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Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation) ▶ The organization may have to use a copy of this return to satisfy state reporting requirements	OMB No 1545-0047 2011 Open to Public Inspection
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A For the 2011 calendar year, or tax year beginning 10-01-2011 and ending 09-30-2012		
B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION Doing Business As Number and street (or P O box if mail is not delivered to street address) Room/suite 2111 WILSON BOULEVARD NO 400 City or town, state or country, and ZIP + 4 ARLINGTON, VA 222013061	D Employer identification number 53-0196547
		E Telephone number (703) 522-1820
		G Gross receipts \$ 41,184,144
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J Website: ▶ WWW NDIA ORG		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 ▶

K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶	L Year of formation 1919	M State of legal domicile DC
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Part I	Summary
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Activities & Governance	1 Briefly describe the organization's mission or most significant activities TO PROMOTE THE INTEREST OF DEFENSE PREPAREDNESS		
2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets			
3 Number of voting members of the governing body (Part VI, line 1a)	3	30	
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	30	
5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)	5	80	
6 Total number of volunteers (estimate if necessary)	6	95,000	
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	1,338,665	
b Net unrelated business taxable income from Form 990-T, line 34	7b	-2,000	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	343,814	294,884
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	36,373,380	32,737,108
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	514,699	907,596
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	882,785	938,403
	38,114,678	34,877,991	
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	76,925	61,000
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	10,708,253	11,461,278
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	23,688,285	21,222,692
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	34,473,463	32,744,970
	19 Revenue less expenses Subtract line 18 from line 12	3,641,215	2,133,021
Net Assets or Fund Balances		Beginning of Current Year	End of Year
	20 Total assets (Part X, line 16)	54,653,970	59,340,566
	21 Total liabilities (Part X, line 26)	20,534,402	19,841,063
	22 Net assets or fund balances Subtract line 21 from line 20	34,119,568	39,499,503

Part II	Signature Block
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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	2013-05-08 Date		
	BRONISLAW PROKUSKI JR SECRETARY/TREASURER Type or print name and title			
Paid Preparer's Use Only	Preparer's signature ▶ KAREN GRIES	Date	Check if self-employed ▶ <input type="checkbox"/>	Preparer's taxpayer identification number (see instructions) P00078514
	Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	CLIFTONLARSONALLEN LLP 4250 N FAIRFAX DRIVE SUITE 1020 ARLINGTON, VA 22203		EIN ▶ 41-0746749
				Phone no ▶ (571) 227-9500

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

Part III

Statement of Program Service Accomplishments

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

1

Briefly describe the organization's mission

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

2

Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes

No

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

3

Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes

No

If "Yes," describe these changes on Schedule O

4

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

4a

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

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

4b

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

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

4c

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

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

4d

Other program services (Describe in Schedule O)


















(Expenses \$ including grants of \$) (Revenue \$)

4e

Total program service expenses \$ 26,364,367

Part IV

Checklist of Required Schedules

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

Part IV

Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance		
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>		
		YesNo
1a	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable	1c
1a	30	
1b	0	
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements filed for the calendar year ending with or within the year covered by this return	2a80
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 (see instructions)	2bYes
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3aYes
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3bYes
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4aNo
b	If "Yes," enter the name of the foreign country <input type="text"/> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts	
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5aNo
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5bNo
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6aNo
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b
7	Organizations that may receive deductible contributions under section 170(c).	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7aNo
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7cNo
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7eNo
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . .	7fNo
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8
9	Sponsoring organizations maintaining donor advised funds.	
a	Did the organization make any taxable distributions under section 4966?	9a
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b
10	Section 501(c)(7) organizations. Enter	
a	Initiation fees and capital contributions included on Part VIII, line 12	10a
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b
11	Section 501(c)(12) organizations. Enter	
a	Gross income from members or shareholders	11a
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	13a
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b
c	Enter the aggregate amount of reserves on hand	13c
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14aNo
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O . . .	14b

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	30	
b	Enter the number of voting members included in line 1a, above, who are independent	1b	30	
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?	2		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6	Did the organization have members or stockholders?	6	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a	Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a	The governing body?	8a	Yes	
b	Each committee with authority to act on behalf of the governing body?	8b	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies

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

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

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	DC
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	

BRONISLAW PROKUSKI JR
2111 WILSON BOULEVARD NO 400
ARLINGTON, VA 222013061
(703) 522-1820

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

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

Form **990** (2011)

Part VII

1b	Sub-Total	▼			
c	Total from continuation sheets to Part VII, Section A	▼			
d	Total (add lines 1b and 1c)	▼	4,812,355	0	868,717

2 Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 21

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

Section B. Independent Contractors

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

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

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

Part VIII

Statement of Revenue

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

Part IX

Statement of Functional Expenses

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

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

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

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

Part X

Balance Sheet

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

Part XI Reconciliation of Net Assets

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

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

Part XII Financial Statements and Reporting

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

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

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

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

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

OMB No 1545-0047

2011

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 (For lines 1 through 11, check only one box)

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)
- 3

☐

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II)
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II)
- 9

☒

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III)
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

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

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

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

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

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions)					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage			
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14	
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15	
16a	33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 		
b	33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization 		
17a	10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
b	10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization 		
18	Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions 		

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

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

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

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

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

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	2.270 %
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	2.530 %
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization	<input type="checkbox"/>	
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions	<input type="checkbox"/>	

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

Facts And Circumstances Test

Explanation

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

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

▶ Complete if the organization is described below.

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

OMB No 1545-0047

2011

Open to Public Inspection

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Part II-A

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

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

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

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

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

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

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

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

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

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

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

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation
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SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

OMB No 1545-0047

2011

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? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

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

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)☐ Preservation of an historically importantly land area
☐ Protection of natural habitat☐ Preservation of a certified historic structure
☐ 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
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

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

4

Number of states where property subject to conservation easement is located ► _____

5

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

☐ Yes ☐ No

6

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

7

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

8

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

☐ 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

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

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

3

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

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

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

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

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

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

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

	Amount
1c	
1d	
1e	
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 the organization answered "Yes" to Form 990, Part IV, line 10.

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

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 82 500 %

c

Term endowment ▶ 17 500 %

3a

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

(i)

unrelated organizations

3a(i)

Yes

No

(ii)

related organizations

3a(ii)

No

b

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

3b

4

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

Part VI

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

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

Part XI

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

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

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

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

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

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

Part XIV

Supplemental Information

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

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

Part III

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

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

Part IV

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

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

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

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

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input checked="" type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	Yes
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?	2	Yes
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 <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization a Receive a severance payment or change-of-control payment? b Participate in, or receive payment from, a supplemental nonqualified retirement plan? c Participate in, or receive payment from, an equity-based compensation arrangement? If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III	4a	No
		4b	No
		4c	No
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of a The organization? b Any related organization? If "Yes," to line 5a or 5b, describe in Part III	5a	No
		5b	No
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	6a	No
		6b	No
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	7	No
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	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

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.

[illegible]

Part III **Supplemental Information**

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

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

Software ID:

Software Version:

EIN: 53-0196547

Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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

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

SCHEDULE O

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

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

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION	Employer identification number 53-0196547
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Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION A, LINE 1	THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD OF DIRECTORS, THE IMMEDIATE PAST CHAIRMAN, AND FOUR ADDITIONAL MEMBERS ELECTED BY THE BOARD OF DIRECTORS FOR A TERM OF OFFICE OF ONE YEAR THE EXECUTIVE COMMITTEE SHALL HAVE AND EXERCISE THE AUTHORITY OF THE BOARD OF DIRECTORS IN THE MANAGEMENT OF THE ASSOCIATION, EXCEPT THE AUTHORITY TO ADOPT AMENDMENTS TO THESE BY-LAWS IN ADDITION, IT SHALL REVIEW INDIVIDUAL, CORPORATE AND GOVERNMENT MEMBERSHIP STANDINGS AT EACH OF ITS REGULAR MEETINGS

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

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

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

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

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

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

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

Additional Data

Software ID:

Software Version:

EIN: 53-0196547

Name: NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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

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

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

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