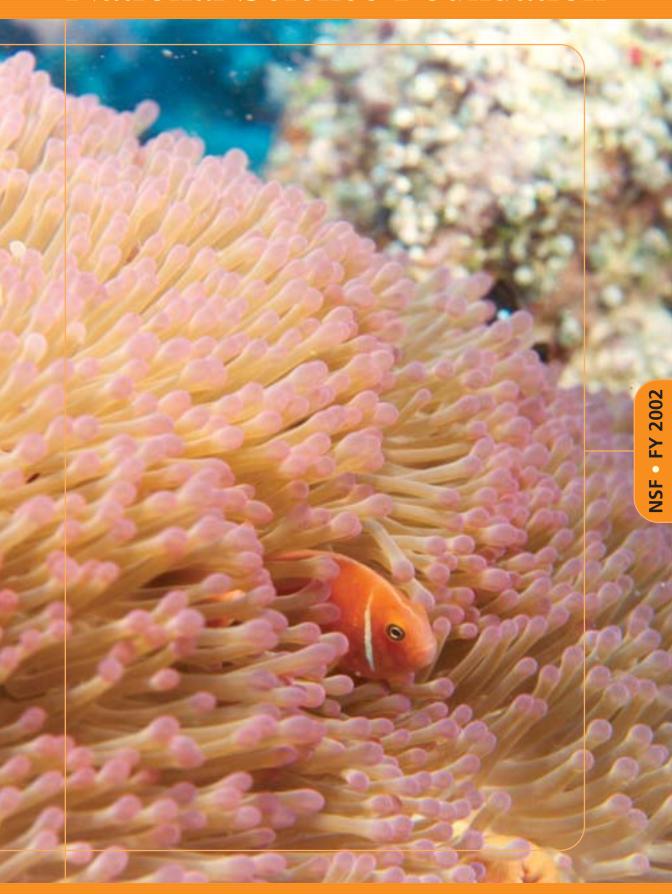
National Science Foundation



Management and Performance Highlights



A still photo from an NSF-funded largeformat film about exploration and new scientific research aimed at understanding and responding to changes in coral reef ecosystems. The film will feature researchers who are part of the global effort to understand and protect such ecosystems. They will document reef diversity and animal behavior, investigate symptoms of reef degradation, provide information on past change, and explore life in extreme ocean environments. NSF-supported informal science

programs such as this film reach a wide and

diverse audience of millions.

Statutory Mission

To promote the progress of science; to advance the national health, prosperity, and welfare; and to secure the national defense.

Vision

Enabling the
Nation's future
through discovery, learning, and
innovation. Realizing the promise
of the 21st century depends in
large measure on today's
investments in science,
engineering, and mathematics
research and education. NSF's
investment—in people, in their
ideas, and in the tools they use—
will catalyze the strong progress
in science and engineering needed
to secure the Nation's future.

Our common pursuit of new knowledge is a powerful tool for bringing people together toward the common goal of solving problems and building a world of peace and prosperity.

Rita R. Colwell Director



Table of Contents

3 — A Message to the Reader

4 Expanding Frontiers

8 — Performance Results

16 — Where Discoveries Begin

24 — Financials

28 — Appendixes

32 — Photo Credits

A MESSAGE TO THE READER

February 2003



Rita R. Colwell Director



Thomas N. Cooley Chief Financial Officer

he National Science Foundation (NSF) invests in a \$5 billion portfolio that keeps the nation at the forefront of discovery, learning, and innovation.

In fiscal year (FY) 2002, for example, an NSF-funded biomedical engineer extended the frontiers of drug delivery technology by developing an implantable microscale device that releases a steady supply of insulin into the bloodstream of people with diabetes. Other NSF-funded researchers have made discoveries that will improve hurricane predictions and enhance our understanding of climate change, while still others have developed a process to control a worldwide crop-killing fungus—a fungus that many consider to be a potential biological weapon for agricultural terrorism. NSF-supported astronomers have reported a newly found planetary system that has a "hometown" look much like our own solar system, and among the 2002 Nobel laureates were four who currently are or have been NSF grant recipients.

Underlying the Foundation's programmatic achievements is administrative excellence and sound financial management. FY 2002 has been a truly impressive year. NSF received its fifth consecutive unqualified audit opinion on our financial statements and third consecutive Certificate of Excellence in Accountability Reporting from the Association of Government Accountants. NSF remained the only federal agency to receive any successful "green" ratings for the President's Management Agenda initiatives, and it received two, one for E-government and one for financial management. Over the past year, the Foundation realized cost savings of over \$500,000 as a result of re-engineering a number of business processes and made significant improvements in awards management, customer service, and large facilities management.

This report, an overview of our core business priorities and programmatic accomplishments of the past year, makes clear that our pursuit of new knowledge, together with our commitment to the highest standards of efficiency and integrity, ensure that the Foundation is delivering the highest return to the American taxpayer.

Rita R. Colwell, Director

Thomas M. Cooley

Thomas N. Cooley, Chief Financial Officer