



## A MESSAGE FROM THE DIRECTOR



Credit: NSF/Stephen Voss

The National Science Foundation (NSF) is pleased to present its *Agency Financial Report* for Fiscal Year (FY) 2016. NSF's mission is to promote the progress of science, to advance the national health, prosperity, and welfare, and to secure the national defense. For nearly seven decades, NSF has stayed true to its mission by playing a critical role in establishing U.S. leadership in science and engineering fields, fostering innovations that drive the economy and supporting the best tools to address threats, whether natural or manmade. In addition, NSF has supported efforts to find and train new talent and improve science education at every level.

Often, the long-term returns on NSF investments lead to new technologies, new understandings of our world and new insights into the human condition. These discoveries keep our nation at the forefront of the world's science and engineering enterprise. FY 2016 provided an opportunity to witness the effects of NSF investment: In February, we announced that researchers at the Laser Interferometer Gravitational-Wave Observatory (LIGO) detected gravitational waves coming from colliding black holes 1.3 billion lightyears away. This discovery, made possible by decades of NSF support, has opened up a new way to observe and understand our universe.

NSF maintains its commitment to funding curiosity-driven, potentially transformative science. With funding received from NSF in FY 2016, engineers are exploring and modeling new water technologies and systems for water treatment, distribution, reuse, and recovery to address the growing demand for water. Neuroscientists and bioengineers funded by NSF are researching cutting-edge technologies to better understand the brain — innovations that could lead to solutions that replace or compensate for lost function. And NSF-supported researchers are working to understand and be prepared for extreme events, such as tornados, floods, earthquakes, and landslides.

NSF directly supported approximately 362,000 researchers, graduate and undergraduate students, postdoctoral fellows, trainees, and K-12 teachers and students in FY 2016. Collectively, NSF-funded researchers have won more than 223 Nobel Prizes for their work in the fields of physics, chemistry, physiology and medicine, and economics, including six Nobel laureates in 2016. In addition, among the 2016 MacArthur Fellows, seven fellows were supported by NSF funding at some point in their careers.

In September 2016, the agency issued the first awards for NSF INCLUDES (Inclusion across the Nation of Communities of Learners of Underrepresented Discoverers in Engineering and Science). NSF INCLUDES is a national initiative that seeks to improve access to STEM education and career pathways at the national scale, making them more widely inclusive of underrepresented and underserved populations. Over the next decade, NSF will expand the program, with the goal of developing a science and engineering workforce that reflects the diversity of U.S. society.

In FY 2016, NSF funded fundamental research and education across all fields of science and engineering, reaching all 50 states, the District of Columbia, and 3 U.S. territories through grants to nearly 1,900 colleges, universities, and other institutions. NSF received over 49,000 competitive requests for funding and made about 12,000 new funding awards. If you would like more information on NSF's performance management process and the complete results of our FY 2016 annual goals under the Government Performance and Results (GPRA) Modernization Act of 2010, I invite you to read NSF's *Annual Performance Report*, which will be released with NSF's *FY 2018 Budget Request to Congress*. In keeping with government-wide requirements, NSF's GPRA data are subject to a rigorous verification and validation review by an independent, external management consultant based on guidance from the U.S. Government Accountability Office.

With the publication of the FY 2016 Agency Financial Report, I am pleased to report that NSF received its 19th consecutive unmodified opinion from an independent audit of its financial statements. The Independent Auditors' Report identified no material weaknesses. In addition, NSF provides reasonable assurance that the agency is in compliance with the Federal Managers' Financial Integrity Act, and that internal control over financial reporting is operating effectively to produce reliable financial reporting.

In March 2016, I marked my second anniversary since being sworn in as NSF director. During this very active and productive time, I have observed that we at NSF never lose sight of our responsibility to be good stewards of the funding entrusted to us. We remain committed to maintaining the highest standards of accountability and transparency, so we can continue to engage the scientific imaginations of hundreds of thousands of scientists, engineers, researchers, educators, and students as we support the wonder of research and the drive for solutions that lead to tomorrow's transformative discoveries.

Thank you for your interest in the National Science Foundation, where discoveries begin.

/s/

**FRANCE A. CORDOVA**

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