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Part III

Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

☐ ☒

1

Briefly describe the organization's mission

THE MISSION OF THE NATIONAL DEFENSE INDUSTRIAL ASSOCIATION (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 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 \$ 11,542,343 including grants of \$ 69,186 ) (Revenue \$ 19,824,775 )

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 WEAPONS SYSTEMS, POLICY, ASSOCIATED SUPPORT, AND TRAINING AMONG THE DEPARTMENT OF DEFENSE, OTHER FEDERAL GOVERNMENT AND STATE AGENCIES, INDUSTRY, ACADEMIA, AND SCIENTIFIC AGENCIES

4b

(Code ) (Expenses \$ 2,382,473 including grants of \$ ) (Revenue \$ 2,295,998 )

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 \$ 2,381,665 including grants of \$ ) (Revenue \$ 1,518,378 )

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

16,306,481

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)? If "Yes," complete Schedule A 	1 Yes	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? 	2 Yes	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I 	3	No
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II 	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? If "Yes," complete Schedule C, Part III 	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? If "Yes," complete Schedule D, Part 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? If "Yes," complete Schedule D, Part II 	7	No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III 	8	No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV 	9	No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V 	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? If "Yes," complete Schedule D, Part VI 	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? If "Yes," complete Schedule D, Part VII 	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? If "Yes," complete Schedule D, Part VIII 	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? If "Yes," complete Schedule D, Part IX 	11d	No
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X 	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)? If "Yes," complete Schedule D, Part X 	11f Yes	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII 	12a Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional 	12b	No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	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? If "Yes," complete Schedule F, Parts I and IV 	14b Yes	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV 	15	No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV 	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? If "Yes," complete Schedule G, Part I (see instructions)	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? If "Yes," complete Schedule G, Part II	18	No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	No
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	No
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government 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 or 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, line 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 lines 24b through 24d and complete Schedule K. If "No," go to line 25a</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	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> 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	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, 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 employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . .	28c		No
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . .	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If "Yes" to line 35a, 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		
36	<b>Section 501(c)(3) organizations.</b> 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 11b and 19? <b>Note.</b> 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 or note to any line in this Part V

☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	34	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	Yes
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.	2a	73
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).		2b	Yes
3a Did the organization have unrelated business gross income of \$1,000 or more during the year?		3a	Yes
b If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O.		3b	Yes
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a	No
b If "Yes," enter the name of the foreign country: _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		5a	No
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b	No
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 as charitable contributions?		6a	No
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?		7a	No
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?		7c	No
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?		7e	No
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		7f	No
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? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.		13a	
b Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.		13b	
c Enter the amount of reserves on hand.		13c	
14a Did the organization receive any payments for indoor tanning services during the tax year?		14a	No
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 or note to any line 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 . . . . .		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
b	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .	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	Yes
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 this 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▶VA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request <input type="checkbox"/> Other (explain in Schedule O)
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 during the tax year
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ▶THE ORGANIZATION 2111 WILSON BOULEVARD NO 400 ARLINGTON,VA 22201 (703)522-1820

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

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

Form **990** (2013)



## Part VII

<b>1b</b>	<b>Sub-Total . . . . .</b>	▼			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A . . . . .</b>	▼			
<b>d</b>	<b>Total (add lines 1b and 1c) . . . . .</b>	▼	3,201,668	0	152,453

**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 in 19

		Yes	No
<b>3</b>	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	<b>3</b>	No
<b>4</b>	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> . . . . .	<b>4</b>	Yes
<b>5</b>	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> . . . . .	<b>5</b>	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)	(B)	(C)
Name and business address	Description of services	Compensation
JIM BARROS, 6480 KATHERINE ROAD 72 SIMI VALLEY CA 93063	ADVERTISING SALES	156,739
LEONARD VINCENT, 6059 WOOLEN MILL COURT HAYMARKET VA 20169	CONSULTING	110,000
CLIFTONLARSONALLEN 4250 NORTH FAIRFAX DRIVE SUITE 102 ARLINGTON VA 22230	AUDIT & CONSULTING SERVICES	100,767

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 ➤3

Part VIII

Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512-514	
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	106,360			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f . . . . .		106,360			
Program Service Revenue	2a	MEETINGS	Business Code				
			900099	9,134,876	9,134,876		
	b	EXHIBITS	900099	7,396,062	7,396,062		
	c	MEMBERSHIP DUES	900099	2,907,947	2,907,947		
	d	PUBLICATIONS	541800	1,518,378	31,728	1,486,650	
	e	SPONSORSHIPS	900099	1,445,978		1,445,978	
	f	All other program service revenue					
	g	Total. Add lines 2a-2f . . . . .		22,403,241			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		957,447		957,447
4		Income from investment of tax-exempt bond proceeds . . . . .					
5		Royalties . . . . .		52,234		52,234	
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			
			6,866,380				
		b	Less cost or other basis and sales expenses				
		c	Gain or (loss)				
d		Net gain or (loss) . . . . .		1,387,627		1,387,627	
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	DEFENSE SECURITY INFORMATION EXCH	900099	907,237	907,237			
	b	MISCELLANEOUS REVENUE	900099	343,418		343,418	
	c	CHAPTER REVENUE	900099	328,673	328,673		
	d	All other revenue . . . . .		105,349	105,349		
	e	Total. Add lines 11a-11d . . . . .		1,684,677			
12	Total revenue. See Instructions . . . . .		26,591,586	20,706,523	1,591,999	4,186,704	

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).

Check if Schedule O contains a response or note to any line 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.	6,100	6,100		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22.	63,086	63,086		
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.	3,256,847	1,590,302	1,666,545	
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.	2,952,249	1,445,174	1,507,075	
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions).	46,884	22,013	24,871	
9	Other employee benefits.	428,747	201,305	227,442	
10	Payroll taxes.	443,275	208,127	235,148	
11	Fees for services (non-employees):				
a	Management.				
b	Legal.	68,499	1,839	66,660	
c	Accounting.	292,239	7,847	284,392	
d	Lobbying.				
e	Professional fundraising services. See Part IV, line 17.				
f	Investment management fees.	272,360		272,360	
g	Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	1,812,111	866,424	945,687	
12	Advertising and promotion.	620,811	618,926	1,885	
13	Office expenses.	245,333	122,826	122,507	
14	Information technology.	598,246	33,649	564,597	
15	Royalties.				
16	Occupancy.	845,314	358,965	486,349	
17	Travel.	490,702	354,688	136,014	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19	Conferences, conventions, and meetings.	8,740,069	8,083,262	656,807	
20	Interest.				
21	Payments to affiliates.				
22	Depreciation, depletion, and amortization.	37,227	12,352	24,875	
23	Insurance.				
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O):				
a	OTHER EXPENSES	1,041,088	641,725	399,363	
b	PUBLICATIONS	834,233	829,496	4,737	
c	CHAPTER EXPENSE	723,048	720,707	2,341	
d	BAD DEBTS	138,732	21,408	117,324	
e	All other expenses	120,167	96,260	23,907	
25	Total functional expenses. Add lines 1 through 24e.	24,077,367	16,306,481	7,770,886	0
26	Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).				

Part X

Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

				(A)		(B)
				Beginning of year		End of year
Assets	1	Cash—non-interest-bearing		700	1	500
	2	Savings and temporary cash investments		14,795,052	2	11,927,266
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		459,547	4	473,645
	5	Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) 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		1,463,771	9	1,286,399
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a2,316,268			
	b	Less accumulated depreciation	10b2,229,303	93,679	10c	86,965
	11	Investments—publicly traded securities		34,269,924	11	36,017,029
	12	Investments—other securities See Part IV, line 11		6,484,189	12	8,637,108
	13	Investments—program-related See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets See Part IV, line 11		571,078	15	2,678,693
	16	Total assets. Add lines 1 through 15 (must equal line 34)		58,137,940	16	61,107,605
Liabilities	17	Accounts payable and accrued expenses		2,023,662	17	2,122,108
	18	Grants payable			18	
	19	Deferred revenue		8,842,415	19	6,898,276
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D			21	
	22	Loans and other 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		6,484,261	25	7,707,779
	26	Total liabilities. Add lines 17 through 25		17,350,338	26	16,728,163
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.					
	27	Unrestricted net assets		39,395,325	27	42,925,068
	28	Temporarily restricted net assets		757,777	28	816,874
	29	Permanently restricted net assets		634,500	29	637,500
	Organizations that do not follow SFAS 117 (ASC 958), 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		40,787,602	33	44,379,442
	34	Total liabilities and net assets/fund balances		58,137,940	34	61,107,605

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . .

1	Total revenue (must equal Part VIII, column (A), line 12) . . . . .	1	26,591,586
2	Total expenses (must equal Part IX, column (A), line 25) . . . . .	2	24,077,367
3	Revenue less expenses Subtract line 2 from line 1 . . . . .	3	2,514,219
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) . . . . .	4	40,787,602
5	Net unrealized gains (losses) on investments . . . . .	5	1,082,286
6	Donated services and use of facilities . . . . .	6	
7	Investment expenses . . . . .	7	
8	Prior period adjustments . . . . .	8	-4,665
9	Other changes in net assets or fund balances (explain in Schedule O) . . . . .	9	0
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	44,379,442

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line 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? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited 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 separate basis	Yes	
2c	If "Yes," to line 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	
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
3b	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		

## 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**

[illegible]

**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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DELLOYD VOORHEES JR DIRECTOR	1 00	X						0	0	0
FRANCIS M WALTON DIRECTOR	1 00	X						0	0	0
GREGORY WENZEL DIRECTOR	1 00	X						0	0	0
WILLIAM GLENN YARBOROUGH JR DIRECTOR	1 00	X						0	0	0
HAROLD L YOH III DIRECTOR	1 00	X						0	0	0
LAWRENCE P FARRELL JR PRESIDENT & CEO	40 00			X				652,024	0	5,721
BARRY D BATES VICE PRESIDENT	40 00			X				250,190	0	5,708
BRONISLAW P PROKUSKI VP, SECY/TREAS	40 00			X				417,435	0	1,922
DAVID E CHESEBROUGH PRESIDENT, AFEI	40 00				X			176,437	0	18,470
JAMES A ROBB PRESIDENT, NTSA	40 00				X			192,804	0	6,503
THOMAS A OWENS VICE PRESIDENT	40 00				X			179,332	0	0
SANDRA I ERWIN VICE PRESIDENT	40 00				X			170,851	0	4,866
DINO K PIGNOTTI VICE PRESIDENT	40 00				X			156,633	0	24,477
PETER M STEFFES VICE PRESIDENT	40 00				X			247,781	0	3,780
THOMAS NORDBY ASST VP	40 00					X		191,827	0	22,821
SCOTT J REKDAL ASST VP	40 00					X		161,406	0	26,465
SASAN OGHIDIOS DIRECTOR	40 00					X		153,433	0	9,757
E RICHARD TAYLOR CONTROLLER	40 00					X		130,374	0	10,752
DONALD B ROULSTONE ASST VP	40 00					X		121,141	0	11,211

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.**  
▶ **Information about Schedule A (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Open to Public Inspection

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

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

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

- 1

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☐

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

☒

An organization that normally receives (1) more than 33<sup>1</sup>/<sub>3</sub>% 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<sup>1</sup>/<sub>3</sub>% 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 - Non-functionally integrated

e

☐

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

f

☐

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

g

☐

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

(i)

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

(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 monetary support
			Yes	No	Yes	No	Yes	No	
Total									



Part II

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(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) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV )						
11 Total support (Add lines 7 through 10)						
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here . . . . . ▶						

Section C. Computation of Public Support Percentage						
14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))		14				
15 Public support percentage for 2012 Schedule A, Part II, line 14		15				
16a 33 1/3% support test—2013. 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—2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization						▶
17a 10%-facts-and-circumstances test—2013. 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—2012. 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 Section 509(a)(2)

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

Section A. Public Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	3,299,425	3,655,107	294,884	135,431	106,360	7,491,207
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	29,839,922	31,573,440	32,737,108	21,335,664	22,152,501	137,638,635
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	33,139,347	35,228,547	33,031,992	21,471,095	22,258,861	145,129,842
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 )						145,129,842

Section B. Total Support						
Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6	33,139,347	35,228,547	33,031,992	21,471,095	22,258,861	145,129,842
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	722,450	772,949	784,309	912,601	1,009,681	4,201,990
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b	722,450	772,949	784,309	912,601	1,009,681	4,201,990
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 )	898,653	1,145,563	938,403	781,148	343,417	4,107,184
13 Total support. (Add lines 9, 10c, 11, and 12 )	34,760,450	37,147,059	34,754,704	23,164,844	23,611,959	153,439,016
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 ▶						

Section C. Computation of Public Support Percentage			
15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	94.580%	
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	94.750%	

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	2.740%	
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	2.410%	
19a 33 1/3% support tests—2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
b 33 1/3% support tests—2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ▶			
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶			

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

Facts And Circumstances Test	
Return Reference	Explanation
SCHEDULE A, PART III, LINE 12, EXPLANATION OF OTHER INCOME	MISCELLANEOUS REVENUE

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.** ▶ **Information about Schedule C (Form 990 or 990-EZ) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

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, Part V, 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 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?

☐ Yes

☐ No
- 4a

Was a correction made?

☐ Yes

☐ No
- b

If "Yes," describe in Part IV

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

- 1

Enter the amount directly expended by the filing organization for section 527 exempt function activities

▶ \$
- 2

Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities

▶ \$
- 3

Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b

▶ \$
- 4

Did the filing organization file **Form 1120-POL** for this year?

☐ Yes

☐ No
- 5

Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments 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)		278													
b Total lobbying expenditures to influence a legislative body (direct lobbying)		44,368													
c Total lobbying expenditures (add lines 1a and 1b)		44,646													
d Other exempt purpose expenditures		23,059,013													
e Total exempt purpose expenditures (add lines 1c and 1d)		23,103,659													
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) 2010	(b) 2011	(c) 2012	(d) 2013	(e) Total
2a Lobbying nontaxable 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	127,268	128,765	125,041	44,646	425,720
d Grassroots nontaxable 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	7,768	465	0	278	8,511

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)).

For each "Yes" response to lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(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?			
j	Total. Add 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).

1	Were substantially all (90% or more) dues received nondeductible by members?	1	Yes	No
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2		
3	Did the organization agree to carry over 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) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible 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

Provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, Part II-A (affiliated group list), Part II-A, line 2, and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation

## Part IV

[illegible]

SCHEDULE D  
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b

▶ Attach to Form 990. ▶ See separate instructions. ▶ Information about Schedule D (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

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 can 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 education)

☐ Preservation of an historically important land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a through 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, and not on a historic structure listed in the National Register

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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 section 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIII, 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 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116 (ASC 958), 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 (ASC 958) relating to these items

a

Revenues included in Form 990, Part VIII, line 1

▶ \$

b

Assets included in Form 990, Part X

▶ \$

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

Cat No 52283D

Schedule D (Form 990) 2013



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

- 3

Using the organization's acquisition, 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 XIII
- 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 XIII and complete the following table
- c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance
- |    |        |
|----|--------|
|    | 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 XIII Check here if the explanation has been provided in Part XIII

☐

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

	(a)Current year	(b)Prior year	b (c)Two years back	(d)Three years back	(e)Four years back
1a Beginning of year balance . . . . .	929,478	878,610	860,216	822,237	756,445
b Contributions . . . . .	3,000	3,000	9,001	3,000	
c Net investment earnings, gains, and losses	39,712	57,868	9,393	34,979	65,792
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .		10,000			
f Administrative expenses . . . . .					
g End of year balance . . . . .	972,190	929,478	878,610	860,216	822,237

- 2

Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a

Board designated or quasi-endowment

b

Permanent endowment

65 580 %

c

Temporarily restricted endowment

34 420 %
- The percentages in lines 2a, 2b, and 2c should equal 100%
- 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 XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 11a. 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 . . . . .		2,316,268	2,229,303	86,965
e Other . . . . .				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				86,965



Part XI

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	25,000,917
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	1,082,286
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIII ) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	1,082,286
3	Subtract line 2e from line 1 . . . . .	3	23,918,631
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	272,360
b	Other (Describe in Part XIII ) . . . . .	4b	2,400,595
c	Add lines 4a and 4b . . . . .	4c	2,672,955
5	Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12 ) . . . . .	5	26,591,586

Part XII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements . . . . .	1	21,422,534
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 XIII ) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	0
3	Subtract line 2e from line 1 . . . . .	3	21,422,534
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	272,360
b	Other (Describe in Part XIII ) . . . . .	4b	2,382,473
c	Add lines 4a and 4b . . . . .	4c	2,654,833
5	Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18 ) . . . . .	5	24,077,367

Part XIII

Supplemental Information

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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference	Explanation
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
PART X, LINE 2	THE ASSOCIATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR INCOME TAX POSITIONS TAKEN THEREFORE, MANAGEMENT HAS NOT IDENTIFIED ANY UNCERTAIN INCOME TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS INCOME TAX RETURNS ARE GENERALLY SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE AND STATE AND LOCAL TAX AUTHORITIES FOR THREE YEARS AFTER THEY ARE FILED
PART XI, LINE 4B - OTHER ADJUSTMENTS	CHAPTER REVENUE 2,400,595
PART XII, LINE 4B - OTHER ADJUSTMENTS	CHAPTER EXPENSE 2,382,473

[illegible]

SCHEDULE F  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990,  
Part IV, line 14b, 15, or 16.  
► Attach to Form 990. ► See separate instructions.  
► Information about Schedule F (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization  
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number  
53-0196547

Part I

General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☐ No
- 2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.
- 3 Activities per Region (The following Part I, line 3 table can be duplicated if additional space is needed )

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e g , fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
( 1 ) CENTRAL AMERICA AND THE CARIBBEAN	0	0	INVESTMENT IN REGION		188,256
( 2 )					
( 3 )					
( 4 )					
( 5 )					
3a Sub-total	0	0			188,256
b Total from continuation sheets to Part I	0	0			0
c Totals (add lines 3a and 3b)	0	0			188,256

Part II

Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
( 1 )									
( 2 )									
( 3 )									
( 4 )									

- 2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . ▶
- 3 Enter total number of other organizations or entities . . . . . ▶

Part III

Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
( 1 )							
( 2 )							
( 3 )							
( 4 )							
( 5 )							
( 6 )							
( 7 )							
( 8 )							
( 9 )							
( 10 )							
( 11 )							
( 12 )							
( 13 )							
( 14 )							
( 15 )							
( 16 )							
( 17 )							
( 18 )							

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations. (see Instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with Respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*

☐

Yes

☒

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713).*

☐

Yes

☒

No



## Additional Data

**Software ID:**

**Software Version:**

**EIN:** 53-0196547

**Name:** NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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### **Part V** Supplemental Information

Provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

Schedule I  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Name of the organization  
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

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

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

▶ Information about Schedule I (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Employer identification number  
53-0196547

Part I

General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II

Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) SPECIAL OPERATIONS WARRIOR FOUNDATION PO BOX 13483 TAMPA, FL 33681	52-1183585	501C3	5,500				GENERAL OPERATING CONTRIBUTION

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

3 Enter total number of other organizations listed in the line 1 table . . . . . 0

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.  
Part III can be duplicated 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) I/ITSEC SCHOLARSHIP	2	11,176			
(2) USWD FELLOWSHIP AWARD	2	5,000			
(3) HORIZONS SCHOLARSHIP AWARD	4	35,110			
(4) HARRIS SCHOLARSHIP AWARD	6	8,000			
(5) CODD AWARD	9	1,800			
(6) MARTELL-BUSHNELL AWARD	1	1,000			
(7) HARRY DIAMOND FUZING EXCELLENCE AWARD	1	1,000			

Part IV

Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
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 HUBERT D. HARRIS MEMORIAL SCHOLARSHIP FUND THESE SCHOLARSHIPS ARE OPEN TO CANDIDATES PURSUING AN UNDERGRADUATE DEGREE WHO HAVE AN INTEREST IN A SCIENTIFIC, ENGINEERING, OR MATHEMATICAL (STEM) CAREER THE SCHOLARSHIP IS OPEN TO CANDIDATES WHO ARE SPONSORED BY NDIA TARGETS, UAV AND RANGES DIVISION MEMBERS AND MEMBERS OF HIGH SCHOOLS WITHIN THE GULF COAST CHAPTER'S IMMEDIATE AREA AWARDS ARE BASED ON EDUCATIONAL INTEREST, LEADERSHIP, ACADEMIC ACHIEVEMENT, AND OTHER INDICATIONS OF CHARACTER AND NOTEWORTHY ACHIEVEMENT IN THE EVENT THE STUDENT DROPS OUT OF SCHOOL OR DOES NOT USE THE FUND BY OCTOBER 1ST OF THE YEAR THEY ARE GRANTED, THE FUNDS WILL BE WITHDRAWN CODD AWARD THIS AWARD IS GIVEN ANNUALLY IN MEMORY OF THE LATE COL LEO A CODD, USAR (RET) RECIPIENTS OF THE AWARD ARE SELECTED FROM JUNIOR OFFICERS (NONE ABOVE THE RANK OF MAJOR LIEUTENANT COMMANDER) WHO ARE INSTRUCTORS IN THE ROTC PROGRAM ACROSS THE COUNTRY EACH RECIPIENT RECEIVES A CASH AWARD, A CERTIFICATE OF RECOGNITION, AND A COMPLIMENTARY ONE-YEAR MEMBERSHIP TO NDIA VADM CHARLES B MARTELL - DAVID BUSHNELL AWARD ANNUAL AWARD IN THE AMOUNT OF \$1,000 TO RECOGNIZE INDIVIDUAL ACHIEVEMENTS IN THE FIELD OF ASW AND/OR UNDERSEA WARFARE RECIPIENTS WILL BE SELECTED BASED ON EXCEPTIONAL CONTRIBUTIONS IN THE FIELD OF ASW AND/OR UNDERSEA WARFARE TECHNOLOGY WHO HAVE AT LEAST 20 YEARS EXPERIENCE HARRY IDAMOND FUZING EXCELLENCE AWARD ANNUAL AWARD TO RECOGNIZE THE INDIVIDUAL WHO HAS MADE THE GREATEST OVERALL CONTRIBUTION TO THE FUZE PROGRAM DURING THEIR LIFETIME

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, line 23.  
▶ Attach to Form 990. ▶ See separate instructions.

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public Inspection

Name of the organization  
NATIONAL DEFENSE INDUSTRIAL ASSOCIATION

Employer identification number  
53-0196547

Part I

Questions Regarding Compensation

	Yes	No
<div><div>1a</div><div>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><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><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 type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div></div></div>		
<div><div>b</div><div>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 of the expenses described above? If "No," complete Part III to explain.</div></div>	1b	
<div><div>2</div><div>Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</div></div>	2	
<div><div>3</div><div>Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</div><div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input checked="" 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></div>		
<div><div>4</div><div>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:</div></div>		
<div><div>a</div><div>Receive a severance payment or change-of-control payment?</div></div>	4a	No
<div><div>b</div><div>Participate in, or receive payment from, a supplemental nonqualified retirement plan?</div></div>	4b	Yes
<div><div>c</div><div>Participate in, or receive payment from, an equity-based compensation arrangement?</div></div> <div>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</div>	4c	No
<div><div></div><div>Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.</div></div>		
<div><div>5</div><div>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:</div></div>		
<div><div>a</div><div>The organization?</div></div>	5a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 5a or 5b, describe in Part III.</div>	5b	No
<div><div>6</div><div>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:</div></div>		
<div><div>a</div><div>The organization?</div></div>	6a	No
<div><div>b</div><div>Any related organization?</div></div> <div>If "Yes," to line 6a or 6b, describe in Part III.</div>	6b	No
<div><div>7</div><div>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.</div></div>	7	No
<div><div>8</div><div>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 Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</div></div>	8	No
<div><div>9</div><div>If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</div></div>	9	

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

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

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

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

**Part III**   **Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II  
Also complete this part for any additional information

Return Reference	Explanation
PART I, LINE 4B	LAWRENCE P FARRELL JR AND BRONISLAW PROKUSKI JR BOTH PARTICIPATE IN THE 457(F) PLAN NO CONTRIBUTIONS WERE MADE DURING THE YEAR ENDED 9/30/2014

Additional Data

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				
LAWRENCE P FARRELL JR PRESIDENT & CEO	(i) (ii)	364,037 0	0 0	287,987 0	5,721 0	0 0	657,745 0	0 0
BARRY D BATES VICE PRESIDENT	(i) (ii)	189,373 0	0 0	60,817 0	4,703 0	1,005 0	255,898 0	0 0
BRONISLAW P PROKUSKI VP, SECY/TREAS	(i) (ii)	237,666 0	0 0	179,769 0	1,922 0	0 0	419,357 0	0 0
DAVID E CHESEBROUGH PRESIDENT, AFEI	(i) (ii)	160,993 0	0 0	15,444 0	1,562 0	16,908 0	194,907 0	35,500 0
JAMES A ROBB PRESIDENT, NTSA	(i) (ii)	176,804 0	0 0	16,000 0	5,269 0	1,234 0	199,307 0	0 0
THOMAS A OWENS VICE PRESIDENT	(i) (ii)	131,526 0	0 0	47,806 0	0 0	0 0	179,332 0	0 0
SANDRA I ERWIN VICE PRESIDENT	(i) (ii)	128,714 0	0 0	42,137 0	3,854 0	1,012 0	175,717 0	0 0
DINO K PIGNOTTI VICE PRESIDENT	(i) (ii)	118,588 0	0 0	38,045 0	3,854 0	20,623 0	181,110 0	0 0
PETER M STEFFES VICE PRESIDENT	(i) (ii)	158,928 0	0 0	88,853 0	3,780 0	0 0	251,561 0	88,853 0
THOMAS NORDBY ASST VP	(i) (ii)	145,827 0	0 0	46,000 0	4,650 0	25,670 0	222,147 0	0 0
SCOTT J REKDAL ASST VP	(i) (ii)	133,406 0	0 0	28,000 0	4,110 0	22,354 0	187,870 0	0 0
SASAN OGHlidOS DIRECTOR	(i) (ii)	130,433 0	0 0	23,000 0	3,700 0	6,273 0	163,406 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.  
▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at  
[www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

2013

Open to Public  
Inspection

Name of the organization NATIONAL DEFENSE INDUSTRIAL ASSOCIATION	Employer identification number 53-0196547
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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 THE BY-LAWS IN ADDITION, IT SHALL REVIEW INDIVIDUAL, CORPORATE, AND GOVERNMENT MEMBERSHIP STANDINGS AT EACH OF ITS REGULAR MEETINGS



Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 4	IN A 27 AUGUST 2014 'BOARD ACTION WITHOUT MEETING' THE DIRECTORS OF THE ASSOCIATION UNANIMOUSLY, IN WRITING, APPROVED THE EXPANSION OF THE EXECUTIVE COMMITTEE FROM SEVEN TO NINE POSITIONS, TO WIT ARTICLE VI OF THE BY LAWS NOW READS "THE EXECUTIVE COMMITTEE SHALL CONSIST OF THE CHAIRMAN AND VICE CHAIRMAN OF THE BOARD OF DIRECTORS, THE IMMEDIATE PAST CHAIRMAN, AND SIX ADDITIONAL MEMBERS ELECTED BY THE BOARD OF DIRECTORS FOR A TERM OF OFFICE OF ONE YEAR "

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 (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, ASSOCIATION, 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 MEMBERSHIP 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 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>

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

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11	THE FORM 990 IS PREPARED BY AN INDEPENDENT ACCOUNTING FIRM AND IS PROVIDED PRIOR TO FILING TO THE NDIA EXECUTIVE COMMITTEE, WHICH HAS BOARD AUTHORITY DESIGNATED TO IT, FOR ITS INFORMATION AND REVIEW. AT THE SAME TIME, A DETAILED REVIEW IS CONDUCTED BY THE THE NDIA CHIEF OPERATING OFFICER, AND THE NDIA CONTROLLER. ALL PARTIES ARE ABLE TO ASK QUESTIONS AND REQUEST CHANGES TO THE FORM 990 PRIOR TO FILING WITH THE IRS.

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	<p>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</p>

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	<p>THE COMPENSATION FOR THE PRESIDENT &amp; CEO OF NDIA IS SET BY CONTRACT SIGNED BY THE PRESIDENT AND THE CHAIRMAN, NDIA, AFTER CONSULTATION WITH AN EXTERNAL COMPENSATION EXPERT USING DATA FROM SURVEY COMPENSATION DATA. THE PRESIDENT'S BASE COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA COMPENSATION COMMITTEE, NORMALLY AS PART OF ITS REVIEW OF THE INCENTIVE AWARDS JUSTIFICATIONS, WITH SUBSEQUENT REVIEW AND APPROVAL BY THE NDIA EXECUTIVE COMMITTEE. THE MOST RECENT REVIEW WAS IN FEBRUARY 2015. THE JUSTIFICATION PACKAGE PRESENTED TO BOTH COMMITTEES INCLUDES SURVEY COMPENSATION DATA OF LIKE ENTITIES IN THE NON PROFIT INDUSTRY. THE COMPENSATION OF THE OTHER EXECUTIVES 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 PRESENTED TO IT AND SUBSEQUENTLY TO THE NDIA EXECUTIVE COMMITTEE. ALL EMPLOYEES' COMPENSATION IS REVIEWED ON AN ANNUAL BASIS BY THE NDIA COO USING THE APPROPRIATE COMPARABILITY DATA AND INFORMATION FROM INDIVIDUAL PERFORMANCE INCENTIVE REVIEWS. EMPLOYEE COMPENSATION IS INDIRECTLY REVIEWED BY NDIA'S FINANCE COMMITTEE AS PART OF THE ANNUAL BUDGETING PROCESS. IT SHOULD BE NOTED THAT FY 2014 COMPENSATION REVIEWS WITH THE INCLUSION OF PERFORMANCE INCENTIVE DISTRIBUTIONS FOR VICE PRESIDENTS AND KEY EMPLOYEES WERE EXTENDED INTO FY 2015 DUE TO DELAYS IN FINALIZING FY 2014 CORPORATE FINANCIAL PERFORMANCE.</p>

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

Return Reference	Explanation
FORM 990, PART XII, LINE 2C	THE OVERSIGHT PROCESS REMAINS UNCHANGED FROM THE PRIOR YEAR