

## **Section II**

### **Schedule of Expenditures of Federal Awards**

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS</b>			
<b>Research and Development Program</b>			
<b>Direct Funds</b>			
<b>Executive Office of the President</b>			
Office of Science and Technology Policy	27 011		\$ 93,512
<b>Department of Agriculture</b>			
United States Department of Agriculture	10 206		29,404
<b>Department of Commerce</b>			
National Institute of Standards and Technology	11 609		4,484
National Oceanic & Atmospheric Administration	11 431		<u>60,025</u>
Total Department of Commerce			<u>64,509</u>
<b>Department of Defense</b>			
Air Force	12	IPA - SERCEL	222,283
Air Force	12	F49620-02-1-0085	100,403
Air Force	12	W30898	15,836
Air Force	12	W30906	42,126
Air Force	12.63		581,872
Air Force	12.8		2,755,526
Air Force	12.91		1,699,027
Army	12	DASW01-03-C-0037	538,843
Army	12	W911NF-04-1-0201	16,026
Army	12.42		103,767
Army	12.431		5,044,903
Navy	12	N00173-04-P-0251	13,726
Navy	12	N00244-02-C-0032	4 040,995
Navy	12	N66001-04-1-8913	79,220
Navy	12.3		5,099,521
Navy	12.91		2,088,972
National Imagery and Mapping Agency	12.431		53,767
National Reconnaissance Office	12	W30897	3,335
National Security Agency	12.901		29,495
Defense Advanced Research Projects Agency	12 91		<u>2,154,119</u>
Total Department of Defense			<u>24,683,762</u>
<b>Department of Education</b>			
Department of Education	84 116		35,551
<b>Department of Energy</b>			
Department of Energy	81	DE-AC26-99BC15217	(5,754)
Department of Energy	81	DE-FC26-02NT15383	425,864
Department of Energy	81	DE-FC26-02NI41581	260,243
Department of Energy	81	DE-FC26-02NI41631	311,047
Department of Energy	81	DE-FG02-01ER45950	33 339
Department of Energy	81	DE-FG02-04ER41316	79,726
Department of Energy	81 049		190,987
Department of Energy	81 064		13,165,262
Department of Energy	81 087		<u>5,978</u>
Total Department of Energy			<u>14,466,692</u>

The accompanying notes are an integral part of this Schedule

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Direct Funds (Continued)</b>			
<b>Department of Health and Human Services</b>			
National Institutes of Health	93 121		\$ 469,486
National Institutes of Health	93 172		2,901,162
National Institutes of Health	93 173		1,035,688
National Institutes of Health	93 242		1,722,460
National Institutes of Health	93 279		869,815
National Institutes of Health	93 282		333,961
National Institutes of Health	93 286		290,438
National Institutes of Health	93 306		773,916
National Institutes of Health	93 398		771,299
National Institutes of Health	93 393		316,396
National Institutes of Health	93 396		735,375
National Institutes of Health	93 398		273,006
National Institutes of Health	93 821		4,574,369
National Institutes of Health	93 837		124,724
National Institutes of Health	93 847		1,271,433
National Institutes of Health	93 848		147,687
National Institutes of Health	93 849		255,261
National Institutes of Health	93 853		6,321,772
National Institutes of Health	93 854		606,832
National Institutes of Health	93 855		372,109
National Institutes of Health	93 856		1,474,380
National Institutes of Health	93 859		3,915,729
National Institutes of Health	93 862		2,621,259
National Institutes of Health	93 864		1,002,654
National Institutes of Health	93 865		1,090,271
National Institutes of Health	93 866		1,278,047
National Institutes of Health	93 867		<u>2,167,480</u>
Total Health and Human Services			<u>37,717,009</u>
<b>Department of the Interior</b>			
United States Geological Survey	15	HM158204C0017	27,318
United States Geological Survey	15	NBCHC030105	327,550
United States Geological Survey	15 807		941,610
United States Geological Survey	15 808		<u>162,231</u>
Total Department of Interior			<u>1,458,709</u>
<b>Environmental Protection Agency</b>			
United States Environmental Protection Agency ("EPA")	66.509		288,398
United States Environmental Protection Agency ("EPA")	66.6		<u>76,884</u>
Total Environmental Protection Agency			<u>365,282</u>
<b>Federal Communications Commission</b>			
Federal Communications Commission	32 001		911
<b>Institute of Museum and Library Services</b>			
Institute of Museum and Library Services	45 312		38 164

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Direct Funds (Continued)</b>			
National Aeronautics and Space Administration ("NASA")			
NASA	43		\$ 18,589,199
<b>National Science Foundation</b>			
National Science Foundation	47		39,996
National Science Foundation	47.041		4,364,818
National Science Foundation	47.049		53,110,717
National Science Foundation	47.05		3,874,464
National Science Foundation	47.07		6,101,993
National Science Foundation	47.074		1,662,430
National Science Foundation	47.075		886,285
National Science Foundation	47.076		2,794,033
National Science Foundation	47.078		<u>1,021,553</u>
Total National Science Foundation			<u>73,856,289</u>
Total Research and Development – Direct Funds			<u>171,398,993</u>
<b>Pass-Through Funds</b>			
<b>Department of Commerce</b>			
National Institute of Standards and Technology	11.612	DOC-RAH-CIT-001	17,391
<b>Department of Defense</b>			
<b>Air Force</b>			
Aeropath Corporation	12	F49620-02-C-0071	(475)
Alphatech, Inc	12	F33615-01-C-3149	30,477
Alphatech, Inc	12.3	F33615-02-C-3262	55,853
Brown University	12.8	F49620-99-1-0272	251,266
Cornell University	12.91	F30602-01-2-0577	27,760
Duke University	12.91	F30602-01-2-0561	6,679
ERC, Inc	12	F04611-99-C-0025	155,871
HRL Laboratories, LLC	12	F33615-02-C-1184	176,811
Massachusetts Institute of Technology	12.91	F49620-00-C-0035	49,937
Morton Consulting	12	F33615-03-M-3333	27,500
OptiComp Corporation	12	FA9550-04-C-0016	40,000
Stanford University	12.63	F49620-01-1-0365	98,540
Universal Technology Corporation	12	F33615-98-C-2807	(3,000)
Universal Technology Corporation	12	F33615-02-D-2299	73,204
University of California Los Angeles	12	F49620-01-1-0361	(4,286)
University of California Los Angeles	12.8	F33615-01-C-3149	264,320
University of California San Diego	12.8	F49620-01-1-0497	58,271
University of Minnesota	12.63	F49620-98-1-0433	(143)
University of Southern California	12	F30602-02-C-0213	<u>93,933</u>
Total Air Force Pass-Through			<u>1,402,518</u>

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Pass-Through Funds (Continued)</b>			
<b>Army</b>			
Cornell University	12.431	DAAD19-01-1-0541	\$ 230,636
General Electric Company	12	DABT-63-C-0001	98
Microwave Bonding Instruments, Inc	12	MBI.000001	14,382
Stanford University	12.431	DAAD19-03-1-0199	121,350
Trex Enterprises	12	DASG60-03-C-0008	24,202
Trex Enterprises	12	DAAH01-02-C-0031	50,715
University of California Los Angeles	12	DAAH01-01-1-R002	304,549
University of California Santa Barbara	12	DAAD19-03-D-0004	1,073,898
University of Chicago	12	W911NF-04-1-071	<u>16,514</u>
Total Army Pass-Through			<u>1,836,344</u>
<b>Navy</b>			
Boeing Company	12	N00421-02-D-3223	276,276
Colorado School of Mines	12 3	N00014-02-1-0665	454,145
Cornell University	12 3	N00014-01-1-0765	58,898
Cornell University	12 3	N00014-03-1-0243	40,308
Harvard University	12.3	N00014-01-0651	356,489
Harvard University	12	N00014-04-1-0591	109,585
Louisiana State University	12.91	N66001-01-1-8968	14,668
Massachusetts Institute of Technology	12 3	N00014-02-1-0915	119,719
Naval Research Laboratory	12 3	N00173-01-P-1550	18,123
Northrop Corporation	12 3	N65236-98-C-5820	(96,106)
Princeton University	12.3	N00014-02-1-0826	213,595
Princeton University	12.91	N66001-02-1-8929	564,228
Stanford University	12 3	N00014-02-1-0589	147,195
TRW Incorporated	12 3	N66001-97-C-8609	(3,120)
University of California Berkeley	12.3	N00014-01-1-0890	206,087
University of California Los Angeles	12	N66001-02-C-8042	107,160
University of California Los Angeles	12 91	N66001-00-1-8937	53,194
University of California Los Angeles	12.91	N66001-00-C-8092	35,041
University of California Los Angeles	12 3	N00014-02-1-0180	80,269
University of California San Diego	12 3	N00014-02-1-0666	66,668
University of California Santa Barbara	12 3	N00014-01-1-0764	158,757
University of Colorado At Boulder	12 3	N00014-02-1-0714	37,347
University of Washington	12.3	N00014-04-1-0094	63,253
University of Washington	12	N00014-01-1-0676	<u>166,511</u>
Total Navy Pass-Through			<u>3,248,290</u>
<b>National Reconnaissance Office</b>			
Massachusetts Institute of Technology	12	NRO 000-00-C-0102	25,754

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Pass-Through Funds (Continued)</b>			
<b>Defense Advanced Research Projects Agency</b>			
Hewlett Packard	12	MDA972-01-3-0005	\$ 938,183
Lockheed Martin Energy Systems	12	PP4-536109	10,695
Massachusetts Institute of Technology	12	2003-MIT-887	214,020
Oregon State University	12.91	HR0011-04-1-0023	39,576
Technical Basis, LLC	12.3	DAAH01-03-C-R288	45,991
University of California Berkeley	12	2003-DI-660	111,108
University of California Los Angeles	12.91	MDA972-02-2-001	9,455
University of California San Diego	12.91	MDA972-00-1-0019	106,603
University of Massachusetts	12	MDA972-95-C-0004	<u>71,201</u>
Total Defense Advanced Research Projects Agency – Pass-Through			<u>1,546,832</u>
Total Department of Defense Pass-Through			<u>8,059,738</u>
<b>Department of Energy</b>			
Argonne National Laboratory	81.049	W-31-109-ENG-48	(79,549)
Carnegie Institute	81	DE-FC03-03NA00144	47,753
Cornell University	81	DE-FG02-03ER46072	46,002
Fermilab National Accelerator Laboratory	81	DE-AC02-76CH03000	332,440
Lawrence Berkeley National Laboratory	81.049	DE-AC03-76SF00098	343,302
Lawrence Livermore National Laboratory	81.064	W-7405-ENG-48	4,743,419
Los Alamos National Laboratory	81.064	W-7405-ENG-36	141,717
National Renewable Energy Laboratory	81.064	DE-AC36-99GO-10337	541,945
Oak Ridge National Laboratory	81	DE-AC05-00OR22725	102,585
Sandia National Laboratories	81	DE-AC04-94AI 85000	179,283
University of California Los Angeles	81	DE-FG03-91ER40662	3,593
University of California Los Angeles	81	DE-FG03-01ER45949	254,354
University of Nevada	81.065	DE-FC28-98NV12081	271,847
University of Nevada	81.065	DE-FC28-04RW12232	<u>339,830</u>
Total Department of Energy – Pass-Through			<u>7,268,521</u>
<b>Department of Health and Human Services</b>			
<b>National Institutes of Health</b>			
Childrens Hospital Los Angeles	93.394	5 U01 CA88199	84,002
Childrens Hospital Los Angeles	93.856	R01 AI40567	782
City of Hope	93.371	R01 RR06217	82,587
Cornell University	93.853	7 R01 NS34998-05	7,054
Harvard University	93.903	P50 GM068763	85,674
Indiana University	93.849	P01 DK43881	122,495
Jackson Laboratory	93.172	2 P41 HG002273	137,153
Johns Hopkins University	93.849	1 P50 DK57325-01	308,312
Lawrence Berkeley National Laboratory	93.939	R01 CA80792	31,491
Loma Linda University	93.393	R01 CA85779	(5,449)
Massachusetts Institute of Technology	93.242	P20-MH66239-01	57,376
Massachusetts Institute of Technology	93.172	U54 HG002045-06	15,847
Medical University of South Carolina	93.837	2 P01 HL 52813-06	33,701
Molecular Sciences Institute	93	1 P50-HG02370	<u>203,746</u>

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Pass-Through Funds (Continued)</b>			
<b>Department of Health and Human Services (Continued)</b>			
<b>National Institutes of Health (continued)</b>			
Oregon Health Sciences University	93 859	1 P01 GM067166	\$ 25,196
Purdue University	93 856	1 P01 A1055672-01	444,596
The Scripps Research Institute	93 821	1 R01 GM57148	57,954
The Scripps Research Institute	93 821	5 R01 GM057148-07	129,823
University of California Irvine	93 309	GM-69013	44,533
University of California Los Angeles	93 242	R01 MH61223-01	161,527
University of California Los Angeles	93 389	5 P41 RR13642-04	355,494
University of California Los Angeles	93 396	3 P01 CA032737	76,274
University of California Los Angeles	93 929	1 R01 HD044830	18,180
University of California San Francisco	93 821	R01 GM034993	64,757
University of North Carolina	93 242	U54 MH66418	81,822
University of Southern California	93 866	1 R01 AG13860-01	(3,093)
University of Tennessee	93 853	R01 NS046356-01	75 181
University of Texas Southwestern Medical Center	93 862	5 U54 GM62114	44,630
University of Texas Southwestern Medical Center	93 859	U54 GM62114	1,564,096
University of Texas Southwestern Medical Center	93 859	1 U54 GM62114-01	81,542
University of Utah	93 821	P01 GM66521	307,069
Whitehead Institute For Biomedical Research	93 172	U54 HG002045	<u>126,169</u>
Total National Institutes of Health – Pass-Through			<u>4,820,521</u>
Total Department of Health and Human Services – Pass-Through			<u>4,820,521</u>
<b>Department of Interior</b>			
<b>United States Geological Survey ("USGS")</b>			
University of Southern California	15 807	02HQAG0008	193,457
<b>Department of State</b>			
Nat'l Council For Eurasian and East European Research	19 3	Title VIII Grant	15,309
<b>Environmental Protection Agency ("EPA")</b>			
Harvard University	66 5	RD-83095901	77,955
Howard University	66.5	R-82962601-0	(6,765)
University of California Riverside	66	CR 827331-01	<u>(7,759)</u>
Total EPA Pass-Through			<u>63,431</u>
<b>National Aeronautics and Space Administration ("NASA")</b>			
Case Western Reserve University	43	NAG5-12723	110,382
Emcore Corporation	43	NAS3-02201	93,146
Harvard University	43	NAG5-5396	1,118
Lockheed Martin Corporation	43	NAS2-03004	28,727
National Space Biomedical Research Institute	43	NCC-9-58-317	37,376
Pennsylvania State University	43	NAG5-13620	36,134
Smithsonian Astrophysical Observatory	43	NAS8-39073	267,297
Smithsonian Astrophysical Observatory	43	NAS8-03060	67,935

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Pass-Through Funds (Continued)</b>			
<b>National Aeronautics and Space Administration ("NASA") (Continued)</b>			
Space Telescope Science Institute	43	NAS5-26555	\$ 1,167,836
Universities of Space Research Association	43	NCC3-975	175,017
Universities of Space Research Association	43	NAS5-97001	550,540
University of Alabama In Huntsville	43	NCC8-200	(1,734)
University of California Berkeley	43	NAS5-00133	1,494,475
University of California Berkeley	43	NAG5-11200	48,816
University of California Los Angeles	43	NCC2-1364	168,370
University of Colorado at Boulder	43	NAG5-11911	11,458
University of Maryland	43	NAG5-10876	1,086
University of Maryland	43	NAG5-8877	70,060
University of Southern California	43	NCC2-1224	18,994
University of Washington	43	NCC2-1273	<u>60,630</u>
Total National Aeronautics and Space Administration – Pass-Through			<u>4,407,663</u>
<b>National Science Foundation</b>			
Brown University	47.07	CCR-0086065	97,139
California Association For Research In Astronomy	47.049	AST-9613615	877,256
California State University Los Angeles	47.049	DMR-0351848	36,832
Cornell University	47.049	AST-0138263	113,220
Florida International University	47.049	PHY-0312038	114,999
Incorporated Research Institute For Seismology	47.05	EAR-0004370	132,609
Johns Hopkins University	47.049	PHY-9980044	(5,261)
Johns Hopkins University	47.049	ASI-0122449	621,138
Massachusetts Institute of Technology	47.049	PHY-0326281	47,641
Michigan State University	47.074	DEB-9981397	77,345
National Bureau of Economic Research, Inc	47.075	SES-0214013	3,110
National Radio Astronomy Observatory	47.049	AST-9223814	137,131
National Radio Astronomy Observatory	47.049	ASI-0223851	2,709
New Jersey Institute of Technology	47.049	ASI-9987366	100,229
New York University	47.041	CTS-0103002	181,041
Northeastern University	47.049	PHY-0204786	347,450
Northwestern University	47.049	ASI-0243156	7,721
Pennsylvania State University	47.049	DMS-0101360	81,849
Rice University	47	DMR-0073046	92,355
UNAVCO Inc.	47.05	EAR-0318549	143,416
University of California Berkeley	47.074	MCB-0313546	97,017
University of California Berkeley	47.078	OPP-0091840	52,065
University of California Berkeley	47.041	EEC-9701568	211,703
University of California Irvine	47.074	EF-0330786	1,062,887
University of California Los Angeles	47	CCR-0121778	112,045
University of California Los Angeles	47.041	ECS-0103559	15,054
University of California San Diego	47.07	ACI-96-19020	864,159
University of California San Diego	47.041	EEC-0088130	(2,612)
University of California San Diego	47.07	ACI-0122272	1,676,764
University of California San Diego	47.07	ACI-0332113	289,513
University of California Santa Cruz	47.049	AST-9876783	118,256



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**Schedule of Expenditures of Federal Awards (Continued)**  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>MAJOR PROGRAMS (Continued)</b>			
<b>Research and Development Program (Continued)</b>			
<b>Pass-Through Funds (Continued)</b>			
<b>National Science Foundation (Continued)</b>			
University of Chicago	47.049	ASI-0096913	\$ 297,412
University of Delaware	47.07	EIA-0103723	106,217
University of Florida	47.07	ACI-0086044	213,867
University of Florida	47.049	PHY-0122557	85,381
University of Georgia	47.041	CMS-0404031	2,098
University of Illinois	47.07	ACI-9619019	64,950
University of Illinois	47.041	DMI-0328162	118,290
University of Iowa	47.05	ATM-0205198	154,724
University of Southern California	47.05	EAR-0106924	125,494
University of Southern California	47.05	EAR-0137983	17,263
University of Southern California	47	EEC-0310723	288,171
University of Southern California	47.041	ESC-0335110	57,628
University of Texas	47.049	DMR-0103134	147,346
University of Virginia	47.075	SES-0094800	49,054
University of Washington	47.049	DMR-0120967	319,840
US Civilian Research and Development Foundation	47.075	INT-9531011	<u>14,000</u>
Total National Science Foundation – Pass-Through Funds			<u>9,768,515</u>
Total Research and Development – Pass-Through Funds			<u>34,614,546</u>
Total Research and Development Program			<u>206,013,539</u>
<b>Department of Education</b>			
<b>Student Financial Assistance Cluster</b>			
<b>Direct Funds</b>			
<b>Department of Education</b>			
Federal Work Study Program		84 033	382,228
Federal Supplemental Educational Opportunity Grant		84 007	533,988
Federal Pell Grant Program		84 063	<u>445,551</u>
Total Student Financial Assistance Cluster			<u>1,361,767</u>
Total Major Programs			<u>207,375,306</u>

**California Institute of Technology**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended September 30, 2004**

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Contract Number	Federal Expenditures
<b>NON-MAJOR PROGRAMS</b>			
<b>Student Financial Assistance Program</b>			
<b>Pass-Through Funds</b>			
<b>Department of Education</b>			
California Student Aid Commission Cal Grants	84 069A		\$ <u>10,846</u>
Total Department of Education – Pass-Through Funds			<u>10,846</u>
Total Non-Major Programs			<u>10,846</u>
Total Federal Awards			<u>\$ 207,386,152</u>

**California Institute of Technology**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2004**

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**1. Summary of Significant Accounting Policies**

***General***

The California Institute of Technology (the "Institute") is a private, not-for-profit institution of higher education based in Pasadena, California. The Institute provides education and training services, primarily for students at the undergraduate, graduate, and postdoctoral levels, and performs research, training, and other services under grants, contracts, and similar agreements with sponsoring organizations, primarily departments and agencies of the United States government.

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") has been prepared in accordance with the Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and Not-for-Profit Organizations and the American Institute of Certified Public Accountants' Audit and Accounting Guide, Government Auditing Standards and Circular A-133 Audits. The Schedule summarizes the expenditures of the Institute under programs of the federal government for the year ended September 30, 2004. Because the Schedule presents only a selected portion of the operations of the Institute, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Institute in accordance with accounting principles generally accepted in the United States of America.

The accompanying Schedule has been prepared on the cash basis of accounting.

Negative balances reflected in the Schedule represent adjustments to prior periods.

Expenditures for direct costs are recognized as incurred using the cash basis of accounting and the cost accounting principles contained in OMB Circular A-21, *Cost Principles for Educational Institutions*. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursements. Moreover, expenditures include a portion of costs associated with general institution activities (Facilities and Administrative costs) which are allocated to awards under negotiated formulas commonly referred to as indirect cost rates.

The Institute receives funding or reimbursement from Federal Government agencies primarily for research under Government grants and contracts. Grants and contracts provide for reimbursement of indirect costs based on rates negotiated with the Department of Defense's Office of Naval Research ("ONR"), the Institute's cognizant federal agency. The Institute's indirect cost reimbursements traditionally have been based on fixed rates with carry forward of under- or over-recoveries. ONR engages the Defense Contract Audit Agency ("DCAA") to audit both direct and indirect charges to the Institute's grants and contracts. ONR has approved final indirect cost rates through 2002. 2004 and 2003 actual incurred costs are currently under audit by DCAA and, in the opinion of management, the results of such audits will not have a material impact on the Schedule.

**California Institute of Technology**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2004**

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**1. Summary of Significant Accounting Policies (Continued)**

***Basis of Presentation (Continued)***

The Institute discloses its accounting policies for the purposes of direct costs and facilities and administrative costs on a Disclosure Statement, in accordance with Cost Accounting Standards. Certain revisions to the Disclosure Statement have been filed with ONR; however, final approval has not been received. In the opinion of management, the official approval process will not have a material effect on the Schedule.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the Institute and agencies and departments of the federal government and all subawards to the Institute by nonfederal organizations pursuant to federal grants, contracts and similar agreements. The awards are classified into major program categories in accordance with the provisions of OMB Circular A-133. The awards set forth in this Schedule do not include amounts related to the Jet Propulsion Laboratory ("JPL") which is a NASA Federally Funded Research and Development Center ("FFRDC") managed by the Institute. Please refer to the separate financial statements and related reports of the Independent Auditors of JPL and the DCAA.

**2. Loan Advances**

During the year ended September 30, 2004, the Institute advanced loans totaling \$351,044 for the Federal Perkins Loan Program (CFDA Number 84.038). The outstanding balance at September 30, 2004 was \$5,827,439. The Federal Perkins Loan Program is administered directly by the Institute. Balances and transactions related to this program are included in the Institute's financial statements.

**3. Federal Direct Loan Program**

During the year ended September 30, 2004, the Institute processed \$718,929 of new loans under the Federal Direct Loan Program (CFDA Number 84.268), (which includes Subsidized Stafford Loans, Parent Loans for Undergraduate Students and Unsubsidized Stafford Loans).

**4. Transfers**

During the year ended September 30, 2004, the Institute transferred \$137,697 from the Federal Work Study Program (FWS) to the Federal Supplemental Educational Opportunity Grant Program (FSEOG). The transferred amounts are reflected as revenues/expenditures recognized in the program in which the funds were expended.

**California Institute of Technology**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2004**

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**5. Federal Work Study (FWS) Carryforwards**

During the year ended September 30, 2004, the Institute spent \$55,079 of FWS funds which were carried forward from the year ended September 30, 2003. During year ended September 30, 2004, the Institute carried forward \$55,079 of FWS funds which are to be spent during the year ended September 30, 2005. The carryforward amount is reflected as revenues/expenditures recognized in the year in which the funds were expended.

**6. Subrecipient Pass-Throughs**

Of the federal expenditures presented in the Schedule, the Institute provided federal awards to subrecipients from the Institute's research and development cluster as follows:

<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
<b>Department of Commerce</b>	
National Oceanic & Atmospheric Administration	\$ 24,855
<b>Department of Defense</b>	
Air Force Office of Scientific Research	141,054
Air Force Research Laboratory	110,332
Army Research Office	932,459
Defense Advanced Research Projects Agency	197,833
National Imagery and Mapping Agency	32,529
Office of Naval Research	995,919
Space and Naval Warfare System	536,139
	<u>2,946,265</u>
<b>Department of Energy</b>	
Department of Energy	89,364
Lawrence Livermore National Laboratory	658,394
University of Nevada Reno	86,126
	<u>833,884</u>
<b>Department of Health and Human Services</b>	
National Institutes of Health	<u>2,371,266</u>
<b>National Aeronautics &amp; Space Administration</b>	
National Aeronautics & Space Administration	3,894,430
Universities of Space Research Association	45,977
	<u>3,940,407</u>
<b>National Science Foundation</b>	
National Science Foundation	<u>4,653,325</u>
Total Amount Provided to Subrecipients	<u>\$ 14,770,002</u>