income or (loss) from fundraising events					
9a Gross income from gaming activities See Part IV, line 19 a						
	b Less direct expenses b					
	c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances a						
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory					
11a MISCELLANEOUS REVENUE	Miscellaneous Revenue	Business Code				
	b CHAPTER MISC REVENUE	900099	497,487		497,487	
	c _____	900099	385,298		385,298	
	d All other revenue					
	e Total. Add lines 11a-11d		882,785			
12 Total revenue. See Instructions		38,114,678	34,968,233	1,405,147	1,397,484	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21	20,300	20,300		
2	Grants and other assistance to individuals in the U S See Part IV, line 22	56,625	56,625		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,154,797	1,648,012	506,785	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	7,343,417	4,148,133	3,195,284	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	419,298	255,197	164,101	
9	Other employee benefits	427,769	308,252	119,517	
10	Payroll taxes	362,972	220,915	142,057	
a	Fees for services (non-employees)				
	Management				
b	Legal	37,891	3,726	34,165	
c	Accounting	56,947	5,599	51,348	
d	Lobbying	127,268	8,268	119,000	
e	Professional fundraising services See Part IV, line 17				
f	Investment management fees	145,968		145,968	
g	Other	1,515,477	1,325,504	189,973	
12	Advertising and promotion	556,633	556,633		
13	Office expenses	1,938,328	1,170,156	768,172	
14	Information technology				
15	Royalties				
16	Occupancy	835,796	404,741	431,055	
17	Travel	874,042	710,058	163,984	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	11,454,445	11,407,632	46,813	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	72,590	26,672	45,918	
23	Insurance				
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	EXHIBIT EXPENSES	2,173,775	2,173,775		
b	CHAPTER EXPENSES	1,197,543	1,197,543		
c	PUBLICATIONS	988,154	988,154		
d	SPONSORSHIP	253,435	253,435		
e	MEMBERSHIP SERVICES	192,996	192,996		
f	All other expenses	1,266,997	-329,006	1,596,003	
25	Total functional expenses. Add lines 1 through 24f	34,473,463	26,753,320	7,720,143	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	750	1	750
	2 Savings and temporary cash investments	15,204,298	2	17,710,037
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	564,130	4	514,493
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers, and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,726,157	9	1,924,043
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	2,800,468		
	b Less accumulated depreciation	2,644,973	173,981	155,495
	11 Investments—publicly traded securities	29,264,209	11	29,894,956
	12 Investments—other securities. See Part IV, line 11	3,176,682	12	3,877,260
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	524,582	15	576,936
16 Total assets. Add lines 1 through 15 (must equal line 34)	50,634,789	16	54,653,970	
Liabilities	17 Accounts payable and accrued expenses	4,375,347	17	5,490,401
	18 Grants payable		18	
	19 Deferred revenue	11,235,126	19	11,166,741
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	3,295,354	25	3,877,260
	26 Total liabilities. Add lines 17 through 25	18,905,827	26	20,534,402
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	30,446,983	27	32,803,610
	28 Temporarily restricted net assets	661,479	28	692,458
	29 Permanently restricted net assets	620,500	29	623,500
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	31,728,962	33	34,119,568	
34 Total liabilities and net assets/fund balances	50,634,789	34	54,653,970	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	38,114,678
2	Total expenses (must equal Part IX, column (A), line 25)	2	34,473,463
3	Revenue less expenses Subtract line 2 from line 1	3	3,641,215
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	31,728,962
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-1,250,609
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	34,119,568

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

2010

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) 12**13 First Five Years** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** ▶**Section C. Computation of Public Support Percentage****14** Public Support Percentage for 2010 (line 6 column (f) divided by line 11 column (f)) 14**15** Public Support Percentage for 2009 Schedule A, Part II, line 14 15**16a 33 1/3% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶**b 33 1/3% support test—2009.** If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶**17a 10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶**b 10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization ▶**18 Private Foundation** If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions ▶

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,601,242	2,863,831	2,941,193	3,299,425	3,655,107	15,360,798
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	24,559,531	27,704,932	26,107,878	29,839,922	31,573,440	139,785,703
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	27,160,773	30,568,763	29,049,071	33,139,347	35,228,547	155,146,501
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						155,146,501

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6	27,160,773	30,568,763	29,049,071	33,139,347	35,228,547	155,146,501
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,029,319	938,237	669,827	722,450	772,949	4,132,782
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	1,029,319	938,237	669,827	722,450	772,949	4,132,782
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)	799,795	511,349	786,507	898,653	1,145,563	4,141,867
13 Total support (Add lines 9, 10c, 11 and 12)	28,989,887	32,018,349	30,505,405	34,760,450	37,147,059	163,421,150
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2010 (line 8 column (f) divided by line 13 column (f))	15	94.940 %
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	94.940 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c column (f) divided by line 13 column (f))	17	2.530 %
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	2.760 %

19a 33 1/3% support tests—2010. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

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Explanation

SCHEDULE A, PART II, LINE 12, EXPLANATION OF OTHER INCOME MISCELLANEOUS INCOME

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

For Organizations Exempt From Income Tax Under section 501(c) and section 527

2010

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization is described below. Attach to Form 990 or Form 990-EZ. See separate instructions.

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$ 0
3 Volunteer hours 0

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 \$ 0
2 Enter the amount of any excise tax incurred by organization managers under section 4955 \$ 0
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
4a Was a correction made? Yes No
b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$ 0
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities \$ 0
3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's funds, (e) Amount of political contributions received. The table is currently empty.

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	7,768													
b Total lobbying expenditures to influence a legislative body (direct lobbying)	119,500													
c Total lobbying expenditures (add lines 1a and 1b)	127,268													
d Other exempt purpose expenditures	34,346,195													
e Total exempt purpose expenditures (add lines 1c and 1d)	34,473,463													
f Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000													
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 35%; text-align: left;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 65%; text-align: left;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>			If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:													
Not over \$500,000	20% of the amount on line 1e													
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000													
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000													
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000													
Over \$17,000,000	\$1,000,000													
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
h Subtract line 1g from line 1a If zero or less, enter -0-	0													
i Subtract line 1f from line 1c If zero or less, enter -0-	0													
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	243,667	109,510	120,365	127,268	600,810
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures	750	490	555	7,768	9,563

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2010

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number 53-0196547

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4: Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 \$

(ii) Assets included in Form 990, Part X \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 \$

b Assets included in Form 990, Part X \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	822,237	756,445	721,586		
b Contributions	3,000	0	7,000		
c Investment earnings or losses	34,979	65,792	27,859		
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	860,216	822,237	756,445		

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment
- b** Permanent endowment 82.500 %
- c** Term endowment 17.500 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i) Yes	
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		2,800,468	2,644,973	155,495
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c.)				155,495

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) DEFERRED COMPENSATION INVESTMENT	3,877,260	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	3,877,260	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED COMPENSATION OBLIGATION	3,877,260
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	3,877,260

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	38,114,678
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	34,473,463
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,641,215
4	Net unrealized gains (losses) on investments	4	-1,080,445
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-170,164
9	Total adjustments (net) Add lines 4 - 8	9	-1,250,609
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	2,390,606

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	34,009,551
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	34,009,551
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	145,968
b	Other (Describe in Part XIV)	4b	3,959,159
c	Add lines 4a and 4b	4c	4,105,127
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	38,114,678

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	30,969,730
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	30,969,730
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	145,968
b	Other (Describe in Part XIV)	4b	3,357,765
c	Add lines 4a and 4b	4c	3,503,733
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	34,473,463

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE ACTIVE ENDOWMENT FUNDS ARE PRIMARILY USED FOR SCHOLARSHIP AWARDS THE CHOU AND ZERNOW FUNDS ARE PRIMARILY FOR RECOGNIZING PROFESSIONAL COMPETENCE IN TERMS OF BEST PAPER AND BEST AUTHOR AT THE NORMALLY, ANNUAL BALLISTICS CONFERENCE
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE ASSOCIATION IS EXEMPT FROM THE PAYMENT OF INCOME TAXES ON ITS EXEMPT ACTIVITIES UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE (IRC) THE INTERNAL REVENUE SERVICE HAS DETERMINED THAT THE ASSOCIATION IS NOT A PRIVATE FOUNDATION AS THE ASSOCIATION IS CLASSIFIED UNDER SECTION 509(A)(2) OF THE IRC HOWEVER, THE ASSOCIATION IS SUBJECT TO TAXES ON ITS UNRELATED BUSINESS ACTIVITIES THE ASSOCIATION HAS ADOPTED THE GUIDANCE IN THE INCOME TAX STANDARD REGARDING THE RECOGNITION AND MEASUREMENT OF UNCERTAIN TAX POSITIONS THE ADOPTION OF THIS STANDARD HAD NO IMPACT ON THE ASSOCIATION'S FINANCIAL STATEMENTS THE ASSOCIATION FILES AS A TAX-EXEMPT ORGANIZATION SHOULD THAT STATUS BE CHALLENGED IN THE FUTURE, THE ASSOCIATION'S 2008, 2009, AND 2010 TAX YEARS ARE OPEN FOR EXAMINATION BY THE IRS
		SCHEDULE D, PART XII, LINE 4B DESCRIPTION OF OTHER CHAPTER REVENUE \$3,594,292 INVESTMENT INCOME \$364,867 SCHEDULE D, PART XIII, LINE 4B DESCRIPTION OF OTHER CHAPTER EXPENSES \$3,357,765

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

2010

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. Attach to Form 990

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number 53-0196547

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation, (g) Description of non-cash assistance, (h) Purpose of grant or assistance. Includes entries for WOUNDED WARRIOR PROJECT and SPECIAL OPERATIONS WARRIOR FOUNDATION.

2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SKIBBIE SCHOLARSHIP	1	10,000	0	N/A	
(2) I/ITSEC SCHOLARSHIP	1	10,000	0	N/A	
(3) USW FELLOWSHIP AWARD	3	18,000	0	N/A	
(4) HORIZONS SCHOLARSHIP AWARD	2	18,625	0	N/A	

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 I/ITSEC TRAINING SYSTEMS A SCHOLARSHIP AWARD FUNDED BY THE ANNUAL MEETING SCHOLARSHIPS ARE OFFERED AT A MASTERS LEVEL IN THE AMOUNT \$5,000, AND AT A DOCTORAL LEVEL IN THE AMOUNT OF \$10,000 APPLICANTS MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN CERTAIN DISCIPLINES, BE A US CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE MODELING, SIMULATION & TRAINING SYSTEMS AND/OR EDUCATION INDUSTRY THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE SUBMITTED APPLICATION DOCUMENTS IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE FOLLOWING THE ELIGIBILITY GUIDELINES A PANEL CONSISTING OF INDIVIDUALS FROM THE MILITARY SERVICES AND PAST AND PRESENT I/ITSEC CHAIRS DETERMINE THE SELECTION UNDERSEA WARFARE FUND THE NDIA UNDERSEA SYSTEMS WARFARE DIVISION (USWD) UNIVERSITY FELLOWSHIP FUND IS TO FUND SCHOLARSHIPS FOR DOCTORAL CANDIDATES IN SCIENCE AND ENGINEERING RELATED TO UNDERSEA WARFARE AT THE UNIVERSITY OF TEXAS AUSTIN, THE PENNSYLVANIA STATE UNIVERSITY AT STATE COLLEGE, AND THE UNIVERSITY OF WASHINGTON SEATTLE SPECIFIC ELIGIBILITY RULES FOR THE FELLOWSHIP ARE ESTABLISHED AT THE PARTICIPATING UNIVERSITIES, WHICH FORWARD CANDIDATES TO THE DIRECTOR OF APPLIED RESEARCH LABORATORIES AT THE UNIVERSITY OF TEXAS WITH THEN REVIEW AND APPROVAL BY UNDERSEA WARFARE EXECUTIVE BOARD THE FELLOWSHIP IS NORMALLY FOR ONE-YEAR NOT TO EXCEED IN-STATE TUITION COSTS AND FEES, EXTENDIBLE TO A SECOND YEAR BASED ON STUDENT PERFORMANCE HORIZONS SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO PROVIDE FINANCIAL ASSISTANCE TO FURTHER EDUCATIONAL OBJECTIVES OF WOMEN WHO ARE US CITIZENS EITHER EMPLOYED OR PLANNING CAREERS IN DEFENSE OR NATIONAL SECURITY AREAS (THIS IS NOT LAW ENFORCEMENT OR CRIMINAL JUSTICE) THE AMOUNT OF THE AWARDS VARIES EACH YEAR THE APPLICANT MUST BE CURRENTLY ENROLLED EITHER PART OR FULL TIME AT AN ACCREDITED UNIVERSITY OR COLLEGE WITH A MINIMUM GRADE POINT AVERAGE OF 3.25 AWARDS ARE BASED ON ACADEMIC ACHIEVEMENT, PARTICIPATION IN DEFENSE AND NATIONAL SECURITY ACTIVITIES, FIELD OF STUDY, WORK EXPERIENCE, STATEMENTS OF OBJECTIVES, RECOMMENDATIONS, AND FINANCIAL NEED A PANEL OF JUDGES, COMPOSED OF WID (NDIA AFFILIATE) MEMBERS, CONSIDERS APPLICATIONS AND MAKES AWARDS ONCE EACH YEAR SKIBBIE SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO SUPPORT ONE OR MORE ADVANCED GRADUATE STUDENT(S) IN ENGINEERING, SCIENCE, OR MANAGEMENT, WITH THE TOTAL AVAILABLE FOR AWARD BEING \$10,000 THE APPLICANT MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN ENGINEERING, THE SCIENCES OR MANAGEMENT AS RELATED TO THE NDIA MISSION, BE A US CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE DEFENSE OR NATIONAL SECURITY INDUSTRY, THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE APPLICATION DOCUMENTS FINAL SELECTION OF THE AWARDEE(S) IS MADE BY THE NDIA EXECUTIVE COMMITTEE THE AWARD WILL BE MADE DIRECTLY TO THE INSTITUTION FOR TUITION AND IS SUBJECT TO THEIR POLICIES AND PROCEDURES IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE SUBJECT TO THE ELIGIBILITY GUIDELINES

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

2010

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 23.**

Open to Public Inspection

▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Part I Questions Regarding Compensation

	Yes	No
1a		
1b		
2		
3		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

a Receive a severance payment or change-of-control payment from the organization or a related organization?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) BRONISLAW PROKUSKI JR	(i)	226,618	370,000	61,449	41,150	8,084	707,301	0
	(ii)	0	0	0	0	0	0	0
(2) LAWRENCE P FARRELL JR	(i)	349,534	549,780	150,650	33,300	8,718	1,091,982	0
	(ii)	0	0	0	0	0	0	0
(3) DAVID E CHEESEBROUGH	(i)	114,504	59,975	0	51,147	16,442	242,068	0
	(ii)	0	0	0	0	0	0	0
(4) FREDERICK L LEWIS	(i)	178,446	132,500	28,207	32,922	695	372,770	0
	(ii)	0	0	0	0	0	0	0
(5) BARRY D BATES	(i)	175,781	132,500	26,128	33,333	4,357	372,099	0
	(ii)	0	0	0	0	0	0	0
(6) SANDRA I ERWIN	(i)	119,916	68,000	1,945	34,700	6,158	230,719	0
	(ii)	0	0	0	0	0	0	0
(7) JAMES E MCINERNEY JR	(i)	139,195	47,302	5,378	97,768	6,261	295,904	0
	(ii)	0	0	0	0	0	0	0
(8) DINO K PIGNOTTI	(i)	107,473	58,455	0	78,195	20,844	264,967	0
	(ii)	0	0	0	0	0	0	0
(9) PETER M STEFFES	(i)	146,978	62,737	12,076	121,811	6,033	349,635	0
	(ii)	0	0	0	0	0	0	0
(10) THOMAS NORDBY	(i)	131,805	72,500	2,138	40,696	21,124	268,263	0
	(ii)	0	0	0	0	0	0	0
(11) SASAN OGHlidOS	(i)	118,325	45,000	0	32,982	5,003	201,310	0
	(ii)	0	0	0	0	0	0	0
(12) E RICHARD TAYLOR	(i)	98,714	45,000	0	28,711	8,109	180,534	0
	(ii)	0	0	0	0	0	0	0
(13) DONALD B ROULSTONE	(i)	91,256	50,000	0	26,434	4,645	172,335	0
	(ii)	0	0	0	0	0	0	0
(14) SAMUEL CAMPAGNA	(i)	91,149	50,000	0	26,835	6,266	174,250	0
	(ii)	0	0	0	0	0	0	0
(15) SCOTT J REKDAL	(i)	115,341	25,000	0	30,086	19,187	189,614	0
	(ii)	0	0	0	0	0	0	0
(16) LUELLEN HOFFMAN	(i)	82,900	45,000	0	22,203	6,158	156,261	0
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 53-0196547
Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
	(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
BRONISLAW PROKUSKI JR	(i) 226,618 (ii) 0	370,000 0	61,449 0	41,150 0	8,084 0	707,301 0	0 0
LAWRENCE P FARRELL JR	(i) 349,534 (ii) 0	549,780 0	150,650 0	33,300 0	8,718 0	1,091,982 0	0 0
DAVID E CHEESEBROUGH	(i) 114,504 (ii) 0	59,975 0	0 0	51,147 0	16,442 0	242,068 0	0 0
FREDERICK L LEWIS	(i) 178,446 (ii) 0	132,500 0	28,207 0	32,922 0	695 0	372,770 0	0 0
BARRY D BATES	(i) 175,781 (ii) 0	132,500 0	26,128 0	33,333 0	4,357 0	372,099 0	0 0
SANDRA I ERWIN	(i) 119,916 (ii) 0	68,000 0	1,945 0	34,700 0	6,158 0	230,719 0	0 0
JAMES E MCINERNEY JR	(i) 139,195 (ii) 0	47,302 0	5,378 0	97,768 0	6,261 0	295,904 0	0 0
DINO K PIGNOTTI	(i) 107,473 (ii) 0	58,455 0	0 0	78,195 0	20,844 0	264,967 0	0 0
PETER M STEFFES	(i) 146,978 (ii) 0	62,737 0	12,076 0	121,811 0	6,033 0	349,635 0	0 0
THOMAS NORDBY	(i) 131,805 (ii) 0	72,500 0	2,138 0	40,696 0	21,124 0	268,263 0	0 0
SASAN OGHOLIDOS	(i) 118,325 (ii) 0	45,000 0	0 0	32,982 0	5,003 0	201,310 0	0 0
E RICHARD TAYLOR	(i) 98,714 (ii) 0	45,000 0	0 0	28,711 0	8,109 0	180,534 0	0 0
DONALD B ROULSTONE	(i) 91,256 (ii) 0	50,000 0	0 0	26,434 0	4,645 0	172,335 0	0 0
SAMUEL CAMPAGNA	(i) 91,149 (ii) 0	50,000 0	0 0	26,835 0	6,266 0	174,250 0	0 0
SCOTT J REKDAL	(i) 115,341 (ii) 0	25,000 0	0 0	30,086 0	19,187 0	189,614 0	0 0
LUELLEN HOFFMAN	(i) 82,900 (ii) 0	45,000 0	0 0	22,203 0	6,158 0	156,261 0	0 0

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ **Attach to Form 990 or 990-EZ.**

OMB No 1545-0047

2010

**Open to Public
Inspection**

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 1		THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD OF DIRECTORS, THE IMMEDIATE PAST CHAIRMAN, AND THREE ADDITIONAL MEMBERS ELECTED BY THE BOARD OF DIRECTORS FOR A TERM OF OFFICE OF ONE YEAR THE EXECUTIVE COMMITTEE SHALL HAVE AND EXERCISE THE AUTHORITY OF THE BOARD OF DIRECTORS IN THE MANAGEMENT OF THE ASSOCIATION, EXCEPT THE AUTHORITY TO ADOPT AMENDMENTS TO THE BYLAWS, IN ADDITION IT SHALL REVIEW ALL NEW REGULAR, INTERNATIONAL, AND ASSOCIATE CORPORATE MEMBERSHIP APPLICATIONS AT EACH OF ITS REGULAR MEETINGS

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6		<p>THE ASSOCIATION HAS THREE CLASSES OF MEMBERSHIP INDIVIDUAL, CORPORATE, AND ALLIED INDIVIDUAL MEMBERSHIP SHALL BE EITHER REGULAR, LIFE, STUDENT, OR HONORARY , AS DESCRIBED BELOW INDIVIDUAL MEMBERS MUST BE UNITED STATES CITIZENS INDIVIDUAL MEMBERS SHALL BE ENTITLED TO VOTE AS A MEMBER OF ONE OF THE ASSOCIATION'S CHAPTERS ONLY ON MATTERS AFFECTING THE CHAPTER (A) REGULAR MEMBERSHIP IS OPEN TO THOSE INDIVIDUALS WHO DO NOT QUALIFY FOR ANY OTHER TYPE OF INDIVIDUAL MEMBERSHIP, (B) LIFE MEMBERSHIP IS OPEN TO INDIVIDUAL MEMBERS UPON PAYMENT OF LIFE-TIME MEMBERSHIP DUES, (C) STUDENT MEMBERSHIP IS OPEN TO STUDENTS IN COLLEGES AND TECHNICAL SCHOOLS, AND (D) HONORARY MEMBERSHIP IS CONFERRED IN THE DISCRETION OF THE BOARD OF DIRECTORS OR THE EXECUTIVE COMMITTEE ON THOSE WHO HAVE RENDERED MERITORIOUS SERVICE IN THE CAUSE OF DEFENSE PREPAREDNESS AND NATIONAL SECURITY HONORARY MEMBERS WILL PAY NO DUES CORPORATE MEMBERS SHALL BE TERMED REGULAR CORPORATE MEMBERS REGULAR CORPORATE MEMBERSHIP IS OPEN TO ALL BUSINESSES, INCLUDING PARTNERSHIPS, SOLE PROPRIETORSHIPS, CORPORATIONS, FIRMS, EDUCATIONAL INSTITUTIONS, FOUNDATIONS, ASSOCIATIONS, AND COMPONENTS THEREOF (HEREINAFTER REFERRED TO AS "CORPORATIONS") ORGANIZED OR OTHERWISE CHARTERED WITHIN THE UNITED STATES A KEY REPRESENTATIVE, EMPOWERED TO SPEAK (VOTE) FOR HIS OR HER CORPORATION ON MATTERS AFFECTING THE ASSOCIATION AS A WHOLE (HEREINAFTER REFERRED TO AS "KEY REPRESENTATIVE") WILL BE DESIGNATED BY EACH REGULAR CORPORATE MEMBER REGULAR CORPORATE MEMBERS SHALL HAVE THE RIGHT TO NOMINATE EMPLOYEES TO REGULAR MEMBERSHIP IN THE ASSOCIATION, THE TOTAL NUMBER OF SUCH MEMBERSHIPS TO BE RELATED TO THE ANNUAL MEMBERSHIP DUES OF THE REGULAR CORPORATE MEMBER, AS MAY BE PRESCRIBED BY THE BOARD OF DIRECTORS OR THE EXECUTIVE COMMITTEE SUCH MEMBERS SHALL NOT BE REQUIRED TO PAY INDIVIDUAL MEMBERSHIP DUES ALLIED MEMBERSHIP SHALL BE EITHER INDIVIDUAL OR CORPORATE AS DESCRIBED BELOW (A) ALLIED INDIVIDUAL MEMBERSHIP MAY BE CONFERRED BY THE PRESIDENT OF THE ASSOCIATION ON INDIVIDUALS WHO ARE CITIZENS OF (1) NATIONS BELONGING TO THE NATO ALLIANCE, (2) JAPAN, AUSTRALIA, OR NEW ZEALAND, (3) NATIONS WITH WHICH THE UNITED STATES MAINTAINS A RECIPROCAL PROCUREMENT AGREEMENT, (4) NATIONS WITH WHICH THE UNITED STATES DEPARTMENT OF DEFENSE HAS SPECIFICALLY REQUESTED THE ASSOCIATION TO CONDUCT MEETINGS AND ENHANCE COMMUNICATIONS ON AN INDUSTRY-TO-INDUSTRY BASIS ALLIED INDIVIDUAL MEMBERS MAY PARTICIPATE AS INDIVIDUAL NON-VOTING MEMBERS IN THE ACTIVITIES OF THE CHAPTERS, SUBJECT TO ANY RESTRICTIONS THAT MAY BE PLACED ON SUCH PARTICIPATION BY THE UNITED STATES GOVERNMENT IN THE CASE OF CHAPTERS LOCATED OUTSIDE THE FIFTY STATES, ALLIED MEMBERS MAY PARTICIPATE AS INDIVIDUAL VOTING MEMBERS IN THE ACTIVITIES OF THOSE CHAPTERS (B) ALLIED CORPORATE MEMBERSHIP MAY BE CONFERRED BY THE PRESIDENT OF THE ASSOCIATION ON CORPORATIONS WHICH ARE CHARTERED AND CONTROLLED UNDER THE LAWS OF (1) NATIONS BELONGING TO THE NATO ALLIANCE, (2) JAPAN, AUSTRALIA, OR NEW ZEALAND, (3) NATIONS WITH WHICH THE UNITED STATES MAINTAINS A RECIPROCAL PROCUREMENT AGREEMENT, (4) NATIONS WITH WHICH THE UNITED STATES DEPARTMENT OF DEFENSE HAS SPECIFICALLY REQUESTED THE ASSOCIATION TO CONDUCT MEETINGS AND TO ENHANCE COMMUNICATIONS ON AN INDUSTRY-TO-INDUSTRY BASIS ALLIED CORPORATE MEMBERS SHALL HAVE THE RIGHT TO NOMINATE A DESIGNATED NUMBER OF EMPLOYEES AS THEIR REPRESENTATIVES TO RECEIVE ALL BENEFITS OF ALLIED INDIVIDUAL MEMBERS SUCH MEMBERS SHALL NOT BE REQUIRED TO PAY INDIVIDUAL MEMBERSHIP DUES</p>

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A		THE ASSOCIATION'S BOARD OF DIRECTORS ARE ELECTED BY A MAJORITY VOTE FROM THE FOLLOWING ELECTORS THE PRESIDENT OF EACH CHAPTER IN THE FIFTY STATES SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE FOR EACH 100 INDIVIDUAL MEMBERS OF THE CHAPTER, OR A PORTION THEREOF THE CHAIRMAN OF EACH DIVISION SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE THE KEY REPRESENTATIVE OF EACH REGULAR CORPORATE MEMBER SHALL BE AN ELECTOR WHO SHALL HAVE ONE VOTE

Identifier	Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11		FORM 990, PART VI, SECTION A, LINE 10 THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM AND IS PROVIDED PRIOR TO FILING TO THE NDIA BOARD OF DIRECTORS FOR THEIR INFORMATION AND REVIEW AT THE SAME TIME, A DETAILED REVIEW IS CONDUCTED BY THE NDIA TREASURER, THE NDIA PRESIDENT, THE NDIA VICE PRESIDENT FOR BUSINESS OPERATIONS (FINANCE), THE NDIA CONTROLLER, THE NDIA AUDIT COMMITTEE, AND THE NDIA EXECUTIVE COMMITTEE WHICH HAS BOARD AUTHORITY DESIGNATED TO IT ALL PARTIES ARE ABLE TO ASK QUESTIONS AND REQUEST CHANGES TO THE FORM 990 PRIOR TO FILING WITH THE IRS

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	EACH BOARD MEETING BEGINS WITH A REVIEW OF A CHART OUTLINING THE CONFLICT OF INTEREST POLICY AND THE BOARD CHAIRMAN CALLING FOR ANY DISCLOSURES THE POLICY IS ALSO OUTLINED IN THE DIRECTOR'S HANDBOOK, WHICH EACH BOARD MEMBER RECEIVES BOARD MEMBERS, OFFICERS, AND INDIVIDUALS HOLDING STAFF EXECUTIVE POSITIONS ARE REQUIRED TO COMPLETE DISCLOSURE FORMS ANNUALLY AT THE BEGINNING OF EACH FISCAL YEAR, LISTING ALL INTERESTS WHICH EITHER DO, OR POTENTIALLY COULD REPRESENT A CONFLICT OF INTEREST OFFICERS AND THOSE INDIVIDUALS HOLDING EXECUTIVE POSITIONS ARE REQUIRED TO UPDATE THEIR DISCLOSURE FORMS THROUGHOUT THE YEAR SHOULD CIRCUMSTANCES CHANGE THE DISCLOSURE FORM IS A THREE PART FORM THE FIRST SECTION ASKS IF THERE ARE ANY RELEVANT RELATIONSHIPS TO DISCLOSE (RELEVANT BEING THOSE RELATIONSHIPS RELATED TO THE INTERESTS AND ACTIVITIES OF NDIA AND ITS AFFILIATES), THE SECOND SECTION REQUESTS DISCLOSURE OF RELEVANT FINANCIAL, COMMERCIAL OR OTHER ORGANIZATIONAL RELATIONSHIPS, AND THE FINAL SECTION REQUESTS A CATEGORY LISTING OF RELATIONSHIPS TO BE DISCLOSED AS APPROPRIATE ANY ISSUES RAISED WOULD BE PRESENTED TO THE PRESIDENT AND CEO OF NDIA, SUBSEQUENTLY TO THE NDIA FINANCE COMMITTEE CHAIRMAN AND THE NDIA BOARD EXECUTIVE COMMITTEE FOR APPROPRIATE ACTION ALL POTENTIAL AND ACTUAL CONFLICTS AND PROCEEDINGS ARE NOTED IN THE MEETING MINUTES

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>THE COMPENSATION FOR THE PRESIDENT & CEO OF NDIA, LAWRENCE P FARRELL, JR , LT GEN USAF (RET), IS UNDER CONTRACT AS SIGNED BY THE CHAIRMAN, NDIA, THE LAST REVISION BEING IN NOVEMBER, 2011 THE PRESIDENT'S BASE COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA COMPENSATION COMMITTEE AS PART OF ITS REVIEW OF THE INCENTIVE AWARDS JUSTIFICATIONS AS PRESENTED TO IT AND SUBSEQUENTLY BY THE NDIA EXECUTIVE COMMITTEE AT THE FALL NDIA BOARD AS PART OF THE EXECUTIVE COMMITTEE MEETING AGENDA FOLLOWING THE BOARD MEETING IN EXECUTIVE SESSION, WITH GENERAL COUNSEL PARTICIPATING THE MOST RECENT REVIEW WAS IN NOVEMBER, 2011 THE JUSTIFICATION PACKAGE PRESENTED TO BOTH COMMITTEES INCLUDES SURVEY COMPENSATION DATA PRIMARILY THAT OF PRM CONSULTING GROUP WHICH DOES EXTENSIVE SURVEYS OF THE NON-PROFIT INDUSTRY THERE HAS BEEN NO CHANGE IN THE PRESIDENT'S BASE COMPENSATION FOR THE LAST FIVE FISCAL YEARS THE COMPENSATION OF THE OTHER OFFICERS IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA PRESIDENT AND THE NDIA COMPENSATION COMMITTEE AS PART OF ITS REVIEW OF THE INCENTIVE AWARDS JUSTIFICATIONS AS PRESENTED TO IT AND SUBSEQUENTLY BY THE NDIA EXECUTIVE COMMITTEE AT THE FALL NDIA BOARD AS PART OF THE EXECUTIVE COMMITTEE MEETING AGENDA FOLLOWING THE BOARD MEETING IN EXECUTIVE SESSION, WITH GENERAL COUNSEL PARTICIPATING THE JUSTIFICATION PACKAGE PRESENTED TO BOTH COMMITTEES INCLUDES SURVEY COMPENSATION DATA PRIMARILY THAT OF PRM CONSULTING GROUP WHICH DOES EXTENSIVE SURVEYS OF THE NON-PROFIT INDUSTRY THE MOST RECENT REVIEW WAS IN NOVEMBER, 2011 FOR THE OTHER OFFICERS AFFILIATE PRESIDENTS, D CHEESEBROUGH AND F LEWIS, AND VICE PRESIDENTS, B BATES, S ERWIN, T A OWENS, D PIGNOTTI, B PROKUSKI, AND P STEFFES KEY EMPLOYEES' COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA PRESIDENT USING THE APPROPRIATE COMPARABILITY DATA AND INFORMATION FROM INDIVIDUAL PERFORMANCE INCENTIVE REVIEWS KEY EMPLOYEE COMPENSATION IS INDIRECTLY REVIEWED BY NDIA'S FINANCE COMMITTEE AS PART OF THE ANNUAL BUDGETING PROCESS THE MOST RECENT REVIEW WAS IN NOVEMBER, 2011</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE ASSOCIATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -1,080,445 CHAPTER ADJUSTMENTS -243 CHANGE IN PREPAID PENSION ASSET -169,921 TOTAL TO FORM 990, PART XI, LINE 5 - 1,250,609

Additional Data

Software ID:
Software Version:
EIN: 53-0196547
Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN D ILLGEN BOARD CHAIR	1 00	X		X				0	0	0
SEAN O'KEEFE BOARD VICE CHAIR	1 00	X		X				0	0	0
HAROLD L YOH III BOARD PAST CHAIR	1 00	X		X				0	0	0
BRONISLAW PROKUSKI JR VICE PRES/BOARD SECR-TREAS	40 00	X		X				658,067	0	49,234
RICHARD BENSINGER DIRECTOR	1 00	X						0	0	0
DALE W CHURCH DIRECTOR	1 00	X						0	0	0
RICHARD A CODY DIRECTOR	1 00	X						0	0	0
MARGARET A DIVIRGILIO DIRECTOR	1 00	X						0	0	0
STEVEN F GAFFNEY DIRECTOR	1 00	X						0	0	0
MAURICE A GAUTHIER DIRECTOR	1 00	X						0	0	0
HELEN GREINER DIRECTOR	1 00	X						0	0	0
GERALD G HARVEY JR DIRECTOR	1 00	X						0	0	0
RICHARD L HAVER DIRECTOR	1 00	X						0	0	0
RICHARD ANDREW HOVE DIRECTOR	1 00	X						0	0	0
DWAYNE N JUNKER DIRECTOR	1 00	X						0	0	0
STEPHEN E KELLY DIRECTOR	1 00	X						0	0	0
JOANNA T LAU DIRECTOR	1 00	X						0	0	0
JAMES T MCALEESE DIRECTOR	1 00	X						0	0	0
RICHARD D MCCONN DIRECTOR	1 00	X						0	0	0
ANDREW M MCHUGH DIRECTOR	1 00	X						0	0	0
JOHN H MOELLERING DIRECTOR	1 00	X						0	0	0
WILLIAM B MOORE DIRECTOR	1 00	X						0	0	0
MARGARET MYERS DIRECTOR	1 00	X						0	0	0
ARNOLD J PUNARO DIRECTOR	1 00	X						0	0	0
JOE R REEDER DIRECTOR	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GRAHAM E SHIRLEY DIRECTOR	1 00	X						0	0	0
FREDERICK M STRADER DIRECTOR	1 00	X						0	0	0
BOBBY STURGELL DIRECTOR	1 00	X						0	0	0
KENNETH J WOLBECK DIRECTOR	1 00	X						0	0	0
LAWRENCE P FARRELL JR CEO/PRESIDENT	40 00			X				1,049,964	0	42,018
DAVID E CHEESEBROUGH PRESIDENT, AFEI	40 00			X				174,479	0	67,589
FREDERICK L LEWIS PRESIDENT, NTSA	40 00			X				339,153	0	33,617
BARRY D BATES VICE PRESIDENT	40 00			X				334,409	0	37,690
SANDRA I ERWIN VICE PRESIDENT	40 00			X				189,861	0	40,858
JAMES E MCINERNEY JR VICE PRESIDENT	40 00			X				191,875	0	104,029
DINO K PIGNOTTI VICE PRESIDENT	40 00			X				165,928	0	99,039
PETER M STEFFES VICE PRESIDENT	40 00			X				221,791	0	127,844
THOMAS NORDBY ASSISTANT VICE PRESIDENT	40 00				X			206,443	0	61,820
SASAN OGHOLIDOS DIRECTOR, NETWORK SYSTEMS	40 00				X			163,325	0	37,985
E RICHARD TAYLOR CONTROLLER	40 00					X		143,714	0	36,820
DONALD B ROULSTONE ASSISTANT VICE PRESIDENT	40 00					X		141,256	0	31,079
SAMUEL CAMPAGNA ASSISTANT VICE PRESIDENT	40 00					X		141,149	0	33,101
SCOTT J REKDAL ASSISTANT VICE PRESIDENT	40 00					X		140,341	0	49,273
LUELLEN HOFFMAN DIRECTOR, EXHIBITS	40 00					X		127,900	0	28,361

Form 990

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2009

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning 10-01-2009 and ending 09-30-2010

- B Check if applicable: Address change, Name change, Initial return, Terminated, Amended return, Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: National Defense Industrial Association. Doing Business As. Number and street (or P.O. box if mail is not delivered to street address): 2111 Wilson Boulevard No 400. Room/suite. City or town, state or country, and ZIP + 4: arlington, VA 222013061

D Employer identification number: 53-0196547. E Telephone number: (703) 522-1820. G Gross receipts \$ 42,078,546

F Name and address of principal officer: LAWRENCE P FARRELL JR, 2111 Wilson Boulevard No 400, arlington, VA 222013061

H(a) Is this a group return for affiliates? [] Yes [x] No. H(b) Are all affiliates included? [] Yes [] No. H(c) Group exemption number

I Tax-exempt status: [x] 501(c) (3) (Insert no) [] 4947(a)(1) or [] 527

J Website: WWW NDIA ORG

K Form of organization: [x] Corporation [] Trust [] Association [] Other. L Year of formation: 1919. M State of legal domicile: DC

Part I Summary

Table with 3 main sections: Activities & Governance (lines 1-7), Revenue (lines 8-12), Expenses (lines 13-19), and Net Assets or Fund Balances (lines 20-22). Includes sub-headers like 'Prior Year' and 'Current Year' for revenue and expenses.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including a and belief, it is true, correct, and complete Declaration of preparer (other than of

Sign Here: Signature of officer: BRONISLAW PROKUSKI JR SECRETARY/TREASURER

Paid Preparer's Use Only: Preparer's signature, Date, Firm's name (or yours if self-employed), address, and ZIP + 4: LARSONALLEN LLP, 2900 SOUTH QUINCY ST SUITE 150, ARLINGTON, VA 22206

May the IRS discuss this return with the preparer shown above? (see instructio

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission

THE MISSION OF THE NATIONAL DEFENSE INDUSTRIAL ORGANIZATION (NDIA) AND ITS SUBSIDIARY AFFILIATES THE ASSOCIATION FOR ENTERPRISE INFORMATION (AFEI), THE NATIONAL TRAINING AND SIMULATION ASSOCIATION (NTSA), THE PRECISION STRIKE ASSOCIATION (PSA), AND WOMEN IN DEFENSE (WID), IS TO ADVOCATE CUTTING EDGE TECHNOLOGY AND SUPERIOR WEAPONS, EQUIPMENT, TRAINING, AND SUPPORT FOR THE WAR-FIGHTER AND FIRST RESPONDER, TO PROMOTE A VIGOROUS, RESPONSIVE GOVERNMENT - INDUSTRY NATIONAL SECURITY TEAM, AND TO PROVIDE LEGAL AND ETHICAL FORUMS FOR THE EXCHANGE OF INFORMATION BETWEEN INDUSTRY AND GOVERNMENT ON NATIONAL SECURITY ISSUES

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ 19,817,295 including grants of \$ 70,000) (Revenue \$ 29,447,522)

THE NDIA PROMOTES ACTIVITIES AND FORUMS FOR THE INTERCHANGE BETWEEN INDUSTRY AND GOVERNMENT ON TECHNOLOGY AND ACQUISITION DEVELOPMENTS IN ADDITION IT PROVIDES STATE OF THE ART DEFENSE TECHNOLOGY UPDATES AND PROMOTES BETTER MANAGEMENT TECHNIQUES THROUGH SYMPOSIA NDIA'S OVER 30 DIVISIONS COVER A WIDE SPECTRUM OF INTEREST AREAS THAT ARE IMPORTANT TO THE NATIONAL DEFENSE PREPAREDNESS EFFORT THE DIVISIONS ARE ORGANIZED TO PROMOTE THE EXCHANGE OF TECHNICAL INFORMATION RELATED TO THE RESEARCH, DEVELOPMENT, PRODUCTION, LOGISTICS, AND MANAGEMENT OF WEAPON SYSTEMS, POLICY, ASSOCIATED SUPPORT, AND TRAINING AMONG THE DEPARTMENT OF DEFENSE, OTHER FEDERAL GOVERNMENT AND STATE AGENCIES, INDUSTRY, ACADEMIA AND SCIENTIFIC AGENCIES

4b (Code) (Expenses \$ 3,277,595 including grants of \$ 0) (Revenue \$ 3,314,192)

CHAPTERS THE NDIA AND WID CHAPTERS ARE PART OF THE NDIA ENTITY AND ARE ORGANIZED GEOGRAPHICALLY FOR THE PURPOSE OF ENCOURAGING ACTIVITIES THAT SUPPORT THE ASSOCIATION'S VISION, MISSION, AND GOALS MANY ARE LOCATED NEAR MAJOR MILITARY COMMANDS, RESEARCH CENTERS, AND DEFENSE AGENCIES AND CONDUCT PROGRAMS TO INFORM THEIR MEMBERS AND COMMUNITIES ABOUT NATIONAL SECURITY AND THE INDUSTRIAL BASE

4c (Code) (Expenses \$ 2,295,131 including grants of \$ 0) (Revenue \$ 1,663,206)

EDUCATIONAL SERVICES THE NATIONAL DEFENSE MAGAZINE IS A MONTHLY MAGAZINE THAT IS PUBLISHED TO HELP EDUCATE GOVERNMENT, INDUSTRY, AND THE PUBLIC REGARDING DEFENSE ISSUES AND RELATED TECHNOLOGY DEVELOPMENTS

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 25,390,021

Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors?		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	Yes	
5	Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		No
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	Yes	
11	Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.</i>	Yes	
	◆ Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>		
	◆ Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>		
	◆ Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>		
	◆ Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>		
	◆ Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>		
	◆ Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>		
12	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	Yes	
12A	Was the organization included in consolidated, independent audited financial statements for the tax year?	Yes	No
	<i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.</i>		No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
14b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>		No
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? <i>If "Yes," complete Schedule F, Part II</i>		No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? <i>If "Yes," complete Schedule F, Part III</i>		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20	Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		No

Part IV Checklist of Required Schedules *(continued)*

21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	No
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	Yes
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25</i>	24a	No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a	No
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b	No
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26	No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27	No
28 Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a	No
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b	No
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	No
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	No
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	No
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31	No
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	No
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	No
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	No
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35	No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	No
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37	No
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?	38	Yes

Note. All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 32		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 79		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country <input type="checkbox"/> _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	Yes	
10b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	Yes	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11A	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization If "Yes" to line a or b, describe the process in Schedule O (See instructions)	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed <input type="checkbox"/> VA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization <input type="checkbox"/> BRONISLAW PROKUSKI JR 2111 Wilson Boulevard No 400 Arlington, VA 222013061 (703) 522-1820

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year Use Schedule J-2 if additional space is needed

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid

• List all of the organization's **current** key employees See instructions for definition of "key employee "

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if the organization did not compensate any current or former officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
See add'l data										

1b Total	3,660,270	0	659,673
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2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **17**

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **0**

Part VIII Statement of Revenue

			(A)	(B)	(C)	(D)		
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a						
	b	Membership dues 1b						
	c	Fundraising events 1c						
	d	Related organizations 1d						
	e	Government grants (contributions) 1e						
	f	All other contributions, gifts, grants, and similar amounts not included above 1f	119,121					
	g	Noncash contributions included in lines 1a-1f \$ _____						
	h	Total. Add lines 1a-1f ▶	119,121					
Program Service Revenue			Business Code					
	2a	MEETINGS	900,099	18,875,173	18,875,173			
	b	EXHIBITS	900,099	9,496,962	9,496,962			
	c	MEMBERSHIP DUES	900,099	3,180,304	3,180,304			
	d	PUBLICATIONS	541,800	1,663,206	258,512	1,404,694		
	e	SPONSORSHIPS	900,099	1,209,275	1,209,275			
	f	All other program service revenue						
g	Total. Add lines 2a-2f ▶		34,424,920					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) ▶		722,450		722,450		
	4	Income from investment of tax-exempt bond proceeds . . ▶						
	5	Royalties ▶						
	6a	Gross Rents	(i) Real					
			(ii) Personal					
			b	Less rental expenses				
			c	Rental income or (loss)				
	d	Net rental income or (loss) ▶						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	5,913,402				
			(ii) Other					
			b	Less cost or other basis and sales expenses	5,646,239			
			c	Gain or (loss)	267,163			
d	Net gain or (loss) ▶		267,163		267,163			
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 a							
		b	Less direct expenses b					
		c	Net income or (loss) from fundraising events . . ▶					
9a	Gross income from gaming activities See Part IV, line 19 a							
		b	Less direct expenses b					
		c	Net income or (loss) from gaming activities . . ▶					
10a	Gross sales of inventory, less returns and allowances a							
		b	Less cost of goods sold b					
		c	Net income or (loss) from sales of inventory . . ▶					
Miscellaneous Revenue		Business Code						
11a	MISCELLANEOUS REVENUE	900,099	566,412		566,412			
b	CHAPTER MISC REVENUE	900,099	332,241		332,241			
c								
d	All other revenue							
e	Total. Add lines 11a-11d ▶		898,653					
12	Total revenue. See Instructions ▶		36,432,307	33,020,226	1,404,694	1,888,266		

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2	Grants and other assistance to individuals in the U S See Part IV, line 22	70,000	70,000		
3	Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,343,785	1,706,342	637,443	
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	6,638,898	3,773,131	2,865,767	
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	300,477	182,963	117,514	
9	Other employee benefits	313,769	253,267	60,502	
10	Payroll taxes	402,850	245,298	157,552	
11	Fees for services (non-employees)				
a	Management				
b	Legal	63,435	14,039	49,396	
c	Accounting	61,002	13,500	47,502	
d	Lobbying	120,920	1,925	118,995	
e	Professional fundraising See Part IV, line 17				
f	Investment management fees	87,831		87,831	
g	Other	922,322	738,654	183,668	
12	Advertising and promotion	507,670	507,670		
13	Office expenses	2,199,797	1,257,397	942,400	
14	Information technology				
15	Royalties				
16	Occupancy	808,706	398,012	410,694	
17	Travel	1,024,519	859,972	164,547	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	11,473,837	11,425,118	48,719	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	92,224	44,273	47,951	
23	Insurance				
24	Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	EXHIBIT EXPENSES	1,426,887	1,426,887		
b	CHAPTER EXPENSES	820,438	820,438		
c	PUBLICATIONS	814,029	812,529	1,500	
d	SPONSORSHIP	341,235	341,235		
e	MEMBERSHIP SERVICES	189,770	189,770		
f	All other expenses	1,725,836	307,601	1,418,235	
25	Total functional expenses. Add lines 1 through 24f	32,750,237	25,390,021	7,360,216	0
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)
		Beginning of year		End of year
Assets	1 Cash—non-interest-bearing	750	1	750
	2 Savings and temporary cash investments	10,139,508	2	15,204,298
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	858,809	4	564,130
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	1,509,318	9	1,726,157
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	2,747,038		
	b Less accumulated depreciation	2,573,057	10c	173,981
	11 Investments—publicly traded securities	26,342,511	11	29,264,209
	12 Investments—other securities. See Part IV, line 11	2,436,170	12	3,176,682
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	284,253	15	524,582
16 Total assets. Add lines 1 through 15 (must equal line 34)	41,808,865	16	50,634,789	
Liabilities	17 Accounts payable and accrued expenses	3,251,757	17	4,375,347
	18 Grants payable		18	
	19 Deferred revenue	9,697,339	19	11,235,126
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D	2,436,170	25	3,295,354
	26 Total liabilities. Add lines 17 through 25	15,385,266	26	18,905,827
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	25,392,373	27	30,446,983
	28 Temporarily restricted net assets	340,576	28	661,479
	29 Permanently restricted net assets	690,650	29	620,500
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 Total net assets or fund balances	26,423,599	33	31,728,962	
34 Total liabilities and net assets/fund balances	41,808,865	34	50,634,789	

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990 Cash Accrual Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . .

b Were the organization's financial statements audited by an independent accountant?

c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both
 Separate basis Consolidated basis Both consolidated and separated basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits . . .

	Yes	No
2a		No
2b	Yes	
2c	Yes	
3a		No
3b		

SCHEDULE A
(Form 990 or 990EZ)

Public Charity Status and Public Support

OMB No 1545-0047

2009

Open to Public Inspection

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
National Defense Industrial Association

Employer identification number
53-0196547

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

- 1 A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2 A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state

- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8 A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10 An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III - Functionally integrated d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 (i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
 (ii) a family member of a person described in (i) above?
 (iii) a 35% controlled entity of a person described in (i) or (ii) above?
- h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public Support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11 Total support (Add lines 7 through 10)						

12 Gross receipts from related activities, etc (See instructions) 12

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2009 (line 6 column (f) divided by line 11 column (f)) 14

15 Public Support Percentage for 2008 Schedule A, Part II, line 14 15

16a 33 1/3% support test—2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support test—2008. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part III Support Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	2,573,476	2,601,242	2,863,831	2,941,193	3,299,425	14,279,167
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose	24,778,911	24,559,531	27,704,932	26,107,878	29,839,922	132,991,174
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5	27,352,387	27,160,773	30,568,763	29,049,071	33,139,347	147,270,341
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						0
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						0
c Add lines 7a and 7b						0
8 Public Support (Subtract line 7c from line 6)						147,270,341

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6	27,352,387	27,160,773	30,568,763	29,049,071	33,139,347	147,270,341
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	926,781	1,029,319	938,237	669,827	722,450	4,286,614
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	926,781	1,029,319	938,237	669,827	722,450	4,286,614
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	567,671	799,795	511,349	786,507	898,653	3,563,975
13 Total support (Add lines 9, 10c, 11 and 12)	28,846,839	28,989,887	32,018,349	30,505,405	34,760,450	155,120,930
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public Support Percentage for 2009 (line 8 column (f) divided by line 13 column (f))	15	94.940 %
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	94.910 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c column (f) divided by line 13 column (f))	17	2.760 %
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	2.940 %

19a 33 1/3% support tests—2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

b 33 1/3% support tests—2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions

Part IV **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Explanation

Schedule A, Part II, Line 12, Explanation of Other Income MISCELLANEOUS INCOME

Additional Data

Software ID:
Software Version:
EIN: 53-0196547
Name: National Defense Industrial Association

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN D ILLGEN BOARD CHAIR	1 00	X		X				0	0	0
SEAN O'KEEFE BOARD VICE CHAIR	1 00	X		X				0	0	0
HAROLD L YOH III BOARD PAST CHAIR	1 00	X		X				0	0	0
RICHARD BENSINGER DIRECTOR	1 00	X						0	0	0
DR JOSEPH BRAVMAN DIRECTOR	1 00	X						0	0	0
RICHARD A CODY DIRECTOR	1 00	X						0	0	0
DALE W CHURCH ESQ DIRECTOR	1 00	X						0	0	0
MARGARET A DIVIRGILIO DIRECTOR	1 00	X						0	0	0
STEVEN F GAFFNEY DIRECTOR	1 00	X						0	0	0
MAURICE A GAUTHIER DIRECTOR	1 00	X						0	0	0
HELEN GREINER DIRECTOR	1 00	X						0	0	0
GERALD G HARVEY JR DIRECTOR	1 00	X						0	0	0
RICHARD L HAVER DIRECTOR	1 00	X						0	0	0
RICHARD ANDREW HOVE DIRECTOR	1 00	X						0	0	0
DWAYNE N JUNKER DIRECTOR	1 00	X						0	0	0
JOANNA T LAU DIRECTOR	1 00	X						0	0	0
RICHARD D MCCONN DIRECTOR	1 00	X						0	0	0
ANDREW M MCHUGH DIRECTOR	1 00	X						0	0	0
LTG JOHN H MOELLERING USA/RET - DIRECTOR	1 00	X						0	0	0
DR WILLIAM B MOORE DIRECTOR	1 00	X						0	0	0
DR MARGARET MYERS DIRECTOR	1 00	X						0	0	0
GEORGE J PEDERSEN DIRECTOR	1 00	X						0	0	0
RONALD S PERLMAN DIRECTOR	1 00	X						0	0	0
ARNOLD J PUNARO DIRECTOR	1 00	X						0	0	0
JOE R REEDER ESQ DIRECTOR	1 00	X						0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
BRIG GEN GRAHAM E SHIRLEY, USAF/RET - DIR	1 00	X						0	0	0
BOBBY STURGELL DIRECTOR	1 00	X						0	0	0
KENNETH J WOLBECK DIRECTOR	1 00	X						0	0	0
JOE R REEDER DIRECTOR	1 00	X						0	0	0
GRAHAM E SHIRLEY DIRECTOR	1 00	X						0	0	0
LAWRENCE P FARRELL JR CEO/PRESIDENT	40 00			X				829,677	0	40,520
DAVID E CHEESEBROUGH PRESIDENT, AFEI	40 00			X				182,652	0	53,944
FREDERICK L LEWIS PRESIDENT, NTSA	40 00			X				287,198	0	37,758
BARRY D BATES VICE PRESIDENT	40 00			X				355,721	0	38,589
SANDRA I ERWIN VICE PRESIDENT	40 00			X				166,146	0	29,040
JAMES E MCINERNEY JR VICE PRESIDENT	40 00			X				197,482	0	64,658
DINO K PIGNOTTI VICE PRESIDENT	40 00			X				160,835	0	79,134
PETER M STEFFES VICE PRESIDENT	40 00			X				217,632	0	95,878
BRONISLAW PROKUSKI JR VICE PRES/BOARD SECR-TREAS	40 00			X				429,862	0	38,768
THOMAS NORDBY ASSISTANT VICE PRESIDENT	40 00				X			191,742	0	47,680
SAMUEL CAMPAGNA ASSISTANT VICE PRESIDENT	40 00					X		119,683	0	23,066
SCOTT J REKDAL ASSISTANT VICE PRESIDENT	40 00					X		131,771	0	36,664
SASAN OGHOLIDOS DIRECTOR, NETWORK SYS	40 00					X		147,738	0	26,314
E RICHARD TAYLOR CONTROLLER	40 00					X		124,448	0	24,594
DONALD B ROULSTONE ASSISTANT VICE PRESIDENT	40 00					X		117,683	0	23,066

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
MEETINGS	900,099	18,875,173	18,875,173		
EXHIBITS	900,099	9,496,962	9,496,962		
MEMBERSHIP DUES	900,099	3,180,304	3,180,304		
PUBLICATIONS	541,800	1,663,206	258,512	1,404,694	
SPONSORSHIPS	900,099	1,209,275	1,209,275		

Form 990, Part IX - Statement of Functional Expenses - 24a - 24e Other Expenses

<i>Do not include amounts reported on line 6b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
EXHIBIT EXPENSES	1,426,887	1,426,887		
CHAPTER EXPENSES	820,438	820,438		
PUBLICATIONS	814,029	812,529	1,500	
SPONSORSHIP	341,235	341,235		
MEMBERSHIP SERVICES	189,770	189,770		

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527
▶ **Complete if the organization is described below.**
▶ **Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No 1545-0047

2009
Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35a (regarding proxy tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization National Defense Industrial Association	Employer identification number 53-0196547
---	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
- 2 Political expenditures ▶ \$ 0
- 3 Volunteer hours 0

Part I-B Complete if the organization is exempt under section 501(c)(3).

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ 0
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ 0
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? Yes No
- 4a Was a correction made? Yes No
- b If "Yes," describe in Part IV

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ 0
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ 0
- 3 Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b ▶ \$ 0
- 4 Did the filing organization file **Form 1120-POL** for this year? Yes No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** Check if the filing organization belongs to an affiliated group
B Check if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	555													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	120,365													
c	Total lobbying expenditures (add lines 1a and 1b)	120,920													
d	Other exempt purpose expenditures	32,629,317													
e	Total exempt purpose expenditures (add lines 1c and 1d)	32,750,237													
f	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000													
<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">If the amount on line 1e, column (a) or (b) is:</th> <th style="width: 50%;">The lobbying nontaxable amount is:</th> </tr> </thead> <tbody> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </tbody> </table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
h	Subtract line 1g from line 1a If zero or less, enter -0-	0													
i	Subtract line 1f from line 1c If zero or less, enter -0-	0													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)
 (Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					6,000,000
c Total lobbying expenditures	375,360	243,667	109,510	120,920	849,457
d Grassroots non-taxable amount	250,000	250,000	250,000	250,000	1,000,000
e Grassroots ceiling amount (150% of line 2d, column (e))					1,500,000
f Grassroots lobbying expenditures		750	490	555	1,795

Part II-B Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

	(a)		(b)
	Yes	No	Amount
1 During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a Volunteers?			
b Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c Media advertisements?			
d Mailings to members, legislators, or the public?			
e Publications, or published or broadcast statements?			
f Grants to other organizations for lobbying purposes?			
g Direct contact with legislators, their staffs, government officials, or a legislative body?			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i Other activities? If "Yes," describe in Part IV			
j Total lines 1c through 1i			
2a Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b If "Yes," enter the amount of any tax incurred under section 4912			
c If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

	Yes	No
1 Were substantially all (90% or more) dues received nondeductible by members?	1	
2 Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3 Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1 Dues, assessments and similar amounts from members	1	
2 Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a Current year	2a	
b Carryover from last year	2b	
c Total	2c	
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5 Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2009

Open to Public Inspection

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12. Attach to Form 990. See separate instructions.

Department of the Treasury Internal Revenue Service

Name of the organization National Defense Industrial Association

Employer identification number 53-0196547

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4 for total number, aggregate contributions, aggregate grants, and aggregate value.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property...
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes...

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply)
2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

Table with 2 columns: Line number, Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet...

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items
(i) Revenues included in Form 990, Part VIII, line 1
(ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items
a Revenues included in Form 990, Part VIII, line 1
b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance	756,445	721,586			
b Contributions		7,000			
c Investment earnings or losses	65,792	27,859			
d Grants or scholarships					
e Other expenditures for facilities and programs	70,150				
f Administrative expenses					
g End of year balance	752,087	756,445			

2 Provide the estimated percentage of the year end balance held as

- a** Board designated or quasi-endowment ▶ **0 %**
- b** Permanent endowment ▶ **82.500 %**
- c** Term endowment ▶ **17.500 %**

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i) Yes	
(ii) related organizations	3a(ii)	No
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		2,747,038	2,573,057	173,981
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				173,981

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other DEFERRED COMPENSATION INVESTMENT	3,176,682	F
Total. (Column (b) should equal Form 990, Part X, col (B) line 12)	3,176,682	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13)		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.)	

Part X Other Liabilities. See Form 990, Part X, line 25.

1 (a) Description of Liability	(b) Amount
Federal Income Taxes	
DEFERRED COMPENSATION OBLIGATION	3,176,682
PENSION OBLIGATION	118,672
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	3,295,354

2. Fin 48 Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	36,432,307
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	32,750,237
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	3,682,070
4	Net unrealized gains (losses) on investments	4	1,702,926
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-79,633
9	Total adjustments (net) Add lines 4 - 8	9	1,623,293
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	5,305,363

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	31,714,345
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	31,714,345
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	87,831
b	Other (Describe in Part XIV)	4b	4,630,131
c	Add lines 4a and 4b	4c	4,717,962
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	36,432,307

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	29,384,811
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	29,384,811
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	87,831
b	Other (Describe in Part XIV)	4b	3,277,595
c	Add lines 4a and 4b	4c	3,365,426
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	32,750,237

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b Also complete this part to provide any additional information

Identifier	Return Reference	Explanation
Part V, Line 4	Description of Intended Use of Endowment Funds	THE ACTIVE ENDOWMENT FUNDS ARE PRIMARILY USED FOR SCHOLARSHIP AWARDS THE CHOU AND ZERNOW FUNDS ARE PRIMARILY FOR RECOGNIZING PROFESSIONAL COMPETENCE IN TERMS OF BEST PAPER AND BEST AUTHOR AT THE NORMALLY, ANNUAL BALLISTICS CONFERENCE
Part XI, Line 8 - Other Adjustments		Chapter adjustments 82136 ACTUARIAL PENSION LOSS - 161769
Part XII, Line 4b - Other Adjustments		CHAPTER REVENUE 3738169 INVESTMENT INCOME 891962
Part XIII, Line 4b - Other Adjustments		CHAPTER EXPENSES 3277595

Schedule I (Form 990)

OMB No 1545-0047

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

2009

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22. Attach to Form 990

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Name of the organization National Defense Industrial Association

Employer identification number 53-0196547

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

Table with 8 columns: (a) Name and address of organization or government, (b) EIN, (c) IRC Code section if applicable, (d) Amount of cash grant, (e) Amount of non-cash assistance, (f) Method of valuation (book, FMV, appraisal, other), (g) Description of non-cash assistance, (h) Purpose of grant or assistance.

- 2 Enter total number of section 501(c)(3) and government organizations
3 Enter total number of other organizations

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
HORIZONS SCHOLARSHIP AWARD	2	22,000	0	N/A	N/A
SKIBBIE SCHOLARSHIP	1	10,000	0	N/A	N/A
I/ITSEC SCHOLARSHIP	2	20,000	0	N/A	N/A
USW FELLOWSHIP AWARD	3	18,000	0	N/A	N/A

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
Procedure for Monitoring Grants in the U S	Part I, Line 2	Schedule I, Part I, Line 2 I/ITSEC TRAINING SYSTEMS A SCHOLARSHIP AWARD FUNDED BY THE ANNUAL MEETING SCHOLARSHIPS ARE OFFERED AT A MASTERS LEVEL IN THE AMOUNT \$5,000, AND AT A DOCTORAL LEVEL IN THE AMOUNT OF \$10,000 APPLICANTS MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN CERTAIN DISCIPLINES, BE A U S CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE MODELING, SIMULATION & TRAINING SYSTEMS AND/OR EDUCATION INDUSTRY THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE SUBMITTED APPLICATION DOCUMENTS IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE FOLLOWING THE ELIGIBILITY GUIDELINES A PANEL CONSISTING OF INDIVIDUALS FROM THE MILITARY SERVICES AND PAST AND PRESENT I/ITSEC CHAIRS DETERMINE THE SELECTION UNDERSEA WARFARE FUND THE NDIA UNDERSEA SYSTEMS WARFARE DIVISION (USWD) UNIVERSITY FELLOWSHIP FUND IS TO FUND SCHOLARSHIPS FOR DOCTORAL CANDIDATES IN SCIENCE AND ENGINEERING RELATED TO UNDERSEA WARFARE AT THE UNIVERSITY OF TEXAS AUSTIN, THE PENNSYLVANIA STATE UNIVERSITY AT STATE COLLEGE, AND THE UNIVERSITY OF WASHINGTON, SEATTLE SPECIFIC ELIGIBILITY RULES FOR THE FELLOWSHIP ARE ESTABLISHED AT THE PARTICIPATING UNIVERSITIES, WHICH FORWARD CANDIDATES TO THE DIRECTOR OF APPLIED RESEARCH LABORATORIES AT THE UNIVERSITY OF TEXAS WITH THEN REVIEW AND APPROVAL BY UNDERSEA WARFARE EXECUTIVE BOARD THE FELLOWSHIP IS NORMALLY FOR ONE-YEAR NOT TO EXCEED IN-STATE TUITION COSTS AND FEES, EXTENDIBLE TO A SECOND YEAR BASED ON STUDENT PERFORMANCE HORIZONS SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO PROVIDE FINANCIAL ASSISTANCE TO FURTHER EDUCATIONAL OBJECTIVES OF WOMEN WHO ARE U S CITIZENS EITHER EMPLOYED OR PLANNING CAREERS IN DEFENSE OR NATIONAL SECURITY AREAS (THIS IS NOT LAW ENFORCEMENT OR CRIMINAL JUSTICE) THE AMOUNT OF THE AWARDS VARIES EACH YEAR THE APPLICANT MUST BE CURRENTLY ENROLLED EITHER PART OR FULL TIME AT AN ACCREDITED UNIVERSITY OR COLLEGE WITH A MINIMUM GRADE POINT AVERAGE OF 3 25 AWARDS ARE BASED ON ACADEMIC ACHIEVEMENT, PARTICIPATION IN DEFENSE AND NATIONAL SECURITY ACTIVITIES, FIELD OF STUDY, WORK EXPERIENCE, STATEMENTS OF OBJECTIVES, RECOMMENDATIONS, AND FINANCIAL NEED A PANEL OF JUDGES, COMPOSED OF WID (NDIA AFFILIATE) MEMBERS, CONSIDERS APPLICATIONS AND MAKES AWARDS ONCE EACH YEAR SKIBBIE SCHOLARSHIP THE SCHOLARSHIP IS INTENDED TO SUPPORT ONE OR MORE ADVANCED GRADUATE STUDENT(S) IN ENGINEERING, SCIENCE, OR MANAGEMENT, WITH THE TOTAL AVAILABLE FOR AWARD BEING \$10,000 THE APPLICANT MUST BE ENROLLED OR ACCEPTED FOR A FULL-TIME MASTERS OR DOCTORAL PROGRAM IN ENGINEERING, THE SCIENCES OR MANAGEMENT AS RELATED TO THE NDIA MISSION, BE A U S CITIZEN, AND HAVE A STATED INTEREST AND CAREER GOAL IN THE DEFENSE OR NATIONAL SECURITY INDUSTRY, THE AWARD WILL BE BASED ON STUDENT MERIT AND NEEDS AS DETERMINED FROM THE APPLICATION DOCUMENTS FINAL SELECTION OF THE AWARDEE(S) IS MADE BY THE NDIA EXECUTIVE COMMITTEE THE AWARD WILL BE MADE DIRECTLY TO THE INSTITUTION FOR TUITION AND IS SUBJECT TO THEIR POLICIES AND PROCEDURES IF THE AWARDEE TERMINATES HIS/HER GRADUATE STUDIES AND THERE ARE REMAINING FUNDS, THE INSTITUTION WILL RETAIN SUCH FUNDS FOR AWARD TO ANOTHER STUDENT OF THEIR CHOICE SUBJECT TO THE ELIGIBILITY GUIDELINES

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2009

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury
Internal Revenue Service

Name of the organization
National Defense Industrial Association

Employer identification number

53-0196547

Part I Questions Regarding Compensation

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		No
4b		No
4c		No
5a		No
5b		No
6a		No
6b		No
7		No
8		No
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii) Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
LAWRENCE P FARRELL JR	(i) (ii)	359,813 0	391,600 0	78,264 0	0 0	40,520 0	870,197 0	0 0
DAVID E CHEESEBROUGH	(i) (ii)	121,759 0	60,893 0	0 0	15,975 0	37,969 0	236,596 0	40,893 0
FREDERICK L LEWIS	(i) (ii)	176,921 0	101,413 0	8,864 0	0 0	37,758 0	324,956 0	0 0
BARRY D BATES	(i) (ii)	176,921 0	171,200 0	7,600 0	0 0	38,589 0	394,310 0	81,629 0
SANDRA I ERWIN	(i) (ii)	120,010 0	46,136 0	0 0	0 0	29,040 0	195,186 0	0 0
JAMES E MCINERNEY JR	(i) (ii)	130,514 0	66,968 0	0 0	30,802 0	33,856 0	262,140 0	44,968 0
DINO K PIGNOTTI	(i) (ii)	114,376 0	46,459 0	0 0	41,455 0	37,679 0	239,969 0	46,459 0
PETER M STEFFES	(i) (ii)	147,474 0	70,158 0	0 0	62,737 0	33,141 0	313,510 0	70,158 0
BRONISLAW PROKUSKI JR	(i) (ii)	194,606 0	224,302 0	10,954 0	0 0	38,768 0	468,630 0	0 0
THOMAS NORDBY	(i) (ii)	136,742 0	55,000 0	0 0	0 0	47,680 0	239,422 0	0 0
SCOTT J REKDAL	(i) (ii)	113,771 0	18,000 0	0 0	0 0	36,664 0	168,435 0	0 0
SASAN OGHlidOS	(i) (ii)	116,738 0	31,000 0	0 0	0 0	26,314 0	174,052 0	0 0

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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