



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning **OCT 1, 2008** and ending **SEP 30, 2009**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> 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 400 City or town, state or country, and ZIP + 4 ARLINGTON, VA 22201-3061	D Employer identification number 53-0196547
	E Telephone number (703) 522-1820	G Gross receipts \$ 34,684,341.
	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 ▶	
	I Tax-exempt status: <input checked="" type="checkbox"/> 501(c) (3) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527 J Website: ▶ WWW.NDIA.ORG	
K Type of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1919 M State of legal domicile: VA

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 assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	28
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	28
	5 Total number of employees (Part V, line 2a)	5	97
	6 Total number of volunteers (estimate if necessary)	6	65000
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	1,466,330.
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)	63,690.	14,180.
	10 Investment income (Part VIII, column (A), lines 4 and 7d)	30,505,073.	30,501,221.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	854,228.	437,252.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	511,349.	786,507.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	31,934,340.	31,739,160.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	70,959.	84,941.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	8,664,779.	7,932,855.
	16a Professional fundraising fees (Part IX, column (A), line 11a)		
	b Total fundraising expenses (Part IX, column (D), line 25)		
Expenses	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	22,023,148.	22,172,208.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	30,758,886.	30,190,004.
	19 Revenue less expenses. Subtract line 18 from line 12	1,175,454.	1,549,156.
	20 Total assets (Part X, line 16)	Beginning of Year	End of Year
	21 Total liabilities (Part X, line 26)	39,934,370.	41,799,056.
22 Net assets or fund balances. Subtract line 21 from line 20	14,602,324.	15,385,266.	
		25,332,046.	26,413,790.

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 all information of which preparer has any knowledge.			
Sign Here	Signature of officer	Date 7/19/2010	
	BRONISLAW PROKUSKI, JR., SECRETARY/TREASURER Type or print name and title		
Paid Preparer's Use Only	Preparer's signature	Date 4/13/2009	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP + 4	Preparer's identifying number (see instructions)	
PARSONALDEN LLP 2900 SOUTH QUINCY ST., SUITE 150 ARLINGTON, VA 22206		EIN ▶ 703-998-5100 Phone no. ▶ 703-998-5100	

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

☒ Yes ☐ No

SCANNED BY 132013

Q
22

Part III Statement of Program Service Accomplishments (see instructions)

- 1 Briefly describe the organization's mission: **SEE SCHEDULE O FOR CONTINUATION
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**
- 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 \$ 18914847. including grants of \$ 68,311.) (Revenue \$ 26181191.)
**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 \$ 2,409,926. including grants of \$ 16,630.) (Revenue \$ 2,832,823.)
**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 \$ 2,151,665. including grants of \$ 0.) (Revenue \$ 1,487,207.)
**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 ► \$ 23,476,438. (Must equal Part IX, Line 25, column (B).)

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>	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2	X
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>	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>	4 X	
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>	5	
6 Did the organization maintain any donor advised funds or any 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>	6	X
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>	7	X
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>	8	X
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>	9	X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	10 X	
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	11 X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i>	12 X	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	13	X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If "Yes," complete Schedule F, Part I</i>	14b	X
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 United States? <i>If "Yes," complete Schedule F, Part II</i>	15	X
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 United States? <i>If "Yes," complete Schedule F, Part III</i>	16	X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>	17	X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	18	X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	19	X
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>	20	X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22 X	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i>	23 X	
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</i> <i>If "No," go to question 25</i>	24a	X
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	X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>	25b	X
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	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27	X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entry (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
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? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
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? If "Yes," complete Schedule R, Part VI	37	X

Form 990 (2008)

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	34	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	97	
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)	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
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)?		X
b	If "Yes," enter the name of the foreign country: _____ 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?		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions that were not tax deductible?		X
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 provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
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?		X
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?		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
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	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other 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: N/A		
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: N/A		
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 N/A	12b	

Form 990 (2008)

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)**Section A. Governing Body and Management**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

	Yes	No
1a Enter the number of voting members of the governing body	28	
b Enter the number of voting members that are independent	28	
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?		X
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?		X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a material diversion of the organization's assets?		X
6 Does the organization have members or stockholders?	X	
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	X	
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9a Does the organization have local chapters, branches, or affiliates?	X	
b 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?	X	
10 Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
11 Is there any officer, director or 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		X

Section B. Policies

	Yes	No
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
13 Does the organization have a written whistleblower policy?	X	
14 Does the organization have a written document retention and destruction policy?	X	
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:		
a The organization's CEO, Executive Director, or top management official?	X	
b Other officers or key employees of the organization?	X	
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?	X	
b 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?	X	

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 Forms 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.
☐ Own website ☐ Another's website ☒ 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.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►
BRONISLAW PROKUSKI, JR. - (703) 522-1820
2111 WILSON BOULEVARD, NO. 400, ARLINGTON, VA 22201-3061

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. 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 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 the organization did not compensate any 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			
HAROLD L. YOH, III BOARD CHAIR	1.00	X		X				0.	0.	0.
JOHN D. ILLGEN BOARD VICE CHAIR	1.00	X		X				0.	0.	0.
TOFIE M. OWEN, JR. BOARD PAST CHAIR	1.00	X		X				0.	0.	0.
BRONISLAW PROKUSKI, JR. VICE PRES/BOARD SECR-TRE	40.00	X		X				463,784.	0.	46,062.
JIMMIE V. ADAMS DIRECTOR	1.00	X						0.	0.	0.
RICHARD BENSINGER DIRECTOR	1.00	X						0.	0.	0.
JOSEPH BRAVMAN DIRECTOR	1.00	X						0.	0.	0.
J. KELLY BROWN DIRECTOR	1.00	X						0.	0.	0.
DALE W. CHURCH DIRECTOR	1.00	X						0.	0.	0.
SUSAN WARSHAW EBNER DIRECTOR	1.00	X						0.	0.	0.
DONALD M. ERVINE 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.
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.

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

(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			
ANDREW M. MCHUGH DIRECTOR	1.00	X						0.	0.	0.
JOHN H. MOELLERING DIRECTOR	1.00	X						0.	0.	0.
WILLIAM B. MONROE 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 DIRECTOR	1.00	X						0.	0.	0.
GRAHAM E. SHIRLEY 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				923,069.	0.	35,930.
1b Total								3,800,193.	0.	612,989.

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization

17

- 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 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? If "Yes," complete Schedule J for such individual
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

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. **NONE**

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

- 2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization

0

SEE SCHEDULE J-2 FOR PART VII, SECTION A CONTINUATION

Form 990 (2008)

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	1 a 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	14,180.		
	g Noncash contributions included in lines 1a-1f \$				
	h Total. Add lines 1a-1f		14,180.		
Program Service Revenue	2 a MEETINGS	Business Code 900099	16,608,003.	16,608,003.	
	b EXHIBITS	900099	8243005.	8243005.	
	c MEMBERSHIP DUES	900099	2927013.	2927013.	
	d PUBLICATIONS	541800	1487207.	20,877.	1,466,330.
	e SPONSORSHIPS	900099	1235993.	1235993.	
	f All other program service revenue				
	g Total. Add lines 2a-2f		30,501,221.		
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		669,827.		669,827.
	4 Income from investment of tax-exempt bond proceeds				
	5 Royalties				
	6 a Gross Rents	(i) Real (ii) Personal			
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss)				
	7 a Gross amount from sales of assets other than inventory	(i) Securities (ii) Other			
	b Less: cost or other basis and sales expenses				
	c Gain or (loss)				
	d Net gain or (loss)		-232,575.		-232,575.
	8 a 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				
	9 a Gross income from gaming activities. See Part IV, line 19	a			
	b Less: direct expenses	b			
	c Net income or (loss) from gaming activities				
10 a 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			
11 a MISCELLANEOUS REVENUE	900099	441,326.		441,326.	
b CHAPTER MISC REVENUE	900099	345,181.		345,181.	
c					
d All other revenue					
e Total. Add lines 11a-11d		786,507.			
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		31,739,160.	29,034,891.	1,466,330.	1,223,759.

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	22,663.	22,663.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	62,278.	62,278.		
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	3,452,113.	1,898,662.	1,553,451.	
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	3,523,842.	1,929,114.	1,594,728.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	111,207.	62,936.	48,271.	
9 Other employee benefits	447,883.	294,353.	153,530.	
10 Payroll taxes	397,810.	225,136.	172,674.	
11 Fees for services (non-employees):				
a Management				
b Legal	44,353.	5,464.	38,889.	
c Accounting	53,791.		53,791.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	61,258.		61,258.	
g Other	619,617.	441,877.	177,740.	
12 Advertising and promotion	387,168.	387,168.		
13 Office expenses	2,575,497.	1,526,189.	1,049,308.	
14 Information technology				
15 Royalties				
16 Occupancy	769,713.	341,697.	428,016.	
17 Travel	1,415,342.	1,153,864.	261,478.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	11,164,972.	10,612,044.	552,928.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	270,969.	124,917.	146,052.	
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	1,671,555.	1,671,555.		
b PUBLICATIONS	890,305.	878,302.	12,003.	
c CHAPTER EXPENSES	625,066.	625,066.		
d MEMBERSHIP SERVICES	174,322.	174,322.		
e SPONSORSHIP	104,471.	104,471.		
f All other expenses	1,343,809.	934,360.	409,449.	
25 Total functional expenses. Add lines 1 through 24f	30,190,004.	23,476,438.	6,713,566.	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) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	750.	1	750.
	2 Savings and temporary cash investments	10,389,980.	2	10,139,508.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	913,992.	4	858,809.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. 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	2,045,302.	9	1,499,509.
	10a Land, buildings, and equipment: cost basis	3,446,675.		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	3,209,129.	10c	237,546.
	11 Investments - publicly traded securities	24,176,306.	11	26,342,511.
	12 Investments - other securities. See Part IV, line 11	1,810,021.	12	2,436,170.
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	122,148.	15	284,253.
16 Total assets. Add lines 1 through 15 (must equal line 34)	39,934,370.	16	41,799,056.	
Liabilities	17 Accounts payable and accrued expenses	4,523,093.	17	3,251,757.
	18 Grants payable		18	
	19 Deferred revenue	8,269,210.	19	9,697,339.
	20 Tax-exempt bond liabilities		20	
	21 Escrow 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		24	
	25 Other liabilities. Complete Part X of Schedule D	1,810,021.	25	2,436,170.
	26 Total liabilities. Add lines 17 through 25	14,602,324.	26	15,385,266.
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	24,339,209.	27	25,382,564.
	28 Temporarily restricted net assets	309,187.	28	340,576.
	29 Permanently restricted net assets	683,650.	29	690,650.
	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	25,332,046.	33	26,413,790.
	34 Total liabilities and net assets/fund balances	39,934,370.	34	41,799,056.

Part XI Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other
- 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 lines 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?
- 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?

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

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1)
nonexempt charitable trusts.

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

OMB No 1545-0047

2008

Open to Public
Inspection

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: (Please check only one organization.)

- 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). (Attach Schedule H.)
- 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 the Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See section 509(a)(4). (see instructions)
- 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 supported organization?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		
- (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 organizations the organization supports.

(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									

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

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.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 - 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) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(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 section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. 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 <input type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a 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 <input type="checkbox"/>		
17a 10% -facts-and-circumstances test - 2008. 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 <input type="checkbox"/>		
b 10% -facts-and-circumstances test - 2007. 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 <input type="checkbox"/>		
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 <input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2008

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.)**Section A. Public Support**

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,333,220.	2,573,476.	2,601,242.	2,863,831.	2,941,193.	13,312,962.
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	23,519,550.	24,778,911.	24,559,531.	27,704,932.	26,107,878.	126,670,802.
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 - 5	25,852,770.	27,352,387.	27,160,773.	30,568,763.	29,049,071.	139,983,764.
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						139,983,764.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6	25,852,770.	27,352,387.	27,160,773.	30,568,763.	29,049,071.	139,983,764.
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	774,599.	926,781.	1,029,319.	938,237.	669,827.	4,338,763.
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	774,599.	926,781.	1,029,319.	938,237.	669,827.	4,338,763.
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.)	500,980.	567,671.	799,795.	511,349.	786,507.	3,166,302.
13 Total support (Add lines 9, 10c, 11, and 12)						147,488,829.
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 2008 (line 8, column (f) divided by line 13, column (f))	15	94.91 %
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	90.51 %

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	2.94 %
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	7.43 %

19a 33 1/3% support tests - 2008. 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 - 2007. 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.** 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)

SCHEDULE A, PART III, LINE 12, EXPLANATION FOR OTHER INCOME:

MISCELLANEOUS INCOME

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

► **To be completed by organizations described below.**
► **Attach to Form 990 or Form 990-EZ.**

OMB No 1545-0047

2008

**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), then

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

Name of organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION	Employer identification number 53-0196547
--	---

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.

See the instructions for Schedule C for details.

- 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 To be completed by all organizations exempt under section 501(c)(3).

See the instructions for Schedule C for details.

- 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 To be completed by all organizations exempt under section 501(c), except section 501(c)(3).

See the instructions for Schedule C for details.

- 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 of direct and indirect exempt function expenditures. Add lines 1 and 2 and 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. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and 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 To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

- 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 (grassroots lobbying)		490.													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		109,020.													
c Total lobbying expenditures (add lines 1a and 1b)		109,510.													
d Other exempt purpose expenditures		30080494.													
e Total exempt purpose expenditures (add lines 1c and 1d)		30190004.													
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		1,000,000.													
<table border="1"> <thead> <tr> <th>If the amount on line 1e, column (a) or (b) is:</th> <th>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. Enter -0- if line g is more than line a		0.													
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c		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 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(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	395,557.	375,360.	243,667.	109,510.	1,124,094.
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	1,000.		750.	490.	2,240.

Schedule C (Form 990 or 990-EZ) 2008

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.

	(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 other 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 To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.

	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 To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.

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 (line 2c total minus 3 and 4)	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 1i. Also, complete this part for any additional information.

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ **Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.**

OMB No 1545-0047

2008

Open to Public Inspection

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.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
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 other impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

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).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

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.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	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, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

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

7 Amount of expenses incurred in monitoring, inspecting, and enforcing 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 section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

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 Trust, Escrow and Custodial Arrangements. Complete if 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
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

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 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	721,586.				
b Contributions	7,000.				
c Investment earnings or losses	27,859.				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	756,445.				

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

- a Board designated or quasi-endowment ☐ .00 %
 b Permanent endowment ☐ 8.70 %
 c Term endowment ☐ 91.30 %

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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)	X	
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		3,446,675.	3,209,129.	237,546.
e Other				
Total. Add lines 1a-1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				237,546.

Schedule D (Form 990) 2008

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 and other financial products		
Closely-held equity interests		
Other		
DEFERRED COMPENSATION		
INVESTMENT	2,436,170.	END-OF-YEAR MARKET VALUE
Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ▶	2,436,170.	

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. (Col (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.

(a) Description of liability	(b) Amount
Federal income taxes	
DEFERRED COMPENSATION OBLIGATION	2,436,170.
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.) ▶	2,436,170.

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	31,739,160.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	30,190,004.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	1,549,156.
4	Net unrealized gains (losses) on investments	4	-194,694.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-272,718.
9	Total adjustments (net). Add lines 4-8	9	-467,412.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	1,081,744.

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	28,480,377.
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	28,480,377.
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	61,258.
b	Other (Describe in Part XIV)	4b	3,197,525.
c	Add lines 4a and 4b	4c	3,258,783.
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	31,739,160.

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

1	Total expenses and losses per audited financial statements	1	27,718,820.
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	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	27,718,820.
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	61,258.
b	Other (Describe in Part XIV)	4b	2,409,926.
c	Add lines 4a and 4b	4c	2,471,184.
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	30,190,004.

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.

PART V, LINE 4: THE ACTIVE ENDOWMENT FUNDS ARE PRIMARILY USED FOR

SCHOLARSHIP AWARDS. THE CHOU AND ZEROW 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: -151099.

CHANGE IN PREPAID PENSION ASSET: -121619.

Part XIV Supplemental Information (continued)

PART XII, LINE 4B - OTHER ADJUSTMENTS:

CHAPTER REVENUE: 2832823.

INVESTMENT INCOME: 364702.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

CHAPTER EXPENSES: 2409926.

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the U.S.**

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

Employer identification number
53-0196547

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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" on 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 1-1 (Form 990) if additional space is needed

recipent 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

[illegible]

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

3 Enter total number of other organizations

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2008

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" on 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
CHAPTER SCHOLARSHIPS	0	16,630.	0.		
SKIBBIE SCHOLARSHIP	2	10,000.	0.		
I/ITSEC SCHOLARSHIP	1	10,000.	0.		
MOSELEY AWARD	1	1,000.	0.		
POLK AWARD	2	1,000.	0.		

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

SCHEDULE I, PART I, LINE 2: ZERNOW FUND AND CHOU FUND: BOTH RECOGNITION

AWARDS ARE DECIDED AFTER REVIEW OF THE PAPERS PRESENTED AT THE

INTERNATIONAL BALLISTICS CONFERENCE. INTERNATIONAL BALLISTICS COMMITTEE

MEMBERS RATE THE PAPERS AND ANNOUNCE THE SELECTIONS AT THE END OF THE

CONFERENCE. ZERNOW IS GIVEN FOR THE BEST PAPER. CHOU IS GIVEN TO THE BEST

YOUNG AUTHOR. THERE WAS NO CONFERENCE IN 2009. THE NEXT ONE IS MAY 2010 IN

CHINA.

I/ITSEC TRAINING SYSTEMS: A SCHOLARSHIP AWARD FUNDED BY THE ANNUAL MEETING.

Part II Continuation of Grants and Other Assistance to Individuals in the U.S. (Schedule I (Form 990), Part III.)

(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
CODD AWARD	9.	1,800.	0.		
USW FELLOWSHIP AWARD	3.	18,000.	0.		
HORIZONS SCHOLARSHIP AWARD	3.	12,748.	0.		
MARTELL-BUSHNELL AWARD	1.	1,000.	0.		

Part IV Supplemental Information

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.

MOSELEY FUND: THIS RECOGNITION AWARD, THE WILLIAM R. MOSELEY AWARD, IS FOR EXCELLENCE IN MUNITIONS MANAGEMENT AND IS PRESENTED TO AN INDIVIDUAL WITHIN THE UNITED STATES AMMUNITION COMMUNITY FOR OUTSTANDING ACHIEVEMENT IN THE MUNITIONS FIELD. NOMINATIONS ARE SOLICITED FROM ICAP MEMBERS (SERVICE MUNITIONS SUPERVISORS OF HEADQUARTERS, MUNITIONS PLANTS, DEPOTS, LABORATORIES, AND PROVING GROUNDS). THE ICAP AWARDS PANEL MAKES ITS DECISION BASED ON ITS VIEW OF WHO HAS MADE THE GREATEST OVERALL CONTRIBUTION TO THE MUNITIONS PROGRAM DURING THAT YEAR. THE AWARDEE RECEIVES NATIONAL RECOGNITION AT THE MUNITIONS EXECUTIVE SUMMIT AND AN HONORARIUM OF \$1,000.

POLK FUND: THE LOUIS F. POLK AWARD IS TO ENCOURAGE EXCELLENCE IN THE FIELD OF MILITARY LEADERSHIP, SCIENCE AND EDUCATION AND IS PRESENTED TO RECOGNIZE OUTSTANDING PERFORMANCE OF OFFICERS ATTENDING THE AIR FORCE INSTITUTE OF TECHNOLOGY. THE AFIT SENIOR STAFF SUBMITS THE NAMES OF AWARDEES TO NDIA FOR PRESENTATION OF A \$500 US SAVINGS BOND AND A COMPLIMENTARY THREE YEAR NDIA MEMBERSHIP.

Part IV Supplemental Information

CODD FUND: THE COLONEL LEO A. CODD MEMORIAL AWARD IS PRESENTED TO RECOGNIZE EXCELLENCE IN JUNIOR OFFICERS FROM THE VARIOUS SERVICES WHO ARE INSTRUCTORS IN THE ROTC PROGRAMS ACROSS THE COUNTRY. EACH SERVICE HAS COMPLETE LATITUDE IN THE METHOD AND CRITERIA BY WHICH THE UP TO NINE AWARD WINNERS ARE SELECTED AND SUBMITTED TO NDIA BY THE PENTAGON OSD ACCESSION POLICY OFFICE. AWARDEES RECEIVE A US SAVINGS BOND AND A COMPLIMENTARY THREE YEAR NDIA MEMBERSHIP.

HARRIS FUND: THE HUBERT D. HARRIS MEMORIAL SCHOLARSHIP PROVIDES FINANCIAL ASSISTANCE TO SELECTED INDIVIDUALS WHO ARE PURSUING OR PLAN TO PURSUE A COLLEGE DEGREE IN ENGINEERING OR TECHNICAL FIELDS BASED ON LEADERSHIP, PERSONAL CHARACTER, ACADEMIC ACHIEVEMENT, AND INTEREST IN ENGINEERING, OR OTHER TECHNICAL FIELDS. APPLICANTS MUST BE US CITIZENS AND HIGH SCHOOL GRADUATES OR SENIORS AT THE TIME OF APPLICATION. THE NDIA TARGETS, RANGES AND UAV DIVISION'S SCHOLARSHIP COMMITTEE EVALUATES APPLICATIONS BASED ON LEADERSHIP ABILITIES, EXTRACURRICULAR ACTIVITIES, ACADEMIC ACHIEVEMENT, OTHER NOTEWORTHY ACCOMPLISHMENTS, THE COUNSELOR'S RECOMMENDATION AND THE APPLICANT'S ESSAY ON EDUCATIONAL AND CAREER OBJECTIVES. THE DIVISION EXECUTIVE COMMITTEE THEN MAKES THE FINAL DECISION ON THE NUMBER AND AMOUNT OF SCHOLARSHIPS TO BE AWARDED. SHOULD A RECIPIENT TRANSFER TO ANOTHER SCHOOL BEFORE USING ALL AVAILABLE FUNDS, REMAINING FUNDS MAY BE TRANSFERRED BY THE FINANCIAL AID OFFICE TO THE NEW SCHOOL OF THE STUDENT'S CHOICE. SHOULD THE RECIPIENT CEASE TO ATTEND CLASSES AT THE SCHOOL OF CHOICE AND NOT TRANSFER TO ANOTHER SCHOOL, ANY MONEY REMAINING IN THE SCHOLARSHIP GRANT SHALL BE APPLIED TO THE COLLEGE'S GENERAL SCHOLARSHIP FUND.

GOLLOBIN FUND: THE LEONARD P. GOLLOBIN SCHOLARSHIP WAS INSTITUTED TO DIRECT

Part IV. Supplemental Information

STUDENTS DEVELOPING THEIR TECHNICAL TALENTS INTO THE DEFENSE INDUSTRY. THE SCHOLARSHIP IS TO PROVIDE FINANCIAL SUPPORT FOR THOSE SEEKING ADVANCED DEGREES AND A PATH TO LEVERAGE THEIR TECHNICAL COMPETENCE AND COMMITMENT TO STRENGTHEN OUR NATION'S DEFENSES. EACH RECIPIENT WILL BE REQUIRED TO COMPLETE ONE YEAR OF EMPLOYMENT WITHIN AN NDIA MEMBER DEFENSE INDUSTRY COMPANY AND ACTIVELY PARTICIPATE IN THE NDIA SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) DEVELOPMENT INITIATIVES. APPLICANTS WILL BE CONSIDERED BASED ON THE BASIC APPLICATION, THE ESSAY RESPONSE, LETTERS OF RECOMMENDATION, AND SCHOOL TRANSCRIPTS. WHILE FINANCIAL NEED IS NOT A MAJOR CONSIDERATION, IT CAN BE INCLUDED IF THE US DEPARTMENT OF EDUCATION FEDERAL STUDENT AID FORM IS SUBMITTED. APPLICANTS MUST HAVE GRADUATED (OR EXPECT TO GRADUATE WITHIN SIX MONTHS) WITH A MS, MA, BS, OR BA DEGREE IN A SCIENCE, TECHNOLOGY, ENGINEERING OR MATHEMATICS (STEM) FIELD IN GOOD STANDING FROM A COLLEGE OR UNIVERSITY AND BEEN ACCEPTED INTO A GRADUATE PROGRAM FOR THE NEXT SEMESTER/QUARTER REGISTRATION PERIOD FOLLOWING SUBMITTING THE APPLICATION. THIS SCHOLARSHIP WILL BE CONSIDERED AN INTEREST-FREE LOAN UNTIL THE THREE YEARS OF SERVICE IS COMPLETED IN THE DEFENSE INDUSTRY EMPLOYMENT SECURED AFTER GRADUATION. RECIPIENTS WILL BE REQUIRED TO SIGN A LENDING INSTITUTION DOCUMENT OUTLINING REPAYMENT TERMS IF THE TERMS OF THE PROGRAM ARE NOT MET WITHIN A STATED PERIOD OF TIME. APPLICATIONS ARE REVIEWED BY THE NDIA STEM DIVISION WITH FINAL APPROVAL OF THE DIVISION'S EXECUTIVE COMMITTEE.

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

Part IV Supplemental Information

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.

LAP, ROTC, ALDEN, INVESTMENT MANAGEMENT, DEFENSE INDUSTRY AWARD, AND NORMAN: THESE FUNDS ARE NON-OPERATING AS TO AWARD OR SCHOLARSHIP ACTIVITIES.

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

Part IV Supplemental Information

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.

MARTELL-BUSHNELL AWARD: THE PURPOSE OF THIS AWARD IS TO RECOGNIZE INDIVIDUAL ACHIEVEMENTS IN THE FIELD OF ASW AND/OR UNDERSEA WARFARE. THE NDIA NATIONAL HEADQUARTERS REPRESENTATIVE SOLICITS NOMINATIONS FROM THE NDIA UNDERSEA WARFARE DIVISION (UWD) EXECUTIVE BOARD AND ADVISORY BOARD AND FORWARDS TO THE UWD AWARDS COMMITTEE. THE NOMINATION CRITERIA ARE PRIMARILY EXCEPTIONAL CONTRIBUTIONS IN THE FIELD OF ASW AND/OR UNDERSEA WARFARE TECHNOLOGY, FROM INDUSTRY AND/OR THE DOD WITH 20 YEARS EXPERIENCE, AND A US CITIZEN. FINAL SELECTION IS MADE BY THE UWD EXECUTIVE COMMITTEE, WITH SUBSEQUENT PRESENTATION OF A \$1,000 HONORARIUM.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ **Attach to Form 990. To be completed by organizations that
answered "Yes" to Form 990, Part IV, line 23.**

OMB No 1545-0047

2008

**Open to Public
Inspection**

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 line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision
of all of 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:

- 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 must complete lines 5-8.

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

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

X

X

X

X

X

X

X

X

X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

Part II: Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 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) 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) 174,990.	258,235.	30,559.	40,602.	5,460.	509,846.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
LAWRENCE P. FARRELL, JR.	(i) 346,486.	445,540.	131,043.	30,470.	5,460.	958,999.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
DAVID E. CHEESEBROUGH	(i) 117,250.	31,969.	0.	34,500.	10,716.	194,435.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
FREDERICK L. LEWIS	(i) 169,998.	133,518.	30,159.	25,631.	5,460.	364,766.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
BARRY D. BATES	(i) 160,763.	82,998.	22,748.	31,334.	5,460.	303,303.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
SANDRA I. ERWIN	(i) 108,072.	48,718.	0.	31,700.	5,456.	193,946.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
JAMES E. MCINERNEY, JR.	(i) 129,917.	50,869.	9,366.	30,044.	5,460.	225,656.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
DINO K. PIGNOTTI	(i) 103,059.	22,038.	0.	31,079.	8,637.	164,813.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
PETER M. STEFFES	(i) 141,773.	0.	13,418.	30,035.	2,500.	187,726.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
SAMUEL CAMPAGNA	(i) 80,304.	37,000.	0.	30,575.	5,460.	153,339.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
THOMAS NORDBY	(i) 122,936.	57,200.	0.	36,141.	10,716.	226,993.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
SCOTT J. REKDAL	(i) 101,411.	17,000.	0.	24,835.	12,795.	156,041.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
DONALD B. ROULSTONE	(i) 80,304.	69,000.	0.	24,675.	5,460.	179,439.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
SASAN OGHLIDOS	(i) 107,688.	34,500.	0.	30,685.	5,456.	178,329.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
(i)							
(ii)							
(iii)							

SCHEDULE J-2
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the Organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer Identification number
53-0196547

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(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			
DAVID E. CHEESEBROUGH PRESIDENT, AFEI	40.00			X				149,219.	0.	45,216.
FREDERICK L. LEWIS PRESIDENT, NTSA	40.00			X				333,675.	0.	31,091.
BARRY D. BATES VICE PRESIDENT	40.00			X				266,509.	0.	36,794.
SANDRA I. ERWIN VICE PRESIDENT	40.00			X				156,790.	0.	37,156.
JAMES E. MCINERNEY, JR. VICE PRESIDENT	40.00			X				190,152.	0.	35,504.
DINO K. PIGNOTTI VICE PRESIDENT	40.00			X				125,097.	0.	39,716.
PETER M. STEFFES VICE PRESIDENT	40.00			X				155,191.	0.	32,535.
SAMUEL CAMPAGNA ASSISTANT VICE PRESIDENT	40.00				X			117,304.	0.	36,035.
THOMAS NORDBY ASSISTANT VICE PRESIDENT	40.00				X			180,136.	0.	46,857.
SCOTT J. REKDAL ASSISTANT VICE PRESIDENT	40.00				X			118,411.	0.	37,630.
DONALD B. ROULSTONE ASSISTANT VICE PRESIDENT	40.00				X			149,304.	0.	30,135.
E. RICHARD TAYLOR CONTROLLER	40.00				X			112,581.	0.	30,071.
MICHAEL A. DAUTH DIRECTOR	40.00					X		109,786.	0.	28,251.
LUELLEN HOFFMAN DIRECTOR	40.00					X		106,997.	0.	27,865.
SASAN OGHOLIDOS DIRECTOR	40.00					X		142,188.	0.	36,141.

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-2 (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

FORM 990, PART III, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

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.

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
THESE BY-LAWS. IN ADDITION, IT SHALL REVIEW ALL NEW REGULAR, INTERNATIONAL
AND ASSOCIATE CORPORATE MEMBERSHIP APPLICATIONS AT EACH OF ITS REGULAR
MEETINGS.

FORM 990, PART VI, SECTION A, LINE 6: 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

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

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

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

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.

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

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

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.

FORM 990, PART VI, SECTION A, LINE 10: FORM 990, PART VI, SECTION A, LINE 10: THE FORM 990 WAS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM AND WAS PROVIDED PRIOR TO FILING TO THE NDIA BOARD OF DIRECTORS FOR THEIR INFORMATION AND REVIEW ON FEBRUARY 23, 2010. AT THE SAME TIME, A DETAILED REVIEW WAS 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 WERE ABLE TO ASK QUESTIONS AND REQUEST CHANGES TO THE FORM 990 PRIOR TO FILING WITH THE IRS.

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

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

(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.

FORM 990, PART VI, SECTION B, LINE 15: 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 APRIL, 2009.

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, 2009.

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.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number
53-0196547

THERE HAS BEEN NO CHANGE IN THE PRESIDENT'S BASE COMPENSATION FOR THE LAST THREE 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, 2009 FOR THE OTHER OFFICERS: AFFILIATE PRESIDENTS, D. CHEESEBROUGH AND F. LEWIS; AND VICE PRESIDENTS, B. BATES, S. ERWIN, J. MCINERNEY, 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, 2009 FOR THE KEY EMPLOYEES: ASSISTANT VICE PRESIDENTS, S. CAMPAGNA, T. NORDBY, S. REKDAL, D. ROULSTONE, M. DAUTH, S. OGHLIDOS, L. HOFFMANN, AND E. TAYLOR.

FORM 990, PART VI, SECTION C, LINE 19: THE ASSOCIATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS AVAILABLE

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule O (Form 990) 2008

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization

NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number

53-0196547

TO THE PUBLIC UPON REQUEST.