

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2008

Open to Public Inspection

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

A For the 2008 calendar year, or tax year beginning 01-01-2008 and ending 12-31-2008

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 NATIONAL RURAL ELECTRIC COOPERATIVE		D Employer identification number 53-0116145
		Doing Business As		E Telephone number (703) 907-5882
		Number and street (or P O box if mail is not delivered to street address) Room/suite 4301 Wilson Boulevard	G Gross receipts \$ 135,797,527	
		City or town, state or country, and ZIP + 4 Arlington, VA 222031860		
F Name and address of Principal Officer Glenn English 4301 Wilson Boulevard Arlington, VA 22203		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list See instructions) H(c) Group Exemption Number ▶		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (6) ◀ (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Web site: ▶ nreca coop		
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> trust <input type="checkbox"/> association <input type="checkbox"/> other ▶		L Year of Formation 1942	M State of legal domicile DC	

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities Membership association dedicated to representing the national interests of cooperative electric utilities and the consumers they serve NRECA has more than 900 member cooperatives that serve 42 million consumers in 47 states		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	47
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	47
	5 Total number of employees (Part V, line 2a)	5	746
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	2,118,360
b Net unrelated business taxable income from Form 990-T, line 34	7b	495,912	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	500,000	500,000
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	105,110,703	114,511,457
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	739,038	346,552
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	10,875,726	12,611,377
		117,225,467	127,969,386
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)		0
	14 Benefits paid to or for members (Part IX, column (A), line 4)		0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	73,153,637	82,092,769
	16a Professional fundraising fees (Part IX, column (A), line 11e)		0
	b (Total fundraising expenses, Part IX, column (D), line 25 ⁰)		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	46,618,800	46,791,797
18 Total expenses—add lines 13–17 (must equal Part IX, line 25, column (A))	119,772,437	128,884,566	
19 Revenue less expenses Subtract line 18 from line 12	-2,546,970	-915,180	
Net Assets or Fund Balances		Beginning of Year	End of Year
	20 Total assets (Part X, line 16)	148,508,756	145,849,462
	21 Total liabilities (Part X, line 26)	74,991,213	72,131,919
22 Net assets or fund balances Subtract line 21 from line 20	73,517,543	73,717,543	

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

Please Sign Here

Signature of officer: _____ Date: 2009-11-13

Patrick Goffre Exec VP Internal Services
Type or print name and title

Paid Preparer's Use Only	Preparer's signature ▶	Date	Check if self-employed <input type="checkbox"/>	Preparer's PTIN (See Gen Inst)
	Firm's name (or yours if self-employed), address, and ZIP + 4			EIN ▶
				Phone no ▶

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

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

1 Briefly describe the organization's mission
See Additional Data Table

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No
If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting or make significant changes in how it conducts any program services? Yes No
If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and (4) organizations and 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 \$ 0 including grants of \$ 0) (Revenue \$ 0)
Regulatory & Legislative NRECA provides legal and support services to members related to compliance and regulatory issues. In addition, NRECA conveys to members of Congress and their staffs, federal agencies and the Administration the views of the 42 million consumers-members serviced by rural electric cooperatives, as well as keeping our membership involved with the legislative process

4b (Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
Consulting, Training & Conferences NRECA provides members with essential industry specific training and consulting to assist with director, manager, and employee training, organizational and process improvements, and industry and technological changes, along with conferences for membership meetings, collaboration and networking

4c (Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
Multiple Employer Benefit Plan Administration NRECA provides plan administration services on a cost reimbursable basis to three multiple employer benefit programs in which NRECA member cooperatives can participate. They consist of two retirement programs, the Retirement Security Program, which is a defined benefit pension plan, and the NRECA 401(k) Pension Plan, which is a defined contribution pension plan. These two plans serve more than 60,000 active and retired employees of NRECA member cooperatives. The third plan is the Group Benefits Trust, which provides medical, dental, vision, disability, life, travel and accident insurance to NRECA member cooperatives. The RS and 401(k) pension plans are exempt from income taxes under IRS section 401 and the Group Benefits Trust is exempt under IRS Section 501(c)(9)






(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
Strategic Initiatives To provide our membership with strategies in dealing with such important issues as retail wheeling, cooperative formation, takeover prevention, benchmarking, etc

(Code) (Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)
Cooperative Research Network Provide a comprehensive research and development program addressing the unique needs of rural electric cooperatives

4d Other program services (Describe in Schedule O)
(Expenses \$ 0 including grants of \$ 0) (Revenue \$ 0)

4e Total program service expenses \$ 0 Must equal Part IX, Line 25, column (B).

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		No
2 Is the organization required to complete Schedule B, Schedule of Contributors?		No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>		
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i> 	Yes	
6 Did the organization maintain any donor advised funds or any accounts where 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>		No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		No
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> 	Yes	
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		No
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i> 	Yes	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII</i> 	Yes	
13 Is the organization a school as described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the U S ?		No
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? <i>If "Yes," complete Schedule F, Part I</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>		No
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If "Yes," complete Schedule G, Part I</i>		No
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No
20 Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>		No
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		No
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		No
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? <i>If "Yes," complete Schedule J</i> 	Yes	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25</i>		No
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If "Yes," complete Schedule L, Part I</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		No
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>		No

Part IV Checklist of Required Schedules *(Continued)*

		Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If "Yes," complete Schedule L, Part IV</i>		No
b	Have a family member who had a direct or indirect business relationship with the organization? <i>If "Yes," complete Schedule L, Part IV</i>		No
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If "Yes," complete Schedule L, Part IV</i>	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	Yes	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	Yes	
36	501(c)(3) organizations Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
37	Did the organization conduct more than 5 percent 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>		No

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, <i>Annual Summary and Transmittal of U.S. Information Returns</i> . Enter -0- if not applicable		
	1a 227		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return		
	2a 746		
b	If at least one is reported in 2a, did the organization file all required federal employment tax returns? Note: If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return.	Yes	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	Yes	
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
b	If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts .		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
c	If "Yes," to 5a or 5b, did the organization file Form 8886-T, <i>Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction</i> ?		
6a	Did the organization solicit any contributions that were not tax deductible?		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	<i>Organizations that may receive deductible contributions under section 170(c).</i>		
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of \$75 or more?		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
d	If "Yes," indicate the number of Forms 8282 filed during the year		
	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</i> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	<i>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</i>		
a	Did the organization make any taxable distributions under section 4966?		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	<i>Section 501(c)(7) organizations.</i> Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	<i>Section 501(c)(12) organizations.</i> Enter		
a	Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
12a	<i>Section 4947(a)(1) non-exempt charitable trusts.</i> Is the organization filing Form 990 in lieu of Form 1041?		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
	12b		

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

For each "Yes" response to lines 2-7 below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

		Yes	No
1a	Enter the number of voting members of the governing body		
1b	Enter the number of voting members that are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a material diversion of the organization's assets?		No
6	Does the organization have members or stockholders?	Yes	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	Yes	
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	the governing body?	Yes	
8b	each committee with authority to act on behalf of the governing body?	Yes	
9a	Does the organization have local chapters, branches, or affiliates?		No
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	Yes	
11	Is there any officer, director or 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		No

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No", go to line 13	Yes	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	Yes	
13	Does the organization have a written whistleblower policy?	Yes	
14	Does the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
15a	The organization's CEO, Executive Director, or top management official?	Yes	
15b	Other officers or key employees of the organization? Describe the process in Schedule O	Yes	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable Federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

- 17** List the States with which a copy of this Form 990 is required to be filed VA
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 own website another's website upon request
- 19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 Veneicia Lockhart
 4301 Wilson Blvd
 Arlington, VA 222031860
 (703) 907-5960

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

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

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

* 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, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

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

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

Check this box if the organization did not compensate any officer, director, trustee or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099MISC)	(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			
Vernon Brinkley , Board Member	3	X					13,800	0	0
Edward Garcia , Board Member	9	X					14,400	0	0
Ronald Bergh , Director	5	X					19,800	0	0
Joe Bongiovanni , Board Member	4	X					14,400	0	0
Michael Gudry , Secretary-Treasurer	9	X		X			30,600	0	0
Angus Hastings , Board Member	4	X					14,400	0	0
Clarence Keller , Board Member	4	X					4,100	0	12,100
Robert Kretzschmar , Board Member	4	X					3,800	0	11,800
Donald Lnk , Board Member	5	X					0	0	19,150
Michael Miller , Board Member	4	X					0	0	0
Galen Mills , Board Member	3	X					0	0	10,950
Curtis Nolan , Board Member	5	X					17,850	0	2,100
Robert Occhi , Board Member	4	X					17,400	0	0
Dennis Esaki , Board Member	4	X					18,000	0	0
Larry Elkins , Board Member	4	X					16,800	0	0
Mel Coleman , Board Member	4	X					14,400	0	0
Jerry Palmer , Board Member	1	X					3,600	0	0
Ryall Stewart , Board Member	1	X					2,400	0	0
M LaDon Torgersen , Board Member	4	X					17,400	0	0
Carl Widdowson , Board Member	4	X					16,200	0	0
Jack Wolfe Jr , President	12	X		X			46,800	0	0
Max Ott , Board Member	3	X					0	0	0
Lanny Rodgers , Board Member	5	X					9,200	0	10,000
Phil Carson , Board Member	3	X					10,800	0	0
Ronald Osterhout , Board Member	4	X					15,900	0	0
Charles Dawsey , Board Member	5	X					13,800	0	0
Don McQuitty , Board Member	3	X					12,000	0	0
Gary Potter , Board Member	3	X					13,200	0	0
Christian Nygaard , Board Member	4	X					17,400	0	0
James Springs , Board Member	6	X					23,363	0	1,237
Guadalupe Vega , Board Member	4	X					15,300	0	0
Joe Webb , Board Member	1	X					4,800	0	0
F E Wolski , Vice President	10	X		X			42,000	0	0
Thomas Madsen , Board Member	4	X					16,600	0	1,400
Gail Paine , Board Member	3	X					6,800	0	4,000
Mark Hofer , Board Member	5	X					16,200	0	0
Martin Anderson , Board Member	4	X					0	0	15,000
Dean C Belt , Board Member	3	X					12,600	0	0
Bryan Wolfe , Board Member	4	X					9,000	0	0
Anthony Anderson , Director	3	X					12,000	0	0
Raymond Cloud , Director	3	X					12,900	0	0
Roy Friedersdorf , Director	3	X					7,800	0	0
Tom McQuiston , Director	2	X					6,600	0	0
Russell Nielsen , Director	3	X					13,800	0	0
Scott Hallowell , Director	3	X					7,200	0	0
Perry Rubart , Director	3	X					1,800	0	12,000
Ronald Schwartz , Director	3	X					3,300	0	10,500
CB Sharp , Director	2	X					7,200	0	0
Ronald Springsteel , Director	3	X					10,800	0	0
Curtis Wynn , Director	4	X					15,000	0	0
Scott Braeger , Director	1	X					3,000	0	0
Tom Breininger , Director	1	X					3,600	0	0
James Dean , Director	1	X					4,800	0	0
Nancy Moyle , Director	1	X					2,400	0	0
Darrell Powell , Director	1	X					3,600	0	0
Glenn L English , Exec Director/CEO	50			X			1,493,235	0	467,506
Patrick E Gioffre , Exec VP, Internal Services	53			X			485,683	0	317,611
Martin Lowery , Exec VP, External Affairs	49				X		380,064	0	212,202
James Bausell , VP, Business Development	45				X		226,284	0	76,372
Stephen Guth , VP, Vendor Management	50				X		197,357	0	26,119
Lauren Haywood , VP, Marketing	40				X		221,142	0	50,689
Paul Hvidding , VP, Human Resources	44				X		212,859	0	84,087
Kirk Johnson , VP, Environmental Issues	49				X		233,135	0	44,753
Veneicia Lockhart , VP, Finance	49				X		169,627	0	66,262
Monosj Mazumdar , VP, Retirement Programs & Services	40				X		152,927	0	1,805
Alexander McKelway , VP, Communications	50				X		180,786	0	57,052
Mary McLauri , VP, Education and Training	40				X		195,631	0	76,837
Peter Morris , VP and Chief Investment Officer	40				X		624,004	0	199,897
S Nelson , VP, Insurance Services	40				X		325,290	0	58,258
Stephen Sanker , VP IFS Marketing and Member Services	52				X		215,299	0	71,523
Monica Schmidt , VP National Consulting Group	53				X		201,122	0	60,557
Danielle Sieverling , VP, MAS CCO	48				X		187,396	0	36,157
Scott Spencer , Senior VP IFS	70				X		340,856	0	122,418
Thomas Stangroom , VP and CIO	51				X		308,719	0	95,497
Dena Stoner , VP Government Relations	64				X		275,242	0	105,457
Wallace Tillman , VP, Energy Policy and General Counsel	40				X		279,750	0	98,564
John Wade , VP, Retirement Programs	42				X		232,884	0	109,008
Mark Ashton , Portfolio Manager	40					X	312,411	0	64,964
Stuart Teach , Senior Equity Portfolio Manager	40					X	774,739	0	121,541
Douglas Kern , Senior Fixed Income Portfolio Manager	40					X	328,038	0	115,164
Charles Penry , Associate Director Government Relations	52					X	277,658	0	86,629
Daniel Sharpe , Director and Regional Managing Field Rep	40					X	215,018	0	53,989
Milo Gilbertson , Former Director	0					X	15,997	0	0

Part VII Continued

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099MISC)	(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			
1b Total							9,704,066	0	2,991,155	

2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization **▶** 180

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

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
Danielle Corbin 7400 Nathaniel Drive Mount Airy, MD 21771	Magazine advertising sales	383,385
Ralph Graves Production 15914 Indianola Drive Rockville, MD 20855	Convention services	312,032
Spherion Atlantic Enterprises 2050 Spectrum Blvd Ft Lauderdale, FL 33309	Temporary staffing services	235,259
Miller Balis and ONeill PC 1015 15th Street NW Washington DC, DC 20005	Legal services	233,881
Tom Lovas 5840 Azalea Drive Anchorage, AK 99516	Consulting services	181,509

2 Total number of independent contractors (including those in 1) who received more than \$100,000 in compensation from the organization **▶** 8

Part VIII Statement of Revenue

			(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns 1a	0				
	b	Membership dues	0				
	c	Fundraising events 1b	0				
	d	Related organizations 1c	0				
	e	Government grants (contributions) 1d	0				
	f	All other contributions, gifts, grants, and similar amounts not included above 1e	500,000				
	g	Noncash contributions included in lines 1a-1f \$ 1f	0				
	h	Total (Add lines 1a-1f)	500,000				
Program Service Revenue	2a	Trust reimbursed costs	524,292	70,379,673	70,379,673	0	
	b	Training and professional services	541,900	7,390,266	7,390,266	0	
	c	Magazine advertising	511,120	1,914,362	0	1,914,362	
	d	Membership dues	900,099	26,368,148	26,368,148	0	
	e	Publication subscriptions	511,120	1,682,117	1,682,117	0	
	f	All other program service revenue		6,776,891	6,776,891	0	
	g	Total. Add lines 2a-2f					
		▶ \$ 114,511,457					
Other Revenue	3	Investment income (including dividends, interest other similar amounts)	346,552	0	0	346,552	
	4	Income from investment of tax-exempt bond proceeds	0	0	0	0	
	5	Royalties	203,998	0	203,998	0	
	6a	Gross Rents	(i) Real	13,157,625			
			(ii) Personal	0			
			Less rental expenses	7,828,141			
			Rental income or (loss)	5,329,484			
	d	Net rental income or (loss)	5,329,484	0	0	5,329,484	
	7a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
			Less cost or other basis and sales expenses				
			Gain or (loss)	0	0		
d	Net gain or (loss)						
8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 Attach Schedule G if total exceeds \$15,000 a	0					
b	Less direct expenses b						
c	Net income or (loss) from fundraising events						
9a	Gross income from gaming activities See part IV, line 19 Complete Schedule G if total exceeds \$15,000 a						
b	Less direct expenses b						
c	Net income or (loss) from gaming activities						
10a	Gross sales of inventory, less returns and allowances a						
		Less cost of goods sold b					
		Net income or (loss) from sales of inventory					
Miscellaneous Revenue		Business Code					
11a	Meetings and conferences	541,900	7,077,895	0	0	7,077,895	
b							
c							
d	All other revenue _____		0	0	0	0	
e	Total. Add lines 11a-11d	\$ 7,077,895					
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		127,969,386	112,597,095	2,118,360	12,753,931	

Part IX Statement of Functional Expenses

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

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21				
2 Grants and other assistance to individuals in the U S See Part IV, line 22				
3 Grants and other assistance to governments, organizations and individuals outside the U S See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,859,397			
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	52,702,862			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,098,751			
9 Other employee benefits	8,316,372			
10 Payroll taxes	4,115,387			
11 Fees for services (non-employees)				
a Management	581,342			
b Legal	1,043,317			
c Accounting	45,611			
d Lobbying	978,720			
e Professional fundraising See Part IV, line 17	0			
f Investment management fees	0			
g Other	7,619,330			
12 Advertising and promotion	841,438			
13 Office expenses	4,881,883			
14 Information technology	592,934			
15 Royalties	0			
16 Occupancy	2,061,592			
17 Travel	6,420,262			
18 Payments of travel or entertainment expenses for any Federal, state or local public officials	0			
19 Conferences, conventions and meetings	4,318,298			
20 Interest	75,159			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	3,768,329			
23 Insurance	213,515			
24 Other expenses—Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a Printing and artwork	2,780,449			
b Equipment maintenance	2,707,409			
c Research	2,532,700			
d Contracted and temporary personnel	1,002,697			
e Unrelated business income taxes	253,382			
f All other expenses	4,073,430			
25 Total functional expenses. Add lines 1 through 24f	128,884,566	0	0	0
26 Joint Costs. Check <input type="checkbox"/> if following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A)		(B)	
		Beginning of year		End of year	
Assets	1 Cash—non-interest-bearing	643,136	1	651,745	
	2 Savings and temporary cash investments	22,113,378	2	11,641,921	
	3 Pledges and grants receivable, net	0	3		
	4 Accounts receivable, net	7,631,669	4	7,724,076	
	5 Receivables from current and former officers, directors, trustees, key employees or other related parties <i>Complete Part II of Schedule L</i>	0	5		
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <i>Complete Part II of Schedule L</i>	0	6		
	7 Notes and loans receivable, net	0	7		
	8 Inventories for sale or use	87,066	8	156,596	
	9 Prepaid expenses and deferred charges	5,439,391	9	6,993,411	
	10a Land, buildings, and equipment cost basis	10a 130,956,195			
	b Less accumulated depreciation <i>Complete Part VI of Schedule D</i>	10b 34,765,122	87,073,673	10c	96,191,073
	11 Investments—publicly traded securities	109,416	11	105,567	
	12 Investments—other securities See Part IV, line 11 <i>Complete Part VII of Schedule D</i>	10,550,952	12	12,691,953	
	13 Investments—program-related See Part IV, line 11 <i>Complete Part VIII of Schedule D</i>		13		
	14 Intangible assets		14		
	15 Other assets See Part IV, line 11 <i>Complete Part IX of Schedule D</i>	14,860,075	15	9,693,120	
16 Total assets. Add lines 1 through 15 (must equal line 34)	148,508,756	16	145,849,462		
Liabilities	17 Accounts payable and accrued expenses	15,505,755	17	15,481,898	
	18 Grants payable	0	18	0	
	19 Deferred revenue	17,728,386	19	19,279,219	
	20 Tax-exempt bond liabilities	0	20		
	21 Escrow account liability <i>Complete Part IV of Schedule D</i>	104,350	21	131,850	
	22 Payable to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons <i>Complete Part II of Schedule L</i>	0	22		
	23 Secured mortgages and notes payable to unrelated third parties	9,565,750	23	9,353,267	
	24 Unsecured notes and loans payable		24		
	25 Other liabilities <i>Complete Part X of Schedule D</i>	32,086,972	25	27,885,685	
	26 Total liabilities. Add lines 17 through 25	74,991,213	26	72,131,919	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets		27		
	28 Temporarily restricted net assets		28		
	29 Permanently restricted net assets		29		
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds	0	30	0	
	31 Paid-in or capital surplus, or land, building or equipment fund	0	31	0	
	32 Retained earnings, endowment, accumulated income, or other funds	73,517,543	32	73,717,543	
33 Total net assets or fund balances	73,517,543	33	73,717,543		
34 Total liabilities and net assets/fund balances	148,508,756	34	145,849,462		

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> cash <input checked="" type="checkbox"/> accrual <input type="checkbox"/> other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
2b	Were the organization's financial statements audited by an independent accountant?	Yes	
2c	If "Yes" to lines 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?	Yes	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
3b	If "Yes," did the organization undergo the required audit or audits?	Yes	

Additional Data

Software ID:

Software Version:

EIN: 53-0116145

Name: NATIONAL RURAL ELECTRIC COOPERATIVE

Form 990, Part VIII - Statement of Revenue - 2a - 2g Program Service Revenue -

	Business Code	(A) Total Revenue	(B) Related or Exempt Function Revenue	(C) Unrelated Business Revenue	(D) Revenue Excluded from Tax under IRC 512, 513, or 514
a Trust reimbursed costs	524,292	70,379,673	70,379,673	0	0
b Training and professional services	541,900	7,390,266	7,390,266	0	0
c Magazine advertising	511,120	1,914,362	0	1,914,362	0
d Membership dues	900,099	26,368,148	26,368,148	0	0
e Publication subscriptions	511,120	1,682,117	1,682,117	0	0

Form 990, Part III, Line 1 - Briefly describe the organization's mission:

The National Rural Electric Cooperative Association (NRECA) is the service organization for 1,073 rural electric cooperatives, public power districts and public utility districts. NRECA's mission is to engage in the compilation and dissemination of information with respect to rural electrification and the furnishing of other services to rural electric cooperatives and others in connection with the coordination, advancement, and development of rural electrification in the United States of America, its territories and possessions, for the primary and mutual benefit of the members of the Association and their consumer members.

SCHEDULE C (Form 990 or 990-EZ)

Political Campaign and Lobbying Activities

OMB No 1545-0047

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

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

To be completed by organizations described below. Attach to Form 990 or Form 990-EZ

If the organization answered "Yes," to Form 990, Part IV, Line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities)

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

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

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

If the organization answered "Yes," to Form 990, Part IV, Line 5 (Proxy Tax)

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

Name of the organization NATIONAL RURAL ELECTRIC COOPERATIVE

Employer identification number

53-0116145

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations. (See the instructions for Schedule C for details.)

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV
2 Political expenditures \$
3 Volunteer hours

Part I-B To be completed by all organizations exempt under section 501(c)(3). (See the instructions for Schedule C for details.)

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

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3). (See the instructions for Schedule C for details.)

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities \$
2 Enter the amount of the filing organization's internal funds contributed to other organizations for section 527 exempt function activities \$
3 Total of direct and indirect exempt function expenditures Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b \$
4 Did the filing organization file Form 1120-POL for this year? Yes No
5 State the names, addresses and Employer Identification Number (EIN) of all section 527 political organizations to which payments were made

Table with 5 columns: (a) Name, (b) Address, (c) EIN, (d) Amount paid from filing organization's internal funds, (e) Amount of political contributions received and promptly and directly delivered to a separate political organization.

Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

- A** Check if the filing organization belongs to an affiliated group
- B** Check if the filing organization checked box A and "limited control" provisions apply

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

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 1a through 1f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line d, column (e))					
f Grassroots lobbying expenditures					

Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). (See the instructions for Schedule C for details.)

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

Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). (See the instructions for Schedule C for details.)

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

Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." (See the instructions for Schedule C for details.)

1 Dues, assessments and similar amounts from members	1 \$	26,368,148
2 Section 162(e) non-deductible lobbying and political expenditures <i>(do not include amounts of political expenses for which the section 527(f) tax was paid).</i>		
a Current Year	2a \$	5,465,000
b Carryover from last year	2b \$	24,777
c Total	2c \$	5,489,777
3 Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3 \$	8,308,603
4 If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4 \$	
5 Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5 \$	-2,818,826

Part IV Supplemental Information

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

Identifier	Return Reference	Explanation

SCHEDULE D (Form 990)

OMB No 1545-0047

Supplemental Financial Statements

2008

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

Name of the organization NATIONAL RURAL ELECTRIC COOPERATIVE

Employer identification number 53-0116145

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.

Table with 3 columns: Line number, (a) Donor advised funds, (b) Funds and other accounts. Rows 1-4.

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? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? Yes 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)
- Preservation of land for public use (e.g., recreation or pleasure)
- Protection of natural habitat
- Preservation of open space
- Preservation of an historically important land area
- Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06

Table with 2 columns: Line number, Held at the End of the Year. Rows 2a, 2b, 2c, 2d.

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

4 Number of states where property subject to conservation easement is located

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? Yes No

6 Staff or volunteer hours devoted to monitoring, inspecting and enforcing easements during the year

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

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

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

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

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

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

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

b Assets included in Form 990, Part X \$

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

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

- a** Public exhibition
- b** Scholarly research
- c** Preservation for future generations
- d** Loan or exchange programs
- e** Other

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

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, 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 why in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

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

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

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

- a** Board designated or quasi-endowment
- b** Permanent endowment
- c** Term endowment

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

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

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	0	10,809,143		10,809,143
b Buildings	0	80,529,602	14,458,648	66,070,954
c Leasehold improvements	0	13,662,422	2,344,831	11,317,591
d Equipment	0	25,955,028	17,961,643	7,993,385
e Other	0	0	0	0
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)				96,191,073

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
Financial derivatives and other financial products		C
Closely-held equity interests	11,864,646	C
Other Capital Term Certificates	827,307	C
Total. (Column (b) should equal Form 990, Part X, col (B) line 12) ▶	12,691,953	

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
Total. (Column (b) should 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
Deferred PSA expense	1,937,548
Patronage Capital Certificates	291,804
Deferred Compensation Fund (employees)	5,539,907
Tenant Escrow	131,850
Employee and Executive Option Purchase Plan	1,792,011
Total. (Column (b) should equal Form 990, Part X, col.(B) line 15.) ▶	9,693,120

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

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
Post retirement benefits other than pensions	13,268,610
Deferred Compensation Fund (employees)	5,539,907
Employee and Executive Option Purchase Plan	1,782,585
Cooperative Research Network restricted funds	7,175,089
Other restricted funds, miscellaneous	119,494
Total. (Column (b) should equal Form 990, Part X, col (B) line 25) ▶	27,885,685

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	127,969,386
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	128,884,566
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-915,180
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	1,115,180
9	Total adjustments (net) Add lines 4 - 8	9	1,115,180
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	200,000

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	162,671,023
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV)	2d	34,701,637
e	Add lines 2a through 2d	2e	34,701,637
3	Subtract line 2e from line 1	3	127,969,386
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	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c . (This should equal Form 990, Part I, line 12)	5	127,969,386

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

1	Total expenses and losses per audited financial statements	1	162,471,023
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Losses reported on Form 990, Part IX, line 25	2c	0
d	Other (Describe in Part XIV)	2d	33,586,457
e	Add lines 2a through 2d	2e	33,586,457
3	Subtract line 2e from line 1	3	128,884,566
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	0
b	Other (Describe in Part XIV)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c . (This should equal Form 990, Part I, line 18)	5	128,884,566

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 XIV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Identifier	Return Reference	Explanation
SchD_P04_S00_L02b	Schedule D, Part IV, Line 2b	Security deposits/escrow amounts are held for building tenants
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Net income of wholly owned and affiliated organizations
SchD_P10_S00_L00	Schedule D, Part X	NRECA adopted the provisions of FASB Interpretation No 48, Accounting for Uncertainty In Income Taxes, during the year ending December 31, 2007 For the period from NRECA's inception to December 31, 2008, no unrecognized tax provision or benefit exists
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	Revenue from subsidiaries and tenants
SchD_P13_S00_L02d	Schedule D, Part XIII, Line 2d	Expenses from subsidiaries, tenants, and other miscellaneous

Part XIV Supplemental Information*(continued)*

Identifier	Return Reference	Explanation
SchD_P04_S00_L02b	Schedule D, Part IV, Line 2b	Security deposits/escrow amounts are held for building tenants
SchD_P11_S00_L08	Schedule D, Part XI, Line 8	Net income of wholly owned and affiliated organizations
SchD_P10_S00_L00	Schedule D, Part X	NRECA adopted the provisions of FASB Interpretation No 48, Accounting for Uncertainty In Income Taxes, during the year ending December 31, 2007 For the period from NRECA's inception to December 31, 2008, no unrecognized tax provision or benefit exists
SchD_P12_S00_L02d	Schedule D, Part XII, Line 2d	Revenue from subsidiaries and tenants
SchD_P13_S00_L02d	Schedule D, Part XIII, Line 2d	Expenses from subsidiaries, tenants, and other miscellaneous

Schedule J
(Form 990)

Compensation Information

OMB No 1545-0047

2008

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL RURAL ELECTRIC COOPERATIVE

Employer identification number
53-0116145

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <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 checked="" type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input checked="" type="checkbox"/> Tax idemnification and gross-up payments</td> <td><input checked="" 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 checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence	<input checked="" type="checkbox"/> Tax idemnification and gross-up payments	<input checked="" 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 checked="" type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence									
<input checked="" type="checkbox"/> Tax idemnification and gross-up payments	<input checked="" 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)									
<p>b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain.</p>		No								
<p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?</p>	Yes									
<p>3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.</p> <table border="0"> <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 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 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 type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee									
<p>4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:</p> <p>a Receive a severance payment or change of control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p>	Yes									
<p>501(c)(3) and 501(c)(4) organizations only must complete lines 5-8.</p> <p>5 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," to line 5a or 5b, describe in Part III.</p>										
<p>6 For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," to line 6a or 6b, describe in Part III.</p>										
<p>7 For persons listed in form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p>										
<p>8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III.</p>										

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space 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) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a

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

Part III Supplemental Information

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

See Additional Data Table

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	Social Club dues NRECA pays \$1,500 for its CEO's membership to one social club. This expenditure is included in the budget approved by the NRECA Board of Directors. Travel for Companions. According to NRECA Board policy, the spouses of the President and CEO can accompany them on a trip where there will be official functions for which spouses are responsible. Tax indemnification and gross up payments. NRECA Grosses up payments made to staff under the Executive 401k Bonus Plan and on eligible relocation expenses.
SchJ_P01_S00_L01b	Schedule J, Part I, Line 1b	NRECA follows written policy except for social club dues. There is no written policy regarding paying for the CEO's membership to one social club, however, the Board does approve the expense.
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	S Nelson received a severance payment of \$125,791 in 2008. The following people participated in or received payment from NRECA's Executive Stock Option Plan: Mark Ashton (\$45,521), Pat Gioffre (\$5,340), Dena Stoner (\$6,780), and Stuart Teach (\$256,043).
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	

Software ID: 08000095
 Software Version: v1.00
 EIN: 53-0116145
 Name: NATIONAL RURAL ELECTRIC COOPERATIVE

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

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
Milo Gilbertson	(i) (ii)	0 0	0 0	0 0	15,997 0	0 0	15,997 0	0 0
James Bausell	(i) (ii)	223,843 0	200 0	2,241 0	61,178 0	15,194 0	302,656 0	0 0
Glenn L English	(i) (ii)	1,070,837 0	200 0	422,198 0	447,357 0	20,149 0	1,960,741 0	0 0
Patrick E Gioffre	(i) (ii)	464,209 0	200 0	21,274 0	297,638 0	19,973 0	803,294 0	0 0
Stephen Guth	(i) (ii)	184,959 0	2,700 0	9,698 0	23,973 0	2,146 0	223,476 0	0 0
Lauren Haywood	(i) (ii)	220,450 0	200 0	492 0	38,387 0	12,302 0	271,831 0	0 0
Paul Hvidding	(i) (ii)	205,796 0	1,700 0	5,363 0	81,943 0	2,144 0	296,946 0	0 0
Kirk Johnson	(i) (ii)	229,906 0	200 0	3,029 0	38,237 0	6,516 0	277,888 0	0 0
Veneicia Lockhart	(i) (ii)	168,107 0	950 0	570 0	44,513 0	21,749 0	235,889 0	0 0
Martin Lowery	(i) (ii)	366,698 0	200 0	13,166 0	191,975 0	20,227 0	592,266 0	0 0
Monosij Mazumdar	(i) (ii)	151,092 0	100 0	1,735 0	0 0	1,805 0	154,732 0	0 0
Alexander McKelway	(i) (ii)	180,019 0	200 0	567 0	46,881 0	10,171 0	237,838 0	0 0
Mary McLaury	(i) (ii)	194,441 0	200 0	990 0	58,212 0	18,625 0	272,468 0	0 0
Peter Morris	(i) (ii)	471,366 0	131,200 0	21,438 0	175,557 0	24,340 0	823,901 0	0 0
S Nelson	(i) (ii)	196,542 0	100 0	128,648 0	39,514 0	18,744 0	383,548 0	0 0
Stephen Sanker	(i) (ii)	213,482 0	700 0	1,117 0	49,209 0	22,314 0	286,822 0	0 0
Monica Schmidt	(i) (ii)	199,802 0	200 0	1,120 0	43,245 0	17,312 0	261,679 0	0 0
Danielle Sieverling	(i) (ii)	184,416 0	200 0	2,780 0	28,643 0	7,514 0	223,553 0	0 0
Scott Spencer	(i) (ii)	331,473 0	200 0	9,183 0	96,030 0	26,388 0	463,274 0	0 0
Thomas Stangroom	(i) (ii)	302,311 0	1,663 0	4,745 0	69,424 0	26,073 0	404,216 0	0 0
Dena Stoner	(i) (ii)	260,392 0	200 0	14,650 0	102,314 0	3,183 0	380,739 0	0 0
Mark Ashton	(i) (ii)	263,426 0	200 0	48,785 0	54,615 0	10,349 0	377,375 0	0 0
Stuart Teach	(i) (ii)	381,599 0	90,120 0	303,020 0	100,715 0	20,826 0	896,280 0	0 0
Wallace Tillman	(i) (ii)	261,702 0	200 0	17,848 0	75,234 0	23,330 0	378,314 0	0 0
John Wade	(i) (ii)	227,717 0	550 0	4,617 0	89,971 0	19,037 0	341,892 0	0 0
Douglas Kern	(i) (ii)	277,598 0	44,760 0	5,680 0	88,647 0	26,517 0	443,202 0	0 0
Charles Penry	(i) (ii)	275,112 0	200 0	2,346 0	75,906 0	10,723 0	364,287 0	0 0
Daniel Sharpe	(i) (ii)	124,028 0	200 0	90,790 0	41,935 0	12,054 0	269,007 0	0 0

Part III Supplemental Information

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

Identifier	Return Reference	Explanation
SchJ_P01_S00_L01a	Schedule J, Part I, Line 1a	Social Club dues NRECA pays \$1,500 for its CEO's membership to one social club. This expenditure is included in the budget approved by the NRECA Board of Directors. Travel for Companions According to NRECA Board policy, the spouses of the President and CEO can accompany them on a trip where there will be official functions for which spouses are responsible. Tax indemnification and gross up payments NRECA Grosses up payments made to staff under the Executive 401k Bonus Plan and on eligible relocation expenses.
SchJ_P01_S00_L01b	Schedule J, Part I, Line 1b	NRECA follows written policy except for social club dues. There is no written policy regarding paying for the CEO's membership to one social club, however, the Board does approve the expense.
SchJ_P01_S00_L04	Schedule J, Part I, Line 4	S Nelson received a severance payment of \$125,791 in 2008. The following people participated in or received payment from NRECA's Executive Stock Option Plan: Mark Ashton (\$45,521), Pat Gioffre (\$5,340), Dena Stoner (\$6,780), and Stuart Teach (\$256,043).
SchJ_P01_S00_L03	Schedule J, Part I, Line 3	

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ.**
▶ **To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V lines 38b or 40b.**

Name of the organization NATIONAL RURAL ELECTRIC COOPERATIVE	Employer identification number 53-0116145
------------------------------------------------------------------------	-----------------------------------------------------

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$ _____

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$ _____

Part II Loans to and/or From Interested Persons
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
Cooperative Energy Services	For profit subsidiary - 2 officers, 2 key employees serve as officers of CES	132,654	Administrative Services Agreement		No
RE Advisors Corporation and RE Investment Corporation	For profit subsidiary - 1 officer, 3 key employees serve as officers and directors of REI/REA	4,353,907	Royalty payments and administrative services agreement		No
Cooperative Benefit Administrators	For profit subsidiary - 1 officer, 1 director, 1 key employee serve as officers of CBA	12,596,833	Administrative services agreement		No
Electric Cooperative Life Insurance Co and Cooperative Insurance Services	For profit subsidiary - 1 officer, 7 directors, 1 key employee serve as ELCO officers/directors	623,322	Administrative services agreement		No
NRECA United	For profit subsidiary - 2 officers, 1 key employee serve as United officers	132,654	Expense reimbursement		No
Touchstone Energy Cooperative	Affiliated Entity - 1 officer, 1 key employee serve as Touchstone Energy officers	2,095,904	Administrative services agreement		No

**SCHEDULE O
(Form 990)**
Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990
▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047
2008
Open to Public Inspection

Name of the organization NATIONAL RURAL ELECTRIC COOPERATIVE	Employer identification number 53-0116145
------------------------------------------------------------------------	-----------------------------------------------------

Identifier	Return Reference	Explanation
SchL_P04_S00_L00	Schedule L, Part IV	Some NRECA directors, officers, and key employees also serve as directors or officers of NRECA for profit subsidiaries with whom NRECA has administrative services agreements and other types of transactions

Identifier	Return Reference	Explanation
F990_P06_S0A_L02	Form 990, Part VI, Section A, Line 2	Some NRECA Directors, Officers, and Key Employees also serve as Directors or Officers of the following NRECA subsidiaries and affiliated entities NRECA United (Glenn English, Pat Gioffre, Veneicia Lockhart), NRECA International LTD, NRECA International Foundation, Cooperative Energy Services, RE Advisors Corporation, RE Investment Corporation, Cooperative Benefit Administrators, Electric Cooperative Life Insurance Company & Cooperative Insurance Services, NRECA Wood Quality Control

Identifier	Return Reference	Explanation
F990_P06_S0A_L06	Form 990, Part VI, Section A, Line 6	All voting members must be entities whose operations are consistent with cooperative principles and the objectives and mission of NRECA and fall into one of the following three categories (1) Distribution (electric distribution cooperatives or public utility districts), (2) Generation and Transmission (cooperatives or associations engaged in the marketing, generation and/or transmission of wholesale bulk electricity), and (3) Service members (not engaged in distribution, generation, or transmission of electricity but whose members consist of Distribution or G&T Cooperatives)

Identifier	Return Reference	Explanation
F990_P06_S0A_L07a	Form 990, Part VI, Section A, Line 7a	The NRECA Board of Directors is composed of 47 persons, one from each state where there is an operating rural electric system with membership in NRECA Directors, each of whom must be a member, director, officer, or employee of an NRECA member system, are elected every two years by the member systems in each state Their terms run from the close of each NRECA Annual Meeting (usually held in March) to the close of the Annual Meeting two years hence The NRECA President, Vice President and Secretary Treasurer are elected every two years by the Board from among its members The Chief Executive Officer is also selected by the Board

Identifier	Return Reference	Explanation
F990_P06_S0A_L10	Form 990, Part VI, Section A, Line 10	NRECA's Form 990 is prepared by a Senior Accountant within Finance The VP Of Finance reviews the Form 990 and supporting workpapers in detail The Executive VP of Internal Services then reads the Form 990 for accuracy The Form 990 is then posted on the NRECA Board of Directors website for their review and comments at least 10 days prior to the return being filed

Identifier	Return Reference	Explanation
F990_P06_S0B_L12c	Form 990, Part VI, Section B, Line 12c	Each director, officer and key employee is required to complete and submit a Conflict of Interest questionnaire that is reviewed by the VP of Finance The VP of Finance reviews each questionnaire and follows up on any conflicts with the respective director, officer, or key employee and with the NRECA Corporate Counsel

Identifier	Return Reference	Explanation
F990_P06_S0B_L15	Form 990, Part VI, Section B, Line 15	Line 15a -CEO Compensation The CEO Evaluation Committee of the Board is responsible for evaluating the performance of the CEO The Committee reviews competitive salary survey data provided by Human Resources and develops a salary increase recommendation that is presented to the full Board based on the CEO's performance NRECA's Human Resources department reviews independent compensation studies annually to verify the CEO's compensation is within a competitive range for CEOs of comparable organizations and provides this information to the Committee The Board reviews and approves the CEO's compensation annually Line 15 b - Other Officers/Key Employees NRECA engages an outside consulting firm such as Mercer to conduct an independent compensation study every three to four years for all typical positions to ensure NRECA's pay grades and compensation are competitive Pay grade ranges are reviewed annually and may be adjusted by a competitive factor as determined by results of independent competitive market surveys NRECA has written policies and procedures governing its Salary Budget Process The Salary Budget Process is intended to enable managers to make rational, performance based decisions concerning merit salary increases within the Association's budgetary constraints However, it does not guarantee an increase to any employee The Salary Budget Process is comprised of the following steps (1) Determination of NRECA's overall salary increase budget by the NRECA Board of Directors during the winter Board Meeting NRECA's merit salary increase budget is based on competitive survey data, (2) Allocation of overall merit increase budget to each department, (3) Recommendation of merit increases for individual employees within work units, (4) Analysis of merit increase recommendations and overall review with Chief Executive Officer for final approval, (5) Communication of salary increase decisions to staff

Identifier	Return Reference	Explanation
F990_P06_S0C_L19	Form 990, Part VI, Section C, Line 19	NRECA distributes a copy of its Annual Report to the CEO of every NRECA member In addition, NRECA publishes and makes available its annual report, financial statements, and conflict of interest policy on Cooperative.com, a member only site for electric cooperatives and affiliated entities NRECA will provide copies of its Form 990 to the general public upon request

Identifier	Return Reference	Explanation
F990_P06_S0A_L07b	Form 990, Part VI, Section A, Line 7b	NRECA members must approve any decision made by the NRECA Board relating to (1) changes in dues formulas and multipliers, (2) expulsion and removal of members, and (3) removal of any officer or director

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2008

Open to Public Inspection

▶ **Attach to Form 990. To be completed by organizations that answer "Yes" to Form 990, Part IV, lines 33, 34, 35, 36, or 37.**
▶ **See separate instructions.**

Department of the Treasury
Internal Revenue Service

Name of the organization
NATIONAL RURAL ELECTRIC COOPERATIVE

Employer identification number
53-0116145

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
NRECA International Foundation 4301 Wilson Blvd Arlington, VA22203 52-1409279	Charitable activities	VA	501c3	509(a)(c) Type II	NRECA
NRECA International LTD 4301 Wilson Blvd Arlington, VA22203 52-1387851	International rural electrification	VA	501c6		NRECA
Fundacion Energetica Boliviana 4301 Wilson Blvd Arlington, VA22203 53-0116145	Bolivian rural electrification	BL	N/A		NRECA
NRECA Wood Quality Control Inc 4301 Wilson Blvd Arlington, VA22203 52-1446660	Wood pole testing	VA	501c6		NRECA

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income(related, investment, unrelated)	(F) Share of total income	(G) Share of end-of- year assets	(H) Disproportionate allocations?		(I) Code V—UBI amount on Box 20 of K-1	(J) General or managing partner?	
							Yes	No		Yes	No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
Cooperative Insurance Services Inc 4301 Wilson Blvd Arlington, VA22203 52-1076274	Insurance agent	VA	NRECA United	C	179,009	594,429	1 00 %
Electric Cooperative Life Insurance Co 4301 Wilson Blvd Arlington, VA22203 86-0262046	Life and hospitalization insurance	VA	NRECA	C	107,087	1,943,487	1 00 %
Cooperative Benefit Administrators 4301 Wilson Blvd Arlington, VA22203 52-1327041	Claims administrator	VA	NRECA United	C	16,767,768	2,684,885	1 00 %
Cooperative Energy Services 4301 Wilson Blvd Arlington, VA22203 52-1490710	Market research	VA	NRECA United	C	113,153	0	1 00 %
RE Investment Inc 4301 Wilson Blvd Arlington, VA22203 52-1679315	Investment broker	VA	NRECA United	C	6,962,579	6,506,322	1 00 %
RE Advisers Inc 4301 Wilson Blvd Arlington, VA22203 52-1694000	Investment adviser	VA	RE Investment Inc	C	0	0	1 00 %
NRECA United Inc 4301 Wilson Blvd Arlington, VA22203 52-1765915	Holding company	VA	ELCO	C	101,185	123,519	1 00 %

Part V Transactions with Related Organizations

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

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

- a** Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to other organization(s)
- c** Gift, grant, or capital contribution from other organization(s)
- d** Loans or loan guarantees to or for other organization(s)
- e** Loans or loan guarantees by other organization(s)

- f** Sale of assets to other organization(s)
- g** Purchase of assets from other organization(s)
- h** Exchange of assets
- i** Lease of facilities, equipment, or other assets to other organization(s)

- j** Lease of facilities, equipment, or other assets from other organization(s)
- k** Performance of services or membership or fundraising solicitations for other organization(s)
- l** Performance of services or membership or fundraising solicitations by other organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets
- n** Sharing of paid employees

- o** Reimbursement paid to other organization for expenses
- p** Reimbursement paid by other organization for expenses

- q** Other transfer of cash or property to other organization(s)
- r** Other transfer of cash or property from other organization(s)

	Yes	No
1a	Yes	
1b		No
1c		No
1d		No
1e		No
1f	Yes	
1g		No
1h		No
1i		No
1j		No
1k	Yes	
1l		No
1m	Yes	
1n	Yes	
1o		No
1p	Yes	
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(A) Name of other organization(s)	(B) Transaction type(a-r)	(C) Amount Involved
(1)			
See Additional Data Table			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

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

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V—UBI amount on Box 20 of K-1	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

Software ID: 08000095
Software Version: v1.00
EIN: 53-0116145
Name: NATIONAL RURAL ELECTRIC COOPERATIVE

Form 990, Schedule R, Part IV - Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal Domicile (State or Foreign Country)	(D) Direct Controlling Entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income (\$)	(G) Share of end-of-year assets (\$)	(H) Percentage ownership
Cooperative Insurance Services Inc 4301 Wilson Blvd Arlington, VA 22203 52-1076274	Insurance agent	VA	NRECA United	C	179,009	594,429	1.00 %
Electric Cooperative Life Insurance Co 4301 Wilson Blvd Arlington, VA 22203 86-0262046	Life and hospitalization insurance	VA	NRECA	C	107,087	1,943,487	1.00 %
Cooperative Benefit Administrators 4301 Wilson Blvd Arlington, VA 22203 52-1327041	Claims administrator	VA	NRECA United	C	16,767,768	2,684,885	1.00 %
Cooperative Energy Services 4301 Wilson Blvd Arlington, VA 22203 52-1490710	Market research	VA	NRECA United	C	113,153	0	1.00 %
RE Investment Inc 4301 Wilson Blvd Arlington, VA 22203 52-1679315	Investment broker	VA	NRECA United	C	6,962,579	6,506,322	1.00 %
RE Advisers Inc 4301 Wilson Blvd Arlington, VA 22203 52-1694000	Investment adviser	VA	RE Investment Inc	C	0	0	1.00 %
NRECA United Inc 4301 Wilson Blvd Arlington, VA 22203 52-1765915	Holding company	VA	ELCO	C	101,185	123,519	1.00 %

Form 990, Schedule R, Part V - Transactions with Related Organizations

(A) Name of other organization	(B) Transaction type(a-r)	(C) Amount Involved (\$)
(1) RE Investment Inc	a-III	203,998
(2) NRECA International LTD	k	609,123
(3) NRECA Wood Quality Control Inc	k	92,813
(4) Cooperative Insurance Services Inc	k	98,750
(5) Cooperative Benefit Administrators	k	6,807,968
(6) RE Investment Inc	k	3,026,112
(7) NRECA International Foundation	k	13,729
(8) NRECA Wood Quality Control Inc	n	401,200
(9) Cooperative Benefit Administrators	n	4,721,282
(10) NRECA International Foundation	p	1,366,439
(11) NRECA International LTD	p	6,668,396
(12) NRECA United Inc	p	29,970
(13) NRECA Wood Quality Control Inc	p	1,044,017
(14) Cooperative Insurance Services Inc	p	448,260
(15) Electric Cooperative Life Insurance Co	p	76,312
(16) Cooperative Benefit Administrators	p	1,067,583
(17) Cooperative Energy Services	p	132,654
(18) RE Investment Inc	p	1,123,797
(19) Cooperative Energy Services	f	8,500