

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

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

OMB No. 1545-0047

**2011****Open to Public  
Inspection****A** For the **2011** calendar year, or tax year beginning **JUL 1, 2011** and ending **JUN 30, 2012**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization UNITED STATES NAVAL ACADEMY ALUMNI ASSOC. 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 21402-5068 <b>F</b> Name and address of principal officer: BYRON MARCHANT SAME AS C ABOVE	<b>D</b> Employer identification number 52-0548411 <b>E</b> Telephone number 410-295-4000 <b>G</b> Gross receipts \$ 12,928,534. <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ WWW.USNA.COM		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: 1947 <b>M</b> State of legal domicile: MD

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: TO SERVE AND SUPPORT THE UNITED STATES, THE NAVAL SERVICE, THE NAVAL ACADEMY, AND ITS ALUMNI. <b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets. <b>3</b> Number of voting members of the governing body (Part VI, line 1a) <b>3</b> 28 <b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <b>4</b> 27 <b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a) <b>5</b> 90 <b>6</b> Total number of volunteers (estimate if necessary) <b>6</b> 50 <b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 <b>7a</b> 302,703. <b>7b</b> Net unrelated business taxable income from Form 990-T, line 34 <b>7b</b> 11,255.	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h) <b>Prior Year</b> 2,913,428. <b>Current Year</b> 3,472,289. <b>9</b> Program service revenue (Part VIII, line 2g) 1,581,992. 1,529,167. <b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d) 1,831,796. 1,473,466. <b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 815,388. 861,414. <b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 7,142,604. 7,336,336.	
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3) 2,447,286. 1,891,579. <b>14</b> Benefits paid to or for members (Part IX, column (A), line 4) 0. 0. <b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 2,944,265. 2,780,734. <b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e) 0. 0. <b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 68,630. <b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 2,735,856. 3,297,612. <b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 8,127,407. 7,969,925. <b>19</b> Revenue less expenses. Subtract line 18 from line 12 -984,803. -633,589.	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16) <b>Beginning of Current Year</b> 70,002,395. <b>End of Year</b> 68,673,168. <b>21</b> Total liabilities (Part X, line 26) 21,624,717. 21,848,925. <b>22</b> Net assets or fund balances. Subtract line 21 from line 20 48,377,678. 46,824,243.	

**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.

<b>Sign Here</b>	Signature of officer HENRY J. SANFORD, CFO & TREASURER Type or print name and title	Date 2/21/2013
<b>Paid Preparer Use Only</b>	Print/Type preparer's name JULIA FLANNERY, CPA Preparer's signature Date Check if self-employed <input type="checkbox"/> PTIN P00928918 Firm's name ▶ MCGLADREY LLP Firm's EIN ▶ 42-0714325 Firm's address ▶ 100 INTERNATIONAL DRIVE, SUITE 1400 BALTIMORE, MD 21202 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

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

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

**4a** (Code: ) (Expenses \$ 2,277,572. including grants of \$ ) (Revenue \$ 680,657.)  
MEMBERSHIP SUPPORT - COSTS TO PROVIDE SERVICES TO MEMBERS OF THE ALUMNI  
ASSOCIATION, CLASS AND CHAPTER SUPPORT, AND SPECIAL ALUMNI EVENTS.

**4b** (Code: ) (Expenses \$ 1,891,579. including grants of \$ 1,891,579.) (Revenue \$ )  
SUPPORT - THE ASSOCIATION MAKES CONTRIBUTIONS TO THE U.S. NAVAL ACADEMY  
AND THE THE U.S. NAVAL ACADEMY FOUNDATION INC., A RELATED PARTY.

**4c** (Code: ) (Expenses \$ 1,287,169. including grants of \$ ) (Revenue \$ 238,493.)  
PUBLICATIONS: SHIPMATE, ALUMNI REGISTER AND BUSINESS RESOURCE DIRECTORY  
- THROUGH THESE PUBLICATIONS, THE ASSOCIATION REACHES OUT TO MEMBERS TO  
PERPETUATE THE HISTORY, TRADITIONS, MEMORIES AND GROWTH OF THE U.S.  
NAVAL ACADEMY.

**4d** Other program services (Describe in Schedule O.)  
(Expenses \$ 1,440,882. including grants of \$ ) (Revenue \$ 640,274.)

**4e** Total program service expenses 6,897,202.

**Part IV Checklist of Required Schedules**

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

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**Part IV Checklist of Required Schedules** (continued)

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

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

**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

	Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	35
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	90
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)	2b	X
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	X
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
<b>b</b> If "Yes," enter the name of the foreign country: <u>CAYMAN ISLANDS</u> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c	
<b>6a</b> 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?	6a	X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>		
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year	7d	
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
<b>9 Sponsoring organizations maintaining donor advised funds.</b>		
<b>a</b> Did the organization make any taxable distributions under section 4966?	9a	
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
<b>10 Section 501(c)(7) organizations.</b> Enter:		
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12	10a	
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
<b>11 Section 501(c)(12) organizations.</b> Enter:		
<b>a</b> Gross income from members or shareholders	11a	
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a	
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
<b>c</b> Enter the amount of reserves on hand	13c	
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

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

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

☒**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year ..... <b>1a</b> 28 If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>b</b> Enter the number of voting members included in line 1a, above, who are independent ..... <b>1b</b> 27		
<b>2</b> 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? ..... <b>2</b>		X
<b>3</b> 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? ..... <b>3</b>		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? ..... <b>4</b>		X
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets? ..... <b>5</b>		X
<b>6</b> Did the organization have members or stockholders? ..... <b>6</b>	X	
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? ..... <b>7a</b>	X	
<b>b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? ..... <b>7b</b>		X
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body? ..... <b>8a</b>	X	
<b>b</b> Each committee with authority to act on behalf of the governing body? ..... <b>8b</b>	X	
<b>9</b> 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 ..... <b>9</b>		X

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

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

**Section C. Disclosure**

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

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

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

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ►  
 HENRY J. SANFORD, CFO & TREASURER - 410-295-4051  
 247 KING GEORGE STREET, ANNAPOLIS, MD 21401

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

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

☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ROBERT J. NATTER CHAIRMAN OF THE BOARD	2.00	X		X				0.	0.	0.
(2) JACK W. KLIMP VICE CHAIRMAN	2.00	X		X				0.	0.	0.
(3) JEFFREY WEBB REGIONAL TRUSTEE	2.00	X						0.	0.	0.
(4) JENNIFER STILLINGS REGIONAL TRUSTEE	2.00	X						0.	0.	0.
(5) ALEX PLECHASH REGIONAL TRUSTEE	2.00	X						0.	0.	0.
(6) CHRISTOPHER S. COOKE REGIONAL TRUSTEE	2.00	X						0.	0.	0.
(7) HERBERT D. FRERICH, JR. SELECTED TRUSTEE	2.00	X						0.	0.	0.
(8) HEIDI BERG SELECTED TRUSTEE	2.00	X						0.	0.	0.
(9) VICTOR DELANO CLASS TRUSTEE	2.00	X						0.	0.	0.
(10) HENRY MUSTIN CLASS TRUSTEE	2.00	X						0.	0.	0.
(11) JEROME F. SMITH, JR. CLASS TRUSTEE	2.00	X						0.	0.	0.
(12) GLEN WOODS CLASS TRUSTEE	2.00	X						0.	0.	0.
(13) INGAR A. GREV CLASS TRUSTEE	2.00	X						0.	0.	0.
(14) JOSEPH L. MORENO CLASS TRUSTEE	2.00	X						0.	0.	0.
(15) JOSHUA W. WELLE CLASS TRUSTEE	2.00	X						0.	0.	0.
(16) WARREN G. HAHN CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(17) PLES J. BRUCE, JR. CHAPTER TRUSTEE	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 (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) BRIAN J. HORAIS CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(19) GERARD M. FARRELL CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(20) VERONICA ROGERS CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(21) RICHARD R. PACE CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(22) MATTHEW P. ELIAS CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(23) HENRY W. PAPA CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(24) JAMES ADKINS CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(25) GREGG R. NIVALA CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(26) MICHAEL L. MOWINS CHAPTER TRUSTEE	2.00	X						0.	0.	0.
<b>1b Sub-total</b>								0.	0.	0.
<b>c Total from continuation sheets to Part VII, Section A</b>								964,717.	445,356.	118,303.
<b>d Total (add lines 1b and 1c)</b>								964,717.	445,356.	118,303.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **13**

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

(A) Name and business address	(B) Description of services	(C) Compensation
BO BROOKS 2780 LIGHTHOUSE POINT, BALTIMORE, MD 21224	CATERING	253,478.
WESTIN ANNAPOLIS 100 WESTGATE CIRCLE, ANNAPOLIS, MD 21401	HOTEL	218,801.
SIGNCRAFT ANNAPOLIS, LLC, 2012 RENADR CT., SUITE 0, ANNAPOLIS, MD 21401	GRAPHIC DESIGN	151,432.
HAUTE CATERING PO BOX 77896, WASHINGTON, DC 20013	CATERING	147,186.
BAYSIDE BULL BBQ, INC. 3014 WHITE BEECH DR, HARWOOD, MD 20776	CATERING	145,804.

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **9**

SEE PART VII, SECTION A CONTINUATION SHEETS

Form **990** (2011)



**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			
(27) ROYCE A. ENGLER CHAPTER TRUSTEE	2.00	X						0.	0.	0.
(28) BYRON F. MARCHANT PRESIDENT/CEO	24.00	X		X				155,939.	233,910.	60,866.
(29) MICHAEL J. COLLINS TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(30) STEPHEN M. ANDRES TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(31) ROBERT D. CHRISTENSEN TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(32) R.S. KERR SMITH TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(33) DAVID G. PADDOCK TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(34) R. TIM MYERS TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(35) WALTER S. DRAPER, IV TRUSTEE (THROUGH MAY 2012)	2.00	X						0.	0.	0.
(36) HENRY J. SANFORD CFO/TREASURER	27.00			X				108,927.	133,132.	12,611.
(37) GERALDINE S. FARMER COMPTROLLER	27.00				X			64,075.	78,314.	6,509.
(38) LAWRENCE HEYWORTH III SECRETARY/ VP COMMUNICATIONS	50.00				X			144,176.	0.	7,217.
(39) LISA STROBEL DIR. OF TREASURY OPERATION	50.00				X			124,525.	0.	9,344.
(40) MICHAEL MUNDT DIR. INVESTMENTS	50.00				X			105,635.	0.	4,039.
(41) JEFFREY FRANKS COMPUTER NETWORK MGR.	50.00				X			104,096.	0.	17,717.
(42) TERRANCE P. MURRAY FORMER VP OPERATIONS	0.00					X		157,344.	0.	0.
Total to Part VII, Section A, line 1c								964,717.	445,356.	118,303.

**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
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns	<b>1a</b>					
	<b>b</b> Membership dues	<b>1b</b>					
	<b>c</b> Fundraising events	<b>1c</b>					
	<b>d</b> Related organizations	<b>1d</b>	1,967,881.				
	<b>e</b> Government grants (contributions)	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>	1,504,408.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$		91,761.				
	<b>h Total.</b> Add lines 1a-1f			3,472,289.			
<b>Program Service Revenue</b>	<b>2 a</b> CAREER TRANSITION SERV	Business Code	541900	629,154.	629,154.		
	<b>b</b> LIFE MEMBER AMORTIZATI		900099	306,324.	306,324.		
	<b>c</b> PUBLICATIONS & ADVERTI		541800	238,493.		238,493.	
	<b>d</b> MEMBERSHIP DUES		900099	227,521.	227,521.		
	<b>e</b> HOMECOMING & CONFERENC		900099	127,675.	127,675.		
	<b>f</b> All other program service revenue						
	<b>g Total.</b> Add lines 2a-2f			1,529,167.			
	<b>3</b> Investment income (including dividends, interest, and other similar amounts)			502,963.		-15,685.	518,648.
<b>4</b> Income from investment of tax-exempt bond proceeds							
<b>5</b> Royalties			562,260.			562,260.	
<b>Other Revenue</b>	<b>6 a</b> Gross rents	(i) Real	189,002.				
	<b>b</b> Less: rental expenses	(ii) Personal	0.				
	<b>c</b> Rental income or (loss)		189,002.				
	<b>d</b> Net rental income or (loss)			189,002.			189,002.
	<b>7 a</b> Gross amount from sales of assets other than inventory	(i) Securities	6,538,504.				
	<b>b</b> Less: cost or other basis and sales expenses	(ii) Other	5,568,001.				
	<b>c</b> Gain or (loss)		970,503.				
	<b>d</b> Net gain or (loss)			970,503.			970,503.
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	<b>b</b> Less: direct expenses	b					
	<b>c</b> Net income or (loss) from fundraising events						
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19	a					
	<b>b</b> Less: direct expenses	b					
	<b>c</b> Net income or (loss) from gaming activities						
	<b>10 a</b> Gross sales of inventory, less returns and allowances	a	35,317.				
	<b>b</b> Less: cost of goods sold	b	24,197.				
	<b>c</b> Net income or (loss) from sales of inventory			11,120.	11,120.		
	<b>Miscellaneous Revenue</b>			<b>Business Code</b>			
	<b>11 a</b> TRAVEL COMMISSIONS		485000	79,895.		79,895.	
	<b>b</b> MISCELLANEOUS		900099	19,137.	19,137.		
<b>c</b>							
<b>d</b> All other revenue							
<b>e Total.</b> Add lines 11a-11d			99,032.				
<b>12 Total revenue.</b> See instructions.			7,336,336.	1,320,931.	302,703.	2,240,413.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	1,839,418.	1,839,418.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	52,161.	52,161.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	279,686.	240,698.	38,988.	
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	1,991,275.	1,713,700.	277,575.	
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)	186,751.	160,719.	26,032.	
9 Other employee benefits	156,210.	134,435.	21,775.	
10 Payroll taxes	166,812.	143,559.	23,253.	
11 Fees for services (non-employees):				
a Management				
b Legal	74,081.	63,754.	10,327.	
c Accounting	55,535.		55,535.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	137,775.		137,775.	
g Other	883,144.	760,037.	123,107.	
12 Advertising and promotion				
13 Office expenses	1,059,851.	912,112.	147,739.	
14 Information technology				
15 Royalties				
16 Occupancy	175,109.	150,700.	24,409.	
17 Travel	129,792.	111,700.	18,092.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	162,260.	139,642.	22,618.	
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	205,882.	177,183.	28,699.	
23 Insurance	94,044.	80,935.	13,109.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a UNRELATED BUSINESS INCO	1,170.		1,170.	
b LICENSES & DUES	140,629.	121,026.	19,603.	
c BAD DEBT EXPENSE	68,630.			68,630.
d TRAINING	65,488.	56,359.	9,129.	
e All other expenses	44,222.	39,064.	5,158.	
25 Total functional expenses. Add lines 1 through 24e	7,969,925.	6,897,202.	1,004,093.	68,630.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing .....		1	
	2 Savings and temporary cash investments .....	4,046,595.	2	4,301,573.
	3 Pledges and grants receivable, net .....	1,239,109.	3	1,225,234.
	4 Accounts receivable, net .....	80,048.	4	118,557.
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) .....		6	
	7 Notes and loans receivable, net .....		7	
	8 Inventories for sale or use .....	5,946.	8	5,264.
	9 Prepaid expenses and deferred charges .....	182,743.	9	211,172.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	10a 5,494,725.		
	b Less: accumulated depreciation .....	10b 2,130,486.		
		3,351,096.	10c	3,364,239.
	11 Investments - publicly traded securities .....	43,856,105.	11	40,410,346.
	12 Investments - other securities. See Part IV, line 11 .....	15,249,493.	12	17,200,230.
	13 Investments - program-related. See Part IV, line 11 .....		13	
	14 Intangible assets .....		14	
15 Other assets. See Part IV, line 11 .....	1,991,260.	15	1,836,553.	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	70,002,395.	16	68,673,168.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses .....	1,315,555.	17	1,349,274.
	18 Grants payable .....		18	
	19 Deferred revenue .....		19	
	20 Tax-exempt bond liabilities .....		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D .....		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		22	
	23 Secured mortgages and notes payable to unrelated third parties .....		23	
	24 Unsecured notes and loans payable to unrelated third parties .....		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	20,309,162.	25	20,499,651.
	26 <b>Total liabilities.</b> Add lines 17 through 25 .....	21,624,717.	26	21,848,925.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets .....	7,566,329.	27	7,300,217.
	28 Temporarily restricted net assets .....	18,883,055.	28	17,504,470.
	29 Permanently restricted net assets .....	21,928,294.	29	22,019,556.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	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 <b>Total net assets or fund balances</b> .....	48,377,678.	33	46,824,243.
34 <b>Total liabilities and net assets/fund balances</b> .....	70,002,395.	34	68,673,168.	

**Part XI Reconciliation of Net Assets**

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

☒

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	7,336,336.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	7,969,925.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-633,589.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	<b>4</b>	48,377,678.
<b>5</b>	Other changes in net assets or fund balances (explain in Schedule O)	<b>5</b>	-919,846.
<b>6</b>	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	<b>6</b>	46,824,243.

**Part XII Financial Statements and Reporting**

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

☒

	Yes	No
<b>1</b> 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.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant?		X
<b>b</b> Were the organization's financial statements audited by an independent accountant?	X	
<b>c</b> 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	
<b>d</b> If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		
<b>3a</b> 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>b</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** (2011)

Department of the Treasury  
Internal Revenue Service

## Public Charity Status and Public Support

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

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

OMB No. 1545-0047

2011

**Open to Public Inspection**

Name of the organization UNITED STATES NAVAL ACADEMY ALUMNI ASSOC.

Employer identification number  
52-0548411

<b>Part I</b>	<b>Reason for Public Charity Status</b> (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).

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

[illegible]

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

Schedule A (Form 990 or 990-EZ) 2011

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

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

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	4,534,472.	4,536,025.	5,678,317.	2,913,428.	3,472,289.	21,134,531.
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 <b>Total.</b> Add lines 1 through 3	4,534,472.	4,536,025.	5,678,317.	2,913,428.	3,472,289.	21,134,531.
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)						1,044,259.
6 <b>Public support.</b> Subtract line 5 from line 4.						20,090,272.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	4,534,472.	4,536,025.	5,678,317.	2,913,428.	3,472,289.	21,134,531.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2,520,262.	1,673,869.	2,062,463.	2,490,682.	1,269,910.	10,017,186.
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.)	73,775.	13,902.	36,618.	21,041.	19,137.	164,473.
11 <b>Total support.</b> Add lines 7 through 10						31,316,190.
12 Gross receipts from related activities, etc. (see instructions)					12	6,737,286.
13 <b>First five years.</b> 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 <b>stop here</b> ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	64.15 %
15 Public support percentage from 2010 Schedule A, Part II, line 14	15	%
16a <b>33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>		
b <b>33 1/3% support test - 2010.</b> 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 <b>stop here.</b> The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
17a <b>10% -facts-and-circumstances test - 2011.</b> 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 <b>stop here.</b> 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 <b>10% -facts-and-circumstances test - 2010.</b> 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 <b>stop here.</b> 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 <b>Private foundation.</b> 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 or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> 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						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</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						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (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**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

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

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

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

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



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2011**

**Name of the organization**

UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.

**Employer identification number**

52-0548411

**Organization type (check one):**

**Filers of:**

**Section:**

Form 990 or 990-EZ

☒ 501(c)( 3 ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)**

**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, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization **UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.**

Employer identification number  
**52-0548411**

**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 education)	<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, and not on a historic structure listed in the National Register	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 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

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

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

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

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

b Assets included in Form 990, Part X ▶ \$

**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 exhibitiond ☐ Loan or exchange programsb ☐ Scholarly researche ☐ Other \_\_\_\_\_c ☐ Preservation for future generations

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

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

to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes☐ No**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

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

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	80,326,494.	69,729,801.	62,273,792.	87,085,212.	
b Contributions	176,196.	6,637.	2,088,909.	-13,647,765.	
c Net investment earnings, gains, and losses	420,654.	11,752,074.	7,252,647.	-10,068,997.	
d Grants or scholarships					
e Other expenditures for facilities and programs	2,532,058.	1,162,018.	1,885,547.	1,094,658.	
f Administrative expenses					
g End of year balance	78,391,286.	80,326,494.	69,729,801.	62,273,792.	

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

a Board designated or quasi-endowment ☐ %b Permanent endowment ☐ 75.40 %c Temporarily restricted endowment ☐ 24.60 %

The percentages in lines 2a, 2b, and 2c should equal 100%.

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

(i) unrelated organizations

(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? ☐

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

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

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		108,880.		108,880.
b Buildings		3,860,487.	1,251,249.	2,609,238.
c Leasehold improvements				
d Equipment		1,525,358.	879,237.	646,121.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				3,364,239.

Schedule D (Form 990) 2011

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

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) OTHER - PARTNERSHIP INTERESTS & ETC.	17,200,230.	END-OF-YEAR MARKET VALUE
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12.)	17,200,230.	

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

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13.)		

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

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15.)	

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

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEPOSITS ON LIFE MEMBERSHIPS	568,365.
(3) CLASS SAVINGS ACCOUNTS	2,497,440.
(4) DEFERRED INCOME AND DEPOSITS	881,014.
(5) SPLIT INTEREST AGREEMENTS	1,118,453.
(6) ACCR. KEY EMPLOYEES RETIREMENT	830,141.
(7) UNAMORTIZED LIFE MEMBERSHIPS	14,604,238.
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25.)	20,499,651.

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	7,336,336.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	7,969,925.
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-633,589.
4	Net unrealized gains (losses) on investments	4	-884,919.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	-34,927.
9	Total adjustments (net). Add lines 4 through 8	9	-919,846.
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-1,553,435.

**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	23,063,945.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-884,919.
b	Donated services and use of facilities	2b	30,921.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	17,121,943.
e	Add lines 2a through 2d	2e	16,267,945.
3	Subtract line 2e from line 1	3	6,796,000.
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	137,775.
b	Other (Describe in Part XIV.)	4b	402,561.
c	Add lines 4a and 4b	4c	540,336.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	7,336,336.

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

1	Total expenses and losses per audited financial statements	1	24,539,348.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	30,921.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	17,078,838.
e	Add lines 2a through 2d	2e	17,109,759.
3	Subtract line 2e from line 1	3	7,429,589.
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	137,775.
b	Other (Describe in Part XIV.)	4b	402,561.
c	Add lines 4a and 4b	4c	540,336.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	7,969,925.

**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 ASSOCIATION 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 X, LINE 2: THE ASSOCIATIONS HAVE ADOPTED THE ACCOUNTING FOR

**Part XIV** Supplemental Information (continued)

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, 2012 AND 2011, THERE ARE NO MATERIAL UNRECOGNIZED/DERECOGNIZED TAX BENEFITS OR TAX PENALTIES OR INTEREST. THE ASSOCIATIONS ARE NO LONGER SUBJECT TO U.S. FEDERAL, STATE OR LOCAL TAX EXAMINATIONS BY TAX AUTHORITIES FOR YEARS ENDING BEFORE JUNE 30, 2009.

## PART XI, LINE 8 - OTHER ADJUSTMENTS:

CHANGE IN SPLIT INTEREST AGREEMENTS	-34,927.
-------------------------------------	----------

## PART XII, LINE 2D - OTHER ADJUSTMENTS:

COST OF GOODS SOLD NETTED WITH REVENUE	24,197.
--	---------

CHANGE IN SPLIT INTEREST TRUST AGREEMENTS	-34,927.
---	----------

## REVENUE OF AFFILIATE INCLUDED ON CONSOLIDATED FINANCIAL

STATEMENTS	17,132,673.
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TOTAL TO SCHEDULE D, PART XII, LINE 2D	17,121,943.
--	-------------

## PART XII, LINE 4B - OTHER ADJUSTMENTS:

GRANT FROM THE NAVAL ACADEMY FOUNDATION, INC.	402,561.
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**Part XIV** Supplemental Information (continued)

## PART XIII, LINE 2D - OTHER ADJUSTMENTS:

COST OF GOODS SOLD NETTED WITH REVENUE 24,197.

## EXPENSES OF AFFILIATE INCLUDED ON CONSOLIDATED FINANCIAL

STATEMENTS 17,054,641.

TOTAL TO SCHEDULE D, PART XIII, LINE 2D 17,078,838.

## PART XIII, LINE 4B - OTHER ADJUSTMENTS:

GRANT FROM THE NAVAL ACADEMY FOUNDATION, INC. 402,561.

**SCHEDULE F**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Statement of Activities Outside the United States**

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

OMB No. 1545-0047

**2011****Open to Public  
Inspection**Name of the organization  
UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.Employer identification number  
52-0548411**Part I** **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

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

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
EUROPE	0	0	PROGRAM SERVICES & GRANTMAKING	SCHOLARSHIPS	52,161.
CENTRAL AMERICA AND THE CARIBBEAN			INVESTMENTS		6,563,136.
3 a Sub-total .....	0	0			6,615,297.
b Total from continuation sheets to Part I .....	0	0			0.
c Totals (add lines 3a and 3b) .....	0	0			6,615,297.

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

Schedule F (Form 990) 2011



Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any

recipient who received more than \$5,000. Check this box if no one recipient received more than \$5,000

**Part II can be duplicated if additional space is needed.**

[illegible]

**2** Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by

the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter

3 Enter total number of other organizations or entities

Part III can be duplicated if additional space is needed.

Schedule F (Form 990) 2011

**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926) ..... ☒ Yes ☐ No
- 2 Did the organization have an interest in a foreign trust during the tax year? If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A) ..... ☐ Yes ☒ No
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471) ..... ☐ Yes ☒ No
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621) ..... ☒ Yes ☐ No
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865) ..... ☐ Yes ☒ No
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713) ..... ☐ Yes ☒ No

Schedule F (Form 990) 2011

**Part V** Supplemental Information

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

SCHEDULE F, PART I, LINE 2: THE U.S. NAVAL ACADEMY DETERMINES WHO

RECEIVES THE SCHOLARSHIP FUNDS. THE U.S. NAVAL ACADEMY ALUMNI

ASSOCIATION 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.

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

▶ Attach to Form 990.

Name of the organization

UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.

**Employer identification number**  
52-0548411

Part I	General Information on Grants and Assistance
--------	--

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

2. Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

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

[illegible]

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

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

Schedule I (Form 990) (2011)

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

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

**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 U.S. NAVAL ACADEMY ALUMNI ASSOCIATION KEEPS

DETAILED RECORDS OF GRANTS TO THE U.S. NAVAL ACADEMY. ALL GRANTS ARE

REVIEWED BY MANAGEMENT PRIOR TO PAYMENT. THE UNRESTRICTED PORTION OF THE

GRANT TO THE U.S. NAVAL ACADEMY IS BUDGETED FOR AND APPROVED BY THE BOARD

OF TRUSTEES. 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

**2011**

**Open to Public  
Inspection**

Name of the organization UNITED STATES NAVAL ACADEMY ALUMNI ASSOC.	Employer identification number 52-0548411
--	--

**Part I Questions Regarding Compensation**

	Yes	No								
<b>1a</b> 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. <table style="width:100%"><tr><td><input type="checkbox"/> First-class or charter travel</td><td><input type="checkbox"/> Housing allowance or residence for personal use</td></tr><tr><td><input type="checkbox"/> Travel for companions</td><td><input type="checkbox"/> Payments for business use of personal residence</td></tr><tr><td><input type="checkbox"/> Tax indemnification and gross-up payments</td><td><input type="checkbox"/> Health or social club dues or initiation fees</td></tr><tr><td><input type="checkbox"/> Discretionary spending account</td><td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td></tr></table>	<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)		
<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>b</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	<b>1b</b>									
<b>2</b> 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?	<b>2</b>									
<b>3</b> Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III. <table style="width:100%"><tr><td><input checked="" type="checkbox"/> Compensation committee</td><td><input checked="" type="checkbox"/> Written employment contract</td></tr><tr><td><input checked="" type="checkbox"/> Independent compensation consultant</td><td><input checked="" type="checkbox"/> Compensation survey or study</td></tr><tr><td><input checked="" type="checkbox"/> Form 990 of other organizations</td><td><input checked="" type="checkbox"/> Approval by the board or compensation committee</td></tr></table>	<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				
<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									
<b>4</b> 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: <b>a</b> Receive a severance payment or change-of-control payment?	<b>4a</b>	X								
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?	<b>4b</b>	X								
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?	<b>4c</b>	X								
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.										
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b>										
<b>5</b> 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: <b>a</b> The organization?	<b>5a</b>	X								
<b>b</b> Any related organization?	<b>5b</b>	X								
If "Yes" to line 5a or 5b, describe in Part III.										
<b>6</b> 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: <b>a</b> The organization?	<b>6a</b>	X								
<b>b</b> Any related organization?	<b>6b</b>	X								
If "Yes" to line 6a or 6b, describe in Part III.										
<b>7</b> 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	<b>7</b>	X								
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	<b>8</b>	X								
<b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	<b>9</b>									

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

Schedule J (Form 990) 2011

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

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

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

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 BYRON F. MARCHANT	(i)	128,000.	25,600.	2,339.	18,300.	6,046.	180,285.
	(ii)	192,001.	38,400.	3,509.	27,450.	9,070.	270,430.
	(iii)	76,326.	10,463.	22,138.	3,650.	2,025.	114,602.
2 HENRY J. SANFORD	(i)	93,287.	12,788.	27,057.	4,461.	2,475.	140,068.
	(ii)	125,547.	15,750.	2,879.	6,277.	940.	151,393.
	(iii)	0.	0.	0.	0.	0.	0.
3 LAWRENCE HEYWORTH III	(i)	0.	0.	157,344.	0.	0.	157,344.
	(ii)	0.	0.	0.	0.	0.	0.
	(iii)	0.	0.	0.	0.	0.	0.
4 TERRANCE P. MURRAY	(i)						
	(ii)						
	(iii)						
5	(i)						
	(ii)						
	(iii)						
6	(i)						
	(ii)						
	(iii)						
7	(i)						
	(ii)						
	(iii)						
8	(i)						
	(ii)						
	(iii)						
9	(i)						
	(ii)						
	(iii)						
10	(i)						
	(ii)						
	(iii)						
11	(i)						
	(ii)						
	(iii)						
12	(i)						
	(ii)						
	(iii)						
13	(i)						
	(ii)						
	(iii)						
14	(i)						
	(ii)						
	(iii)						
15	(i)						
	(ii)						
	(iii)						
16	(i)						
	(ii)						
	(iii)						



**Part III** Supplemental Information

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

PART I, LINES 4A-B: TERRANCE P. MURRAY RECEIVED SEVERANCE DURING THE YEAR.

\$157,344 WAS RECEIVED DURING 2011 AND INCLUDED AS OTHER REPORTABLE

COMPENSATION ON PART II. THE TERMS AND CONDITIONS OF THIS AGREEMENT ARE

CONFIDENTIAL AND ARE AVAILABLE TO THE IRS UPON REQUEST.

BYRON MARCHANT AND HENRY SANFORD PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED

RETIREMENT PLAN (457F AND 457B). \$16,500 VESTED IN 2011 FOR BYRON MARCHANT

AND HENRY SANFORD AND THOSE AMOUNTS ARE INCLUDED IN THEIR W-2 COMPENSATION.

BYRON MARCHANT AND HENRY SANFORD'S W-2 INCOME INCLUDES

DEFERRED COMPENSATION THAT VESTED IN 2011 AND MUST BE REPORTED AS INCOME IN

THE YEAR IT VESTS.

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

ONLY.

**SCHEDULE M**  
**(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2011**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

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

Name of the organization **UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.**

Employer identification number  
**52-0548411**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
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	10	44,764.	FAIR MARKET VALUE
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests	X	1	46,997.	FAIR MARKET VALUE
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 Acknowledgement

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?

	Yes	No
30a		X
31	X	
32a		X
33		

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 an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II.

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

Schedule M (Form 990) (2011)

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

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

OMB No. 1545-0047

**2011**  
Open to Public  
Inspection

Name of the organization	UNITED STATES NAVAL ACADEMY ALUMNI ASSOC.	Employer identification number 52-0548411
--------------------------	--	--

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

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.

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

FOUNDATION:

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.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES:

PARTNERSHIP MARKETING - EXPENSES RELATED TO AFFINITY PROGRAMS AND

MERCHANDISE SALES

EXPENSES \$ 543,648. INCLUDING GRANTS OF \$ 0. REVENUE \$ 11,120.

Name of the organization UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.

Employer identification number  
52-0548411

ALUMNI COMMUNICATIONS - SUPPORT FOR ALL ELECTRONIC AND WEBSITE-BASED

COMMUNICATIONS.

EXPENSES \$ 210,495. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

CAREER TRANSITIONS - EXPENSES RELATED TO THE SERVICE ACADEMICS CAREER

CONFERENCE.

EXPENSES \$ 686,739. INCLUDING GRANTS OF \$ 0. REVENUE \$ 629,154.

FORM 990, PART VI, SECTION A, LINE 6: REGULAR MEMBERS ARE GRADUATES OF  
THE UNITED STATES NAVAL ACADEMY (THE "ACADEMY") AND FORMER MIDSHIPMEN WHO  
DID NOT GRADUATE FROM THE ACADEMY, AFTER THE LAST ACADEMY CLASS OF WHICH  
THEY WERE A MEMBER HAS GRADUATED AND WHO, IN EACH CASE, HAVE APPLIED FOR  
MEMBERSHIP AND HAVE BEEN ADMITTED. REGULAR MEMBERS HAVE THE RIGHT TO VOTE,  
TO HOLD OFFICE, TO SERVE AS TRUSTEES AND SHALL PAY DUES. EACH REGULAR  
MEMBER IS ENTITLED TO ONE (1) VOTE IN ALL ELECTIONS CONDUCTED PER SECTION  
4.6(A) OF THE BYLAWS, AND ALL QUESTIONS PRESENTED TO THE MEMBERSHIP FOR  
ACTION. IN ORDER TO MAINTAIN A STRONG AND VIBRANT ORGANIZATION, THE  
ASSOCIATION MAY FROM TIME TO TIME ESTABLISH ADDITIONAL CLASSES OF  
MEMBERSHIP WITH CRITERIA FOR SUCH CLASSES OF MEMBERSHIP AND APPROVAL OF  
INDIVIDUAL MEMBERS TO BE DETERMINED BY THE BOARD.

FORM 990, PART VI, SECTION A, LINE 7A: SEE EXPLANATION FOR FORM 990, PART  
VI, SECTION A, LINE 6.

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 TRUSTEES AND TO THE IRS.

Name of the organization UNITED STATES NAVAL ACADEMY ALUMNI  
ASSOC.

Employer identification number  
52-0548411

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:

1. A BOARD COMPENSATION COMMITTEE IS CONSTITUTED THAT IS COMPOSED ENTIRELY

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

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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 UNITED STATES NAVAL ACADEMY ALUMNI ASSOCIATION  
ARE DUALY EMPLOYED BY A RELATED ORGANIZATION, THE U.S. NAVAL ACADEMY  
FOUNDATION. HOURS DEVOTED TO THE FOUNDATION ARE LISTED BELOW FOR THE  
OFFICERS INVOLVED IN BOTH ORGANIZATIONS:

OFFICER	HOURS DEVOTED TO FOUNDATION
BYRON F. MARCHANT	36
HENRY J. SANFORD	33
GERALDINE S. FARMER	33

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS: -884,919.

CHANGE IN SPLIT INTEREST AGREEMENTS -34,927.

TOTAL TO FORM 990, PART XI, LINE 5 -919,846.

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

FOR GAAP PURPOSES, THE ORGANIZATION PRESENTS ITS ACTIVITY IN A

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CONSOLIDATED FORMAT WITH ITS RELATED ENTITY, THE U.S. NAVAL ACADEMY

FOUNDATION. 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 ASSOCIATION.

FORM 990, PART I, LINE 5 AND FORM 990, PART V, LINE 2A

THE U.S. NAVAL ACADEMY ALUMNI ASSOCIATION IS THE PAYMASTER FOR BOTH THE

ASSOCIATION AND THE U.S. NAVAL ACADEMY FOUNDATION (A RELATED

ORGANIZATION). DUE TO THE ASSOCIATION'S ROLE AS PAYMASTER FOR BOTH

ORGANIZATIONS, THE ASSOCIATION REPORTS BOTH ASSOCIATION AND FOUNDATION

EMPLOYEES FOR W-3 PURPOSES AND THE FOUNDATION DOES NOT REPORT EMPLOYEES

FOR W-3 PURPOSES. THE ASSOCIATION FILES ALL RELATED EMPLOYMENT TAX

FORMS. 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 2011 FORM 990 IS REPORTED ON A FISCAL

YEAR BEGINNING JULY 1, 2011 AND ENDING JUNE 30, 2012, 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, 2011 AND ENDING DECEMBER 31,

2011.



## Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990.  
▶ See separate instructions.

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**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

[illegible]

**Part II** Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

[illegible]

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

Schedule R (Form 990) 2011

**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 organizations treated as a partnership during the tax year.)

[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, 35a, 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?

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

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	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

**Part VI** **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).