



**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Financial Statements

September 30, 2014 and 2013

(With Independent Auditors' Report Thereon)



KPMG LLP
Suite 2100
1003 Bishop Street
Honolulu, HI 96813-6400

Independent Auditors' Report

The Board of Directors
California Association for Research in Astronomy:

We have audited the accompanying financial statements of the California Association for Research in Astronomy, which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Association for Research in Astronomy as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Honolulu, Hawaii
March 20, 2015

**CALIFORNIA ASSOCIATION
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Statements of Financial Position

September 30, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and cash equivalents	\$ 9,178,045	17,106,409
Grants and contracts receivable	437,056	569,298
Contributions receivable	—	100,000
Prepaid expenses and other assets	148,313	113,542
Total current assets	9,763,414	17,889,249
Noncurrent asset:		
Long-term investments (note 3)	5,857,216	—
Property and equipment, at cost less accumulated depreciation	54,328,833	54,844,813
Total assets	\$ 69,949,463	72,734,062
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,520,534	3,031,250
Advances (note 2)	12,498,326	13,849,067
Total current liabilities	15,018,860	16,880,317
Net assets:		
Unrestricted	54,141,311	54,657,234
Unrestricted – board-designated	354,038	544,525
Temporarily restricted	435,254	651,986
Total net assets	54,930,603	55,853,745
Commitments	—	—
Total liabilities and net assets	\$ 69,949,463	72,734,062

See accompanying notes to financial statements.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
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(A Nonprofit California Public Benefit Corporation)

Statements of Activities

Years ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Changes in unrestricted net assets:		
Unrestricted operating support and revenues:		
Contributions	\$ 161,606	424,857
Operating revenue:		
University of California: Observatory operations	14,229,688	13,303,223
Other (note 4)	7,434,348	7,779,921
Interest income	338,851	251,861
Net realized and unrealized gains on investments	444,867	4,676
Other income	145,226	183,829
Net assets released in satisfaction of equipment acquisition restrictions	433,352	299,185
Total unrestricted revenues	<u>23,187,938</u>	<u>22,247,552</u>
Expenses:		
Program services:		
Observatory operations	16,862,967	17,501,056
California Institute of Technology asset project	3,286,304	1,666,311
Research	45,496	5,398
Administrative and general	3,204,811	3,192,678
Fund-raising	494,770	664,755
Total expenses	<u>23,894,348</u>	<u>23,030,198</u>
Change in unrestricted net assets, before impairment loss on instrumentation	(706,410)	(782,646)
Impairment loss on instrumentation	—	2,701,325
Change in unrestricted net assets	<u>(706,410)</u>	<u>(3,483,971)</u>
Change in temporarily restricted net assets:		
Contributions	216,620	566,829
Net assets released from restrictions	(433,352)	(299,185)
Change in temporarily restricted net assets	<u>(216,732)</u>	<u>267,644</u>
Change in net assets	(923,142)	(3,216,327)
Net assets at beginning of year	<u>55,853,745</u>	<u>59,070,072</u>
Net assets at end of year	<u>\$ 54,930,603</u>	<u>55,853,745</u>

See accompanying notes to financial statements.

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Statements of Cash Flows

Years ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ (923,142)	(3,216,327)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,177,720	6,340,021
Net realized and unrealized gain on investments	(444,867)	(4,676)
Net gain on disposal of property and equipment	(45,121)	(39,400)
Impairment loss on instrumentation	—	2,701,325
Contributions restricted for investment in property and equipment	(216,620)	—
Decrease (increase) in operating assets:		
Grants and contracts receivable, net	132,242	19,971
Contributions receivable, net	100,000	—
Prepaid expenses	18,678	(6,565)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(510,716)	733,174
Advances	(1,350,741)	931,433
Net cash provided by operating activities	<u>2,937,433</u>	<u>7,458,956</u>
Cash flows from investing activities:		
Purchases of property and equipment	(5,661,740)	(5,521,889)
Purchases of investments	(5,465,798)	(57,761)
Proceeds on sale of property and equipment	45,121	39,400
Net cash used in investing activities	<u>(11,082,417)</u>	<u>(5,540,250)</u>
Cash flows from financing activities:		
Contributions restricted for investment in property and equipment	216,620	—
Net cash provided by financing activities	<u>216,620</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents	(7,928,364)	1,918,706
Cash and cash equivalents at beginning of year	<u>17,106,409</u>	<u>15,187,703</u>
Cash and cash equivalents at end of year	<u>\$ 9,178,045</u>	<u>17,106,409</u>

See accompanying notes to financial statements.

**CALIFORNIA ASSOCIATION
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(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

(1) Description of Reporting Entity

California Association for Research in Astronomy (CARA) is a nonprofit corporation formed by the California Institute of Technology (Caltech) and the University of California (UC) in January 1985 to build and operate the W. M. Keck Observatory (Observatory) on the summit of Mauna Kea in Hawaii. Tax exempt under Section 501(c)(3) of the Internal Revenue Code, CARA is a nonprofit California public benefit corporation and, as such, is qualified as a nonprofit corporation in the state of Hawaii.

The principal purpose of CARA is to foster astronomical research and to provide technical direction for the development and operation of astronomical facilities on the island of Hawaii, principally on land owned by the state of Hawaii, leased to the University of Hawaii, and subleased to Caltech. The Observatory is owned by Caltech and is leased to CARA for \$1 per year. In consideration for subleasing the land to Caltech for \$1 per year through 2033, the University of Hawaii receives an opportunity to use the Observatory and related facilities and improvements. The astronomical facilities include two 10-meter telescopes (Keck I and Keck II), related instrumentation, adaptive optics technology, support facilities, and required infrastructure improvements.

The costs of development of the Observatory and the development of adaptive optics technology were borne by Caltech, the majority of which were funded by grants from the W. M. Keck Foundation (the Foundation). Caltech's funding for Keck I and Keck II development costs was \$75,222,000 and \$78,600,000, respectively. Keck I development was completed in 1996; Keck II was largely completed in 1998 with the remaining development costs completely expended by 2005.

UC provided financial support to CARA for pre operating costs during the Observatory's development periods, acquisition of focal plane instrumentation, and observatory operations. UC provides continuing operating support for Keck I operations in the amount of \$3,500,000 per year, which continues through fiscal year 2017, and \$1,750,000 for the six-month period ending March 31, 2018, all measured in 1984 dollars. UC provides support for Keck II operations in the amount of \$2,105,000 per year, which continues through fiscal year 2017, and \$1,052,500 for the six-month period ending March 31, 2018, all measured in 1990 dollars. For fiscal years 2014 and 2013, CARA received operating support for Keck I operations of \$8,138,235 and \$8,042,930, respectively. For fiscal years 2014 and 2013, CARA received operating support for Keck II operations of \$5,585,702 and \$5,370,865, respectively. For fiscal years 2014 and 2013, CARA recognized operating revenue for Keck I and Keck II operations from UC of \$14,229,688 and \$13,303,223, respectively.

(2) Summary of Significant Accounting Policies

(a) Financial Statement Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP).

CARA follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 958-205-45-2, *Not-for-Profit Entities – Presentation of*

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

Financial Statement – Other Presentation Matters. Under FASB ASC Section 958-205-45-2, CARA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor-imposed stipulations. Accordingly, net assets of CARA and changes therein are classified and reported as follows:

Unrestricted Net Assets – net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the objectives of CARA.

Temporarily Restricted Net Assets – net assets subject to donor-imposed stipulations that may or will be met either by actions and/or the passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified and reported in the accompanying financial statements as net assets are released from restrictions.

Permanently Restricted Net Assets – net assets subject to donor-imposed stipulations that resources must be maintained in perpetuity. As of September 30, 2014 and 2013, CARA had no permanently restricted net assets.

(b) Cash and Cash Equivalents

CARA considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. As of September 30, 2014 and 2013, cash equivalents of \$8,949,520 and \$15,893,918, respectively, were invested in the University of California Short-term Investment Pool (UC STIP). Investments included in the UC STIP are highly liquid investments held by the UC and have original maturities of three months or less. These investments include indirect observable inputs and therefore are considered to be Level 2 in the fair value hierarchy.

(c) Long-term Investments

CARA records its investments at fair value as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. Investments are stated at fair value with gains and losses included in the statement of activities as an increase or decrease in unrestricted net assets unless their use is temporarily or permanently restricted by a donor.

CARA follows the measurement provisions of Accounting Standards Update (ASU) No. 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, to certain investments in funds that do not have readily determinable fair values including private investments, hedge funds, real estate, and other funds of funds. This guidance allows for the estimation of the fair value of investments in investment companies for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent.

At September 30, 2014, CARA has \$5,857,216 of its funds invested in the University of California's General Endowment Pool (UC GEP), which is reported at net asset value as of September 30, 2014.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

The UC GEP is a unitized fund whereby the University participates in investment returns and income on an equivalent pro-rated basis with all participants in the pool. For these investments, CARA has concluded that the net asset value reported by the underlying fund is a practical expedient to estimating fair value. The amounts reported at net asset value at September 30, 2014, are redeemable with the fund at net asset value under the original terms of the investment agreement with the UC subject to the restrictions discussed in note 3. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of CARA's interests in the funds.

(d) Property and Equipment

Expenditures incurred by CARA for observatory instrumentation and facilities, operating equipment, and vehicles are capitalized at cost, except for donated property that is valued at fair market value at the date of the gift, and depreciated when placed in service. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. The estimated useful lives are as follows:

Class of assets	Estimated useful lives
Observatory instrumentation	10–20 years
Observatory facility	3–15 years
Vehicles and equipment	3–25 years

CARA reports contributions designated by donors to acquire long-lived assets as temporarily restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, CARA reports net assets released in satisfaction of equipment acquisition restrictions in the accompanying statements of activities when the acquired long-lived assets are placed in service.

(e) Advances

Operating and instrumentation funds received from UC are recorded as advances until expended for operating expenditures, observatory instrumentation, or vehicles and equipment. Funds received from the Association of Universities for Research in Astronomy (AURA) for the purpose of developing certain instruments for the Keck telescopes or adaptive optics development are recorded as advances until expended for their stated purpose.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

A summary of advances at September 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
University of California – Observatory operations	\$ 10,325,829	10,831,581
W.M. Keck Foundation	1,174,242	1,491,600
Gordon and Betty Moore Foundation	851,374	592,911
Association for Universities for Research in Astronomy	118,836	904,330
Other	<u>28,045</u>	<u>28,645</u>
Advances	<u>\$ 12,498,326</u>	<u>13,849,067</u>

(f) Contributions

Contributions are recorded in the period received. CARA reports gifts as temporarily restricted support if they are received with donor-imposed stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

As described in note 1, CARA leases the observatory and related facilities and improvements from Caltech for \$1 per year. As the use of the Observatory is so specific that there is no assignable value, it is impractical to determine a fair rental value to be reported as contribution revenue in the accompanying statements of activities.

(g) Use of Estimates

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management of CARA to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment, valuation allowances for receivables and the fair value of investments. Actual results could differ from those estimates.

(h) Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, CARA first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as necessary.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

In 2012, the National Aeronautics and Space Administration (NASA) notified CARA that it would cease funding the development and operation of the Keck Interferometer instrumentation (Interferometer) effective December 31, 2012. As of September 30, 2012, no alternative sources of funding to complete and operate the Interferometer were identified, and accordingly, an impairment loss of \$38,287,695 was recorded. In fiscal September 30, 2013, an additional \$2,701,325 impairment loss was recorded for certain long-lived assets ancillary to the Interferometer.

(i) *Sponsored Programs, Grants, and Contracts*

Governmental and private grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. CARA recognizes revenues associated with direct costs as incurred. Indirect costs recovered on federally sponsored programs are based on cost reimbursement rates negotiated with CARA's cognizant agency, the Office of Naval Research. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective parties.

(j) *Subsequent Events*

CARA has evaluated subsequent events from the balance sheet date through March 20, 2015, the date at which the financial statements were available to be issued and determined that there are no other items to disclose.

(3) Long-term Investments

CARA's long-term investments are stated at fair value. Investment purchases and sales are recorded on a trade-date basis. Unrealized appreciation or depreciation on investments is recorded in the statement of activities. Dividend income is recorded on the ex-dividend date. Interest income is recorded when earned. As of September 30, 2014, CARA's long-term investments consisted of \$5,857,216 in the UC GEP. As of September 30, 2013, CARA had no long-term investments.

The UC GEP is valued based on net asset value as discussed in note 1(c). The pool includes the following at September 30, 2014: 15.5% U.S. equity securities, 25.9% international equity securities, 8.9% U.S. fixed income securities, 2.5% international fixed income securities, 8.4% U.S. real estate funds, 10.9% private equity funds, 22.2% absolute return funds – dividends, and 5.7% absolute return funds – international index and real assets. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. As the pool includes investments with unobservable inputs, the fair value of the pool is considered to be Level 3 in the fair value hierarchy.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

The following is a summary of the inputs used as of September 30, 2014 in valuing CARA's long-term investments carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2014:				
University of California General Endowment Pool	\$ —	—	5,857,216	5,857,216
	—	—	5,857,216	5,857,216

Under CARA's investment agreement with the UC, the funds held in the UC GEP are not subject to an initial lockup period, however, fund redemptions are limited to 5% per year unless additional redemption are approved by the UC.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance at September 30, 2013	\$ —
Total gains included in income:	
Realized	—
Unrealized	441,216
Purchases, issuance, and settlements (net)	5,416,000
Balance at September 30, 2014	\$ 5,857,216

CARA's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, 2, or 3 for the year ended September 30, 2014.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

(4) Operating Revenues

A summary of operating revenue for the years ended September 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
University of California – Observatory operations (note 1)	\$ 14,229,688	13,303,223
National Aeronautics and Space Administration	3,707,620	4,146,855
Association for Universities for Research in Astronomy	985,494	1,560,289
National Science Foundation	729,290	811,334
Other	<u>2,011,944</u>	<u>1,261,443</u>
Operating revenue	<u>\$ 21,664,036</u>	<u>21,083,144</u>

(5) Contributions Receivable

Contributions receivable represent unconditional promises to give by donors. In accordance with FASB ASC Section 958-605-25, *Not-for-Profit Entities – Recognition – Promises to Give*, contributions receivable are recorded at their estimated fair value. Amounts due more than one year later are recorded at the present value of the estimated future cash flows, discounted at an interest rate commensurate with the associated risks in the years in which the promises were received. Contributions receivable due in one year or less was \$0 and \$100,000 at September 30, 2014 and 2013, respectively.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

(6) Property and Equipment

A summary of property and equipment at September 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Instrumentation:		
Property and equipment	\$ 72,393,013	72,311,789
Construction in progress	8,437,060	5,027,677
	<u>80,830,073</u>	<u>77,339,466</u>
Adaptive optics:		
Property and equipment	19,845,839	19,845,839
Construction in progress	13,606,817	10,832,661
	<u>33,452,656</u>	<u>30,678,500</u>
Infrastructure:		
Property and equipment	3,742,948	3,473,298
Construction in progress	—	1,229,594
	<u>3,742,948</u>	<u>4,702,892</u>
Vehicles and equipment	4,960,493	4,708,124
Less accumulated depreciation	<u>(68,657,337)</u>	<u>(62,584,169)</u>
	<u>\$ 54,328,833</u>	<u>54,844,813</u>

Depreciation expense amounted to \$6,177,720 and \$6,340,021 in 2014 and 2013, respectively.

(7) Income Taxes

CARA has received a determination from taxing authorities that it is an organization exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code and is generally not subject to federal or state income taxes. However, CARA is subject to income taxes on any income derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as income, if any from unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

CARA applies the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest, and penalties, disclosure, and transition. Management believes that no such uncertain tax position exists for CARA

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

requiring accrual or disclosure at September 30, 2014 or 2013. CARA is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2010.

(8) Related-Party Transactions

Caltech and UC provide various instrument and adaptive optics development services to CARA. During fiscal years 2014 and 2013, total expenditures for these services charged to CARA were \$2,273,089 and \$2,090,329, respectively, by Caltech, and \$384,084 and \$402,488, respectively, by UC.

CARA has provided services for projects on Caltech's observatory assets located in Hawaii including ongoing repair of the telescope mirror segments, a telescope control system upgrade, and installation of two photovoltaic systems on Caltech's Waimea headquarters buildings. During fiscal years 2014 and 2013, total expenditures for these projects was \$3,286,304 and \$1,666,311, respectively.

(9) Commitments

CARA has entered into various contractual agreements for operations, laser guide star and adaptive optics systems, observatory construction and development of instrumentation, and interferometer systems. A summary of commitments at September 30, 2014 follows:

Operations	\$	970,039
Laser guide star and adaptive optics systems		797,692
Instrumentation		<u>1,133,721</u>
Total	\$	<u><u>2,901,452</u></u>

(10) Board-Designated Net Assets

In 2006, CARA established a board-designated Director's Fund separate from its unrestricted, undesignated net assets for receipt of all unrestricted contributions and their subsequent expenditures. In 2014 and 2013, CARA received contributions of \$161,606 and \$239,334, respectively, which were board-designated for the Director's Fund. At September 30, 2014 and 2013, respectively, the fund totaled \$354,038 and \$544,525.

(11) Temporarily Restricted Net Assets

In 2014 and 2013, CARA received restricted contributions for various instrumentation & adaptive optics technology development and Advancement Office initiatives totaling \$216,620 and \$566,829, respectively. In 2014 and 2013, \$433,352 and \$299,185, respectively, of temporarily restricted net assets were released in satisfaction of equipment acquisition and program restrictions. At September 30, 2014 and 2013, \$435,254 and \$651,986, respectively, was available for these activities.

**CALIFORNIA ASSOCIATION
FOR RESEARCH IN ASTRONOMY
DBA W.M. KECK OBSERVATORY**
(A Nonprofit California Public Benefit Corporation)

Notes to Financial Statements

September 30, 2014 and 2013

(12) In-Kind Contributions

CARA received the following in-kind contributions during the years ended September 30, 2014 and 2013:

	2014	2013
Professional services	\$ 12,443	23,979
Advancement events	—	19,430
Miscellaneous	—	984
	\$ 12,443	44,393

(13) Deferred Compensation

(a) 403(b) Plan

CARA has a defined contribution retirement plan (the Plan), which was established under Section 403(b) of the U.S. Internal Revenue Code. All eligible employees participate in the Plan. An eligible employee is defined as an employee regularly scheduled to work at least 20 hours per week subject to the appropriate waiting period and employment classification as defined in the Plan. CARA is required to make contributions to the Plan at various percentages of base salary depending on the participant's age and grade. Contributions to the Plan amounted to \$933,633 and \$865,027 for fiscal years 2014 and 2013, respectively.

(b) 457(b) Plan

In 2014, CARA established a voluntary deferred compensation plan for a specific group of management designed in accordance with the provisions of Section 457 of the Internal Revenue Code. The plan allows participants to defer a portion of their compensation until after employment termination. Assets in the plan are held by CARA on a nontrust basis and are subject to the claims of its creditors. The plan is funded entirely from the compensation of the participants and vests with the employee immediately. CARA makes no contributions to the plan. The 457(b) plan assets and related liability obligation to participants of \$115,886 and \$62,437 as of September 30, 2014 and September 30, 2013, respectively, are included within other assets on the accompanying balance sheets.