

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

OMB No. 1545-0047

2009Open to Public
Inspection

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

A For the 2009 calendar year, or tax year beginning **JUL 1, 2009** and ending **JUN 30, 2010****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

Please use IRS label or print or type.

See Specific Instructions.

C Name of organization**U.S. NAVAL ACADEMY FOUNDATION, INC.**

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
247 KING GEORGE STREET

City or town, state or country, and ZIP + 4

ANNAPOLIS, MD 21402**F** Name and address of principal officer: **BYRON MARCHANT**
SAME AS C ABOVE**D** Employer identification number**23-7003516****E** Telephone number**410-295-4100****G** Gross receipts \$**44,836,408.****H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **WWW.USNA.COM****K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: **1969** **M** State of legal domicile: **MD****Part I Summary**

| | | | |
|--|---|---|-----------------------------|
| Activities & Governance | 1 Briefly describe the organization's mission or most significant activities: TO SUPPORT, PROMOTE, AND ADVANCE THE MISSION OF THE NAVAL ACADEMY. | | |
| | 2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. | | |
| | 3 Number of voting members of the governing body (Part VI, line 1a) | 3 | 27 |
| | 4 Number of independent voting members of the governing body (Part VI, line 1b) | 4 | 26 |
| | 5 Total number of employees (Part V, line 2a) | 5 | 0 |
| | 6 Total number of volunteers (estimate if necessary) | 6 | 40 |
| | 7a Total gross unrelated business revenue from Part VIII, column (C), line 12 | 7a | -40,836. |
| b Net unrelated business taxable income from Form 990-T, line 34 | 7b | -40,836. | |
| Revenue | 8 Contributions and grants (Part VIII, line 1h) | Prior Year 21,522,640. | Current Year 23,160,909. |
| | 9 Program service revenue (Part VIII, line 2g) | 1,241,377. | 1,109,897. |
| | 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | -927,242. | 2,474,363. |
| | 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | | |
| | 12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 21,836,775. | 26,745,169. |
| Expenses | 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | 10,792,180. | 10,842,493. |
| | 14 Benefits paid to or for members (Part IX, column (A), line 4) | | |
| | 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 4,024,470. | 3,513,606. |
| | 16a Professional fundraising fees (Part IX, column (A), line 11e) | 418,131. | 417,508. |
| | b Total fundraising expenses (Part IX, column (D), line 25) ▶ 4,679,419. | | |
| | 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) | 19,786,930. | 2,229,196. |
| | 18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) | 35,021,711. | 17,002,803. |
| 19 Revenue less expenses. Subtract line 18 from line 12 | -13,184,936. | 9,742,366. | |
| Net Assets or Fund Balances | 20 Total assets (Part X, line 16) | Beginning of Current Year 111,944,938. | End of Year 120,316,556. |
| | 21 Total liabilities (Part X, line 26) | 19,629,671. | 10,264,904. |
| | 22 Net assets or fund balances. Subtract line 21 from line 20 | 92,315,267. | 110,051,652. |

Part II Signature Block

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

Sign
Here

Signature of officer

Date

HENRY J. SANFORD, CFO & TREASURER

Type or print name and title

Paid
Preparer's
Use Only

Preparer's signature

Date

Check if self-employed ☐

Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4

RSM MCGLADREY, INC.
100 INTERNATIONAL DRIVE, SUITE 1400
BALTIMORE, MARYLAND 21202

EIN ▶

Phone no. ▶ **(410) 246-9300**

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

☒ Yes ☐ No

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission: SEE SCHEDULE O

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

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

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

If "Yes," describe these changes on Schedule O.

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

4a (Code:) (Expenses \$ 11,470,739. including grants of \$ 10,842,493.) (Revenue \$ 1,109,897.)
SUPPORT - THE FOUNDATION MADE CONTRIBUTIONS TO THE U.S. NAVAL ACADEMY
AND U.S. NAVAL ACADEMY ALUMNI ASSOCIATION.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

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

4e Total program service expenses **\$ 11,470,739.**

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 | X | |
| 2 Is the organization required to complete Schedule B, Schedule of Contributors? | X | |
| 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 | | X |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II | | X |
| 5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III | | |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I | | X |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II | | X |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III | | X |
| 9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV | | X |
| 10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V | X | |
| 11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | X | |
| • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI. | | |
| • 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. | | |
| • 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. | | |
| • 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. | | |
| • Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X. | | |
| • 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? If "Yes," complete Schedule D, Part X. | | |
| 12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII. | | X |
| 12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional | X | |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E | | X |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | X |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I | X | |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II | | X |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III | X | |
| 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 | X | |
| 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 | | X |
| 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 | | X |
| 20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H | | X |

Part IV Checklist of Required Schedules (continued)

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

Part V Statements Regarding Other IRS Filings and Tax Compliance

| | | Yes | No |
|------------|--|-----|----|
| 1a | Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable | 21 | |
| 1b | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable | 0 | |
| 1c | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners? | X | |
| 2a | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return | 0 | |
| 2b | If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions) | | |
| 3a | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | | X |
| 3b | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O | | |
| 4a | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | X | |
| b | If "Yes," enter the name of the foreign country: <u>CAYMAN ISLANDS</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. | | |
| 5a | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? | | X |
| 5b | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction? | | X |
| 5c | If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction? | | |
| 6a | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible? | | X |
| 6b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | | |
| 7 | Organizations that may receive deductible contributions under section 170(c). | | |
| a | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor? | | X |
| b | If "Yes," did the organization notify the donor of the value of the goods or services provided? | | |
| c | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282? | | X |
| d | If "Yes," indicate the number of Forms 8282 filed during the year | 7d | |
| e | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | X |
| f | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | | X |
| g | For all contributions of qualified intellectual property, did the organization file Form 8899 as required? | | |
| h | For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required? | | |
| 8 | Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | |
| 9 | Sponsoring organizations maintaining donor advised funds. | | |
| a | Did the organization make any taxable distributions under section 4966? | | |
| b | Did the organization make a distribution to a donor, donor advisor, or related person? | | |
| 10 | Section 501(c)(7) organizations. Enter: | | |
| a | Initiation fees and capital contributions included on Part VIII, line 12 | 10a | |
| b | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities | 10b | |
| 11 | Section 501(c)(12) organizations. Enter: | | |
| a | Gross income from members or shareholders | 11a | |
| b | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) | 11b | |
| 12a | Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041? | | |
| b | If "Yes," enter the amount of tax-exempt interest received or accrued during the year | 12b | |

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

Section A. Governing Body and Management

| | Yes | No |
|---|-----|----|
| 1a Enter the number of voting members of the governing body | 27 | |
| b Enter the number of voting members that are independent | 26 | |
| 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? | | X |
| 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | | X |
| 4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed? | | X |
| 5 Did the organization become aware during the year of a material diversion of the organization's assets? | | X |
| 6 Does the organization have members or stockholders? | | X |
| 7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body? | | X |
| b Are any decisions of the governing body subject to approval by members, stockholders, or other persons? | | X |
| 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: | | |
| a The governing body? | X | |
| b Each committee with authority to act on behalf of the governing body? | X | |
| 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 | | X |

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

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

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed **MD, OH**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☒ Own website ☒ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **HENRY J. SANFORD, CFO & TREASURER - (410) 295-4100**
247 KING GEORGE STREET, ANNAPOLIS, MD 21402

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

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

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

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

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

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

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

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

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

| (A) Name and Title | (B) Average hours per week | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|------------------------------------|-------------------------------|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| MARSHA J. EVANS DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| LOUIS J. FREEH DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| MICHAEL R. BONSIGNORE DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| CHARLES R. LARSON CHAIRMAN | 2.00 | X | | | | | | 0. | 0. | 0. |
| THOMAS C. LYNCH DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| CHARLES H. MCGILL, III DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| MICHAEL J. MOORE DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| PEGGY PHILLIPS DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| JOSEPH W. PRUEHER DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| DEBORAH L. WINCE-SMITH DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| THOMAS C. SCHIEVELBEIN DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| KEVIN W. SHARER DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| ROGER E. TETRAULT DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| MAURICE B. TOSE DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| JOHN K. WELCH DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| LEO V. WILLIAMS, III DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| RICHARD C. ATKINSON DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |

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

| (A) Name and title | (B) Average hours per week | (C) Position (check all that apply) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|------------------------------------|-------------------------------|--|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| CORBIN A. MCNEILL JR. DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| JERROLD L. MILLER DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| PAUL B. PRAGER DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| JOHN R. RYAN DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| STEVEN S. REINEMUND DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| THOMAS C. BRASCO DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| PETER F. DEVOS DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| CHARLES S. ABBOT DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| JAMES L. HOLLOWAY, III DIRECTOR | 2.00 | X | | | | | | 0. | 0. | 0. |
| BYRON F. MARCHANT PRESIDENT/CEO | 36.00 | X | | X | | | | 223,066. | 148,710. | 12,297. |
| 1b Total | | | | | | | | 1,127,617. | 460,380. | 50,319. |

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **7**

3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

| | Yes | No |
|---|-----|----|
| 3 | X | |
| 4 | X | |
| 5 | | X |

Section B. Independent Contractors

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

| (A) Name and business address | (B) Description of services | (C) Compensation |
|--|--------------------------------|---------------------|
| AFRC, INC. 208 PASSAIC AVE., FAIRFIELD, NJ 07000 | FUNDRAISING CONSULTANT | 419,703. |
| MARTIN'S - BO BROOKS LLC 511 TALYOR AVENUE, ANNAPOLIS, MD 21401 | CATERING | 174,214. |
| SIGNCRAFT ANNAPOLIS, LLC, 2012 RENARD CT. SUITE O, ANNAPOLIS, MD 21401 | ENGRAVING | 158,645. |
| SIMCOX & BARCLAY, LLP, 170 JENNIFER ROAD, SUITE 200, ANNAPOLIS, MD 21401 | PROFESSIONAL SERVICES | 151,827. |
| TIFF ADVISORY SERVICES, 200 BARR HARBOR DRIVE, SUITE 100, WEST CONSHOHOCKEN, PA | INVESTMENT ADVISORS | 112,500. |

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **6**

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

Part VIII Statement of Revenue

| | | | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512, 513, or 514 |
|---|--|---|---|----------------------|---|---|--|
| Contributions, gifts, grants and other similar amounts | 1 a | Federated campaigns | 1a | | | | |
| | b | Membership dues | 1b | | | | |
| | c | Fundraising events | 1c | | | | |
| | d | Related organizations | 1d | | | | |
| | e | Government grants (contributions) | 1e | | | | |
| | f | All other contributions, gifts, grants, and similar amounts not included above | 1f | 23160909. | | | |
| | g | Noncash contributions included in lines 1a-1f: \$ | | 3,455,972. | | | |
| | h | Total. Add lines 1a-1f | | 23160909. | | | |
| Program Service Revenue | 2 a | FUND ADMIN. FEE | Business Code 900099 | 1,106,340. | 1,106,340. | | |
| | b | MISCELLANEOUS FEES & S | 900099 | 3,557. | 3,557. | | |
| | c | | | | | | |
| | d | | | | | | |
| | e | | | | | | |
| | f | All other program service revenue | | | | | |
| | g | Total. Add lines 2a-2f | | 1,109,897. | | | |
| | Other Revenue | 3 | Investment income (including dividends, interest, and other similar amounts) | | 2,094,212. | | -40,836. |
| 4 | | Income from investment of tax-exempt bond proceeds | | | | | |
| 5 | | Royalties | | | | | |
| 6 a | | Gross Rents | (i) Real (ii) Personal | | | | |
| b | | Less: rental expenses | | | | | |
| c | | Rental income or (loss) | | | | | |
| d | | Net rental income or (loss) | | | | | |
| 7 a | | Gross amount from sales of assets other than inventory | (i) Securities (ii) Other | | | | |
| b | | Less: cost or other basis and sales expenses | | | | | |
| c | | Gain or (loss) | | | | | |
| d | | Net gain or (loss) | | 380,151. | | 380,151. | |
| 8 a | | Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 | a | | | | |
| b | | Less: direct expenses | b | | | | |
| c | | Net income or (loss) from fundraising events | | | | | |
| 9 a | | Gross income from gaming activities. See Part IV, line 19 | a | | | | |
| b | | Less: direct expenses | b | | | | |
| c | | Net income or (loss) from gaming activities | | | | | |
| 10 a | | Gross sales of inventory, less returns and allowances | a | | | | |
| b | Less: cost of goods sold | b | | | | | |
| c | Net income or (loss) from sales of inventory | | | | | | |
| Miscellaneous Revenue | | | Business Code | | | | |
| 11 a | | | | | | | |
| b | | | | | | | |
| c | | | | | | | |
| d | All other revenue | | | | | | |
| e | Total. Add lines 11a-11d | | | | | | |
| 12 | Total revenue. See instructions. | | 26745169. | 1,109,897. | -40,836. | 2515199. | |

Part IX Statement of Functional Expenses

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

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

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| 1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 | 10,773,744. | 10,773,744. | | |
| 2 Grants and other assistance to individuals in the U.S. See Part IV, line 22 | | | | |
| 3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16 | 68,749. | 68,749. | | |
| 4 Benefits paid to or for members | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees | 353,981. | 52,707. | 39,292. | 261,982. |
| 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 | 2,703,943. | 357,328. | 312,430. | 2,034,185. |
| 8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) | | | | |
| 9 Other employee benefits | 225,432. | 30,228. | 25,929. | 169,275. |
| 10 Payroll taxes | 230,250. | 30,874. | 26,483. | 172,893. |
| 11 Fees for services (non-employees): | | | | |
| a Management | | | | |
| b Legal | 74,473. | 9,986. | 8,566. | 55,921. |
| c Accounting | 64,629. | | 64,629. | |
| d Lobbying | | | | |
| e Professional fundraising services. See Part IV, line 17 | 417,508. | | | 417,508. |
| f Investment management fees | 248,718. | | 248,718. | |
| g Other | | | | |
| 12 Advertising and promotion | 285,756. | 38,250. | 32,811. | 214,695. |
| 13 Office expenses | 199,135. | 26,702. | 22,904. | 149,529. |
| 14 Information technology | | | | |
| 15 Royalties | | | | |
| 16 Occupancy | 59,269. | 7,947. | 6,817. | 44,505. |
| 17 Travel | 136,370. | 18,286. | 15,685. | 102,399. |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials | | | | |
| 19 Conferences, conventions, and meetings | 52,144. | 6,992. | 5,998. | 39,154. |
| 20 Interest | | | | |
| 21 Payments to affiliates | | | | |
| 22 Depreciation, depletion, and amortization | 161,888. | 21,708. | 18,620. | 121,560. |
| 23 Insurance | 21,850. | 2,930. | 2,513. | 16,407. |
| 24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.) | | | | |
| a BAD DEBT | 740,689. | | | 740,689. |
| b DONOR CULTIVATION | 92,592. | 12,416. | 10,650. | 69,526. |
| c MISCELLANEOUS | 71,475. | 9,183. | 8,272. | 54,020. |
| d LICENSES & DUES | 9,486. | 1,272. | 1,091. | 7,123. |
| e TRAINING | 8,411. | 1,128. | 967. | 6,316. |
| f All other expenses | 2,311. | 309. | 270. | 1,732. |
| 25 Total functional expenses. Add lines 1 through 24f | 17,002,803. | 11,470,739. | 852,645. | 4,679,419. |
| 26 Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation ... | | | | |

Part X Balance Sheet

| | | (A) Beginning of year | | (B) End of year |
|---|---|--------------------------|--------------|--------------------|
| Assets | 1 Cash - non-interest-bearing | | 1 | |
| | 2 Savings and temporary cash investments | 3,290,626. | 2 | 2,351,970. |
| | 3 Pledges and grants receivable, net | 26,107,551. | 3 | 26,695,058. |
| | 4 Accounts receivable, net | 144,852. | 4 | 35,066. |
| | 5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L | | 5 | |
| | 6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L | | 6 | |
| | 7 Notes and loans receivable, net | | 7 | |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | 94,604. | 9 | 94,643. |
| | 10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D | 10a 5,067,416. | | |
| | b Less: accumulated depreciation | 10b 1,787,573. | | |
| | | 3,354,084. | 10c | 3,279,843. |
| | 11 Investments - publicly traded securities | 65,422,920. | 11 | 71,714,773. |
| | 12 Investments - other securities. See Part IV, line 11 | 11,338,721. | 12 | 13,764,746. |
| | 13 Investments - program-related. See Part IV, line 11 | | 13 | |
| | 14 Intangible assets | | 14 | |
| 15 Other assets. See Part IV, line 11 | 2,191,580. | 15 | 2,380,457. | |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 111,944,938. | 16 | 120,316,556. | |
| Liabilities | 17 Accounts payable and accrued expenses | 285,062. | 17 | 151,914. |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | 4,132. | 19 | 2,765. |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability. Complete Part IV of Schedule D | | 21 | |
| | 22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L | | 22 | |
| | 23 Secured mortgages and notes payable to unrelated third parties | 10,450,000. | 23 | 2,890,000. |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities. Complete Part X of Schedule D | 8,890,477. | 25 | 7,220,225. |
| | 26 Total liabilities. Add lines 17 through 25 | 19,629,671. | 26 | 10,264,904. |
| Net Assets or Fund Balances | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. | | | |
| | 27 Unrestricted net assets | 5,323,664. | 27 | 6,956,249. |
| | 28 Temporarily restricted net assets | 51,458,000. | 28 | 66,720,518. |
| | 29 Permanently restricted net assets | 35,533,603. | 29 | 36,374,885. |
| | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34. | | | |
| | 30 Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building, or equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | | 32 | |
| | 33 Total net assets or fund balances | 92,315,267. | 33 | 110,051,652. |
| 34 Total liabilities and net assets/fund balances | 111,944,938. | 34 | 120,316,556. | |

Part XI Financial Statements and Reporting

| | 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? | | X |
| b Were the organization's financial statements audited by an independent accountant? | X | |
| c 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. | X | |
| d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis | | |
| 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? | | X |
| b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits. | | |

Form 990 (2009)

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

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

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

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

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

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

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

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

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

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

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

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

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

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

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

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

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

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

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

[illegible]

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

Schedule A (Form 990 or 990-EZ) 2009

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

(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

| Calendar year (or fiscal year beginning in) | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | 27710717. | 30688210. | 27421903. | 21522640. | 23160909. | 130504379 |
| 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 | 27710717. | 30688210. | 27421903. | 21522640. | 23160909. | 130504379 |
| 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. | | | | | | 130504379 |

Section B. Total Support

| Calendar year (or fiscal year beginning in) | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---|-----------|-----------|-----------|-----------|-----------|------------|
| 7 Amounts from line 4 | 27710717. | 30688210. | 27421903. | 21522640. | 23160909. | 130504379 |
| 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources | 2201293. | 2319147. | 3317686. | 1945473. | 2135048. | 11918647. |
| 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 | | | | | | 142423026 |
| 12 Gross receipts from related activities, etc. (see instructions) | | | | | 12 | 6,086,145. |

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

Section C. Computation of Public Support Percentage

| | | | |
|--|-----------|-------|-------------------------------------|
| 14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) | 14 | 91.63 | % |
| 15 Public support percentage from 2008 Schedule A, Part II, line 14 | 15 | 92.10 | % |
| 16a 33 1/3% support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | | <input checked="" type="checkbox"/> |
| b 33 1/3% support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization | | | <input type="checkbox"/> |
| 17a 10% -facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | | <input type="checkbox"/> |
| b 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization | | | <input type="checkbox"/> |
| 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions | | | <input type="checkbox"/> |

Part III Support Schedule for Organizations Described in Section 509(a)(2) (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

| Calendar year (or fiscal year beginning in) ▶ | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") | | | | | | |
| 2 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 | | | | | | |
| 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 | | | | | | |
| 7a Amounts included on lines 1, 2, and 3 received from disqualified persons | | | | | | |
| b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year | | | | | | |
| c Add lines 7a and 7b | | | | | | |
| 8 Public support. (Subtract line 7c from line 6.) | | | | | | |

Section B. Total Support

| Calendar year (or fiscal year beginning in) ▶ | (a) 2005 | (b) 2006 | (c) 2007 | (d) 2008 | (e) 2009 | (f) Total |
|---|----------|----------|----------|----------|----------|-----------|
| 9 Amounts from line 6 | | | | | | |
| 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources ... | | | | | | |
| b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 | | | | | | |
| c Add lines 10a and 10b | | | | | | |
| 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.) | | | | | | |
| 13 Total support. (Add lines 9, 10c, 11, and 12.) | | | | | | |
| 14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here | | | | | | |

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

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

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

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

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

Schedule D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

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

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number

23-7003516

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

| | (a) Donor advised funds | (b) Funds and other accounts |
|---|------------------------------|------------------------------|
| 1 Total number at end of year | | |
| 2 Aggregate contributions to (during year) | | |
| 3 Aggregate grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds 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? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

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

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

| | |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat | <input type="checkbox"/> Preservation of a certified historic structure |
| <input type="checkbox"/> 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 Tax Year |
|--|---------------------------------|
| a Total number of conservation easements | 2a |
| b Total acreage restricted by conservation easements | 2b |
| c Number of conservation easements on a certified historic structure included in (a) | 2c |
| d Number of conservation easements included in (c) acquired after 8/17/06 | 2d |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the 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 XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

(ii) Assets included in Form 990, Part X

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

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

b Assets included in Form 990, Part X

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

3 Using the organization's 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 XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

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

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

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

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 XIV.

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

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|--|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | 62273792. | 87085212. | | | |
| b Contributions | 2,088,909. | -13647765. | | | |
| c Net investment earnings, gains, and losses | 7,252,647. | -10068997. | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | 1,885,547. | 1,094,658. | | | |
| f Administrative expenses | | | | | |
| g End of year balance | 69729801. | 62273792. | | | |

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

a Board designated or quasi-endowment ☐ %

b Permanent endowment ☒ 83.60 %

c Term endowment ☒ 16.40 %

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

(i) unrelated organizations

(ii) related organizations

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

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

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

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

| Description of investment | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|---|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 644,316. | | 644,316. |
| b Buildings | | 3,974,117. | 1,423,716. | 2,550,401. |
| c Leasehold improvements | | | | |
| d Equipment | | 448,983. | 363,857. | 85,126. |
| e Other | | | | |
| Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) | | | | 3,279,843. |

Schedule D (Form 990) 2009

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

| | | | |
|----|--|----|-------------|
| 1 | Total revenue (Form 990, Part VIII, column (A), line 12) | 1 | 26,745,169. |
| 2 | Total expenses (Form 990, Part IX, column (A), line 25) | 2 | 17,002,803. |
| 3 | Excess or (deficit) for the year. Subtract line 2 from line 1 | 3 | 9,742,366. |
| 4 | Net unrealized gains (losses) on investments | 4 | 7,116,578. |
| 5 | Donated services and use of facilities | 5 | |
| 6 | Investment expenses | 6 | |
| 7 | Prior period adjustments | 7 | |
| 8 | Other (Describe in Part XIV.) | 8 | 877,441. |
| 9 | Total adjustments (net). Add lines 4 through 8 | 9 | 7,994,019. |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | 17,736,385. |

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

| | | | |
|---|---|----|-------------|
| 1 | Total revenue, gains, and other support per audited financial statements | 1 | 46,989,618. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12: | | |
| a | Net unrealized gains on investments | 2a | 7,116,578. |
| b | Donated services and use of facilities | 2b | 141,991. |
| c | Recoveries of prior year grants | 2c | |
| d | Other (Describe in Part XIV.) | 2d | 14,919,250. |
| e | Add lines 2a through 2d | 2e | 22,177,819. |
| 3 | Subtract line 2e from line 1 | 3 | 24,811,799. |
| 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 | 248,718. |
| b | Other (Describe in Part XIV.) | 4b | 1,684,652. |
| c | Add lines 4a and 4b | 4c | 1,933,370. |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5 | 26,745,169. |

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

| | | | |
|---|--|----|-------------|
| 1 | Total expenses and losses per audited financial statements | 1 | 21,636,844. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25: | | |
| a | Donated services and use of facilities | 2a | 141,991. |
| b | Prior year adjustments | 2b | |
| c | Other losses | 2c | |
| d | Other (Describe in Part XIV.) | 2d | 6,425,420. |
| e | Add lines 2a through 2d | 2e | 6,567,411. |
| 3 | Subtract line 2e from line 1 | 3 | 15,069,433. |
| 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 | 248,718. |
| b | Other (Describe in Part XIV.) | 4b | 1,684,652. |
| c | Add lines 4a and 4b | 4c | 1,933,370. |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5 | 17,002,803. |

Part XIV Supplemental Information

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

PART V, LINE 4: THE ENDOWMENT CONSISTS OF APPROXIMATELY 72 INDIVIDUAL

FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES.

THESE ENDOWMENT FUNDS ARE DONOR-RESTRICTED. THE FOUNDATION DOES NOT HAVE

ANY BOARD-DESIGNATED ENDOWMENT FUNDS. AS REQUIRED BY GENERALLY ACCEPTED

ACCOUNTING PRINCIPLES, NET ASSETS ASSOCIATED WITH ENDOWMENT FUNDS ARE

CLASSIFIED AND REPORTED BASED ON THE EXISTENCE OR ABSENCE OF DONOR-IMPOSED

RESTRICTIONS.

Part XIV Supplemental Information (continued)

PART X: THE ASSOCIATIONS HAVE ADOPTED THE ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES THE DETERMINATION OF WHETHER TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS. UNDER THIS POLICY, THE ASSOCIATIONS MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE-LIKELY-THAN-NOT THAT THE TAX POSITION WOULD BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. MANAGEMENT HAS EVALUATED THE ASSOCIATIONS' TAX POSITIONS AND HAS CONCLUDED THAT THE ASSOCIATIONS HAVE TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE CONSOLIDATED FINANCIAL STATEMENTS TO COMPLY WITH PROVISIONS OF THIS GUIDANCE.

AS OF JUNE 30, 2010 AND 2009, THERE ARE NO MATERIAL UNRECOGNIZED/DERECOGNIZED TAX BENEFITS OR TAX PENALTIES OR INTEREST. WITH FEW EXCEPTIONS, THE ASSOCIATIONS ARE NO LONGER SUBJECT TO U.S. FEDERAL, STATE OR LOCAL TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS ENDING BEFORE JUNE 30, 2007.

PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN VALUE OF SPLIT INTEREST AGREEMENT: 877441.

PART XII, LINE 2D - OTHER ADJUSTMENTS:

CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS: 877441.

REVENUE OF AFFILIATE INCLUDED ON CONSOLIDATED FINANCIAL STATEMENTS: 14041809.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

GRANT TO NAVAL ACADEMY ALUMNI ASSOCIATION: 1685115.

Part XIV Supplemental Information (continued)

SALE OF ASSETS NETTED WITH EXPENSE: -463.

PART XIII, LINE 2D - OTHER ADJUSTMENTS:

EXPENSES OF AFFILIATE INCLUDED ON CONSOLIDATED FINANCIAL
STATEMENTS: 6425420.

PART XIII, LINE 4B - OTHER ADJUSTMENTS:

GRANT TO NAVAL ACADEMY ALUMNI ASSOCIATION: 1685115.

SALE OF ASSETS NETTED WITH EXPENSE: -463.

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.**
▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Employer identification number

23-7003516

1 For grantmakers. 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 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

| (a) Region | (b) Number of offices in the region | (c) Number of employees or agents in region | (d) Activities conducted in region (by type) (i.e., fundraising, program services, 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 region |
|------------|-------------------------------------|---|--|--|-----------------------------------|
| EUROPE | 0 | 0 | PROGRAM SERVICES | | 68,749 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| Totals | 0 | 0 | | | 68,749 |

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

Schedule F (Form 990) 2009

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. Use Schedule F-1 (Form 990) if additional space is needed.

[illegible]

Part IV Supplemental Information

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

SCHEDULE F, PART I, LINE 2: THE U.S. NAVAL ACADEMY DETERMINES WHO
RECEIVES THE SCHOLARSHIP FUNDS. THE U.S. NAVAL ACADEMY FOUNDATION
VERIFIES THAT THE SCHOLAR AND THEIR CHOICE OF HIGHER LEARNING ARE
APPROPRIATE BASED ON THE U.S. NAVAL ACADEMY'S SCHOLAR SELECTION PROCESS.
THE FUNDS ARE THEN TRANSFERRED DIRECTLY TO THE INSTITUTION OF HIGHER
LEARNING.

Department of the Treasury
Internal Revenue Service

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1. Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☒ Mail solicitations
b ☒ Internet and email solicitations
c ☒ Phone solicitations
d ☒ In-person solicitations

- e ☒ Solicitation of non-government grants
- f ☐ Solicitation of government grants
- g ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes☐ No

- b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

| (i) Name of individual or entity (fundraiser) | (ii) Activity | (iii) Did fundraiser have custody or control of contributions? | | (iv) Gross receipts from activity | (v) Amount paid to (or retained by) fundraiser listed in col. (i) | (vi) Amount paid to (or retained by) organization |
|---|---------------|--|----|-----------------------------------|---|---|
| | | Yes | No | | | |
| ADVANTAGE CONSULTING | SOLICITATION | | X | 2,620,597. | 417,508. | 2,203,089. |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | 2,620,597. | 417,508. | 2,203,089. |

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

- 3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

CT, NM, VA, MD

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

| | | (a) Event #1 | (b) Event #2 | (c) Other events | (d) Total events (add col. (a) through col. (c)) |
|-----------------|--|--------------|--------------|------------------|--|
| | | (event type) | (event type) | (total number) | |
| Revenue | 1 Gross receipts | | | | |
| | 2 Less: Charitable contributions | | | | |
| | 3 Gross income (line 1 minus line 2) | | | | |
| Direct Expenses | 4 Cash prizes | | | | |
| | 5 Noncash prizes | | | | |
| | 6 Rent/facility costs | | | | |
| | 7 Food and beverages | | | | |
| | 8 Entertainment | | | | |
| | 9 Other direct expenses | | | | |
| | 10 Direct expense summary. Add lines 4 through 9 in column (d) | | | | () |
| | 11 Net income summary. Combine line 3, column (d), and line 10 | | | | |

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

| | | (a) Bingo | (b) Pull tabs/instant bingo/progressive bingo | (c) Other gaming | (d) Total gaming (add col. (a) through col. (c)) |
|-----------------|---|---|---|---|---|
| | | | | | |
| Revenue | 1 Gross revenue | | | | |
| | 2 Cash prizes | | | | |
| Direct Expenses | 3 Noncash prizes | | | | |
| | 4 Rent/facility costs | | | | |
| | 5 Other direct expenses | | | | |
| | 6 Volunteer labor | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | <input type="checkbox"/> Yes _____ % <input type="checkbox"/> No | |
| | 7 Direct expense summary. Add lines 2 through 5 in column (d) | | | | () |
| | 8 Net gaming income summary. Combine line 1, column (d), and line 7 | | | | |

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," explain: _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," explain: _____

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

| | Yes | No |
|-----|-----|----|
| 9a | | |
| 10a | | |
| 11 | | |
| 12 | | |

13 Indicate the percentage of gaming activity operated in:

- a** The organization's facility **13a** %
- b** An outside facility **13b** %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____.
- c** If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

16 Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer☐ Employee☐ Independent contractor**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part III

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

| (a) Type of grant or assistance | (b) Number of recipients | (c) Amount of cash grant | (d) Amount of non-cash assistance | (e) Method of valuation (book, FMV, appraisal, other) | (f) Description of non-cash assistance |
|---------------------------------|--------------------------|--------------------------|-----------------------------------|---|--|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Part IV

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

SCHEDULE I, PART I, LINE 2: THE FOUNDATION KEEPS DETAILED RECORDS OF GRANTS TO THE U.S. NAVAL ACADEMY ALUMNI ASSOCIATION AND THE U.S. NAVAL ACADEMY. ALL GRANTS ARE REVIEWED BY MANAGEMENT PRIOR TO PAYMENT. THE GRANT TO THE U.S. NAVAL ACADEMY ALUMNI ASSOCIATION IS BUDGETED FOR AND APPROVED BY THE BOARD OF DIRECTORS. THE UNRESTRICTED PORTION OF THE GRANT TO THE U.S. NAVAL ACADEMY IS BUDGETED FOR AND APPROVED BY THE BOARD OF DIRECTORS. ALL OTHER GRANTS TO THE U.S. NAVAL ACADEMY ARE BASED ON DONOR DIRECTION OF THEIR RESTRICTED GIFTS.

**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.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

Part I Questions Regarding Compensation

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

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on 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

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

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

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

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

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

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

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

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

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

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

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

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

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

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

X

X

X

X

X

X

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

Schedule J (Form 990) 2009

Part III Supplemental Information

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

PART I, LINE 4B: BYRON MARCHANT AND HENRY SANFORD PARTICIPATE IN A
SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN (457F AND 457B). \$16,500 VESTED

IN 2009 FOR HENRY SANFORD AND THAT AMOUNT IS INCLUDED IN HIS W-2

COMPENSATION.

BYRON MARCHANT, GEORGE WATT, AND HENRY SANFORD'S W-2 INCOME

INCLUDES DEFERRED COMPENSATION THAT VESTED IN 2009 AND MUST BE REPORTED AS
INCOME IN THE YEAR IT VESTS.

PART I, LINE 3: THE WRITTEN EMPLOYMENT CONTRACT IS AN INTERNAL CONTRACT
ONLY.

Continuation Sheet for Form 990

OMB No. 1545-0047

2009

Open to Public Inspection

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

▶ See the Instructions for Form 990.

Name of the Organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer Identification number
23-7003516

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

[illegible]

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

► Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.
► Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number

23-7003516

Part I **Types of Property**

| | (a) Check if applicable | (b) Number of contributions | (c) Revenues reported on Form 990, Part VIII, line 1g | (d) Method of determining revenues |
|---|-------------------------------|-----------------------------------|---|--|
| 1 Art - Works of art | | | | |
| 2 Art - Historical treasures | | | | |
| 3 Art - Fractional interests | | | | |
| 4 Books and publications | | | | |
| 5 Clothing and household goods | | | | |
| 6 Cars and other vehicles | | | | |
| 7 Boats and planes | | | | |
| 8 Intellectual property | | | | |
| 9 Securities - Publicly traded | X | 109 | 3,455,972. | FAIR MARKET VALUE |
| 10 Securities - Closely held stock | | | | |
| 11 Securities - Partnership, LLC, or trust interests | | | | |
| 12 Securities - Miscellaneous | | | | |
| 13 Qualified conservation contribution - Historic structures | | | | |
| 14 Qualified conservation contribution - Other... | | | | |
| 15 Real estate - Residential | | | | |
| 16 Real estate - Commercial | | | | |
| 17 Real estate - Other | | | | |
| 18 Collectibles | | | | |
| 19 Food inventory | | | | |
| 20 Drugs and medical supplies | | | | |
| 21 Taxidermy | | | | |
| 22 Historical artifacts | | | | |
| 23 Scientific specimens | | | | |
| 24 Archeological artifacts | | | | |
| 25 Other ► () | | | | |
| 26 Other ► () | | | | |
| 27 Other ► () | | | | |
| 28 Other ► () | | | | |

29 Number of Forms 8283 received by the organization during the tax year for contributions
for which the organization completed Form 8283, Part IV, Donee Acknowledgment

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for
at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for
the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash
contributions?

b If "Yes," describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked,
describe in Part II.

| | Yes | No |
|-----|-----|----|
| 30a | | X |
| 31 | X | |
| 32a | X | |
| 33 | | |

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

Schedule M (Form 990) 2009

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33.
Also complete this part for any additional information.

SCHEDULE M, LINE 32B: THE U.S. NAVAL ACADEMY FOUNDATION USES A THIRD
PARTY BROKER TO SELL NON-CASH CONTRIBUTIONS OF PUBLICLY TRADED
SECURITIES.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

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

TO SUPPORT, PROMOTE AND ADVANCE THE MISSION OF THE NAVAL ACADEMY BY
WORKING IN CONJUNCTION WITH ACADEMY LEADERSHIP TO IDENTIFY STRATEGIC
INSTITUTIONAL PRIORITIES AND BY RAISING, MANAGING AND DISBURSING
PRIVATE GIFT FUNDS THAT PROVIDE A MARGIN OF EXCELLENCE IN SUPPORT OF
THE NATION'S PREMIER LEADERSHIP INSTITUTION.

THE MISSION STATEMENT OF THE RELATED ENTITY, THE U.S. NAVAL ACADEMY
ALUMNI ASSOCIATION:

TO SERVE AND SUPPORT THE UNITED STATES, THE NAVAL SERVICE, THE NAVAL
ACADEMY AND ITS ALUMNI:

BY FURTHERING THE HIGHEST STANDARDS AT THE NAVAL ACADEMY;
BY SEEKING OUT, INFORMING, ENCOURAGING, AND ASSISTING OUTSTANDING,
QUALIFIED YOUNG MEN AND WOMEN TO PURSUE CAREERS AS OFFICERS IN THE NAVY
AND MARINE CORPS THROUGH THE NAVAL ACADEMY; AND
BY INITIATING AND SPONSORING ACTIVITIES WHICH WILL PERPETUATE THE
HISTORY, TRADITIONS, MEMORIES AND GROWTH OF THE NAVAL ACADEMY AND BIND
ALUMNI TOGETHER IN SUPPORT OF THE HIGHEST IDEALS OF COMMAND,
CITIZENSHIP AND GOVERNMENT.

FORM 990, PART VI, SECTION B, LINE 11: THE FORM 990 WAS REVIEWED BY
MANAGEMENT AND MEMBERS OF THE JOINT FINANCE AND AUDIT COMMITTEE OF U.S.
NAVAL ACADEMY ALUMNI ASSOCIATION AND U.S. NAVAL ACADEMY FOUNDATION WITH OUR
TAX PREPARERS AND SENT TO MEMBERS OF THE BOARD OF DIRECTORS AND TO THE IRS.

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

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Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

FORM 990, PART VI, SECTION B, LINE 12C: THE CONFLICT OF INTEREST POLICY IS SENT TO EACH BOARD/TRUSTEE MEMBER AT THE BEGINNING OF THE CALENDAR YEAR WITH A SELF ADDRESSED ENVELOPE FOR RESPONDING. THE POLICY DETAILS POTENTIAL CONFLICTS OF INTEREST AND THE NEED TO DISCLOSE SUCH CONFLICTS. THE POLICY ALSO DEFINES THE BOARD/TRUSTEE'S MEMBER FIDUCIARY OBLIGATION TO THE ORGANIZATION. ALL CONFLICTS OF INTEREST STATEMENTS ARE RETURNED TO THE BOARD SECRETARY'S OFFICE AND KEPT ON FILE. THE COMPLETED SIGNED CONFLICTS OF INTEREST STATEMENTS ARE REVIEWED BY THE ORGANIZATION'S AUDIT FIRM DURING THE ANNUAL AUDIT FOR COMPLETENESS AND TO ENSURE THAT ALL BOARD/TRUSTEE MEMBERS ARE INCLUDED.

FORM 990, PART VI, SECTION B, LINE 15: THE PROCESS FOR DETERMINING COMPENSATION OF THE CEO, OTHER OFFICERS AND KEY EMPLOYEES OF THE ORGANIZATION "INCLUDES A REVIEW AND APPROVAL BY INDEPENDENT PERSONS, COMPARABILITY DATA, AND CONTEMPORANEOUS SUBSTANTIATION OF THE DELIBERATION AND DECISION."

SPECIFICALLY, THE ORGANIZATION TAKES ALL OF THE STEPS NECESSARY TO ENSURE THAT THE COMPENSATION PACKAGES OF THESE INDIVIDUALS ARE NOT ONLY REASONABLE AND COMPETITIVE, BUT ARE DESIGNED AND DETERMINED IN THE PRECISE MANNER SPECIFIED IN THE INTERNAL REVENUE SERVICE'S "INTERMEDIATE SANCTIONS" REGULATIONS.

THE PROCESS FOR DETERMINING THE COMPENSATION PACKAGES OF THESE INDIVIDUALS IS AS FOLLOWS:

SCHEDULE O

(Form 990)

Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number
23-7003516

1. A BOARD COMPENSATION COMMITTEE IS CONSTITUTED THAT IS COMPOSED ENTIRELY OF TRUSTEES MEETING A STRICT "NO CONFLICTS" INDEPENDENCE TEST SET FORTH IN THE IRS REGULATIONS.
2. THE COMMITTEE ACQUIRES APPROPRIATE, INDEPENDENT MARKET COMPARABILITY DATA FROM ITS PROFESSIONAL COMPENSATION CONSULTANT.
3. THE COMMITTEE REVIEWS THIS COMPARABILITY DATA IN DETAIL, POSING APPROPRIATE QUESTIONS TO ITS PROFESSIONAL COMPENSATION CONSULTANT.
4. THE COMMITTEE REVIEWS THE QUALIFICATIONS, EXPERIENCE AND PERFORMANCE OF EACH OF THE INDIVIDUALS AGAINST THE COMPARABILITY DATA ACQUIRED FROM THE PROFESSIONAL COMPENSATION CONSULTANT.
5. THE COMMITTEE DESIGNS A PROPOSED COMPENSATION PACKAGE FOR EACH OF THE INDIVIDUALS AND SEEKS A WRITTEN OPINION FROM THE PROFESSIONAL COMPENSATION CONSULTANT THAT THE PROPOSED COMPENSATION PACKAGE IS REASONABLE. (THE COMMITTEE MAKES ANY ADJUSTMENTS TO THE PROPOSAL REQUIRED IN ORDER FOR THE PROFESSIONAL COMPENSATION CONSULTANT TO CONCLUDE THAT THE PACKAGE IS REASONABLE.)
6. THE COMMITTEE MEMORIALIZES ALL OF ITS DELIBERATIONS IN DETAILED COMMITTEE MINUTES THAT ARE REVIEWED, CORRECTED IF NECESSARY, AND APPROVED AT ITS NEXT FOLLOWING MEETING.
7. THE COMMITTEE ACQUIRES AN OPINION OF COUNSEL CONCLUDING THAT THE

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
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▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number

23-7003516

PROCESS FOLLOWED BY THE COMMITTEE MEETS THE REQUIREMENTS OF THE IRS
REGULATIONS.

8. THE COMMITTEE REGULARLY REVIEWS ITS PROCESS TO ENSURE THAT IT CONTINUES
TO MEET ALL OF THE REQUIREMENTS OF APPLICABLE LAW.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION MAKES ALL
NECESSARY AND REQUIRED GOVERNING DOCUMENTS, CONFLICTS OF INTEREST POLICIES,
FINANCIAL STATEMENTS, FORM 990S AND ANNUAL REPORT AVAILABLE ON ITS WEBSITE:
WWW.USNA.COM.

FORM 990, PART VII, LINE 1A, COLUMN B
SEVERAL OFFICERS OF THE U.S. NAVAL ACADEMY FOUNDATION ARE DUALY
EMPLOYED BY A RELATED ORGANIZATION, THE U.S. NAVAL ACADEMY ALUMNI
ASSOCIATION. HOURS DEVOTED TO THE ALUMNI ASSOCIATION ARE LISTED BELOW
FOR THE OFFICERS INVOLVED IN BOTH ORGANIZATIONS:

| OFFICER | HOURS PER WEEK DEVOTED TO ALUMNI ASSOCIATION |
|---------|--|
|---------|--|

| | |
|-------------------|----|
| BYRON F. MARCHANT | 24 |
|-------------------|----|

| | |
|------------------|----|
| HENRY J. SANFORD | 27 |
|------------------|----|

| | |
|---------------------|----|
| GERALDINE S. FARMER | 27 |
|---------------------|----|

| | |
|-----------------|----|
| TIMOTHY KOBOSKO | 27 |
|-----------------|----|

990, PART XI, QUESTION 2B - AUDITED FINANCIAL STATEMENTS

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

932211
02-03-10

Schedule O (Form 990) 2009

SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No. 1545-0047

2009

Open to Public
Inspection

Name of the organization

U.S. NAVAL ACADEMY FOUNDATION, INC.

Employer identification number

23-7003516

FOR GAAP PURPOSES, THE ORGANIZATION PRESENTS ITS ACTIVITY IN A
CONSOLIDATED FORMAT WITH ITS RELATED ENTITY, THE U.S. NAVAL ACADEMY
ALUMNI ASSOCIATION. THESE CONSOLIDATED FINANCIAL STATEMENTS ARE
AUDITED BY INDEPENDENT AUDITORS. THE GAAP FINANCIAL STATEMENTS
INCLUDE SUPPLEMENTARY INFORMATION THAT PRESENTS THE FINANCIAL POSITION
AND THE CHANGES IN NET ASSETS OF THE FOUNDATION.

FORM 990, PART I, LINE 5 AND FORM 990, PART V, LINE 2A
THE U.S. NAVAL ACADEMY ALUMNI ASSOCIATION (A RELATED ORGANIZATION) IS
THE PAYMASTER FOR BOTH THE ASSOCIATION AND THE U.S. NAVAL ACADEMY
FOUNDATION. DUE TO THE ASSOCIATION'S ROLE AS PAYMASTER FOR BOTH
ORGANIZATIONS, THE ASSOCIATION REPORTS BOTH ASSOCIATION AND FOUNDATION
EMPLOYEES FOR W3 PURPOSES. ALL PAYROLL EXPENSES RELATED TO THE
FOUNDATION ARE RECORDED AS A RECEIVABLE TO THE ASSOCIATION AND A
PAYABLE FROM THE FOUNDATION.

FORM 990, PART VII, SECTION A AND PART VII, SECTION B
ALL INFORMATION REPORTED ON THIS 2009 FORM 990 IS REPORTED ON A FISCAL
YEAR BEGINNING JULY 1, 2009 AND ENDING JUNE 30, 2010, WITH THE
EXCEPTION OF INFORMATION THAT IS REPORTED FOR COMPENSATION ON SCHEDULE
J AND PART VII OF THE RETURN. COMPENSATION LISTED ON THESE SCHEDULES
IS BASED ON CALENDAR YEAR REPORTED COMPENSATION (PER THE 990
INSTRUCTIONS) FOR THE CALENDAR YEAR JAN 1, 2009 AND ENDING DECEMBER 31,
2009.

part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related

[illegible]

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

[illegible]

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

| | | | | | |
|---|--|----|---|-----|----|
| a | Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity | 1a | | Yes | No |
| b | Gift, grant, or capital contribution to other organization(s) | 1b | X | | X |
| c | Gift, grant, or capital contribution from other organization(s) | 1c | | X | |
| d | Loans or loan guarantees to or for other organization(s) | 1d | X | | |
| e | Loans or loan guarantees by other organization(s) | 1e | X | | |
| f | Sale of assets to other organization(s) | 1f | | | X |
| g | Purchase of assets from other organization(s) | 1g | | | X |
| h | Exchange of assets | 1h | X | | |
| i | Lease of facilities, equipment, or other assets to other organization(s) | 1i | | | X |
| j | Lease of facilities, equipment, or other assets from other organization(s) | 1j | | | X |
| k | Performance of services or membership or fundraising solicitations for other organization(s) | 1k | X | | |
| l | Performance of services or membership or fundraising solicitations by other organization(s) | 1l | X | | |
| m | Sharing of facilities, equipment, mailing lists, or other assets | 1m | X | | |
| n | Sharing of paid employees | 1n | X | | |
| o | Reimbursement paid to other organization for expenses | 1o | X | | |
| p | Reimbursement paid by other organization for expenses | 1p | X | | |
| q | Other transfer of cash or property to other organization(s) | 1q | X | | |
| r | Other transfer of cash or property from other organization(s) | 1r | X | | |

| 2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds. | | (a) Name of other organization(s) | (b) Transaction type (a-r) | (c) Amount involved |
|--|--|--------------------------------------|-------------------------------|------------------------|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| (5) | | | | |
| (6) | | | | |

[illegible]

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0087

2009Open to Public Inspection for
501(c)(3) Organizations OnlyFor calendar year 2009 or other tax year beginning **JUL 1, 2009**, and ending **JUN 30, 2010**A ☐ Check box if
address changedB Exempt under section
☒ 501(c)(3) ☐ 220(e)
☐ 408(e) ☐ 530(a)
☐ 408A ☐ 529(a)Print
or
TypeName of organization (☐ Check box if name changed and see instructions.)**U.S. NAVAL ACADEMY FOUNDATION, INC.**

Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.

247 KING GEORGE STREET

City or town, state, and ZIP code

ANNAPOLIS, MD 21402D Employer identification number
(Employees' trust, see instructions
for Block D on page 9.)**23-7003516**E Unrelated business activity codes
(See instructions for Block E
on page 9.)**900000**C Book value of all assets
at end of year**120316556.**

F Group exemption number (See instructions for Block F.)

G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trustH Describe the organization's primary unrelated business activity. **SEE STATEMENT 1**I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ☐ Yes ☒ No
If "Yes," enter the name and identifying number of the parent corporation.J The books are in care of **HENRY J. SANFORD, CFO & TREASURER** Telephone number **(410) 295-4100****Part I Unrelated Trade or Business Income**

| | (A) Income | (B) Expenses | (C) Net |
|---|------------|--------------|----------|
| 1a Gross receipts or sales | | | |
| b Less returns and allowances | | | |
| c Balance | 1c | | |
| 2 Cost of goods sold (Schedule A, line 7) | 2 | | |
| 3 Gross profit. Subtract line 2 from line 1c | 3 | | |
| 4a Capital gain net income (attach Schedule D) | 4a | | |
| b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) | 4b | | |
| c Capital loss deduction for trusts | 4c | | |
| 5 Income (loss) from partnerships and S corporations (attach statement) | 5 | -40,836. | STMT 2 |
| 6 Rent income (Schedule C) | 6 | | |
| 7 Unrelated debt-financed income (Schedule E) | 7 | | |
| 8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)... | 8 | | |
| 9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) | 9 | | |
| 10 Exploited exempt activity income (Schedule I) | 10 | | |
| 11 Advertising income (Schedule J) | 11 | | |
| 12 Other income (See instructions; attach schedule.) | 12 | | |
| 13 Total. Combine lines 3 through 12 | 13 | -40,836. | -40,836. |

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)

(Except for contributions, deductions must be directly connected with the unrelated business income.)

| | | |
|---|-----|----------|
| 14 Compensation of officers, directors, and trustees (Schedule K) | 14 | |
| 15 Salaries and wages | 15 | |
| 16 Repairs and maintenance | 16 | |
| 17 Bad debts | 17 | |
| 18 Interest (attach schedule) | 18 | |
| 19 Taxes and licenses | 19 | |
| 20 Charitable contributions (See instructions for limitation rules.) | 20 | 0. |
| 21 Depreciation (attach Form 4562) | 21 | |
| 22 Less depreciation claimed on Schedule A and elsewhere on return | 22a | 22b |
| 23 Depletion | 23 | |
| 24 Contributions to deferred compensation plans | 24 | |
| 25 Employee benefit programs | 25 | |
| 26 Excess exempt expenses (Schedule I) | 26 | |
| 27 Excess readership costs (Schedule J) | 27 | |
| 28 Other deductions (attach schedule) | 28 | |
| 29 Total deductions. Add lines 14 through 28 | 29 | 0. |
| 30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 | 30 | -40,836. |
| 31 Net operating loss deduction (limited to the amount on line 30) | 31 | 0. |
| 32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 | 32 | -40,836. |
| 33 Specific deduction (Generally \$1,000, but see instructions for exceptions.) | 33 | 1,000. |
| 34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 | 34 | -40,836. |

Part III Tax Computation**35 Organizations Taxable as Corporations.** See instructions for tax computation.Controlled group members (sections 1561 and 1563) check here ☐ See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$

(2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34 35c 0.

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:☐ Tax rate schedule or ☐ Schedule D (Form 1041) 36**37 Proxy tax.** See instructions 37**38 Alternative minimum tax** 38**39 Total.** Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.**Part IV Tax and Payments****40a Foreign tax credit** (corporations attach Form 1118; trusts attach Form 1116) 40a

b Other credits (see instructions) 40b

c General business credit. Attach Form 3800 40c

d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d

e **Total credits.** Add lines 40a through 40d 40e**41 Subtract line 40e from line 39** 41 0.**42 Other taxes.** Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule) 42**43 Total tax.** Add lines 41 and 42 43 0.**44a Payments:** A 2008 overpayment credited to 2009 44a 2,090.

b 2009 estimated tax payments 44b

c Tax deposited with Form 8868 44c

d Foreign organizations: Tax paid or withheld at source (see instructions) 44d

e Backup withholding (see instructions) 44e

f Other credits and payments: ☐ Form 2439 ☐ Other 44f☐ Form 4136 ☐ Other Total 44f**45 Total payments.** Add lines 44a through 44f 45 2,090.**46 Estimated tax penalty** (see instructions). Check if Form 2220 is attached ☐ 46**47 Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed 47**48 Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 2,090.**49 Enter the amount of line 48 you want:** Credited to 2010 estimated tax 2,090. Refunded 49 0.**Part V Statements Regarding Certain Activities and Other Information** (See instructions on page 17)**1** At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and

Yes No

Financial Accounts. If YES, enter the name of the foreign country here

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.

Yes No

3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Yes No

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

N/A

| | | | | | |
|----------------------------------|----|--|--|-----|----|
| 1 Inventory at beginning of year | 1 | | 6 Inventory at end of year | 6 | |
| 2 Purchases | 2 | | 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 | 7 | |
| 3 Cost of labor | 3 | | 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | Yes | No |
| 4a Additional section 263A costs | 4a | | | | |
| b Other costs (attach schedule) | 4b | | | | |
| 5 Total. Add lines 1 through 4b | 5 | | | | |

Sign Here

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

Signature of officer *Henry J. Ford* Date *2/25/2011* Title **CFO & TREASURER**May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer's Use Only

Preparer's signature *Julia Flannery* Date *2/11/11* Check if self-employed ☐ Firm's name (or yours if self-employed), address, and ZIP code **RSM MCGLADREY, INC.
100 INTERNATIONAL DRIVE, SUITE 1400
BALTIMORE, MARYLAND 21202**Preparer's SSN or PTIN **P00928918**EIN **41-1944416** Phone no. **(410) 246-9300**

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 18)**1. Description of property**

| |
|-----|
| (1) |
| (2) |
| (3) |
| (4) |

2. Rent received or accrued

| (a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%) | (b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income) | 3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) |
|---|---|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| Total 0. | Total 0. | |

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶(b) **Total deductions.**

Enter here and on page 1, Part I, line 6, column (B) ... ▶

0.

0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

| 1. Description of debt-financed property | | 2. Gross income from or allocable to debt-financed property | 3. Deductions directly connected with or allocable to debt-financed property | |
|---|---|---|--|---|
| | | | (a) Straight line depreciation (attach schedule) | (b) Other deductions (attach schedule) |
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| 4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule) | 5. Average adjusted basis of or allocable to debt-financed property (attach schedule) | 6. Column 4 divided by column 5 | 7. Gross income reportable (column 2 x column 6) | 8. Allocable deductions (column 6 x total of columns 3(a) and 3(b)) |
| (1) | | % | | |
| (2) | | % | | |
| (3) | | % | | |
| (4) | | % | | |

Totals ▶

0.

0.

Total dividends-received deductions included in column 8 ▶

0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

| 1. Name of controlled organization | 2. Employer identification number | Exempt Controlled Organizations | | | |
|------------------------------------|-----------------------------------|---|-------------------------------------|---|--|
| | | 3. Net unrelated income (loss) (see instructions) | 4. Total of specified payments made | 5. Part of column 4 that is included in the controlling organization's gross income | 6. Deductions directly connected with income in column 5 |
| (1) | | | | | |
| (2) | | | | | |
| (3) | | | | | |
| (4) | | | | | |

Nonexempt Controlled Organizations

| 7. Taxable income | 8. Net unrelated income (loss) (see instructions) | 9. Total of specified payments made | 10. Part of column 9 that is included in the controlling organization's gross income | 11. Deductions directly connected with income in column 10 |
|-------------------|---|-------------------------------------|--|--|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |

Add columns 5 and 10.
Enter here and on page 1, Part I, line 8, column (A).Add columns 8 and 11.
Enter here and on page 1, Part I, line 8, column (B).**Totals** ▶

0.

0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 20)

| 1. Description of income | 2. Amount of income | 3. Deductions directly connected (attach schedule) | 4. Set-asides (attach schedule) | 5. Total deductions and set-asides (col. 3 plus col. 4) |
|--------------------------|---------------------|--|---------------------------------|---|
| (1) | | | | |
| (2) | | | | |
| (3) | | | | |
| (4) | | | | |
| Totals | | 0. | | 0. |

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 21)

| 1. Description of exploited activity | 2. Gross unrelated business income from trade or business | 3. Expenses directly connected with production of unrelated business income | 4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7. | 5. Gross income from activity that is not unrelated business income | 6. Expenses attributable to column 5 | 7. Excess exempt expenses (column 6 minus column 5, but not more than column 4). |
|--------------------------------------|---|---|--|---|--------------------------------------|--|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals | | 0. | 0. | | | 0. |

Schedule J - Advertising Income (see instructions on page 21)**Part I Income From Periodicals Reported on a Consolidated Basis**

| 1. Name of periodical | 2. Gross advertising income | 3. Direct advertising costs | 4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7. | 5. Circulation income | 6. Readership costs | 7. Excess readership costs (column 6 minus column 5, but not more than column 4). |
|-------------------------------------|-----------------------------|-----------------------------|--|-----------------------|---------------------|---|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| Totals (carry to Part II, line (5)) | | 0. | 0. | | | 0. |

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

| 1. Name of periodical | 2. Gross advertising income | 3. Direct advertising costs | 4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7. | 5. Circulation income | 6. Readership costs | 7. Excess readership costs (column 6 minus column 5, but not more than column 4). |
|-----------------------------|-----------------------------|-----------------------------|--|-----------------------|---------------------|---|
| (1) | | | | | | |
| (2) | | | | | | |
| (3) | | | | | | |
| (4) | | | | | | |
| (5) Totals from Part I | 0. | 0. | | | | 0. |
| Totals, Part II (lines 1-5) | | 0. | 0. | | | 0. |

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

| 1. Name | 2. Title | 3. Percent of time devoted to business | 4. Compensation attributable to unrelated business |
|---|----------|--|--|
| | | % | |
| | | % | |
| | | % | |
| | | % | |
| Total. Enter here and on page 1, Part II, line 14 | | | 0. |

| FORM 990-T | DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY | STATEMENT | 1 |
|------------|---|-----------|---|
|------------|---|-----------|---|

HOLDING INTERESTS IN INVESTMENT LIMITED PARTNERSHIPS.

TO FORM 990-T, PAGE 1

| FORM 990-T | INCOME (LOSS) FROM PARTNERSHIPS | STATEMENT | 2 |
|------------|---------------------------------|-----------|---|
|------------|---------------------------------|-----------|---|

| DESCRIPTION | AMOUNT |
|--|----------|
| HIRTLE CALLAGHAN PRIVATE EQUITY FUND III, LP | -12,031. |
| HIRTLE CALLAGHAN PRIVATE EQUITY FUND IV, LP | 5. |
| TIFF PRIVATE EQUITY PARTNERS 2006 | -929. |
| TIFF PRIVATE EQUITY PARTNERS 2006 | -6,809. |
| TIFF REALTY & RESOURCES III | -1,383. |
| TIFF REALTY & RESOURCES III | -5,664. |
| TIFF PRIVATE EQUITY PARTNERS 2007 | -325. |
| TIFF PRIVATE EQUITY PARTNERS 2007 | -2,382. |
| TIFF PRIVATE EQUITY PARTNERS 2008 | -711. |
| TIFF PRIVATE EQUITY PARTNERS 2008 | -424. |
| TIFF PRIVATE EQUITY PARTNERS 2008 | -6,369. |
| TIFF PRIVATE EQUITY PARTNERS 2008 | -3,704. |
| JACKSON FAMILY ENTERPRISES | -110. |
| TOTAL TO FORM 990-T, PAGE 1, LINE 5 | -40,836. |

| FORM 990-T | CONTRIBUTIONS | STATEMENT | 3 |
|------------|---------------|-----------|---|
|------------|---------------|-----------|---|

| DESCRIPTION/KIND OF PROPERTY | METHOD USED TO DETERMINE FMV | AMOUNT |
|---|------------------------------|-------------|
| U.S. NAVAL ACADEMY | N/A | 8,907,469. |
| CONTRIBUTION CARRYOVER FROM 2008 | N/A | 9,151,274. |
| CONTRIBUTION CARRYOVER FROM PRIOR YEARS | N/A | 76,810,165. |
| TOTAL TO FORM 990-T, PAGE 1, LINE 20 | | 94,868,908. |

Form **8868**

(Rev. April 2009)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☐
- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☒

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

| | | |
|---|--|--------------------------------|
| Type or print File by the due date for filing your return. See instructions. | Name of Exempt Organization | Employer identification number |
| | U.S. NAVAL ACADEMY FOUNDATION, INC. | 23-7003516 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. | |
| | 247 KING GEORGE STREET | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. | |
| | ANNAPOLIS, MD 21402 | |

Check type of return to be filed (file a separate application for each return):

- | | | |
|--------------------------------------|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input checked="" type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

HENRY J. SANFORD, CFO & TREASURER

- The books are in the care of ▶ 247 KING GEORGE STREET - ANNAPOLIS, MD 21402
- Telephone No. ▶ (410) 295-4100 FAX No. ▶ (410) 263-9348

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until MAY 15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☐ calendar year or

▶ ☒ tax year beginning JUL 1, 2009, and ending JUN 30, 2010.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

| | | | |
|--|----|----|--------|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 0. |
| b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 2,090. |
| c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 3c | \$ | 0. |

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2009)