

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)

Department of the Treasury
Internal Revenue Service

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

A For the 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, INC.		D Employer identification number 52-0548411	
		Number and street (or P.O. box if mail is not delivered to street address)		Room/suite	E Telephone number 410-295-4000
		247 KING GEORGE STREET			F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____
		City or town, state or country, and ZIP + 4 ANNAPOLIS, MD 21402-5068			

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.USNA.COM**

J Organization type (check only one) 501(c) (3) (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

I Group Exemption Number **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **18,309,780.**

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, grants, and similar amounts received:					
a	Contributions to donor advised funds	1a			
b	Direct public support (not included on line 1a)	1b	2,748,686.		
c	Indirect public support (not included on line 1a)	1c	1,785,786.		
d	Government contributions (grants) (not included on line 1a)	1d			
e	Total (add lines 1a through 1d) (cash \$ 4,534,472. noncash \$ _____)	1e		4,534,472.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		1,285,825.	
3	Membership dues and assessments	3		274,031.	
4	Interest on savings and temporary cash investments	4		2,065,767.	
5	Dividends and interest from securities	5			
6 a	Gross rents SEE STATEMENT 1	6a	3,162.		
b	Less: rental expenses	6b			
c	Net rental income or (loss). Subtract line 6b from line 6a	6c		3,162.	
7	Other investment income (describe _____)	7			
8 a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		9,442,958.	8a		
b	Less: cost or other basis and sales expenses	5,974,573.	8b	10,260.	
c	Gain or (loss) (attach schedule)	3,468,385.	8c	-10,260.	
d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2 STMT 3		8d	3,458,125.	
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
10 a	Gross sales of inventory, less returns and allowances	10a	60,585.		
b	Less: cost of goods sold	10b	38,616.		
c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a STMT 4	10c		21,969.	
11	Other revenue (from Part VII, line 103)	11		642,980.	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		12,286,331.	
13	Program services (from line 44, column (B))	13		9,569,979.	
14	Management and general (from line 44, column (C))	14		1,392,261.	
15	Fundraising (from line 44, column (D))	15		299,261.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses. Add lines 16 and 44, column (A)	17		11,261,501.	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18		1,024,830.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		50,951,079.	
20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5	20		-5,658,066.	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		46,317,843.	

**U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,
INC.**

Form 990 (2007)

52-0548411 Page 2

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 • noncash \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>			STATEMENT 7	
22b Other grants and allocations (attach schedule) (cash \$ 4815560 • noncash \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	4,815,560.	4,815,560.		
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	711,013.	582,534.	128,479.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	1,764,350.	1,445,435.	318,915.	
27 Pension plan contributions not included on lines 25a, b, and c	137,915.	112,985.	24,930.	
28 Employee benefits not included on lines 25a - 27	190,038.	155,690.	34,348.	
29 Payroll taxes	164,953.	135,139.	29,814.	
30 Professional fundraising fees				
31 Accounting fees	52,715.		52,715.	
32 Legal fees	222,076.	181,938.	40,138.	
33 Supplies	65,395.	53,575.	11,820.	
34 Telephone	87,709.	71,856.	15,853.	
35 Postage and shipping	200,839.	164,539.	36,300.	
36 Occupancy	252,988.	105,199.	147,789.	
37 Equipment rental and maintenance	156,774.	128,439.	28,335.	
38 Printing and publications	591,017.	484,196.	106,821.	
39 Travel	140,175.	114,840.	25,335.	
40 Conferences, conventions, and meetings	154,126.	126,270.	27,856.	
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	159,908.	131,006.	28,902.	
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 6	1,393,950.	760,778.	333,911.	299,261.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	11,261,501.	9,569,979.	1,392,261.	299,261.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

**U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,
INC.**

Form 990 (2007)

52-0548411 Page **3**

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 8</u>	Program Service Expenses
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a MEMBERSHIP SUPPORT - COSTS TO PROVIDE SERVICES TO MEMBERS OF THE ALUMNI ASSOCIATION, CLASS AND CHAPTER SUPPORT, AND SPECIAL ALUMNI EVENTS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,120,443.
b 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.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,185,689.
c SUPPORT - THE ASSOCIATION MAKES CONTRIBUTIONS TO THE U.S. NAVAL ACADEMY AND THE THE U.S. NAVAL ACADEMY FOUNDATION INC., A RELATED PARTY.	
(Grants and allocations \$ 4,815,560.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	4,815,560.
d PARTNERSHIP MARKETING - EXPENSES RELATED TO AFFINITY PROGRAMS AND MERCHANDISE SALES	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	344,069.
e Other program services (attach schedule) SEE STATEMENT 9	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,104,218.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	9,569,979.

Form **990** (2007)

**U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,
INC.**

Form 990 (2007)

52-0548411 Page 4

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing		45	
	46 Savings and temporary cash investments	2,323,154.	46	2,784,501.
	47 a Accounts receivable	47a 134,297.		
	b Less: allowance for doubtful accounts	47b	190,322.	47c 134,297.
	48 a Pledges receivable	48a 3,424,129.		
	b Less: allowance for doubtful accounts	48b 572,047.	4,131,495.	48c 2,852,082.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees			50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)			50b
	51 a Other notes and loans receivable	51a		51c
	b Less: allowance for doubtful accounts	51b		
	52 Inventories for sale or use		9,546.	52 10,407.
	53 Prepaid expenses and deferred charges		607,637.	53 288,941.
	54 a Investments - publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a
	b Investments - other securities	STMT 13 ▶ <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	62,852,686.	54b 57,433,841.
55 a Investments - land, buildings, and equipment: basis	55a			
b Less: accumulated depreciation	55b		55c	
56 Investments - other			56	
57 a Land, buildings, and equipment: basis	57a 4,635,064.			
b Less: accumulated depreciation	STMT 10 57b 1,576,799.	1,043,614.	57c 3,058,265.	
58 Other assets, including program-related investments (describe ▶ SEE STATEMENT 11)		332,901.	58 495,798.	
59 Total assets (must equal line 74). Add lines 45 through 58		71,491,355.	59 67,058,132.	
Liabilities	60 Accounts payable and accrued expenses	1,407,645.	60	1,452,783.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ▶ SEE STATEMENT 12)		19,132,631.	65 19,287,506.
66 Total liabilities. Add lines 60 through 65		20,540,276.	66 20,740,289.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		9,826,817.	67 8,051,588.
	68 Temporarily restricted		21,479,759.	68 18,283,554.
	69 Permanently restricted		19,644,503.	69 19,982,701.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)		50,951,079.	73 46,317,843.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		71,491,355.	74 67,058,132.

Form 990 (2007)

**U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,
INC.**

Part VI Other Information (continued)

			Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b		
				16,418.
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
				N/A
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?	85a		
				N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b		
				N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.				
c	Dues, assessments, and similar amounts from members	85c		N/A
d	Section 162(e) lobbying and political expenditures	85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
				N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
				N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a		N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a		N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			
				0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			
				0.
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X
90 a	List the states with which a copy of this return is filed ▶ <u>MD</u>			
b	Number of employees employed in the pay period that includes March 12, 2007	90b		55
91 a	The books are in care of ▶ <u>THE ASSOCIATION</u> Telephone no. ▶ <u>410-295-4051</u> Located at ▶ <u>247 KING GEORGE STREET, ANNAPOLIS, MD</u> ZIP + 4 ▶ <u>21401</u>			
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)? If "Yes," enter the name of the foreign country ▶ <u>N/A</u>	91b		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				

**U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,
INC.**

Form 990 (2007)

52-0548411 Page 8

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No
 If "Yes," enter the name of the foreign country N/A

32 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SEE STATEMENT 20		218,538.		88,542.	978,745.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					274,031.
95 Interest on savings and temporary cash investments	900000	45,933.	14	2,019,834.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	3,162.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	3,458,125.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					21,969.
103 Other revenue:					
a ROYALTIES			15	497,266.	
b TRAVEL COMMISSIONS	485000	71,939.			
c MISCELLANEOUS					73,775.
d					
e					
104 Subtotal (add columns (B), (D), and (E))		336,410.		6,066,929.	1,348,520.
105 Total (add line 104, columns (B), (D), and (E))					7,751,859.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
 ▼ SEE STATEMENT 21

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization **make** any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
Totals						

107 Did the reporting organization **receive** any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a	-----					
b	-----					
c	-----					
Totals						

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

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.

Please Sign Here
 Signature of officer: Henry J. Sanford
 Date: 2/20/2009
 Type or print name and title: HENRY J. SANFORD, CFO AND TREASURER

Paid Preparer's Use Only
 Preparer's signature: Susan P. Keller
 Date: 2/13/09
 Check if self-employed:
 Preparer's SSN or PTIN (See Gen. Inst. X):
 Firm's name (or yours if self-employed), address, and ZIP + 4: RSM MCGLADREY, INC. 1954 GREENSPRING DRIVE, SUITE 400 TIMONIUM, MARYLAND 21093
 EIN:
 Phone no.: (410) 308-5600

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2007

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, INC.** Employer identification number **52 0548411**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>MICHAEL MUNDT</u> 247 KING GEORGE STREET, ANNAPOLIS, MD	DIR. INVESTMENTS 40.00	98,944.	7,058.	
<u>DAVID CHURCH</u> 247 KING GEORGE STREET, ANNAPOLIS, MD	DIR. ALUMNI 40.00	95,203.	8,373.	
<u>LARRY ROGERS</u> 247 KING GEORGE STREET, ANNAPOLIS, MD	DATABASE ADMIN 40.00	93,175.	14,264.	
<u>LISA STROBEL</u> 247 KING GEORGE STREET, ANNAPOLIS, MD	DIR. FIN. SER. 40.00	94,358.	8,012.	
<u>JEFF FRANKS</u> 247 KING GEORGE STREET, ANNAPOLIS, MD	NETWORK ENG. 40.00	94,712.	16,788.	
Total number of other employees paid over \$50,000	▶ 15			

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>PILLI DEVELOPMENT CO., INC.</u> 197 HANOVER ST., ANNAPOLIS, MD 21401	CONTRACTOR SERVICE	1692244.
<u>R.R. DONNELLEY RECEIVABLES, INC.</u> PO BOX 13654, NEWARK, NJ 07188	PRINTING	483,737.
<u>BB&T</u> 91 MAIN STREET, ANNAPOLIS, MD 21401	INSURANCE	290,129.
<u>SIMCOX & BARCLAY, LLP</u> 698 MILLS RD., WEST POINT, NY 10996	LEGAL	278,182.
<u>BLACKBAUD</u> P.O. BOX 930256, ATLANTA, GA 31193	SOFTWARE MAINTENANCE	117,372.
Total number of others receiving over \$50,000 for professional services	▶ 14	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>NAVAL ACADEMY CATERING</u> 2 TRUXTON ROAD, ANNAPOLIS, MD 21402	CATERING	277,097.
<u>BO BROOKS CATERING</u> 2780 LIGHTHOUSE POINT, BALTIMORE, MD 21224	CATERING	196,432.
<u>LOEWS ANNAPOLIS HOTEL CORP</u> 126 WEST ST., ANNAPOLIS, MD 21401	LODGING	196,256.
<u>HAUTE ON THE HILL BY RIDGEWELLS</u> P.O. BOX 77896, WASHINGTON, DC 20013	CATERING	114,447.
<u>MAIN INGREDIENT</u> 914 BAY RIDGE RD, ANNAPOLIS, MD 21403	CATERING	103,019.
Total number of other contractors receiving over \$50,000 for other services	▶ 4	

U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,

Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) SEE STATEMENT 22	X	
b	Did the organization have a section 403(b) annuity plan for its employees?	X	
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966? N/A		
c	Did the organization make a distribution to a donor, donor advisor, or related person? N/A		
d	Enter the total number of donor advised funds owned at the end of the tax year	N/A	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts		0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year		0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 of the instructions.)

certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 8 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 8 of the instructions.)

U.S. NAVAL ACADEMY ALUMNI ASSOCIATION,

Schedule A (Form 990 or 990-EZ) 2007

INC.

52-0548411

Page 4

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,933,073.	2,112,499.	2,895,534.	3,486,073.	12,427,179.
16 Membership fees received	296,418.	274,163.	250,638.	264,857.	1,086,076.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	898,563.	682,042.	635,065.	663,181.	2,878,851.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	1,522,842.	1,963,261.	1,284,075.	1,046,112.	5,816,290.
19 Net income from unrelated business activities not included in line 18	286,152.	217,858.	234,754.	165,976.	904,740.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	614,659.	831,515.	SEE STATEMENT 23 854,138.	2,298,468.	4,598,780.
23 Total of lines 15 through 22	7,551,707.	6,081,338.	6,154,204.	7,924,667.	27,711,916.
24 Line 23 minus line 17	6,653,144.	5,399,296.	5,519,139.	7,261,486.	24,833,065.
25 Enter 1% of line 23	75,517.	60,813.	61,542.	79,247.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24				26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts				26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)				26c	N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____				26d	N/A
e Public support (line 26c minus line 26d total)				26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f	N/A %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2006) 0. (2005) 0. (2004) 0. (2003) 0.					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2006) 0. (2005) 0. (2004) 0. (2003) 0.					
c Add: Amounts from column (e) for lines: 15 12,427,179. 16 1,086,076. 17 2,878,851. 20 _____ 21 _____				27c	16,392,106.
d Add: Line 27a total 0. and line 27b total 0.				27d	0.
e Public support (line 27c total minus line 27d total)				27e	16,392,106.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)			27f	27,711,916.	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g	59.1518%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h	20.9884%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended?		
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, INC.

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)

N/A

(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)		
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	If the amount on line 40 is -		
	The lobbying nontaxable amount is -		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h.)			0.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

1 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Table with 2 columns: Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

N/A

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule: N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	BUILDING	VARIESVAR	VARIESVAR	.000	16	3577776.			3577776.	829,895.		32,888.
2	LAND	VARIESL				108,880.			108,880.			0.
3	FURNITURE & EQUIPMENT	VARIESVAR	VARIESVAR	.000	16	520,370.			520,370.	405,127.		33,848.
4	COMPUTER EQUIPMENT	VARIESVAR	VARIESVAR	.000	16	367,035.			367,035.	181,869.		93,172.
5	CONSTRUCTION IN PROGRESS	VARIES		.000	16	61,003.			61,003.			0.
	* TOTAL 990 PAGE 2 DEPR					4635064.		0.	4635064.	1416891.	0.	159,908.

FORM 990 RENTAL INCOME STATEMENT 1

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
HOUSE ACTIVITIES	1	3,162.
TOTAL TO FORM 990, PART I, LINE 6A		3,162.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 2

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
INVESTMENTS	9,442,958.	5,974,573.	0.	3,468,385.
TO FORM 990, PART I, LINE 8	9,442,958.	5,974,573.	0.	3,468,385.

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 3

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
FIXED ASSETS			PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	603,682.	0.	593,422.	-10,260.
TO FM 990, PART I, LN 8		603,682.	0.	593,422.	-10,260.

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 4

INCOME

1. GROSS RECEIPTS	60,585	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		60,585
4. COST OF GOODS SOLD (LINE 13)	38,616	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		21,969

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	9,546	
7. MERCHANDISE PURCHASED	39,477	
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES		
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		49,023
12. INVENTORY AT END OF YEAR	10,407	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		38,616

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON SECURITIES	-5,389,600.
CHANGE IN SPLIT INTEREST AGREEMENTS	-268,466.
TOTAL TO FORM 990, PART I, LINE 20	-5,658,066.

FORM 990 OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
AWARDS & GIFTS	14,851.	12,167.	2,684.	
DONOR CULTIVATION	327.	268.	59.	
INSURANCE	84,849.	69,513.	15,336.	
LICENSES	102,460.	83,941.	18,519.	
MEMBERSHIP DUES	10,446.	8,558.	1,888.	
MISCELLANEOUS	14,907.	9,245.	5,662.	
PROFESSIONAL & CONTRACT SERVICE				
F 5	650,400.	532,846.	117,554.	
TRAINING	54,000.	44,240.	9,760.	
BAD DEBT EXPENSE	299,261.			299,261.
INVESTMENT FEE	162,449.		162,449.	
TOTAL TO FM 990, LN 43	1,393,950.	760,778.	333,911.	299,261.

FORM 990	CASH GRANTS AND ALLOCATIONS TO OTHERS	STATEMENT	7
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CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	AMOUNT
U.S. NAVAL ACADEMY 121 BLAKE ROAD ANNAPOLIS, MD 21402	4,815,560.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B	4,815,560.

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	8
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EXPLANATION

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

FORM 990	OTHER PROGRAM SERVICES	STATEMENT	9
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DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
ALUMNI COMMUNICATIONS - SUPPORT FOR ALL ELECTRONIC AND WEBSITE-BASED COMMUNICATIONS.	0.	634,271.
CAREER TRANSITIONS - EXPENSES RELATED TO THE SERVICE ACADEMICS CAREER CONFERENCE.	0.	469,947.
TOTAL TO FORM 990, PART III, LINE E		1,104,218.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT 10
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDING	3,577,776.	862,783.	2,714,993.
LAND	108,880.	0.	108,880.
FURNITURE & EQUIPMENT	520,370.	438,975.	81,395.
COMPUTER EQUIPMENT	367,035.	275,041.	91,994.
CONSTRUCTION IN PROGRESS	61,003.	0.	61,003.
TOTAL TO FORM 990, PART IV, LN 57	4,635,064.	1,576,799.	3,058,265.

FORM 990	OTHER ASSETS	STATEMENT 11
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
INTERCOMPANY RECEIVABLE	332,901.	87,633.
INTEREST IN THIRD PARTY TRUSTS	0.	408,165.
TOTAL TO FORM 990, PART IV, LINE 58	332,901.	495,798.

FORM 990	OTHER LIABILITIES	STATEMENT 12
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
DEPOSITS ON LIFE MEMBERSHIPS	590,310.	589,408.
CLASS SAVINGS ACCOUNTS	2,103,107.	2,127,797.
DEFERRED INCOME AND DEPOSITS	930,618.	888,754.
SPLIT INTEREST AGREEMENTS	2,012,874.	1,668,880.
ACCR. KEY EMPLOYEES RETIREMENT	1,044,413.	1,098,475.
UNAMORTIZED LIFE MEMBERSHIPS	12,451,309.	12,914,192.
TOTAL TO FORM 990, PART IV, LINE 65	19,132,631.	19,287,506.

FORM 990 OTHER SECURITIES STATEMENT 13

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
EQUITY SECURITIES/MUTUAL FUNDS	FMV	46,079,708.
FIXED INCOME ASSETS	FMV	2,402,785.
OTHER - PARTNERSHIP INTERESTS & ETC.	FMV	8,951,348.
TO FORM 990, LINE 54B, COL B		57,433,841.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 14

DESCRIPTION	AMOUNT
COST OF GOODS SOLD NETTED WITH REVENUE	38,616.
LOSS ON DISPOSAL OF FIXED ASSETS	10,260.
CHANGE IN SPLIT INTEREST TRUST AGREEMENTS	-268,466.
TOTAL TO FORM 990, PART IV-A	-219,590.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 15

DESCRIPTION	AMOUNT
COST OF GOODS SOLD NETTED WITH REVENUE	38,616.
LOSS ON DISPOSAL OF FIXED ASSETS	10,260.
TOTAL TO FORM 990, PART IV-B	48,876.

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 16

DESCRIPTION	AMOUNT
GRANT FROM THE NAVAL ACADEMY FOUNDATION, INC.	257,996.
TOTAL TO FORM 990, PART IV-A	257,996.

FORM 990 OTHER EXPENSES INCLUDED ON FORM 990 STATEMENT 17

DESCRIPTION	AMOUNT
GRANT FROM THE NAVAL ACADEMY FOUNDATION, INC.	257,996.
TOTAL TO FORM 990, PART IV-B	257,996.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 18

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GEORGE P. WATT, JR. 247 KING GEORGE STREET ANNAPOLIS, MD 21402	PRESIDENT/CEO 30.00	154,654.	30,245.	0.
HENRY J. SANFORD 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CFO/TREASURER 30.00	84,654.	24,251.	0.
LORRENCE HEYWORTH III 247 KING GEORGE STREET ANNAPOLIS, MD 21402	VP COMMUNICATIONS 40.00	119,820.	9,674.	0.
TERRENCE MURRAY 247 KING GEORGE STREET ANNAPOLIS, MD 21402	VP OPERATIONS 40.00	162,611.	14,782.	0.
CARLISLE A. H. TROST 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAIR OF THE BOARD 2.00	0.	0.	0.
JACK W. KLIMP 247 KING GEORGE STREET ANNAPOLIS, MD 21402	VICE CHAIR 2.00	0.	0.	0.
LEIGHTON W. SMITH JR. 247 KING GEORGE STREET ANNAPOLIS, MD 21402	PAST CHAIR OF THE BOARD 2.00	0.	0.	0.
ROBERT D. JONES 247 KING GEORGE STREET ANNAPOLIS, MD 21402	REGIONAL TRUSTEE 2.00	0.	0.	0.

U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, I

52-0548411

WILLIAM O. RENTZ 247 KING GEORGE STREET ANNAPOLIS, MD 21402	REGIONAL TRUSTEE 2.00	0.	0.	0.
STEPHEN M. ANDRES 247 KING GEORGE STREET ANNAPOLIS, MD 21402	REGIONAL TRUSTEE 2.00	0.	0.	0.
MICHAEL J. COLLINS 247 KING GEORGE STREET ANNAPOLIS, MD 21402	REGIONAL TRUSTEE 2.00	0.	0.	0.
LEO V. WILLIAMS III 247 KING GEORGE STREET ANNAPOLIS, MD 21402	SELECTED TRUSTEE 2.00	0.	0.	0.
JEROME F. SMITH, JR. 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
VICTOR DELANO 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
FRANCIS R. DONOVAN 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
ANDREW J. FIELDER 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
PERRY J. MARTINI JR. 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
INGAR A. GREV 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
JOSEPH L. MORENO 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CLASS TRUSTEE 2.00	0.	0.	0.
STEPHEN E. FREDERICK 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
RICHARD R. PACE 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.

U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, I

52-0548411

WILLIAM L. RUCH III 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
RUSSELL A. PUPPE 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
PIERCE J. JOHNSON 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
DAVID PADDOCK 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
ERIK C. WOODS 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
JAMES M. BETHMANN 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
GLENN H. MONTGOMERY 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
WALTER S. DRAPER IV 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
LAWRENCE S. STOVALL II 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
WILLIAM T.R. BOGLE 247 KING GEORGE STREET ANNAPOLIS, MD 21402	CHAPTER TRUSTEE 2.00	0.	0.	0.
TIMOTHY KOBOSKO 247 KING GEORGE STREET ANNAPOLIS, MD 21402	VP INFORMATION SERVICES 30.00	55,324.	3,564.	0.
GERALDINE FARMER 247 KING GEORGE STREET ANNAPOLIS, MD 21402	COMPTROLLER 30.00	47,779.	3,655.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>624,842.</u>	<u>86,171.</u>	<u>0.</u>

FORM 990

PART V-A OFFICER COMPENSATION FROM
RELATED ORGANIZATIONS

STATEMENT 19

<u>OFFICER'S NAME</u>	<u>COMPENSATION</u>	<u>EMPLOYEE BENEFIT PLAN CONTRIBUTION</u>	<u>EXPENSE ACCOUNT</u>
GEORGE P. WATT, JR.	231,982.	45,367.	0.
<u>NAME OF RELATED ORGANIZATION</u>		<u>EMPLOYER ID NUMBER</u>	
U. S. NAVAL ACADEMY FOUNDATION, INC.		23-7003516	
<u>RELATIONSHIP BETWEEN ORGANIZATIONS</u>			
<u>RELATED EXEMPT ORGANIZATION</u>			

<u>OFFICER'S NAME</u>	<u>COMPENSATION</u>	<u>EMPLOYEE BENEFIT PLAN CONTRIBUTION</u>	<u>EXPENSE ACCOUNT</u>
HENRY J. SANFORD	103,465.	29,640.	0.
<u>NAME OF RELATED ORGANIZATION</u>		<u>EMPLOYER ID NUMBER</u>	
U. S. NAVAL ACADEMY FOUNDATION, INC.		23-7003516	
<u>RELATIONSHIP BETWEEN ORGANIZATIONS</u>			
<u>RELATED EXEMPT ORGANIZATION</u>			

<u>OFFICER'S NAME</u>	<u>COMPENSATION</u>	<u>EMPLOYEE BENEFIT PLAN CONTRIBUTION</u>	<u>EXPENSE ACCOUNT</u>
GERALDINE FARMER	58,396.	10,318.	
<u>NAME OF RELATED ORGANIZATION</u>		<u>EMPLOYER ID NUMBER</u>	
UNITED STATES NAVAL FOUNDATION, INC.		23-7003516	
<u>RELATIONSHIP BETWEEN ORGANIZATIONS</u>			
<u>RELATED EXEMPT ORGANIZATION</u>			

OFFICER'S NAME	COMPENSATION	EMPLOYEE BENEFIT PLAN CONTRIBUTION	EXPENSE ACCOUNT
TIMOTHY KOBOSKO	67,618.	4,356.	
NAME OF RELATED ORGANIZATION		EMPLOYER ID NUMBER	
UNITED STATES NAVAL FOUNDATION, INC.		23-7003516	
RELATIONSHIP BETWEEN ORGANIZATIONS			
RELATED EXEMPT ORGANIZATION			

FORM 990	PROGRAM SERVICE REVENUE				STATEMENT	20
DESCRIPTION	BUS CODE	UNRELATED BUSINESS INC	EXCL CODE	EXCLUDED AMOUNT	RELATED OR EXEMPT FUNC-TION INCOME	
PUBLICATIONS & ADVERTISING	541800	218,538.				
CAREER TRANSITION SERVICES					721,232.	
HOMECOMING & CONFERENCE FEES			01	88,542.		
LIFE MEMBER AMORTIZATION					257,513.	
TO FORM 990, PART VII, LINE 93		218,538.		88,542.	978,745.	

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 21

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
103	MISCELLANEOUS INCOME/FEES IN FURTHERANCE OF THE EXEMPT PURPOSE
93A	REGULAR PUBLICATIONS DISSEMINATE INFORMATION TO MEMBERS AND SUBSCRIBING NON-MEMBERS.
93B	SEASONAL MEETINGS PROVIDE JOB OPPORTUNITES FOR MEMBERS.
93D	AMORTIZATION OF LIFE MEMBERSHIP DEPOSIT PAID BY MIDSHIPMEN PRIOR TO GRADUATION.
94	DUES RECEIVED HELP FURTHER THE EXEMPT PURPOSE OF THE ASSOCIATION BY SUBSIDIZING COMMUNICATIONS, PUBLICATIONS, ALUMNI SERVICES, AND GIFTS TO THE U.S. NAVAL ACADEMY.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 22
PART III, LINE 3A

THE NAVAL ACADEMY ADMINISTERS THE SELECTION PROCESS USED TO DETERMINE THE QUALIFICATION OF RECIPIENTS TO RECEIVE SCHOLARSHIPS. THE ALUMNI ASSOCIATION DISTRIBUTES FUNDS BASED ON SELECTIONS MADE BY THE NAVAL ACADEMY.

SCHEDULE A OTHER INCOME STATEMENT 23

DESCRIPTION	2006 AMOUNT	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT
ROYALTIES	396,469.	690,988.	725,680.	719,240.
MISCELLANEOUS	104,102.	53,114.	49,767.	568,689.
FDN ANNUAL FUND	0.	0.	0.	910,120.
HOMECOMING/CONFERENCE FEES	114,088.	87,413.	78,691.	100,419.
TOTAL TO SCHEDULE A, LINE 22	614,659.	831,515.	854,138.	2,298,468.

Exempt Organization Business Income Tax Return

(and proxy tax under section 6033(e))

2007

Department of the Treasury
Internal Revenue Service (77)

For calendar year 2007 or other tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

Open to Public Inspection for
501(c)(3) Organizations Only

<input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 530(a) <input type="checkbox"/> 408A <input type="checkbox"/> 529(a)	Print or Type	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, INC. Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 247 KING GEORGE STREET City or town, state, and ZIP code ANNAPOLIS, MD 21402-5068	D Employer identification number (Employees' trust, see instructions for Block D on page 9.) 52-0548411 E Unrelated business activity codes (See instructions for Block E on page 9.) 485000 541800
C Book value of all assets at end of year 67,058,132.		F Group exemption number (see instructions for Block F.) G Check organization type <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

H Describe the organization's primary unrelated business activity. **SEE STATEMENT 24**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
 If "Yes," enter the name and identifying number of the parent corporation.

J The books are in care of **THE ASSOCIATION** Telephone number **410-295-4051**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales			
b Less returns and allowances c Balance	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4 a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5 45,933.	STMT 25	45,933.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11 218,538.	112,750.	105,788.
12 Other income (See instructions; attach schedule.) STATEMENT 26	12 71,939.		71,939.
13 Total. Combine lines 3 through 12	13 336,410.	112,750.	223,660.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.)
 (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14	
15 Salaries and wages	15	
16 Repairs and maintenance	16	
17 Bad debts	17	
18 Interest (attach schedule)	18	
19 Taxes and licenses	19	3,225.
20 Charitable contributions (See instructions for limitation rules.) SEE STATEMENT 27	20	2,247.
21 Depreciation (attach Form 4562)	21	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23 Depletion	23	
24 Contributions to deferred compensation plans	24	
25 Employee benefit programs	25	
26 Excess exempt expenses (Schedule I)	26	
27 Excess readership costs (Schedule J)	27	105,788.
28 Other deductions (attach schedule) SEE STATEMENT 28	28	70,856.
29 Total deductions. Add lines 14 through 28	29	182,116.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	41,544.
31 Net operating loss deduction (limited to the amount on line 30)	31	20,323.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	21,221.
33 Specific deduction (Generally \$1,000, but see instructions for exceptions)	33	1,000.
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	20,221.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation.
 Controlled group members (sections 1561 and 1563) check here See instructions and:
a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ _____ (2) \$ _____ (3) \$ _____
b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____
 (2) Additional 3% tax (not more than \$100,000) \$ _____
c Income tax on the amount on line 34 **35c** 3,033.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from:
 Tax rate schedule or Schedule D (Form 1041) **36** _____
37 Proxy tax. See instructions **37** _____
38 Alternative minimum tax **38** _____
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies **39** 3,033.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) **40a** _____
b Other credits (see instructions) **40b** _____
c General business credit. Check here and indicate which forms are attached:
 Form 3800 Form(s) (specify) _____ **40c** _____
d Credit for prior year minimum tax (attach Form 8801 or 8827) **40d** _____
e Total credits. Add lines 40a through 40d **40e** _____
41 Subtract line 40e from line 39 **41** 3,033.
42 Other taxes. Check if from: Form 4255 Form 8611 Form 8697 Form 8866 Other (attach schedule) **42** _____
43 Total tax. Add lines 41 and 42 **43** 3,033.
44a Payments: A 2006 overpayment credited to 2007 **44a** _____
b 2007 estimated tax payments **44b** _____
c Tax deposited with Form 8868 **44c** 6,000.
d Foreign organizations: Tax paid or withheld at source (see instructions) **44d** _____
e Backup withholding (see instructions) **44e** _____
f Other credits and payments: Form 2439 Form 4136 Other _____ Total **44f** _____
45 Total payments. Add lines 44a through 44f **45** 6,000.
46 Estimated tax penalty (see instructions). Check if Form 2220 is attached **46** _____
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed **47** _____
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid **48** 2,967.
49 Enter the amount of line 48 you want: Credited to 2008 estimated tax 2,967. Refunded **49** 0.

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2007 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here **Yes** **No**

2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. **Yes** **No**

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

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

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

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

Sign Here
 Signature of officer: *Henry Laford* Date: *12/20/2009* Title: **CFO AND TREASURER**
 May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Preparer's Use Only
 Preparer's signature: *Susan Keller* Date: *2/13/09* Check if self-employed Preparer's SSN or PTIN: **P00245169**
 Firm's name (or yours if self-employed), address, and ZIP code: **RSM MCGLADREY, INC. 1954 GREENSPRING DRIVE, SUITE 400 TIMONIUM, MARYLAND 21093**
 EIN: **41-1944416** Phone no.: **(410) 308-5600**

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instr. on pg 20)

1 Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A)		Total deductions. Enter here and on page 1, Part I, line 6, column (B)
0.		0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 20)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals			0.	0.
Total dividends-received deductions included in column 8			0.	0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 21)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).	
Totals			0.	0.	

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions on page 22)

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

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions on page 22)

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

Schedule J - Advertising Income (see instructions on page 22)

Part I Income From Periodicals Reported on a Consolidated Basis

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

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

(1) SHIPMATE	218,538.	112,750.	105,788.	11,450.	849,079.	105,788.
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	218,538.	112,750.				105,788.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total			0.

FORM 990-T DESCRIPTION OF ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY STATEMENT 24

ADVERTISING IN ASSOCIATION PUBLICATION AND TRAVEL TOUR COMMISSIONS.

TO FORM 990-T, PAGE 1

FORM 990-T INCOME (LOSS) FROM PARTNERSHIPS STATEMENT 25

DESCRIPTION	AMOUNT
HIRTLE CALLAGHAN PRIVATE EQUITY FUND III, LP	24,166.
HIRTLE CALLAGHAN PRIVATE EQUITY FUND IV, LP	54.
4251 MARY ELLEN, LTD	10,269.
19039 NORDHOFF, LTD	2,791.
VINELAND & BLOOMFIELD, LTD	2,149.
DEERING, LTD	6,790.
TIFF PRIVATE EQUITY PARTNERS 2006, LLC	-127.
TIFF REALTY & RESOURCES, LLC	-159.
TOTAL TO FORM 990-T, PAGE 1, LINE 5	45,933.

FORM 990-T OTHER INCOME STATEMENT 26

DESCRIPTION	AMOUNT
TRAVEL COMMISSIONS	71,939.
TOTAL TO FORM 990-T, PAGE 1, LINE 12	71,939.

FORM 990-T CONTRIBUTIONS STATEMENT 27

DESCRIPTION/KIND OF PROPERTY	METHOD USED TO DETERMINE FMV	AMOUNT
CONTRIBUTION CARRYOVER FROM 2007	N/A	4,815,560.
CONTRIBUTION CARRYOVER FROM 2006	N/A	1,980,626.
CONTRIBUTION CARRYOVER FROM PRIOR YEARS	N/A	3,882,935.
TOTAL TO FORM 990-T, PAGE 1, LINE 20		10,679,121.

FORM 990-T

OTHER DEDUCTIONS

STATEMENT 28

DESCRIPTIONAMOUNT

HOST/HOSTESS EXP	40,679.
PROMOTIONAL SUPPLIES/EVENTS	1,108.
POSTAGE/MAILINGS	5,110.
SALARY & BENEFITS EXPENSE	21,164.
OFFICE SUPPLIES	1,719.
MICELLANEOUS	76.
PROFESSIONAL FEES	1,000.
TOTAL TO FORM 990-T, PAGE 1, LINE 28	70,856.

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

FORM 990-T

2007

Name **U.S. NAVAL ACADEMY ALUMNI ASSOCIATION, INC.**

Employer identification number
52-0548411

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Required Annual Payment

1 Total tax (see instructions)		1	3,033.
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c Credit for Federal tax paid on fuels (see instructions)	2c		
d Total. Add lines 2a through 2c		2d	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty		3	3,033.
4 Enter the tax shown on the corporation's 2006 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5		4	
5 Required annual payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	3,033.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	10/15/07	12/15/07	03/15/08	06/15/08
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Sch A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column.	10				
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11				
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				
13 Add lines 11 and 12	13				
14 Add amounts on lines 16 and 17 of the preceding column	14				
15 Subtract line 14 from line 13. If zero or less, enter -0-	15				
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16				
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17				
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2007 and before 1/1/2008	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 8\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 12/31/2007 and before 4/1/2008	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{366}$	24	\$	\$	\$
25 Number of days on line 20 after 3/31/2008 and before 7/1/2008	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times \%}{366}$	26	\$	\$	\$
27 Number of days on line 20 after 6/30/2008 and before 10/1/2008	27			
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times \%}{366}$	28	\$	\$	\$
29 Number of days on line 20 after 9/30/2008 and before 1/1/2009	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{366}$	30	\$	\$	\$
31 Number of days on line 20 after 12/31/2008 and before 2/16/2009	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	33	\$	\$	\$
34 Penalty. Add columns (a) through (d) of line 33. Enter the total here and on Form 1120; line 33; or the comparable line for other income tax returns	34	\$		0.

* For underpayments paid after March 31, 2008: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Schedule A Adjusted Seasonal Installment Method and Annualized Income Installment Method (see instructions)

Form 1120S filers: For lines 1, 2, 3, and 21, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a), whichever applies.

Part I - Adjusted Seasonal Installment Method (Caution: Use this method only if the base period percentage for any 6 consecutive months is at least 70%. See instructions.)

		(a)	(b)	(c)	(d)
		First 3 months	First 5 months	First 8 months	First 11 months
1	Enter taxable income for the following periods:				
a	Tax year beginning in 2004				
b	Tax year beginning in 2005				
c	Tax year beginning in 2006				
2	Enter taxable income for each period for the tax year beginning in 2007. (see instructions for the treatment of extraordinary items).				
3	Enter taxable income for the following periods:	First 4 months	First 6 months	First 9 months	Entire year
a	Tax year beginning in 2004				
b	Tax year beginning in 2005				
c	Tax year beginning in 2006				
4	Divide the amount in each column on line 1a by the amount in column (d) on line 3a.				
5	Divide the amount in each column on line 1b by the amount in column (d) on line 3b.				
6	Divide the amount in each column on line 1c by the amount in column (d) on line 3c.				
7	Add lines 4 through 6.				
8	Divide line 7 by 3.0.				
9a	Divide line 2 by line 8.				
b	Extraordinary items (see instructions).				
c	Add lines 9a and 9b.				
10	Figure the tax on the amt on ln 9c using the instr for Form 1120, Sch J, ln 2 (or comparable ln of corp's return).				
11a	Divide the amount in columns (a) through (c) on line 3a by the amount in column (d) on line 3a.				
b	Divide the amount in columns (a) through (c) on line 3b by the amount in column (d) on line 3b.				
c	Divide the amount in columns (a) through (c) on line 3c by the amount in column (d) on line 3c.				
12	Add lines 11a through 11c.				
13	Divide line 12 by 3.0.				
14	Multiply the amount in columns (a) through (c) of line 10 by columns (a) through (c) of line 13. In column (d), enter the amount from line 10, column (d).				
15	Enter any alternative minimum tax for each payment period (see instructions).				
16	Enter any other taxes for each payment period (see instr)				
17	Add lines 14 through 16.				
18	For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions).				
19	Total tax after credits. Subtract line 18 from line 17. If zero or less, enter -0-.				

Part II - Annualized Income Installment Method

		(a)	(b)	(c)	(d)
		First <u>2</u> months	First <u>3</u> months	First <u>6</u> months	First <u>9</u> months
20 Annualization periods (see instructions).	20				
21 Enter taxable income for each annualization period (see instructions for the treatment of extraordinary items).	21				
22 Annualization amounts (see instructions).	22	6.000000	4.000000	2.000000	1.333333
23a Annualized taxable income. Multiply line 21 by line 22.	23a				
b Extraordinary items (see instructions)	23b				
c Add lines 23a and 23b.	23c				
24 Figure the tax on the amount on line 23c using the instructions for Form 1120, Schedule J, line 2 (or comparable line of corporation's return).	24				
25 Enter any alternative minimum tax for each payment period (see instructions).	25				
26 Enter any other taxes for each payment period (see instr)	26				
27 Total tax. Add lines 24 through 26.	27				
28 For each period, enter the same type of credits as allowed on Form 2220, lines 1 and 2c (see instructions).	28				
29 Total tax after credits. Subtract line 28 from line 27. If zero or less, enter -0-.	29				
30 Applicable percentage.	30	25%	50%	75%	100%
31 Multiply line 29 by line 30.	31				

Part III - Required Instalments

		1st	2nd	3rd	4th
		installment	installment	installment	installment
Note: Complete lines 32 through 38 of one column before completing the next column.					
32 If only Part I or Part II is completed, enter the amount in each column from line 19 or line 31. If both parts are completed, enter the smaller of the amounts in each column from line 19 or line 31.	32	0.	0.	0.	0.
33 Add the amounts in all preceding columns of line 38 (see instructions).	33				
34 Adjusted seasonal or annualized income installments. Subtract line 33 from line 32. If zero or less, enter -0-.	34				
35 Enter 25% of line 5 on page 1 of Form 2220 in each column. Note: "Large corporations," see the instructions for line 10 for the amounts to enter.	35	758.	759.	758.	758.
36 Subtract line 38 of the preceding column from line 37 of the preceding column.	36		758.	1,517.	2,275.
37 Add lines 35 and 36.	37	758.	1,517.	2,275.	3,033.
38 Required installments. Enter the smaller of line 34 or line 37 here and on page 1 of Form 2220, line 10 (see instructions).	38	0.	0.	0.	0.

Form 2220 (2007)

**** ANNUALIZED INCOME INSTALLMENT METHOD USING STANDARD OPTION**