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Form **990****Return of Organization Exempt From Income Tax**

OMB No 1545-0047

2009**Open to Public Inspection**Department of the Treasury
Internal Revenue Service**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)**

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

A For the 2009 calendar year, or tax year beginning**04/01, 2009, and ending****03/31, 2010****B** Check if applicable:

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

Please use IRS label or print or type See Specific Instructions

C Name of organization IN-Q-TEL, INC.

Doing Business As

Number and street (or P O box if mail is not delivered to street address)

Room/suite

PO BOX 749

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

ARLINGTON, VA 22216

F Name and address of principal officer CHRISTOPHER DARBY

PO BOX 749 ARLINGTON, VA 22216

D Employer identification number

52-2149962

E Telephone number

(703) 248-3000

G Gross receipts \$ 75,578,446.**H(a) Is this a group return for affiliates?** Yes ☒ No ☐**H(b) Are all affiliates included?** Yes ☐ No ☐

If "No," attach a list (see instructions)

H(c) Group exemption number ▶ N/A**I Tax-exempt status** ☒ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527**J Website:** ▶ WWW.IQT.ORG**K Form of organization** ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L Year of formation** 1999**M State of legal domicile** DE**Part I Summary****1** Briefly describe the organization's mission or most significant activities

IN-Q-TEL IDENTIFIES AND PARTNERS WITH COMPANIES TO HELP DELIVER SOLUTIONS TO THE CENTRAL INTELLIGENCE AGENCY AND THE BROADER U.S INTELLIGENCE COMMUNITY (IC) TO FURTHER THEIR MISSIONS.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.**3** Number of voting members of the governing body (Part VI, line 1a)

3 12

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 11

5 Total number of employees (Part V, line 2a)

5 96

6 Total number of volunteers (estimate if necessary)

6 0

7a Total gross unrelated business revenue from Part VIII, column (C), line 12

7a 0.

b Net unrelated business taxable income from Form 990-T, line 34

7b 0.

8 Contributions and grants (Part VIII, line 1h)

Prior Year	Current Year
50,433,734.	56,418,127.

9 Program service revenue (Part VIII, line 2g)

0. 0.

10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)

1,581,170. 12,897,390.

11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)

0. 0.

12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)

52,014,904. 69,315,517.

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)

0. 0.

14 Benefits paid to or for members (Part IX, column (A), line 4)

0. 0.

15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)

19,029,061. 19,111,160.

16a Professional fundraising fees (Part IX, column (A), line 11e)

0. 0.

b Total fundraising expenses, Part IX, column (D), line 25

0. 0.

17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)

29,595,883. 32,580,328.

18 Total expenses - add lines 13-17 (must equal Part IX, column (A), line 25)

48,624,944. 51,691,488.

19 Revenue less expenses - Subtract line 18 from line 12

3,389,960. 17,624,029.

20 Total assets (Part X, line 16)

Beginning of Year	End of Year
120,298,560.	142,917,973.

21 Total liabilities (Part X, line 26)

56,031,279. 60,928,223.

22 Net assets or fund balances - Subtract line 21 from line 20

64,267,281. 81,989,750.

Part II Signature Block

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

Sign Here

Signature of officer

Date

MATTHEW STROTTMAN, EVP & CFO

Type or print name and title

Paid

Preparer's signature

Date

FEB 09 2011

Check if self-employed ☐

Preparer's identifying number (see instructions) P00369623

Preparer's Use Only

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

PRICEWATERHOUSECOOPERS LLP
1301 K STREET NW, STE 800W WASHINGTON, DC 20005-3333

EIN

13-4008324

Phone no

202-414-1000

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

X Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. *

Form 990 (2009)

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Part III Statement of Program Service Accomplishments**1** Briefly describe the organization's mission:

ATTACHMENT 2

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

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

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

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 41,577,113 including grants of \$ 0) (Revenue \$ 0)

ATTACHMENT 3

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4c** (Code:) (Expenses \$ including grants of \$) (Revenue \$)**4d** Other program services. (Describe in Schedule O.)

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

4e Total program service expenses ► 41,577,113.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1	X
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2	X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	X
5 Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11	X
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI		
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.		
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X		
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	12	X
12A Was the organization included in consolidated, independent audited financial statement for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional	12A	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II.	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18	X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	X

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Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25.</i>		X
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?		
25 a 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>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	X	
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>		X
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>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
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>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		X
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>	X	
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>		X
36 Section 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>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	X	

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns. Enter -0- if not applicable. 39		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 96		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions).	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	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?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year. 		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12. 		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities. 		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders. 		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them). 		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year. 		

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

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	12	
b Enter the number of voting members that are independent	11	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	X
6 Does the organization have members or stockholders?	6	X
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
a The governing body?	8a	X
b Each committee with authority to act on behalf of the governing body?	8b	X
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9a	X

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

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	X
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	X
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	X
13 Does the organization have a written whistleblower policy?	13	X
14 Does the organization have a written document retention and destruction policy?	14	X
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	X
b Other officers or key employees of the organization	15b	X
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► CA, MA,

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

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

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► MATTHEW STROTTMAN 2107 WILSON BLVD. SUITE 1100 ARLINGTON, VA 22201
703-248-3000

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

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

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

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

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

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

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

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

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

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
C. DARBY PRESIDENT, CEO & TRUSTEE	40.00	X		X				798,035.	0	20,638.
M. CROW BOT CHAIR & COMMITTEE CHAIR	5.00	X						42,500.	0	0.
C. BOYD TRUSTEE	5.00	X						35,000.	0	0.
J. BARKSDALE TRUSTEE	5.00	X						35,000.	0	0.
D. JEREMIAH TRUSTEE	5.00	X						35,000.	0	0.
A. JONES TRUSTEE & COMMITTEE CHAIR	5.00	X						37,500.	0	0.
C. VEST TRUSTEE & COMMITTEE CHAIR	5.00	X						37,500.	0	0.
E. PATE-CORNELL TRUSTEE	5.00	X						35,000.	0	0.
P. BARRIS TRUSTEE	5.00	X						35,000.	0	0.
J. MISCIK TRUSTEE	5.00	X						17,500.	0	0.
H. COX TRUSTEE & COMMITTEE CHAIR	5.00	X						37,500.	0	0.
A.B. KRONGARD TRUSTEE	5.00	X						0.	0	0.
S. BOWSHER EVP & MANAGING PARTNER	40.00			X				687,456.	0	20,638.
B. ADAMS EVP & GENERAL COUNSEL	40.00			X				415,291.	0	20,238.
M. STROTTMAN EVP & CFO	40.00			X				382,926.	0	20,638.
E. POULOS EVP & CHIEF OF STAFF	40.00			X				356,643.	0	13,917.

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

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
T. PEARSALL EVP - TECHNOLOGY TRANSFER	40.00			X				376,710.	0.	20,245.
P. CIGANER EVP - IC SUPPORT	40.00			X				383,804.	0.	12,309.
W. STRECKER EVP & CTO	40.00			X				137,179.	0.	1,056.
E. KAUFMANN PARTNER	40.00					X		404,232.	0.	20,638.
P. BORBERLY PARTNER	40.00					X		361,878.	0.	15,636.
B. LEVITAN PARTNER	40.00					X		365,222.	0.	20,638.
J. ADDIEGO PARTNER	40.00					X		343,838.	0.	20,638.
M. BREIER PARTNER	40.00					X		357,615.	0.	18,176.
1b Total								5,718,329.	0.	225,405.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **56**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		X
4	X	
5		X

Section B. Independent Contractors

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

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 57		

Part VIII Statement of Revenue

52-2149962

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	56,418,127			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f				
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		56,418,127			
Program Service Revenue				Business Code			
	2a						
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		0			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		763,383			763,383
	4	Income from investment of tax-exempt bond proceeds		0			0
	5	Royalties		0			0
		(i) Real	(ii) Personal				
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0			0
	7a	(i) Securities	(ii) Other				
		18,396,936	0				
	b	Less cost or other basis and sales expenses		5,991,489	271,440		
	c	Gain or (loss)		12,405,447	-271,440		
	d	Net gain or (loss)		12,134,007			12,134,007
	8a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18		a			
	b	Less direct expenses		b			
	c	Net income or (loss) from fundraising events		0			0
	9a	Gross income from gaming activities See Part IV, line 19		a			
	b	Less direct expenses		b			
	c	Net income or (loss) from gaming activities		0			0
	10a	Gross sales of inventory, less returns and allowances		a			
b	Less cost of goods sold		b				
c	Net income or (loss) from sales of inventory		0			0	
Miscellaneous Revenue				Business Code			
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		0				
12	Total Revenue. See instructions			69,315,517			12,897,390

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 . . .	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	4,032,746.	2,019,843.	2,012,903.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	12,995,174.	9,987,585.	3,007,589.	
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . .	0.			
9 Other employee benefits	1,321,251.	876,770.	444,481.	
10 Payroll taxes	761,989.	544,067.	217,922.	
11 Fees for services (non-employees)				
a Management	0.			
b Legal	635,916.	64,700.	571,216.	
c Accounting	212,578.		212,578.	
d Lobbying	0.			
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	457,674.	359,887.	97,787.	
12 Advertising and promotion	0.			
13 Office expenses	812,175.	51,671.	760,504.	
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	1,654,042.	881,450.	772,592.	
17 Travel	1,023,445.	805,533.	217,912.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	542,285.	490,127.	52,158.	
20 Interest	0.			
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	1,043,726.	283,038.	760,688.	
23 Insurance	419,146.		419,146.	
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 <u>WORK PROGRAM FOR CIA AND IC</u>	25,000,805.	24,903,730.	97,075.	
b <u>EQUIPMENT EXPENSES</u>	361,980.	125,370.	236,610.	
c <u>RESEARCH MATERIALS</u>	98,367.	71,883.	26,484.	
d <u>BANK FEES</u>	89,805.	0.	89,805.	
e <u>DUES AND SUBSCRIPTIONS</u>	73,226.	37,594.	35,632.	
f All other expenses	155,158.	73,865.	81,293.	
25 Total functional expenses. Add lines 1 through 24f	51,691,488.	41,577,113.	10,114,375.	0.
26 Joint Costs. Check here ☐ If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	62,147,142.	2	70,926,508.
	3 Pledges and grants receivable, net	9,810,815.	3	20,621,191.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	531,515.	9	1,366,912.
	10a Land, buildings, and equipment cost or other basis. Complete Part VI of Schedule D	10a 6,686,483.		
	b Less accumulated depreciation	10b 5,235,476.	10c	1,451,007.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11	1,921,924.	12	2,619,331.
	13 Investments - program-related. See Part IV, line 11	42,583,185.	13	44,657,459.
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	796,880.	15	1,275,565.
16 Total assets. Add lines 1 through 15 (must equal line 34)	120,298,560.	16	142,917,973.	
Liabilities	17 Accounts payable and accrued expenses	7,634,260.	17	7,733,331.
	18 Grants payable		18	
	19 Deferred revenue	48,397,019.	19	53,194,892.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	56,031,279.	26	60,928,223.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	64,267,281.	27	81,989,750.
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	64,267,281.	33	81,989,750.
34 Total liabilities and net assets/fund balances	120,298,560.	34	142,917,973.	

Form 990 (2009)

Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
 If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.

d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both.

☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form **990** (2009)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")	54,366,103	54,024,972	55,577,088	50,433,734	56,418,127	270,820,024.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	54,366,103	54,024,972	55,577,088	50,433,734	56,418,127	270,820,024.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						
6 Public support. Subtract line 5 from line 4						270,820,024

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	54,366,103	54,024,972	55,577,088	50,433,734	56,418,127	270,820,024
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	214,499	31,260	55,629	0	763,383	1,064,771
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						271,884,795.
12 Gross receipts from related activities, etc (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	99.61 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	99.84 %
16a 33 1/3 % support test - 2009. If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		☒
b 33 1/3 % support test - 2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and stop here. The organization qualifies as a publicly supported organization		☐
17a 10%-facts-and-circumstances test - 2009. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization		☐
b 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test The organization qualifies as a publicly supported organization		☐
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		☐

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

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						☐

Section C. Computation of Public Support Percentage

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

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%
19a 33 1/3 % support tests - 2009. If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ►		☐
b 33 1/3 % support tests - 2008. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and stop here. The organization qualifies as a publicly supported organization ►		☐
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►		☐

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization
IN-Q-TEL, INC.

Supplemental Financial Statements

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

OMB No 1545-0047

2009

**Open to Public
Inspection**

Employer identification number
52-2149962

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

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ 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)	☐ Preservation of an historically important land area
☐ Protection of natural habitat	☐ Preservation of a certified historic structure
☐ Preservation of open space	

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

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

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

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

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

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

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

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 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 ▶ \$ _____

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

Schedule D (Form 990) 2009

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

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

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

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

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

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

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

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

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	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 XI V

Part V Endowment Funds. Complete if 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 Net investment earnings, gains, and 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

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

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

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

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		2,523,247.	1,571,993.	951,254.
d Equipment		3,408,435.	3,119,934.	288,501.
e Other		754,801.	543,549.	211,252.
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				1,451,007.

Schedule D (Form 990) 2009

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		
Closely-held equity interests		
Other -----		

Total. (Column (b) must equal Form 990, Part X, col (B) line 12) ▶		

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
PREFERRED STOCK	29,051,452.	FMV
COMMON STOCK	805,551.	FMV
WARRANTS - PREFERRED	11,808,770.	FMV
WARRANTS - COMMON	467,355.	FMV
CONVERTIBLE NOTE	2,524,331.	FMV

Total. (Column (b) must equal Form 990, Part X, col (B) line 13) ▶	44,657,459.	

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

(a) Description	(b) Book value

Total. (Column (b) must equal Form 990, Part X, col (B) line 15) ▶	

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

1. (a) Description of liability	(b) Amount
Federal income taxes	

Total. (Column (b) must equal Form 990, Part X, col (B) line 25) ▶	

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

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

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	69,315,517.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	51,691,488.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	17,624,029.
4	Net unrealized gains (losses) on investments	4	98,440.
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4 through 8	9	98,440.
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	17,722,469.

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	69,413,957.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	98,440.
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	98,440.
3	Subtract line 2e from line 1	3	69,315,517.
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)	5	69,315,517.

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

1	Total expenses and losses per audited financial statements	1	51,691,488.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	51,691,488.
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	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)	5	51,691,488.

Part XIV Supplemental Information

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

[illegible]

Part XIV Supplemental Information (continued)

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

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

▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization
IN-Q-TEL, INC.

Employer identification number
52-2149962

Part I Questions Regarding Compensation

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

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

b If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

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

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

- | | |
|---|---|
| ☒ Compensation committee | ☒ Written employment contract |
| ☒ Independent compensation consultant | ☒ Compensation survey or study |
| ☐ Form 990 of other organizations | ☒ Approval by the board or compensation committee |

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

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

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

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

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

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

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

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

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

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

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

Schedule J (Form 990) 2009

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed

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

Note. The sum of columns (B)(i)-(iii) 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) Retirement and other 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 reportable compensation				
C. DARBY	(i) 484,204.	(ii) 313,831.	(iii) 0.	9,800.	13,570.	821,405.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
S. BOWSER	(i) 440,218.	(ii) 247,238.	(iii) 0.	9,800.	13,373.	710,629.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
B. ADAMS	(i) 279,085.	(ii) 136,206.	(iii) 0.	9,800.	12,939.	438,030.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
M. STROTTMAN	(i) 259,465.	(ii) 123,461.	(iii) 0.	9,800.	13,242.	405,968.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
E. POULOS	(i) 247,227.	(ii) 109,416.	(iii) 0.	9,800.	6,449.	372,892.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
T. PEARSALL	(i) 249,445.	(ii) 127,265.	(iii) 0.	9,800.	12,668.	399,178.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
P. CIGANER	(i) 258,786.	(ii) 125,018.	(iii) 0.	8,592.	6,169.	398,565.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
E. KAUFMANN	(i) 281,522.	(ii) 122,710.	(iii) 0.	9,800.	13,306.	427,338.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
P. BORBERLY	(i) 252,913.	(ii) 108,965.	(iii) 0.	5,198.	12,870.	379,946.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
B. LEVITAN	(i) 257,122.	(ii) 108,100.	(iii) 0.	9,800.	13,255.	388,277.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
J. ADDIEGO	(i) 239,509.	(ii) 104,329.	(iii) 0.	9,800.	13,141.	366,779.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
M. BREIER	(i) 249,515.	(ii) 108,100.	(iii) 0.	7,338.	13,206.	378,159.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	0.	0.	0.
	(i) 0.	0.	0.	0.	0.	0.	0.
	(ii) 0.	0.	0.	0.	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.

FORM 990, PART VII & SCHEDULE J, PART II

IN ADDITION TO C. DARBY'S RESPONSIBILITIES AS PRESIDENT AND CEO OF

IN-Q-TEL, MR. DARBY SERVES AS A TRUSTEE ON THE COMPANY'S BOARD OF

TRUSTEES. MR. DARBY HAS WAIVED ANY COMPENSATION RELATED TO HIS TRUSTEE

DUTIES AND HIS INCOME AS REPORTED IN THIS FORM IS ENTIRELY ATTRIBUTABLE

TO HIS DUTIES AS PRESIDENT AND CEO.

FORM 990, SCHEDULE J, LINE 4C

PLEASE REFER TO THE SCHEDULE O DISCLOSURE ON THE IN-Q-TEL EMPLOYEE FUND,

LIC.

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

► Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.

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

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2009

Open To Public Inspection

Name of the organization

IN-Q-TEL, INC.

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Part I Excess Benefit Transactions(section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

[illegible]

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.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

[illegible]

Total

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27

[illegible]

Part IV Business Transactions Involving Interested Persons.

Complete if the organization 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
BBN TECHNOLOGIES	BOARD OVERLAP	3,447,018	SEE SCHEDULE O		X

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

Schedule L (Form 990 or 990-EZ) 2009

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

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

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

ATTACHMENT 1

PART VI, LINE 11A

REVIEW OF FORM 990

THE FORM 990 WAS PREPARED BY THE COMPANY'S EXTERNAL TAX ADVISORY FIRM
WITH THE ASSISTANCE OF IN-Q-TEL'S FINANCE AND LEGAL DEPARTMENTS. THE FORM
990 WAS ALSO REVIEWED BY CERTAIN MEMBERS OF THE COMPANY'S EXECUTIVE TEAM,
INCLUDING THE CFO AND GENERAL COUNSEL. ADDITIONALLY, THE AUDIT AND
ETHICS COMMITTEE OF THE BOARD OF TRUSTEES REVIEWED THE FORM 990 DURING
ONE OF ITS QUARTERLY MEETINGS. AFTER REVIEW BY THE AUDIT AND ETHICS
COMMITTEE, THE FORM 990 WAS DISTRIBUTED TO ALL MEMBERS OF THE BOARD OF
TRUSTEES PRIOR TO BEING FILED.

PART VI, LINE 12C

CONFLICT OF INTEREST POLICY

FOR EVERY TRANSACTION SUBJECT TO BOARD/COMMITTEE APPROVAL, THE MEMBERS OF
THE BOARD AND COMMITTEE ARE ASKED TO IDENTIFY ANY CONFLICTS. THE "DEAL
TEAMS" ARE REQUIRED TO IDENTIFY CONFLICTS INVOLVING IQT OFFICERS OR
EMPLOYEES IN TRANSACTIONS IN THE DOCUMENTS SUBMITTED FOR APPROVAL.
ADDITIONALLY, EACH YEAR A QUESTIONNAIRE IS SENT TO IQT TRUSTEES, OFFICERS
AND KEY EMPLOYEES ASKING FOR IDENTIFICATION OF CONFLICTS.

PART VI, LINE 15A & 15B

COMPENSATION EXPLANATION

IN FORMULATING IQT'S COMPENSATION SYSTEM, THE BOARD OF TRUSTEES IS
CONSCIOUS OF ITS RESPONSIBILITIES UNDER THE INTERNAL REVENUE CODE OF

Name of the organization

IN-Q-TEL, INC.

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ATTACHMENT 1 (CONT'D)

1986, AS AMENDED ("CODE"), TO PAY REASONABLE COMPENSATION TO IQT'S

EMPLOYEES AND TO AVOID ANY "EXCESS BENEFIT TRANSACTIONS" UNDER SECTION

4958 OF THE CODE. IN OVERSEEING IQT'S COMPENSATION SYSTEM, THE BOARD

ADHERES TO THE FOLLOWING PRINCIPLES:

- THE COMPENSATION SYSTEM IS APPROVED BY THE BOARD OR A COMMITTEE OF THE BOARD COMPOSED ENTIRELY OF INDEPENDENT TRUSTEES WHO ARE NOT EMPLOYEES OF, OR INDEPENDENT CONTRACTORS TO, IQT AND WHO DO NOT HAVE A CONFLICT OF INTEREST WITH RESPECT TO ANYONE COVERED BY THESE POLICIES;
- THE BOARD, OR COMMITTEE THEREOF, OBTAINS AND RELIES UPON APPROPRIATE COMPENSATION DATA FROM COMPARABLE ENTITIES PRIOR TO MAKING COMPENSATION DETERMINATIONS; AND
- THE BOARD OR COMMITTEE ADEQUATELY DOCUMENTS THE BASIS FOR ITS DETERMINATION CONCURRENTLY WITH MAKING THAT DETERMINATION.

COMPENSATION COMMITTEE

AS SET FORTH IN ITS CHARTER, IQT'S COMPENSATION COMMITTEE (THE

"COMPENSATION COMMITTEE" OR "COMMITTEE") HAS BEEN CHARGED BY THE BOARD OF TRUSTEES TO ASSIST THE BOARD IN OVERSEEING IQT'S COMPENSATION SYSTEM.

SPECIFICALLY, THE COMMITTEE PERFORMS THE FOLLOWING DUTIES:

- ENSURES THAT IQT'S COMPENSATION PROGRAM AND OTHER EMPLOYEE BENEFITS ARE COMPARABLE TO THE HIGH-TECH AND OTHER APPROPRIATE MARKETS.
- DETERMINES, WITH INPUT FROM THE CIA, AN OVERALL ANNUAL COMPANY "PERFORMANCE SCORE" THAT REFLECTS THE EXTENT AND MANNER IN WHICH IQT HAS

Name of the organization

IN-Q-TEL, INC.

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52-2149962

ATTACHMENT 1 (CONT'D)

BEEN SUCCESSFUL IN PURSUING ITS MISSION.

- CONDUCTS AN ANNUAL REVIEW OF THE CHIEF EXECUTIVE OFFICER'S ("CEO'S") PERFORMANCE, AND MAKES RECOMMENDATIONS TO THE BOARD OF TRUSTEES ON THE CEO'S COMPENSATION AND BENEFITS FOR THE NEXT YEAR.
- ON AN ANNUAL BASIS, REVIEW THE CEO'S RECOMMENDATIONS REGARDING THE COMPENSATION AND BENEFITS OF THE OTHER DISQUALIFIED PERSONS, AS DEFINED IN SECTION 4958 OF THE INTERNAL REVENUE CODE, AND DETERMINES THEIR COMPENSATION AND BENEFITS FOR THE NEXT YEAR.
- ON AN ANNUAL BASIS, REVIEWS THE DETERMINATION OF COMPENSATION AND BENEFITS OF THE OTHER EMPLOYEES MADE BY THE CEO OR THE CEO'S DESIGNEE.
- ENGAGES AN INDEPENDENT COMPENSATION CONSULTING FIRM TO PERFORM A PERIODIC STUDY OF IQT'S COMPENSATION PROGRAM AND ADMINISTRATION, OR PARTS THEREOF. (THIS STUDY INCLUDES, BUT IS NOT LIMITED TO, A REVIEW OF DATA THE COMPANY USED TO BENCHMARK POSITIONS, DOCUMENTATION OF BASE SALARY ADJUSTMENTS, AND ANNUAL INCENTIVE PLAN AWARDS.) FOLLOWING COMPLETION OF SUCH STUDY, THE COMPENSATION CONSULTING FIRM DELIVERS A REPORT TO THE COMPENSATION COMMITTEE DISCUSSING IQT'S ADHERENCE TO ITS COMPENSATION POLICIES.
- WORKS WITH IQT'S IN-HOUSE AND OUTSIDE COUNSEL TO ENSURE THAT IQT'S COMPENSATION STRUCTURE AND PLANS COMPLY WITH INTERNAL REVENUE CODE AND OTHER LEGAL REQUIREMENTS.

PART VI, LINE 19

DOCUMENTS AVAILABLE TO THE PUBLIC

IN-Q-TEL DOES NOT MAKE THIS INFORMATION AVAILABLE TO THE PUBLIC.

Name of the organization

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ATTACHMENT 1 (CONT'D)

SCHEDULE L, PART IV

DURING THE REPORTING PERIOD, A MEMBER OF IQT'S BOARD OF TRUSTEES ALSO SERVED AS A VOTING BOARD MEMBER OF BBN TECHNOLOGIES, A COMPANY IN WHICH IQT HELD SHARES. IN OCTOBER 2009, BBN TECHNOLOGIES WAS ACQUIRED BY AN UNRELATED THIRD-PARTY, RESULTING IN A PURCHASE OF ALL OUTSTANDING BBN TECHNOLOGIES SHARES. IQT RECEIVED \$3,447,018 FOR ITS SHARES IN BBN TECHNOLOGIES.

EIP DISCLOSURE STATEMENT

SCHEDULE R, PART V

IN-Q-TEL MAINTAINS AN INVESTMENT IN A SEPARATE RELATED ENTITY CALLED IN-Q-TEL EMPLOYEE FUND, LLC. THIS ENTITY WAS CREATED AS PART OF AN EMPLOYEE INCENTIVE PROGRAM (EIP) WHICH INVOLVED MAKING SIDE-BY-SIDE EQUITY INVESTMENTS WITH IN-Q-TEL. THE EIP WAS SUSPENDED IN JUNE 2007 AND NO FURTHER INVESTMENTS ARE BEING MADE.

ATTACHMENT 2FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

IN-Q-TEL IDENTIFIES AND PARTNERS WITH COMPANIES DEVELOPING CUTTING-EDGE TECHNOLOGIES TO HELP DELIVER THESE SOLUTIONS TO THE CENTRAL INTELLIGENCE AGENCY AND THE BROADER U.S. INTELLIGENCE COMMUNITY (IC) TO FURTHER THEIR MISSIONS.

ATTACHMENT 3

Name of the organization

IN-Q-TEL, INC.

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52-2149962

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)4A PROGRAM SERVICE

IN-Q-TEL (IQT) WAS ESTABLISHED IN 1999 AS A PRIVATE, NOT-FOR-PROFIT COMPANY TO HELP THE CIA AND THE GREATER U.S. INTELLIGENCE COMMUNITY (IC) IDENTIFY, ADAPT, AND DELIVER CUTTING-EDGE TECHNOLOGIES THAT MEET INTELLIGENCE NEEDS. IQT'S STRATEGIC INVESTMENT MODEL GIVES IT THE AGILITY - OFTEN LACKING WITHIN TRADITIONAL GOVERNMENT CONTRACTING APPROACHES - TO FIND AND NURTURE ENTREPRENEURS AND COMPANIES THAT CAN PROVIDE A SUPPLY CHAIN OF INNOVATION WHICH ENABLES THE IC TO BENEFIT FROM TECHNOLOGY ADVANCES.

IQT'S MISSION IS TO TAKE THE CALCULATED INVESTMENT RISKS NECESSARY TO SUPPORT LEADING-EDGE, BUT OFTEN UNPROVEN TECHNOLOGIES, AND MATURE THEM TO OPERATIONAL READINESS TO HELP THE CIA AND BROADER IC ACHIEVE THEIR MISSION.

APPROACH

IN-Q-TEL WORKS AS:

- * A STRATEGIC INVESTMENT FIRM, INVESTING IN COMPANIES AND HELPING NASCENT COMMERCIAL TECHNOLOGIES MATURE INTO COMMERCIAL-OFF-THE-SHELF (COTS) PRODUCTS THE GOVERNMENT CAN BUY AT LOWER COSTS THAN ALTERNATIVE APPROACHES;
- * A TECHNOLOGY ACCELERATOR, FOSTERING DEVELOPMENT AND INTRODUCTION OF TECHNOLOGIES NEEDED BY THE IC; AND

Name of the organization

IN-Q-TEL, INC.

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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

* AN IDEA LAB AND FORUM FOR INNOVATION, PROVIDING THE IC WITH
INSIGHT AND ACCESS TO BOTH NEW TECHNOLOGIES AND LEADING INNOVATORS
AND THINKERS.

IDENTIFYING THE NEWEST TECHNOLOGIES:

AS A STRATEGIC INVESTOR, IQT MAKES INVESTMENTS IN STARTUP
COMPANIES THAT HAVE DEVELOPED COMMERCIALY-FOCUSED TECHNOLOGIES
THAT WILL PROVIDE STRONG, NEAR-TERM ADVANTAGES (WITHIN 36 MONTHS)
TO THE IC MISSION. IQT DESIGNS ITS STRATEGIC INVESTMENTS TO
ACCELERATE PRODUCT DEVELOPMENT AND DELIVERY, AND SPECIFICALLY TO
HELP COMPANIES ADD CAPABILITIES THAT ITS INTELLIGENCE COMMUNITY
CUSTOMERS NEED. ADDITIONALLY, IQT EFFECTIVELY LEVERAGES ITS
DIRECT INVESTMENTS BY ATTRACTING A SIGNIFICANT AMOUNT OF PRIVATE
SECTOR FUNDS, OFTEN FROM TOP-TIER VENTURE CAPITAL FIRMS, TO
CO-INVEST IN OUR PORTFOLIO COMPANIES. ON AVERAGE, FOR EVERY DOLLAR
THAT IQT INVESTS IN A COMPANY, THE VENTURE CAPITAL COMMUNITY HAS
INVESTED OVER NINE DOLLARS, HELPING TO DELIVER CRUCIAL NEW
CAPABILITIES AT LOWER COST TO THE GOVERNMENT.

IQT'S AREAS OF FOCUS ARE: PHYSICAL AND BIOLOGICAL TECHNOLOGIES,
SECURITY, AND SOFTWARE AND INFRASTRUCTURE.

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)BUILDING STRONG COMPANIES FOR STRONG TECHNOLOGIES:

USING PRODUCT DEVELOPMENT FUNDING AND EQUITY INVESTING, IQT
CREATES INCENTIVES FOR COMPANIES TO PUT THEIR BEST TALENT INTO
SOLVING THE TOUGHEST TECHNOLOGY PROBLEMS FACING THE CIA AND
BROADER INTELLIGENCE COMMUNITY. ONCE AN INVESTMENT IS MADE, IQT
WORKS WITH THE COMPANY AND THE CUSTOMER TO ADAPT THE TECHNOLOGY
ACCORDING TO CUSTOMER NEED, AND FACILITATES SOLUTION DELIVERY. THE
ADVANTAGES TO THE IC ARE SIGNIFICANT: LOWER INITIAL AND LONG-TERM
COSTS, FASTER DEVELOPMENT, AND ONGOING PRODUCT ENHANCEMENTS TO
MEET THE DEMANDS OF THE COMMERCIAL MARKET

SERVING NEW INTELLIGENCE COMMUNITY CUSTOMERS:

TODAY, IQT HAS EXPANDED ITS IC PARTNERSHIPS TO INCLUDE THE CIA,
THE DEFENSE INTELLIGENCE AGENCY (DIA), THE DEPARTMENT OF HOMELAND
SECURITY SCIENCE & TECHNOLOGY (DHS S&T), THE NATIONAL
GEOSPATIAL-INTELLIGENCE AGENCY (NGA), AND OTHERS.

PROGRAM SERVICE ACCOMPLISHMENTS:

1. DELIVERED MORE THAN 150 TECHNOLOGIES, MANY OF WHICH HAVE
CONTRIBUTED DIRECTLY TO IC MISSIONS. TECHNOLOGY DELIVERED BY IQT,
FOR EXAMPLE, MAKES IT POSSIBLE TO FUSE DATA FROM MAPS, IMAGES,
TEXT AND OTHER SOURCES; VISUALIZE INFORMATION IN WAYS NOT

Name of the organization

IN-Q-TEL, INC.

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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

PREVIOUSLY POSSIBLE; RAPIDLY PROCESS VAST AMOUNTS OF INFORMATION
IN MULTIPLE LANGUAGES; MAKE SENSE OF SEEMINGLY UNCONNECTED
INFORMATION; AND IDENTIFY THE CRITICAL INTELLIGENCE FASTER AND
MORE EFFECTIVELY.

2. CULTIVATED A NETWORK OF MORE THAN 200 VENTURE CAPITAL FIRMS,
100 LABS AND RESEARCH ORGANIZATIONS, FURTHER BROADENING THE IC'S
ACCESS TO INNOVATIVE TECHNOLOGIES.

3. LEVERAGED MORE THAN \$1.5 BILLION IN PRIVATE-SECTOR FUNDS TO
SUPPORT TECHNOLOGY FOR THE CIA AND THE IC.

GOVERNANCE AND OVERSIGHT:

IQT IS BOUND BY A CHARTER AGREEMENT WITH THE CIA, WHICH SETS OUT
THE RELATIONSHIP BETWEEN THE TWO ORGANIZATIONS, AND BY AN ANNUAL
CONTRACT WITH THE CIA. IQT IS NOT PART OF THE CIA AND IS NOT A
GOVERNMENT AGENCY.

THE COMPANY IS GOVERNED BY AN INDEPENDENT BOARD OF TRUSTEES
COMPRISED OF FORMER OFFICIALS FROM THE DEFENSE AND INTELLIGENCE
COMMUNITIES, AS WELL AS CEOS OF MAJOR COMPANIES, UNIVERSITY
LEADERS, AND LEADERS IN THE INVESTMENT INDUSTRY.

Name of the organization

IN-Q-TEL, INC.

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FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

A GOVERNMENT CONTRACTOR OPERATING AS AN INDEPENDENT, NOT-FOR-PROFIT CORPORATION, IQT RECEIVES REGULAR OVERSIGHT FROM THE CIA AND OTHER CLIENT AGENCIES, WHO KEEP CONGRESS INFORMED OF THE COMPANY'S ACTIVITIES.

IQT HAS BEEN THE FOCUS OF A NUMBER OF THOUGHTFUL STUDIES THAT DESCRIBE AND SCRUTINIZE THE ORGANIZATION. TWO ARE CITED BELOW.

* BUSINESS EXECUTIVES FOR NATIONAL SECURITY (BENS)
IN A REPORT TO CONGRESS, AN INDEPENDENT PANEL OF BUSINESS EXECUTIVES RECOMMENDED THAT IN-Q-TEL SERVE AS THE CIA'S "TECHNOLOGY ACCELERATOR." THE PANEL CONCLUDED THAT IN-Q-TEL HAS ACHIEVED SIGNIFICANT EARLY PROGRESS AND THAT "CREATING A MODEL LIKE IN-Q-TEL MAKES GOOD BUSINESS SENSE."

THE ASSESSMENT WAS MADE BY A PANEL FROM BUSINESS EXECUTIVES FOR NATIONAL SECURITY, A NATIONAL, NON-PARTISAN, AND NOT-FOR-PROFIT ORGANIZATION OF BUSINESS LEADERS - 30 OF WHOM FORMED THE INDEPENDENT PANEL AFTER THE CIA SELECTED BENS TO CONDUCT THE CONGRESSIONALLY MANDATED STUDY. THE REPORT, "ACCELERATING THE ACQUISITION AND IMPLEMENTATION OF NEW TECHNOLOGIES FOR INTELLIGENCE: THE REPORT OF THE INDEPENDENT PANEL ON THE CENTRAL INTELLIGENCE AGENCY IN-Q-TEL VENTURE," WAS SUBMITTED TO THE CIA AND CONGRESS.

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

FORM 990, PART III - PROGRAM SERVICESATTACHMENT 3 (CONT'D)

JUNE 2001

SOURCE-BUSINESS EXECUTIVES FOR NATIONAL SECURITY

WWW.BENS.ORG

* HARVARD BUSINESS SCHOOL CASE STUDY

THIS HARVARD BUSINESS SCHOOL CASE STUDY PROVIDES BACKGROUND ABOUT
IN-Q-TEL'S HISTORY AND STRATEGY, LAYING THE GROUNDWORK FOR
IN-Q-TEL TO CONSIDER THE CASE FOR EXPANSION.

BY JOSH LERNER, FELDA HARDYMON, KEVIN BOOK, ANN LEAMON

FEBRUARY 12, 2004

SOURCE-HARVARD BUSINESS SCHOOL

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IN ADDITION, IQT PARTICIPATES IN PERIODIC REVIEWS BY THE INSPECTOR
GENERAL OFFICE AND THE U.S. SENATE SELECT COMMITTEE ON
INTELLIGENCE TO ASSESS THE EFFECTIVENESS OF TECHNOLOGY SOLUTIONS
FROM OUR INVESTMENTS IN SOLVING CHALLENGING PROBLEMS IN THE
INTELLIGENCE COMMUNITY.

ATTACHMENT 4

Name of the organization

IN-Q-TEL, INC.

Employer identification number

52-2149962

ATTACHMENT 4 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
QD VISION 313 PLEASANT ST. WATERTOWN, MA 02472	TECH. DEVELOPMENT	2,320,018.
VERACODE INC. 4 VAN DE GRAAF DR. BURLINGTON, MA 01803	TECH. DEVELOPMENT	1,340,205.
T2 BIOSYSTEMS 286 CARDINAL MEDEIROS AVE CAMBRIDGE, MA 02141	TECH. DEVELOPMENT	1,087,500.
FIREEYE 1390 MCCARTHY BLVD. MILPITAS, CA 95035	TECH. DEVELOPMENT	1,036,044.
ELEMENTAL TECHNOLOGIES 620 SW 5TH AVE. PORTLAND, OR 97204	TECH. DEVELOPMENT	900,000.
TOTAL COMPENSATION		<u>6,683,767.</u>

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to other organization(s)	X	
c	Gift, grant, or capital contribution from other organization(s)		X
d	Loans or loan guarantees to or for other organization(s)		X
e	Loans or loan guarantees by other organization(s)		X
f	Sale of assets to other organization(s)		X
g	Purchase of assets from other organization(s)		X
h	Exchange of assets		X
i	Lease of facilities, equipment, or other assets to other organization(s)		X
j	Lease of facilities, equipment, or other assets from other organization(s)		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	X	
l	Performance of services or membership or fundraising solicitations by other organization(s)		X
m	Sharing of facilities, equipment, mailing lists, or other assets		X
n	Sharing of paid employees		X
o	Reimbursement paid to other organization for expenses		X
p	Reimbursement paid by other organization for expenses		X
q	Other transfer of cash or property to other organization(s)		X
r	Other transfer of cash or property from other organization(s)		X
2	If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds		

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

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

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization IN-Q-TEL, INC.	Employer identification number 52-2149962
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 12407	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions ARLINGTON, VA 22219	

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

- | | | |
|--|---|------------------------------------|
| ☒ Form 990 | ☐ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☐ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

• The books are in the care of ► THE ORGANIZATION

Telephone No. ► 703-248-3000 FAX No ► _____

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until NOVEMBER 15, 2010, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☐ calendar year 20____ or
► ☒ tax year beginning APRIL 1, 2009, and ending MARCH 31, 2010.

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

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

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

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization IN-Q-TEL, INC.	Employer identification number 52-2149962
	Number, street, and room or suite no. If a P.O. box, see instructions P.O. BOX 749	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions ARLINGTON, VA 22219	

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

- | | | | |
|--|---|--------------------------------------|------------------------------------|
| ☒ Form 990 | ☐ Form 990-PF | ☐ Form 1041-A | ☐ Form 6069 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 4720 | ☐ Form 8870 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 5227 | |

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **THE ORGANIZATION**

Telephone No. **703-248-3000**FAX No.

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

- 4 I request an additional 3-month extension of time until **FEBRUARY 15**, 2011.
- 5 For calendar year , or other tax year beginning **APRIL 1**, 2009, and ending **MARCH 31**, 2010.
- 6 If this tax year is for less than 12 months, check reason. ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **AWAITING INFORMATION FROM THIRD PARTIES WHICH IS NECESSARY TO PREPARE AND COMPLETE AN ACCURATE RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	N/A
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	N/A
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$	N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ***[Signature]***Title **TAX MANAGER**Date **11-15-2010**Form **8868** (Rev. 4-2009)