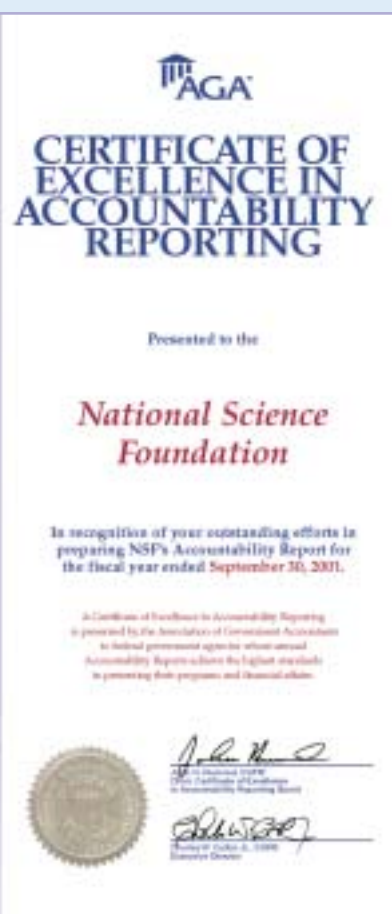


Financials

The National Science Foundation is committed to providing quality financial management to all our stakeholders. We honor that commitment by preparing annual financial statements in conformity with generally accepted accounting principles in the United States and then subjecting the statements to an independent audit to ensure their reliability in assessing the performance of NSF. Our unqualified audit opinion is a measure of the fair presentation of our financial statements. A complete set of NSF's financial statements, accompanying notes and audit opinions can be found in the *NSF FY 2002 Performance and Accountability Report* (www.nsf.gov/od/bfa). Included here are three of those statements: the Balance Sheet, the Statement of Net Cost, and the Statement of Stewardship Investments.



The **Balance Sheet** presents the funding that is available for use by NSF (assets) against the amounts owed (liabilities) and amounts that comprise the difference (net position).

The **Statement of Net Cost** presents the annual cost of operating NSF programs. The gross cost less any offsetting revenue for each NSF program is used to arrive at the net cost of specific program operations.

Stewardship Investments are NSF-funded investments that yield long-term benefits to the general public. NSF investments in research and education yield quantifiable outputs shown in this statement as the number of awards made and the number of researchers and students supported in the pursuit of discoveries in science and engineering and in science and math education.

National Science Foundation
Balance Sheet
 As of September 30, 2002
 (Amounts in Thousands)

ASSETS

Intragovernmental		
Fund Balance With Treasury	\$	6,419,700
Accounts Receivable		185
Advances		8,309
Total Intragovernmental Assets		6,428,194
Cash		7,766
Accounts Receivable, Net		571
Advances		52,479
General Property, Plant and Equipment, Net		224,141
Total Assets	\$	6,713,151

LIABILITIES

Intragovernmental Liabilities		
Advances From Others	\$	100,531
Other Intragovernmental Liabilities		321
FECA Employee Benefits		254
Total Intragovernmental Liabilities		101,106
Accounts Payable		38,370
Other Liabilities		214,266
FECA Employee Benefits		1,637
Lease Liabilities		60
Accrued Annual Leave		10,567
Total Liabilities		366,006

NET POSITION

Unexpended Appropriations		6,089,118
Cumulative Results of Operations		258,027
Total Net Position		6,347,145
Total Liabilities and Net Position	\$	6,713,151

National Science Foundation
Statement of Net Cost
 For the Year Ended September 30, 2002
 (Amounts in Thousands)

People	
Intragovernmental	
Program Cost	\$ 1,714
Salary & Expense and Inspector General Cost	678
Total Intragovernmental Cost	<u>2,392</u>
With the Public	
Program Cost	766,020
Salary & Expense and Inspector General Cost	28,732
Total Public Cost	<u>794,752</u>
Total People Program Cost	797,144
Less: Intragovernmental Earned Revenues	17,903
Net People Program Cost	<u>779,241</u>
Ideas	
Intragovernmental	
Program Cost	13,293
Salary & Expense and Inspector General Cost	5,305
Total Intragovernmental Cost	<u>18,598</u>
With the Public	
Program Cost	2,166,046
Salary & Expense and Inspector General Cost	79,095
Total Public Cost	<u>2,245,141</u>
Total Ideas Program Cost	2,263,739
Less: Intragovernmental Earned Revenues	60,979
Net Ideas Program Cost	<u>2,202,760</u>
Tools	
Intragovernmental	
Program Cost	63,131
Salary & Expense and Inspector General Cost	30,860
Total Intragovernmental Cost	<u>93,991</u>
With the Public	
Program Cost	1,043,378
Salary & Expense and Inspector General Cost	39,216
Total Public Cost	<u>1,082,594</u>
Total Tools Program Cost	1,176,585
Less: Intragovernmental Earned Revenues	26,320
Net Tools Program Cost	<u>1,150,265</u>
Net Cost of Operations	<u>\$ 4,132,266</u>

National Science Foundation
Stewardship Investments
Research and Human Capital
(Amounts in Thousands)
(Unaudited)

2002

Research and Human Capital Activities

Basic Research	\$	3,092,060
Applied Research		193,788
Education and Training		767,734
Non-Investing Activities		183,887
Total Research and Human Capital Activities	\$	4,237,469

Inputs, Outputs, and/or Outcomes

Research and Human Capital Activities

Investments In

Universities	\$	2,919,897
Industry		185,062
Federal Agencies		106,458
Small Businesses		144,844
Others		881,208
	\$	4,237,469

Support to

Scientists	\$	394,144
Postdoctoral Programs		148,334
Graduate Students		402,620
	\$	945,098

Outputs & Outcomes

Number of:

Awards	21,182
Years of Senior Research Support	5,582
Senior Researchers Supported	28,005
Other Professionals	11,000
Postdoctorals Supported	5,563
Graduate Students Supported	25,965
Undergraduate Students	32,000
K-12 Students	11,000
K-12 Teachers	84,000

NSF's role in achieving performance goals in science and engineering leads to investments in integrative research and human capital activities to enhance the potential for important discoveries or new knowledge with expected future benefits to our society. Because of the close connections between the investments in performing research and building a research base of skilled scientists and engineers through academic and training opportunities, expenses incurred by NSF are presented as overall stewardship investments for NSF for performance measurement. The outputs and outcomes of NSF investments in the research and academic community resulted in a number of grants awarded, and scientists and students supported.