From high atop remote mountains in Chile and Hawaii, the Gemini Observatory gives astronomers access to the universe with twin state-of-the-art telescopes. The 8-meter Gemini telescopes are located on both sides of the equator to provide complete sky coverage for astronomers in the seven-country Gemini partnership. Early observations from Gemini have revealed the center of the Milky Way galaxy in unprecedented detail, unexpected conditions at the core of a distant active galaxy, the closest brown dwarf (or failed star) ever imagined around a sun-like star, and a spectacular image dubbed “the perfect spiral galaxy.”

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 opinion can be found in the FY 2001 Accountability Report (www.nsf.gov/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, 2001
(Amounts in Thousands)

ASSETS

Intragovernmental Assets:
  Fund Balance With Treasury $5,720,311
  Accounts Receivable 5,588
  Total Intragovernmental Assets 5,725,899

Cash 5,744
Accounts Receivable, Net 875
Advances 66,138
General Property, Plant and Equipment, Net 203,242

Total Assets $6,001,898

LIABILITIES

Intragovernmental Liabilities:
  Advances From Others $115,125
  Other Intragovernmental Liabilities 108
  Employee Benefits 296
  Total Intragovernmental Liabilities 115,529

Accounts Payable 284,386
Other Liabilities 3,207
Employee Benefits 1,806
Lease Liabilities 451
Accrued Annual Leave 9,660

Total Liabilities 415,039

NET POSITION

Unexpended Appropriations 5,343,547
Cumulative Results of Operations 243,312

Total Net Position 5,586,859

Total Liabilities and Net Position $6,001,898

National Science Foundation
Statement of Net Cost
For the Year Ended September 30, 2001
(Amounts in Thousands)

Program Costs

**People**

Intragovernmental
- Program Cost $1,454
- Salary & Expense and Inspector General Cost 493

**Total Intragovernmental Cost** 1,947

With the Public
- Program Cost 703,495
- Salary & Expense and Inspector General Cost 27,808

**Total Public Cost** 731,303

Total People Program Cost 733,250
Less: Earned Revenues 9,832
**Net People Program Cost** 723,418

**Ideas**

Intragovernmental
- Program Cost 10,419
- Salary & Expense and Inspector General Cost 3,528

**Total Intragovernmental Cost** 13,947

With the Public
- Program Cost 1,964,948
- Salary & Expense and Inspector General Cost 77,670

**Total Public Cost** 2,042,618

Total Ideas Program Cost 2,056,565
Less: Earned Revenues 54,125
**Net Ideas Program Cost** 2,002,440

**Tools**

Intragovernmental
- Program Cost 82,119
- Salary & Expense and Inspector General Cost 27,810

**Total Intragovernmental Cost** 109,929

With the Public
- Program Cost 846,178
- Salary & Expense and Inspector General Cost 33,448

**Total Public Cost** 879,626

Total Tools Program Cost 989,555
Less: Earned Revenues 17,272
**Net Tools Program Cost** 972,283

**Net Cost of Operations** $3,698,141
National Science Foundation
Stewardship Investments
in Research and Human Capital
(Amounts in Thousands)
(Unaudited)

Research and Human Capital Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Research</td>
<td>$2,692,243</td>
</tr>
<tr>
<td>Applied Research</td>
<td>$211,421</td>
</tr>
<tr>
<td>Education and Training</td>
<td>$704,949</td>
</tr>
<tr>
<td>Non-Investment Activities</td>
<td>$170,757</td>
</tr>
<tr>
<td><strong>Total Research and Human Capital Activities</strong></td>
<td><strong>$3,779,370</strong></td>
</tr>
</tbody>
</table>

Inputs, Outputs, and/or Outcomes

Research and Human Capital Activities

<table>
<thead>
<tr>
<th>Investments in:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universities</td>
<td>$2,631,405</td>
</tr>
<tr>
<td>Industry</td>
<td>$162,176</td>
</tr>
<tr>
<td>Federal Agencies</td>
<td>$125,823</td>
</tr>
<tr>
<td>Small Business</td>
<td>$130,977</td>
</tr>
<tr>
<td>Others</td>
<td>$728,989</td>
</tr>
<tr>
<td><strong>Total Investments in</strong></td>
<td><strong>$3,779,370</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Support to:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scientists</td>
<td>$355,261</td>
</tr>
<tr>
<td>Postdoctoral Programs</td>
<td>$128,499</td>
</tr>
<tr>
<td>Graduate Students</td>
<td>$362,820</td>
</tr>
<tr>
<td><strong>Total Support to</strong></td>
<td><strong>$846,580</strong></td>
</tr>
</tbody>
</table>

Outputs & Outcomes:

<table>
<thead>
<tr>
<th>Number of:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards</td>
<td>20,357</td>
</tr>
<tr>
<td>Years of Scientist Support</td>
<td>5,759</td>
</tr>
<tr>
<td>Scientists Supported</td>
<td>27,215</td>
</tr>
<tr>
<td>Postdoctoral Support</td>
<td>5,576</td>
</tr>
<tr>
<td>Graduate Students Supported</td>
<td>25,479</td>
</tr>
</tbody>
</table>

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 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.