NATIONAL AERONAUTICS AND
SPACE ADMINISTRATION

FY 2025

AGENCY FINANCIAL REPORT

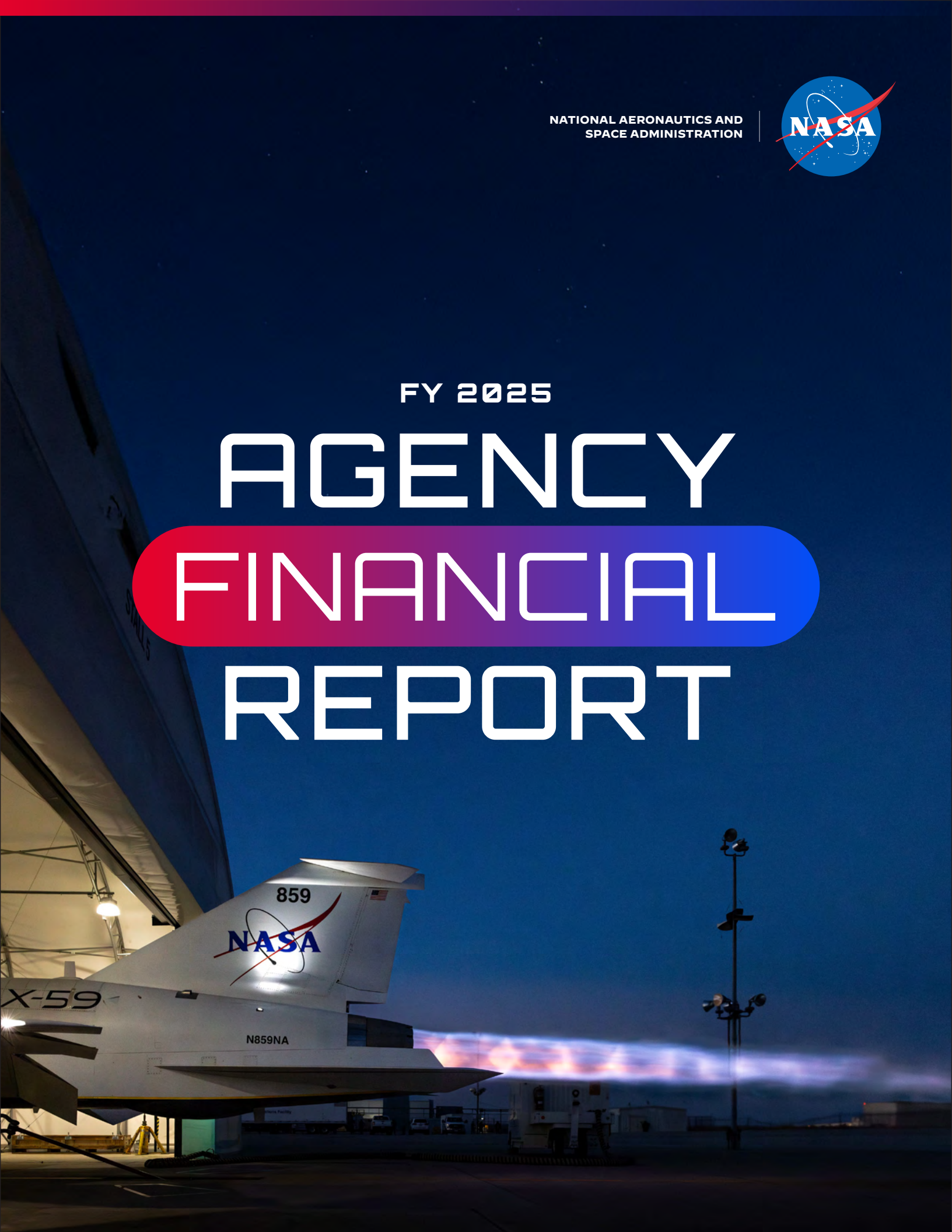
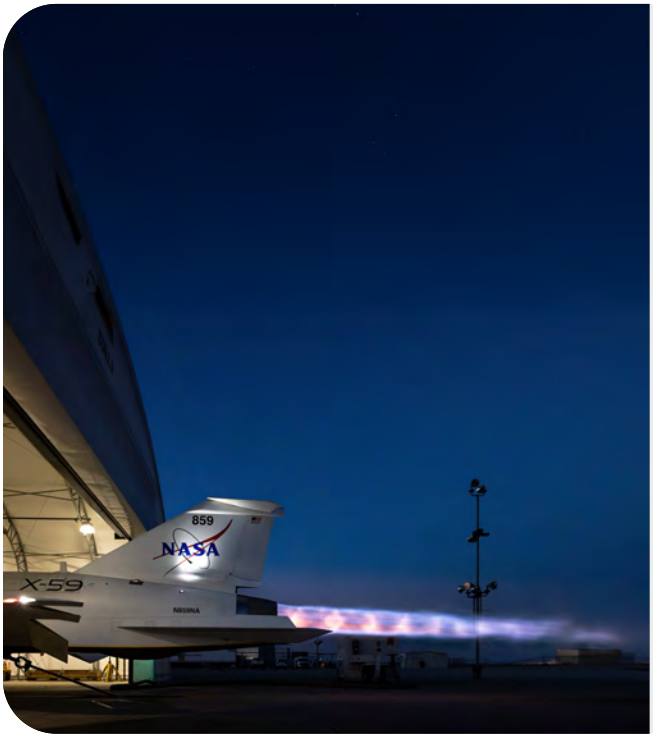


PHOTO CREDIT – NASA JOHNSON SPACE CENTER

NASA announced its 2025 Astronaut Candidate Class on Sept. 22, 2025. The 10 candidates, pictured here at NASA's Johnson Space Center in Houston are: U.S. Army CW3 Ben Bailey, U.S. Air Force Maj. Cameron Jones, Katherine Spies, Anna Menon, U.S. Navy Lt. Cmdr. Erin Overcash, U.S. Air Force Maj. Adam Fuhrmann, Dr. Lauren Edgar, Yuri Kubo, Rebecca Lawler, and Dr. Imelda Muller.



Cover Image – Caption and credits

NASA's X-59 lights up the night sky with its unique Mach diamonds, also known as shock diamonds, during maximum afterburner testing at Lockheed Martin Skunk Works in Palmdale, California. The test demonstrates the engine's ability to generate the thrust required for supersonic flight, advancing NASA's Quesst mission.

PHOTO CREDIT – GARY TICE / LOCKHEED MARTIN CORPORATION

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JANUARY 16, 2026

Message from the Administrator

I am pleased to present the Fiscal Year (FY) 2025 Agency Financial Report (AFR) for the National Aeronautics and Space Administration (NASA). This report provides key financial and performance information and demonstrates the Agency's commitment to transparency in the use of American taxpayers' dollars. NASA is committed to delivering reliable, accurate, transparent, and comprehensive financial data in support of the Agency's fiscal operations and in accordance with Generally Accepted Accounting Principles.

We follow high-quality financial reporting practices, ensuring appropriate controls with efficient and effective management of Agency funds. Under the leadership of the Office of the Chief Financial Officer, NASA has once again received an unmodified "clean" audit opinion on its 2025 financial statements for the 15th consecutive year, with no reported material weaknesses. The financial and performance data presented in this report are complete and reliable.

NASA's mission drives innovation in space exploration, scientific discovery, and aeronautics, pushing the boundaries of what's possible. Our FY 2025 budget fuels economic growth, drives the growing space economy, and keeps America first amidst increasing global competition.

In FY 2025, our Artemis campaign achieved critical milestones, including fully assembling the Space Launch System rocket, keeping Artemis II's crewed lunar mission on schedule for no later than April 2026. This mission, carrying NASA astronauts Reid Wiseman, Victor Glover, and Christina Koch, alongside Canadian Space Agency astronaut Jeremy Hansen, sets the stage for Artemis III's historic lunar landing. Through partnerships with U.S. commercial industry and international allies, Artemis is building a sustainable lunar presence on the Moon as we look ahead to Mars.

A significant directive issued in July 2025 accelerates the development of a nuclear power system, targeted for deployment on the Moon by 2030. This collaboration with private sector partners will provide reliable energy for a lunar base, enabling sustained exploration, and cementing U.S. superiority in space. The lessons learned in building the lunar base will be applied directly to future missions to Mars.

In low Earth orbit, our July 2025 directive updated our Commercial Low Earth Orbit Destinations Strategy, prioritizing affordability and flexibility. This approach facilitates the transition from the International Space Station, set to retire in 2030, to commercially operated platforms. NASA is fostering a growing orbital economy, supporting microgravity research, commercial astronaut missions, and broad economic opportunities.

Together, we're writing the next chapter of America's story in space. This is the golden age of exploration. Our work is bold, but our mission is simple. We lead, we explore, and we discover. With the support of the American people, NASA will keep achieving the near-impossible. The future is bright, and we're just getting started.

Sincerely,

Jared Issacman

ABOUT THIS REPORT

NASA's FY 2025 AFR provides performance and financial information that enable the President, Congress, and the American people to assess NASA's accomplishments for the year ended September 30, 2025. This report details our stewardship of the financial resources entrusted to us and is prepared in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*.

The AFR is organized into three major sections and an appendix.

Management's Discussion and Analysis

provides an overview of NASA's mission and organizational structure, along with an analysis of mission and financial performance, systems and controls, and legal compliance.

Financial Information

includes the financial statements and accompanying notes, required supplementary information, and the report from the Independent Auditors.

Other Information

includes a summary of the financial statement audit, summary of other reports, OIG's discussion of management and performance challenges, civil monetary penalties information, and a summary of oversight of expired grants and cooperative agreements awards.

Appendix

provides information on the Certificate of Excellence in Accountability Reporting (CEAR), a glossary of acronyms, and acknowledgments.

MANAGEMENT'S DISCUSSION *and* ANALYSIS

PHOTO CREDIT: NASA/FRANK MICHAUX

Teams with NASA's Exploration Ground Systems and primary contractor Amentum, integrate the SLS (Space Launch System) Moon rocket with the solid rocket boosters onto mobile launcher 1 inside High Bay 3 of the Vehicle Assembly Building at NASA's Kennedy Space Center on Sunday, March 23, 2025. Artemis II is the first crewed test flight under NASA's Artemis campaign and is another step toward missions on the lunar surface and helping the agency prepare for future human missions to Mars.

Management's Discussion and Analysis Overview

Achieving our Vision and Mission

PHOTO CREDIT – NASA JOHNSON

This long-exposure photograph, taken over 31 minutes from a window inside the International Space Station's Kibo laboratory module, captures the circular arcs of star trails. In the foreground, is a portion of Kibo's Exposed Facility, where various payloads and experiments are mounted to be exposed directly to the vacuum of space.

NASA expands the realm of what is possible in aeronautics and space exploration and embraces the challenge of furthering scientific and technological achievement. This challenge is our passion and our purpose, and will be reflected in the Mission and Vision that will be published in the Agency's 2026 Strategic Plan[1]. NASA's long-term success will be the outcome of the strategic decisions and investments we make today.

More information about NASA's Mission Directorates, Mission Support Enterprise Organizations, Centers, Facilities, and Structure can be found at **https://www.nasa.gov/organization/**.

[1] NASA produces a Strategic Plan every four years in accordance with the Government Performance and Results Act Modernization Act (GPRAMA). NASA will publish the 2026 Strategic Plan concurrent with the publication of the FY 2027 Congressional Justification. The Strategic Plan will be available at NASA Strategic Plan - NASA.

NASA by the Numbers

FY 2025 BUDGET

$35.6 Billion

NOTE:
Budget categories are estimates. The $35.6 billion reflects all funding appropriated in FY 2025 that includes $24.838 billion of Discretionary Appropriations, $740.2 million of Disaster Relief Supplemental Appropriations, $14.1 million of Spectrum Relocation Fund, and $9.995 billion of Mandatory Special Appropriations. 94% of NASA Mandatory Special Appropriations is not available for obligation until future fiscal years.

$17.2B (49%)	Research, Engineering, & Development
$14.0B (39%)	Operations
$2.9B (8%)	Facilities and Equipment
$1.5B (4%)	Grants

NASA'S CIVIL SERVICE WORKFORCE BY CENTER

17,438 Employees

3,196 (18%)	Johnson Space Center (JSC)
2,845 (16%)	Goddard Space Flight Center (GSFC)
2,243 (13%)	Marshall Space Flight Center (MSFC)
2,039 (12%)	Kennedy Space Center (KSC)
1,712 (10%)	Langley Research Center (LaRC)
1,643 (10%)	NASA Headquarters (HQ)
1,384 (8%)	Glenn Research Center (GRC)
1,256 (7%)	Ames Research Center (ARC)
603 (3%)	Other
517 (3%)	Armstrong Flight Research Center (AFRC)

Key Performance Results

PHOTO CREDIT – NASA JOHNSON

Clouds swirl over the Gulf of Alaska and underneath the aurora borealis blanketing Earth's horizon in this photograph from the International Space Station as it orbited 261 miles above.

NASA has four major themes, each characterized by a single word, that reflect the main areas of focus of NASA's mission:

- **EXPLORE** references NASA's push to expand the boundaries of human presence and exploration in space
- **DISCOVER** references NASA's enduring purpose of expanding scientific discovery
- **INNOVATE** references NASA's investment in promoting the technologies of tomorrow
- **ADVANCE** references the capabilities, workforce, and facilities that enable NASA to achieve our Mission

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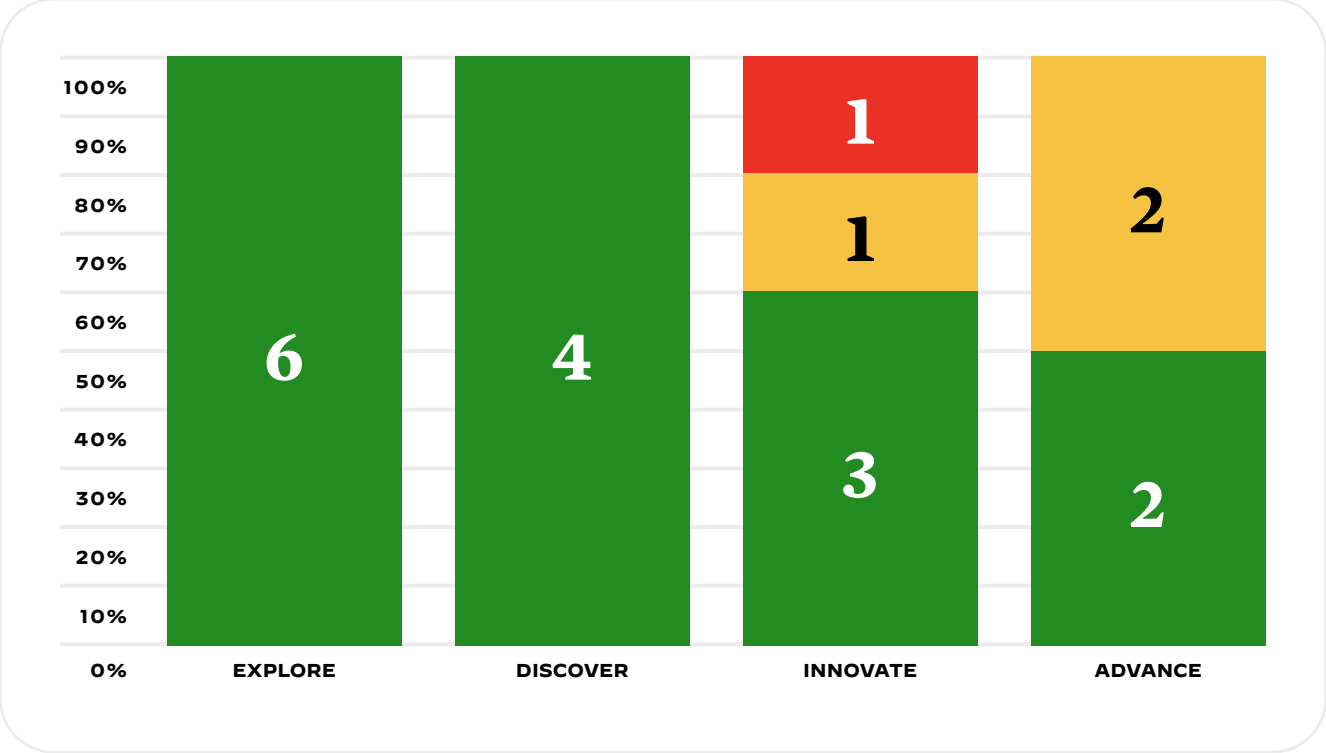
Key Performance Results

Throughout FY 2025, in coordination with the Agency's Performance Improvement Officer (PIO), program officials assessed progress toward achieving NASA's 19 Key Performance Results to determine whether the annual targets were met and assigned one of the following color ratings:

Performance Goal Ratings	
GREEN	Annual target achieved
YELLOW	Did not achieve annual target but no anticipated risk to performance goal achievement
RED	Did not achieve annual target; risk to performance goal achievement
UNRATED	Information not available at this time; *rating to be published in the FY 2027 VIPer

The following graph details a summary of preliminary FY 2025 key performance ratings summarized by Theme. For each Theme, the graph shows how the Key Performance Goals were rated at the time of publication, and additional details are located later in this report. The FY 2027 Volume of Integrated Performance (VIPer), which will be published concurrently with the FY 2027 President's Budget Request at this link, will provide the final performance results for each Performance Goal within the 2025 Annual Performance Report.



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Key Performance Results

PHOTO CREDIT – NASA JOHNSON

The seven-member Expedition 73 crew gathers for a portrait inside the International Space Station's Kibo laboratory module on August 28, 2025. In the front row from left are, Roscosmos cosmonauts Alexey Zubritsky and Sergey Ryzhikov, station Flight Engineer and Commander respectively, and NASA Flight Engineer Jonny Kim. In the back row are, Flight Engineers Kimiya Yui of JAXA (Japan Aerospace Exploration Agency) Oleg Platonov of Roscosmos, and Zena Cardman and Mike Fincke, both from NASA. Ryzhikov is holding a patch commemorating his 500th day cumulative in space across three spaceflights including Expeditions 49-50, 63-64, and 72-73.

Below is a table detailing the FY 2025 budget broken out at the Theme level[2]. Both the requested budget and Operating Plan (OP)[3] are included. The Net Cost of Operations (page 18) displays the actual costs incurred by Theme to accomplish the key performance results.

(MILLIONS)	REQUESTED	OP
THEME	FY 2025	FY 2025
EXPLORE	12,008	--
DISCOVER	7,566	--
INNOVATE	2,148	--
ADVANCE	3,612	--

[2] This chart does not reflect funding for NASA's Inspector General.
[3] NASA has not received an approved Operating Plan for FY 2025 from OMB.

Explore references NASA's push to expand the boundaries of human presence and exploration in space

LEAD OFFICE(S)	Exploration Systems Development Mission Directorate, Space Operations Mission Directorate

Overview

NASA's rich history of human spaceflight provides the foundation to maintain United States (U.S.) leadership in space, establish a lasting presence on and around the Moon, and pave the way forward to Mars. This strategy begins with Artemis, a series of missions that will mark the first time in nearly 50 years that humans have been on the surface of the Moon. Artemis will continue to inspire the next generation of explorers.

Building on more than two decades of operations in low Earth orbit (LEO) aboard the International Space Station (ISS) while leveraging our wealth of experience with groundbreaking exploration, the agency continues to push the boundaries to ensure U.S. leadership in global space exploration, strengthen our global partnerships, and empower NASA to develop technologies to solve challenges here on Earth. Additionally, NASA focused on increasing private-sector involvement in space, by implementing programs where the Government funds and supports key technologies, such as advanced space communication technologies to enable higher data volume and reliability for communications between spacecraft and Earth. NASA's investments in the global space economy will ensure a vibrant future in cislunar space.

This Theme is supported by six key performance goals. All six were rated Green at the time of publication.

A major milestone in our journey back to the Moon is launching the Artemis II test flight. Technicians with the European Space Agency (ESA) and Airbus installed the four solar array wings on the Crew and Service Module (CSM), the Space Launch System (SLS) core stage was connected to the solid rocket boosters at Kennedy Space Center (KSC), and solid rocket booster stacking operations on the SLS have been completed. The Orion spacecraft, designed for deep space exploration is steadily advancing through its launch preparations to meet the rapidly approaching scheduled launch readiness date of April 2026. The successful completion of the Artemis II test flight will demonstrate the capabilities necessary to advance human exploration.

The next major step after the flight test will be to land humans on the Moon via the Artemis III mission planned for 2027. Preparation has begun and progress is being tracked. Production on the booster aft skirts and launch vehicle stage adapter have been completed. Additionally, crew training activities are under development. The Flight Transfer Technology Test for the Human Landing System will be the next major hurdle.

The process of enabling missions to Mars involves a detailed analysis of the potential solutions available to fulfill needs and/or gaps in the planned architecture. This analysis is referred to as an element initiation review. The agency is on track to complete element initiation reviews on both the Integrated Logistics Strategy and Crew Portable Carriers solutions. Following element initiation approval, NASA can proceed toward mission concept review for the integrated surface power, continuing development of exploration assets, technologies, and strategies.

ISS operations continue, while NASA continues to develop a de-orbit vehicle. The agency is on track to complete a project level design review of the vehicle by the end of FY 2025. The ISS will be replaced by commercial LEO platform(s) for which NASA has released multiple Requests for Information (RFI) to garner feedback from industry.

Discover references NASA's enduring purpose of expanding scientific discovery

LEAD OFFICE(S)	Science Mission Directorate

Overview

NASA's enduring purpose is scientific discovery and exploration for the benefit of the U.S. and all of humanity. NASA seeks to conduct space-based research to observe and increase understanding of our planet, solar system, and galaxy. NASA's continued scientific discovery will help motivate, support, and prepare for human and robotic expansion throughout the solar system and beyond. Progress is based on managing a balanced portfolio of ground-based, suborbital, and space-based missions. Implementing effective partnerships—commercial, international, interagency, academic, and others—will allow NASA to leverage its resources and extend scientific results for the benefit of all Americans.

NASA enables groundbreaking discoveries by expanding the availability and utility of NASA scientific data through innovation in artificial intelligence, cloud computing, and data science. One of NASA's core capabilities is the ability to collect, store, manage, analyze, and distribute data and information for scientists, international partners, decision-makers, industry, and learners of all ages, to further science, improve modeling, increase knowledge, and spur economic innovation. NASA is committed to fostering cutting-edge data practices, open science, and the continuous evolution of scientific data and computing systems.

This Theme is supported by four key performance goals. All four were rated Green at the time of publication.

NASA is developing several major science projects and numerous milestones that need to be met for these projects to progress effectively toward achieving their intended purposes. Dragonfly, a first-of-its-kind rotorcraft that will fly to various locations on Saturn's moon, Titan, and investigate the moon's habitability, completed Critical Design Review in the summer of 2025. The Near-Earth Object (NEO) Surveyor spacecraft also completed Critical Design Review, which is a key step toward reaching the mission's goal of detecting and characterizing potentially hazardous asteroids and comets. The Spectro-Photometer for the History of the Universe, Epoch of Reionization, and Ices Explorer (SPHEREx) is a near-infrared space observatory that will perform an all-sky survey to measure the near-infrared spectra of approximately 450 million galaxies launched on November 19, 2024. The NASA-Indian Space Research Synthetic Aperture Radar (NISAR), which will be used to study land & ice deformation, land ecosystems, and oceanic regions in areas of common interest to the U.S. and Indian science communities, successfully launched on July 30, 2025. Additionally, the Multi-slit Solar Explorer (MUSE) program completed a Critical Design Review. MUSE will observe the Sun's extreme ultraviolet radiation and capture the highest resolution images ever of this region, helping scientists understand the forces heating the Sun's corona.

NASA wants to ensure the data being collected is beneficial. Therefore, the agency conducted three industry engagements in FY 2025 to better understand the specific geospatial and remote sensing data needs of sectors such as agriculture, infrastructure, and insurance. These engagements explored applications including monitoring coastal erosion, assessing landslide risk, and identifying optimal windows for crop planting and harvesting. Furthermore, NASA took steps to consolidate and modernize Earth science data archives by migrating several data archives to the centralized Earthdata cloud platform. This is a major step in improving the efficiency and cost effectiveness of data management.

Lastly, both the Origins, Spectral Interpretation, Resource Identification, Security, Regolith Explorer (OSIRIS-Rex) and Parker Solar Probe missions completed mission success criteria. OSIRIS-Rex was the first U.S. mission to collect a sample from an asteroid and return it to Earth. Parker Solar Probe is orbiting the Sun closer than any ever before, collecting measurements and images to expand our knowledge of the origin and evolution of solar wind. It also makes critical contributions to forecasting changes in the space environment that affect life and technology on Earth.

Innovate references NASA's investment in promoting the technologies of tomorrow

LEAD OFFICE(S)	Space Technology Mission Directorate, Aeronautics Research Mission Directorate

Overview

Since its inception, NASA's research investments have driven innovation, benefiting the U.S. economy and the American people. NASA drives American innovation through aerospace research and development, developing commercial and human space launch, transportation, and exploration capabilities, understanding cosmic phenomena as wide-ranging as space weather, asteroids, and exoplanets, supplying technological solutions that could also apply to terrestrial problems, and improving the Nation's innovation capacity.

Today, NASA invests in a broad portfolio of both space technology and aeronautics research, development, and demonstration working towards advancing capabilities in areas such as space transportation, precision entry and landing systems, and robust surface infrastructure to support long-term operations at the Moon and Mars. Where possible, the Agency leverages public-private partnerships, reducing development costs, accelerating infusion of new technologies, meeting national needs, and enabling new markets. NASA works diligently to ensure that the American people receive maximum benefit from these technological advancements through patent licenses, software usage agreements, and other commercialization efforts.

This Theme is supported by five key performance goals. Three were rated Green, one was rated Yellow, and one was rated Red at the time of publication.

Demonstrating new technologies and cross-cutting capabilities for both NASA missions and the commercial space sector is vital to the agency. The Cryogenic Fluid Management Portfolio Project (CFMPP) is a major project that aims to mature cryogenic fluid management technologies which are utilized for both chemical and nuclear in-space propulsion and landers. Critical testing and demos with industry have begun, which will further develop this technology. Additionally Deep Space Optical Communications (DSOC) post-junction operations have begun. DSOC utilizes laser communications instead of traditional radio frequency without increasing mass, volume, or power requirements. The agency has also completed a critical design review to develop the grader, compactor, and microwave emitter into a scalable platform that removes rocks, compacts loose regolith, and melts or sinters regolith into a solid surface. This technology has the potential to support the development of dust mitigation zones, structural foundations for habitats, transportation routes, and spacecraft landing pads.

Although these technologies are making significant strides, the path of innovation is often marked by substantial challenges and setbacks. Several key performance parameters have yet to meet established benchmarks, potentially delaying the technology maturation timeline. Continued research and development in engine systems, advanced manufacturing methods, and novel design concepts remain essential to advancing the next generation of American aerospace capabilities. Among the promising innovations is the Transonic Truss Braced Wing (TTBW) an advanced aircraft configuration under evaluation by NASA and its partners. Recent tests have demonstrated notable improvements in fuel efficiency. However, to fully understand its impact on noise levels, high-fidelity numerical simulations and aeroacoustics modeling are required to guide the transition from model-scale to full-scale implementation. These assessments have experienced minor schedule delays.

In parallel, NASA is collaborating with the Federal Aviation Administration (FAA) and commercial airlines to enhance the performance of the National Airspace System. The agency is progressing toward expanding a predictive departure rerouting capability—designed to navigate around weather disruptions—to additional locations. It is also evaluating the In-Time Aviation Safety Management architecture. These initiatives are critical to improving emergency response operations, minimizing flight delays, and reducing operational costs, ultimately benefiting passengers through greater efficiency and time savings.

Advance references the capabilities, workforce, and facilities that enable NASA to achieve our Mission

LEAD OFFICE(S)	Mission Support Directorate

Overview

NASA's complex and bold missions require modern, adaptable technical and professional support capabilities to enable mission readiness, resilience, and our continued leadership in science, exploration, discovery, and innovation. Enhancing capabilities and operations is paramount to ensure that NASA has the right infrastructure, technology, and technical excellence and oversight needed to advance the Agency into the Artemis era and beyond.

This Theme is supported by four key performance goals. Two were rated Green and two were rated Yellow at the time of publication.

The growing threats posed by malicious actors and the increasing sophistication and frequency of their cyber-attacks has made it challenging to safeguard the agency's extensive data and assets from cyber threats. To monitor its security posture, the agency relies on a set of cybersecurity indicators collectively known as the Cybersecurity Scorecard. Recent enhancements in system scanning have provided greater visibility into vulnerabilities and more proactive identification of attacks. The combination of increasing threats and greater visibility into vulnerabilities have resulted in a higher volume of required remediation actions. While this progress strengthens oversight, it has also placed additional strain on resources and may adversely affect NASA's overall cybersecurity posture.

NASA's aging infrastructure requires ongoing maintenance to ensure reliability in support of both current operations and future missions. To address this, the agency prioritizes preventative maintenance. Nonetheless, unexpected emergencies and unscheduled repairs continue to occur. NASA aims to allocate no more than 20% of its dedicated maintenance budget to these unplanned needs, but several realized challenges in FY 2025 have placed that target at risk.

Despite these pressures, the agency has demonstrated strong performance in minimizing both the frequency and severity of employee injuries and illnesses. NASA has also maintained a high standard of health and safety for its astronauts. However, staffing shortages present potential risks to sustaining these achievements. This underscores the growing importance of educating and equipping commercial partners to help mitigate program, astronaut, and aviation risks.

Financial Highlights

Overview of Financial Position

NASA's Balance Sheet provides a snapshot of the Agency's financial position as of September 30, 2025. It displays amounts in three primary categories.

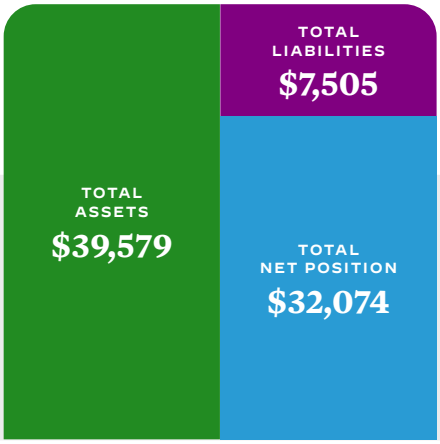
+ ASSETS
the current and future economic benefits owned or available for use by NASA.

– LIABILITIES
the debts owed by NASA but not yet paid.

= NET POSITION
the activity between revenue and other financing sources, and costs incurred since inception.

Balance Sheet Components FY 2025

(IN MILLIONS)



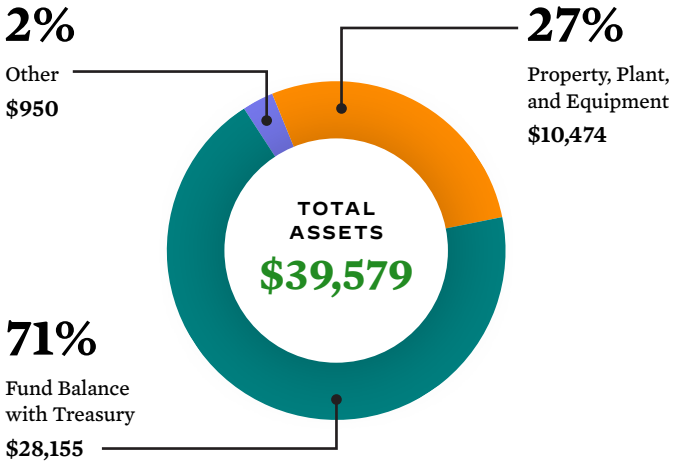
Total Assets were the largest of the three categories (Total Liabilities plus Total Net Position will always equal Total Assets). NASA's total asset balance, as of September 30, 2025, was $39.6 billion.

The Agency's Fund Balance with Treasury (FBWT) and its Property, Plant, and Equipment (PP&E) were the two primary components of the total assets balance.

FBWT, which represents NASA's cash balance with the U.S. Department of the Treasury, was the largest asset at $28.2 billion, accounting for 71 percent of total assets. This cash balance includes Congressional appropriated funds available for NASA's mission operations (for example, employee labor or purchased goods or services from contractors) that have not yet been paid.

Assets by Type 2025

(IN MILLIONS)



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Overview of Financial Position

NASA's PP&E were valued at $10.5 billion as of September 30, 2025, representing 27 percent of total assets. The largest category of PP&E is construction-in-progress which is comprised of essential assets supporting Artemis, Gateway, Power and Propulsion Element Spacecraft, and International Space Station program requirements; ongoing revitalization and construction of facilities activities and the active production work on Mobile Launcher-2. The Other category represents Lessor Lease Receivable, Accounts Receivable, Advances and Prepayments, and Investments as of September 30, 2025.

Total Liabilities, as of September 30, 2025, were $7.5 billion. Environmental and Disposal Liabilities, Accounts Payable, and Other Accrued Liabilities represent the majority of NASA's liabilities.

Environmental and Disposal Liabilities of $2.4 billion represent the estimated cost to clean up both known and projected environmental hazards.

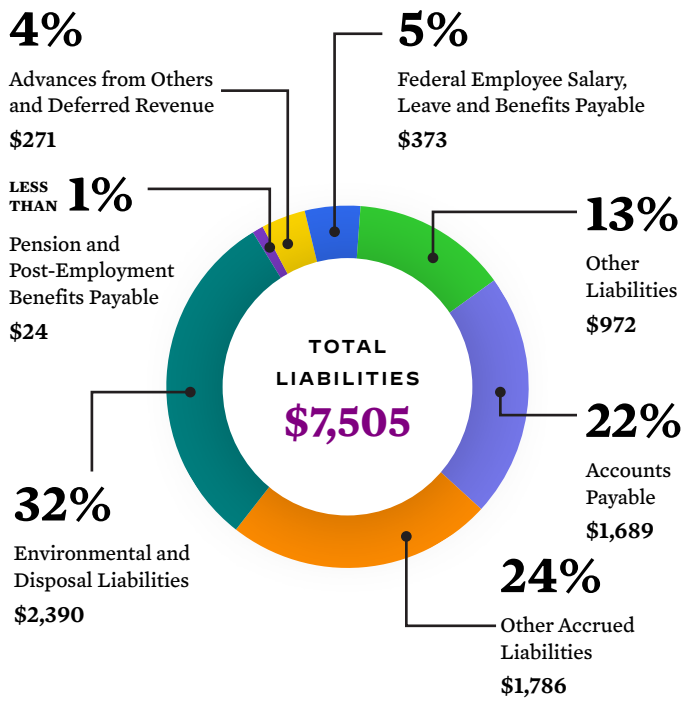
Accounts Payable, which represents amounts owed to other entities, was $1.7 billion.

Other Accrued Liabilities with public entities were $1.8 billion. Other Liabilities, which represents various amounts including Unearned Lease Revenue and Contingent Liabilities, were $1 billion.

Federal Employee Salary, Leave and Benefits Payable are Accrued Funded Payroll and Leave and Unfunded Leave.

Liabilities by Type FY 2025

(IN MILLIONS)



Total Net Position comprised of Unexpended Appropriations and Cumulative Results of Operations ("net worth"), were $32 billion. Unexpended Appropriations (portion of the Congressional appropriation that represents undelivered orders and unobligated balances) were $24.2 billion and Cumulative Results of Operations were $7.8 billion.

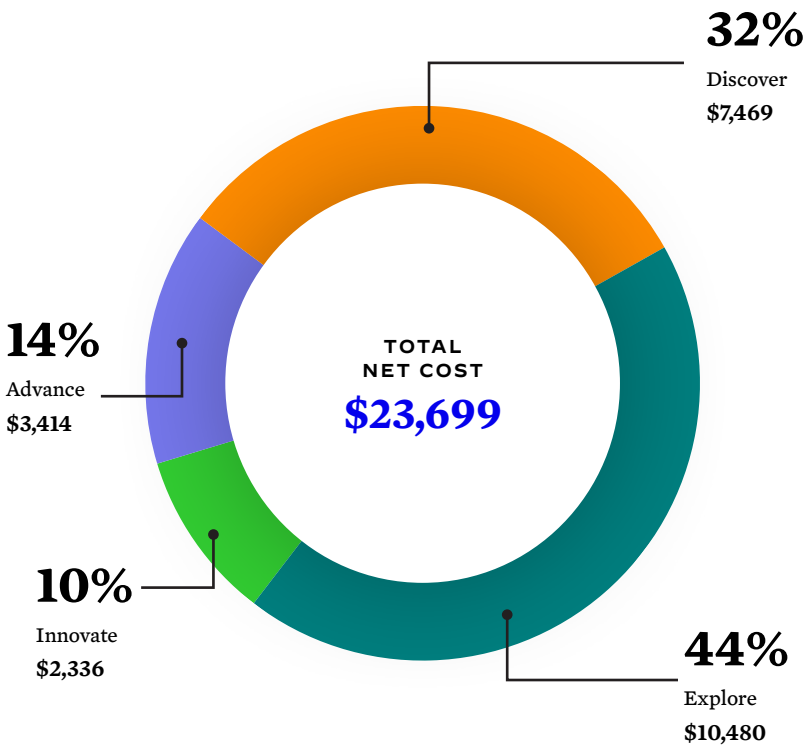
Results of Operations

Net Cost of Operations

The Statement of Net Cost presents NASA's Net Cost of Operations by theme. NASA's themes are described in the Mission Performance section of the Agency Financial Report (page 9). The Net Cost of Operations represents gross cost incurred less revenue earned for work performed for other government organizations or private entities. As of September 30, 2025, NASA's gross costs were $25.6 billion. Earned Revenue from other governmental organizations or private entities was $1.9 billion. This leaves NASA with a FY 2025 net cost of $23.7 billion.

Net Cost of Operations FY 2025

(IN MILLIONS)



DISCOVER
Expand human knowledge through new scientific discoveries.

EXPLORE
Extend human presence to the Moon and on towards Mars for sustainable long-term exploration, development, and utilization.

INNOVATE
Catalyze economic growth and drive innovation to address national challenges.

ADVANCE
Enhance capabilities and operations to catalyze current and future mission success.

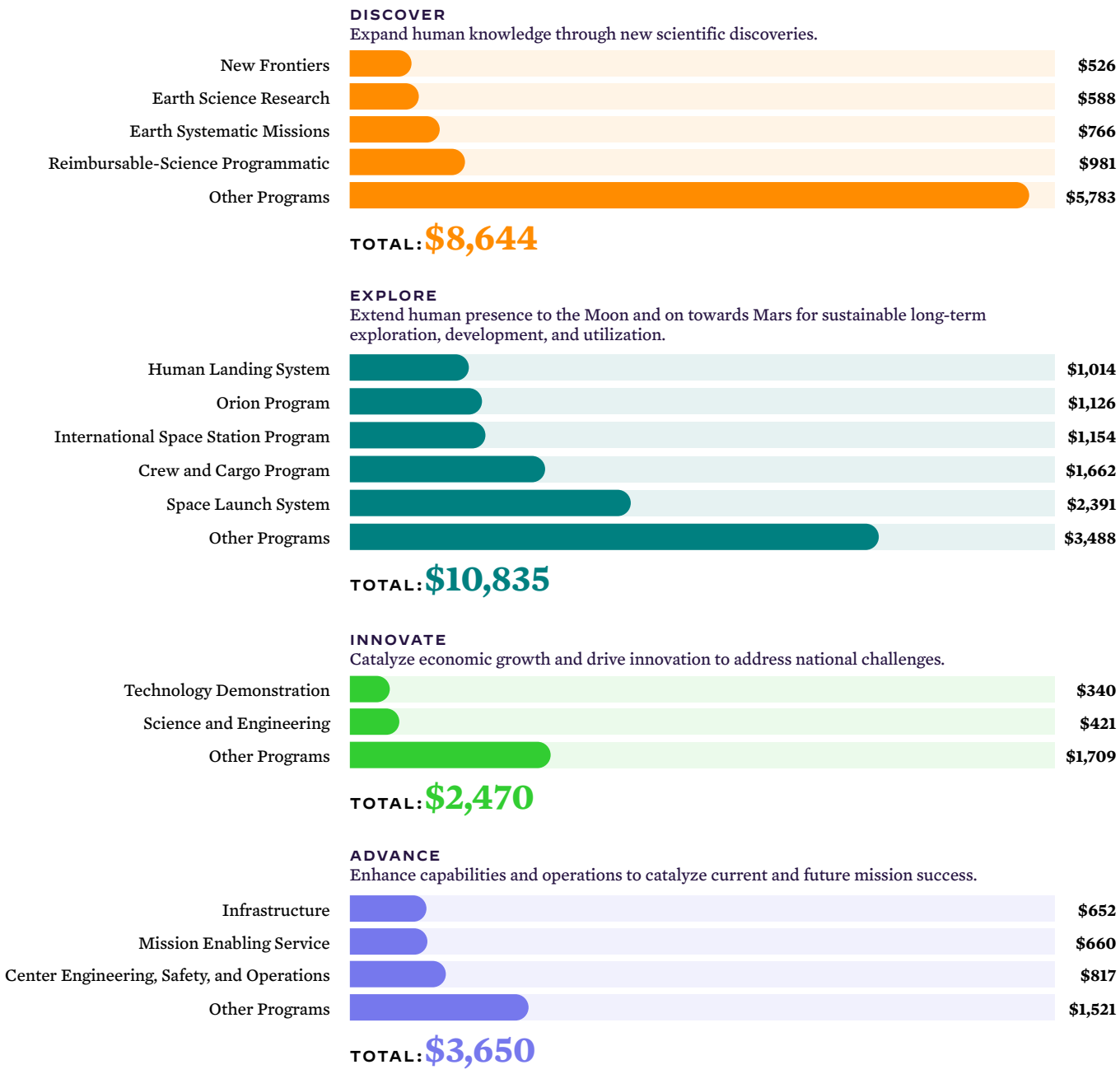
CONTINUED
Results of Operations

Gross Cost of Operations

NASA's day-to-day operations are performed at NASA and contractor facilities around the globe and in space. Gross cost of operations is presented in the following table, detailing select NASA programs that support each theme. Gross cost of operations includes expenses incurred for NASA's research and development (R&D) investments that are expected to maintain or increase national economic productive capacity or yield other future benefits.

Gross Cost of Operations FY 2025
(IN MILLIONS)

TOTAL: $25,599



Sources of Funding

The Statement of Budgetary Resources provides information on the budgetary funding available to NASA. NASA's resources consist primarily of funds received from two sources:

1. **Appropriations from Congress for the current fiscal year and unobligated balances from prior fiscal years.**
2. **Revenue from agreements with other governmental organizations or private entities.**

In FY 2025, the total funds available for use by the Agency was $41.5 billion.

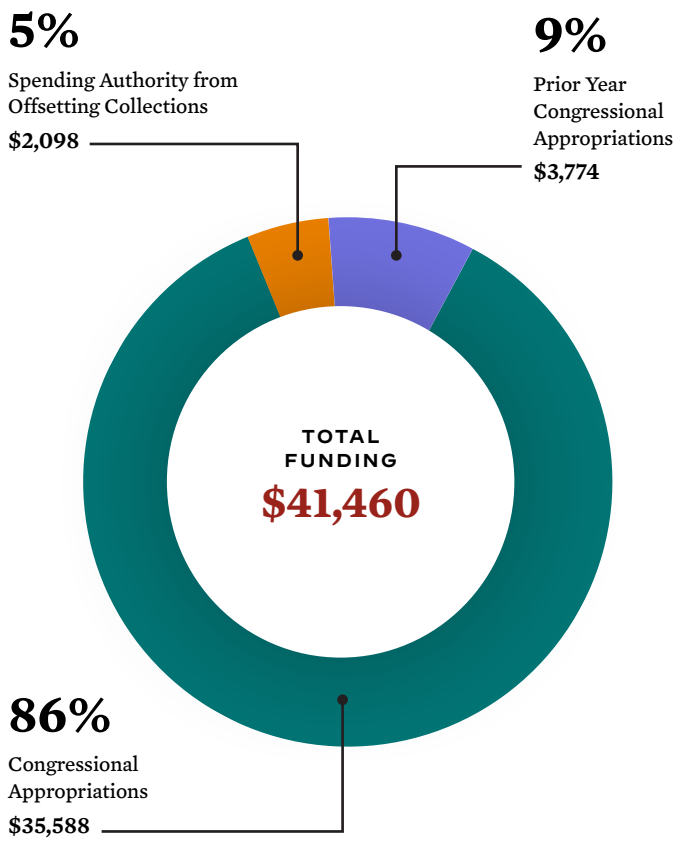
The $35.6 billion in appropriations from Congress for FY 2025 accounted for 86 percent of the total funds available for use by the Agency. Congress designates the funding available to the Agency for a specific NASA mission. Appropriations that remained available from prior years totaled $3.8 billion, 9 percent of NASA's available resources in FY 2025.

NASA's FY 2025 funding also included $2.1 billion spending authority from offsetting collections, primarily comprised of revenue earned and collected from agreements, representing 5 percent of NASA's available resources. Revenue is earned under NASA's authority to provide goods, services, or use of facilities to other entities on a reimbursable basis.

In FY 2025, NASA obligated $28.8 billion of the $41.5 billion available for Agency programmatic and institutional objectives. An obligation binds the Government to make an expenditure (or outlay) of funds and reflects a reservation of budget authority that will be used to pay for a contract, labor, or other items. The remaining $12.7 billion may be obligated until the funds' periods of availability expire.

Sources of Funding FY 2025

(IN MILLIONS)



Limitations of the Financial Statements

PHOTO CREDIT – NASA/CHRIS GUNN

Brian Simpson, product design lead at NASA's Goddard Space Flight Center, adjusts sensors on the Deployable Aperture Cover for NASA's Nancy Grace Roman Space Telescope. The sensors will collect data on the DAC's response to testing.

The financial statements are prepared to report the financial position, financial condition, and results of operations, consistent with the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal Generally Accepted Accounting Principles (GAAP) and the formats prescribed by the Office of Management and Budget (OMB). Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

Internal Control Framework

PHOTO CREDIT – LOCKHEED MARTIN CORPORATION

NASA's X-59 quiet supersonic research aircraft sits on the ramp at sunrise before ground tests at Lockheed Martin's Skunk Works facility in Palmdale, California, on July 18, 2025. The X-59 is the centerpiece of NASA's Quesst mission to demonstrate quiet supersonic flight and the aircraft is scheduled to make its first flight this year.

NASA Federal Managers' Financial Integrity Act Annual Statement of Assurance Process

The Federal Managers' Financial Integrity Act (FMFIA)[1] requires agency heads to evaluate and report on the internal control and financial systems to ensure the integrity of Federal programs and operations. This evaluation aims to provide reasonable assurance that internal controls are operating effectively to ensure efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

An effective system of internal control is at the core of NASA fulfilling its mission and meeting its objectives while safeguarding governmental resources. NASA's management is responsible for implementing internal control activities that support the organization in meeting established objectives.

NASA complies with the Office of Management and Budget's (OMB) Circular A-123[2], *Management's Responsibility for Enterprise Risk Management and Internal Control*, which provides Government-wide requirements for internal control and accountability, based on the FMFIA. OMB Circular A-123 also requires agencies to establish internal controls over operations, reporting, and compliance.

NASA assesses internal control across various levels of the organization to ensure that significant risks are identified and the corresponding controls designed to addresses those risks are properly evaluated. NASA assesses the effectiveness of the internal controls over operations, management systems, and reporting with consideration of reviews and other relevant sources of information. NASA's executive leadership provides annual reporting and certifications on the effectiveness of internal controls that are implemented to meet intended objectives.

[1] The Federal Managers' Financial Integrity Act (FMFIA) https://www.congress.gov/97/statute/STATUTE-96/STATUTE-96-Pg814.pdf
[2] OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* https://www.whitehouse.gov/wp-content/uploads/legacy_drupal_files/omb/memoranda/2016/m-16-17.pdf

CONTINUED

NASA Federal Managers' Financial Integrity Act Annual Statement of Assurance Process

In addition, the NASA Office of the Chief Financial Officer (OCFO) implements an extensive annual assessment methodology and internal control testing techniques that evaluate internal controls over financial reporting.

As part of the Administrator's Statement of Assurance (SoA) Process, NASA considers Enterprise Risk Management (ERM) Program activities, including reviews of the Agency Risk and Fraud Risk Profiles, to inform the evaluation of and provide assurance over internal controls.

The FMFIA assurance statement is based on self-certifications submitted by NASA Officials-in-Charge that ultimately support the Administrator's SoA as well as a review of various internal and external sources of information. The self-certifications are based on organizational self-assessments guided by the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (known as the Green Book). The self-certifications and subsequent reviews are informed by relevant sources of information such as internal reviews of controls, as well as recommendations for improvements from external audits, investigations, and reviews conducted by the Office of Inspector General (OIG) and the GAO. The Mission Support Council (MSC), the organization responsible for oversight of NASA's Internal Control Program, advises the Administrator on the Statement of Assurance. The Internal Control Review Board (ICRB), which supports the MSC, provides oversight for the internal control evaluation and reporting process that recommends the type of assurance resulting from execution of the SoA Program.

FIGURE 1

NASA FMFIA Annual Statement of Assurance Process

The Management System Working Group (MSWG) performs the first level evaluation of annual results and serves as the primary advisory body for NASA's internal control activities. The MSWG analyzes the annual assessment results and reports issues that may significantly impact the effective operation of internal controls and makes recommendations on the design of internal controls to the ICRB. Figure 1 depicts the Agency's Annual SoA process and organizational components.

Did You Know?

Come get curious with NASA. As an official NASA podcast, Curious Universe brings you mind-blowing science and space adventures you won't find anywhere else. Explore the cosmos alongside astronauts, scientists, engineers, and other top NASA experts. Learn something new about the wild and wonderful universe we share. All you need to get started is a little curiosity.

SCAN ME

Enterprise Risk Management

OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, requires Federal agencies to implement ERM to ensure Federal managers are effectively managing risks that could affect the achievement of Agency strategic objectives.

Risk management is embedded in NASA's culture, and the principles and practices are inherent in everyday operations. The Agency's Risk Management Officer (ARMO), within the Headquarters Office of Safety and Mission Assurance (OSMA), oversees risk related functions and serves as the primary steward on risk policy, practices, and capabilities.

NASA's ARMO leads the Agency's ERM effort in collaboration with the Quality Assurance Division within OCFO. The NASA Unified Comprehensive Operational Risk Network (UNICORN), NASA's ERM framework, is the framework for the communication and exchange of risk information between NASA's functional organizations and the Agency leadership (see Figure 2). The framework is the foundation of the Agency's risk management policy, activities, and decisional councils.

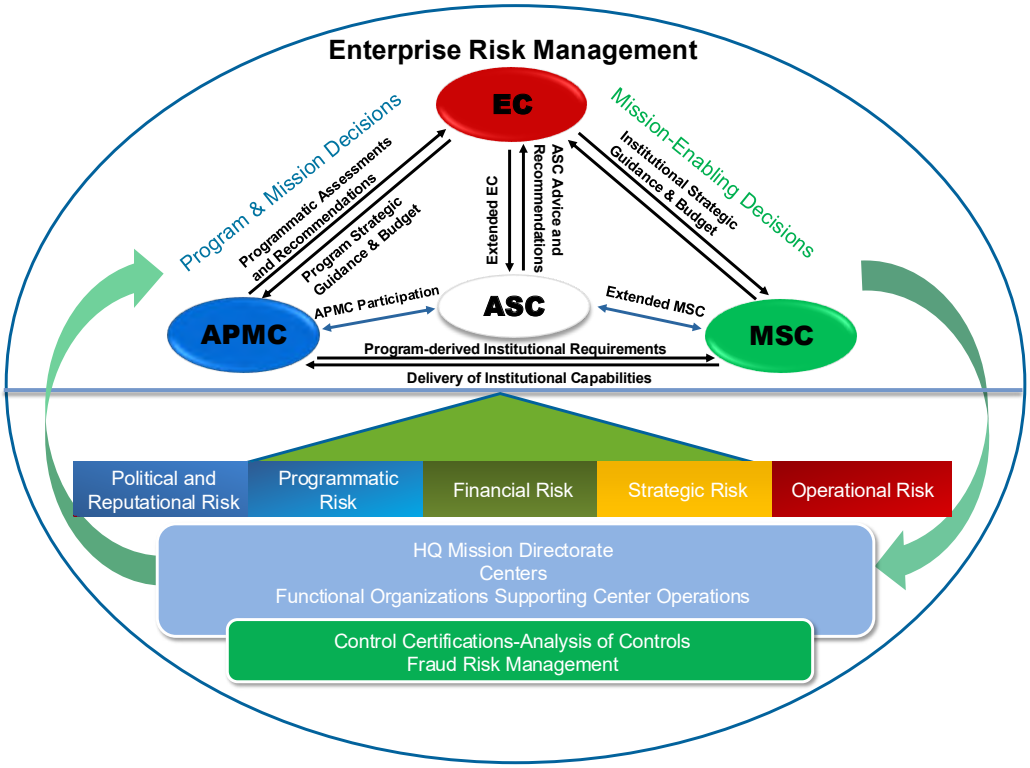


FIGURE 2
NASA's UNICORN

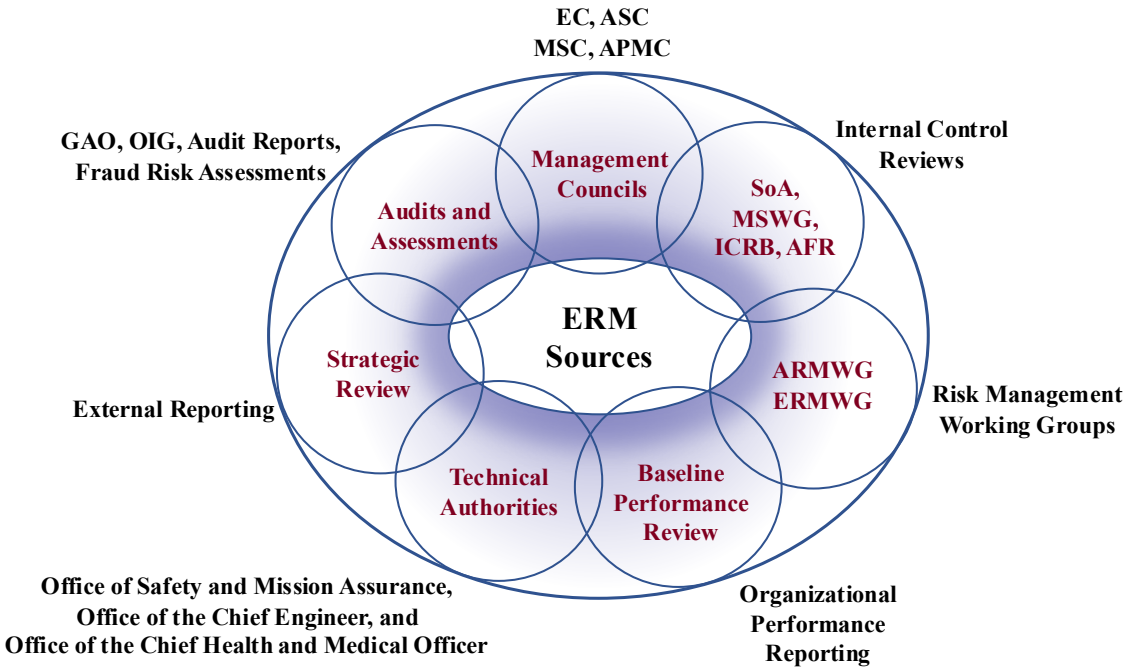
EC Executive Council
APMC Agency Program Management Council
ASC Acquisition Strategy Council
MSC Mission Support Council

The ARMO works in concert with Mission Directorates, Centers, Technical Authorities and Offices to increase awareness, understanding, and consideration of risks to NASA's strategic goals and objectives as well as opportunities to support risk-informed decision-making. This collaboration includes the application of objectives driven risk management (ODRM) and risk leadership principles to characterize and communicate the types and amount of risk NASA is willing to accept to achieve its objectives. The ARMO leads collaboration groups comprising senior-level representatives from across Agency Mission Directorates, Centers, and Technical Authorities. These groups help to foster increased risk awareness and understanding of potential cross-cutting implications, impacts, and/or opportunities for stakeholders.

CONTINUED
Enterprise Risk Management

As NASA's chief steward of risk management policy and practices, the ARMO oversees the development of strengthened capabilities to enable more efficient, effective, and sustainable risk communication and practices. Improving NASA's ERM capabilities is accomplished with the direct support of Agency leadership and through efforts such as enhancing tools for integrated data management and revising workforce training to grow and sustain enterprise risk management knowledge and expertise. The ARMO assesses an array of enterprise-level risks, Agency Risk Profile, and documents and makes accessible the risk data in a dashboard to support ODRM and risk-informed decisions. Significant risks affecting the Agency's strategic goals and objectives then are elevated and briefed by the responsible organization at monthly Baseline Performance Reviews, chaired by the NASA Associate Administrator.

FIGURE 3
ERM Sources



As illustrated in Figure 3, NASA leverages a range of sources to identify enterprise risks and relies upon the Agency's governance structure of decisional councils. Other bodies include board and working groups across Mission Directorates, Programs/Projects, Centers, and the Technical Authorities that work to identify and assess individual and cross-cutting risks. Under the ARMO's purview, the Agency Risk Management Working Group (ARMWG) provides a community of practice to support and enhance the discipline of risk management within the Agency.

NASA continues to face new challenges in carrying out essential functions necessary to achieve its core mission. Long standing risk management processes and activities are inherently woven throughout NASA's culture, so the Agency is well positioned to respond to unknown threats or national emergencies that may disrupt operations for an extended period. NASA's leadership has developed Agencywide guidance that considers guidelines provided by the White House, Office of Personnel Management, and OMB.

NASA continues to strengthen its risk management and reporting process through comprehensive collaboration with the various risk bodies and stakeholders throughout the Agency, to effectively identify key risks and opportunities, develop effective risk responses, and implement timely mitigation actions. NASA continues to benchmark and collaborate with other Federal agencies to ensure continual learning and improvement of risk management.

Management Assurances

JANUARY 16, 2026

Administrator's Statement of Assurance

National Aeronautics and Space Administration (NASA) management is responsible for establishing and maintaining an effective system of internal control to support reliable financial reporting and effective and efficient programmatic operations. Accordingly, NASA conducted its Fiscal Year (FY) 2025 annual assessment of the effectiveness of management's internal controls for compliance with applicable laws, regulations, and policies; the Federal Managers' Financial Integrity Act (FMFIA); the Federal Financial Management Improvement Act (FFMIA); the Office of Management and Budget's (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*; the United States (U.S.) Government Accountability Office's *Standards for Internal Control in the Federal Government*; and NASA policies. Based on the results of this evaluation, NASA provides reasonable assurance that its system of internal control was operating effectively as of September 30, 2025, to ensure the effectiveness and efficiency of operations and compliance with laws, regulations, and policies.

Further, no material weaknesses were found in the design or implementation of internal controls. In accordance with OMB requirements to integrate Enterprise Risk Management (ERM) and internal control in Federal agencies, NASA's ERM Program conducts enterprise risk and fraud risk activities, evaluates internal control, and provides an overall assurance on the internal control environment. As a result, managers and employees throughout the Agency are actively engaged in assessing risks, identifying and updating key control objectives, implementing controls and other mitigation strategies, conducting reviews, and taking corrective actions as appropriate.

In addition, NASA complies with FMFIA and OMB requirements to evaluate and assure the reliability of internal controls over its financial management systems, complies with Federal financial management system requirements, and assures reliability of its Digital Accountability and Transparency Act of 2014 (DATA Act) submissions.

FFMIA requires agencies to have financial management systems that substantially comply with Federal financial management system requirements, Federal Accounting Standards, and the U.S. Government Standard General Ledger at the transaction level. NASA conducted its evaluation of financial management systems for compliance with FFMIA in accordance with Appendix D of OMB Circular A-123. NASA financial management systems substantially comply with FFMIA as of September 30, 2025.

NASA's Certification of Reasonable Assurance is based upon management's knowledge gained from daily operations, monitoring activities, assessment of risk and internal control, and other internal controls that govern the effectiveness and efficiency of operations. NASA makes an unmodified statement of assurance that its internal controls for FY 2025 were operating effectively. NASA remains committed to ensuring that a sound system of internal control exists over operations, reporting, and financial management systems.

Sincerely,

Jared Issacman
Administrator

Financial Systems Strategies

NASA's Financial Management System Strategy is closely aligned with the Agency's mission for innovation and strategic objectives. Our comprehensive Core Financial Systems roadmap aims to enhance capabilities and operations, supporting the advancement of future technologies. Current initiatives focus on integrating solutions to modernize business processes, ensure compliance with internal and external Federal policies and standards, and meet evolving stakeholder requirements.

The SAP Enterprise Central Component (ECC) is NASA's core financial system and functions as the central hub for the Agency's business operations. It provides a robust platform for effective financial management, facilitating efficient operations and successful audit outcomes. With SAP ECC reaching its end-of-life in December 2027, the Chief Information Officer is exploring options to modernize the current centralized core financial system. Newer versions of Enterprise Resource Planning (ERP) systems would significantly enhance NASA's financial management capabilities by offering integrated analytics that facilitate real-time reporting and enable swift decision-making. This shift will reduce reliance upon custom reports and minimize the need for extensive customization due to its advanced standard features. Improved integration among system components reduces silos and provides greater opportunities to further streamline and promote enterprise-wide financial management alignment. Additionally, NASA is evaluating hosting options for the modernized ERP, considering both cloud-based solutions with subscription licensing and maintaining system functionality within the Agency's on-premise data centers. NASA expects the cutting-edge ERP technology to drive overall efficiency and effectiveness of the next-generation financial management system and processes, ensuring that NASA continues to achieve optimal financial oversight and management.

The President's Artificial Intelligence (AI) Initiative outlines Government-wide priorities aimed at accelerating the safe, secure, and effective adoption of AI across Federal agencies. It emphasizes transforming Federal operations through advanced automation capabilities, responsible AI governance, improved data quality, and modernized digital services. The initiative promotes the use of AI to enhance service delivery, strengthen cybersecurity, reduce administrative burden, and support data-driven decision-making across Government programs. In alignment with this initiative, NASA is prioritizing the modernization of its enterprise information technology (IT), financial management, and budget systems to increase data accuracy, interoperability, and operational agility. By leveraging secure cloud services, advanced data analytics, and AI-enabled automation, NASA is enhancing mission planning, resource allocation, and real-time decision-making. The Agency remains committed to aligning its management priorities with the President's AI Initiative and will continue to adapt as future updates and priorities are established.

In response to the release of the President's FY 2026 Budget Request for NASA by the Trump Administration, the Agency has begun early planning efforts to position its workforce and resources in alignment with the mission priorities identified in the request. While the budget is not yet finalized, NASA is proactively evaluating opportunities to enhance efficiency across its operations, including workforce structure, IT services, Center operations, facility maintenance, construction, and environmental compliance. In support of the President's Management Agenda, NASA remains committed to continuous improvement through strategic IT innovation — modernizing enterprise capabilities, strengthening cybersecurity, and advancing the responsible integration of Artificial Intelligence. These efforts will help ensure that the Agency remains agile, secure, and mission-ready in a rapidly evolving technological landscape.

Financial INFORMATION

PHOTO CREDIT – NASA/KEEGAN BARBER

Robonaut 2 is seen at the Smithsonian National Air and Space Museum's Steve F. Udvar-Hazy Center Thursday, Oct. 24, 2024, in Chantilly, Va. Robonaut 2, the first humanoid robot to fly to space, is displayed publicly for the first time near the space shuttle Discovery.

Financial Information Overview

Introduction to the Principal Financial Statements

The principal financial statements are prepared to report the financial position and results of operations of the National Aeronautics and Space Administration, pursuant to the requirements of 31 U.S.C. § 3515(b).

Consolidated Balance Sheet

provides information on assets, liabilities, and net position as of the end of the reporting period. Net position is the difference between assets and liabilities. It is a summary measure of the Agency's financial condition at the end of the reporting period.

Consolidated Statement of Net Cost

reports net cost of operations during the reporting period by theme and at the entity level. It is a measure of gross costs of operations less earned revenue, and represents the cost to taxpayers for achieving each theme at the entity level.

Consolidated Statement of Changes in Net Position

reports the beginning balances of net position, current financing sources and use of resources, unexpended resources for the reporting period, and ending net position for the current reporting period.

Combined Statement of Budgetary Resources

reports information on the sources and status of budgetary resources for the reporting period. Information in the statement is reported on the budgetary basis of accounting, which supports compliance with budgetary controls and controlling legislation.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Consolidated Balance Sheet
As of September 30, 2025

(IN MILLIONS)

	2025
Assets	
Intragovernmental:	
Fund Balance with Treasury (Note 2)	$ 28,155
Investments, Net (Note 3)	15
Accounts Receivable, Net (Note 4)	60
Advances and Prepayments	97
Total Intragovernmental	28,327
With the Public:	
Accounts Receivable, Net (Note 4)	31
Property, Plant, and Equipment, Net (Note 5)	10,474
Advances and Prepayments	49
Other Assets (Note 7)	698
Total with the Public	11,252
Total Assets	**$ 39,579**
Stewardship PP&E (Note 6)	
Liabilities:	
Intragovernmental:	
Accounts Payable	$ 44
Advances from Others and Deferred Revenue	70
Other Liabilities (Note 10)	136
Total Intragovernmental	250
With the Public:	
Accounts Payable	1,645
Federal Employee Salary, Leave and Benefits Payable (Note 8)	373
Pension and Post-Employment Benefits Payable (Note 8)	24
Environmental and Disposal Liabilities (Note 9)	2,390
Advances from Others and Deferred Revenue	201
Other Liabilities (Note 10)	
Other Accrued Liabilities	1,786
Other	836
Total with the Public	7,255
Total Liabilities	**$ 7,505**
Commitments and Contingencies (Note 12)	
Net Position:	
Unexpended Appropriations	$ 24,229
Cumulative Results of Operations	7,845
Total Net Position	**$ 32,074**
Total Liabilities and Net Position	**$ 39,579**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Consolidated Statement of Net Cost
For the Fiscal Year Ended September 30, 2025

(IN MILLIONS)

	2025
DISCOVER	
Expand human knowledge through new scientific discoveries:	
Gross Cost	$ 8,644
Less: Earned Revenue	1,175
Net Cost	$ 7,469
EXPLORE	
Extend human presence to the Moon and on towards Mars for sustainable long-term exploration, development, and utilization:	
Gross Cost	$ 10,835
Less: Earned Revenue	355
Net Cost	$ 10,480
INNOVATE	
Catalyze economic growth and drive innovation to address national challenges:	
Gross Cost	$ 2,470
Less: Earned Revenue	134
Net Cost	$ 2,336
ADVANCE	
Enhance capabilities and operations to catalyze current and future mission success:	
Gross Cost	$ 3,650
Less: Earned Revenue	236
Net Cost	$ 3,414
Net Cost of Operations	
Total Gross Costs	$ 25,599
Less: Total Earned Revenue	1,900
Net Costs	**$ 23,699**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Consolidated Statement of Changes in Net Position For the Fiscal Year Ended September 30, 2025

(IN MILLIONS)

	2025
Unexpended Appropriations:	
Beginning Balance	$ 13,157
Appropriations Received	35,574
Appropriations Transferred-In/Out	15
Other Adjustments	(47)
Appropriations Used	(24,470)
Net Change in Unexpended Appropriations	$ 11,072
Total Unexpended Appropriations	**$ 24,229**
Cumulative Results from Operations:	
Beginning Balance	$ 6,683
Appropriations Used	24,470
Non-Exchange Revenue	8
Donations and Forfeitures of Property	14
Imputed Financing	369
Net Cost of Operations	(23,699)
Net Change in Cumulative Results of Operations	$ 1,162
Total Cumulative Results of Operations	**$ 7,845**
Net Position	**$ 32,074**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Combined Statement of Budgetary Resources For the Fiscal Year Ended September 30, 2025

(IN MILLIONS)

	2025
Budgetary Resources:	
Unobligated Balance from Prior Year Budget Authority, Net	$ 3,774
Appropriations	35,588
Spending Authority from Offsetting Collections	2,098
Total Budgetary Resources	**$ 41,460**
Status of Budgetary Resources:	
New Obligations and Upward Adjustments (Total)	$ 28,773
Unobligated Balance, End of Year:	
Apportioned, Unexpired Accounts	4,079
Unapportioned, Unexpired Accounts	8,431
Unexpired Unobligated Balance, End of Year	12,510
Expired Unobligated Balance, End of Year	177
Unobligated Balance, End of Year (Total)	12,687
Total Budgetary Resources	**$ 41,460**
Outlays, Net:	
Outlays, Net (Total)	$ 24,579
Distributed Offsetting Receipts (-)	(3)
Agency Outlays, Net	**$ 24,576**

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

01 NOTE 1 Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

The National Aeronautics and Space Administration (NASA) is an independent agency established by Congress on October 1, 1958 by the National Aeronautics and Space Act of 1958. NASA was incorporated from its predecessor agency, the National Advisory Committee for Aeronautics, which provided technical advice to the United States (U.S.) aviation industry and performed aeronautics research. Today, NASA serves as the principal agency of the U.S. Government for initiatives in civil space and aviation.

NASA is organized into five Mission Directorates supported by one Mission Support Directorate (see link on page 7):

- **Aeronautics Research:** conducts research which enhances aircraft performance, environmental compatibility, capacity, flexibility, and safety of the future air transportation system;
- **Exploration Systems Development:** defines and manages the systems development for programs critical to the Artemis lunar exploration initiatives and develops technologies and capabilities to support sustainable human deep space exploration;
- **Science:** explores the Earth, Moon, Mars, and beyond; charts the best route of discovery, and obtains the benefits of Earth and space exploration for society;
- **Space Operations:** manages launch services, space communications and navigation, the International Space Station, and commercial space capabilities; and
- **Space Technology:** develops new technologies needed to support current and future NASA missions, other agencies, and the aerospace industry.

The Agency's administrative structure includes the Executive Council, Mission Support Council, Agency Program Management Council, Acquisition Strategy Council, and other Committees to integrate strategic, tactical, and operational decisions in support of strategic focus and direction.

Operationally, NASA is organized into nine Centers and other facilities across the country, the Headquarters Office, and the NASA Shared Services Center (NSSC).

The Agency's consolidated financial statements present the accounts of all funds that have been established and maintained to account for the resources under the control of NASA management.

Disclosure Entities

The Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 47, *Reporting Entity,* is intended to guide Federal agencies in recognizing complex, diverse organizations possessing varying legal designations (e.g., government agencies, not-for-profit organizations, and corporations) that are involved in addressing public policy challenges. It provides guidance for determining what organizations should be included in a Federal agency's financial statements (consolidation entities) and footnote disclosures (disclosure entities; and related parties) for financial accountability purposes and is not intended to establish whether an organization is or should be considered a Federal agency for legal or political purposes.

Inter-Entity Costs

Goods and services are received from other Federal entities at no cost or at a cost less than the full cost to the providing Federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed [by the component reporting entity] are recognized as imputed costs and are offset by imputed revenue. Such imputed costs and revenues relate to business-type activities such as employee benefits. However, unreimbursed costs of goods and services other than those identified above are not included in our financial statements.

01 NOTE 1 (CONTINUED) Reporting Entity and Summary of Significant Accounting Policies

Basis of Accounting and Presentation

These consolidated financial statements are prepared in accordance with FASAB standards in the format prescribed by the Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, Revised (July 2025). FASAB's authority to set Federal Government accounting standards is recognized by the American Institute of Certified Public Accountants (AICPA). The financial statements present the financial position, net cost of operations, changes in net position, and budgetary resources of NASA, as required by the Chief Financial Officers Act of 1990, Public Law (P.L.) 101-576, and the Government Management Reform Act, P.L. 103-356.

The accounting structure of Federal agencies is designed to reflect proprietary and budgetary accounting. Proprietary accounting uses the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred, without regard to the timing of receipt or payment of cash. Budgetary accounting does not use the accrual method of accounting; it accounts for the sources and status of funds to facilitate compliance with legal controls over the use of Federal funds. Material intra-agency transactions and balances have been eliminated from the principal financial statements for presentation on a consolidated basis, except for the Statement of Budgetary Resources, which is presented on a combined basis in accordance with OMB Circular A-136. Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent disclosure of classified information.

Budgets and Budgetary Accounting

NASA complies with Federal budgetary accounting guidelines of OMB Circular A-11, *Preparation, Submission and Execution of the Budget*, Revised (August 2025). Congress funds NASA's operations through nine main appropriations: Science; Aeronautics; Exploration; Space Operations; Science, Technology, Engineering and Mathematics Engagement; Safety, Security and Mission Services; Space Technology; Office of Inspector General; and Construction and Environmental Compliance and Restoration. NASA also receives reimbursements from reimbursable service agreements that cover the cost of goods and services NASA provides to other Federal entities or non-Federal entities. The reimbursable agreement price is based on cost principles to reasonably reflect the actual cost for the goods and services provided to the customer.

Research and Development (R&D), Other Initiatives and Similar Costs

NASA makes substantial R&D investments for the benefit of the U.S. The R&D programs include activities to extend our knowledge of Earth, its space environment, and the universe; and to invest in new aeronautics and advanced space transportation technologies supporting the development and application of technologies. Following guidance outlined in the FASAB Technical Release No. 7, *Clarification of Standards Relating to the National Aeronautics and Space Administration's Space Exploration Equipment,* NASA applies the Financial Accounting Standards Board's (FASB) Accounting Standards Codification (ASC) 730-10-25, *Research and Development – Recognition*, and FASB ASC 730-10-50 *Research and Development – Disclosure,* to its R&D projects. Consistent with the above guidance, costs to acquire PP&E that is expected to be used only for a specific R&D project are expensed in the period they are incurred.

Exchange and Non-Exchange Revenue

NASA classified revenues as either exchange or non-exchange. Exchange revenues are those transactions in which NASA provides goods and services to another party for a price, primarily through reimbursable agreements that are priced based on cost principles to reasonably reflect the actual cost for the goods and services provided to the customer. These revenues are presented on the Statement of Net Cost and serve to offset the costs of these goods and services. Non-exchange revenues result from donations to the Government and from the Government's right to demand payment, for

01 NOTE 1 (CONTINUED) Reporting Entity and Summary of Significant Accounting Policies

taxes, fines, and penalties. These revenues are not considered to reduce the cost of NASA's operations and are reported on the Statement of Changes in Net Position.

Application of Significant Accounting Estimates

The preparation of financial statements requires management to make assumptions and reasonable estimates affecting the reported amounts of assets, liabilities, and disclosures of contingent liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses for the reporting period. Accordingly, actual results may differ from those estimates.

Fund Balance with Treasury (FBWT)

The U.S. Department of the Treasury (Treasury) collects and disburses cash on behalf of Federal agencies during the fiscal year. The collections include funds appropriated by Congress to fund the Agency's operations and revenues earned for services that are provided to other Federal agencies or for the public. The disbursements are for goods and services in support of NASA's operations and for other liabilities. FBWT is an asset account that shows the available budget spending authority of Federal agencies.

Investments, Net

NASA investments include the following intragovernmental non-marketable securities:

(1) The Endeavor Teacher Fellowship Trust Fund (Endeavor Trust Fund) was established from public donations in tribute to the crew of the Space Shuttle Challenger. The Endeavor Trust Fund biannual interest earned is reinvested in short-term bills. P.L. 102-195 requires the interest earned from the Endeavor Trust Fund investments be used to create the Endeavor Teacher Fellowship Program.

(2) The Science, Space and Technology Education Trust Fund (Challenger Trust Fund) was established to advance science and technology education. The Challenger Trust Fund balance is invested in short-term bills and/or a bond when feasible. P.L. 100-404 requires that a quarterly payment of $250,000 be sent to the Challenger Center from interest earned on the Challenger Trust Fund investments. In order to meet the requirement of providing funds to the Challenger Center, NASA typically invests the biannual interest earned in short-term bills with maturity that coincides with quarterly payments of $250,000 to beneficiaries. Interest received in excess of the amount needed for quarterly payment to beneficiaries may be reinvested. NASA has not been able to secure favorable returns on investment through securities issued by Treasury's Bureau of the Fiscal Service in recent years that were available for previous long-term bond investments. In anticipation of insufficient interest earnings that will not meet NASA's requirement to make quarterly disbursements, the Committees on Appropriations included a provision in the FY 2025 Consolidated Appropriations Act (P.L. 119-4), enabling NASA to utilize up to $1 million from the Safety, Security, and Mission Services appropriation for disbursement to the Challenger Center.

Accounts Receivable, Net

Most of NASA's Accounts Receivable are for intragovernmental reimbursements for cost of goods and services provided to other Federal agencies; the rest are for debts to NASA by employees and non-Federal vendors. Allowances for delinquent non-Federal accounts receivable are based on factors such as: aging of accounts receivable, debtors' ability to pay, payment history, and other relevant factors. Delinquent non-Federal accounts receivable over 120 days are referred to Treasury for collection, wage garnishment or cross-servicing in accordance with the Debt Collection Improvement Act, as amended. An allowance for uncollectible accounts is recorded for Accounts Receivable due from the public and Federal sector in order to reduce Accounts Receivable to its net realizable value in accordance with SFFAS 1, *Accounting for Selected Assets and Liabilities*.

01 NOTE 1 (CONTINUED) Reporting Entity and Summary of Significant Accounting Policies

Property, Plant, and Equipment (PP&E), Net

NASA reports depreciation and amortization expense using the straight-line method over an asset's estimated useful life, beginning with the month the asset is placed in service. PP&E are capitalized assets with acquisition costs of $1 million or more, a useful life of two years or more, and R&D assets that are determined at the time of acquisition to have alternative future use. Assets that do not meet these capitalization criteria are expensed.

Capitalized costs include costs incurred by NASA to bring the property to a form and location suitable for its intended use. Certain NASA assets are held by Government contractors. Under provisions of the Federal Acquisition Regulation (FAR), the contractors are responsible for the control and accountability of the assets in their possession. These Government-owned, contractor-held assets are included within the balances reported in NASA's financial statements.

NASA has barter agreements with international entities; the assets and services received under these barter agreements are unique, with limited easement to only a few countries, as these assets are on the International Space Station (ISS). The intergovernmental agreements state that the parties will seek to minimize the exchange of funds in the cooperative program, including the use of barters to provide goods and services. NASA has received some assets from these parties in exchange for future services. The fair value is indeterminable; therefore, no value was ascribed to these transactions in accordance with FASB ASC 845-10-25, *Non-Monetary Transactions – Recognition,* and ASC 845-10-50*, Non-Monetary Transactions – Disclosure.*

SFFAS 10, *Accounting for Internal Use Software*, requires the capitalization of internally developed, contractor developed, and commercial off-the-shelf software. Capitalized costs for internally developed software include the full costs (direct and indirect) incurred during the software development stage only. For purchased software, capitalized costs include amounts paid to vendors for the software and other material costs incurred by NASA to implement and make the software ready for use through acceptance testing. NASA capitalizes costs for internal use software when the total projected cost is $1 million or more, and the expected useful life of the software is two years or more.

Leases

Arrangements that meet the definition of a lease under SFFAS 54, *Leases*, other than short-term and intragovernmental, require NASA to report a right-to-use lease asset and a lease liability where NASA is the lessee, and a lease receivable and deferred revenue liability where NASA is the lessor. Further, as permitted under SFFAS 62, *Transitional Amendment to SFFAS 54*, NASA has elected the transitional accommodation related to "embedded leases" through the accommodation period ending September 30, 2026.

Advances from Others and Deferred Revenue

Advances from Others and Deferred Revenue are amounts received for goods or services to be delivered or performed in the future and reflect amounts that have yet to be earned. Because cash is not usually received when unearned lease revenue is recognized, unearned lease revenue is not included in advances from others and deferred revenue; it is instead included in Other Liabilities.

Liabilities Covered by Budgetary Resources

As a component of a sovereign entity, NASA 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. Budgetary resources include: new budget authority, unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, spending authority from offsetting collections (credited to an appropriation or fund account), and recoveries of unexpired budget authority through downward adjustments of prior year obligations.

01 NOTE 1 (CONTINUED) Reporting Entity and Summary of Significant Accounting Policies

Liabilities Not Covered by Budgetary Resources

Liabilities Not Covered by Budgetary Resources include future environmental cleanup liability, legal claims, other retirement benefits, workers' compensation, annual leave, unearned lease revenue, and lease liability. Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Liabilities that do not require the use of budgetary resources are covered by monetary assets that are not budgetary resources to the entity.

Federal Employee Salary, Leave and Benefits Payable

Annual, Sick and Other Leave

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

Insurance Benefits

SFFAS 5, *Accounting for Liabilities of the Federal Government,* requires Government agencies to report the full cost of Federal Employee Health Benefits and the Federal Employees' Group Life Insurance Programs. NASA uses the applicable cost factors and data provided by the Office of Personnel Management to value these liabilities.

Pension and Post-Employment Benefits Payable

Retirement Benefits

NASA employees participate in the Civil Service Retirement System (CSRS), a defined benefit plan, or the Federal Employees Retirement System (FERS), a defined benefit and contribution plan. For CSRS employees, NASA makes contributions of 7.0 percent of gross pay. For FERS employees, NASA makes contributions to the defined benefit plan of 16.0 percent of gross pay. For employees hired January 1, 2013, and after, NASA contributes 18.4 percent of gross pay. The Agency also contributes 1.0 percent to a thrift savings plan (contribution plan) for each employee and matches employee contributions to this plan up to an additional 4.0 percent of gross pay.

Federal Employees' Compensation Act

A liability is recorded for workers' compensation claims related to the Federal Employees' Compensation Act (FECA), administered by the U.S. Department of Labor. FECA provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The FECA program initially pays valid claims and subsequently seeks reimbursement from the Federal agencies employing the claimants. The FECA liability includes the actuarial liability for estimated future costs of death benefits, workers' compensation, medical and miscellaneous costs for approved compensation cases.

Public-Private Partnerships (P3)

SFFAS 49, *Public-Private Partnerships: Disclosure Requirements*, requires agencies to assess and disclose P3s (between Federal and the private sector) involving risk-sharing or limited protections and unequitable long-term benefit/cost characteristics greater than five years. Such arrangements or transactions provide a service or an asset for government and/or general public use, where in addition to the sharing of resources, each party shares in the risks and rewards of said arrangements or transactions. If an arrangement meets the criteria of a Lease under SFFAS 54 and a Public-Private Partnership under SFFAS 49, the Net Present Value of the lease payments over the expected term are disclosed in Note 11, Leases, and any shared risk under SFFAS 49 is disclosed in Note 18, Public-Private Partnerships.

01 NOTE 1 (CONTINUED) Reporting Entity and Summary of Significant Accounting Policies

Reclassification of FY 2025 Information

Certain reclassifications have been made to FY 2025 financial statements, notes, and supplemental information to better align with the Agency's policies and procedures effective in FY 2025 and in accordance with the Treasury Financial Manual and OMB Circular A-136.

Subsequent Events

Subsequent events have been evaluated per guidance in OMB Circular A-136 for FY 2025. The auditors' report date is the date the financial statements are available to be issued and management determined that there are no other items to disclose related to NASA's FY 2025 financial statements.

02 NOTE 2 Fund Balance with Treasury

The FBWT represents the total fund balance recorded in the general ledger for unobligated and obligated balances. Unobligated balances are the amount remaining in appropriated funds available for obligation or adjustments to previously recorded obligations. Obligated balance not yet disbursed is the cumulative amount of obligations incurred for which outlays have not been made. Non-Budgetary FBWT is comprised of amounts in non-appropriated funds.

(IN MILLIONS)	2025
Status of Fund Balance with Treasury:	
Unobligated Balance	$ 12,687
Obligated Balance Not Yet Disbursed	15,438
Non-Budgetary Fund Balance with Treasury	30
Total Fund Balance with Treasury	**$ 28,155**

03 NOTE 3 Investments, Net

Investments consist of non-marketable par value intragovernmental securities issued by the Treasury's Bureau of the Fiscal Service. Trust fund balances are invested in Treasury securities, which are purchased at either a premium or discount and redeemed at par value exclusively through Treasury's Federal Investment Branch. The effective-interest method is used to amortize the premium on the bond, and the straight-line method is used to amortize discounts on bills.

Interest receivable on investments was zero in FY 2025. In addition, NASA did not have any adjustments resulting from the sale of securities prior to maturity or any change in value that was more than temporary.

	2025						
(IN MILLIONS)	COST	AMORTIZATION METHOD	AMORTIZED (PREMIUM) DISCOUNT	INTEREST RECEIVABLE	INVESTMENTS, NET	UNREALIZED GAIN/(LOSS)	MARKET VALUE DISCLOSURE
Intragovernmental Securities:		Straight-Line Effective-Interest					
Non-Marketable: Par value	$15	3.750 - 4.163%	$—	$—	$15	$—	$15
Total	**$15**		**$—**	**$—**	**$15**	**$—**	**$15**

04 NOTE 4 Accounts Receivable, Net

The Accounts Receivable balance represents net valid claims by NASA to cash or other assets of other entities. Intragovernmental Accounts Receivable represents reimbursements due from other Federal entities for goods and services provided by NASA on a reimbursable basis. Accounts Receivable due from the public is the total of miscellaneous debts owed to NASA from employees and/or smaller reimbursements from other non-Federal entities. A periodic evaluation of accounts receivable is performed to estimate any uncollectible amounts based on current status, financial and other relevant characteristics of debtors, and the overall relationship with the debtor. An allowance for uncollectible accounts is recorded for Accounts Receivable due from the public and Federal sector to reduce Accounts Receivable to its net realizable value in accordance with SFFAS 1, *Accounting for Selected Assets and Liabilities*.

2025			
(IN MILLIONS)	ACCOUNTS RECEIVABLE	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS	NET AMOUNT DUE
Intragovernmental	$ 60	$ –	$ 60
Public	31	–	31
Total	**$ 91**	**–**	**$ 91**

05 NOTE 5 Property, Plant, and Equipment, Net

There are no known restrictions to the use or convertibility of NASA PP&E. The composition of NASA PP&E as of September 30, 2025, is presented in the table below. This includes arrangements that meet the definition of a lease under SFFAS 54, *Leases* – excluding short-term and intragovernmental leases – which requires NASA to report a right-to-use lease asset (see Note 11, Leases, for more information). Information regarding deferred maintenance and repairs and estimated land acreage is discussed in the unaudited required supplementary information.

Effective October 1, 2024, NASA increased the capitalization threshold for real and personal property from $500,000 to $1 million. Assets acquired prior to October 1, 2024, were assessed using the prior threshold of $500,000.

2025					
(IN MILLIONS)	DEPRECIATION/ AMORTIZATION METHOD	ESTIMATED USEFUL LIFE	COST	ACCUMULATED DEPRECIATION/ AMORTIZATION	BOOK VALUE
PP&E					
Structures, Facilities and Leasehold Improvements	Straight-Line	15-40 Years	$ 12,720	$ (9,855)	$ 2,865
Equipment	Straight-Line	5-20 Years	16,369	(15,634)	735
Work In Progress – Personal Property	N/A	N/A	5,840	—	5,840
Construction In Progress – Real Property	N/A	N/A	885	—	885
Right-to-Use Lease Assets – Real Property	Straight-Line	N/A	30	(8)	22
Internal Use Software	Straight-Line	5 Years	250	(248)	2
Land	N/A	N/A	124	—	124
Internal Use Software In Development	N/A	N/A	1	—	1
Total			**$ 36,219**	**$ (25,745)**	**$ 10,474**

05 NOTE 5 (CONTINUED) Property, Plant, and Equipment, Net

The following table presents the changes in total PP&E and accumulated depreciation from October 1, 2024 to September 30, 2025.

RECONCILIATION: PROPERTY, PLANT, AND EQUIPMENT, NET

(IN MILLIONS)	2025
Balance Beginning of Year	**$ 9,331**
Capitalized Acquisitions	1,719
Right-to-Use Lease Assets	30
Amortization of Right-to-Use Lease Assets	(4)
Dispositions	(123)
Depreciation Expense	(465)
Donations	(14)
Balance End of Year	**$ 10,474**

06 NOTE 6 Stewardship PP&E

Federal agencies are required to classify and report heritage assets, multi-use heritage assets, and stewardship land in accordance with SFFAS 29, *Heritage Assets and Stewardship Land*. Stewardship PP&E have physical characteristics similar to those of PP&E but differ from PP&E because their value is more intrinsic and not easily determinable in dollars. The only type of stewardship PP&E owned by NASA is heritage assets.

Heritage assets are PP&E that possess one or more of the following characteristics:

- Historical or natural significance;
- Cultural, educational, or artistic (e.g. aesthetic) importance; or
- Significant architectural characteristics.

There is no minimum dollar threshold for designating PP&E as a heritage asset, and depreciation expense is not taken on these assets. For these reasons, heritage assets (other than multi-use heritage assets) are reported in physical units, rather than with assigned dollar values. In accordance with SFFAS 29, the cost of acquisition, improvement, reconstruction, or renovation of heritage assets is expensed in the period incurred.

Throughout the history of NASA's operations, the Agency has become an owner of historic buildings, structures, historical artifacts, art, and other cultural resources. The protection and conservation of these heritage assets is an essential part of the Agency's mission. NASA acquires such assets as a result of donation or acquires the assets as a result of historically significant items being retired from active service and preserved by the Agency for historic purposes. When capitalized assets are identified as heritage assets and no longer predominately serve NASA's primary operations, their values are removed from the PP&E accounts. Any maintenance costs incurred for the upkeep of the heritage assets are expensed in the period incurred.

Assets that have a heritage function and are used in NASA's day-to-day operations are considered multi-use heritage assets. NASA's multi-use heritage assets consist of items such as launchpads, research labs, and wind tunnels still in

06 NOTE 6 (CONTINUED) Stewardship PP&E

operational use. Such assets that meet the capitalization criteria are accounted for as PP&E and depreciated over their estimated useful life in the same manner as other PP&E. Multi-use heritage assets are presented at the individual item level. As of September 30, 2025, the total number of NASA's multi-use heritage assets were 504.

When PP&E has no use in operations, but is designated as a heritage asset, its cost and accumulated depreciation are reclassified and removed from the PP&E asset accounts. Such assets remain on the record as heritage assets, except where there is legal authority for transfer or sale at which time they are removed from the heritage asset record. Heritage assets are withdrawn when they are disposed or reclassified as multi-use heritage assets. Heritage assets are generally in fair condition suitable for display.

SFFAS 29 provides agencies with considerations for defining individual physical heritage assets units as a collection, or a group of assets, where appropriate. NASA has reviewed and categorized its heritage assets into collection-type and non-collection-type assets. NASA's collection-type heritage assets include Air and Space Displays and Artifacts, and Art as described in the following paragraphs.

- Air and Space Displays and Artifacts collections are classified based on the physical custody of the asset. There are two collections: NASA-held and Contractor-held. Each collection is composed of assorted mementos of historic NASA events. Examples include items from previous missions that have historical significance to NASA and historic mission control artifacts that possess educational value and enhance the public's understanding of NASA's numerous programs.
- Art collection includes artwork inspired by the U.S. Aerospace program, as well as historical books, documents, and other library materials that document NASA's history. This collection is comprised of items created by artists who have contributed their time and talent to record their impressions of the history of the U.S. Aerospace Program through paintings, drawings, written form, and other media. These works of art not only provide a historic record of NASA projects, but they also support NASA's mission by giving the public a new and more comprehensive understanding of advancements in aerospace.

NASA's non-collection-type heritage assets include historic buildings, bunkers, towers, test stands, and properties that are listed or eligible to be listed on the National Register of Historic Places and National Historic Landmarks, and other resources.

- Non-collection-type heritage assets were established by locations for specific reasons and to pursue a variety of goals. Each is home to specific areas of expertise and support different elements of NASA's missions, taking on a unique identity. They provide the public with tangible examples of assets with historical significance or educational importance to NASA programs and missions at each location.

Total physical units, along with the additions and withdrawals for the year ended on September 30, 2025, for NASA's heritage assets are displayed in the table to the right:

	2025			
HERITAGE ASSETS (IN PHYSICAL UNITS)	BEGINNING BALANCE	ADDITIONS	WITHDRAWALS	ENDING BALANCE
Collection-Type				
Air and Space Displays and Artifacts	2	—	—	2
Art	1	—	—	1
Non-Collection-Type				
NASA Locations	8	—	—	8
Total Heritage Assets	**11**	**—**	**—**	**11**

07 NOTE 7 Other Assets

NASA's Other Assets consist of lessor lease receivables, which represent amounts due from lessees under lease agreements where NASA is the lessor. Lessor lease receivables are recorded for the term of the lease at net present value for arrangements other than (1) short-term leases, (2) contracts or agreements that transfer ownership, and (3) intragovernmental leases, and include the estimated allowance for uncollectible accounts (see **Note 11**, Leases, for more information). The value of Other Assets at the end of the period was $698 million, representing lessor lease receivables as of September 30, 2025. NASA has determined the estimated uncollectible amount is zero due to the nature of arrangements.

08 NOTE 8 Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts for which future Congressional funding is required, while liabilities covered by budgetary resources reflect amounts for which Congressional funding has already been provided. Regardless of when Congressional action occurs, when these liabilities are settled, the U.S. Treasury finances the payments in the same manner as other government disbursements, using a combination of receipts, other inflows, and, if necessary, borrowing from the public.

The present value of the FECA actuarial liability estimate at year-end was calculated by the Department of Labor using a discount rate of 3.22 percent in FY 2025. This liability includes the estimated future costs for claims incurred but not reported or approved as of the end of each year.

(IN MILLIONS)	2025
Intragovernmental Liabilities:	
Other Liabilities	$ 35
Total Intragovernmental Liabilities	**35**
With the Public:	
Federal Employee Salary, Leave and Benefits Payable	296
Pension and Post-Employment Benefits Payable	24
Environmental and Disposal Liabilities (Note 9)	2,327
Other Liabilities	806
Total with the Public	**3,453**
Total Liabilities Not Covered by Budgetary Resources	**3,488**
Total Liabilities Covered by Budgetary Resources	**3,987**
Total Liabilities Not Requiring Budgetary Resources	**30**
Total Liabilities	**$ 7,505**

09 NOTE 9 Environmental and Disposal Liabilities

In accordance with guidance issued by FASAB, if an agency is required by Federal, state, and local statutes and regulations to clean up hazardous waste resulting from Federal operations, the amount of cleanup cost, if estimable, must be reported and/or disclosed in the financial statements.

The statutes and regulations most applicable to NASA environmental reporting, clean-up, and monitoring liabilities include: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; the Nuclear Waste Policy Act of 1982; and applicable state and local laws.

NASA assesses the likelihood of required cleanup as probable (more likely than not to occur), reasonably possible (more than remote but less than probable), or remote (slight chance of occurring). If the likelihood of required cleanup is probable and the cost can be reasonably estimated, a liability is recorded in the financial statements. If the likelihood of required cleanup is reasonably possible, the estimated cost of cleanup is disclosed in the notes to the financial statements. If the likelihood of required cleanup is remote, no liability or estimate is recorded or disclosed.

Environmental and Disposal Liabilities Represent Cleanup Costs Resulting From:

- Operations, including facilities obtained from other governmental entities, that have resulted in contamination from waste disposal methods, leaks and spills;
- Other past activity that created a public health or environmental risk, including identifiable costs associated with asbestos abatement; and
- Total cleanup costs associated with the removal, containment, and/or disposal of hazardous wastes or material and/or property at permanent or temporary closure or shutdown of associated PP&E.

Environmental and disposal liabilities as of September 30, 2025, are as follows:

(IN MILLIONS)	2025
Environmental Liabilities	
Restoration Projects	$ 2,140
Asbestos	188
End of Life Disposal of Property, Plant, and Equipment	62
Total Environmental and Disposal Liabilities	**$ 2,390**
Unfunded Environmental Liabilities (Note 8)	$ 2,327
Funded Environmental Liabilities	63
Total Environmental and Disposal Liabilities	**$ 2,390**

Restoration Projects

NASA recorded a total estimated liability of $2.14 billion in FY 2025 for known restoration projects. The liability is calculated using the most recent information on the extent of contamination and the most current estimation methodology. The liability for each restoration project is estimated for a duration of no more than 30 years, except where required by state statutes, regulations, or an agreement.

In addition to the probable cleanup costs for known hazardous conditions recognized in the financial statements, there are other remediation sites where the likelihood of required cleanup for known hazardous conditions is reasonably possible.

09 NOTE 9 (CONTINUED) Environmental and Disposal Liabilities

Remediation costs at certain sites classified as reasonably possible were estimated to be $10.5 million for FY 2025.

With respect to environmental remediation that NASA considers probable or reasonably possible but not estimable, NASA concluded that either the likelihood of a NASA liability is less than probable but more than remote, or the regulatory drivers and/or technical data that exist are not reliable enough to calculate an estimate.

Asbestos

NASA maintains numerous structures and facilities across each of its Centers that are known to contain asbestos. In accordance with FASAB Technical Bulletin 2006-1, *Recognition and Measurement of Asbestos Related Cleanup Costs*, NASA and other Federal entities are required to recognize a liability for friable and non-friable probable and reasonably estimable asbestos cleanup costs. FASAB Technical Release 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, allows for an extrapolation of asbestos cleanup cost estimates for similar properties to develop an Agencywide cleanup estimate. NASA uses actual costs incurred to clean up asbestos in NASA structures and facilities that were recently demolished or fully renovated to estimate the asbestos liability. Agencywide asbestos cleanup cost factors were developed for both structures and facilities measured in square feet and for those not measured in square feet. These cost factors were then extrapolated across applicable NASA structures and facilities. The asbestos cleanup cost liability of $188 million in FY 2025 is primarily driven by cost assumptions based on most recent actual asbestos abatement information.

End of Life Disposal of Property, Plant, and Equipment

Consistent with SFFAS 5, *Accounting for Liabilities of the Federal Government,* and with SFFAS 6, *Accounting for Property, Plant, and Equipment*, NASA estimates the anticipated environmental disposal cleanup costs for PP&E. NASA recognizes and records in its financial statements an environmental cleanup liability for end-of-life disposal of PP&E that is probable and measurable.

NASA recorded a total estimated liability for the end-of-life disposal of PP&E of $62 million in FY 2025. This estimate includes both facilities with permits that require cleanup and an estimate for all remaining PP&E. As described in the following paragraphs, this estimate also considers end-of-life disposal costs for assets in space, including the ISS and satellites.

The current proposed decommissioning approach for the ISS is to execute a controlled targeted deorbit to a remote ocean location. This is consistent with the approach used to deorbit other space vehicles (e.g., Russia's Progress, Europe's Automated Transfer Vehicle (ATV) and Japan's H-II Transfer Vehicle (HTV)). The documented target reliability for this decommissioning approach is 99 percent. Prior to decommissioning the ISS, any hazardous materials on board the ISS would be removed or jettisoned. As a result, only residual quantities of hazardous, toxic, and radioactive materials would remain prior to the decommissioning.

Based on past experience with the re-entry of satellites, larger portions or fragments of the ISS would be expected to survive the thermal and aerodynamic stresses of re-entry. However, the historical disposal of satellites and vehicles into broad ocean areas with a controlled deorbit has left little evidence of their re-entry. Any remaining contamination in the ISS debris field would not be expected to have a substantive impact on marine life. Therefore, the probability of NASA incurring environmental cleanup costs related to the ISS is remote and no estimate for such costs has been developed or reported in these financial statements.

10 NOTE 10 Other Liabilities

Intragovernmental Other Liabilities primarily represent accrued cost estimates for goods and services performed by Federal trading partners and payroll costs related to employer contributions, payroll taxes payable, and other post-employment benefits. For FY 2025, Intragovernmental Other Liabilities included $34 million in other current liabilities that are not covered by budgetary resources.

Other Accrued Liabilities with public entities primarily consist of the accrual of contractor costs with related budgetary obligations for goods and services performed. The period of performance for contractor contracts typically spans the duration of NASA programs, which could be for a number of years prior to final delivery of the product. In such cases, NASA records a cost accrual throughout the fiscal year as the work is performed.

Other Liabilities with the public include unearned lease revenue and lease liability. SFFAS 54, *Leases*, requires that Federal lessees recognize a lease liability and a right-to-use lease asset, and that Federal lessors recognize a lease receivable and unearned revenues at net present value over the lease term, unless the lease meets the definitional criteria of a short-term lease, contract or agreement that transfers ownership, or an intra-governmental lease. See **Note 11**, Leases, for information on NASA's lease reporting.

Other Liabilities with the public also include the accrual of incurred but not reported grant program costs incurred without related budgetary obligations in support of NASA's research and development and other related activities. Additionally, it represents other liabilities without related budgetary resources which include current obligations for cost to be funded within a year. For FY 2025, Other Liabilities with the public included $85 million in other current liabilities that are not covered by budgetary resources.

2025			
(IN MILLIONS)	CURRENT	NON-CURRENT	TOTAL
Intragovernmental Other Liabilities			
Employer Contributions and Payroll Taxes Payable	$ 26	$ —	$ 26
Other Liabilities With Related Budgetary Obligations	101	—	101
Other Liabilities Without Related Budgetary Obligations	3	—	3
Other Post-Employment Benefits Due and Payable	5	1	6
Total Intragovernmental Other Liabilities	**$ 135**	**$ 1**	**$ 136**
With the Public Other Liabilities			
Other Accrued Liabilities	1,786	-	1,786
Other Liabilities			
Liability for Non-Fiduciary Deposit Funds and Undeposited Collections	30	—	30
Other Liabilities Without Related Budgetary Obligations	85	—	85
Lease Liability	—	23	23
Unearned Lease Revenue	—	698	698
Total with the Public Other Liabilities	**$ 1,901**	**$ 721**	**$ 2,622**
Total Other Liabilities	**$ 2,036**	**$ 722**	**$ 2,758**

11 NOTE 11 Leases

SFFAS 54, *Leases*, requires that arrangements that meet the definition of a lease, other than short-term and intragovernmental, be recognized at the net present value of future payments over the term of the lease and amortized over the term of the arrangement. NASA has arrangements that meet the definition of a lease under SFFAS 54 as both a lessee and a lessor. For leases that also meet the requirements of SFFAS 49, *Public-Private Partnerships,* the shared risk is disclosed in Note 18 and the associated lease balances are disclosed below.

A. Lessee

NASA, as a lessee, has lease arrangements where NASA has leased facilities and land to further its mission. These arrangements include leases across the country and abroad for office, warehouse, other facilities, and land. The leases have a remaining term, including probable options, that range from three to eight years. These arrangements do not implicitly include interest/discount; however, under SFFAS 54 an interest/discount rate based on Treasury marketable securities was utilized. These rates ranged from 4.26% to 4.88% based on the remaining term. NASA recognized $5.4 million of annual lease expense in FY 2025 associated with leases under SFFAS 54.

(IN MILLIONS)

FY	PRINCIPAL	INTEREST	TOTAL LIABILITY
2026	4	1	5
2027	4	1	5
2028	3	1	4
2029	4	—	4
2030	4	—	4
2031-35	5	—	5
Total	**$ 24**	**$ 3**	**$ 27**

Other notes affected by Leases:

Note 5, Property, Plant, and Equipment, Net (Lease Assets and Amortization)

Note 8, Liabilities Not Covered by Budgetary Resources (Lease Liability)

Note 10, Other Liabilities (Lease Liability)

(IN MILLIONS)

ASSET CLASS	ANNUAL EXPENSE
Buildings/Other Structures	$ 37
Total	**$ 37**

NASA, as a lessee, has intragovernmental lease arrangements for office space and associated parking. The leases have a remaining term, including probable options, that range from two to five years.

B. Lessor

NASA, as a Lessor, has lease arrangements with non-intragovernmental entities for use of NASA's property for land, buildings, and other structures and facilities. The leases are generally executed under our Enhanced Use Lease (51 U.S.C. § 20145), or National Historic Preservation Act (54 U.S.C. § 306121) authorities and are for land or facilities that are non-excess but underutilized. The leases have a remaining term, including probable options, that range from three years to eighty-seven years. These arrangements do not implicitly include interest/discount, however, under SFFAS 54 an interest/discount rate based on either a rate specified in the arrangement, or the Treasury marketable securities was utilized based on the remaining term of the arrangement. The interest/discount rates ranged from 1.7% to 8.35%. Arrangements that include sub-lease provisions based on future performance of the lessee are considered variable payments and are not included in the lease receivable and are recognized as revenue in the period received. NASA recognized $49.1 million of annual lease revenue in FY 2025 associated with leases under SFFAS 54. NASA has 13 lease arrangements under SFFAS 54, *Leases*, that includes $643 million of Principal and $1.7 billion of Interest totaling $2.35 billion, that also meet the requirements of SFFAS 49, *Public-Private Partnership* under Note 18.

11 NOTE 11 (CONTINUED) Leases

(IN MILLIONS) FY	PRINCIPAL	INTEREST	TOTAL RECEIVABLE
2026	5	34	39
2027	5	33	38
2028	4	33	37
2029	3	33	36
2030	3	33	36
2031-35	13	161	174
2036-40	14	157	171
2041-45	20	153	173
2046-50	23	147	170
2051-55	27	141	168
2056-60	37	134	171
2061-65	50	124	174
2066-70	56	111	167
2071-75	50	99	149
2076-80	49	85	134
2081-85	26	78	104
2086-90	34	71	105
2091-95	44	61	105
2096-2100	57	49	106
2101-05	74	32	106
2106-10	94	12	106
2111-15	10	—	10
Total	**$ 698**	**$ 1,781**	**$ 2,479**
Allowance	—	—	—
Lease Receivable, Net	**$ 698**	**$ 1,781**	**$ 2,479**

Other notes affected by Leases:

Note 7, Other Assets (Lease Receivable)

Note 8, Liabilities Not Covered by Budgetary Resources (Unearned Lease Revenue)

Note 10, Other Liabilities (Unearned Lease Revenue)

Note 18, Public-Private Partnerships (Leases that also meet the requirements under SFFAS 49)

NASA, as a lessor, does not have any material intragovernmental lease arrangements.

12 NOTE 12 Commitments and Contingencies

NASA is a party in various administrative proceedings, court actions (including tort suits), and claims. For cases in which management and legal counsel believe it is probable that the outcomes will result in a loss to NASA, contingent liabilities are recorded. There are certain cases where the likelihood of loss is deemed reasonably possible. A contingent liability is not required to be recorded for these cases; however, the estimated range of loss is disclosed. NASA currently has one case that is determined reasonably possible, with an estimated loss of $34 million.

Additionally, there are cases reviewed by legal counsel where the likelihood of loss is deemed remote. A contingent liability is not required to be disclosed for these cases.

2025			
		ESTIMATED RANGE OF LOSS	
(IN MILLIONS)	ACCRUED LIABILITIES	LOWER END	UPPER END
Legal Contingencies:			
Probable	$ —	$ —	$ —
Reasonably Possible		$ 34	$ 34

13 NOTE 13 Explanation of Differences Between the SBR and the Budget of the U.S. Government

The FY 2027 Budget of the U.S. Government (President's Budget), which presents the actual amounts for the year ended September 30, 2025, has not been published as of the issue date of these financial statements. The FY 2027 Budget of the U.S. Government will be published on a later date at https://www.whitehouse.gov/omb/information-resources/budget (Unaudited).

NASA reconciled the amounts of the FY 2024 column on the Statement of Budgetary Resources (SBR) to the actual amounts for FY 2024 in the FY 2026 President's Budget for budgetary resources, new obligations, upward adjustments (total), distributed offsetting receipts, and net outlays as presented below.

(IN MILLIONS)	TOTAL BUDGETARY RESOURCES	NEW OBLIGATIONS & UPWARD ADJUSTMENTS (TOTAL)	DISTRIBUTED OFFSETTING RECEIPTS	NET OUTLAYS
Combined Statement of Budgetary Resources	$ 30,051	$ 27,170	$ (4)	$ 25,019
Included on SBR, not in President's Budget				
Expired Accounts	(210)	(38)	—	—
Distributed Offsetting Receipts	—	—	4	—
Budget of the United States Government	**$ 29,841**	**$ 27,132**	**$ —**	**$ 25,019**

14 NOTE 14 Undelivered Orders at the End of the Period

Undelivered Orders represent the amount of goods and/or services ordered to perform NASA's mission objectives, which have not been received. Undelivered Orders at the end of the period totaled $14.9 billion as of September 30, 2025.

(IN MILLIONS)	2025
Federal	
Unpaid	$ 553
Paid	137
Total	690
Nonfederal	
Unpaid	$ 14,204
Paid	52
Total	14,256
Total Undelivered Orders	**$ 14,946**

15 NOTE 15 Reconciliation of Net Cost to Net Outlays

Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the Federal deficit. Financial accounting is intended to provide a picture of the Government's financial operations and financial position on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays is presented on a budgetary basis, and the net cost is presented on an accrual basis, which provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs in the past and those paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

2025			
(IN MILLIONS)	INTRAGOVERNMENTAL	WITH THE PUBLIC	TOTAL
Net Cost	**$ 443**	**$ 23,256**	**$ 23,699**
Components of Net Cost not part of the Budgetary Outlays			
Property, plant, and equipment depreciation expense	—	(465)	(465)
Property, plant, and equipment disposals and revaluations	—	(124)	(124)
Lessee lease amortization	—	(4)	(4)
Lease expense	—	(4)	(4)
Applied overhead/cost capitalization offset	—	1,719	1,719
Increase/(Decrease) in Assets not affecting Budgetary Outlays:			
Accounts receivable, net	(37)	6	(31)
Other assets	(75)	5	(70)
(Increase)/Decrease in Liabilities not affecting Budgetary Outlays:			
Accounts payable	(15)	101	86
Lessee lease liability	—	1	1
Environmental and disposal liabilities	—	(37)	(37)
Federal employee salary, leave, and benefits payable	—	(24)	(24)
Pensions and Post-Employment Benefits Payable	—	1	1
Other liabilities	80	112	192
Financing Sources:			
Imputed cost	(369)	—	(369)
Total Components of Net Cost not part of the Budgetary Outlays	(416)	1,287	871
Components of the Budgetary Outlays not part of Net Cost:			
Financing Sources:			
Transfers out (in) without reimbursements	(1)	—	(1)
Total Components of the Budgetary Outlays not part of Net Cost	(1)	—	(1)
Misc Items			
Distributed offsetting receipts	(3)	—	(3)
Recognition of right-to-use lease assets	—	3	3
Custodial/Non-exchange revenue	(1)	7	6
Appropriated receipts for Trust/Special Funds	1	—	1
Total Other Reconciling Items	(3)	10	7
Total Net Outlays (Calculated Total)	**$ 23**	**$ 24,553**	**$ 24,576**
Budgetary Agency Outlays, net			**$ 24,576**

16 NOTE 16 Disclosure Entity

The Jet Propulsion Laboratory (JPL) is a NASA-owned facility which serves as a Federally Funded Research and Development Center (FFRDC). The facility commenced activities in the mid-1930s and at that time was sponsored by the U.S. Army to develop rocket technology and missile systems.

The California Institute of Technology (Caltech), a private, not-for-profit 501(c)(3) university, manages JPL pursuant to a sole-source, five-year, FAR-based contract with NASA. The value of NASA's Caltech contract for FY 2025 was $2 billion. Under this contract, NASA issues task orders to Caltech for various research programs and projects conducted at JPL. The contract is subject to the usual FAR-based Federal contract oversight and reporting requirements. Caltech has managed JPL as a NASA FFRDC since 1959.

Caltech and NASA's relationship at JPL is governed by the terms and conditions of their contract which does not give NASA responsibility for or insight into Caltech's business objectives or operations at JPL. JPL staff is comprised of Caltech employees and contractors, while NASA has a resident office at the facility staffed by Federal managers who administer the NASA/Caltech contract. The physical plant and equipment used to conduct operations under the contract are Government-furnished property and material, made available to Caltech for the performance of its contract with NASA, and includes contractor-acquired property. The work performed by JPL for NASA is funded by NASA as part of one or more of NASA's major programs and supports NASA's missions and programs. Every year, JPL issues a review of its accomplishments which can be viewed in the JPL Annual Reports.[1]

NASA has the unilateral authority to establish or amend the fundamental purpose and mission of activities at its JPL FFRDC. NASA's contract with Caltech reflects and incorporates NASA's authority into its terms and conditions. NASA also has the unilateral authority to orderly phase down and close its FFRDC and thus, the NASA contract with Caltech. As such, the contract terms allow NASA to close the FFRDC, transfer sponsorship of the FFRDC to another sponsor (Federal agency), transition the FFRDC to another contractor (e.g., another university), or renew the contract. In the event of a termination of its contract with Caltech for the management of JPL, JPL would only receive costs that NASA deems allowable, allocable, and reasonable under the contract's terms.

17 NOTE 17 Reclassification of Financial Statement Line Items for Financial Report Compilation Process

To prepare the Financial Report of the U.S. Government (*Financial Report*), the Department of 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 Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost [and a Reclassified Statement of Changes in Net Position]. Treasury eliminates intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the Financial Report statements. This note shows the Agency's financial statements and the Agency's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated Financial Report line items. A copy of the 2024 Financial Report can be found here: **https://fiscal.treasury.gov/reports-statements/financial-report/current-report.html** and a copy of the 2025 Financial Report will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of the Federal Government.

The term "non-federal" is used in this note to refer to Federal Government amounts that result from transactions with non-federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments. The Agency does not have funds from dedicated collections.

[1] JPL Annual Reports (https://www.jpl.nasa.gov/annual-report)

17 NOTE 17 (CONTINUED) Reclassification of Financial Statement Line Items for Financial Report Compilation Process

FY 2025 NASA STATEMENT OF NET COST		LINE ITEMS USED TO PREPARE FY 2025 GOVERNMENT-WIDE STATEMENT OF NET COST	
FINANCIAL STATEMENT LINE	AMOUNTS (IN MILLIONS)	AMOUNTS (IN MILLIONS)	RECLASSIFIED FINANCIAL STATEMENT LINE
			Gross Costs
Gross Costs	$ 25,599	$ 23,672	Non-Federal Gross Costs
		23,672	**Total Non-Federal Gross Costs**
			Intragovernmental Gross Costs
		692	Benefit Program Costs
		369	Imputed Costs
		667	Buy/Sell Costs
		199	Other Expenses (without Reciprocals)
		1,927	**Total Intragovernmental Gross Costs**
Total Gross Costs	25,599	25,599	***Total Reclassified Gross Costs***
			Earned Revenue
		416	**Non-Federal Earned Revenue**
Earned Revenue	1,900		**Intragovernmental Earned Revenue**
		1,484	Buy/Sell Revenue
		1,484	**Total Intragovernmental Earned Revenue**
Total Earned Revenue	1,900	1,900	***Total Reclassified Earned Revenue***
Net Costs	**$ 23,699**	**$ 23,699**	**Net Cost of Operations**

FY 2025 NASA STATEMENT OF CHANGES IN NET POSITION		LINE ITEMS USED TO PREPARE FY 2025 GOVERNMENT-WIDE STATEMENT OF CHANGES IN NET POSITION	
FINANCIAL STATEMENT LINE	AMOUNTS (IN MILLIONS)	AMOUNTS (IN MILLIONS)	RECLASSIFIED FINANCIAL STATEMENT LINE
Unexpended Appropriations			
Beginning Balance	$ 13,157	$ 13,157	Unexpended Appropriations, Beginning Balance
Appropriations Received	35,574	35,527	Appropriations Received
Other Adjustments	(47)		
Appropriations Transferred-In/Out	15	15	Non-Expenditure Transfers - Into Unexpended Appropriations and Financing Sources (Federal)
Appropriations Used	(24,470)	(24,470)	Appropriations Used
Net Change in Unexpended Appropriations	11,072	11,072	
Total Unexpended Appropriations	**24,229**	**24,229**	**Total Unexpended Appropriations**
Cumulative Results from Operations			
Beginning Balance	6,683	6,683	Cumulative Results, Beginning Balance
Appropriations Used	24,470	24,470	Appropriations Used
Non-Exchange Revenue	8	24	Non-Federal Non-Exchange Revenue
		24	**Total Non-Federal Non-Exchange Revenue**
		1	Federal Non-Exchange Revenue
Donations and Forfeitures of Property	14	**1**	**Total Federal Non-Exchange Revenue**
		(3)	Non-Entity Collections Transferred to the General Fund of the U.S. Government
		22	**Total Non-Exchange Revenues**
Imputed Financing	369	369	Financing Sources
		369	**Total Financing Sources**
Net Cost of Operations	(23,699)	(23,699)	Net Cost of Operations
Net Change in Cumulative Results of Operations	1,162	1,162	
Total Cumulative Results of Operations	**7,845**	**7,845**	**Total Cumulative Results of Operations**
Net Position	**$ 32,074**	**$ 32,074**	**Net Position**

18 NOTE 18 Public-Private Partnerships

NASA engages in various relationships with private entities in furtherance of NASA's Mission and Strategic Goals and describes many of these relationships as "public-private partnerships." The terminology is used informally to describe working relationships between NASA, its contractors, and industry partners rather than used to describe a financial benefit or risk sharing relationship as set forth in the criteria and characteristics of SFFAS 49, *Public-Private Partnerships (P3): Disclosure Requirements*. Many of these relationships cover Science, Technology, Engineering, and Mathematics activities; research and development; technology transfer; commercialization of space capabilities and operations; and other mission projects, but do not otherwise meet SFFAS 49 requirements.

While these relationships support education, innovation, research, and economic growth to further the Nation's space program and other missions, NASA also collaborates with private entities for commercial space capabilities in accordance with the National Space Policy of the United States (the latest iteration of which was issued December 9, 2020)[1]. The National Space Policy establishes principles and goals for the Nation's Space Programs. One such principle provides for "A robust, innovative, and competitive commercial space sector is the source of continued progress and sustained United States leadership in space" and states that "The United States remains committed to encouraging and facilitating the continued growth of a domestic commercial space sector that is globally competitive, supports national interests, and advances United States leadership in the generation of new markets and innovation driven entrepreneurship." Under this principle and related goal to "promote and incentivize private industry to facilitate the creation of new global and domestic markets for United States space goods and services, and strengthen and preserve the position of the United States as the global partner of choice for international space commerce," NASA has pursued collaborations for commercial space capabilities for human and cargo transportation providers, commercialization of other low Earth orbit activities, and for sustainability of the ISS National Lab, to name a few.

NASA utilizes its organic authorization, 51 U.S.C. § 20101 et seq., and other authorities, along with its procurement contract authority (as promulgated in regulation via the Federal Acquisition Regulation (FAR) and NASA FAR Supplement (NFS) requirements) to execute agreement instruments with its partners. NASA awards FAR based service contracts with FAR/NFS clauses, such as, limitation of funds, liability, and termination, to protect NASA. NASA has awarded contracts for Commercial Crew and Cargo, and pursuant to the terms and conditions set forth in these contracts, the contractor's liability for loss or damage to Government property during performance of contract activities is limited for commercial space. NASA does not consider these types of arrangements to meet the criteria and characteristics for P3 disclosure as there is no demonstrated shared risk and reward nor a NASA commitment to guarantee success.

Similarly, NASA has also awarded FAR based firm fixed price contracts under a competitive broad area announcement procurement entitled "Next Space Technologies for Exploration Partnerships" (NextSTEP). NextSTEP is a competitive acquisition that seeks to meet NASA needs via commercial development of deep space exploration capabilities to support more extensive human spaceflight missions in and beyond cislunar space—the space, near Earth, that extends just beyond the Moon. The capabilities developed under these contracts include components in support of the Human Landing Systems (HLS), Gateway, and development of other deep space exploration technologies to support extensive human spaceflight missions. In the Offeror's proposals, they identified corporate contributions that were evaluated as part of the awarded contracts. NASA does not have a requirement to repay the corporate contributions and does not guarantee contractor financing under the terms and conditions in the contracts. NASA has also made Government resources available under these contracts to support contract development activities through Government task agreements (GTAs), but this activity is optional. Although contractors may elect to use a GTA, fulfillment of the contract is not predicated on government resources being provided. The contracts contain FAR clauses to protect NASA's interests including limitation of funds, termination, and liability. Similar to the above arrangements, NASA does not

[1] https://trumpwhitehouse.archives.gov/wp-content/uploads/2020/12/National-Space-Policy.pdf

18 NOTE 18 (CONTINUED) Public-Private Partnerships

consider these to meet the criteria and characteristics for P3 disclosure.

Although the prior discussed arrangements do not warrant disclosure, NASA has determined two other categories as meeting the P3 disclosure requirements: energy savings performance/utility energy service contracts and leases. NASA has awarded energy savings performance contracts (ESPCs) and utility energy service contracts (UESCs) under National Energy Conservation Policy Act (42 U.S.C. § 8287), as amended, and Energy Policy Act of 1992, P.L. 102-486 (codified as 42 U.S.C. § 8256) to reduce energy, water and/or related operating costs and to assist agencies with upgrading aging infrastructure, systems, and equipment. These contracts do not require up-front capital costs or special appropriations from Congress and are repaid over time to the provider. Further information and detail are provided below in item A.

NASA has executed real estate arrangements as part of commercialization of space initiatives and research and development. Solicitations are used to identify a potential partner's interest for NASA facilities or land that are non-excess but underutilized by the Agency, which may be used to further NASA's mission. These facilities or land use arrangements outline responsibilities, terms, and conditions and are generally executed under our enhanced use lease (51 U.S.C. § 20145) or the National Historic Preservation Act (54 U.S.C. § 306121). Further information and detail are provided below in item B.

A. Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts (UESCs):

NASA has entered into ESPCs and UESCs to procure energy savings and facility improvements. These contracts do not require up-front capital costs or special appropriations from Congress and by statute, cannot exceed 25 years. Under these contracts, NASA retains the additional cost savings and receives title to installed goods, equipment, and improvements.

Federal agencies are authorized to enter into ESPCs under the National Energy Conservation Policy Act (42 U.S.C. § 8287), as amended. An ESPC is a partnership between an agency and an energy service company (ESCO) to reduce energy, water and/or related operating costs and to assist agencies with upgrading aging infrastructure, systems, and equipment. Upon conducting a comprehensive audit, the ESCO designs and constructs a project that meets the Agency's needs and arranges financing to pay for the project. The ESCO guarantees that the improvements will generate sufficient energy cost savings to pay for the project over the term of the contract. NASA currently has ESPCs with an expected life based on contract terms of 15 to 24 years expected life and payment period. NASA funds the contract and pays the contractor directly, except in two instances where payment is made to a third-party who has been designated responsibility for contract administration over the contract term.

Authorized by the Energy Policy Act of 1992, P.L. 102-486 (codified as 42 U.S.C. § 8256), UESC is a limited-source contract between a Federal agency and its serving utility for energy and water-efficiency improvements and demand-reduction services, allowing Federal agencies to pay for the services over time, either on their utility bill or through a separate agreement. NASA currently has UESCs with an expected life based on contract terms of 14 to 17 years expected life and payment period. NASA funds the contracts and pays the contractor directly.

Under OMB Memorandum M-98-13 and M-12-21, ESPC and UESC repayments can be funded on an annual basis. ESPCs and UESCs can be terminated for convenience in part or in full. In the event of termination, NASA may be responsible for outstanding loan balances and early termination or payment fees. Measurement and verification of energy savings is required under ESPCs and UESCs. The benefits of ESPCs and UESCs include:

- Infrastructure improvements that pay for themselves over time; and,
- Ability to install longer payback energy and water conservation measures by bundling savings.

18 NOTE 18 (CONTINUED) Public-Private Partnerships

2025			
PUBLIC-PRIVATE PARTNERSHIPS AGREEMENTS/CONTRACTS (IN MILLIONS)	ACTUAL AMOUNT PAID IN FY	ESTIMATED AMOUNT TO BE PAID IN FUTURE YEARS	ESTIMATED CUMULATIVE AMOUNT TO BE PAID OVER EXPECTED LIFE OF ARRANGEMENT
ESPC	$ 15	$ 175	$ 302
UESC	3	37	87
Estimated Total	**$ 18**	**$ 212**	**$ 389**

B. Leases

NASA's Enhanced Use Lease (EUL) and National Historic Preservation Act (NHPA) programs allow NASA to manage non-excess, underutilized property through leasing arrangements to private sector organizations. Title 51 U.S.C. § 20145, *Lease of Non-Excess Property*, authorizes NASA to lease real property under NASA's control or jurisdiction to other public and private entities on a long-term basis in return for cash consideration at fair market value. NASA's previous EUL authority expired on December 31, 2021, and was extended until December 31, 2022, through passage of the Omnibus Bill under H.R. 2471-1065, and was most recently extended until December 31, 2032, under P.L. 117-80, effective August 9, 2022. NASA's previous EUL authority under 42 U.S.C. § 2459j (2007) permitted in-kind consideration. A few of NASA's leases executed under the previous EUL authority included in-kind consideration that was negotiated as part of the terms and conditions of the arrangements. Title 54 U.S.C. § 306121 (P.L. 89-665 October 15, 1966), *Lease or Exchange* (NHPA), authorizes Federal agencies to lease historic property owned by the agency to any person or organization or exchange its property with comparable historic property, if determined that the lease or exchange will adequately ensure the preservation of the historic property. Title 40 U.S.C. § 1314, *Easements*, allows Federal agencies to grant real property owned by the agency to any person or organization that is not adverse to the interest of the Government with monetary or other consideration, including an interest in real property.

NASA's EUL and NHPA leases serve to provide space to third parties on NASA land or a NASA Facility. NASA's EUL and NHPA leases range from 8 to 96 years expected life, i.e., base term of the lease and amendments plus extensions that can be reasonably anticipated and represent the period in which receipts are expected to be received directly from the partner. NASA's EUL and NHPA leases include waivers of liability, tenant insurance requirements, and tenant environmental responsibilities to protect NASA's interest and mitigate potential risk of loss.

Benefits to NASA from the EUL and NHPA program include:

- Revenue in the form of lease payments; and
- Cost savings, (i.e., operations and maintenance associated with the leased assets that would normally be paid by NASA under normal operations).

Under the EUL and NHPA program, NASA does not:

- Provide any kind of guarantee for the purpose of private-party financing; or,
- Allow for payment from NASA to the partner.

NASA will only pursue termination of a lease commenced under EUL or NHPA prior to the end of the lease term in the event of default, noncompliance, nonperformance by the lessee, or for reasons of force majeure or act of Congress. When termination does occur, NASA does not owe or pay any fees, costs, expenses or penalties, and the lessee bears all risk. Upon termination, NASA would assume responsibility for operations and maintenance of the leasehold or divestment through normal program and budget planning processes. In most cases, the tenants are

18 NOTE 18 (CONTINUED) Public-Private Partnerships

required to remove any additions or improvements and return the leasehold to its original state unless otherwise agreed to under the terms of the arrangement. NASA had one lease that was terminated in FY 2025 at the request of the tenant prior to commencement. A few of NASA's long-term leases provide for transfer of constructed assets to NASA or a third-party entity upon termination. Under these leases NASA would assume responsibility for operations and maintenance, divestment, or establishment of a new lease based on the current need of the assets at the time of termination. Based on the current state of these arrangements, NASA does not anticipate that this would be likely in the near future and does not consider this to be any more than a remote risk of loss.

NASA's leases or easements that include in-kind consideration provided by the tenant were negotiated into the terms and conditions of the lease or easement. In accordance with the specified terms, NASA may assume responsibility for operations of infrastructure improvements provided by the tenant under normal program and budget planning processes, may seek an alternative tenant, or may request the property be returned to its original state.

NASA has identified a limited number of leases where development by the tenant on the leasehold could impact Center infrastructure and operations such as water, sewer, maintenance, or security operations based on increased capacity. The leases are not currently in the development phase and the tenant does not have possession. NASA is researching and working alternatives and options to mitigate any risk and will negotiate any potential impacts with existing providers and the tenants prior to development. In FY 2025 NASA terminated a lease that would impact Center infrastructure based on mutual agreement with the partner and as part of the negotiated termination NASA paid the tenant for incurred expenses.

NASA has 13 leases identified as a Public-Private Partnership under SFFAS 49, that also meet the criteria of a Lease under SFFAS 54, which are disclosed in Note 11, Leases, based on the Net Present Value of future lease payments.

	2025			
PUBLIC-PRIVATE PARTNERSHIPS AGREEMENTS/CONTRACTS (IN MILLIONS)	ACTUAL AMOUNT RECEIVED IN FY	ESTIMATED AMOUNT TO BE RECEIVED IN FUTURE YEARS	ESTIMATED CUMULATIVE AMOUNT TO BE RECEIVED OVER EXPECTED LIFE OF ARRANGEMENT	ESTIMATED CUMULATIVE IN KIND CONSIDERATION
EUL	$ —	$ 137	$ 138	$ 20
NHPA	—	—	—	—
Easement Authority	—	—	—	2
Estimated Total	**$ —**	**$ 137**	**$ 138**	**$ 22**

Combining Statement of Budgetary Resources For the Fiscal Year Ended September 30, 2025

(IN MILLIONS)	SPACE OPERATIONS MISSION	SCIENCE MISSION	EXPLORATION MISSION	AERONAUTICS MISSION	SAFETY, SECURITY AND MISSION SERVICES	STEM ENGAGEMENT MISSION
Budgetary Resources:						
Unobligated Balance from Prior Year Budget Authority, Net	$ 525	$ 991	$ 453	$ 60	$ 925	$ 12
Appropriations	5,889	7,334	15,086	935	3,092	143
Spending Authority from Offsetting Collections	—	—	—	—	1,866	—
Total Budgetary Resources	**$ 6,414**	**$ 8,325**	**$ 15,539**	**$ 995**	**$ 5,883**	**$ 155**
Status of Budgetary Resources:						
New Obligations and Upward Adjustments (Total)	$ 4,988	$ 7,603	$ 7,923	$ 967	$ 4,910	$ 128
Unobligated Balance, End of Year:						
Apportioned, Unexpired Accounts	346	678	185	24	966	20
Unapportioned, Unexpired Accounts	1,001	—	7,419	—	—	2
Unexpired Unobligated Balance, End of Year	1,347	678	7,604	24	966	22
Expired Unobligated Balance, End of Year	79	44	12	4	7	5
Unobligated Balance, End of Year (Total)	1,426	722	7,616	28	973	27
Total Budgetary Resources	**$ 6,414**	**$ 8,325**	**$ 15,539**	**$ 995**	**$ 5,883**	**$ 155**
Outlays, Net:						
Outlays, Net (Total)	$ 3,961	$ 7,523	$ 7,630	$ 974	$ 2,914	$ 141
Distributed Offsetting Receipts (—)	—	—	—	—	—	—
Agency Outlays, Net	**$ 3,961**	**$ 7,523**	**$ 7,630**	**$ 974**	**$ 2,914**	**$ 141**

(IN MILLIONS)	OFFICE OF INSPECTOR GENERAL	SPACE TECHNOLOGY MISSION	CONSTRUCTION AND ENVIRONMENTAL COMPLIANCE AND RESTORATION	OTHER	TOTAL
Budgetary Resources:					
Unobligated Balance from Prior Year Budget Authority, Net	$ 5	$ 92	$ 617	$ 94	$ 3,774
Appropriations	47	1,101	1,960	1	35,588
Spending Authority from Offsetting Collections	—	—	20	212	2,098
Total Budgetary Resources	**$ 52**	**$ 1,193**	**$ 2,597**	**$ 307**	**$ 41,460**
Status of Budgetary Resources:					
New Obligations and Upward Adjustments (Total)	$ 48	$ 965	$ 994	$ 247	$ 28,773
Unobligated Balance, End of Year:					
Apportioned, Unexpired Accounts	—	218	1,593	49	4,079
Unapportioned, Unexpired Accounts	—	—	8	1	8,431
Unexpired Unobligated Balance, End of Year	—	218	1,601	50	12,510
Expired Unobligated Balance, End of Year	4	10	2	10	177
Unobligated Balance, End of Year (Total)	4	228	1,603	60	12,687
Total Budgetary Resources	**$ 52**	**$ 1,193**	**$ 2,597**	**$ 307**	**$ 41,460**
Outlays, Net:					
Outlays, Net (Total)	$ 48	$ 907	$ 421	$ 60	$ 24,579
Distributed Offsetting Receipts (—)	—	—	—	(3)	(3)
Agency Outlays, Net	**$ 48**	**$ 907**	**$ 421**	**$ 57**	**$ 24,576**

Deferred Maintenance and Repairs

Federal agencies are required to report information related to the estimated cost to remedy deferred maintenance of property, plant, and equipment as required supplementary information in accordance with SFFAS 42, *Deferred Maintenance and Repairs*.

Maintenance and repairs (M&R) are activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain the asset. M&R, as distinguished from capital improvements, excludes activities directed toward expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use. Deferred maintenance and repairs (DM&R) are M&R activities that were not performed when they should have been or were scheduled to be and which, therefore, are put off or delayed for a future period. DM&R reporting enables NASA to be accountable to citizens for the proper administration and stewardship of its assets. Specifically, DM&R reporting assists users by providing an entity's realistic estimate of DM&R amounts and the effectiveness of asset maintenance practices the entities employ in fulfilling their missions.

Maintenance and Repairs Policies

Facilities, Buildings, and Other Structures

It is NASA's policy to ensure that NASA-owned and operated assets are properly aligned with the NASA mission and are safe, environmentally sound, affordable, the right type and size, and in acceptable operating condition. NASA's facilities are maintained in the most cost-effective fashion to minimize risk to processes and products, protect the safety and health of personnel and the environment, protect and preserve capabilities and capital investments, provide quality workplaces for NASA employees, and enable the Agency's mission. Estimates reported herein include DM&R for all facilities on-site or off-site that are owned, leased, occupied, or used by NASA (NASA Programs or Contractors) including heritage assets without regard to capitalization thresholds or depreciation status. NASA does not assess DM&R on general land parcels.

In FY 2022, NASA revised its approach to facility assessments and DM&R calculations to enhance the accuracy of its reporting. The updated methodology combines detailed facility condition assessments with the previous parametric estimating approach to calculate DM&R for NASA's asset portfolio. Previously, NASA conducted Deferred Maintenance assessments on Real Property Assets every two years, using a parametric method that involved a rapid, independent visual assessment of nine facility systems. The new approach aligns with industry standards by implementing a full Facility Condition Assessment (FCA) every five years for assets with a Current Replacement Value (CRV) over $500,000. This new process provides more precise DM&R values and redefines both the Facility Condition Index and CRV based on up-to-date construction, renovation, and repair costs. The revised assessments now evaluate 20 systems, rather than the previous nine, and are conducted on a five-year cycle. FY 2022 marked the start of this transitional period, with all Centers expected to be assessed by FY 2026. Assets not reviewed during a given cycle year will have their assessments adjusted parametrically, based on findings from the next FCA at that location.

Equipment

NASA has established the deferred maintenance and repair tracking process to encompass assets that meet or exceed the Agency capital equipment threshold. Equipment that does not meet the capital threshold will not be tracked in this process due to the consumable aspect of those assets. Maintenance requirements for equipment are developed during the annual budget process and updated based on work completion, equipment condition and additional requirements. Not all unfunded maintenance requirements are deferred. In support of the planning, programming, budgeting, and execution process, each program, project, and activity managing equipment has a methodical process for determining their maintenance requirements. During the maintenance analysis process and as equipment is utilized, maintenance strategies are adjusted, refined and the amount of funding is determined, based on mission needs and assessments of risk within each activity.

(CONTINUED)
Deferred Maintenance and Repairs

Maintenance requirements and funding amounts are included in program, project, or activity baseline budgets. In the year of execution, the equipment managing activity takes steps to either mitigate, or increase the levels of deferred maintenance based on the availability of resources and mission priorities. Each NASA activity managing equipment may take steps to reduce the amount of deferred maintenance through the reallocation of resources from lesser priority areas, or supplemental funding received from shifting project schedules.

Ranking and Prioritizing M&R Activities

NASA typically prioritizes the M&R activities based on mission need, health, safety, fire detection and protection, and environmental requirements. NASA also prioritizes the M&R projects with an emphasis on mission critical facilities, followed by mission support, then Center support. Managing activities also maintain agile strategies to react to emerging requirements and real-world events to review and reprioritize M&R requirements. The evaluation of the facility conditions by building type indicates that NASA continues to focus M&R activities on direct mission-related facilities and infrastructure.

Factors Considered in Determining Acceptable Condition Standards

NASA applies industry accepted codes and standards or equipment manufacturer's recommendations to all facilities related work. The standard of condition depends on the intended use, the mission criticality, and the utilization or health and safety aspects of that use. The Agency employs risk-based methodologies in determining acceptable levels of equipment operational risk.

The table below shows Real Property DM&R beginning and ending balances for FY 2025.

(IN MILLIONS)	2025	
Asset Category	**Beginning Balance**	**Ending Balance**
PP&E - Real Property	$ 4,068	$ 4,767
Heritage Assets - Real Property	73	61
Total Deferred Maintenance and Repairs	**$ 4,141**	**$ 4,828**

Government Land

NASA reports information regarding PP&E land and permanent land rights as required supplementary information in accordance with SFFAS 59, *Accounting and Reporting of Government Land*.

NASA owns and manages various land, aiding in the Agency's mission of exploration and continued innovation for advancing space-, air-, and Earth-based activities. NASA categorizes land it owns into three main use categories:

- **Operational:** Land predominantly used for general, administrative, day-to-day operations and mission support purposes. Assets such as NASA office buildings, manufacturing plants, and research and development labs are located on operational land.
- **Conservation and Preservation:** Land predominantly used to support conservation or preservation purposes, including conservation of natural resources and preserving significant cultural and historical resources associated with NASA's mission. Assets such as monuments, parks, watershed and water resources, and educational and visitor information centers are located on such land.
- **Commercial Use:** Land predominantly used to generate income from commercial arrangements with the public sector. These include NASA land leased to commercial entities participating in co-location and other arrangements designed to support the NASA mission at reasonable market rates.

NASA's land held for disposal includes land no longer needed for current or future NASA operations. The various methods of disposition include donation, sale, exchange, abandonment, or any combination thereof. NASA disposes of land in these instances in a prompt manner that minimizes continued care and handling costs while optimizing appropriate returns.

The Agency's estimated land acreage identified by predominant use subcategory as of September 30, 2025, is as follows:

2025				
(IN ACRES)	COMMERCIAL USE	CONSERVATION AND PRESERVATION	OPERATIONAL	TOTAL ESTIMATED ACREAGE
PP&E Land				
Start of Year	4,217	101,198	29,900	135,315
End of Year	5,590	101,199	28,527	135,316
Held for Disposal or Exchange (also included in the balances above)				
Start of Year				175
End of Year				175

NASA is currently implementing procedures to digitize its land records and estimate acreage via Geographic Information Systems to improve the accuracy of its Land Acreage balances.

Letter from the Inspector General on Audit

NASA OFFICE OF INSPECTOR GENERAL

OFFICE OF AUDITS

SUITE 8U71, 300 E ST SW
WASHINGTON, DC 20546-0001

January 16, 2026

TO: Jared Isaacman
Administrator

Sidney Schmidt
Acting Chief Financial Officer

SUBJECT: *Audit of NASA's Fiscal Year 2025 Financial Statements* (Report No. IG-26-001; Assignment No. A-25-04-00-FMD)

The Office of Inspector General contracted with the independent accounting firm Ernst & Young LLP (EY) to audit NASA's fiscal year (FY) 2025 financial statements. EY performed the audit in accordance with the Government Accountability Office's *Government Auditing Standards* and the Office of Management and Budget's Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*.

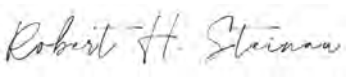
This audit resulted in an unmodified opinion on NASA's FY 2025 financial statement (see Enclosure 1). An unmodified opinion means the financial statements present fairly, in all material respects, the financial position and results of NASA's operations in conformity with U.S. generally accepted accounting principles.

EY also reported on NASA's internal control over financial reporting and compliance with laws and regulations for FY 2025 (see Enclosure 2). For FY 2025, EY reported one significant deficiency in internal control related to the financial reporting oversight controls, but did not report any instances of significant noncompliance with applicable laws and regulations.

EY is responsible for their enclosed report, dated January 16, 2026, and the conclusions expressed therein. We do not express an opinion on NASA's financial statements, conclusions about the effectiveness of internal control over financial reporting, or conclusion on compliance with certain laws and regulations, including but not limited to the Federal Financial Management Improvement Act of 1996.

CONTINUED
Letter from the Inspector General on Audit

We appreciate the courtesies extended to our team during the audit. Please contact Laurence Hawkins, Financial Oversight and Audit Quality Director, at 202-358-1543 or laurence.b.hawkins@nasa.gov, if you have any questions about the enclosed reports.



Robert H. Steinau
NASA OIG Senior Official

Enclosures - 2

Independent Auditors' Report

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Report of Independent Auditors

The Administrator and the Office of Inspector General Senior Official of the
National Aeronautics and Space Administration

Report on the Financial Statements

Opinion

We have audited the financial statements of the National Aeronautics and Space Administration (NASA), which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NASA at September 30, 2025, and the results of its net cost of operations, its changes in net position and its budgetary resources for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), and in accordance with the provisions of Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and the provisions of OMB Bulletin No. 24-02 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NASA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CONTINUED
Independent Auditors' Report

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 NASA's internal control. Accordingly, no such opinion is expressed.

CONTINUED
Independent Auditors' Report

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about NASA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information such as the Combining Statement of Budgetary Resources, Deferred Maintenance and Repairs, and Government Land on pages 58-61 within NASA's Agency Financial Report, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board who considers 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit 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. Although our opinion on the financial statements is not affected, the results of the limited procedures have raised doubts about whether material modifications should be made to required supplementary information for it to be presented in conformity with guidelines established by SFFAS 59, *Accounting and Reporting of Government Land*.

Other Information

Management is responsible for the other information included in the Agency Financial Report. The other information comprises the Introduction, the Message from the Chief Financial Officer, Introduction to the Principal Financial Statements, Letter from the Inspector General on Audit,

CONTINUED
Independent Auditors' Report

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Other Information, and Appendices, as identified on NASA's Agency Financial Report's Table of Contents but does not include the Financial Statements, Notes to the Financial Statements and our Independent Auditor's Report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2026, on our consideration of NASA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of NASA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NASA's internal control over financial reporting and compliance.

Ernst & Young LLP

January 16, 2026

CONTINUED
Independent Auditors' Report

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Administrator and the Office of Inspector General Senior
Official of the National Aeronautics and Space Administration

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 (*Government Auditing Standards*) and with the provisions of Office of Management and Budget (OMB) Bulletin No. 24-02 *Audit Requirements for Federal Financial Statements*, the financial statements of the National Aeronautics and Space Administration (NASA), which comprise the consolidated balance sheet as of September 30, 2025, and the related consolidated statements of net cost and changes in net position and combined statement of budgetary resources for the year then ended, and the related notes (collectively referred to as the "financial statements"), and our report dated January 16, 2026, expressed an unmodified opinion thereon.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NASA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NASA's internal control. Accordingly, we do not express an opinion on the effectiveness of NASA's internal control. We did not consider all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to preparing performance information and 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 a 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 a 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.

CONTINUED
Independent Auditors' Report

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described below that we consider to be a significant deficiency.

Significant Deficiency in Financial Reporting Oversight Controls

NASA records monthly accrued expenses for goods and services the agency contracts to carry out its mission-driven operations. The Agency uses vendor prepared monthly estimates of the costs incurred as the basis for recording the associated accrual for goods received and services rendered as of the end of the reporting month. As part of its key internal control activities, NASA has procedures in place to review and approve estimates prepared by vendors. During our testing procedures, EY was made aware that NASA updated its monthly accrual posting logic to include the proprietary entry reflecting the accrued expense, but exclude the corresponding budgetary entry to recognize a delivered order. Based on the timing and nature of the estimate, a corresponding budgetary delivered order posting is required by the U.S. Standard General Ledger (USSGL) at the time the accrual is recognized. The USSGL defines a delivered order as "the amount accrued or due for…services performed by employees, contractors, vendors, carriers, etc…"

NASA made the change in posting logic based on its interpretation that an estimate could not serve as the basis for recording a budgetary entry for the recognition of a delivered order to the agency; however, authoritative budgetary accounting guidance does not support this interpretation. NASA did not supply sufficient documented evidence of thorough and timely analysis of budgetary accounting requirements, documented rationale for making the accounting change, or supervisory review and approval of the change. Although NASA consulted with authoritative bodies (OMB and U.S. Department of Treasury) and we acknowledge NASA's position that proper due diligence was performed, it did not appear that they considered relevant conflicting information within the authoritative guidance in OMB Circular no. A-11, the USSGL, and Federal Accounting Standards Advisory Board standards, including Statement of Federal Financial Accounting Standards 1: *Accounting for Selected Assets and Liabilities*, to evaluate whether its accounting treatment was appropriate. Such measures could have resulted in a clarified position that is supported by authoritative guidance. As such, EY concluded that NASA does not have an effective financial reporting oversight process to analyze, evaluate, and document its approach to implementing changes in its accounting policies including its consideration of relevant conflicting information.

CONTINUED
Independent Auditors' Report

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The insufficient financial reporting oversight surrounding accounting changes by NASA management increases the risk of misapplied accounting guidance which could lead to misstatement to the financial statements and related footnotes. Undelivered orders and delivered orders are summarized in one financial statement line item on the Combined Statement of Budgetary Resources; therefore, this change did not result in a misstatement at the financial statement line-item level. However, it did result in a material disclosure misstatement within FootNote 14, Undelivered Orders at the End of the Period. Additionally, while this accounting change does not constitute substantial noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA) at the agency level, the updated posting logic does not comply with the following FFMIA Section 803(a) components: 1) applicable federal accounting standards and 2) the application of the USSGL at the detailed transaction level. The financial reporting internal control failures that led to these errors increases the risk that a material misstatement of the financial statements or disclosures will not be prevented or detected and corrected by management in a timely manner.

Government Accountability Office (GAO), *Standards of Internal Control for the Federal Government* (May 2025), Principle 9 – Identify, Analyze, and Respond to Change, states that once significant changes are identified, management uses its change assessment process to identify and analyze the impact of risks related to the identified significant changes on the internal control system and responds by revising the system on a timely basis, when necessary, to maintain its effectiveness. This risk assessment, and revision to the internal control system when necessary, is completed before the entity responds to changing conditions, for example, before it implements a new program or makes significant changes to existing programs or activities. Further, Principle 12 – Implement Control Activities, states that management should implement controls through policies and that those policies should be evaluated through documentation of responsibility for the controls and reviews of the control activities. Regarding the latter, if there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately.

To mitigate the risk of misstatements to the financial statements and related footnotes from changes in accounting policy, NASA management should ensure that financial reporting control activities require documentation to evidence management's analysis of accounting updates, planned changes and rationale for such changes, and management's review and approval of any planned accounting updates. Finally, management should perform ongoing monitoring of anticipated accounting changes and communicate potential updates to relevant stakeholders.

CONTINUED
Independent Auditors' Report

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NASA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements as well as the requirements referred to in the Federal Financial Management Improvement Act of 1996 (FFMIA), noncompliance with which could have a direct and material effect on the financial statements. 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 tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the provisions of OMB Bulletin No. 24-02 and disclosed no instances of noncompliance in which NASA's financial management systems did not substantially comply with the Section 803(a) requirements of FFMIA.

NASA's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on NASA's response to the findings identified in our audit and described in the accompanying Management Response to Report of Independent Auditors on pages 72-73 of the Agency Financial Report. NASA's response was not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

January 16, 2026

CONTINUED
Independent Auditors' Report

National Aeronautics and
Space Administration

Mary W. Jackson NASA Headquarters
Washington, DC 20546-0001

January 16, 2026

TO: Robert Steinau, Inspector General

FROM: Sidney Schmidt, Acting Chief Financial Officer

SUBJECT: Management Response to Report of Independent Auditors

I am pleased to accept your audit report on the Consolidated Financial Statements of the National Aeronautics and Space Administration (NASA) for Fiscal Year 2025. The Office of the Chief Financial Officer (OCFO) continued commitment to sound financial management is clearly reflected in the audit opinion expressed by the independent auditors (Ernst & Young (EY) LLP). For the 15th consecutive year, the OCFO has led NASA to achieve an unmodified "clean" audit opinion. Further, NASA continues to be in substantial compliance with the Federal Financial Management Improvement Act (FFMIA).

EY reported one significant deficiency related to NASA's "Financial Reporting Oversight Controls". NASA's response to this significant deficiency is provided below:

During fiscal year 2024, Office of Management and Budget (OMB) revised Circular A-11, *Preparation, Submission, and Execution of the Budget*, Appendix F directing that for reclassifications of unpaid obligations for year-end financial statements, "do not reclassify an undelivered unpaid obligation to a delivered unpaid obligation unless you have received the good or services".

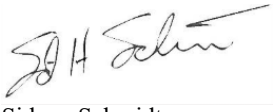
In response to this revision, NASA reviewed and analyzed all period-end accruals to determine the applicability of the revised OMB Circular A-11 guidance. NASA identified multiple accruals that were based on estimates and were posted for reporting purposes and subsequently reversed on the first business day of the next accounting period/fiscal year. Thus, NASA developed a plan to modify the posting of these accruals to comply with the revised guidance. NASA implemented the changes to the accrual postings during FY2025.

NASA acknowledges that EY has identified opportunities to enhance its processes to document this type of change and to ensure adherence to the posting logic as prescribed in the US Treasury Financial Manual. However, NASA asserts that due diligence was undertaken to implement the change as prescribed by OMB to achieve the result of eliminating estimates from the budgetary recording of delivered unpaid obligations. NASA consulted with both Treasury and OMB to clarify interpretation and application of the guidance and confirm that the balance reported by NASA was in accordance with the intent of the revised guidance.

CONTINUED
Independent Auditors' Report

However, NASA will re-visit the changes that were implemented in FY25, and fully document any updates to ensure sufficient evidence is available that captures the rationale, and management review and approval of future changes.

I appreciate the efforts and leadership of NASA's OIG and of EY throughout the audit of NASA's financial statements and related internal controls over financial reporting. Please convey my sincere appreciation and thanks to your team for the professionalism and cooperation exhibited throughout this audit.



Sidney Schmidt
Acting Chief Financial Officer

Other INFORMATION

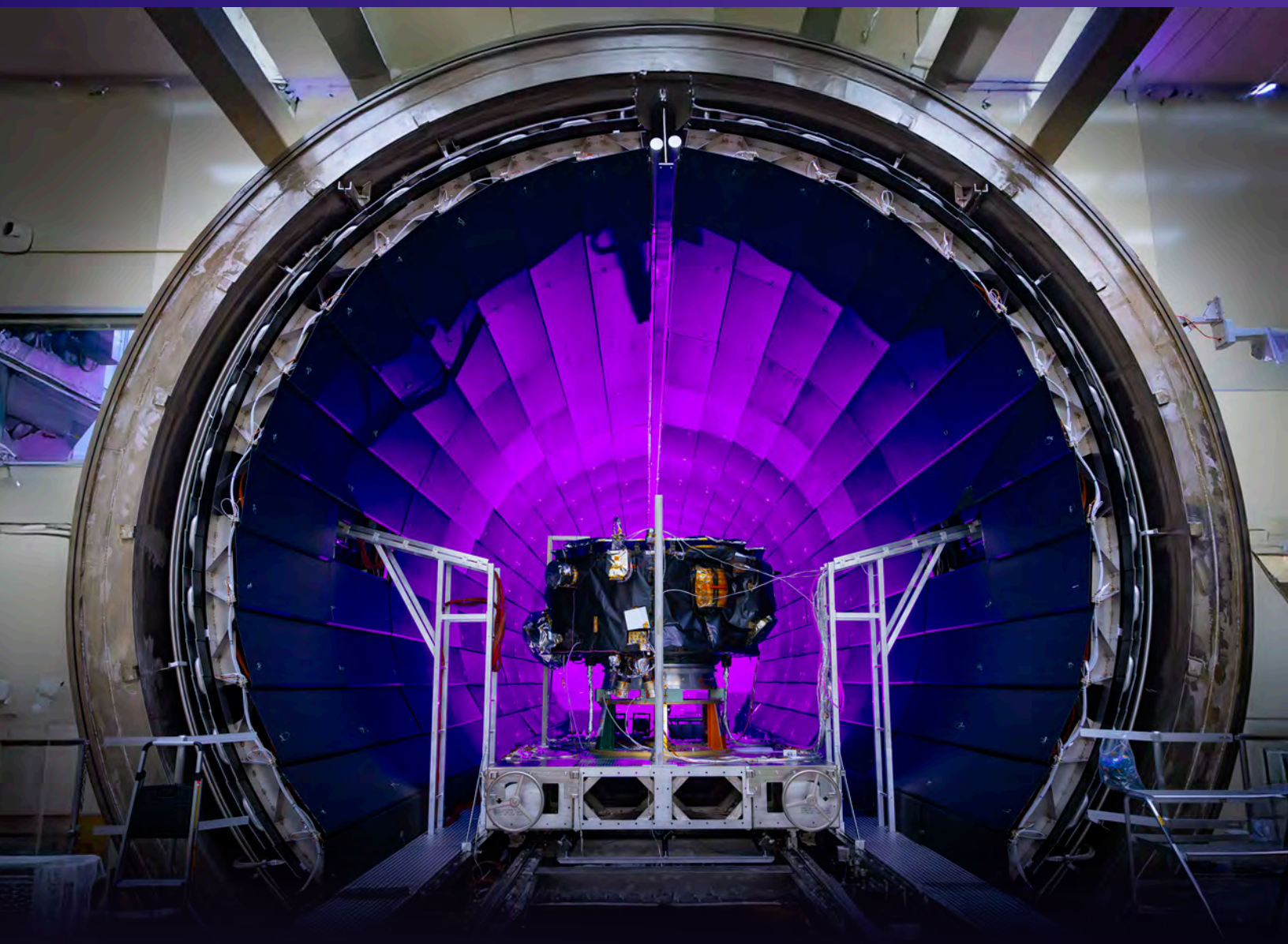


PHOTO CREDIT – NASA/JOHNS HOPKINS APL/PRINCETON/ED WHITMAN

On March 18, NASA's IMAP (Interstellar Mapping and Acceleration Probe) arrived at NASA's Marshall Space Flight Center in Huntsville, Alabama, for thermal vacuum testing at the X-ray and Cryogenic Facility, which simulates the harsh conditions of space.

The IMAP mission is a modern-day celestial cartographer that will map the solar system by studying the heliosphere, a giant bubble created by the Sun's solar wind that surrounds our solar system and protects it from harmful interstellar radiation.

Other Information Overview

Summary of Financial Statement Audit and Management Assurances

The following tables summarize the Agency's FY 2025 Financial Statement Audit and Management Assurances. Table 1 summarizes the status of prior year—FY 2024 material weaknesses identified, if any by the Financial Statement Auditor. Table 2 summarizes the status of prior year material weaknesses, if any identified by NASA Management.

TABLE 1

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
Deficiencies in Financial Reporting Oversight Controls	1	0	1	0	0
Total Material Weaknesses	1	0	1	0	0

TABLE 2

Summary of Management Assurances

EFFECTIVENESS OF INTERNAL CONTROL OVER FINANCIAL REPORTING (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
Deficiencies in Financial Reporting Oversight Controls	1	0	1	0	0	0
Total Material Weaknesses	1	0	1	0	0	0

EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0

CONFORMANCE WITH FEDERAL FINANCIAL MANAGEMENT SYSTEM REQUIREMENTS (FMFIA § 4)						
Statement of Assurance	Federal Systems conform to financial management system requirements.					
Non-Conformances	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Reassessed**	**Ending Balance**
None	0	0	0	0	0	0
Total non-conformances	0	0	0	0	0	0

COMPLIANCE WITH SECTION 803(A) OF THE FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT (FFMIA)		
	Agency	**Auditor**
1. Federal Financial Management System Requirements	No lack of substantial compliance noted	No lack of substantial compliance noted
2. Applicable Federal Accounting Standards	No lack of substantial compliance noted	No lack of substantial compliance noted
3. USSGL at Transaction Level	No lack of substantial compliance noted	No lack of substantial compliance noted

Summary of Reports

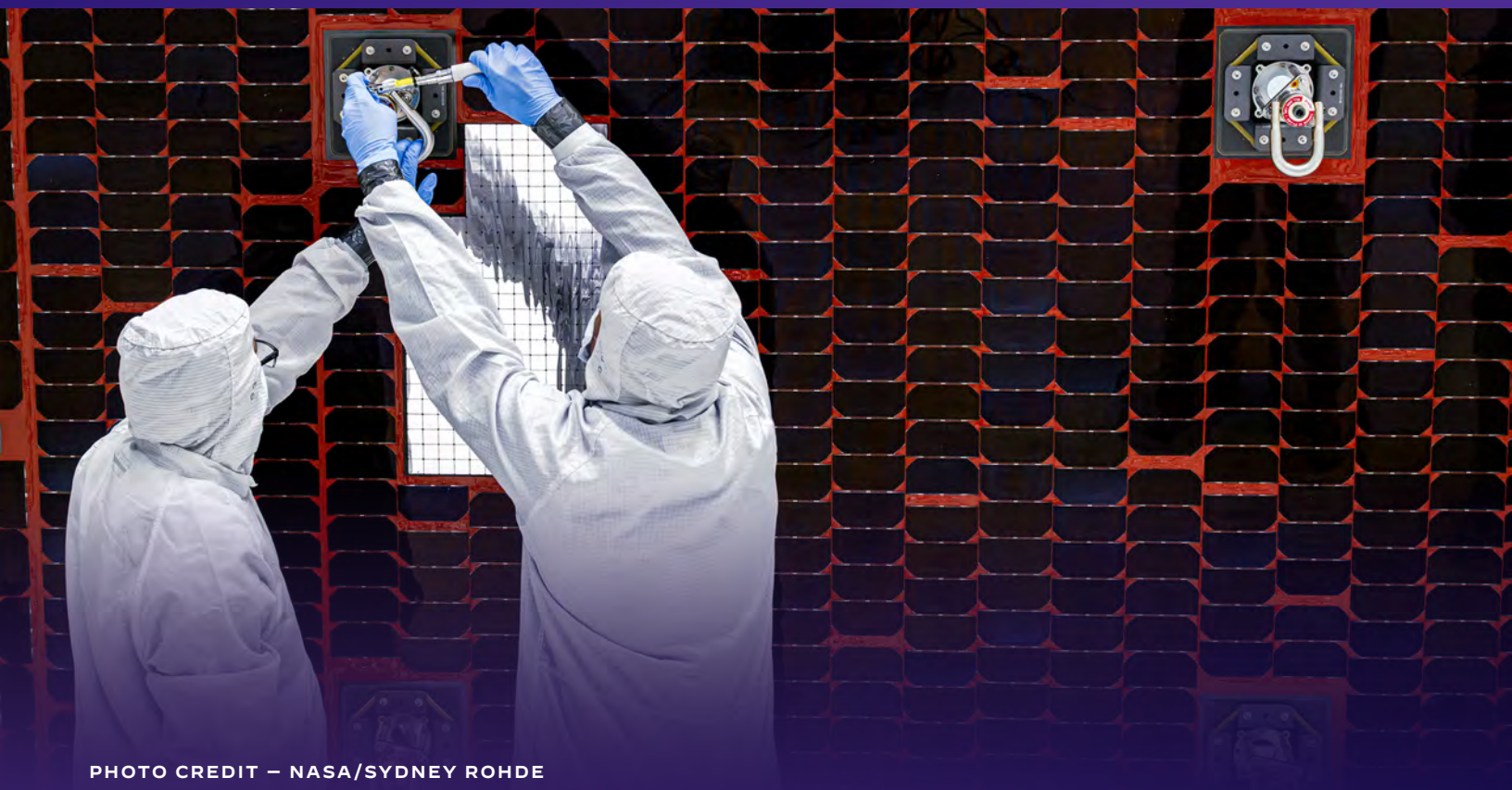


PHOTO CREDIT — NASA/SYDNEY ROHDE

Technicians at NASA's Goddard Space Flight Center recently installed NASA's Nancy Grace Roman Space Telescope's solar array Sun shield — the set of solar panels that will travel with Roman a million miles away into space! These panels will power the entire observatory and help keep the instruments cool by shading them from sunlight.

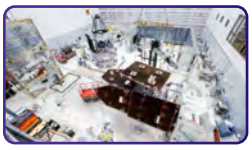
Payment Integrity Information Act (PIIA) Reporting

Per OMB requirements, each Executive Branch agency must complete an Annual Data Call. The Annual Data Call fulfills reporting requirements under the Payment Integrity Information Act of 2019 (Public Law (P.L.) 116-117) (PIIA) and provides the public with comprehensive improper payment data and information. NASA's response to the OMB Annual Data Call accomplishing PIIA reporting requirements can be found on www.PaymentAccuracy.gov.

NASA's Annual OIG Audit Follow-up Activity Report

Pursuant to the Inspector General Act of 1978 (P.L. 95-452), as amended, and codified at 5 U.S.C. Section 405(c), NASA's FY2024 OIG Audit Follow-up Activity Report is available online at: www.nasa.gov/audit-liaison-resolution-alr-and-follow-up-program/. The FY 2025 Report will be posted to this site as soon as it is released.

Did You Know?



Over the course of two days, eight technicians installed solar panels onto the outer portion of NASA's Nancy Grace Roman Space Telescope. Each of the six panels is about 23 by 33 feet (7 by 10 meters), fitted with photovoltaic cells which will harness energy from sunlight to power the observatory. The solar panels were designed, built, and installed at NASA's Goddard Space Flight Center in Greenbelt, Md. *Photo credit — NASA Goddard (Jul 10, 2025)*

SCAN ME

OIG Report on NASA's Top Management and Performance Challenges

MESSAGE FROM THE NASA OIG SENIOR OFFICIAL

As required by the Reports Consolidation Act of 2000, this annual report presents the NASA Office of Inspector General's (OIG) independent assessment of the top management and performance challenges facing the Agency. For the 2025 report, we identified five challenges:

1. Returning Humans to the Moon
2. Sustaining a Human Presence in Low Earth Orbit
3. Improving Management of Major Programs and Projects
4. Managing Cybersecurity Risks and Emerging Technology
5. Sustaining Mission Critical Capabilities

The work of NASA stands as an iconic symbol of what the United States is capable of achieving. Since its inception in 1958, NASA scientists, technicians, and astronauts have defined and redefined the limits of science. Crews have been living in low Earth orbit continuously aboard the International Space Station since 2000. Station crews conduct experiments only possible in the unique conditions of space, observe Earth as a system, and test new technologies that ultimately will help send humans far beyond Earth. Artemis missions will send humans to the Moon for long-term scientific exploration and discovery. Artemis I was an uncrewed flight test that traveled 40,000 miles past the far side of the Moon and back to Earth to validate the Space Launch System heavy-lift rocket, the Orion Multi-Purpose Crew Vehicle, and other key systems. Artemis II, expected to launch no later than April 2026, will be the first flight test with astronauts to validate crew life support systems, and Artemis III will mark the beginning of humanity's return to the lunar surface.

Science missions showed us new areas of the universe in stunning detail with the James Webb Space Telescope, analyzed samples from the asteroid Bennu, and captured images of Earth in a new spectrum of colors with the launch of the Plankton, Aerosol, Cloud, ocean Ecosystem satellite. NASA's aeronautical experts are leading a government-commercial industry team to collect data that could make supersonic flight over land possible, dramatically reducing travel time in the United States and abroad. Current technology demonstrations will enable NASA to mature cutting-edge, laboratory-proven technologies and new capabilities that will transform future science and space exploration goals.

Despite these capabilities and accomplishments, returning humans to the Moon, sustaining a human presence in low Earth orbit, improving management of major programs and projects, managing cybersecurity risks and emerging technology, and sustaining mission critical capabilities continue to present challenges to the Agency. In deciding whether to identify an issue as a "top challenge," we consider its significance in relation to NASA's overall mission; whether its underlying causes are systemic in nature; and its susceptibility to fraud, waste, and abuse. The five highlighted challenges are not the only significant issues that confront NASA, and identification of an issue as a top challenge does not denote significant deficiencies or lack of attention on the Agency's part. Rather, most of these issues are long-standing challenges central to core missions.

CONTINUED
OIG Report on NASA's Top Management and Performance Challenges

NASA's continued success will require constancy of purpose, long-term funding commensurate with the authorized Agency mission, a technically skilled workforce able to devote sustained effort to address challenging problems, and leading-edge equipment and supporting infrastructure that enable work at the forefront of science, engineering, and technology. Behind every mission NASA launches and milestone they reach, there is a budget that reflects the Agency's current priorities. On May 30, 2025, NASA released its proposed budget for fiscal year 2026. The intent of the budget is to keep NASA's return to the Moon on track while refocusing investments to ensure long-term lunar and Martian exploration efforts are sustainable and affordable, transition to commercial services for Artemis IV and beyond, and align the science and technology portfolios to missions and technologies essential for human exploration of the Moon and Mars. Furthermore, the proposed budget aims to streamline NASA's workforce, information technology services, NASA center operations, facility maintenance, and construction and environmental compliance activities. In fiscal year 2025, NASA received $24.8 billion. The Agency's fiscal year 2026 budget has yet to be approved but foreshadows reductions in both funding and workforce. Even with the uncertainty, NASA must continue to plan their path forward.

Throughout its history, NASA has demonstrated the ability to focus and adapt, enabling the boldest visions of research and space exploration. In every moment of that history, the Agency has been required to perform cost-benefit analyses of risks and consider various methods and paths to accomplish those missions. As part of its strategic decision-making, following the Office of Personnel Management's January 2025 offer of deferred resignation, the Agency offered civil servants a second opportunity for deferred resignation in June 2025 and granted voluntary early retirement authority in fiscal year 2025. Additionally, the Agency plans to scale back or discontinue efforts not aligned with their Moon and Mars exploration priorities and reduce its facility footprint to improve operational efficiency. To enable its missions' continued success, NASA must maximize all of its assets; ensure knowledge is preserved and passed on to the next generation of scientists, engineers, and policy experts; and assure stakeholders that the Agency is consistently focused on its strategic priorities.

The OIG is committed to providing independent, objective, and comprehensive oversight to improve Agency outcomes. In fiscal year 2025, the Office of Audits conducted 15 audits, identifying 54 recommendations aimed at improving NASA operations. The Office of investigations' work has resulted in civil settlements; criminal convictions; and debarments of NASA contractors, grantees, and individuals. In fiscal year 2025, the Office of Investigations' total monetary impact was almost $7.3 million from criminal, civil, and administrative actions with approximately $1.4 million returned directly to NASA. We plan to conduct audits and investigations in the coming year that focus on NASA's continuing efforts to address these and other challenges. The Office of Inspector General's 2025 report on the Agency's top management and performance challenges is available on our website at https://oig.nasa.gov/nasa-management-challenges/.

Robert H. Steinau

Robert H. Steinau
Senior Official

Agency Response to OIG Report on NASA's Top Management and Performance Challenges

National Aeronautics and Space Administration

Office of the Administrator
Mary W. Jackson NASA Headquarters
Washington, DC 20546-0001

January 2, 2026

TO: Senior Official Performing the Duties of the Inspector General

FROM: Administrator

SUBJECT: Agency Response to Office of Inspector General Report "2025 Report on NASA's Top Management and Performance Challenges"

The National Aeronautics and Space Administration (NASA) appreciates the opportunity to review and comment on the Office of Inspector General (OIG) draft report entitled 2025 Report on NASA's Top Management and Performance Challenges (Q-25-03-00-AOQA), dated September 18, 2025.

The Agency values the OIG's perspective on risks and vulnerabilities related to programs and operations, as well as its recognition of NASA's successes. The OIG's audits and investigations augment collective efforts to provide oversight and gain insight into NASA's broad portfolio of programs, projects, and mission support activities. These efforts further the cause of providing the taxpayer with maximum value for each dollar invested in NASA's ambitious and challenging portfolio. NASA continues to aggressively pursue the mitigation and remediation of findings related to audit recommendations, including those that underpin the observations in this report.

While striving for optimal outcomes, NASA acknowledges that it can always improve. The audacity of the missions undertaken carries significant risk. The Agency's ability to overcome these challenges depends on maximizing successes and learning from failures. NASA strengthens accountability both internally and through procurement activities with external partners and vendors.

NASA agrees with the five broad areas outlined in the 2025 report and highlights mitigation and remediation efforts relative to each challenge that are underway or have been completed. These efforts demonstrate NASA's commitment to addressing its most significant management and performance challenges.

Challenge 1: Returning Humans to the Moon

The Artemis missions reflect the excitement, innovation, and collaborative spirit driving NASA's goals for space exploration. NASA does not, and will not, take this public trust for granted. The Agency's commitment to safety is unparalleled due to the extreme risks involved in space exploration and the comprehensive systems in place to mitigate those risks. NASA designs systems with multiple layers of redundancy, embeds continuous safety reviews into every stage of mission development, and prioritizes astronaut survival above all else. The Exploration Systems Development Mission Directorate (ESDMD) continuously

CONTINUED
Agency Response to OIG Report on NASA's Top Management and Performance Challenges

learns from past missions and incorporates lessons learned into future missions to enhance safety and performance.

Testing heat shield performance was a primary objective of the Artemis I mission. Post-flight analysis revealed unexpected char loss across the Orion heat shield. Engineers conducted eight separate post-flight thermal test campaigns, completing 121 individual tests to support the root cause determination. NASA's technical authorities and senior leadership concluded that acceptable flight rationale can be developed to safely fly the Artemis II crew using the existing heat shield, with targeted operational changes to the entry profile.

NASA has a history of discovering unexpected performance during rigorous testing and proceeding safely through analysis and mitigation rather than immediate hardware replacement. For example: early Apollo heat shield tests revealed ablation patterns that differed from predictions; pre-flight Space Shuttle engine tests detected minor vibrations or thrust variations; and Orion parachute drop tests occasionally showed unexpected canopy inflation behavior. In each case, engineers refined procedures, adjusted designs, or updated operational parameters, enabling safe missions while improving future systems. The Artemis I heat shield assessment reflects this same risk-informed approach: test to learn, analyze, mitigate risk, and incorporate lessons into subsequent flights.

NASA is producing future Orion heat shields for Artemis lunar landing missions with improvements to achieve greater material uniformity and consistent permeability. These advancements strengthen long-term system robustness while ensuring near-term missions proceed safely.

NASA publicly shared its heat shield decision on December 5, 2024, following unanimous agreement among senior leadership and subject matter experts. As administrator, one of my earliest priorities has been to fully understand the technical basis for this decision and ensure it reflects the Agency's commitment to safety, transparency, and data-driven judgment. NASA will continue to make additional information available to the public as analyses are completed and decisions are refined.

These efforts occur amid significant aerospace supply chain disruptions, which have compounded technical and schedule challenges across the industry. NASA is managing these pressures through proactive coordination, risk-informed decision-making, and clear communication of the interconnected factors affecting cost, schedule, and performance.

NASA employs a range of tools to monitor quality, progress, and performance relative to cost and schedule objectives. These approaches include government mandatory inspection points, project-level cost and schedule joint confidence level commitments (including for major developmental upgrades), independent reviews at major life-cycle reviews and key decision points, documented and configuration-controlled mission definition baselines, risk assessments, independent financial auditing, and Agency-led baseline performance and major program reviews. Independent reviews are also conducted by entities such as the Aerospace Safety Advisory Panel. This rigorous monitoring helps NASA maintain accountability and quality in its programs and projects.

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Agency Response to OIG Report on NASA's Top Management and Performance Challenges

ESDMD recognizes the OIG's critical role in promoting Artemis accountability and transparency. The Artemis II mission represents a significant milestone in NASA's Artemis missions and human space exploration efforts, bringing the Agency closer to returning humans to the Moon and eventually sending astronauts to Mars. NASA remains committed to ensuring safe missions, reflecting its dedication to astronaut safety, mission success, and advancement of human space exploration.

Challenge 2: Sustaining a Human Presence in Low Earth Orbit

NASA agrees that a sustained human presence in low Earth orbit (LEO) will be critical to supporting research and exploration missions after the end of the International Space Station (ISS) Program. NASA tracks maintenance tasks and sparing[1] on the ISS and is positioned to continue safe operations through end-of-life, including safe deorbit. The ISS Program continues to work closely with international partners to ensure the viability of all modules and systems through end-of-life.

NASA is working with industry and commercial partners to refine the transition from ISS operations to Commercial LEO Destinations. In 2025, the One Big Beautiful Bill Act provided $325 million for the U.S. Deorbit Vehicle, which passed its Preliminary Design Review in September 2025. Maintaining a robust U.S. transportation capability will be a key component as NASA moves beyond ISS operations.

NASA will continue to work with contributors across the Agency and commercial partners to maximize and optimize the life and value derived from the International Space Station, while preparing for a future in which the Agency develops on one or more stations in partnership with the commercial industry.

Challenge 3: Improving Management of Major Programs and Projects

NASA has addressed challenges impacting acquisition and performance management of major programs and projects by optimizing available resources while advancing ingenuity and innovation. Over several years, the Agency has improved policies and processes to control cost and schedule while ensuring safety and mission success, most recently minimizing growth in cumulative cost overruns and decreasing cumulative development schedule delays of major programs and projects.

Identifying and addressing contract overruns is a priority for NASA, reflecting the Agency's commitment to fiscal responsibility and stewardship of taxpayer resources. NASA has invested significant effort to advance programmatic controls, analytical capabilities, contract management, acquisition strategies, reporting transparency, and cost and schedule performance through Corrective Action Plans implemented in response to the Government Accountability Office's High Risk List designation. These actions demonstrate NASA's understanding that bold ambitions must balance scope and complexity with effective cost and schedule management. However, much work remains.

NASA prioritizes both short-term cost containment and long-term mission objectives to enable meaningful exploration and discovery. The OIG report recommends including all

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Agency Response to OIG Report on NASA's Top Management and Performance Challenges

costs for each Artemis mission in flight-specific estimates; however, this approach does not reflect the Agency's integrated program design or cost accounting practices, which capture individual element costs during Phase E, Operations and Sustainment. Applying a flight-by-flight benchmark would misrepresent the program's structure and management decisions previously communicated by the Agency.

Artemis implementation is guided by a flexible architecture, enabling NASA to adapt to changing requirements, leverage partnerships, and achieve sustainable, cost-effective human exploration of the Moon and beyond. The Agency has established Agency Baseline Commitments (ABC) for each project element of the Artemis missions, under the leadership of the Moon to Mars Program Office and has set ABCs for projects over $250 million across Mission Directorates. NASA regularly updates the Office of Management and Budget and Congress on the performance and progress of development projects and elements that have moved into production and operations.

Managing NASA's portfolio amid budgetary uncertainty and complex program requirements presents ongoing challenges. The Agency addresses these by leveraging commercial partnerships, strengthening acquisition processes, and applying robust cost, risk, and schedule management tools. NASA maintains rigorous financial controls and transparent reporting to ensure responsible stewardship of taxpayer resources while continuing to advance exploration objectives and sustain American leadership in space.

Challenge 4: Managing Cybersecurity Risks and Emerging Technology

NASA acknowledges the challenges in this area and is taking mitigating actions described below.

Artificial Intelligence
NASA has made significant advancements in adopting generative Artificial Intelligence (AI) capabilities, establishing management controls and safeguards to responsibly implement AI and protect NASA data. NASA participates in incentive programs offered by IT cloud providers and AI companies to gain first-hand experience using AI to support mission requirements. Microsoft CoPilot Lite is available to the workforce, and NASA developed an internal chat tool, ChatGSFC. Copilot Premium is also available to all NASA civil servant and contractor staff on a trial basis through April 30, 2026, under the General Services Administration's OneGov licensing agreement. These tools allow staff to gain proficiency and find efficiencies in daily work.

NASA published the 2025 NASA Data Strategy and will publish its first AI Strategy in January 2026. Both strategies establish vision, goals, and objectives, and unify working groups across the Agency to manage AI procurement, data maturity assessment, policy, and governance. NASA has issued generative AI guidance encouraging responsible AI use and published a list of approved AI tools.

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Agency Response to OIG Report on NASA's Top Management and Performance Challenges

Zero Trust Architecture
In a Zero Trust architecture, access to resources is based on the principle of least privilege. NASA's move to Zero Trust is a necessity for strengthening cybersecurity against motivated adversaries. NASA's Office of the Chief Information Officer (OCIO), through its Cybersecurity Improvements Portfolio (CIP), leads focused efforts to mature Zero Trust implementation Agency-wide. The CIP manages scope, cost, schedule, performance, and risk for projects and initiatives and tracks nearly 300 Zero Trust requirements and a dozen federal mandates.

Workshops with Mission organizations help identify gaps and establish a whole-of-Agency approach. This collaboration strengthens the relationship between OCIO and Mission Directorates to support persistent information sharing and implementation of Zero Trust across the Agency.

Federal Information Security Modernization Act
NASA continues to evaluate qualitative and quantitative effectiveness measures to address enterprise-wide cybersecurity challenges. Effective engagement and collaboration between OCIO and Mission Directorates, facilitated by the Enterprise Risk Integration Strategy Officer, ensures communication and documentation of risk. NASA continues to pursue top-down integration solutions for cybersecurity risk communication and program implementation, which will reflect in Agency projects and system-level assessments.

Challenge 5: Sustaining Mission Critical Capabilities

Workforce
NASA's mission-critical capabilities sustain the Agency's global leadership in science, exploration, and innovation. NASA refines its workforce planning process to align institutional operations with priority mission needs. Centers and Mission Support Enterprise Organizations work closely with Mission Directorates, the Office of the Chief Financial Officer, and program offices to plan workforce levels based on estimated workload and budget.

In response to workforce reductions, NASA implements targeted talent development strategies focusing on supervisory development and technical training to maintain frontline leadership capability and specialized expertise.

Opportunities to recognize, reward, and inspire the workforce can maximize NASA's talent and reinforce high performance. NASA's enterprise recruitment strategy integrates digital platforms, virtual outreach, and in-person engagement. Government-wide programs such as Pathways build a sustainable pipeline of early-career professionals, while special hiring authorities and workforce flexibilities enable the Agency to remain competitive. Grassroots recruitment at the Center level ensures alignment with local talent pools and mission-specific needs.

Empowering individual contributors to take decisive action enables the Agency to move with greater agility and maintain leadership in space exploration.

CONTINUED
Agency Response to OIG Report on NASA's Top Management and Performance Challenges

Infrastructure
NASA takes a disciplined, data-driven approach to modernize and right-size infrastructure to support current and future mission needs. Guided by Administration priorities, the Agency focuses investments on facilities with the highest demand and mission relevance, particularly those required for Moon to Mars and other human spaceflight objectives, while rapidly divesting assets with little or no mission demand. This approach ensures resources are directed where they deliver the greatest mission value.

The Agency implements the Agency Master Plan (AMP) and Asset Inventory Assessment to categorize facilities based on mission relevance. This enables prioritization of mission-critical assets, identification of opportunities to monetize or out-grant infrastructure, and accelerated divestment of unneeded facilities, reducing operating costs and addressing the deferred maintenance backlog.

Limited operations and maintenance resources are concentrated on critical assets through Reliability-Centered Maintenance and standardized stewardship practices, ensuring resilient, reliable infrastructure capable of sustaining uninterrupted operations.

Enterprise acquisition strategies reduce procurement timelines, increase competition, and deliver cost savings for reinvestment into priority infrastructure needs. Funding provided under the One Big Beautiful Bill (OBBB) Act provides a critical down payment toward modernizing infrastructure at human spaceflight centers.

These efforts reflect a "One NASA" approach to allocating resources, including OBBB investments, toward infrastructure that is required, utilized, and aligned with mission objectives while divesting assets no longer needed. This strategy reduces risk, contains long-term costs, and ensures NASA's infrastructure is positioned to support exploration missions.

Space Communications

The Space Communications and Navigation (SCaN) program is executing National policy guidance to transition services to the commercial sector where practicable, leveraging private-sector innovation while maintaining essential government-unique capabilities. Nearly half of mission direct-to-ground service minutes are delivered by commercial providers, with opportunities to scale for routine services. SCaN prioritizes mission continuity and infrastructure that makes commercial adoption safe and repeatable.

Aging network infrastructure presents challenges. SCaN addresses space relay needs for the Near Space Network and upgraded Deep Space Network (DSN) scheduling tools in fiscal year 2025. Oracle Private Cloud Appliances were upgraded to a more robust, cloud-enabled system, reducing processing time and enabling multi-scenario schedule planning. Engagement with industry uplifts the orbital economy while allowing NASA to focus on developing future technologies.

CONTINUED
Agency Response to OIG Report on NASA's Top Management and Performance Challenges

Conclusion

NASA has reviewed the report for information that should not be publicly released and identified none. The Agency acknowledges its shortcomings and remains committed to continuous improvement. Space exploration inherently involves uncertain outcomes, and NASA is committed to accomplishing the near impossible while continuously improving safety and robustness.

Thank you for the opportunity to review and comment on the draft 2025 Top Management and Performance Challenges report and provide updates on progress. Questions regarding NASA's response may be directed to Mark Jenson, GAO/OIG Audit Liaison Program Manager, at (202) 358-0629.

Jared Isaacman
NASA Administrator

cc:
Chief Financial Officer/Mr. Schmidt (Acting)
Chief Information Officer/Mr. Gallagher (Acting)
Associate Administrator for Exploration Systems Development Mission Directorate/
Dr. Glaze (Acting)
Associate Administrator for Space Operations Mission Directorate/Mr. Bowersox
Assistant Administrator for Strategic Infrastructure/Ms. Thaller (Acting)
Chief Human Capital Officer/Ms. Elliott

Civil Monetary Penalty Adjustment for Inflation

PHOTO CREDIT —NASA/BILL INGALLS

Members of NASA and Department of Defense recovery team pose for a group photograph on the flight deck of USS Somerset after practicing Artemis recovery operations during Underway Recovery Test-12 off the coast of California, Saturday, March 29, 2025. During the test, NASA and Department of Defense teams are practicing to ensure recovery procedures are validated as NASA plans to send Artemis II around the Moon and splashdown in the Pacific Ocean.

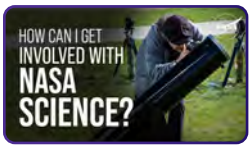
For The Fiscal Year Ended September 30, 2025

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (P.L. 114-74), requires agencies to make annual inflation adjustments to civil monetary penalties and report on these adjustments in their AFR.

Agencies must include, as Other Information, information about civil monetary penalties within their jurisdiction and the annual inflation adjustments made under the Act.

NASA reviewed each of the penalty amounts under its statutes and penalty amounts for inflation when required under law. The authorities imposing the penalties, the civil penalties, the adjustment years, and the current penalty amounts for penalty updates are located in the Federal Register Volume 90, No. 87 at https://www.govinfo.gov/content/pkg/FR-2025-05-07/pdf/2025-07886.pdf.

Did You Know?



Want to do real NASA science? You can. Right now, dozens of NASA projects need your help. From spotting asteroids to searching for planets beyond our solar system, and so much more, there are projects for everyone. And you don't need a PhD to get involved, just your curiosity!
Photo credit — NASA (Jul 18, 2025)

SCAN ME

Undisbursed Balances in Expired Grant Accounts

In December 2015, Congress passed the Commerce, Justice, Science, and Related Agencies Appropriations Act, 2016 (Division B of the Consolidated Appropriations Act, 2016, P.L. 114-113), which required NASA to report undisbursed balances in expired grant accounts. OMB Memorandum M-16-18, Financial and Performance Reporting on Undisbursed Balances in Expired Grant Accounts, requires this information to be included each year until instructed otherwise. NASA monitors and tracks grants' undisbursed balances in expired accounts through a monthly review of internal control activities designed to identify undisbursed balances in expired accounts.

NASA generates financial management reports to aid in the tracking and monitoring of undisbursed amounts. An aging report of open obligations is generated monthly to determine the last day on which activity occurred. For open obligations in which no activity has occurred in a six-month period and/or there is no supporting documentation, further review is performed to determine the validity of obligation balances and the existence of valid source documentation. Additionally, further analysis is performed to determine whether funds can be de-obligated. If obligations are valid, the aging reports are updated to reflect that obligations have been confirmed with Procurement as valid.

NASA will continue to track undisbursed balances in expired grant accounts through its monthly review of internal control activities designed to identify funds for de-obligation. This involves the continuous monitoring of undisbursed balances, identifying balances that should be de-obligated, and performing timely closeout of grants and other activities. Additionally, NASA's financial management and procurement offices will continue to collaborate in monitoring and tracking undisbursed balances.

Currently, NASA does not have undisbursed balances in expired accounts that may be returned to the Treasury of the United States. The following chart reflects the total number and dollar amount of undisbursed grants for which the period of performance has expired. All amounts have been obligated to a specific project.

The expired awards listed below include those within 120 days of the period of performance end date. In accordance with the Code of Federal Regulations §200.344, grant recipients are provided 120 days to finalize reporting and complete all financial transactions. As of this reporting period, 528 expired awards with undisbursed balances totaling $9.8 million remain within the allowable closeout timeframe. Once all closeout requirements are met by the grantee, NASA makes every effort to close out the grants in a timely manner. The number of expired grants with undisbursed balances closely correlates to the total number of awards that expired each year, which explains the increase in FY 2025.

FISCAL YEAR	TOTAL NUMBER OF EXPIRED GRANTS WITH UNDISBURSED BALANCES	TOTAL AMOUNT OF UNDISBURSED BALANCES FOR EXPIRED GRANTS (IN THOUSANDS)
2025	1134	$ 14,938
2024	975	$ 12,936
2023	663	$ 8,126

Grants Programs Information

PHOTO CREDIT —NASA/RAD SINYAK

Orion Mission Evaluation Room (MER) team member works during an Artemis II mission simulation on Aug. 19, 2025, from the new Orion MER inside the Mission Control Center at NASA's Johnson Space Center in Houston.

Significant reporting entities with Federal grant programs must submit a brief, high-level summary of expired, but not closed, Federal grants and cooperative agreements (awards). NASA continues to ensure its grant programs operate efficiently with the timely processing of expired, but not closed, Federal grants and cooperative agreements (awards) for closeout.

The Continuing Monitoring Program ensures ongoing review and validation of financial data and the effectiveness of internal controls over the entire financial management process, including grants. When grants with undisbursed balances in expired accounts are identified, appropriate action is taken to ensure optimum use of grant resources.

In FY 2025, the number of grants that had been expired for 2 or more years was reduced from 8 to 2. The total amount of undisbursed balances in this population decreased from $202,870 to $82,870. One instrument with undisbursed balances could not be de-obligated and closed, as it remains pending the closeout of cost-reimbursable sub-awards.

NASA continued using an automated process which sends expired grants to closeout on a weekly basis. This enhancement continues to ensure that the Agency operates with efficiency when managing and monitoring the grant closeout process.

CATEGORY	2–3 YEARS	4–5 YEARS	MORE THAN 5 YEARS
Number of Grants/Cooperative Agreements with Zero Dollar Balances	—	—	1
Number of Grants/Cooperative Agreements with Undisbursed Balances	1	—	—
Total Amount of Undisbursed Balances (In Thousands)	**$ 83**	**$ —**	**$ —**

APPENDIX

PHOTO CREDIT – NICHOLE AYERS

NASA astronaut and Expedition 72 Flight Engineer Anne McClain is pictured near one of the International Space Station's main solar arrays during a spacewalk to upgrade the orbital outpost's power generation system and relocate a communications antenna.

Certificate of Excellence in Accountability Reporting Award

AGA awarded NASA its prestigious CEAR Award and Best-In-Class Award, marking the 11th year NASA has been recognized for its excellence in financial reporting.

Best-In-Class Award for Clear and Insightful Financial Analysis

"This agency presents an easy-to-understand analysis of its financial statements and incorporates informative graphs and charts. It also includes an analysis of the sources of its funding and aligns gross costs by strategic goal to provide additional insights into the agency's operations."

Glossary of Acronyms

A	
ABC	Agency Baseline Commitment
AFR	Agency Financial Report
AFRC	Armstrong Flight Research Center
AI	Artificial Intelligence
AICPA	American Institute of Certified Public Accountants
AMP	Agency Master Plan
APMC	Agency Program Management Council
ARC	Ames Research Center
ARMO	Agency Risk Management Officer
ARMWG	Agency Risk Management Working Group
ASC	Accounting Standards Codification
ASC	Acquisition Strategy Council
ATV	Automated Transfer Vehicle
C	
Caltech	California Institute of Technology
CEAR	Certificate of Excellence in Accountability Reporting
CFMPP	Cryogenic Fluid Management Portfolio Project
CIP	Cybersecurity Improvements Portfolio
CRV	Current Replacement Value
CSM	Crew and Service Module
CSRS	Civil Service Retirement System
D	
DM&R	Deferred Maintenance and Repairs
DSN	Deep Space Network
DSOC	Deep Space Optical Communications
E	
EC	Executive Council
ECC	Enterprise Central Component
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
ESA	European Space Agency
ESCO	Energy Service Company
ESDMD	Exploration Systems Development Mission Directorate
ESPC	Energy Savings Performance Contract
EUL	Enhanced Use Lease
EY	Ernst & Young LLP
F	
FAA	Federal Aviation Administration
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FASB	Financial Accounting Standards Board
FBWT	Fund Balance with Treasury
FCA	Facility Condition Assessment
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FFRDC	Federally Funded Research and Development Center
FMFIA	Federal Managers' Financial Integrity Act
FY	Fiscal Year
G	
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GRC	Glenn Research Center
GSFC	Goddard Space Flight Center
GTA	Government Task Agreement
GTAS	Government-wide Treasury Account Symbol Adjusted Trial Balance System
H	
HLS	Human Landing Systems
HQ	NASA Headquarters
HTV	H-II Transfer Vehicle
I	
ICRB	Internal Control Review Board
IMAP	Interstellar Mapping and Acceleration Probe
ISS	International Space Station
IT	Information Technology

CONTINUED
Glossary of Acronyms

J	
JAXA	Japan Aerospace Exploration Agency
JPL	Jet Propulsion Laboratory
JSC	Johnson Space Center
K	
KSC	Kennedy Space Center
L	
LaRC	Langley Research Center
LEO	Low Earth Orbit
M	
M&R	Maintenance and Repairs
MSC	Mission Support Council
MSFC	Marshall Space Flight Center
MSWG	Management System Working Group
MUSE	Multi-slit Solar Explorer
N	
N/A	Not Applicable
NASA	National Aeronautics and Space Administration
NEO	Near-Earth Object
NextSTEP	Next Space Technologies for Exploration Partnerships
NFS	NASA FAR Supplement
NHPA	National Historic Preservation Act
NISAR	NASA-Indian Space Research Organization Synthetic Aperture Radar
NSSC	NASA Shared Services Center
O	
OBBB	One Big Beautiful Bill
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
ODRM	Objectives Driven Risk Management
OIG	Office of Inspector General
OMB	Office of Management and Budget
OP	Operating Plan
OSIRIS-Rex	Origins, Spectral Interpretation, Resource Identification, and Security – Regolith Explorer
OSMA	Office of Safety and Mission Assurance
P	
P.L.	Public Law
P3	Public-Private Partnerships
PIIA	Payment Integrity Information Act
PIO	Performance Improvement Officer
PP&E	Property, Plant, and Equipment
R	
R&D	Research and Development
RFI	Requests for Information
S	
SBR	Statement of Budgetary Resources
SCaN	Space Communications and Navigation
SFFAS	Statement of Federal Financial Accounting Standards
SLS	Space Launch System
SoA	Statement of Assurance
SPHEREx	Spectro-Photometer for the History of the Universe, Epoch of Reionization, and Ices Explorer
SSC	Stennis Space Center
T	
TTBW	Transonic Truss Braced Wing
U	
U.S.	United States
U.S.C.	United States Code
UESC	Utility Energy Service Contract
UNICORN	Unified Comprehensive Operational Risk Network
USSGL	United States Standard General Ledger
V	
VIPer	Volume of Integrated Performance

Thank You

The AFR was created through the hard work and dedication of NASA employees in Washington, D.C. We extend our sincerest thanks and acknowledgments, especially to the individuals and organizations listed below.

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BACK COVER IMAGE

A SpaceX Falcon 9 rocket with the company's Dragon spacecraft on top is seen during sunrise on the launch pad at Launch Complex 39A at NASA's Kennedy Space Center in Florida on Tuesday, March 11, 2025, ahead of the agency's SpaceX Crew-10 launch. Crew-10 is the 10th crew rotation mission with SpaceX to the International Space Station as part of the agency's Commercial Crew Program, sending NASA astronauts Anne McClain and Nichole Ayers, along with JAXA (Japan Aerospace Exploration Agency) astronaut Takuya Onishi and Roscosmos cosmonaut Kirill Peskov to the orbiting laboratory for about a four-month science mission.

PHOTO CREDIT – SPACE X

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