

***Q. Use of Estimates***

Management has made certain estimates and assumptions when reporting assets, liabilities, revenues, and expenses, and also in the note disclosures. Estimates underlying the accompanying financial statements include accounting for grants, contracts, accounts payable, payroll, and PP&E. 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.

**Note 2. Fund Balance With Treasury**

Fund Balance With Treasury (FBWT) consisted of the following components as of September 30, 2011 and 2010:

(Amounts in Thousands)	2011			
	Appropriated Funds	Donated Funds	Earmarked Funds	Total
Obligated	\$ 11,684,724	\$ 45,845	\$ 266,999	\$ 11,997,568
Unobligated Available	13,409	52,242	59,959	125,610
Unobligated Unavailable	102,227	93	970	103,290
Less: Budgetary Non-FBWT	-	(51,380)	-	(51,380)
Total FBWT	\$ 11,800,360	\$ 46,800	\$ 327,928	\$ 12,175,088

(Amounts in Thousands)	2010			
	Appropriated Funds	Donated Funds	Earmarked Funds	Total
Obligated	\$ 11,974,777	\$ 34,174	\$ 287,886	\$ 12,296,837
Unobligated Available	12,451	45,625	47,026	105,102
Unobligated Unavailable	98,304	4	3,124	101,432
Less: Budgetary Non-FBWT	-	(44,683)	-	(44,683)
Total FBWT	\$ 12,085,532	\$ 35,120	\$ 338,036	\$ 12,458,688

The Donations Account includes amounts donated to NSF from all sources. Funds in the Donations Account may be used to further one or more of the general purposes of the Foundation. The donated funds are held as FBWT or as non-FBWT with budgetary resources, which represent cash held outside of Treasury at commercial banks in interest-bearing accounts. These funds are collateralized up to \$53.5 million by the bank, through the Federal Reserve Bank of St. Louis, in accordance with Treasury Financial Manual Volume 1, Chapter 6-9000. Unobligated Unavailable balances include recoveries of prior year obligations and other unobligated expired funds that are unavailable for new obligations.

In FY 1999, in accordance with P.L. 105-277, a special fund named H-1B Nonimmigrant Petitioner Fees Account was established in the general fund of the U.S. Treasury. These funds are considered Earmarked Funds and are not included in Appropriated Funds. The funds represent fees collected for each petition for nonimmigrant status. Under the law, NSF was prescribed a percentage of these fees for specific programs.

### **Note 3. General Property, Plant and Equipment, Net**

The components of General Property, Plant and Equipment as of September 30, 2011 and 2010 were:

(Amounts in Thousands)	2011		
	Acquisition Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 135,785	\$ (109,646)	\$ 26,139
Aircraft and Satellites	138,487	(138,487)	-
Buildings and Structures	297,609	(99,599)	198,010
Leasehold Improvements	10,981	(7,048)	3,933
Construction in Progress	17,491	-	17,491
Internal Use Software	8,096	(7,192)	904
Software in Development	31,649	-	31,649
Total PP&E	\$ 640,098	\$ (361,972)	\$ 278,126

(Amounts in Thousands)	2010		
	Acquisition Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 131,182	\$ (104,549)	\$ 26,633
Aircraft and Satellites	138,487	(138,487)	-
Buildings and Structures	279,361	(92,201)	187,160
Leasehold Improvements	8,798	(4,904)	3,894
Construction in Progress	33,470	-	33,470
Internal Use Software	7,091	(7,091)	-
Software in Development	25,597	-	25,597
Total PP&E	\$ 623,986	\$ (347,232)	\$ 276,754

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

NSF received a ruling from FASAB on accounting for PP&E owned by NSF but in the custody of and used by others (see Note 1H). 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 NSF PP&E held by others in the footnotes based on information contained in the most recently issued audited financial statements of the organization holding the assets.

At September 30, 2011, there were 25 colleges or universities, and 10 commercial entities that held property titled to NSF. None of the colleges, universities or commercial entities reported NSF titled property separately.

The amount of PP&E owned by NSF but in the custody of an FFRDC is identified in the table below. In some cases, FFRDCs operate on a fiscal year-end basis other than September 30. If NSF PP&E is not separately stated on the FFRDC's audited financial statements or the FFRDC is not audited, the related amounts are annotated as Not Available (N/A) in the table.