



Chapter 2

Financials



National Science Foundation • Office of Inspector General
2415 Eisenhower Avenue, Alexandria, Virginia 22314

MEMORANDUM

DATE: November 13, 2020

TO: Dr. Ellen Ochoa
Chair
National Science Board

Dr. Sethuraman Panchanathan
Director
National Science Foundation

FROM: Allison C. Lerner *Allison C. Lerner*
Inspector General
National Science Foundation

SUBJECT: Audit Report No. 21-2-001, Audit of the National Science Foundation's Fiscal Years 2020 and 2019 Financial Statements

This memorandum transmits the Kearney & Company, P.C.'s reports on its financial statement audit of the National Science Foundation (NSF) for FY 2020, which includes FY 2019 comparative information.

Audit Reports on Financial Statements; Internal Control over Financial Reporting; and Compliance with Laws, Regulations, Contracts, and Grant Agreements

The *Chief Financial Officers Act of 1990* (CFO Act, Pub. L. No. 101-576), as amended, requires that NSF's Inspector General or an independent external auditor, as determined by the Inspector General, audit NSF's financial statements in accordance with *Government Auditing Standards* (GAS) issued by the Comptroller General of the United States. We contracted with the independent certified public accounting firm Kearney & Company, P.C. (Kearney) to audit NSF's financial statements as of September 30, 2020, and for the fiscal year then ended. The contract requires that the audit be performed in accordance with GAS; Office of Management and Budget Bulletin 19-03, *Audit Requirements for Federal Financial Statements*; and the U.S. Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual*.

For FY 2020, Kearney provided: (1) its opinion on the financial statements, (2) a report on internal control over financial reporting, and (3) a report on compliance with laws, regulations, contracts, and grant agreements. In its audit of NSF, Kearney:

- Found that the financial statements referred to above present fairly, in all material respects, the financial position of NSF as of September 30, 2020 and 2019, and its net cost of operations,

changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

- Identified no material weaknesses in internal control over financial reporting.¹
- Identified no instances in which NSF's financial management systems did not substantially comply with the *Federal Financial Management Improvement Act of 1996* (FFMIA, Pub. L. No. 104-208).
- Identified no reportable instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements tested or other matters.

NSF's response to the draft reports, dated November 13, 2020, follows Kearney's reports.

Kearney is responsible for the attached auditor's reports dated November 13, 2020, and the conclusions expressed therein. We do not express opinions on NSF's financial statements or internal control over financial reporting or on whether NSF's financial management systems substantially complied with the requirements of FFMIA, or conclusions on compliance and other matters.

Kearney's Independent Auditor's Report is meant only to be distributed and read as part of the Agency Financial Report (AFR). Also, Kearney's Independent Auditor's Report is not a stand-alone document because it refers to the AFR contents and should not be circulated to anyone other than those receiving this transmittal.

We thank your staff for the assistance that was extended to the auditors during this audit. If you have any questions regarding this report, please contact Mark Bell, Assistant Inspector General, Office of Audits, at 703.292.7100 or OIGpublicaffairs@nsf.gov.

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

INDEPENDENT AUDITOR'S REPORT

To the Director and Inspector General of the National Science Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of the National Science Foundation (NSF), which comprise the balance sheets as of September 30, 2020 and 2019, the related statements of net cost and changes in net position, and the combined statements of budgetary resources (hereinafter referred to as the "financial statements") 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 accounting principles generally accepted in the United States of America; 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.

Auditor's 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 19-03 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 auditor's 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 NSF as of September 30, 2020 and 2019, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Required Supplementary Information, as named in the Agency Financial Report (hereinafter referred to as the "required supplementary information"), be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by OMB and the Federal Accounting Standards Advisory Board (FASAB), who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing it for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. Other Information, as named in the Agency Financial Report, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements; accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03, we have also issued reports, dated November 13, 2020, on our consideration of NSF's internal control over financial reporting and on our tests of NSF's compliance with provisions of applicable laws, regulations, contracts, and grant agreements, as well as other matters for the year ended September 30, 2020. The purpose of those reports is to describe the scope of our testing of

internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance and other matters. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 and should be considered in assessing the results of our audits.



Alexandria, Virginia
November 13, 2020

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Director and Inspector General of the National Science Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the National Science Foundation (NSF) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise NSF's financial statements, and we have issued our report thereon dated November 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NSF's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NSF's internal control. Accordingly, we do not express an opinion on the effectiveness of NSF's internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 19-03. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain additional matters involving internal control over financial reporting that we will report to NSF's management in a separate letter.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of NSF's internal control. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Kearney & Company". The signature is written in a cursive, flowing style.

Alexandria, Virginia
November 13, 2020

Attachment I – National Science Foundation’s Management Response



OFFICE OF BUDGET, FINANCE & AWARD MANAGEMENT

MEMORANDUM

Date: November 13, 2020

To: Allison Lerner, Inspector General

From: *Teresa Grancorvitz*
Teresa Grancorvitz, Chief Financial Officer

Subject: Management's Response to Independent Auditor's Report for
Fiscal Year (FY) 2020

I am pleased that the National Science Foundation received an unmodified opinion in the Independent Public Auditor's Report on the FY 2020 financial statements. This accomplishment is the result of the hard work of many individuals across the Foundation. The timely completion of the audit is especially commendable because of the challenges we continue to face as a result of the pandemic and remote working environment. I also want to thank your staff and Kearney & Company (Kearney) for their professionalism and many constructive interactions during the audit.

We are committed to the continuous improvement of NSF's financial management. We look forward to working with the Office of Inspector General and Kearney to meet future challenges. If you have any questions or require additional information, please contact Mike Wetklow, Deputy Chief Financial Officer and Division Director for Financial Management at mwetklow@nsf.gov.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS,
REGULATIONS, CONTRACTS, AND GRANT AGREEMENTS**

To the Director and Inspector General of the National Science Foundation

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 19-03, *Audit Requirements for Federal Financial Statements*, the financial statements of the National Science Foundation (NSF) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise NSF's financial statements, and we have issued our report thereon dated November 13, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NSF's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and provisions referred to in Section 803(a) of the Federal Financial Management Improvement Act of 1996 (FFMIA). We limited our tests of compliance to these provisions and did not test compliance with all laws, regulations, contracts, and grant agreements applicable to NSF. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 19-03.

The results of our tests of compliance with FFMIA disclosed no instances in which NSF's financial management systems did not comply substantially with the Federal financial management system's requirements, applicable Federal accounting standards, or application of the United States Standard General Ledger at the transaction level.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 19-03 in considering the entity's compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Kearney & Company". The signature is written in a cursive, flowing style.

Alexandria, Virginia
November 13, 2020



National Science Foundation

FINANCIAL STATEMENTS

As of and for the Fiscal Years ended
September 30, 2020 and 2019

National Science Foundation
Balance Sheet
As of September 30, 2020 and 2019
(Amounts in Thousands)

Assets	<u>2020</u>	<u>2019</u>
Intragovernmental Assets		
Fund Balance With Treasury (Note 2)	\$ 16,039,090	\$ 14,897,841
Accounts Receivable, Net	11,408	7,213
Advances to Others	<u>36,824</u>	<u>38,613</u>
Total Intragovernmental Assets	<u>16,087,322</u>	<u>14,943,667</u>
Cash and Other Monetary Assets (Note 2)	26,622	22,662
Accounts Receivable, Net	909	576
General Property, Plant and Equipment, Net (Note 3)	377,862	327,827
Total Assets	<u>\$ 16,492,715</u>	<u>\$ 15,294,732</u>
Liabilities		
Intragovernmental Liabilities		
Accounts Payable	\$ 19,262	\$ 9,951
Other Intragovernmental Liabilities	<u>8,906</u>	<u>7,982</u>
Total Intragovernmental Liabilities	<u>28,168</u>	<u>17,933</u>
Accounts Payable	60,519	65,184
Actuarial FECA Liability	1,219	1,389
Environmental and Disposal Liabilities (Note 6)	12,930	12,657
Accrued Grant Liabilities	493,090	413,128
Accrued Payroll and Other Liabilities	11,528	9,581
Accrued Annual Leave	<u>25,088</u>	<u>21,433</u>
Total Liabilities	<u>\$ 632,542</u>	<u>\$ 541,305</u>
Net Position		
Unexpended Appropriations - Other Funds	\$ 14,830,495	\$ 13,812,440
Cumulative Results of Operations - Other Funds	412,835	353,017
Cumulative Results of Operations - Dedicated Collections (Note 7)	<u>616,843</u>	<u>587,970</u>
Total Net Position	<u>\$ 15,860,173</u>	<u>\$ 14,753,427</u>
Total Liabilities and Net Position	<u>\$ 16,492,715</u>	<u>\$ 15,294,732</u>

The accompanying notes are an integral part of these statements.

National Science Foundation
Statement of Net Cost
For the Years Ended September 30, 2020 and 2019
(Amounts in Thousands)

Program Costs	<u>2020</u>	<u>2019</u>
Research and Related Activities		
Gross Costs	\$ 6,321,811	\$ 6,224,198
Less: Earned Revenue	<u>(124,036)</u>	<u>(76,590)</u>
Net Research and Related Activities	<u>6,197,775</u>	<u>6,147,608</u>
 Education and Human Resources		
Gross Costs	\$ 856,269	\$ 886,650
Less: Earned Revenue	<u>(3,706)</u>	<u>(7,041)</u>
Net Education and Human Resources	<u>852,563</u>	<u>879,609</u>
 Major Research Equipment and Facilities Construction		
Gross Costs	\$ 164,583	\$ 127,841
Less: Earned Revenue	<u>-</u>	<u>-</u>
Net Major Research Equipment and Facilities Construction	<u>164,583</u>	<u>127,841</u>
 Donations and Dedicated Collections		
Gross Costs	\$ 139,597	\$ 165,090
Less: Earned Revenue	<u>-</u>	<u>-</u>
Net Donations and Dedicated Collections	<u>139,597</u>	<u>165,090</u>
 Net Cost of Operations (Note 11)	<u>\$ 7,354,518</u>	<u>\$ 7,320,148</u>

The accompanying notes are an integral part of these statements.

Financial Statements
September 30, 2020 and 2019

National Science Foundation
Statement of Changes in Net Position
For the Year Ended September 30, 2020
(Amounts in Thousands)

	Funds From	2020		Total
	Dedicated Collections	All Other		
	(Note 7)	Funds		
Unexpended Appropriations				
Beginning Balances	\$ -	\$ 13,812,440		\$ 13,812,440
Budgetary Financing Sources				
Appropriations Received	-	8,354,330		8,354,330
Cancelled Authority Adjustments	-	(79,324)		(79,324)
Appropriations Used	-	(7,256,951)		(7,256,951)
Total Budgetary Financing Sources	-	1,018,055		1,018,055
Total Unexpended Appropriations	\$ -	\$ 14,830,495		\$ 14,830,495
Cumulative Results of Operations				
Beginning Balances	\$ 587,970	\$ 353,017		\$ 940,987
Budgetary Financing Sources				
Appropriations Used	-	7,256,951		7,256,951
Non-exchange Revenue	-	44		44
Donations	-	27,215		27,215
Funds from Dedicated Collections Transferred In / (Out)	153,719	-		153,719
Other Financing Sources				
Imputed Financing From Costs Absorbed By Others	-	11,310		11,310
Other	-	(6,030)		(6,030)
Total Financing Sources	153,719	7,289,490		7,443,209
Net Cost of Operations	(124,846)	(7,229,672)		(7,354,518)
Cumulative Results of Operations	\$ 616,843	\$ 412,835		\$ 1,029,678
Net Position	\$ 616,843	\$ 15,243,330		\$ 15,860,173

The accompanying notes are an integral part of these statements.

Financial Statements
September 30, 2020 and 2019

National Science Foundation
Statement of Changes in Net Position
For the Year Ended September 30, 2019
(Amounts in Thousands)

	<u>Funds From</u> <u>Dedicated Collections</u> <u>(Note 7)</u>	<u>2019</u> <u>All Other</u> <u>Funds</u>	<u>Total</u>
Unexpended Appropriations			
Beginning Balances	\$ -	\$ 12,987,425	\$ 12,987,425
Budgetary Financing Sources			
Appropriations Received	-	8,075,000	8,075,000
Cancelled Authority Adjustments	-	(60,156)	(60,156)
Appropriations Used	-	(7,189,829)	(7,189,829)
Total Budgetary Financing Sources	-	825,015	825,015
Total Unexpended Appropriations	\$ -	\$ 13,812,440	\$ 13,812,440
Cumulative Results of Operations			
Beginning Balances	\$ 563,507	\$ 308,487	\$ 871,994
Budgetary Financing Sources			
Appropriations Used	-	7,189,829	7,189,829
Non-exchange Revenue	-	131	131
Donations	-	32,227	32,227
Funds from Dedicated Collections Transferred In / (Out)	157,298	-	157,298
Other Financing Sources			
Imputed Financing From Costs Absorbed By Others	-	14,953	14,953
Other	-	(5,297)	(5,297)
Total Financing Sources	157,298	7,231,843	7,389,141
Net Cost of Operations	(132,835)	(7,187,313)	(7,320,148)
Cumulative Results of Operations	\$ 587,970	\$ 353,017	\$ 940,987
Net Position	\$ 587,970	\$ 14,165,457	\$ 14,753,427

The accompanying notes are an integral part of these statements.

Financial Statements
September 30, 2020 and 2019

National Science Foundation
Statement of Budgetary Resources
For the Years Ended September 30, 2020 and 2019
(Amounts in Thousands)

	<u>2020</u>	<u>2019</u>
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net Appropriations	\$ 445,869	\$ 417,890
Appropriations	8,535,304	8,264,651
Spending Authority from Offsetting Collections	101,120	105,117
Total Budgetary Resources (Note 9)	<u>\$ 9,082,293</u>	<u>\$ 8,787,658</u>
 Status of Budgetary Resources		
New Obligations and Upward Adjustments (Note 9)	\$ 8,596,034	\$ 8,449,543
Unobligated Balance, End of Year		
Apportioned, Unexpired (Note 2)	298,562	145,862
Unapportioned, Unexpired (Note 2)	<u>20,624</u>	<u>25,160</u>
Unobligated Balance, Unexpired, End of Year	319,186	171,022
Unobligated Balance, Expired, End of Year (Note 2)	<u>167,073</u>	<u>167,093</u>
Total Unobligated Balance, End of Year	486,259	338,115
Total Status of Budgetary Resources	<u>\$ 9,082,293</u>	<u>\$ 8,787,658</u>
 Net Outlays (Note 9 and 11)		
Net Outlays	\$ 7,310,493	\$ 7,292,246
Distributed Offsetting Receipts	<u>(32,923)</u>	<u>(37,741)</u>
Net Agency Outlays	<u>\$ 7,277,570</u>	<u>\$ 7,254,505</u>

The accompanying notes are an integral part of these statements.

NOTES TO THE PRINCIPAL FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The National Science Foundation (NSF or “Foundation”) is an independent federal agency created by the National Science Foundation Act of 1950, as amended (42 United States Code (U.S.C.) 1861-75). Its primary mission is to promote the progress of science; to advance the national health, prosperity, and welfare; and to secure the national defense. NSF initiates and supports scientific research and research fundamental to the engineering process and programs to strengthen the Nation’s science and engineering potential. NSF also supports critical education programs in science, technology, engineering, and mathematics (STEM) fields, which help prepare future generations of scientists and engineers. NSF funds research and education in science and engineering by awarding grants and contracts to educational and research institutions throughout the United States and its territories. NSF, by law, cannot operate research facilities except in the polar regions. NSF enters into relationships through awards, to fund the research operations conducted by grantees. Information on NSF funding by institution can be found on the website.¹

NSF is led by a presidentially-appointed, Senate-confirmed Director, and a 24-member National Science Board (NSB). As of September 30, 2020, there were 22 members serving on the NSB. The NSB members represent a cross section of prominent leaders in science and engineering research and education, and are appointed by the President for 6-year terms. The NSF Director is an *ex officio* member of the Board. NSF has a total workforce of about 2,100 at its Alexandria, VA, headquarters, including the staff of the NSB Office and the Office of the Inspector General. The NSF workforce includes approximately 1,400 career employees, 200 rotator scientists from research institutions in temporary positions, and 450 contract workers. NSF provides the opportunity for scientists, engineers, and educators to join the Foundation as temporary program directors and advisors. These "rotators" provide input during the merit review process of proposals; provide insight for new directions in the fields of science, engineering, and education; and support cutting-edge interdisciplinary research. Rotators can come to NSF under multiple mechanisms. The largest numbers come on Intergovernmental Personnel Act assignments, or IPAs, and remain employees of their home institutions. NSF facilitates IPA assignments through grants to their institution as a reimbursement in whole or in part for salary and benefits, and that reimbursement is then paid by the institution to their employee. All rotators are subject to criminal conflict of interest statutes as well as the government-wide Standards of Ethical Conduct of Employees of the Executive Branch, which prohibit them from participating in NSF proposals and awards affecting themselves and their home organizations.

B. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of NSF as required by the Chief Financial Officers Act of 1990, the Government Management Reform Act of 1994, the Reports Consolidation Act of 2000, and the Office of Management and Budget (OMB) Circular

¹ NSF Funding by Institution: <https://www.fiscal.treasury.gov/reports-statements/>

No. A-136, *Financial Reporting Requirements*, revised August 27, 2020. While the statements have been prepared from the books and records of NSF in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP) for federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

C. Basis of Accounting

The accompanying financial statements have been prepared in accordance with U.S. GAAP for federal entities using the accrual method of accounting. Under the accrual method, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. The accompanying financial statements also include budgetary accounting transactions that ensure compliance with legal constraints and controls over the use of federal funds.

D. Revenues and Other Financing Sources

NSF receives the majority of its funding through appropriations contained in the Commerce, Justice, Science, and Related Agencies Appropriations Act. NSF receives annual, multi-year, and no-year appropriations that may be expended within statutory limits. NSF also receives funding via warrant from a receipt account for dedicated collections that is reported as H-1B Nonimmigrant Petitioner Account (H-1B) funds. Additional amounts are obtained from reimbursements for services provided to other federal agencies as well as from receipts to the NSF Donations Account. NSF also receives interest earned on overdue receivables, which is subsequently returned to the Department of Treasury (Treasury) at the end of each fiscal year.

In FY 2020, the Science Appropriations Act, 2020 under Public Law (P.L.) 116-93, provided funding for NSF's appropriations. In addition, the Science Appropriations Act provided an administrative provision allowing NSF to transfer up to 5 percent of current year funding between appropriations, but no appropriation may be increased by more than 10 percent. In FY 2020, NSF also received supplemental funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116-136). Appropriations are recognized as a financing source at the time the related "funded" program or administrative expenditures are incurred. Appropriations are also recognized when used to purchase Property, Plant and Equipment (PP&E). Donations are recognized as revenues when funds are received. Revenues from reimbursable agreements are recognized when the services are provided and the related expenditures are incurred. Reimbursable agreements are mainly for grant administrative services provided by NSF on behalf of other federal agencies.

Under the general authority of the Foundation, NSF is authorized to accept and use both U.S. and foreign funds in the NSF Donations Account. In accordance with 42 U.S.C. 1862 Section 3 (a)(3), NSF has authority "to foster the interchange of scientific and engineering information among scientists and engineers in the United States and foreign countries" and in 42 U.S.C. 1870 Section 11 (f), NSF is authorized to receive and use funds donated by others. Funds may be received from foreign governments, private companies, academic institutions, non-profit foundations, and individuals. Donations must be contributed without

restriction other than that they be used in furtherance of one or more of the general purposes of the Foundation. Funds are made available for obligations as necessary to support NSF programs.

E. Fund Balance with Treasury and Cash and Other Monetary Assets

Fund Balance with Treasury (FBWT) is composed of appropriated funds that are available to pay current liabilities and finance authorized purchase commitments. FBWT is an asset to NSF, but not to the Government as a whole (because it is a liability of the General Fund). FBWT is primarily increased by appropriations and decreased by disbursements. When disbursements are made, Treasury finances those disbursements in the same way it finances all other disbursements, using a combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit). *Cash and Other Monetary Assets* include non-appropriated funding sources from donations and undeposited collections. *Undeposited Collections* are funds received by NSF, but not remitted to Treasury prior to September 30. Cash receipts and disbursements are processed by Treasury.

F. Accounts Receivable

Accounts Receivable consist of amounts due from governmental agencies, private organizations, and individuals. Additionally, NSF has the right to conduct audits of awardees to verify billed amounts. These audits may result in monies owed back to NSF. Upon resolution of the amount owed by the awardee to NSF, a receivable is recorded.

NSF establishes an allowance for loss on accounts receivable that are deemed uncollectible. NSF analyzes each account independently to assess collectability and the need for an offsetting allowance or write-off. NSF writes off delinquent debt from non-federal sources that is more than 2 years old. Account receivables from federal sources are not written off.

G. Advances to Others

Advances to Others consist of advances to federal agencies which are issued when agencies are operating under working capital funds or are unable to incur costs on a reimbursable basis. Advances are reduced when documentation supporting expenditures is received. Additionally, some NSF grantees receive advanced funds prior to incurring expenses. Payments are only made within the amount of the recorded obligation and are intended to cover immediate cash needs.

H. General Property, Plant and Equipment, Net

NSF capitalizes PP&E with costs exceeding \$25.0 thousand and useful lives of 2 or more years; items not meeting these criteria are recorded as operating expenses. NSF currently reports capitalized PP&E at original acquisition cost; assets acquired from the General Services Administration (GSA) excess property schedules are recorded at the value assigned by the donating agency; and assets transferred in from other agencies are valued at the cost recorded by the transferring entity for the asset net of accumulated depreciation or amortization.

The PP&E balance consists of Equipment, Aircraft and Satellites, Buildings and Structures, Leasehold Improvements, Construction in Progress, Internal Use Software, and Software in Development. These

balances are comprised of PP&E maintained “in-house” by NSF to support operations and PP&E under the U.S. Antarctic Program (USAP). The majority of USAP property is under the custodial responsibility of the NSF prime contractor for the program. The USAP is undergoing a multi-year modernization project initiated in FY 2019.

Depreciation expense is calculated using the straight-line half-year convention. The economic useful life classifications for capitalized assets are as follows:

Equipment

5 years	Computers and peripheral equipment, fuel storage tanks, laboratory equipment, and vehicles
7 years	Communications equipment, office furniture and equipment, pumps and compressors
10 or 15 years	Generators, air traffic control, weather forecasting aids, and landing systems equipment
20 years	Movable buildings (e.g., trailers)

Aircraft and Satellites

7 years	Aircraft, aircraft standardizations, and satellites
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Buildings and Structures

31.5 years	Buildings and structures placed in service prior to 1994
39 years	Buildings and structures placed in service after 1993

Leasehold Improvements

NSF's headquarters is leased through GSA under a non-cancelable occupancy agreement. Leasehold improvements performed by GSA are financed with NSF appropriated funds. Amortization is calculated using the straight-line half-year convention upon transfer from construction in progress.

Construction in Progress

Costs incurred for construction projects are accumulated and tracked as construction in progress until the asset is placed in service. Beneficial Occupancy is the point in time when the facility is ready for safe occupancy and use by NSF. Items that pertain to the safety and health of any future occupants of the facility must be corrected before a Beneficial Occupancy is granted and the facility occupied. All construction efforts at the construction site may not be completed (e.g., punch list items or other minor construction activities may still be required for construction to be considered complete), but the facility space can be used for its intended purpose. When Beneficial Occupancy is granted, the project is transferred from construction in progress to real property and depreciated over the respective useful life of the asset.

Internal Use Software and Software in Development

NSF controls, values, and reports purchased or developed software as tangible property assets, in accordance with the Statement of Federal Financial Accounting Standards (SFFAS) No. 10, *Accounting for Internal Use Software*. NSF identifies software investments as capital property for items that, in the aggregate, cost \$500.0 thousand or more to purchase, develop, enhance, or modify a new or existing NSF system, or configure a government-wide system for NSF needs.

Software projects that are not completed at year end and are expected to exceed the capitalization threshold are recorded as software in development. All internal use software meeting the capitalization threshold is amortized over a 5-year period using the straight-line half-year convention.

Assets Owned by NSF in the Custody of Other Entities: NSF awards grants, cooperative agreements, and contracts to various organizations, including colleges and universities, non-profit organizations, state and local governments, Federally Funded Research and Development Centers (FFRDCs), and private entities. The funds provided may be used in certain cases to purchase or construct PP&E to be used for operations or research on projects or programs sponsored by NSF. In these instances, NSF funds the acquisition of property, but transfers control of the assets to these entities. NSF's authorizing legislation specifically prohibits the Foundation from operating such property directly.

In practice, NSF's ownership interest in such PP&E is similar to a reversionary interest. To address the accounting and reporting of these assets, specific guidance was sought by NSF and provided by the Federal Accounting Standards Advisory Board (FASAB). This guidance stipulates that NSF should disclose the value of such PP&E held by others in its financial statements based on information contained in the audited financial statements of these entities (if available). Very few entities disclose information on NSF-owned property in their audited financial statements. Entities that separately present the book value of NSF-owned property in their audited financial statements are listed in Note 4, *General Property, Plant and Equipment in the Custody of Other Entities*, along with the book value of the property held.

I. Other Intragovernmental Liabilities

Other Intragovernmental Liabilities consist primarily of a rental credit liability, unfunded employment-related and unfunded Federal Employees' Compensation Act (FECA) liabilities, liabilities for non-entity assets, and federal payroll payables. Federal payroll payables consist of the federal portion of payroll benefits and taxes. Liabilities for non-entity assets are recorded to offset accounts receivable balances associated with canceled appropriations.

J. Liabilities Not Covered by Budgetary Resources

Liabilities Not Covered by Budgetary Resources may include future environmental cleanup liabilities, legal claims, workers' compensation, rental credit liability, and unfunded annual leave.

NSF cannot pay for liabilities unless authorized by law and covered by budgetary resources. Liabilities covered by budgetary resources are those for which appropriated funds are available as of the Balance Sheet date and include: new budget authority, unobligated balances of budgetary resources, spending authority from offsetting collections, and recoveries of budget authority through downward adjustments of prior year obligations.

K. Accounts Payable

Accounts Payable consist of liabilities to commercial vendors, contractors, federal agencies, and disbursements in transit. *Accounts Payable* are expenses for goods and services received but not yet paid for by NSF. At year end, NSF accrues for the amount of estimated unpaid expenses to vendors, contractors, and federal agencies for which invoices have not been received, but goods and services have been delivered and performed.

L. Accrued Grant Liabilities

Accrued Grant Liabilities consist of estimated liabilities to grantees for expenses incurred but not reported (IBNR) by September 30. For standard grants and cooperative agreements, NSF's grant accrual methodology utilizes a linear regression model based on the statistical correlation between prior year unliquidated obligations and prior year expenses IBNR. NSF utilizes the Award Cash Management Service (ACM\$), a grantee cash request and expenditure reporting system. ACM\$ enables all grantee institutions to request funds at the award level to support project needs.

In FY 2020, NSF implemented an additional accrual methodology specifically for Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants. SBIR and STTR awards have unique terms and conditions compared to standard NSF grants and cooperative agreements. This methodology accrues for any SBIR and STTR funds approved for payment, but not yet disbursed to the grantee as of September 30.

M. Accrued Payroll and Other Liabilities

Accrued Payroll and Other Liabilities consist of accrued payroll and undeposited collections. *Accrued Payroll Liabilities* relate to services performed by NSF employees, for which they have not yet been paid. NSF's payroll services are provided by the Department of the Interior's Business Center. NSF accrues the amount of salaries and benefits earned, but not yet paid. At year end, NSF also records *Undeposited Collections* which are funds received by NSF, but not remitted to Treasury prior to September 30.

N. Employee Benefits

A liability is recorded for actual and estimated future payments to be made for workers' compensation pursuant to the FECA. The actual costs incurred are reflected as a liability because NSF will reimburse the U.S. Department of Labor (DOL) 2 years after the actual payment of expenses. The estimated actuarial FECA liability consists of the net present value of estimated future payments calculated by the DOL and is recorded as an unfunded liability. Future NSF Agency Operations and Award Management (AOAM) appropriations will be used for DOL's estimated reimbursement.

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each quarter, the balance in the accrued annual leave account is adjusted to reflect changes. To the extent current and prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future AOAM appropriations. Sick leave and other types of non-vested leave are expensed as taken.

O. Net Position

Net Position is the residual difference between assets and liabilities and is composed of unexpended appropriations and cumulative results of operations. *Unexpended Appropriations* represent the amount of undelivered orders and unobligated balances of budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The *Cumulative Results of Operations* represent the net results of NSF's operations since the Foundation's inception.

P. Retirement Plan

In FY 2020, approximately 4 percent of NSF employees participated in the Civil Service Retirement System (CSRS), to which NSF matches contributions equal to 7 percent of pay. The majority of NSF employees are covered by the Federal Employees Retirement System (FERS) and Social Security. A primary feature of FERS is the thrift savings plan to which NSF automatically contributes 1 percent of pay. The maximum NSF matching contribution is 5 percent of employee pay, of which 3 percent is fully matched, and 2 percent is matched at 50 percent. NSF also contributes the employer's matching share for Social Security for FERS participants.

Although NSF funds a portion of the benefits under FERS and CSRS relating to its employees and withholds the necessary payroll deductions, the Foundation has no liability for future payments to employees under these plans, nor does NSF report CSRS, FERS, Social Security assets, or accumulated plan benefits on its financial statements. Reporting such amounts is the responsibility of the Office of Personnel Management (OPM) and the Federal Retirement Thrift Investment Board.

SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future, and provide these factors to the agency for current period expense reporting. Information is also provided by OPM regarding the full cost of health and life insurance benefits on the OPM Benefit Administration website.²

² OPM Benefit Administration website:
<https://www.opm.gov/retirement-services/publications-forms/benefits-administration-letters/2020/20-101.pdf>

Q. Contingencies and Possible Future Costs

Contingencies – Claims and Lawsuits: NSF is a party to various legal actions and claims brought against it. In the opinion of NSF management and legal counsel, the ultimate resolution of these actions and claims will not materially affect the financial position or operations of the Foundation. NSF recognizes the contingency in the financial statements when claims are expected to result in a material loss (and the payment amounts can be reasonably estimated), whether from NSF's appropriations or the Judgment Fund, administered by the Department of Justice under Section 1304 of Title 31 of the U.S.C.

Claims and lawsuits can also be made and filed against awardees of the Foundation by third parties. NSF is not a party to these actions and NSF believes there is no possibility that NSF will be legally required to satisfy such claims. Judgments or settlements of the claims against awardees that impose financial obligation on them may be claimed as costs under the applicable contract, grant, or cooperative agreement and thus may affect the allocation of program funds in future fiscal years. In the event that the claim becomes probable and amounts can be reasonably estimated, the claim will be recognized.

Contingencies – Unasserted Claims: For claims and lawsuits that have not been made and filed against the Foundation, NSF management and legal counsel determine, in their opinion, whether resolution of the actions and claims they are aware of will materially affect the Foundation's financial position or operations. NSF recognizes a contingency in the financial statements if unasserted claims are probable of assertion, and if asserted, would be probable of an unfavorable outcome and expected to result in a measurable loss, whether from NSF's appropriations or the Judgment Fund. NSF discloses unasserted claims if the loss is more likely than not to occur, but the materiality of a potential loss cannot be determined.

Termination Claims: NSF engages organizations, including FFRDCs, in cooperative agreements and contracts to manage, operate, and maintain research facilities for the benefit of the scientific community. As part of these agreements and contracts, NSF funds on a pay-as-you-go basis certain employee benefit costs (accrued vacation and other employee related liabilities, severance pay and medical insurance), long-term leases, and vessel usage and drilling. In some instances, an award decision is made to continue operation of a facility with a different entity performing operation and management duties. In such an occurrence, NSF does not classify the facility as terminated. Claims submitted by the previous managing entity for expenditures not covered by the indirect cost rate included in the initial award are subject to audit and typically paid with existing program funds.

Agreements with FFRDCs include a clause that commits NSF to seek appropriations for termination expenses, if necessary, in the event a facility is terminated. NSF considers termination of these facilities only remotely possible. Should a facility be terminated, NSF is obligated to seek termination expenses for FFRDCs in excess of the limitation of funds set forth in the agreements, including any Post-Retirement Benefit liabilities, from Congress. Nothing in these agreements can be construed as implying that Congress will appropriate funds to meet the terms of any claims. Termination costs that may be payable to an FFRDC operator cannot be estimated until such time as the facility is terminated.

Environmental and Disposal Liabilities: NSF assesses the likelihood of required cleanup and establishes its environmental liability estimates in accordance with the requirements of the SFFAS No. 5, *Accounting for Liabilities of the Federal Government*, and as amended by SFFAS No. 12, *Recognition of Contingent Liabilities Arising from Litigation*, and the Federal Financial Accounting and Auditing Technical Release No.

2, Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government.

Special attention is paid to USAP to ensure compliance with the Antarctic Conservation Act requirements for environmental cleanup in Antarctica. NSF continually monitors USAP in regards to environmental issues. While NSF is not legally liable for environmental cleanup costs in the Antarctic, there are occasions when the NSF Office of Polar Programs chooses to accept responsibility and commit funds toward cleanup efforts of various sites as resources permit. Decisions to commit funds are in no way driven by concerns of probable legal liability for failure to engage in such efforts, but rather a commitment to environmental stewardship of Antarctic natural resources. Environmental cleanup projects started and completed during the year are reflected in NSF's financial statements as expenses for the current fiscal year. An estimated cost would be accrued for approved projects that are anticipated to be performed after the fiscal year end or will take more than one fiscal year to complete.

R. Use of Estimates

Management has made certain estimates and assumptions when reporting assets, liabilities, revenues, expenses, and note disclosures. Estimates underlying the accompanying financial statements can include accounting for grant liabilities, accounts payable, environmental liabilities, payroll, and PP&E, depending on availability of actual data. Actual results may differ from these estimates, and the difference will be adjusted for and included in the financial statements of the following fiscal year.

S. Permanent Indefinite Appropriations

NSF maintains permanent indefinite appropriations for Research and Related Activities (R&RA), Education and Human Resources (EHR), and Major Research Equipment and Facilities Construction (MREFC). The R&RA appropriation is used for polar research and operations support, reimbursements to other federal agencies for operational and science support, and logistical and other related activities for USAP. The EHR appropriation is used to support science and engineering education, and human resources programs and activities. The MREFC appropriation supports the procurement and construction of unique national research platforms, major research equipment, and USAP modernization projects.

T. Classified Activities

Accounting Standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2. Fund Balance with Treasury

Fund Balance with Treasury (FBWT) consisted of the following components as of September 30, 2020 and 2019:

(Amounts in Thousands)	2020
Obligated, Not Yet Disbursed	\$ 15,579,373
Unobligated Available, Unexpired	298,562
Unobligated Unavailable, Unexpired	20,624
Unobligated Unavailable, Expired	167,073
Less: Cash and Other Monetary Assets	(26,622)
Add: Undeposited Collections and Donations Sequestration	80
Total FBWT	\$ 16,039,090

(Amounts in Thousands)	2019
Obligated, Not Yet Disbursed	\$ 14,582,018
Unobligated Available, Unexpired	145,862
Unobligated Unavailable, Unexpired	25,160
Unobligated Unavailable, Expired	167,093
Less: Cash and Other Monetary Assets	(22,662)
Add: Undeposited Collections and Donations Sequestration	370
Total FBWT	\$ 14,897,841

Obligated, Not Yet Disbursed balances include obligations for which outlays have not been made. *Unobligated Available* balances include current period amounts available for obligation or commitment. *Unobligated Unavailable* balances include recoveries of prior year obligations and other unobligated expired funds that are unavailable for new obligations. Donations are reported as *Cash and Other Monetary Assets* and represent cash held outside of Treasury at a commercial bank in interest bearing accounts and may be subject to sequestration. *Undeposited Collections* are funds received by NSF, but not remitted to Treasury prior to September 30.

Note 3. General Property, Plant and Equipment, Net

To support the *Financial Report of the United States Government (FR)* compilation process, OMB Circular No. A-136 prescribed a new reconciliation for *General Property, Plant and Equipment, Net*, effective for FY 2020 reporting. The reconciliation as of September 30, 2020 and 2019 is shown below.

(Amounts in Thousands)	2020	2019
	Net PP&E	Net PP&E
Balance Beginning of Fiscal Year	\$ 327,827	\$ 281,211
Capitalized Acquisitions	100,827	73,403
Dispositions	(30,480)	(2,513)
Depreciation Expense	(20,312)	(24,274)
Balance as of September 30, 2020 and 2019	\$ 377,862	\$ 327,827

The components of *General Property, Plant and Equipment, Net* as of September 30, 2020 and 2019 are shown below. As of September 30, 2020, NSF had not identified any asset impairments.

(Amounts in Thousands)	2020		
	Acquisition Value	Accumulated Depreciation/ Amortization	Net PP&E
Equipment	\$ 172,703	\$ (148,733)	\$ 23,970
Aircraft and Satellites	115,806	(115,806)	-
Buildings and Structures	315,161	(170,240)	144,921
Leasehold Improvements	29,729	(6,825)	22,904
Construction in Progress	91,677	-	91,677
Internal Use Software	87,642	(86,792)	850
Software in Development	93,540	-	93,540
Total PP&E	\$ 906,258	\$ (528,396)	\$ 377,862

(Amounts in Thousands)	2019		
	Acquisition Value	Accumulated Depreciation/ Amortization	Net PP&E
Equipment	\$ 159,298	\$ (146,869)	\$ 12,429
Aircraft and Satellites	115,806	(115,806)	-
Buildings and Structures	315,080	(163,244)	151,836
Leasehold Improvements	29,569	(4,841)	24,728
Construction in Progress	57,391	-	57,391
Internal Use Software	88,295	(82,676)	5,619
Software in Development	75,824	-	75,824
Total PP&E	\$ 841,263	\$ (513,436)	\$ 327,827

Note 4. General Property, Plant and Equipment in the Custody of Other Entities

NSF received a ruling from FASAB on accounting for non-USAP PP&E owned by NSF but in the custody of and used by others (see Note 1H. *General Property, Plant and Equipment, Net*). The FASAB guidance requires PP&E in the custody of others be excluded from NSF PP&E as defined in the SFFAS No. 6, *Accounting for Property, Plant and Equipment*. NSF is required to disclose the dollar amount of PP&E held by others for any entity which separately discloses NSF property in the most recently issued audited financial statements of the organization holding the assets.

Large facilities with significant NSF property are required to disclose in their audited financial statements the value of NSF-owned property in their custody. With the exception of these large facilities, other entities which received NSF funding are not required to report NSF-owned property separately in their audited financial statements. The amount of PP&E owned by NSF but in the custody of an NSF awardee which is separately disclosed in the awardee's audited financial statements is identified in the table below.

(Amounts in Thousands)

<i>Entities with Audited and Separately Reported NSF-Owned Equipment</i>	Amount	Fiscal Year Ending
Association of Universities for Research in Astronomy, Inc. - AURA	\$ 1,053,899	9/30/19
Incorporated Research Institutions for Seismology - IRIS	Unavailable	6/30/19
National Radio Astronomy Observatory - AUI	\$ 341,292	9/30/19
University of Alaska	\$ 152,400	6/30/19

Note 5. Leases

NSF currently has occupancy agreements with GSA for office space in Denver, Colorado and warehouse space in Springfield, Virginia. These agreements are cancelable and expire in 2028 and 2029, respectively. The cancellation clauses within the agreements allow NSF to terminate use with 120-day notice. These agreements contain escalation clauses tied to operating expenses. In addition, both the Denver and Springfield agreements contain a contingent rental based on re-appraised rental rates.

NSF also has an occupancy agreement with GSA for its current headquarters in Alexandria, VA. This agreement is non-cancelable and active through 2032. In addition, this agreement contains escalation clauses tied to operating expenses and taxes. The following is a schedule of future minimum rental payments for the NSF headquarters:

(Amounts in Thousands)

Fiscal Year	Building Operating Lease Amount (Federal)
2021	\$ 24,762
2022	24,879
2023	25,001
2024	25,125
2025	25,254
2026 through 2032	178,133
Total Minimum Non-Cancelable Lease Payments	\$ 303,154

Note 6. Environmental and Disposal Liabilities

Restoration Projects

NSF recorded a total estimated liability for a known restoration project of \$2.2 million in FY 2019, resulting from the cleanup estimate for the decontamination and decommissioning of the Sondrestrom Research Facility, a geophysical observatory in Kangerlussuaq, Greenland. After an extensive evaluation process, NSF decided to no longer conduct scientific observations from that site and will proceed with actions to restore the location. There was no change to the estimated liability for the restoration project as of September 30, 2020.

Asbestos

Pursuant to FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos-Related Cleanup Costs*, federal entities are required to recognize a liability for federal property asbestos cleanup costs. Some NSF owned buildings and structures used to support USAP have been identified as having, or expecting to have, friable and non-friable asbestos containing material.

As required by SFFAS No. 6, *Accounting for Property, Plant and Equipment*, NSF works with the current USAP contractor through the Antarctic Support Contract (ASC) to determine the need for asbestos liability adjustments based on actual asbestos costs incurred on an annual basis. Actual asbestos remediation costs are submitted by the ASC and the asbestos liability is adjusted for the impact. Changes to NSF's estimated asbestos liability consisted of the impact of asbestos remediation and cost re-estimates since FY 2019. The asbestos liability was \$10.7 million and \$10.5 million as of September 30, 2020 and 2019.

Note 7. Funds from Dedicated Collections

In FY 1999, Title IV of the American Competitiveness and Workforce Improvement Act of 1998 (P.L. 105-277) established the H-1B Nonimmigrant Petitioner Account in the General Fund of the U.S. Treasury. Funding is established from fees collected for alien, nonimmigrant status petitions. This law requires that a prescribed percentage of the funds in the account be made available to NSF for the following activities:

- Computer Science, Engineering, and Mathematics Scholarship
- Grants for Mathematics, Engineering, or Science Enrichment Courses
- Systemic Reform Activities

The H-1B fees are available to the Director of NSF until expended. The funds may be used for scholarships to low income students, or to carry out a direct or matching grant program to support private and/or public partnerships in K-12 education. The H-1B fund is set up as a permanent indefinite appropriation by NSF. These funds are described in the Budget of the United States Government (President's Budget). Funds from Dedicated Collections are accounted for in a separate Treasury Account Symbol (TAS), and the budgetary resources are recorded as *Funds from Dedicated Collections Transferred In / (Out)*. *Funds from Dedicated Collections* are reported in accordance with SFFAS No. 43, *Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds*. As of September 30, 2020 and 2019, NSF was subject to H-1B sequestrations of \$9.0 million and \$9.7 million, respectively.

*Notes to the Financial Statements
September 30, 2020 and 2019*

(Amounts in Thousands)	2020	2019
Balance Sheet as of September 30, 2020 and 2019		
Intragovernmental:		
Fund Balance With Treasury	\$ 632,023	\$ 603,934
Total Assets	<u>\$ 632,023</u>	<u>\$ 603,934</u>
Accounts Payable	\$ 125	\$ 121
Accrued Grant Liabilities	15,055	15,843
Total Liabilities	<u>\$ 15,180</u>	<u>\$ 15,964</u>
Cumulative Results of Operations	\$ 616,843	\$ 587,970
Total Liabilities and Net Position	<u>\$ 632,023</u>	<u>\$ 603,934</u>
Statement of Net Cost for the Years Ended September 30, 2020 and 2019		
Program Costs	\$ 124,846	\$ 132,835
Net Cost of Operations	<u>\$ 124,846</u>	<u>\$ 132,835</u>
Statement of Changes in Net Position for the Years Ended September 30, 2020 and 2019		
Net Position Beginning of Period	\$ 587,970	\$ 563,507
Funds from Dedicated Collections Transferred In / (Out)	153,719	157,298
Net Cost of Operation	<u>(124,846)</u>	<u>(132,835)</u>
Change in Net Position	28,873	24,463
Net Position End of Period	<u>\$ 616,843</u>	<u>\$ 587,970</u>

Note 8. Undelivered Orders at the End of the Year

In accordance with SFFAS No. 7, *Accounting for Revenue and Other Financing Sources*, the amount of budgetary resources obligated for undelivered orders for the years ended September 30, 2020 and 2019 amounted to \$15.1 billion and \$14.2 billion, respectively.

(Amounts in Thousands)	2020	2019
Undelivered Orders as of September 30, 2020 and 2019		
Undelivered Orders, Unpaid - Non-Federal	\$ 14,960,079	\$ 14,035,172
Undelivered Orders, Paid - Federal	36,824	39,010
Undelivered Orders, Unpaid - Federal	<u>124,585</u>	<u>151,488</u>
Total Undelivered Orders - Federal	161,409	190,498
Total Undelivered Orders	<u>\$ 15,121,488</u>	<u>\$ 14,225,670</u>

Note 9. Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires explanations of material differences between amounts reported in the Statement of Budgetary Resources (SBR) and the actual balances published in the President’s Budget. The FY 2022 President’s Budget will include FY 2020 budget execution information and is scheduled for publication in the spring of 2021 and can be found upon publication on the OMB website.³

Balances reported in the FY 2019 SBR and the related President’s Budget are shown in a table below for Budgetary Resources, New Obligations and Upward Adjustments, Distributed Offsetting Receipt, and Net Outlays, and any related differences. The differences reported are due to differing reporting requirements for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President’s Budget. The SBR includes both unexpired and expired appropriations, while the President’s Budget presents only unexpired budgetary resources that are available for new obligations. Additionally, the Distributed Offsetting Receipts amount on the SBR includes donations, while the President’s Budget does not.

(Amounts in Thousands)

Fiscal Year 2019	Budgetary Resources	New Obligations and Upward Adjustments	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 8,787,658	\$ 8,449,543	\$ 37,741	\$ 7,292,246
Expired Accounts	\$ (170,547)	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ (34,741)	\$ -
Budget of the U.S. Government	\$ 8,617,111	\$ 8,449,543	\$ 3,000	\$ 7,292,246

Note 10. Awards to Affiliated Institutions

NSB members may be affiliated with institutions that are eligible to receive grants and awards from NSF. NSF made awards totaling \$793.7 million to Board member affiliated institutions as of September 30, 2020. The Board does not review all NSF award actions; however the following require NSB approval for the NSF Director to take action under delegated authority:

- Proposed awards where the average annual award amount is the greater of 1 percent of the prior year current plan of the awarding directorate/office, or 0.1 percent of the prior year enacted NSF budget level;
- Major Research Equipment and Facilities Construction (MREFC) awards;
- Amendments to awards and procurement actions specifying a dollar amount in the Board resolution, if the amended award exceeds the lesser of \$10.0 million dollars or 20 percent of the amount specified in the Board resolution; and

³ OMB website: <https://www.whitehouse.gov/omb>

- In the case of procurements when no amount was specified in the Board resolution, if the amended amount exceeds the lesser of \$10.0 million dollars or 20 percent of the contract ceiling award amount.

The Director will continue to consult with the NSB on programs which represent a significant, long-term investment, particularly those which will be funded as an ongoing NSF-wide activity or which involve substantive policy, interagency, or international issues.

The Director's Review Board (DRB) reviews proposed actions for evaluation adequacy and documentation, and compliance with Foundation policies, procedures and strategies. Items requiring DRB action include large awards and Requests for Proposal that meet or exceed a threshold of 2.5 percent of the prior year Division or Subactivity Plan. In addition, the DRB reviews all items requiring NSB action as well as NSB information items prior to submission.

NSF may fund awards meeting the above requirements to institutions affiliated with Board members. Federal conflict-of-interest rules prohibit NSB members from participating in matters where they have a conflict of interest or there is an impartiality concern without prior authorization from the Designated Agency Ethics Official (DAEO) or delegee. Prior to Board meetings, all NSB action items are screened for conflict-of-interest/impartiality concerns by the NSB Counsel (Deputy Ethics Official/Ethics Counselor) and a Legal Administrative Specialist (Deputy Ethics/Reviewing Official) in the National Science Board Office. Members who have conflicts are either recused from the matter or receive a waiver from the Deputy Ethics Official to participate. Following NSF and NSB conflict of interest procedures, in FY 2020, the NSB did not authorize the Director to make any awards to Board member affiliated institution.

Note 11. Reconciliation of Net Cost to Net Outlays

The Reconciliation of Net Cost to Net Outlays reconciles the net costs for a federal entity's programs and operations to the net outlays for that entity. The reconciliation clarifies the relationship between budgetary and proprietary accounting information. Examples of the reconciling items identified are: (1) Transactions which resulted in an outlay but did not result in a cost; (2) Unpaid expenses included in the net cost in this reporting period but not yet included in outlays; and (3) Other temporary timing differences such as special adjustments including prior period adjustments due to correction of errors.

(Amounts in Thousands)	2020		
	Federal	Public	Total
Net Cost	\$ 174,339	\$ 7,180,179	\$ 7,354,518
Components of Net Cost Not Part of Net Outlays			
Property, Plant, and Equipment Depreciation	-	(20,294)	(20,294)
Other (Cost Capitalization Offset)	-	70,373	70,373
Increase/(Decrease) in Assets:			
Accounts Receivable	4,196	334	4,530
Other Assets	(1,790)	(295)	(2,085)
(Increase)/Decrease in Liabilities Not Affecting Net Outlays:			
Accounts Payable	(9,311)	4,666	(4,645)
Salaries and Benefits	(688)	(2,242)	(2,930)
Environmental and Disposal Liabilities	-	(273)	(273)
Other Liabilities	(235)	(83,153)	(83,388)
Other Financing Sources:			
Imputed Financing	(11,310)	-	(11,310)
Total Components of Net Cost Not Part of the Net Outlays	\$ (19,138)	\$ (30,884)	\$ (50,022)
Components of Net Outlays Not Part of Net Cost			
Other (Revenue)	\$ 333	\$ (27,259)	\$ (26,926)
Total Components of Net Outlays Not Part of Net Cost	\$ 333	\$ (27,259)	\$ (26,926)
Net Outlays	\$ 155,534	\$ 7,122,036	\$ 7,277,570
Related Amounts on the Statement of Budgetary Resources			
Net Outlays			\$ 7,310,493
Distributed Offsetting Receipts			(32,923)
Net Agency Outlays			\$ 7,277,570

*Notes to the Financial Statements
September 30, 2020 and 2019*

(Amounts in Thousands)	2019		
	Federal	Public	Total
Net Cost	\$ 196,633	\$ 7,123,515	\$ 7,320,148
Components of Net Cost Not Part of Net Outlays			
Property, Plant, and Equipment Depreciation	-	(23,757)	(23,757)
Other (Cost Capitalization Offset)	-	70,398	70,398
Increase/(Decrease) in Assets:			
Accounts Receivable	(6,982)	(370)	(7,352)
Other Assets	(9,061)	285	(8,776)
(Increase)/Decrease in Liabilities Not Affecting Net Outlays:			
Accounts Payable	(1,438)	(17,386)	(18,824)
Salaries and Benefits	(384)	(1,462)	(1,846)
Environmental and Disposal Liabilities	-	(2,389)	(2,389)
Other Liabilities (Grants, Rental Credit, Unfunded Leave, FECA, and Other Misc)	(3,306)	(22,370)	(25,676)
Other Financing Sources:			
Imputed Financing (OPM and DHS)	(14,953)	-	(14,953)
Total Components of Net Cost Not Part of the Net Outlays	\$ (36,124)	\$ 2,949	\$ (33,175)
Components of Net Outlays Not Part of Net Cost			
Other (Revenue)	\$ (110)	\$ (32,358)	\$ (32,468)
Total Components of Net Outlays Not Part of Net Cost	\$ (110)	\$ (32,358)	\$ (32,468)
Net Outlays	\$ 160,399	\$ 7,094,106	\$ 7,254,505
Related Amounts on the Statement of Budgetary Resources			
Net Outlays			\$ 7,292,246
Distributed Offsetting Receipts			(37,741)
Net Agency Outlays			\$ 7,254,505

Note 12. COVID-19 Activity

NSF has worked closely with the scientific research community to bolster the national response to coronavirus disease 2019 (COVID-19). As part of the third emergency supplemental appropriation bill to support the CARES Act (P.L. 116-136), NSF received \$76.0 million “to prevent, prepare for, and respond to coronavirus.” In addition, NSF used funding from its base appropriation, the Consolidated Appropriations Act, 2020 (P.L. 116-93), and H-1B Nonimmigrant Petitioner Fees Funding to support COVID-19 related research and other activity.

NSF COVID-19 resources support fast-track, fundamental, and transformational research activity associated with (1) improving our understanding of SARS-CoV-2, the coronavirus causing COVID-19; (2) developing a predictive understanding of the spread of the virus; and (3) enabling approaches that mitigate the negative impacts of COVID-19 on public health, society, and the economy.

Given the impacts of the coronavirus, STEM education and workforce are experiencing unique challenges that warrant study. Therefore, NSF used the transfer authority provided in P.L. 116-93, the FY 2020 appropriations bill, to transfer \$5.0 million of R&RA CARES Act funding to the EHR budget account. Similar to R&RA, the EHR funds support fast-track, fundamental and transformational research activities that

*Notes to the Financial Statements
September 30, 2020 and 2019*

align with the three identified research areas. A summary of budget authority provided by the CARES Act is shown below:

(Amounts in Thousands)

NSF by Account	Amount
Research and Related Activities	\$ 70,000
Education and Human Resources	5,000
Agency Operations and Award Management	1,000
Total	\$ 76,000

AOAM funding secures ongoing continuity of operations during the COVID-19 response period, including costs stemming from changes to NSF agency operations in a virtual working environment.

FY 2020 obligations for COVID-19 activities, by funding source, is summarized as follows:

(Amounts in Thousands)

NSF by Account	CARES Act	Base Appropriation	Mandatory H- 1B Fees + Reimbursable	Amount
Research and Related Activities	\$ 70,000	\$ 108,485	\$ 398	\$ 178,883
Education and Human Resources	5,000	11,709	882	17,591
Agency Operations and Award Management	1,000	-	-	1,000
Total	\$ 76,000	\$ 120,194	\$ 1,280	\$ 197,474

Budget authority provided by the CARES Act is available to NSF for obligation through September 2021. As of September 30, 2020, all funds were obligated.

NSF's assets, liabilities, costs, revenues, and net position are impacted by appropriated funds and disbursements related to COVID-19 activity. Appropriations from the CARES Act resulted in an increase to NSF's assets and net position as of September 30, 2020. As NSF continues to provide support for COVID-19 related research, costs will increase, which will lead to a decrease in net position.

Note 13. Reclassification Adjustments of Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position Due to FR Compilation

To prepare the Financial Report of the U.S. Government (FR), the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the NSF's financial statements and the NSF's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items. A copy of the 2019 FR can be found on the FR website⁴ and a copy of the 2020 FR will be posted to this site as soon as it is released.

The term "Non-Federal" is used to refer to transactions with non-federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments.

⁴ 2019 FR website: <https://www.fiscal.treasury.gov/reports-statements/>

*Notes to the Financial Statements
September 30, 2020 and 2019*

**Reclassification of Balance Sheet to Line Items Used for the
Government-wide Balance Sheet as of September 30, 2020
(Amounts in Thousands)**

FY 2020 National Science Foundation Balance Sheet		Line Items Used to Prepare FY 2020 Government- wide Balance Sheet			
Financial Statement Line	Amounts	Dedicated		Total	Reclassified Financial Statement Line
		Collections	All Other		
ASSETS					
Intra-Governmental Assets					
Fund Balance With Treasury	\$16,039,090	\$ 632,023	15,407,067	\$16,039,090	Fund Balance With Treasury
Accounts Receivable, Net	11,408	-	11,408	11,408	Accounts Receivable, Net
Advances to Others	36,824	-	36,824	36,824	Advances to Others and Prepayments
Total Intra-Governmental Assets	16,087,322	632,023	15,455,299	16,087,322	Total Intra-Governmental Assets
Cash and Other Monetary Assets	26,622	-	26,622	26,622	Cash and Other Monetary Assets
Accounts Receivable, Net	909	-	909	909	Accounts Receivable, Net
General Property, Plant, and Equipment, Net	377,862	-	377,862	377,862	General Property, Plant, and Equipment, Net
		-	405,393	405,393	Total With the Public
TOTAL ASSETS	<u>\$16,492,715</u>	<u>\$ 632,023</u>	<u>15,860,692</u>	<u>\$16,492,715</u>	TOTAL ASSETS
LIABILITIES					
Intra-Governmental Liabilities					
Accounts Payable	\$ 19,262	\$ -	22,298	\$ 22,298	Accounts Payable
Other Intragovernmental Liabilities	8,906	-	884	884	Liability to the General Fund for Custodial and Other Non-Entity Assets
		-	2,387	2,387	Benefit Program Contributions Payable
		-	2,599	2,599	Other Liabilities (Without Reciprocals)
Total Intra-Governmental Liabilities	28,168	-	28,168	28,168	Total Intra-Governmental Liabilities
Accounts Payable	60,519	125	60,394	60,519	Accounts Payable
Actuarial FECA Liability	1,219	-	26,307	26,307	Federal Employee and Veteran Benefits Payable
Accrued Annual Leave	25,088	-	-	-	
Environmental and Disposal Liabilities	12,930	-	12,930	12,930	Environmental and Disposal Liabilities
Accrued Grant Liabilities	493,090	15,055	489,563	504,618	Other Liabilities
Accrued Payroll and Other Liabilities	11,528	-	-	-	
		15,180	589,194	604,374	Total With the Public
TOTAL LIABILITIES	<u>\$ 632,542</u>	<u>\$ 15,180</u>	<u>617,362</u>	<u>\$ 632,542</u>	TOTAL LIABILITIES
NET POSITION					
Unexpended Appropriations – Other Funds	\$14,830,495	\$ -	14,830,495	\$14,830,495	Unexpended Appropriations - Funds Other Than Those From Dedicated Collections
Cumulative Results of Operations – Other Funds	412,835	-	412,835	412,835	Cumulative Results of Operations – Funds Other Than Those From Dedicated Collections
Cumulative Results of Operations – Dedicated Collections	616,843	616,843	-	616,843	Cumulative Results of Operations – Funds from Dedicated Collections
TOTAL NET POSITION	<u>\$15,860,173</u>	<u>\$ 616,843</u>	<u>15,243,330</u>	<u>\$15,860,173</u>	TOTAL NET POSITION
TOTAL LIABILITIES & NET POSITION	<u>\$16,492,715</u>	<u>\$ 632,023</u>	<u>15,860,692</u>	<u>\$16,492,715</u>	TOTAL LIABILITIES & NET POSITION

Notes to the Financial Statements
September 30, 2020 and 2019

**Reclassification of Statement of Net Cost (SNC) to Line Items Used for the
Government-wide SNC for the Year Ending September 30, 2020**
(Amounts in Thousands)

FY 2020 National Science Foundation SNC		Line Items Used to Prepare FY 2020 Government-wide SNC			
Financial Statement Line	Amounts	Dedicated Collections	All Other	Total	Reclassified Financial Statement Line
GROSS COSTS					
Research and Related Activities	\$ 6,321,811	\$ 124,846	7,061,330	\$ 7,186,176	Non-Federal Gross Cost
		124,846	7,061,330	7,186,176	Total Non-Federal Gross Cost
Education and Human Resources	856,269	-	41,081	41,081	Benefit Program Costs
Major Research Equipment and Facilities Construction	164,583	-	11,310	11,310	Imputed Costs
Donations and Dedicated Collections	139,597	-	230,142	230,142	Buy/Sell Costs
		-	13,551	13,551	Other Expenses (Without Reciprocals)
		-	296,084	296,084	Total Federal Gross Cost
TOTAL GROSS COSTS	\$ 7,482,260	\$ 124,846	7,357,414	\$ 7,482,260	TOTAL GROSS COSTS
EARNED REVENUE					
Research and Related Activities	\$ (124,036)	\$ -	(5,997)	\$ (5,997)	Non-Federal Earned Revenue
		-	(5,997)	(5,997)	Total Non-Federal Earned Revenue
Education and Human Resources	(3,706)	-	(121,745)	(121,745)	Buy/Sell Revenue (Exchange)
		-	(121,745)	(121,745)	Total Federal Earned Revenue
TOTAL EARNED REVENUE	\$ (127,742)	\$ -	(127,742)	\$ (127,742)	TOTAL EARNED REVENUE
NET COST OF OPERATIONS	\$ 7,354,518	\$ 124,846	7,229,672	\$ 7,354,518	NET COST OF OPERATIONS

**Reclassification of Statement of Changes in Net Position (SCNP) to Line Items Used for the
Government-wide Statement of Operations and Changes in Net Position for the Year Ending September 30, 2020**
(Amounts in Thousands)

FY 2020 National Science Foundation SCNP		Line Items Used to Prepare FY 2020 Government-wide SCNP			
Financial Statement Line	Amounts	Dedicated Collections	All Other	Total	Reclassified Financial Statement Line
UNEXPENDED APPROPRIATIONS					
Beginning Balance	\$13,812,440	\$ -	13,812,440	\$14,753,427	Net Position, Beginning of Period (Includes Cumulative Results of Operations, Beginning Balance)
Appropriations Received	8,354,330	-	8,275,006	8,275,006	Appropriations Received as Adjusted
Cancelled Authority Adjustments	(79,324)	-	-	-	
Appropriations Used	(7,256,951)	-	(7,256,951)	(7,256,951)	Appropriations Used
TOTAL UNEXPENDED APPROPRIATIONS	\$14,830,495				
CUMULATIVE RESULTS OF OPERATIONS					
Beginning Balance	\$ 940,987	\$ 587,970	353,017	Included Above	Net Position, Beginning of Period (Included in Net Position, Unexpended Appropriations)
Appropriations Used	7,256,951	-	7,256,951	7,256,951	Appropriations Expended
Non-Exchange Revenue	44	-	27,226	27,226	Other Taxes and Receipts
Donations	27,215	-	-	-	
Other (1 of 2)	(33)	-	-	-	
Total Non-Federal Non-Exchange Revenue	27,226	-	27,226	27,226	Total Non-Federal Non-Exchange Revenues
		162,748	-	162,748	Appropriation of Unavailable Special/Trust Fund Receipts Transfers-In
		(9,029)	-	(9,029)	Appropriation of Unavailable Special/Trust Fund Receipts Transfers-Out
Funds from Dedicated Collections Transferred In / (Out)	153,719	153,719	-	153,719	Total Appropriation of Unavailable Special or Trust Fund Receipts Transfers, Net
Imputed Financing	11,310	-	11,310	11,310	Imputed Financing Sources
		-	(5,665)	(5,665)	Non-Entity Collections Transferred to the General Fund
		-	(332)	(332)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund
Other (2 of 2)	(5,997)	-	(5,997)	(5,997)	Total Non-Entity Collections and Accrual for Non-Entity Amounts to be Collected
Total Financing Sources	7,443,209				
Net Cost of Operations	(7,354,518)	(124,846)	(7,229,672)	\$(7,354,518)	Net Cost of Operations
CUMULATIVE RESULTS OF OPERATIONS, ENDING BALANCE	\$ 1,029,678				
TOTAL NET POSITION	\$15,860,173	\$ 616,843	15,243,330	\$15,860,173	TOTAL NET POSITION

REQUIRED SUPPLEMENTARY INFORMATION

Deferred Maintenance and Repairs

For the Fiscal Years ended September 30, 2020 and 2019

Deferred Maintenance and Repairs

NSF performs condition assessment surveys in accordance with SFFAS No. 42, *Deferred Maintenance and Repairs*, for capitalized general PP&E, including fully depreciated general personal property to determine if any maintenance and repairs are needed to keep an asset in an acceptable condition or restore an asset to a specific level of performance. NSF considers deferred maintenance and repairs to be any maintenance and repairs that are not performed on schedule, unless it is determined from the condition of the asset that scheduled maintenance does not have to be performed. Deferred maintenance and repairs also include any other type of maintenance or repair that, if not performed, would render the PP&E non-operational. Circumstances such as non-availability of parts or funding are considered reasons for deferring maintenance and repairs.

NSF considered whether any scheduled maintenance or repair necessary to keep fixed assets of the agency in an acceptable condition was deferred at fiscal years ended September 30, 2020 and 2019. Assets deemed to be in excellent, good, or fair condition are considered to be in acceptable condition. Assets in poor or very poor condition are in unacceptable condition and the deferred maintenance and repairs required to get them to an acceptable condition are reported. NSF determines the condition of an asset in accordance with standards comparable to those used in the private industry. Due to the environment and remote location of Antarctica, all deferred maintenance and repairs on assets in poor or very poor condition are considered critical in order to maintain operational status.

In accordance with SFFAS No. 42, NSF discloses the beginning and ending balances for the fiscal year ending September 30, 2020. At September 30, 2020, NSF determined that scheduled maintenance or repairs on one item of Antarctic capital equipment in poor condition was not completed and was deferred or delayed for a future period. The dollar amount of deferred maintenance for this item was \$50.0 thousand. The item is heavy mobile equipment and is considered non-critical to NSF operations.

At September 30, 2019, NSF determined that there was no scheduled maintenance or repairs on Antarctic capital equipment in poor or very poor condition that was deferred or delayed for a future period.

REQUIRED SUPPLEMENTARY INFORMATION

Combining Statement of Budgetary Resources by Major Budget Accounts

In the following tables, NSF budgetary information for the fiscal years ended September 30, 2020 and 2019, as presented in the Statement of Budgetary Resources, is disaggregated for each of NSF's major budget accounts.

Required Supplementary Information
September 30, 2019 and 2018

The Science Appropriations Act, 2020

2020

(Amounts in Thousands)

	<u>Research and Related Activities</u>	<u>Education and Human Resources</u>	<u>Major Research Equipment</u>	<u>OIG, AOAM, and NSB</u>	<u>Special and Donated</u>	<u>Total</u>
Budgetary Resources						
Unobligated Balance from Prior Year Budget Authority, Net Appropriations	\$ 235,916	49,437	40,953	8,534	111,029	\$ 445,869
Spending Authority from Offsetting Collections	6,789,800	942,550	243,230	378,750	180,974	8,535,304
	89,536	5,174	-	6,410	-	101,120
Total Budgetary Resources	\$ 7,115,252	997,161	284,183	393,694	292,003	\$ 9,082,293
Status of Budgetary Resources						
New Obligations and Upward Adjustments	\$ 6,969,171	959,602	154,836	376,592	135,833	\$ 8,596,034
Unobligated Balance, End of Year:						
Apportioned, Unexpired	14,786	2,087	127,346	9,983	144,360	298,562
Unapportioned, Unexpired	3,935	2,878	2,001	-	11,810	20,624
Unobligated Balance, Unexpired, End of Year	18,721	4,965	129,347	9,983	156,170	319,186
Unobligated Balance, Expired, End of Year	127,360	32,594	-	7,119	-	167,073
Total Unobligated Balance, End of Year	146,081	37,559	129,347	17,102	156,170	486,259
Total Status of Budgetary Resources	\$ 7,115,252	997,161	284,183	393,694	292,003	\$ 9,082,293
Net Outlays						
Net Outlays	\$ 5,811,244	813,091	178,567	372,379	135,212	\$ 7,310,493
Distributed Offsetting Receipts	-	-	-	-	(32,923)	(32,923)
Net Agency Outlays	\$ 5,811,244	813,091	178,567	372,379	102,289	\$ 7,277,570

Required Supplementary Information
September 30, 2019 and 2018

The Science Appropriations Act, 2019
2019
(Amounts in Thousands)

	<u>Research and Related Activities</u>	<u>Education and Human Resources</u>	<u>Major Research Equipment</u>	<u>OIG, AOAM, and NSB</u>	<u>Special and Donated</u>	<u>Total</u>
Budgetary Resources						
Unobligated Balance from Prior Year Budget Authority, Net Appropriations	\$ 224,099	55,516	28,486	8,815	100,974	\$ 417,890
Spending Authority from Offsetting Collections	6,504,510	922,000	295,740	352,750	189,651	8,264,651
	92,992	5,344	-	6,781	-	105,117
Total Budgetary Resources	\$ 6,821,601	982,860	324,226	368,346	290,625	\$ 8,787,658
Status of Budgetary Resources						
New Obligations and Upward Adjustments	\$ 6,675,953	940,342	285,273	359,932	188,043	\$ 8,449,543
Unobligated Balance, End of Year:						
Apportioned, Unexpired	20,505	5,537	38,897	1,050	79,873	145,862
Unapportioned, Unexpired	1,310	1,081	56	4	22,709	25,160
Unobligated Balance, Unexpired, End of Year	21,815	6,618	38,953	1,054	102,582	171,022
Unobligated Balance, Expired, End of Year	123,833	35,900	-	7,360	-	167,093
Total Unobligated Balance, End of Year	145,648	42,518	38,953	8,414	102,582	338,115
Total Status of Budgetary Resources	\$ 6,821,601	982,860	324,226	368,346	290,625	\$ 8,787,658
Net Outlays						
Net Outlays	\$ 5,808,697	837,740	139,085	348,520	158,204	\$ 7,292,246
Distributed Offsetting Receipts	-	-	-	-	(37,741)	(37,741)
Net Agency Outlays	\$ 5,808,697	837,740	139,085	348,520	120,463	\$ 7,254,505