Form **990** AMENDED IRS COPY

# Return of Organization Exempt From Income Tax

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

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

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047
**2003**
Open to Public Inspection

**A For the 2003 calendar year, or tax year beginning** 04/01 , 2003, and ending 03/31/2004

| B Check if applicable | | C Name of organization | D Employer identification number |
|---|---|---|---|
| Address change | Please use IRS label or print or type. See Specific Instructions. | IN-Q-TEL, INC. | 52-2149962 |
| Name change | | Number and street (or P.O. box if mail is not delivered to street address) / Room/suite | E Telephone number |
| Initial return | | PO BOX 12407 | (703) 248-3000 |
| Final return | | City or town, state or country, and ZIP + 4 | F Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶ |
| X Amended return | | ARLINGTON, VA 22219 | |
| Application pending | | | |

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

H *and I are not applicable to section 527 organizations.*
H(a) Is this a group return for affiliates? ☐ Yes ☒ No
H(b) If "Yes," enter number of affiliates ▶ N/A
H(c) Are all affiliates included? ☐ Yes ☐ No
(If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No
I Group Exemption Number ▶ N/A
M Check ▶ ☐ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

G **Website:** ▶ WWW.IN-Q-TEL.ORG

J **Organization type** (check only one) ▶ X 501(c) ( 3 ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

K Check here ▶ ☐ if the organization's gross receipts are normally not more than $25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 52,499,891.

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Revenue | 1 | Contributions, gifts, grants, and similar amounts received: | | | | | |
| | a | Direct public support | | 1a | | | |
| | b | Indirect public support | | 1b | | | |
| | c | Government contributions (grants) | | 1c | 50,907,009. | | |
| | d | Total (add lines 1a through 1c) (cash $ 50,907,009. noncash $ NONE ) | | | | 1d | 50,907,009. |
| | 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | | | | 2 | |
| | 3 | Membership dues and assessments | | | | 3 | |
| | 4 | Interest on savings and temporary cash investments | | | | 4 | |
| | 5 | Dividends and interest from securities | | | | 5 | |
| | 6a | Gross rents | | 6a | | | |
| | b | Less: rental expenses | | 6b | | | |
| | c | Net rental income or (loss) (subtract line 6b from line 6a) | | | | 6c | |
| | 7 | Other investment income (describe ▶ STMT 2 ) | | | | 7 | 15,936. |
| | 8a | Gross amount from sales of assets other than inventory STMT 2A | (A) Securities 1,576,946. | 8a | (B) Other 597,089. | | |
| | b | Less: cost or other basis and sales expenses | 6,054,821. | 8b | NONE | | |
| | c | Gain or (loss) (attach schedule) | -4,477,875. | 8c | NONE | | |
| | d | Net gain or (loss) (combine line 8c, columns (A) and (B)) | | | | 8d | -4,477,875. |
| | 9 | Special events and activities (attach schedule). If any amount is from gaming, check here ▶ ☐ | | | | | |
| | a | Gross revenue (not including $ ____ of contributions reported on line 1a) | | 9a | | | |
| | b | Less: direct expenses other than fundraising expenses | | 9b | | | |
| | c | Net income or (loss) from special events (subtract line 9b from line 9a) | | | | 9c | |
| | 10a | Gross sales of inventory, less returns and allowances | | 10a | | | |
| | b | Less: cost of goods sold | | 10b | | | |
| | c | Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | | | | 10c | |
| | 11 | Other revenue (from Part VII, line 103) | | | | 11 | |
| | 12 | **Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | | | | 12 | 46,445,070. |
| Expenses | 13 | Program services (from line 44, column (B)) | | | | 13 | 38,412,897. |
| | 14 | Management and general (from line 44, column (C)) | | | | 14 | 9,522,843. |
| | 15 | Fundraising (from line 44, column (D)) | | | | 15 | |
| | 16 | Payments to affiliates (attach schedule) | | | | 16 | |
| | 17 | **Total expenses** (add lines 16 and 44, column (A)) | | | | 17 | 47,935,740. |
| Net Assets | 18 | Excess or (deficit) for the year (subtract line 17 from line 12) | | | | 18 | -1,490,670. |
| | 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | | | | 19 | 3,994,924. |
| | 20 | Other changes in net assets or fund balances (attach explanation) STMT 3 | | | | 20 | 7,285,860. |
| | 21 | Net assets or fund balances at end of year (combine lines 18, 19, and 20) | | | | 21 | 9,790,114. |

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

Form **990** (2003)

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21

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

| | *Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.* | | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---|---|---|---|---|---|---|
| 22 | Grants and allocations (attach schedule) (cash $ ______ noncash $ ______) | 22 | | | | |
| 23 | Specific assistance to individuals (attach schedule) | 23 | | | | |
| 24 | Benefits paid to or for members (attach schedule) | 24 | | | | |
| 25 | Compensation of officers, directors, etc. | 25 | 4,131,957. | 912,852. | 3,219,105. | |
| 26 | Other salaries and wages | 26 | 6,037,101. | 4,105,646. | 1,931,455. | |
| 27 | Pension plan contributions | 27 | 266,043. | 120,007. | 146,036. | |
| 28 | Other employee benefits | 28 | 592,805. | 260,554. | 332,251. | |
| 29 | Payroll taxes | 29 | 458,026. | 205,134. | 252,892. | |
| 30 | Professional fundraising fees | 30 | | | | |
| 31 | Accounting fees | 31 | 254,082. | | 254,082. | |
| 32 | Legal fees | 32 | 451,906. | 356,939. | 94,967. | |
| 33 | Supplies | 33 | 97,720. | 56,992. | 40,728. | |
| 34 | Telephone | 34 | 353,959. | 195,758. | 158,201. | |
| 35 | Postage and shipping | 35 | 37,011. | 16,620. | 20,391. | |
| 36 | Occupancy | 36 | 969,730. | 800,541. | 169,189. | |
| 37 | Equipment rental and maintenance | 37 | | | | |
| 38 | Printing and publications | 38 | 29,959. | 4,367. | 25,592. | |
| 39 | Travel | 39 | 945,715. | 502,619. | 443,096. | |
| 40 | Conferences, conventions, and meetings | 40 | 167,522. | 77,449. | 90,073. | |
| 41 | Interest | 41 | | | | |
| 42 | Depreciation, depletion, etc STMT 8 | 42 | 743,697. | 603,964. | 139,733. | |
| 43 | Other expenses not covered above (itemize) STMT 4 | 43a | 32,398,507. | 30,193,455. | 2,205,052. | |
| b | | 43b | | | | |
| c | | 43c | | | | |
| d | | 43d | | | | |
| e | | 43e | | | | |
| 44 | **Total functional expenses** (add lines 22 through 43). ***Organizations completing columns (B)-(D), carry these totals to lines 13-15*** | 44 | 47,935,740. | 38,412,897. | 9,522,843. | |

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ **Yes** ☒ **No**

If "Yes," enter (i) the aggregate amount of these joint costs $ ______ ; (ii) the amount allocated to Program services $ ______ ;

*(iii) the amount allocated to Management and general $ ______ ; and (iv) the amount allocated to Fundraising $* ______

**Part III Statement of Program Service Accomplishments** (See page 25 of the instructions.)

What is the organization's primary exempt purpose? ▶ STMT 5

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

| | | **Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|---|---|---|
| a | SEE STATEMENT 5 (Grants and allocations $ ) | 38,412,897. |
| b | (Grants and allocations $ ) | |
| c | (Grants and allocations $ ) | |
| d | (Grants and allocations $ ) | |
| e | Other program services (attach schedule) (Grants and allocations $ ) | |
| f | **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶ | 38,412,897. |

## Part IV Balance Sheets (See page 25 of the instructions.)

| | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|
| | **Note:** *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.* | | | | | |
| **Assets** | 45 Cash - non-interest-bearing | | | | 45 | |
| | 46 Savings and temporary cash investments STMT 1 | | | 29,354,144. | 46 | 31,522,058. |
| | 47a Accounts receivable | 47a | | | | |
| | b Less: allowance for doubtful accounts | 47b | | | 47c | |
| | 48a Pledges receivable | 48a | | | | |
| | b Less: allowance for doubtful accounts | 48b | | | 48c | |
| | 49 Grants receivable | | | 13,886,630. | 49 | 10,046,293. |
| | 50 Receivables from officers, directors, trustees, and key employees (attach schedule) | | | | 50 | |
| | 51a Other notes and loans receivable (attach schedule) | 51a | | | | |
| | b Less: allowance for doubtful accounts | 51b | | | 51c | |
| | 52 Inventories for sale or use | | | | 52 | |
| | 53 Prepaid expenses and deferred charges | | | 644,688. | 53 | 469,685. |
| | 54 Investments - securities (attach schedule) STMT 6 ▶ ☐ Cost ☒ FMV | | | 3,013,361. | 54 | 7,193,331. |
| | 55a Investments - land, buildings, and equipment: basis | 55a | | | | |
| | b Less: accumulated depreciation (attach schedule) | 55b | | | 55c | |
| | 56 Investments - other (attach schedule) STMT 7 | | | 40,539. | 56 | 59,458. |
| | 57a Land, buildings, and equipment: basis | 57a | 3,908,765. | | | |
| | b Less: accumulated depreciation (attach schedule) | 57b | 2,495,952. | 984,615. | 57c | 1,412,813. |
| | 58 Other assets (describe ▶ ) | | | 29,562. | 58 | NONE |
| | 59 **Total assets** (add lines 45 through 58) (must equal line 74) | | | 47,953,539. | 59 | 50,703,638. |
| **Liabilities** | 60 Accounts payable and accrued expenses | | | 7,253,534. | 60 | 9,753,092. |
| | 61 Grants payable | | | | 61 | |
| | 62 Deferred revenue STMT 1 | | | 36,705,081. | 62 | 31,160,432. |
| | 63 Loans from officers, directors, trustees, and key employees (attach schedule) | | | | 63 | |
| | 64a Tax-exempt bond liabilities (attach schedule) | | | | 64a | |
| | b Mortgages and other notes payable (attach schedule) | | | | 64b | |
| | 65 Other liabilities (describe ▶ ) | | | | 65 | |
| | 66 **Total liabilities** (add lines 60 through 65) | | | 43,958,615. | 66 | 40,913,524. |
| **Net Assets or Fund Balances** | **Organizations that follow SFAS 117, check here** ▶ ☒ and complete lines 67 through 69 and lines 73 and 74. | | | | | |
| | 67 Unrestricted | | | 3,994,924. | 67 | 9,790,114. |
| | 68 Temporarily restricted | | | | 68 | |
| | 69 Permanently restricted | | | | 69 | |
| | **Organizations that do not follow SFAS 117, check here** ▶ ☐ and complete lines 70 through 74. | | | | | |
| | 70 Capital stock, trust principal, or current funds | | | | 70 | |
| | 71 Paid-in or capital surplus, or land, building, and equipment fund | | | | 71 | |
| | 72 Retained earnings, endowment, accumulated income, or other funds | | | | 72 | |
| | 73 **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21) | | | 3,994,924. | 73 | 9,790,114. |
| | 74 **Total liabilities and net assets / fund balances** (add lines 66 and 73) | | | 47,953,539. | 74 | 50,703,638. |

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

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See page 27 of the instructions.)

| | | | |
|---|---|---|---|
| a | Total revenue, gains, and other support per audited financial statements ▶ | a | 53,730,930. |
| b | Amounts included on line a but not on line 12, Form 990: | | |
| (1) | Net unrealized gains on investments $ 7,285,860. | | |
| (2) | Donated services and use of facilities $ | | |
| (3) | Recoveries of prior year grants $ | | |
| (4) | Other (specify): $ | | |
| | Add amounts on lines (1) through (4) ▶ | b | 7,285,860. |
| c | Line a minus line b ▶ | c | 46,445,070. |
| d | Amounts included on line 12, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 $ | | |
| (2) | Other (specify): $ | | |
| | Add amounts on lines (1) and (2) ▶ | d | |
| e | Total revenue per line 12, Form 990 (line c plus line d) ▶ | e | 46,445,070. |

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

| | | | |
|---|---|---|---|
| a | Total expenses and losses per audited financial statements ▶ | a | 47,935,740. |
| b | Amounts included on line a but not on line 17, Form 990: | | |
| (1) | Donated services and use of facilities $ | | |
| (2) | Prior year adjustments reported on line 20, Form 990 $ | | |
| (3) | Losses reported on line 20, Form 990 $ | | |
| (4) | Other (specify): $ | | |
| | Add amounts on lines (1) through (4) ▶ | b | |
| c | Line a minus line b ▶ | c | 47,935,740. |
| d | Amounts included on line 17, Form 990 but not on line a: | | |
| (1) | Investment expenses not included on line 6b, Form 990 $ | | |
| (2) | Other (specify): $ | | |
| | Add amounts on lines (1) and (2) ▶ | d | |
| e | Total expenses per line 17, Form 990 (line c plus line d) ▶ | e | 47,935,740. |

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 of the instructions.)

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-.) | (D) Contributions to employee benefit plans & deferred compensation | (E) Expense account and other allowances |
|---|---|---|---|---|
| SEE STATEMENTS 10A & 10B | | 4,074,265. | 192,108. | 71,842. |

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than $100,000 from your organization and all related organizations, of which more than $10,000 was provided by the related organizations? ▶ ☐ Yes ☒ No
If "Yes," attach schedule - see page 28 of the instructions.

**Part VI Other Information** (See page 28 of the instructions.)

| | | | Yes | No |
|---|---|---|---|---|
| 76 | Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity | 76 | | X |
| 77 | Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes. | 77 | | X |
| 78a | Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? | 78a | | X |
| b | If "Yes," has it filed a tax return on Form 990-T for this year? | 78b | N/A | |
| 79 | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | | X |
| 80a | Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? | 80a | | X |
| b | If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt or ☐ nonexempt. | | | |
| 81a | Enter direct and indirect political expenditures. See line 81 instructions. 81a NONE | | | |
| b | Did the organization file Form 1120-POL for this year? | 81b | N/A | |
| 82a | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | 82a | | X |
| b | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A | | | |
| 83a | Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | X | |
| b | Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | 83b | X | |
| 84a | Did the organization solicit any contributions or gifts that were not tax deductible? | 84a | | X |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | 84b | N/A | |
| 85 | *501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members? | 85a | N/A | |
| b | Did the organization make only in-house lobbying expenditures of $2,000 or less? | 85b | N/A | |
| | *If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.* | | | |
| c | Dues, assessments, and similar amounts from members 85c N/A | | | |
| d | Section 162(e) lobbying and political expenditures 85d N/A | | | |
| e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A | | | |
| f | Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A | | | |
| g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? | 85g | N/A | |
| h | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? | 85h | N/A | |
| 86 | *501(c)(7) orgs.* Enter: a Initiation fees and capital contributions included on line 12 86a N/A | | | |
| b | Gross receipts, included on line 12, for public use of club facilities 86b N/A | | | |
| 87 | *501(c)(12) orgs.* Enter: a Gross income from members or shareholders 87a N/A | | | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A | | | |
| 88 | At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX | 88 | | X |
| 89a | *501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ NONE ; section 4912 ▶ NONE ; section 4955 ▶ NONE | | | |
| b | *501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction | 89b | | X |
| c | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE | | | |
| d | Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE | | | |

90a List the states with which a copy of this return is filed ▶ CALIFORNIA

b Number of employees employed in the pay period that includes March 12, 2003 (See instructions) 90b 43

91 The books are in care of ▶ IN-Q-TEL Telephone no. ▶ 703-248-3000

Located at ▶ PO BOX 12407 ARLINGTON, VA ZIP + 4 ▶ 22219

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041* - Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 NONE

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

| Note: Enter gross amounts unless otherwise indicated. | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|---|---|---|---|---|---|
| | (A) Business code | (B) Amount | (C) Exclusion code | (D) Amount | |
| 93 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | | | |
| 96 Dividends and interest from securities | | | | | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | | | |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | | | 18 | 15,936. | |
| 100 Gain or (loss) from sales of assets other than inventory | | | 18 | -4,477,875. | |
| 101 Net income or (loss) from special events | | | | | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | | | -4,461,939. | |

105 Total (add line 104, columns (B), (D), and (E)) ▶ -4,461,939.

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

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See page 34 of the instructions.)

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

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 of the instructions.)

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

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See page 34 of the instructions.)

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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

**Please Sign Here**

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.

▶ [signature] Signature of officer — Date 4/20/05

▶ Scott Yancey, CFO
Type or print name and title.

**Paid Preparer's Use Only**

| | | | |
|---|---|---|---|
| Preparer's signature ▶ [signature] | Date 4/19/05 | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN (See Gen. Inst. W) |
| Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ PRICEWATERHOUSECOOPERS LLP | | EIN ▶ 13-4008324 | |
| 1301 K STREET NW, SUITE 800W | | | |
| WASHINGTON, DC 20005 20005 | | Phone no. ▶ 202-414-1000 | |

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

# Organization Exempt Under Section 501(c)(3)

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

**Supplementary Information - (See separate instructions.)**

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

OMB No. 1545-0047

2003

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

Employer identification number: 52-2149962

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

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

| (a) Name and address of each employee paid more than $50 000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|---|---|---|---|
| SEE STATEMENT 11 | | 1,235,114. | 79,429. | 4,050. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over $50,000 ▶ | 36 | | | |

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

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

| (a) Name and address of each independent contractor paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| SEE STATEMENT 12 | | 9,876,540. |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over $50,000 for professional services ▶ 48 | | |

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



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

| | | | Yes | No |
|---|---|---|---|---|
| 1 | During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ________ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) | 1 | | X |
| | Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. | | | |
| 2 | During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)* | | | |
| a | Sale, exchange, or leasing of property? | 2a | | X |
| b | Lending of money or other extension of credit? | 2b | | X |
| c | Furnishing of goods, services, or facilities? STMT 9 | 2c | X | |
| d | Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? FORM 990, PART V | 2d | X | |
| e | Transfer of any part of its income or assets? | 2e | | X |
| 3a | Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | 3a | | X |
| b | Do you have a section 403(b) annuity plan for your employees? | 3b | | X |
| 4 | Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | 4 | | X |

**Part IV** **Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions.)

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

5 [ ] A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).

6 [ ] A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)

7 [ ] A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).

8 [ ] A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).

9 [ ] A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶ ________

10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)

11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

11b [ ] A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)

12 [ ] An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)

13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: **(1)** lines 5 through 12 above; or **(2)** section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

| (a) Name(s) of supported organization(s) | (b) Line number from above |
|---|---|
| | |
| | |

14 [ ] An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

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

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

| Calendar year (or fiscal year beginning in) ▶ | (a) 2002 | (b) 2001 | (c) 2000 | (d) 1999 | (e) Total |
|---|---|---|---|---|---|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | NONE | 27,270,000. | 36,100,000. | 4,000,000. | 67,370,000. |
| 16 Membership fees received | | | | | |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose | | | | | |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 165,499. | 772,171. | 1,181,312. | 282,242. | 2,401,224. |
| 19 Net income from unrelated business activities not included in line 18 | | | | | |
| 20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf | | | | | |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge | | | | | |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets | | | | | |
| 23 Total of lines 15 through 22 | 165,499. | 28,042,171. | 37,281,312. | 4,282,242. | 69,771,224. |
| 24 Line 23 minus line 17 | 165,499. | 28,042,171. | 37,281,312. | 4,282,242. | 69,771,224. |
| 25 Enter 1% of line 23 | 1,655. | 280,422. | 372,813. | 42,822. | |

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 1,395,424.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 69771224.

d Add: Amounts from column (e) for lines: 18 2,401,224. 19 ____ 22 ____ 26b ____ ▶ 26d 2,401,224.

e Public support (line 26c minus line 26d total) ▶ 26e 67370000.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 96.5584 %

27 ***Organizations described on line 12:*** *a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person."* **Do not file this list with your return.** Enter the sum of such amounts for each year:

(2002) ____ (2001) ____ (2000) NOT APPLICABLE (1999) ____

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) **Do not file this list with your return. After computing** the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year:

(2002) ____ (2001) ____ (2000) ____ (1999) ____

c Add: Amounts from column (e) for lines: 15 ____ 16 ____ 17 ____ 20 ____ 21 ____ ▶ 27c

d Add: Line 27a total ____ and line 27b total ____ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ 27g %

h ***Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))*** ▶ 27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

**Part V** **Private School Questionnaire** (See page 7 of the instructions.)
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)** NOT APPLICABLE

| | | | Yes | No |
|---|---|---|---|---|
| 29 | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | 29 | | |
| 30 | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | 30 | | |
| 31 | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? | 31 | | |
| | If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) | | | |
| 32 | Does the organization maintain the following: | | | |
| a | Records indicating the racial composition of the student body, faculty, and administrative staff? | 32a | | |
| b | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? | 32b | | |
| c | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? | 32c | | |
| d | Copies of all material used by the organization or on its behalf to solicit contributions? | 32d | | |
| | If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 33 | Does the organization discriminate by race in any way with respect to: | | | |
| a | Students' rights or privileges? | 33a | | |
| b | Admissions policies? | 33b | | |
| c | Employment of faculty or administrative staff? | 33c | | |
| d | Scholarships or other financial assistance? | 33d | | |
| e | Educational policies? | 33e | | |
| f | Use of facilities? | 33f | | |
| g | Athletic programs? | 33g | | |
| h | Other extracurricular activities? | 33h | | |
| | If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 34a | Does the organization receive any financial aid or assistance from a governmental agency? | 34a | | |
| b | Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement. | 34b | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | 35 | | |

**Part VI-A** **Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768) NOT APPLICABLE

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

| **Limits on Lobbying Expenditures** (The term "expenditures" means amounts paid or incurred.) | | (a) Affiliated group totals | (b) To be completed for ALL electing organizations |
|---|---|---|---|
| 36 Total lobbying expenditures to influence public opinion (grassroots lobbying) | 36 | | |
| 37 Total lobbying expenditures to influence a legislative body (direct lobbying) | 37 | | |
| 38 Total lobbying expenditures (add lines 36 and 37) | 38 | | |
| 39 Other exempt purpose expenditures | 39 | | |
| 40 Total exempt purpose expenditures (add lines 38 and 39) | 40 | | |
| 41 Lobbying nontaxable amount. Enter the amount from the following table - | | | |
| **If the amount on line 40 is -** **The lobbying nontaxable amount is -** | | | |
| Not over $500,000 ... 20% of the amount on line 40 | | | |
| Over $500,000 but not over $1,000,000 ... $100,000 plus 15% of the excess over $500,000 | | | |
| Over $1,000,000 but not over $1,500,000 ... $175,000 plus 10% of the excess over $1,000,000 | 41 | | |
| Over $1,500,000 but not over $17,000,000 ... $225,000 plus 5% of the excess over $1,500,000 | | | |
| Over $17,000,000 ... $1,000,000 | | | |
| 42 Grassroots nontaxable amount (enter 25% of line 41) | 42 | | |
| 43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 | 43 | | |
| 44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 | 44 | | |
| **Caution:** *If there is an amount on either line 43 or line 44, you must file Form 4720.* | | | |

**4-Year Averaging Period Under Section 501(h)**
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

**Lobbying Expenditures During 4-Year Averaging Period**

| **Calendar year (or fiscal year beginning in)** ▶ | (a) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total |
|---|---|---|---|---|---|
| 45 Lobbying nontaxable amount | | | | | |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | |
| 47 Total lobbying expenditures | | | | | |
| 48 Grassroots nontaxable amount | | | | | |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | |
| 50 Grassroots lobbying expenditures | | | | | |

**Part VI-B** **Lobbying Activity by Nonelecting Public Charities**
(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.)

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

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

**Part VII** **Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations** (See page 12 of the instructions.)

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

| | | Yes | No |
|---|---|---|---|
| a Transfers from the reporting organization to a noncharitable exempt organization of: | | | |
| (i) Cash | 51a(i) | | X |
| (ii) Other assets | a(ii) | | X |
| b Other transactions: | | | |
| (i) Sales or exchanges of assets with a noncharitable exempt organization | b(i) | | X |
| (ii) Purchases of assets from a noncharitable exempt organization | b(ii) | | X |
| (iii) Rental of facilities, equipment, or other assets | b(iii) | | X |
| (iv) Reimbursement arrangements | b(iv) | | X |
| (v) Loans or loan guarantees | b(v) | | X |
| (vi) Performance of services or membership or fundraising solicitations | b(vi) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | c | | X |

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

| (a) Line no. | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|---|---|---|---|
| | | | |
| N/A | | | |

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

b If "Yes," complete the following schedule:

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|---|---|---|
| N/A | | |



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FOR THE TAX YEAR ENDED MARCH 31, 2004

FORM 990, PART IV, LINES 46 & 62

FOR THE REPORTING PERIOD ENDING MARCH 31, 2004, THE TAXPAYER WAS OBLIGATED TO UTILIZE ALL INTEREST EARNED ON CASH RECEIVED UNDER CONTRACT WITH THE CENTRAL INTELLIGENCE AGENCY FOR THE SUPPORT OF SCIENTIFIC RESEARCH OR EDUCATION IN PURSUIT OF THE TAXPAYER'S MISSION. INTEREST IN THE AMOUNT OF $276,163 WAS RECEIVED DURING THE REPORTING PERIOD AND HAS BEEN INCLUDED AS DEFERRED REVENUE ON THE BALANCE SHEET.

## FORM 990, PART I - OTHER INVESTMENT INCOME

| DESCRIPTION | AMOUNT |
| --- | --- |
| GAIN ON EQUITY INVESTMENT IN IN-Q-TEL EMPLOYEE FUND, LLC | 15,936. |
| TOTAL | 15,936. |

In-Q-Tel, Inc. 52-2149962

For the Tax Year Ended March 31, 2004

Form 990, Part I, Line 8C, Columns A and B

*Column A - Sales of Marketable Securities*

| | |
|---|---|
| Realized proceeds on sales of assets and unrealized gains | $ 8,862,806 |
| Cost basis | 6,054,821 |
| Net gain on investments | $ 2,807,985 |
| Less unrealized gain on investment (see Statement 3) | 7,285,860 |
| Net realized gain/(loss) | $ (4,477,875) |

*Column B - Disposals of Fixed Assets*

| | |
|---|---|
| California leasehold improvements - proceeds | $ 293,422 |
| California leasehold improvements - adjusted basis | 293,422 |
| Gain on disposal of fixed assets | $ - |
| Computers - proceeds | $ 303,667 |
| Computers - adjusted basis | 303,667 |
| Gain on disposal of fixed assets | $ - |
| Total Gain on Disposal of Fixed Assets | $ - |

## FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

| DESCRIPTION | | AMOUNT |
|---|---|---|
| UNREALIZED GAIN ON INVESTMENTS | | 7,285,860. |
| | TOTAL | 7,285,860. |

## FORM 990, PART II - OTHER EXPENSES

| DESCRIPTION | TOTAL | PROGRAM SERVICES | MANAGEMENT AND GENERAL |
|---|---|---|---|
| DUES AND SUBSCRIPTIONS | 18,584. | 5,120. | 13,464. |
| PROFESSIONAL FEES | 795,655. | 63,437. | 732,218. |
| RECRUITING, HR, PLACEMENT FEES | 272,713. | | 272,713. |
| INSURANCE | 744,356. | 39,093. | 705,263. |
| MISCELLANEOUS | 12,606. | | 12,606. |
| TEMPORARY HELP | 7,415. | 7,211. | 204. |
| LICENSES AND PERMITS | 168,126. | 3,565. | 164,561. |
| RESEARCH MATERIALS | 117,732. | 91,284. | 26,448. |
| PROJECT EXPENSE | 29807717. | 29807717. | |
| EQUIPMENT EXPENSE | 453,603. | 176,028. | 277,575. |
| TOTALS | 32398507. | 30193455. | 2,205,052. |

**March 31, 2004**

**Form 990, Part III, Statement of Program Service Accomplishments**

In-Q-Tel, Inc. is a private, independent non-profit 501(c)(3) corporation funded by the U.S. Central Intelligence Agency (CIA). Launched in February 1999[1], its mission is to identify and deliver cutting edge technologies that solve some of the most difficult problems facing the U.S. Intelligence Community (IC). In particular, In-Q-Tel's goal is to increase the CIA's access to new commercial technologies that have the potential to assist its critical national security missions.

**Identify new sources of technology:** Working from a dynamic strategic blueprint that defines CIA's critical technology needs, In-Q-Tel reaches out to a wide variety of technology innovators, many of whom have traditionally not done business with the government. In-Q-Tel engages with entrepreneurs, established companies, researchers, universities and venture capitalists to gain early access to new technology solutions and new ideas, and ultimately to deliver technologies that provide superior capabilities to the CIA and the IC.

**Leverage commercial technology in support of its mission:** To achieve its goals, In-Q-Tel forges strategic relationships with innovative companies by using product development funding as well as approaches typically identified with the venture capital community, including equity investments. By engaging at a strategic level as an investor In-Q-Tel gains early access to emerging technologies, and creates incentives for companies to put their best talent against solving the problems of the CIA and the IC. Through work programs and market guidance, In-Q-Tel fosters the development of commercially viable technologies that also address critical mission challenges of the IC. And by leveraging larger third party commercial investments, In-Q-Tel is able to accelerate the development of needed technology, and ultimately reduce the overall cost to the CIA.

Through In-Q-Tel, and its leveraging of commercial resources and markets, new technology solutions of value to the CIA and the IC can be fostered without the government funding the entire cost of developing, monitoring and updating the technology. By engaging in these activities, In-Q-Tel is working to lessen the burdens of government by enabling the CIA to access, in a rapid and cost effective manner, cutting edge technology solutions today and in the future.

**Assistance in delivering technology solutions:** In-Q-Tel works directly with the In-Q-Tel Interface Center (QIC), a CIA office staffed by senior CIA personnel, which is responsible for transferring solutions into the CIA. In-Q-Tel supports the QIC with subject matter expertise, technical assistance, solution transfers of technologies and technical trend assessments.

**Program Accomplishments**

As of March 31, 2004, In-Q-Tel completed more than four and a half years in full operation, identifying and delivering new technologies in support of its mission.

In-Q-Tel serves the CIA, and in keeping with its Charter also serves organizations in the Intelligence community. Working under the direction of the CIA, In-Q-Tel also serves the National Geospatial Agency (NGA). The business challenges and technology needs of NGA, and IC organizations overall overlap significantly with those of CIA. In working with IC organizations, In-Q-Tel leverages government dollars to deliver technologies to multiple organizations at a lower cost. Other IC organization funding in this reporting period totaled approximately $1.7M.

[1] In-Q-Tel was first incorporated on February 17, 1999 under the name "Peleus, Inc." In July, 1999 its name was changed to "In-Q-It, Inc.," and in January 2000 its name was changed to "In-Q-Tel, Inc."

During this reporting period, In-Q-Tel's outreach to new sources of technology yielded approximately 1004 business plans for the period from April 1, 2003 through March 31, 2004. As an indicator of the reach of In-Q-Tel's program, In-Q-Tel estimates that of the majority of the companies submitting proposals had not done business with government before.

In-Q-Tel also continued to provide Agency customers with expert advice and guidance on issues relating to technology and architecture, offering alternative insights to assist planning and decision-making.

During the reporting period, of the $50,907,009 in revenue (ref. Part I, line 1d), $38,412,898 was focused on programs to identify, develop and deliver technologies to its CIA.

In furtherance of its exempt purposes, In-Q-Tel's achievements included the following:

1) **Identified new sources of technology in support of its mission**
   a. Access to new technology: Since inception, In-Q-Tel has attracted and reviewed approximately 4095 business plans from technology companies.

   b. Outreach: In-Q-Tel continued to build its outreach program which consists of networking with venture capital funds and public/private research institutions, as well as targeted media coverage and speaking events, and a public web site. Outreach accomplishments include:
      - In-Q-Tel expanded its technology outreach network to include more than 200 venture funds, and more than 100 universities and national labs.

   c. Technology Market Assessment: In-Q-Tel executed comprehensive technology baseline research to provide a platform for technology sourcing, evaluation and investment and provided insight into commercial market developments, trends and opportunities.

   d. Academic Outreach: To enhance In-Q-Tel's access to technologies developed in academia, In-Q-Tel continued to build a program that identifies important technologies from the world's leading academic centers that can then be transferred into companies for commercial development and to the CIA and other members of the Intelligence Community.

2) **Leveraged commercial technology to foster solutions in support of its mission:**
   a. In-Q-Tel added 17 new technology companies to its portfolio of solution providers, increasing the total number of active companies to 47. These companies offer new technology capabilities in areas of In-Q-Tel's focus. In total, In-Q-Tel's portfolio is estimated to leverage more than $652M in private third party investments.

**Third Party Review:**

1. At the direction of the U.S. Congress, In-Q-Tel underwent an intensive third party review conducted by a Panel of the Business Executives for National Security (BENS), between fall 2000 and spring 2001.

   In its 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," the Panel examined the In-Q-Tel business model, operational, employee compensation and financial considerations, technology issues, legal formation, intellectual property rights, and future challenges.

The Panel's overall assessment of In-Q-Tel was that "the In-Q-Tel business model makes sense and its progress to date is impressive for a two-year-old venture. In-Q-Tel should continue to serve as the CIA's 'technology accelerator'..." *(A complete copy of the report is available at www.bens.org)*

2. In-Q-Tel has also been reviewed by the CIA's Office of the Inspector General Audit Staff and the Survey's and Investigation Staff of the House of Representatives Appropriations Committee.

FORM 990, PART IV - INVESTMENTS - SECURITIES

| DESCRIPTION | | ENDING BOOK VALUE |
|---|---|---|
| PREFERRED STOCK | | 3,305,925. |
| COMMON STOCK | | 5,892. |
| WARRANTS - PREFERRED | | 3,196,044. |
| WARRANTS - COMMON | | 685,470. |
| | TOTALS | 7,193,331. |

FORM 990, PART IV - INVESTMENTS - OTHER

| DESCRIPTION | ENDING BOOK VALUE |
| --- | --- |
| INVESTMENT IN IN-Q-TEL EMPLOYEE FUND, LCC | 59,458. |
| TOTALS | 59,458. |

STATEMENT 7

FORM 990, PART II, LINE 42 (DEPRECIATION) & LINE 57 (FIXED ASSETS)

| | |
|---|---|
| COMPUTER EQUIPMENT | 1,764,937 |
| FURNITURE AND FIXTURES | 260,260 |
| LEASEHOLD IMPROVEMENTS | 1,245,438 |
| OFFICE EQUIPMENT | 638,130 |
| TOTAL | 3,908,765 |
| LESS: ACCUMULATED DEPRECIATION | (2,495,952) |
| | 1,412,813 |
| DEPRECIATION EXPENSE | 743,697 |

Depreciation is calculated for each asset using the straight-line method over the assets' useful lives.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

THE ORGANIZATION HAS ENTERED INTO SEVERAL CONTRACTS WITH OTHER ENTITIES WITH WHICH VARIOUS TRUSTEES ARE RELATED. IN COMPLIANCE WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY, SUCH TRUSTEES RECUSED THEMSELVES FROM DECISIONS CONCERNING ANY ENTITY WITH WHICH THEY ARE RELATED TO ENSURE THAT ALL CONTRACTS WERE NEGOTIATED ON AN ARM'S LENGTH BASIS AND APPROVED BY DISINTERESTED TRUSTEES.

Form 990, Part V - List of Officers, Directors, Trustees and Key Employees

| Name and Address | Title and average hours per week devoted to position | Compensation: Wages | Bonus (1) | Long Term Investment Program | Trustee Fees(1) | Total (7) | Contribution Directed towards Charity(6) | Contributions to employee benefit plans & deferred compensation (2) | Expense account and other allowances: Housing (3) | Other (4) |
|---|---|---|---|---|---|---|---|---|---|---|
| G Louie<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | CEO & President<br>40 Hrs/Wk | 395,631 | 252,770 | 101,659 | N/A | 750,060 | (55,150) | 22,379 | 57,692 | 3,300 |
| M. Griffin<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | President & COO<br>40 Hrs/Wk (Part Year) | 327,757 | 93,175 | 84,397 | N/A | 505,329 | - | 22,724 | N/A | 3,300 |
| S Yancey<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | CFO<br>40 Hrs/Wk (Part Year) | 55,930 | 25,000 | - | N/A | 80,930 | - | 6,410 | N/A | 270 |
| S. Mendel<br>c/o In-Q-Tel Inc<br>PO Box 12407<br>Arlington VA 22219 | Executive Vice President<br>40 Hrs/Wk | 302,830 | 136,197 | 79,110 | N/A | 518,137 | - | 20,125 | N/A | N/A |
| B. Adams<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | General Counsel, Board Secretary<br>40 Hrs/Wk | 243,796 | 115,916 | 76,976 | N/A | 436,688 | - | 22,159 | N/A | 1,620 |
| J. Dorman<br>c/o In-Q-Tel Inc<br>PO Box 12407<br>Arlington, VA 22219 | Senior Vice President - Technology<br>40 Hrs/Wk | 227,656 | 88,028 | 79,032 | N/A | 394,716 | - | 19,751 | N/A | 1,620 |
| E. Kaufmann<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Vice President<br>40 Hrs/Wk | 198,578 | 62,604 | 79,110 | N/A | 340,293 | - | 21,965 | N/A | N/A |
| M Tyrrell<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | CFO, Vice President - Finance & Board Treasurer<br>40 Hrs/Wk (Part Year) | 171,968 | - | 54,112 | N/A | 226,080 | - | 17,724 | N/A | 810 |
| K. von Eckartsberg<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Vice President - Strategy & Communications<br>40 Hrs/Wk | 146,786 | 43,140 | 63,449 | N/A | 253,374 | - | 18,044 | N/A | 1,620 |
| N Kaplan<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Vice President - Human Resources<br>40 Hrs/Wk | 146,746 | 38,095 | 65,693 | N/A | 250,534 | - | 20,827 | N/A | 1,620 |
| L. Ault<br>c/o In-Q-Tel Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Chairman of the Board of Trustees & Committee Chair<br>15 Hrs/Quarter | N/A | N/A | N/A | 40,000 | 40,000 | | None | None | None |
| P. Kaminski<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>Vice President<br>15 Hrs/Quarter | N/A | N/A | N/A | 37,500 | 37,500 | | None | None | None |
| N. Augustine<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee & Committee Chair<br>15 Hrs/Quarter | N/A | N/A | N/A | None | None | | None | None | None |
| J. Kim<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter | N/A | N/A | N/A | None | None | | None | None | None |

Form 990, Part V - List of Officers, Directors, Trustees and Key Employees

| Name and Address | Title and average hours per week devoted to position | Compensation: Wages | Bonus (1) | Long Term Investment Program | Trustee Fees(1) | | Total (7) | Contribution Directed towards Charity(5) | Contributions to employee benefit plans & deferred compensation (2) | Expense account and other allowances: Housing (3) | Other (4) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| M. Crow<br>c/o In-Q-Tel Inc<br>PO Box 12407<br>Arlington, VA 22219 | Vice-Chair of the Board of Trustees & Committee Chair<br>15 Hrs/Quarter | N/A | N/A | N/A | 45,000 | (6) | 45,000 | | None | None | None |
| J Seely Brown<br>c/o In-Q-Tel Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter | N/A | N/A | N/A | 35,000 | | 35,000 | | None | None | None |
| J Barksdale<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter | N/A | N/A | N/A | 35,000 | | 35 000 | | None | None | None |
| J McMahon<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter<br>*Resigned during the year* | N/A | N/A | N/A | None | | None | | None | None | None |
| A. Jones<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee & Committee Chair<br>15 Hrs/Quarter<br>Part Year | N/A | N/A | N/A | 35,625 | | 35,625 | | None | None | None |
| R Kerr<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter<br>Part Year | N/A | N/A | N/A | 17,500 | | 17,500 | | None | None | None |
| W. Perry<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Trustee<br>15 Hrs/Quarter | N/A | N/A | N/A | 35,000 | | 35,000 | | None | None | None |
| H. Cox<br>c/o In-Q-Tel Inc.<br>PO Box 12407<br>Arlington VA 22219 | Trustee & Committee Chair<br>15 Hrs/Quarter | N/A | N/A | N/A | 37,500 | | 37,500 | | None | None | None |
| | Total | 2,217,678 | 854,925 | 683,537 | 318,131 | | 4,074,265 | (55,150) | 192,108 | 57,692 | 14,160 |

(1) See Statement 10B (Board of Trustees Compensation).
(2) See Statement 10B (Benefits) for description of benefit plans included in this column
(3) For living expenses incurred in support of In-Q-Tel's bi-caostal operation and considered taxable compensation
(4) Commuter benefits. See Statement 10B (Benefits).
(5) Mr. Louie has donated his interest in the Employee Investment Program to the CIA Officer Memorial Foundation, a public charity recognized as tax-exempt under section 501(c )(3), in the name of Mr Louie and his spouse.
(6) *Payment made in arrears for performing Committee Chair work*
(7) Total compensation does not equal Form 990, Part II, Line 25, due to taxable fringe benefits included in expense account and other allowances (housing - see note 3 above).

**For the Tax Year Ending March 31, 2004**

**Form 990, Part V and Schedule A, Part I – Compensation of Officers, Trustees, Key Employees and Five Highest Paid Employees**

In-Q-Tel's mission is to deliver leading-edge technologies to the CIA and the Intelligence Community by investing in technologies that are beneficial to the security of the United States. In order to effectively perform this job, In-Q-Tel hires employees with highly differentiated skills and credentials. In-Q-Tel must attract, retain and reward employees (based on performance) from the industries and talent pools aligned with the mission of In-Q-Tel. This requires a mix of employees from the private equity, financial services, high technology and general industry markets. In-Q-Tel's compensation programs and policies necessarily are modeled after those found in these markets and are designed to encourage employees to achieve against goals. The highly specialized talents necessary to meet the needs of the business are typically not found in other not-for-profit organizations.

As a non-profit 501(c)(3) organization, In-Q-Tel is responsible under Internal Revenue Code of 1986, as amended ("Code")[1], to pay reasonable compensation to In-Q-Tel's employees and to avoid any "excess benefit transactions".

In fulfilling its obligations under the Code, the compensation plan was developed to pay appropriately and in doing so incentivize employees to perform to achieve mission goals. The Human Resources and Compensation Committee of the Board of Trustees is responsible for the ongoing oversight over the administration of compensation at In-Q-Tel.

**Compensation Programs**
In-Q-Tel's compensation program consists of:

- Base Salary (annual increases are based on survey market data and individual performance)
- Annual Incentive Program (based solely on performance)
- Employee Investment Program (long-term incentive; indicator of long-term performance success.)

***Base Salary***
Base salary is determined based on relevant market data in appropriate industries and reviewed by independent outside consultants.

***Annual Incentive Plan***
The annual incentive plan is based solely on performance. It is designed to focus, motivate and reward In-Q-Tel employees for the achievement of specific annual goals and outcomes that, advance the success of In-Q-Tel in carrying out its mission for the CIA and the Intelligence community.

[1] As provided under section 4958 of the Code.

Employees "target" bonus is based on market survey data for comparable positions in comparable industries. An employee's annual incentive is tied to performance and is based on an annual "Performance Score" which rates In-Q-Tel's overall performance, and a scoring of the individual's performance.

In-Q-Tel's score is based on the organization's achievements during the relevant fiscal year as determined by the Board of Trustees and advised by an annual review provided by the CIA's In-Q-Tel Interface Center. Individual scores are recommended by the employee's managers, and approved by Human Resources and the CEO (in the case of the CEO, by the Board of Trustees).

***Employee Incentive Program (EIP)***

**Purpose.** The Employee Incentive Program (EIP) was established after March 31, 2001. The EIP is non-cash, taxable compensation that funds side-by-side investments in In-Q-Tel's portfolio companies. This long-term incentive creates positive incentives that benefit the mission by aligning employees' interests with the overall success of In-Q-Tel's programs and mission.

As a non-profit, non-stock corporation, In-Q-Tel is unable to offer stock or stock options on terms similar to the equity-based compensation of competitive publicly traded companies. The EIP provides, on an after-tax basis, a means by which the organization can offer a long-term employee investment program and provides employees a compelling stake in the organization's programs, sharing both the risk and the benefits.

The outcome of In-Q-Tel's investments in, and contracts with, its portfolio companies is a long-term index of In-Q-Tel's success in serving the CIA and the Intelligence Community. Therefore, the EIP has the effect of aligning the interests of In-Q-Tel and its employees with the long-term goals of the Agency and the Intelligence Community.

Each employee's interest in the EIP is calculated within guidelines set for their overall compensation, based on survey data from comparable industries. The value allocated to employees is taxable compensation income and the EIP covers applicable federal and state income taxes for which the employee is responsible.

**Benefits**

The organization offers life insurance, short and long-term disability, a 401(k) Safe Harbor plan and commuter benefits.

**Board of Trustees Compensation**

Trustees fees paid in this Reporting Period were paid pursuant to a plan approved by a Committee of Trustees (whose members have waived compensation), with advice of outside compensation consultants and legal counsel as to reasonableness. In addition to the members of the committee, several other Trustees have waived compensation.

**FORM 990. Schedule A, Part I - Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

| Name and Address | Title and average hours per week devoted to position | Compensation: Wages | Bonus | Long Term Investment Program (1): 2003 | Total Compensation | Contributions to employee benefit plans & deferred | Expense account and other allowances (3) |
|---|---|---|---|---|---|---|---|
| J. Addiego<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Portfolio Manager/Partner<br>40 Hrs/Wk | 185,770 | 66,359 | 67,746 | 319,875 | 22,299 | - |
| C. Wallace<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Director of Technology Transfer & Project Management<br>40 Hrs/Wk | 147,642 | 45,619 | 56,480 | 249,740 | 19,970 | 810 |
| G. Pepus<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Portfolio Manger/Director of IC Markets<br>40 Hrs/Wk | 162,843 | 28,438 | 63,132 | 254,413 | 21,229 | 810 |
| C. Cotell<br>c/o In-Q-Tel, Inc.<br>PO Box 12407<br>Arlington, VA 22219 | Vice President University Outreach<br>40 Hrs/Wk | 135,250 | - | 49,733 | 184,984 | 7,422 | 1,620 |
| L. Clarke<br>c/o In-Q-Tel, Inc<br>PO Box 12407<br>Arlington, VA 22219 | Director IT Infrastructure<br>40 Hrs/Wk | 179,536 | - | 46,566 | 226,102 | 8,509 | 810 |
| | Total | 811,041 | 140,416 | 283,657 | 1,235,114 | 79,429 | 4,050 |

(1) The Long Term Invesment Program is a fund with side-by-side investments in In-Q-Tel's portfolio companies.
See Statement 10B (Employee Investment Plan).
(2) See Statement 10B (Benefits) for description of benefit plans included in this column.
(3) Commuter benefits. See Statement 10B (Benefits).

IN-Q-TEL , INC . 52-2149962

Five Highest Paid Independent Contractors for Professonal Services

For the Tax Year Ending March 31, 2003

Reference: Schedule A Part II

| Name | Address | Service | Amount |
|---|---|---|---|
| Inxight Software | Sunnyvale, CA | Technology consultant | $2,584,000.00 |
| Keyhole Corporation, Inc. | Mountain View, CA | Technology consultant | $2,178,672.00 |
| Qynergy | Albuguerque, NM | Technology consultant | $2,300,000.00 |
| Convera Technologies | Vienna, VA | Technology consultant | $1,410,557.00 |
| DataMatrices | San Diego, CA | Technology consultant | $1,403,311.00 |
| | | Total | $9,876,540.00 |

Form **8868**
(December 2000)
Department of the Treasury
Internal Revenue Service

# Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

**Note:** ***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)

**Note:** ***Form 990-T corporations*** *requesting an automatic 6-month extension — check this box and complete Part I only* ▶ [ ]

*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.*

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

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

| | | |
|---|---|---|
| [X] 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 |

- 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-month, for **990-T corporation**) extension of time until NOVEMBER 15 , 20 04 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [ ] calendar year 20 ____ or

▶ [X] tax year beginning APRIL 1 , 20 03 , and ending MARCH 31 , 20 04 .

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 . . . $ 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 . . . $ 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 . . . $ 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 PREPARER Date ▶ 8/12/04

**For Paperwork Reduction Act Notice, see Instruction** Form **8868** (12-2000)

ACK ON !

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- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

**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 — Must File Original and One Copy.

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

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

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

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

- 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 , 20 05 .

5 For calendar year ______ , or other tax year beginning APRIL 1 , 20 03 and ending MARCH 31 , 20 04 .

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 TAXPAYER IS AWAITING INFORMATION FROM THIRD PARTIES WHICH IS NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN. ADDITIONAL TIME TO FILE IS REQUESTED.

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 . . . $ 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 . . . $ 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 . . . $ 0

### 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 PREPARER Date ▶ NOV 15 2004

### Notice to Applicant — To Be Completed by the IRS

[ ] We **have** approved this application. Please attach this form to the organization's return.

[ ] We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

[ ] We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

[ ] We **cannot consider** this application because it was filed after the due date of the return for which an extension was requested.

[ ] Other ______

______ By: ______ ______
Director Date

**Alternate Mailing Address** — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

| Type or print | |
|---|---|
| | **Name** PRICEWATERHOUSECOOPERS, LLP<br>ATTN: ALICIA BENJAMIN |
| | **Number and street (include suite, room, or apt. no.) Or a P.O. box number**<br>1301 K STREET NW, SUITE 800W |
| | **City or town, province or state, and country (including postal or ZIP code)**<br>WASHINGTON, DC 20005 |