



A MESSAGE FROM THE DIRECTOR



I am pleased to share with you the *Performance and Accountability Report (PAR)* of the U.S. National Science Foundation (NSF) for Fiscal Year (FY) 2006. This report presents the agency's financial condition and significant management and programmatic achievements of the past year. It meets the requirements of the Government Performance and Results Act and other management legislation, and most importantly, demonstrates NSF's commitment to be accountable for results measured against the goals established in our strategic plan. The financial and performance data we present are complete and reliable and conform to the Office of Management and Budget (OMB) guidance.

NSF is the federal government's only agency dedicated to the support of fundamental research across all fields of science and engineering and science and engineering education at all levels. For more than 50 years, NSF has been at the forefront of discovery—nearly 200 Nobel Prize winners and thousands of other distinguished scientists and engineers have conducted their groundbreaking research with funding from NSF. NSF's work has a profound and far-reaching impact—from protecting the environment, improving human health, growing our standard of living, and sustaining the nation's competitiveness in a global economy to supporting our nation's ability to secure the homeland. Moreover, NSF's investments are critical to producing the future generation of world-class scientists and engineers who will develop the ideas and research tools that will address the challenges of today and the future.

In FY 2006, NSF received over 42,000 proposals and made 10,450 new awards to 1,700 colleges, universities and other research enterprises throughout the country. The discoveries resulting from NSF investments are both exciting and transformative. Included in this report are research results reported by NSF grantees in FY 2006, from all fields of science and engineering research and education and from individual researchers to multinational collaborations at major facilities that involve researchers from several disciplines. NSF's establishment of a foreign office in Beijing, China, last spring will enable more effective participation in the international arena and education initiatives that will help build greater capacity for productive multinational collaboration.

In FY 2006, NSF-supported researchers conducting on-site studies across the southeastern United States were able to determine how and why numerous levees failed, thus providing information to enable engineers to improve their plans for repairs. NSF-supported researchers at New York University's Courant Institute of Mathematical Sciences developed a new algorithm that makes it much easier to detect certain cancer genes. These are only two examples of the many discoveries reported by NSF-supported researchers last year that have important implications for years to come. This report includes many other research highlights reported in FY 2006 by NSF-supported researchers; additional discoveries can be found on NSF's website at www.nsf.gov/discoveries.



Underlying NSF's programmatic achievements is our commitment to results-oriented management practices and sound financial management. Some achievements of note include the following:

- NSF received its ninth consecutive unqualified "clean" opinion from an independent audit of our financial statements, with no material weaknesses reported. NSF is in substantial compliance with the requirements of the Federal Managers' Financial Integrity Act of 1982, although we are reporting a qualified management assurance over internal control due to the scope limitation of the internal review over financial reporting.
- NSF is among a handful of agencies that have maintained "Green" successful ratings in four or more of the President's Management Agenda initiatives.
- All NSF programs evaluated to date by OMB's Program Assessment Rating Tool (PART) are among the 15 percent government-wide that have received the highest "Effective" rating.
- NSF made headlines by winning a Webby Award in a competition that Time Magazine calls the "online Oscars." Our website was named the "People's Choice" among the best government websites. NSF's *FY 2005 Performance Highlights* report received a League of American Communications Professionals (LACP) Honors Award at the 2005 Vision Awards. NSF also had the distinction of being the only federal government agency to be recognized for five years of distinction in its annual reports. These awards speak to NSF's continuing commitment to be informative and accountable to our stakeholders, customers, and the public with respect to our pursuit of scientific excellence and sound stewardship of the public's resources.

I hope you enjoy reviewing this report, and I also invite to you visit NSF's website to learn more about our achievements of the past year and about the exciting discoveries that are emerging every day.


Arden L. Bement, Jr.
Director

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