

**U.S. NRC**

UNITED STATES NUCLEAR REGULATORY COMMISSION

*Protecting People and the Environment*

*NRC Summary of  
Performance and Financial Information  
Fiscal Year 2009*



# MISSION

License and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

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This report is a summary of the U.S. Nuclear Regulatory Commission’s Fiscal Year (FY) 2009 Performance and Accountability Report (PAR), published on November 14, 2009. This report is an easy to read format and contains hyperlinks to the PAR online. In addition, a full copy of the PAR is available on the disk located on the back inside cover.



*Photo Courtesy of NRC Photo Library*

*The U.S. Nuclear Regulatory Commission (NRC) headquarters in Rockville, MD.*

## A Message from the Chairman



I am pleased to present the U.S. Nuclear Regulatory Commission (NRC) Summary of Performance and Accountability Information for fiscal year (FY) 2009. The report provides key financial and performance information to Congress and the American people. Continuing our trend of excellence in reporting, the NRC received an eighth Certificate of Excellence in Accountability Reporting from the Association of Government Accountants (AGA) for our FY 2008 Performance and Accountability Report.

Our mission of protecting public health and safety, promoting common defense and security, and protecting the environment is critical both to the licensees we regulate and to the public we serve. This report highlights our achievements in meeting our mission through the agency's two strategic goals of safety and security, while adhering to the principles of good regulation—independence, openness, efficiency, clarity, and reliability.

In FY 2009, while the NRC maintained effective and efficient oversight of 104 nuclear power plants through emphasis on strengthening the interrelationship among safety, security, and emergency preparedness, the agency concurrently continued to review the critical safety aspects of new reactor designs, environmental siting, and licensing of new nuclear power plants. The NRC also continued to focus on the safe and secure use of nuclear materials through effective oversight of fuel facilities, uranium recovery sites, decommissioning sites, and nuclear material user licensees. In addition, the agency reviewed new applications, including those for uranium enrichment facilities and uranium recovery, to assure that public health and safety and the environment would be protected.

Commensurate with the NRC's programmatic achievements is a commitment to prudently manage the resources entrusted to it by the American public. The NRC continues to evaluate its internal controls and to implement internal control improvements, including those related to financial reporting and financial management systems, as required by the Federal Managers' Financial Integrity Act (FMFIA) and Federal Information Security Management Act (FISMA). Based on the FMFIA assessments, I have concluded that there is reasonable assurance that the NRC is in substantial compliance with the FMFIA and FISMA. The NRC is pleased to have obtained an unqualified opinion on the agency's financial statements for the sixth consecutive year. This report demonstrates that the agency's financial and performance data are reliable and complete.

The NRC is proud of this year's performance in achieving the agency's safety and security goals and looks forward to continuing its high-quality service to the American public in FY 2010 and beyond.

A handwritten signature in blue ink that reads "Gregory B. Jaczko". The signature is written in a cursive, flowing style.

Gregory B. Jaczko  
Chairman

November 13, 2009



## Introduction

The U.S. Nuclear Regulatory Commission (NRC) Summary of Performance and Financial Information presents an overview of the agency's program performance and financial management information during fiscal year (FY) 2009. The summary report provides an opportunity for the public to assess how effectively the NRC uses its funds to achieve results.

When preparing this report, the NRC staff followed the requirements of the Chief Financial Officers Act, as amended by the Reports Consolidation Act, the Government Management Reform Act of 1994, and the Government Performance and Results Act of 1993. This report covers activities from October 1, 2008, to September 30, 2009.

The NRC emphasizes keeping the public informed of its activities. Enclosed in the back of this report is a CD of the full version of the NRC's FY 2009 PAR. Visit our Web site at <http://www.nrc.gov> to access this report and to learn more about who we are and what we do to serve the American public.

## About the NRC

The U.S. Congress established the NRC on January 19, 1975, as an independent Federal agency regulating the commercial and institutional uses of nuclear materials. The Atomic Energy Act, as amended, and the Energy Reorganization Act, as amended, defines the NRC's purpose. These acts provide the foundation for the NRC's mission to regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. The agency regulates civilian nuclear power plants and other nuclear facilities, as well as other uses of nuclear materials. These other uses include nuclear medicine programs at hospitals; academic activities at educational institutions; research work; industrial applications, such as gauges and testing equipment; and the transport, storage, and disposal of nuclear materials and wastes.

To fulfill its responsibility to protect public health and safety, the NRC performs the following three principal regulatory functions:

1. establishes standards and regulations
2. issues licenses for nuclear facilities and users of nuclear materials
3. inspects facilities and users of nuclear materials to ensure compliance with regulatory requirements

## Organization

The NRC is headed by a Commission composed of five members, with one member designated by the President to serve as Chairman. With the advice and consent of the U.S. Senate, the President appoints each member to serve a 5-year term. The Chairman is the principal executive officer and official spokesman for the Commission. The Executive Director for Operations carries out the Commission's program policies and decisions.

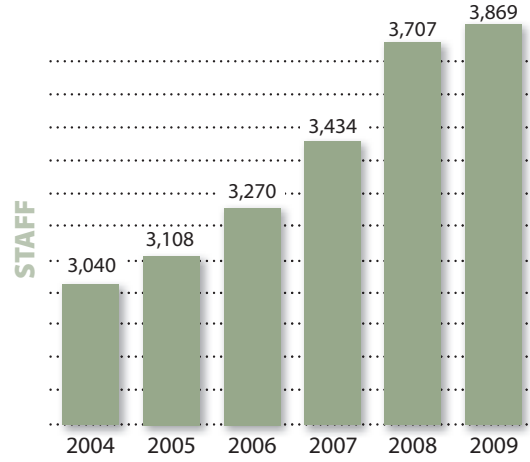
The NRC's headquarters is located in Rockville, MD. Four regional offices are located in King of Prussia, PA; Atlanta, GA; Lisle, IL; and Arlington, TX. The NRC's technical training center is located in Chattanooga, TN. The NRC also employs at least two resident inspectors at each of the Nation's

**Figure 1**  
**NRC BUDGETARY AUTHORITY,**  
**FY 2004–2009**



Source: NRC Performance Budget Fiscal Year 2010

**Figure 2**  
**NRC PERSONNEL CEILING,**  
**FY 2004–2009**



Source: NRC Performance Budget Fiscal Year 2010

nuclear power reactor sites. The NRC’s Operations Center, located at the headquarters building in Rockville, MD, is the focal point for the agency’s communications with its licensees, State agencies, and other Federal agencies concerning operating events in the commercial nuclear sector. NRC operations officers staff the Operations Center 24 hours a day.

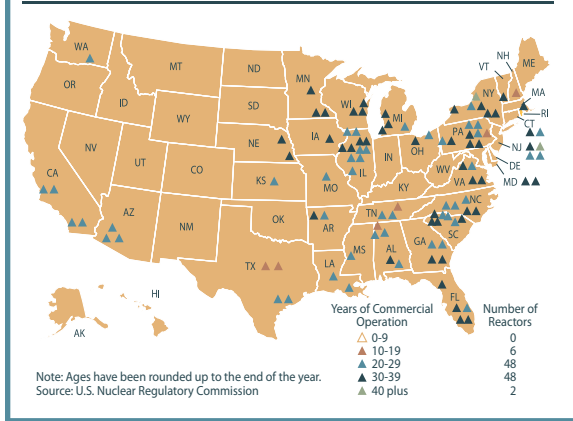
The NRC’s budget for FY 2009 was \$1,045.5 million (see Figure 1) with 3,869 full-time equivalent staff (see Figure 2). The NRC recovers approximately 90 percent of its appropriations from fees paid by NRC licensees.

## The Nuclear Industry

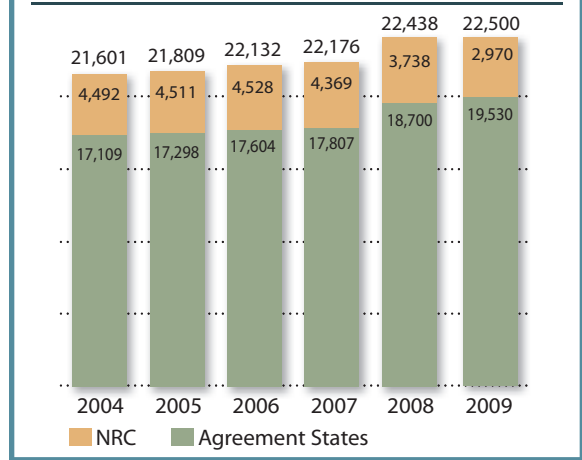
The NRC regulates the commercial use of radioactive materials. The nuclear material cycle begins with the mining and production of nuclear fuel, continues with the use of nuclear fuel to power the Nation’s 104 nuclear power plants, and ends with the safe transportation and storage of spent nuclear fuel and other nuclear waste. The NRC’s regulatory programs ensure that radioactive materials are used safely and securely at every stage in the nuclear material cycle. Under the NRC’s Agreement State program, 37 States have assumed primary regulatory responsibility over the industrial, medical, and other users of nuclear materials in their States. The NRC works closely with these States to ensure that the States maintain public safety. To address safety and security issues, the NRC has developed regulatory practices, knowledge, and expertise specific to each activity in the nuclear material cycle.

Approximately 20 percent of the Nation’s electricity is generated by the 104 NRC-licensed commercial nuclear reactors operating in 31 States (see Figure 3). The NRC oversees 2,970 licenses for medical, academic, industrial, and general uses of nuclear materials (see Figure 4). The agency conducts approximately 1,200 health and safety inspections of its nuclear materials licensees annually. In addition, the 37 Agreement States oversee 19,530 licensees. The NRC, Agreement States, and their licensees share a common responsibility to protect public health and safety.

**Figure 3**  
**U.S. COMMERCIAL NUCLEAR POWER REACTORS**



**Figure 4**  
**U.S. MATERIALS LICENSEES**



## Fuel Facilities

The production of nuclear fuel begins at uranium mines where milled uranium ore is used to produce a uranium concentrate called “yellow cake.” At a special facility, the yellow cake is converted into uranium hexafluoride gas and loaded into cylinders. The cylinders are sent to a gaseous diffusion plant, where uranium is enriched for use as reactor fuel. The enriched uranium is then converted into oxide powder, fabricated into fuel pellets (each about the size of a fingertip), loaded into metal fuel rods about 3.5 meters long, and bundled into reactor fuel assemblies at a fuel fabrication facility. Assemblies are then transported to nuclear power plants, nonpower research reactor facilities, and naval propulsion reactors for use as fuel. The NRC licenses eight major fuel fabrication and production facilities and three enrichment facilities in the United States. Because they handle extremely hazardous material, these facilities take special precautions to prevent theft, diversion by terrorists, and dangerous exposures to workers and the public from this nuclear material.

## Reactors

Power plants change one form of energy into another. Electrical generating plants convert heat energy, the kinetic energy of wind or falling water, or solar energy into electricity. A nuclear power plant converts heat energy into electricity. Other types of heat-conversion plants burn coal, oil, or gas to produce heat energy that is then used to produce electricity. Nuclear energy cannot be seen. There is no burning of fuel in the usual sense. Rather, energy is given off by the nuclear fuel as certain types of atoms split in a process called nuclear fission. This energy is in the form of fast-moving particles and invisible radiation. As the particles and radiation move through the fuel and surrounding water, the energy is converted into heat. The radiation energy can be hazardous, and facilities take special precautions to protect people and the environment from these hazards.

Because the fission reaction produces potentially hazardous radioactive materials, nuclear power plants are equipped with safety systems to protect workers, the public, and the environment. Radioactive materials require careful use because they produce radiation, a form of energy that can damage human cells. Depending on the amount and duration of the exposure, radiation can potentially cause cancer. In a nuclear reactor, most hazardous radioactive substances, called fission



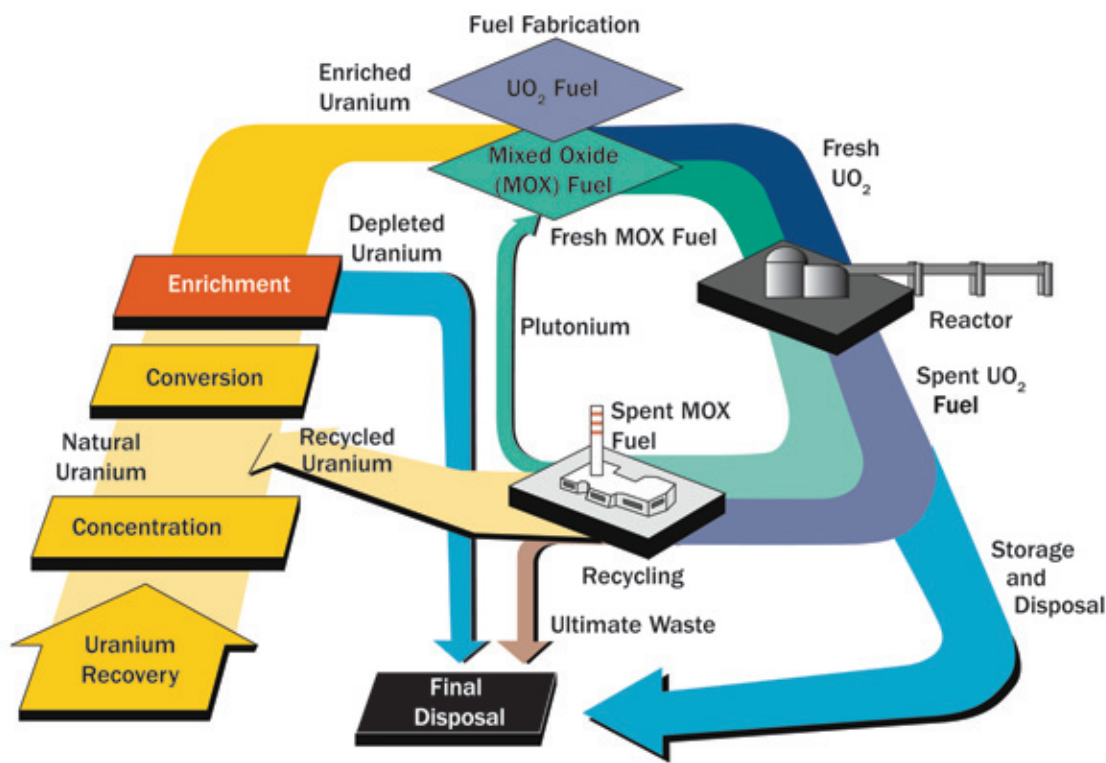
byproducts, are trapped in the fuel pellets or in the sealed metal tubes holding the fuel. However, small amounts of these radioactive fission byproducts, principally gases, become mixed with the water passing through the reactor. Other impurities in the water also become radioactive as they pass through the reactor. The facility processes and filters the water to remove these radioactive impurities and then returns the water to the reactor cooling system.

## Materials Users

The medical, academic, and industrial fields all use nuclear materials. For example, about one-third of all patients admitted to U.S. hospitals are diagnosed or treated using radioisotopes. Most major hospitals have specific departments dedicated to nuclear medicine. In all, about 112 million nuclear medicine or radiation therapy procedures are performed annually, with the vast majority used in diagnoses. Radioactive materials used as a diagnostic tool can identify the status of a disease and minimize the need for surgery. Radioisotopes give doctors the ability to look inside the body and observe soft tissues and organs, in a manner similar to the way x-rays provide images of bones. Radioisotopes carried in the blood also allow doctors to detect clogged arteries or check the functioning of the circulatory system.

Figure 5

### SCHEMATIC OF THE NUCLEAR FUEL CYCLE



Source: U.S. Nuclear Regulatory Commission

The same property that makes radiation hazardous can also make it useful in treating certain diseases like cancer. When living tissue is exposed to high levels of radiation, cells can be destroyed or damaged. Doctors can selectively expose cancerous cells (cells that are dividing uncontrollably) to radiation to either destroy these cells or damage them so they can no longer reproduce.

Many of today's industrial processes also use nuclear materials. High-tech methods that ensure the quality of manufactured products often rely on radiation generated by radioisotopes. To determine whether a well drilled deep into the ground has the potential for producing oil, geologists use nuclear well-logging, a technique that employs radiation from a radioisotope inside the well to detect the presence of different materials. Radioisotopes are also used to sterilize instruments, find flaws in critical steel parts and welds that go into automobiles and modern buildings, authenticate valuable works of art, and solve crimes by spotting trace elements of poison. Radioisotopes can also eliminate dust from film and compact discs and reduce static electricity (which may create a fire hazard) from can labels. In manufacturing, radiation can change the characteristics of materials, often giving them features that are highly desirable. For example, wood and plastic composites treated with gamma radiation resist abrasion and require low maintenance. As a result, they are often used for flooring in high-traffic areas of department stores, airports, hotels, and churches.

## Waste Disposal

During normal operations, a nuclear power plant generates the following two types of radioactive waste: high-level waste, which consists of used fuel (usually called spent fuel), and low-level waste, which includes contaminated equipment, filters, maintenance materials, and resins used in purifying water for the reactor cooling system. Other users of radioactive materials also generate low-level waste.

Nuclear power plants handle each type of radioactive waste differently. They must use special procedures in the handling of the spent fuel because it contains the highly radioactive fission byproducts created while the reactor was operating. Typically, the spent fuel from nuclear power plants is stored in water-filled pools at each reactor site or at a storage facility in Illinois. The water in the spent fuel storage pool provides cooling and adequately shields and protects workers from the radiation. Several nuclear power plants have also begun using dry casks to store spent fuel. These heavy metal or concrete casks rest on concrete pads adjacent to the reactor facility. The thick layers of concrete and steel in these casks shield workers and the public from radiation.

Currently most spent fuel in the United States remains stored at individual plants. Permanent disposal of spent fuel from nuclear power plants requires a disposal facility that can provide reasonable assurance that the waste will remain isolated for thousands of years.

Licenses often store low-level waste onsite until its radioactivity has decayed, and the waste can be disposed of as ordinary trash, or until amounts are large enough for shipment to a low-level waste disposal site in containers approved by the U.S. Department of Transportation.

## Program Performance Overview

The NRC's FY 2008–2013 Strategic Plan determines the agency's long-term goals and strategic direction. The agency has two strategic goals: safety and security. To achieve its goals, the agency is organized into two major programs: the Nuclear Reactor Safety Program and the Nuclear Materials and Waste Safety Program.

### Nuclear Reactor Safety Program

The Nuclear Reactor Safety Program encompasses all NRC efforts to ensure that civilian nuclear power reactor facilities and research and test reactors are licensed and operated in a manner that adequately protects the public health and safety, preserves the environment, and protects against radiological sabotage and theft or diversion of special nuclear material.

### Nuclear Materials and Waste Safety Program

The Nuclear Materials and Waste Safety Program focuses on the safe and secure use of remaining radioactive materials. The Nuclear Materials and Waste Safety Program regulates fuel facilities, medical and industrial nuclear materials users, the disposal of both high-level and low-level waste, the decommissioning of power plants, and the storage and transportation of spent nuclear fuel.

## Program Performance Results

### Strategic Goal 1: Safety

#### Ensure Adequate Protection of Public Health and Safety and the Environment

Safety is the primary goal of the NRC. The agency achieves this goal by ensuring that the performance of licensees is at or above acceptable safety levels. NRC safety programs work in conjunction with our licensees in a partnership. The NRC licensees are responsible for designing, constructing, and operating nuclear facilities safely. The NRC is responsible for regulatory oversight of the licensees. The NRC designed its safety goal activities to achieve the following strategic outcomes:

#### *Strategic Outcomes*

- Prevent the occurrence of any nuclear reactor accidents.
- Prevent the occurrence of any inadvertent criticality events.
- Prevent the occurrence of any acute radiation exposures resulting in fatalities.
- Prevent the occurrence of any releases of radioactive materials that result in significant radiation exposures.
- Prevent the occurrence of any releases of radioactive materials that cause significant adverse environmental impacts.

### FY 2009 Results

In FY 2009, the NRC achieved all five of its safety goal strategic outcomes. The NRC also uses six performance measures to determine whether it has met its safety goal. The agency met all six performance measure targets in FY 2009. Three of the performance measures focus on performance at individual nuclear power plants.

Inspection results show that all of the nuclear power plants are operating safely. The fourth measure tracks the trends of several key indicators of nuclear power plant safety. This measure is the broadest measure of the safety of nuclear power plants, incorporating the performance results from all plants to determine industry average results. The measure results show that there were no statistically significant adverse trends in any of the indicators in FY 2009. The last two safety performance measures track harmful radiation exposures to the public and occupational workers and radiation exposures that harm the environment. None of these measures exceeded their targets in FY 2009.

## Strategic Goal 2: Security

### Ensure Adequate Protection in the Secure Use and Management of Radioactive Materials

The NRC must remain vigilant in ensuring the security of nuclear facilities and materials in an elevated threat environment. The agency achieves its common defense and security goal using licensing and oversight programs similar to those employed in achieving its safety goal. The NRC has designed its strategic goal activities to achieve the following strategic outcome:

#### *Strategic Outcome*

- Prevent any instances in which licensed radioactive materials are used domestically in a manner hostile to the security of the United States.

#### **FY 2009 Results**

In FY 2009, the NRC achieved its security goal strategic outcome. The NRC also uses five security goal performance measures to determine whether the agency has met its security goal. The agency met all five performance measure targets in FY 2009. The first performance measure tracks unrecovered losses or thefts of risk-significant radioactive sources. The measure ensures that those radioactive sources that the agency has determined to be risk-significant to the public health and safety are accounted for at all times. The second, third, and fourth performance measures evaluate the number of significant security events and incidents that occur at NRC-licensed facilities. These measures determine whether nuclear facilities maintain adequate protective forces to prevent theft or diversion of nuclear material or sabotage; whether systems in place at licensee plants accurately account for the type and amount of materials processed, utilized, or stored; and whether the facilities account for special nuclear material at all times with no losses of this material. No events met the conditions for this measure in FY 2009. The last security measure tracks significant unauthorized disclosures of classified or safeguards information that may cause damage to national security or public safety. This measure focuses on whether classified information or safeguards information is stored and utilized in such a way as to prevent its disclosure to the public, terrorist organizations, other Nations, or personnel without a need to know. No documented disclosures of this type of information occurred during FY 2009.

#### **Data Completeness and Reliability**

The NRC considers the data contained in this report to be complete, reliable, and relevant. The data are complete because the agency reports actual performance data for every performance goal and indicator in the report. The agency also considers the data in this report reliable and relevant because the data have been validated and verified. "Verification and Validation of NRC's Performance Measures," contains the processes the agency uses to collect, validate, and verify performance data in this report. Please visit <http://www.nrc.gov/about-nrc/fy2009-par-verification.pdf> to view this report in its entirety.

## Future Challenges

The NRC ensures that the health and safety of the American public and the environment are adequately protected from any harmful effects of using nuclear materials. The industry has experienced a substantial improvement in safety at nuclear power plants over the past 20 years as both the nuclear industry and the NRC have gained substantial experience in the operation and maintenance of nuclear power facilities. However, despite the excellent safety and security record of the industry, the agency cannot rest on its achievements. The primary challenges the agency faces are the large number of new nuclear plants that have applied for licenses, the safe disposal of high-level nuclear waste, and the need to ensure security at nuclear facilities.

### New Nuclear Power Plants

With increased concerns about the continued availability and cost of oil, as well as concerns over the environmental damage caused by coal-burning electrical plants, the amount of electricity supplied by nuclear power is likely to increase substantially in the future. The NRC last issued a nuclear power plant construction permit in 1977. The agency's primary challenge is to license new reactors to ensure that they will operate safely as they provide electricity required by the Nation for economic growth. To date, the agency has docketed a total of 18 combined operating license (COL) applications for sites across the country. However, before licensing any new nuclear reactor, the agency requires a detailed analysis of new reactor designs. This analysis includes a study of the reactor's vulnerability to accidents and security compromises. It also includes the development of inspection procedures, tests, analyses, and acceptable criteria for construction. The NRC is also evaluating commercial gas centrifuge facilities that utilize new methods of enriching nuclear fuel for reactors.

### Safe Disposal of High-Level Waste

Safely disposing of the waste from nuclear power plants is vital to protecting public health and the environment. In FY 2008, DOE filed a license application to establish the Nation's first repository for high-level radioactive waste at Yucca Mountain, NV. In FY2009, The agency evaluated a wide range of technical and scientific issues and attempted to resolve regulatory concerns. Most nuclear waste is now safely and securely stored at reactor sites. In addition to the storage of nuclear waste, safely transporting spent nuclear fuel is a significant issue for the public and the agency. More than 1,300 spent fuel shipments regulated by the NRC have been safely transported in the United States in the past 25 years. Therefore, the agency must be able to assure the public that all movements of nuclear waste, including those to some storage site, will be safe and secure.

### Security at Nuclear Facilities

In addition to safety, the security of nuclear materials is of paramount importance to the Nation. Nuclear facilities are among the most secure facilities in the Nation. The NRC, in concert with other Federal agencies, constantly monitors intelligence to determine the level of threat faced by nuclear facilities. The agency continues to improve the regulatory requirements to better ensure the security of nuclear materials and facilities. The threat faced by the Nation from those seeking to steal classified information has become more urgent in recent years. Nuclear facilities have implemented increased security measures, including "force-on-force" training exercises, to help ensure protection of this vital national infrastructure.





## A Message from the Chief Financial Officer

I am pleased to present the financial statements for the U.S. Nuclear Regulatory Commission (NRC) Fiscal Year (FY) 2009 Summary of Performance and Accountability Information. For the sixth consecutive year, an independent auditor has rendered an unqualified opinion on the NRC financial statements. During FY 2009, the NRC successfully enhanced its procedures for estimating accrued accounts payable and eliminated the remaining significant deficiency from our prior year audits. Additionally, for the fourth consecutive year, no material weaknesses were identified during NRC testing to meet the requirements of Office of Management and Budget Circular A-123, Appendix A, "Internal Controls Over Financial Reporting."

This past year, the NRC increased its focus on modernizing financial systems, improving internal controls, and enhancing financial planning and performance. Examples of our FY 2009 accomplishments include the following:

- Implementing a new structure for the FY 2011 budget to better align it with the agency mission, improve the transparency of budget requests, and facilitate improved costing of regulatory products and support services.
- Enhancing agency budget execution to improve FY 2009 funds utilization and recover \$28 million of unused prior year funds from completed contracts.
- Modernizing our financial systems by implementing a new eTravel system and upgrading our Web-based budget formulation system to increase its capabilities and reliability.
- Completing the Federal Information Security Management Act Certification and Accreditation for the License Fee Billing System which brought the NRC into substantial compliance with the Federal Financial Management Improvement Act of 1996.
- Redesigning the agencywide risk assessment process to support the NRC internal control program and implementing an online internal control training module.
- Creating an agencywide integrated project team, selecting a vendor, and documenting system requirements to prepare for the transition to a new core financial system at the start of FY 2011.

Our progress in FY 2009 puts the NRC in a good position to address FY 2010 challenges as we continue to improve our financial systems and processes. The NRC will transition five stand-alone legacy financial system functions into a new core financial system that will interface with nine remaining financial and program management systems. The NRC Time and Labor Reporting System will also be updated to a Web-based version to support the core financial system transition. The NRC is also preparing to meet the anticipated challenges of supporting ongoing financial operations while simultaneously supporting the testing and startup of the new core financial system. The new core financial system will play an integral role in meeting our goal of making the NRC a more transparent, efficient, and effective organization.

The NRC is committed to ensuring the safety and security of the Nation's civilian use of nuclear materials in the most effective and efficient manner. Over the past few years, the NRC has experienced unprecedented growth in its budget to regulate the Nation's expanding nuclear industry. Our continued excellent financial performance during this period of significant budget growth is a tribute to the careful stewardship of taxpayer resources by the NRC staff. I am proud of the progress we have made in the past year to promote sound business practices in the conduct of our regulatory mission and am confident that the NRC will continue to make future improvements.

A handwritten signature in blue ink that reads "J.E. Dyer". The signature is written in a cursive, slightly stylized font.

J.E. Dyer  
Chief Financial Officer  
November 13, 2009

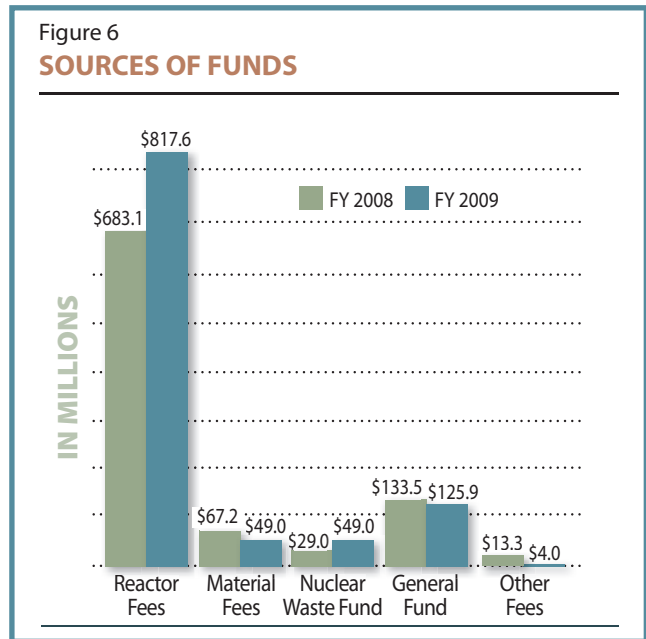
## Financial Performance Overview

As of September 30, 2009, the financial condition of the NRC was sound with respect to having sufficient funds to meet program needs and adequate control of these funds in place to ensure obligations did not exceed budget authority. The NRC prepared its financial statements in accordance with the accounting standards codified in the Statements of Federal Financial Accounting Standards (SFFAS) and the Office of Management and Budget (OMB) Circular A-136, “Financial Reporting Requirements.”

### Sources of Funds

The NRC has two appropriations, Salaries and Expenses and Office of the Inspector General. Funds for both appropriations are available until expended. The NRC’s total new FY 2009 budget authority was \$1,045.5 million (see Figure 6). Of this amount, \$1,034.6 million was for the Salaries and Expenses appropriation and \$10.9 million was for the Office of the Inspector General appropriation. This represents an increase in new budget authority of \$119.4 million over FY 2008 (\$117.3 million for the Salaries and Expenses appropriation and \$2.1 million for the Office of the Inspector General appropriation). In addition, \$100.0 million from prior-year appropriations, \$7.4 million from prior-year reimbursable work, and \$12.3 million for new reimbursable work to be performed for others was available to obligate in FY 2009. The sum of all funds available to obligate for FY 2009 was \$1,165.2 million, which was a \$136.4 million increase over the FY 2008 amount of \$1,028.8 million.

The Omnibus Budget Reconciliation Act of 1990 (OBRA-90), as amended, required the NRC to collect fees to offset approximately 90 percent of its new budget authority, less the amount appropriated to the NRC from the Nuclear Waste Fund and amounts appropriated for waste incidental to reprocessing and generic homeland security for FY 2009. The NRC collected \$857.8 million in reactor and material fees in FY 2009. This is 98.5 percent of the fee recovery requirement.



## Uses of Funds by Function

The NRC incurred obligations of \$1,084.1 million in FY 2009, which was an increase of \$134.3 million over FY 2008 (see Figure 7). Approximately 53 percent of obligations were used for salaries and benefits. The remaining 47 percent was used to obtain technical assistance for the NRC’s principal regulatory programs, to conduct confirmatory safety research, to cover operating expenses (e.g., building rentals, transportation, printing, security services, supplies, office automation, training), staff travel, and reimbursable work. The unobligated budget authority available at the end of FY 2009 was \$81.1 million, an increase compared to the FY 2008 amount of \$79.0 million. Of this \$81.1 million, \$9.3 million was for reimbursable work and \$71.8 million was available to fund critical NRC needs in FY 2009.

## Audit Results

The NRC received an unqualified audit opinion on its FY 2009 financial statements.

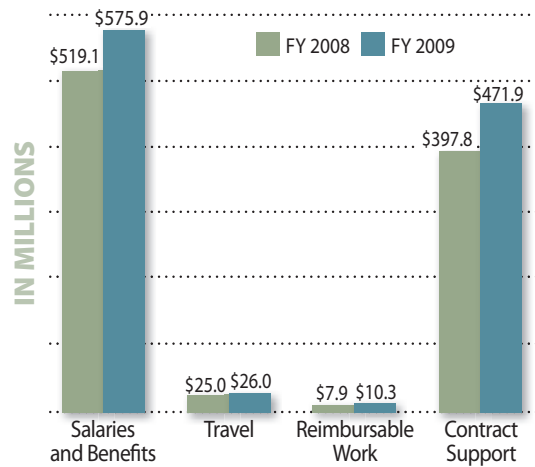
In FY 2008, the auditors identified a significant deficiency related to the method by which the NRC estimated the accounts payable balance which represented costs for billed and unbilled goods and services received (prior to year end) that were unpaid. Prior to the last quarter of FY 2008, the NRC used an algorithm that recognized accounts payable as a specific percentage of NRC’s total expenses to date. Once this percentage was calculated, it was applied to an annualized expense figure. In the fourth quarter of FY 2008, the NRC implemented a revised methodology to calculate the accounts payable estimate. The new methodology involves analyzing the actual activity for the largest obligations to include in the estimate. For the remaining smaller obligations, the agency analyzed actual activity of a percentage of the obligations and developed an algorithm to estimate the total amount to include in the accounts payable balance. Throughout FY 2009, the NRC continued to refine this methodology and validated the estimate each quarter. In FY 2009, the auditors closed this significant deficiency due to the accuracy of this new estimation methodology.

In FY 2007 and FY 2008, the auditors also identified the Fee Billing System as a substantial noncompliance with the Federal Financial Management Improvement Act (Improvement Act) because of a lack of current certification and accreditation. In FY 2009, the auditors closed the substantial noncompliance because the NRC completed the certification and accreditation of the Fee Billing System.

A summary of the Financial Statement Audit results is included on page 14 of this report.

Figure 7

### USE OF FUNDS BY FUNCTION



# Condensed Financial Statements

## CONDENSED BALANCE SHEET\* (In Thousands)

As of September 30,	2009	2008
<b>Assets</b>		
Fund balance with Treasury	\$ 448,632	\$ 393,478
Accounts receivable, net	128,124	121,376
Property and equipment, net	31,624	35,475
Other	3,372	4,149
<b>Total Assets</b>	<b>\$ 611,752</b>	<b>\$ 554,478</b>
<b>Liabilities</b>		
Accounts payable	\$ 51,000	\$ 54,123
Federal employee benefits	7,628	7,059
Other	86,128	75,792
<b>Total Liabilities</b>	<b>144,756</b>	<b>136,974</b>
<b>Net Position</b>		
Unexpended appropriations	338,637	289,269
Cumulative results of operations	128,359	128,235
<b>Total Net Position</b>	<b>466,996</b>	<b>417,504</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 611,752</b>	<b>\$ 554,478</b>

## STATEMENT OF NET COST\* (In Thousands)

For the years ended September 30,	2009	2008
<b>Nuclear Reactor Safety and Security</b>		
Gross costs	\$ 796,898	\$ 705,832
Less: Earned revenue	(794,007)	(725,840)
Total Net Cost of Nuclear Reactor Safety and Security	2,891	(20,008)
<b>Nuclear Materials and Waste Safety and Security</b>		
Gross costs	245,961	238,219
Less: Earned revenue	(78,460)	(71,740)
Total Net Cost of Nuclear Materials and Waste Safety and Security	167,501	166,479
<b>Net Cost of Operations</b>	<b>\$ 170,392</b>	<b>\$ 146,471</b>

\* For a complete set of financial statements and notes, see Chapter 3, "Financial Statements and Auditors' Report," in the *Fiscal Year 2009 Performance and Accountability Report*. This report can be accessed at <http://www.nrc.gov>.

**CONDENSED STATEMENT OF CHANGES IN NET POSITION\* (In Thousands)**

For the years ended September 30,	2009	2008
<b>Cumulative Results of Operations</b>		
Beginning Balance	\$ 128,235	\$ 27,164
Budgetary Financing Sources	138,309	127,197
Other Financing Sources	32,207	120,345
<b>Net Cost of Operations</b>	<b>(170,392)</b>	<b>(146,471)</b>
<b>Net Change</b>	<b>124</b>	<b>101,071</b>
<b>Cumulative Results of Operations</b>		
	\$ 128,359	\$ 128,235
<b>Unexpended Appropriations</b>		
Beginning Balance	\$ 289,269	\$ 254,027
Budgetary Financing Sources	49,368	35,242
<b>Total Unexpended Appropriations</b>	<b>338,637</b>	<b>289,269</b>
<b>Net Position</b>	<b>\$ 466,996</b>	<b>\$ 417,504</b>

\* For a complete set of financial statements and notes, see Chapter 3, “Financial Statements and Auditors’ Report,” in the *Fiscal Year 2009 Performance and Accountability Report*. This report can be accessed at <http://www.nrc.gov>.

**Summary of Financial Statement Audit and Management Assurances**

<b>SUMMARY OF FINANCIAL STATEMENT AUDIT</b>		
Audit Opinion—Unqualified	Restatement—No	Material Weaknesses—No
<b>SUMMARY OF MANAGEMENT ASSURANCES</b>		
<b>Effectiveness of Internal Control over Financial Reporting and Operations (FMFIA § 2)</b>		
Statement of Assurance—Unqualified	Material Weaknesses—No	
<b>Conformance with Financial Management System Requirements (FMFIA § 4)</b>		
Statement of Assurance—Systems Conform to Requirements	Nonconformance—No	
<b>Compliance with Federal Financial Management Improvement Act (FFMIA)</b>		
Overall Substantial Compliance	Agency – Yes	Auditor – Yes

For the complete Summary of Financial Statement Audit and Management Assurances see page 167 of the *Fiscal Year 2009 Performance and Accountability Report*. This report can be accessed at <http://www.nrc.gov>.



## Limitations of the Financial Statements

The principal statements have been prepared to report the financial position and results of operations of the NRC, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the NRC in accordance with generally accepted accounting principles (GAAP) for Federal entities and the formats prescribed by the OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

## Financial Statement Highlights

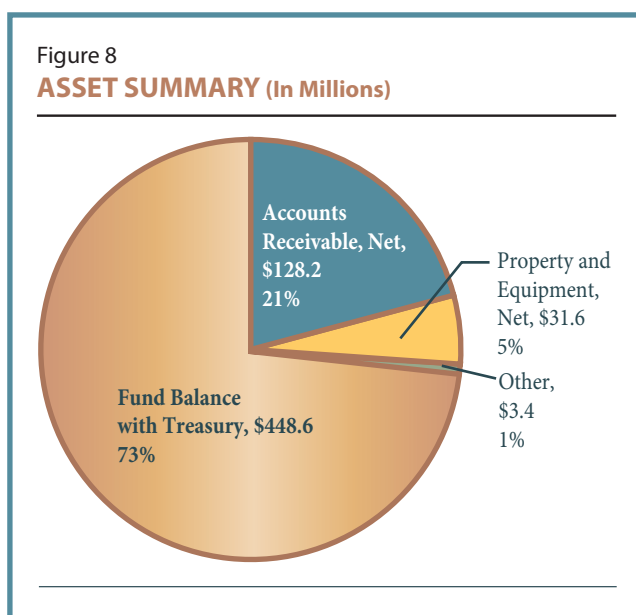
The NRC's financial statements summarize the financial activity and financial position of the agency.

### *Analysis of the Balance Sheet*

The NRC's assets (see Figure 8) were \$611.8 million as of September 30, 2009, an increase of \$57.3 million from the end of FY 2008. The increase is due to the Fund Balance with the U.S. Department of the Treasury (Treasury) increasing by \$55.1 million as a result of an increase in appropriated funds received which were obligated but not yet disbursed. The assets reported in the NRC's Balance Sheet are summarized in the Condensed Balance Sheet on page 13.

The Fund Balance with Treasury was \$448.6 million at September 30, 2009, accounting for 73 percent of total assets. This account represents appropriated funds, collected license fees, and other funds maintained at Treasury to pay current liabilities

and to finance authorized purchase commitments. The \$55.1 million increase in the balance primarily reflects an increase of \$119.4 million in new budget authority (including an increase of \$20.0 million for the Nuclear Waste Fund transfer), a \$37.1 million beginning balance increase over the prior year beginning balance, and an increase of \$107.4 million in fee collections, less expenditure increases of \$60.1 million in salaries and benefits, \$46.6 million in general disbursements, \$8.5 million in grant disbursements, and an increase in fee collection transfers to Treasury of \$94.2 million. The difference between the increase in fee collections and fee collections transferred to Treasury resulted from an over collection of \$13.3 million in fees during FY 2007, which were included in the FY 2008 fee transfer to Treasury.



Accounts receivable consists of amounts owed to the NRC by other Federal agencies and the public. Accounts Receivable, Net as of September 30, 2009, was \$128.2 million, which includes an offsetting allowance for doubtful accounts of \$3.1 million. This 6 percent increase from the FY 2008 year-end Accounts Receivable, Net balance of \$121.4 million is primarily the result of an increase of \$11.4 million in licensing and inspection activities due to an increase in hours invoiced and in the hourly rate for the NRC’s services, offset by a decrease of \$5.4 million in accruals for materials and facilities open inspections.

Total liabilities (see Figure 9) were \$144.8 million as of September 30, 2009, an increase of \$7.8 million from the FY 2008 year-end balance of \$137.0 million. The

increase resulted from an increase in Other Liabilities of \$10.4 million, which primarily includes increases of \$3.6 million in accrued annual leave, \$3.5 million in accrued funded salaries and benefits, and \$2.4 million in grants payable.

Of the agency’s liabilities, \$56.6 million was not covered by budgetary resources, an 8 percent increase over the balance of \$52.5 million as of September 30, 2008. The increase of \$4.1 million was primarily due to an increase in unfunded accrued annual leave of \$3.6 million resulting from an increase in the number of full-time employee equivalents and salary increases. The liabilities not covered by budgetary resources in FY 2009 include \$47.3 million in unfunded accrued annual leave included in Other Liabilities for the amount of leave earned but not yet taken and \$7.6 million in future workers’ compensation included in Federal Employee Benefits.

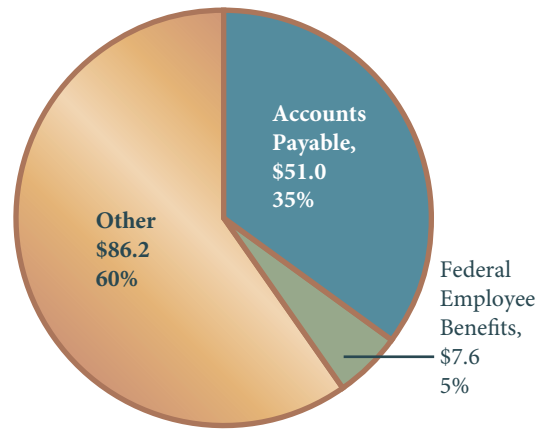
Net Position, the difference between Total Assets and Total Liabilities, was \$467.0 million as of September 30, 2009, an increase of \$49.5 million from the FY 2008 year-end balance. Net Position is comprised of two components: Unexpended Appropriations and Cumulative Results of Operations. Unexpended Appropriations is the amount of spending authority granted by Congress that remains unused by the agency. The increase in FY 2009 for Unexpended Appropriations is \$49.3 million. Cumulative Results of Operations, which represents the cumulative excess of financing sources over expenses, remained relatively constant.

***Analysis of the Statement of Net Cost***

Net costs are gross costs offset by earned revenue. The Statement of Net Cost presents the net cost of NRC’s two programs. The purpose of this statement is to link program performance to the cost of programs. The NRC’s Net Cost of Operations for the year ended September 30, 2009, was \$170.4 million, which is an increase of \$23.9 million over the FY 2008 net cost of \$146.5 million. Net costs by program are shown in the Statement of Net Cost on page 13.

Figure 9

**LIABILITIES SUMMARY (In Millions)**



The NRC's total gross costs (see Figure 10) increased \$98.8 million. The Nuclear Reactor Safety and Security program gross costs increased \$91.1 million primarily because of increases of \$51.2 million in salaries and benefits, \$24.3 million in contractor support, and \$7.8 million in grants for nuclear education. These increases are primarily in the areas of new reactor activities, and existing licensing and oversight activities. The Nuclear Materials and Waste Safety and Security program gross costs increased \$7.7 million primarily in the areas of nuclear materials licenses, fuel facilities, and decommissioning activities.

Total earned revenue (see Figure 11) increased \$74.9 million from \$797.6 million for the year ended September 30, 2008, to \$872.5 million at September 30, 2009. Earned revenue increased for the Nuclear Reactor Safety and Security program by \$68.2 million and for the Nuclear Materials and Waste Safety and Security program by \$6.7 million. The increases primarily result from increases in fees collected due to the increase in appropriations for NRC activities, of which the NRC is required to collect approximately 90 percent through fee billing. Fees for reactor and materials licensing and inspections are collected in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the Atomic Energy Act of 1954, as Amended," and 10 CFR Part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses, Including Holders of Certificates of Compliance, Registrations, and Quality Assurance Program Approvals and Government Agencies Licensed by the NRC."

### *Analysis of the Statement of Changes in Net Position*

The Statement of Changes in Net Position reports the change in net position during the reporting period. Net position is affected by changes in its two components—Cumulative Results of Operations and Unexpended Appropriations. The increase in Net Position of \$49.5 million from FY 2008 to

Figure 10  
**GROSS COSTS (In Millions)**

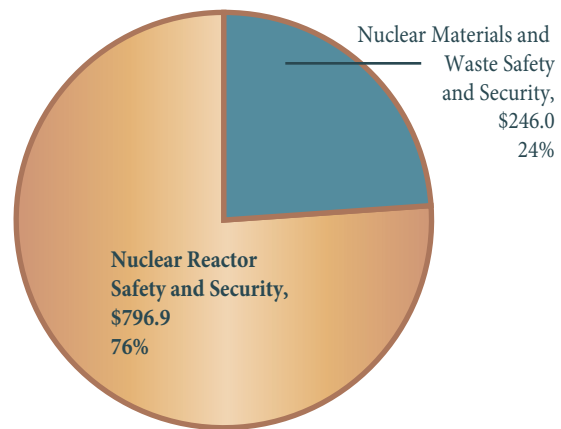
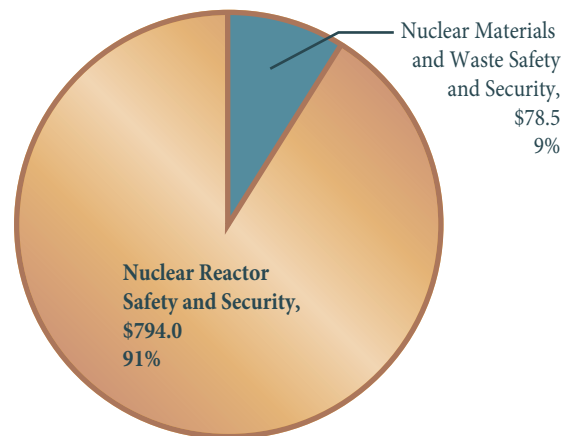


Figure 11  
**EARNED REVENUE (In Millions)**



FY 2009 was the result of an increase in Unexpended Appropriations. A change in unexpended appropriations results from appropriations received being more, or less, than appropriations used during the fiscal year. In FY 2009, appropriations received of \$138.7 million consisted of NRC's total appropriation of \$1,045.5 million, reduced by \$857.8 million in fee collections returned to Treasury and the Nuclear Waste Fund transfer of \$49.0 million. Appropriations used in FY 2009 totaled \$89.3 million and consisted of funds used of \$993.9 million reduced by collection from fees assessed of \$857.8 million and Nuclear Waste Fund expenses of \$46.8 million. The Statement of Changes in Net Position is presented on page 14.

## Systems, Controls, and Legal Compliance



### U.S. NUCLEAR REGULATORY COMMISSION FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT STATEMENT FOR FY 2009

The U.S. Nuclear Regulatory Commission's (NRC) management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (Integrity Act). The NRC conducted its assessment of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations, and in accordance with OMB Circular A-123, "Management's Responsibility for Internal Control." Based on the results of this evaluation, the NRC can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2009, was operating effectively and no material weaknesses were found in the design or operation of internal control.

NRC can also provide reasonable assurance that its financial systems substantially conform to the Integrity Act and comply with the component requirements of the Federal Financial Management Improvement Act.

In addition, the NRC conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of the evaluation, the NRC can provide reasonable assurance that NRC's internal control over financial reporting as of June 30, 2009, was operating effectively, and no material weaknesses were found in the design or operation of the internal control over financial reporting.

A handwritten signature in black ink that reads "Gregory B. Jaczko".

Gregory B. Jaczko  
Chairman  
U.S. Nuclear Regulatory Commission  
November 13, 2009

## Management Assurances

This section provides information on the NRC's compliance with the Federal Managers' Financial Integrity Act, the OMB Circular A-123, "Management's Responsibility for Internal Control," and the Federal Financial Management Improvement Act. The "Summary of Financial Statement Audit and Management Assurances" on page 14 is a summary of these assurances.

### *Federal Managers' Financial Integrity Act*

The Integrity Act mandates that agencies establish controls to reasonably ensure that the agency (1) complies with applicable laws concerning obligations and costs; (2) safeguards assets against waste, loss, unauthorized use, or misappropriation; and (3) properly accounts for and records revenues and expenditures. The Integrity Act encompasses program, operational, and administrative areas, as well as accounting and financial management. It also requires the Chairman to provide an assurance statement on the adequacy of internal controls and on the conformance of financial systems with Governmentwide standards.

### *Management Control Review Program*

Managers throughout the NRC are responsible for implementing effective controls in their areas of responsibility. Each office director and regional administrator prepares an annual assurance certification that identifies any control weaknesses requiring the attention of the NRC's Executive Committee on Internal Control (ECIC). These statements are based on various sources, including management knowledge gained from the daily operation of agency programs, management reviews, program evaluations, audits of financial statements, reviews of financial systems, annual performance plans, Inspector General and U.S. Government Accountability Office reports, and reports and other information provided by the congressional committees of jurisdiction.

The NRC's ECIC includes senior executives from the Office of the Chief Financial Officer and the Office of the Executive Director for Operations. A staff member from the Office of the General Counsel participates as an advisor.

The ECIC met and reviewed the assurance certifications provided by the offices and regions. The ECIC then informed the Chairman as to whether the NRC had any internal control deficiencies serious enough to require reporting as a material weakness or noncompliance.

The NRC's ongoing internal control program requires, among other things, that reports on internal control deficiencies be integrated into the offices' and regions' annual operating plans. The operating plan process provides for periodic updates and ensures that key issues receive senior management attention. Combined with the individual assurance statements discussed previously, the internal control information in these plans provides the framework for monitoring and improving the agency's internal controls on an ongoing basis.



## *FY 2009 Integrity Act Results*

The NRC evaluated its internal control systems for the fiscal year ending September 30, 2009. Based on this evaluation, the NRC is able to provide a statement of assurance that the internal controls and financial management systems meet the objectives of the Integrity Act. The NRC has reasonable assurance that its internal controls are effective and that its financial management systems conform to Governmentwide standards.

## *Office of Management and Budget Circular A-123, “Management’s Responsibility for Internal Control,” including Appendix A, “Internal Control over Financial Reporting”*

In FY 2006, the NRC implemented the requirements of the OMB revised Circular A-123, which defined and strengthened management’s responsibility for internal control in Federal agencies. The revised circular included updated internal control standards. A new section, Appendix A, required Federal agencies to assess the effectiveness of internal controls over their financial reporting and to prepare a separate annual statement of assurance as of June 30, 2009.

In FY 2007, the agency adopted a 3-year rotational testing plan. The NRC determined that three of the original nine key processes were significant enough to include in the testing each year of the 3-year cycle. The remaining six key processes were to be tested once in the 3-year cycle, two each year. In FY 2008 and 2009, the NRC continued its assessment of internal control over financial reporting. The agency reevaluated its scope of financial reports, materiality values, risk assessments, key processes, and key controls. Based on the results of this evaluation, the NRC can provide reasonable assurance that its internal control over financial reporting was operating effectively as of June 30, 2009, and that the evaluation found no material weaknesses in the design or operation of the internal controls over financial reporting.

## *Federal Financial Management Improvement Act*

The Federal Financial Management Improvement Act (Improvement Act) requires each agency to implement and maintain systems that comply substantially with (1) Federal financial management system requirements, (2) applicable Federal accounting standards, and (3) the standard general ledger at the transaction level. The Improvement Act requires the Chairman to determine whether the agency’s financial management systems comply with the Improvement Act and to develop remediation plans for systems that do not comply.

## *FY 2009 Improvement Act Results*

As of September 30, 2009, the NRC evaluated its financial systems to determine if they complied with applicable Federal requirements and accounting standards required by the Improvement Act. The NRC evaluated the following eight systems: the Federal Financial System, Federal Personnel Payroll System, Human Resources Management System, Cost Accounting System, Advice of Allotments/Financial Plan System, Capitalized Property System, Fee Billing System, and Controller Resource

Database System. As of September 30, 2009, the agency's financial management systems were in compliance with the Improvement Act. In making this determination, the NRC considered all the information available, including the report from the ECIC on the effectiveness of internal controls, the Office of the Inspector General audit reports, and the results of the agency's financial management system reviews. The agency also relied on the Department of the Interior National Business Center (DOI-NBC) annual reasonable assurance statement, which concluded that, for FY 2009, the cross-serviced financial systems were in substantial compliance with Federal financial management system requirements.

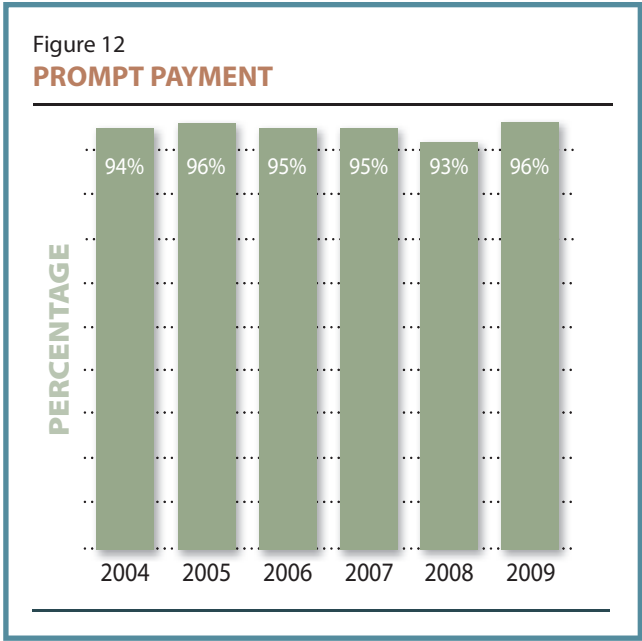
In FY 2008, the financial management systems were in compliance with the Improvement Act, except for the Licensee Fee Billing System (Fee System) which was operating without its accreditation and Authority to Operate (ATO). The ATO was granted June 2009, therefore, the Inspector General closed the finding (see Audit Results on page 12).

### Prompt Payment

The Prompt Payment Act requires Federal agencies to make timely payments to vendors for supplies and services, to pay interest penalties when payments are made after the due date, and to take cash discounts when they are economically justified. In FY 2009, the NRC paid 96 percent of the 12,903 invoices subject to the Prompt Payment Act on time (see Figure 12). The NRC incurred \$19,825 in interest penalties during FY 2009.

### Improper Payments

The NRC remains at low risk of making improper payments. At the present time, the NRC's payments consist of commercial vendor, interagency, and travel reimbursements. The NRC monitors and reports improper payments within its programs and continues to evaluate internal controls guarding against improper payments. The NRC continues to perform annual risk assessments for each of these areas. Based on the FY 2009 risk assessments, the number and amount of improper payments fall below the external reporting requirement established by OMB guidance on what is considered a significant risk. The NRC awards less than \$500 million in annual contracts and, therefore, is not subject to annual reporting under the Recovery Auditing Act. The DOI-NBC's Federal Personnel/ Payroll System, as the system of record for payroll disbursements, is responsible for monitoring and reporting on any improper payroll-related payments.



## Debt Collection

The Debt Collection Improvement Act enhances the ability of the Federal Government to service and collect debts. The agency’s goal is to maintain the level of delinquent debt owed to the NRC at year end to less than 1 percent of its annual billings. The NRC continues to meet this goal and, at the end of FY 2009, delinquent debt was \$2.1 million (see Figure 13). The NRC continues to pursue the collection of delinquent debt and refers all eligible debt over 180 days delinquent to the Treasury for collection.

## Biennial Review of User Fees

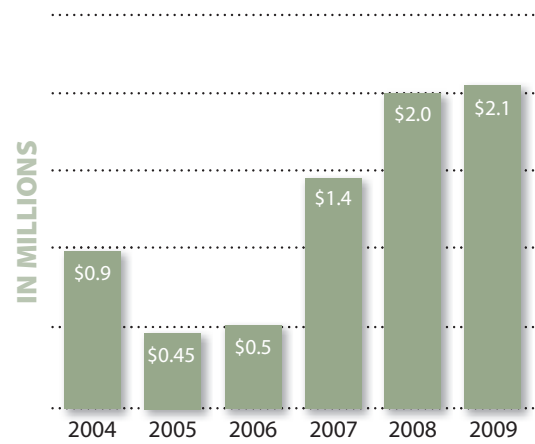
The Chief Financial Officers Act requires agencies to conduct a biennial review of fees, royalties, rents, and other charges imposed by agencies and to make revisions to cover program and administrative costs incurred. Each year, the NRC revises the hourly rates for license and inspection fees and adjusts the annual fees to meet the fee collection requirements of OBRA-90, as amended. The *Federal Register* (74 FR 27641, June 10, 2009) describes the most recent changes to the license, inspection, and annual fees. In FY 2009, the NRC revised the fees for public use of the auditorium to more appropriately recover the actual costs. The agency concluded that other types of fees did not warrant revisions at this time.

## Inspector General Act

The NRC has established and continues to maintain an excellent record in resolving and implementing Office of the Inspector General open audit recommendations. The The NRC’s Fiscal Year 2009 Performance and Accountability Report includes this information.

Figure 13

### DELINQUENT DEBT



# Inspector General's Transmittal Letter



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**  
WASHINGTON, D.C. 20555-0001

OFFICE OF THE  
INSPECTOR GENERAL

January 14, 2010

MEMORANDUM TO: Chairman Jaczko

A handwritten signature in cursive script that reads "Hubert T. Bell".

FROM: Hubert T. Bell /RA/  
Inspector General

SUBJECT: TRANSMITTAL OF THE INDEPENDENT AUDITOR'S REPORT ON  
THE CONDENSED FINANCIAL STATEMENTS (OIG-10-A-07)

Office of Management and Budget Circular No. A-136, *Financial Reporting Requirements*, Revised, June 10, 2009, strongly encourages all entities producing a Performance and Accountability Report (PAR) to prepare a Summary Report which summarizes performance and accountability results for the fiscal year. The Summary Report should include the most important performance and financial information contained in the PAR in a brief, user-friendly format that is easily understood by a reader with little technical background in these areas. The purpose of this memorandum is to transmit Urbach Kahn & Werlin, LLP (UKW) Auditor's Report on the Condensed Financial Statements included in the Summary Report.

UKW is responsible for the attached unqualified auditor's opinion, dated November 6, 2009. The Office of the Inspector General (OIG) is responsible for technical and administrative oversight regarding the firm's performance under the terms of the contract. Our oversight of UKW's work, as differentiated from an audit in conformance with *Government Auditing Standards*, was not intended to enable us to express, and accordingly we do not express, an opinion on the condensed financial statements included in the Summary Report. However, OIG's oversight of UKW's work disclosed no instances where UKW did not comply with applicable auditing standards.

We appreciate the cooperation provided by NRC staff.

Attachment: As stated

cc: Commissioner Klein  
Commissioner Svinicki  
N. Mamish, OEDO  
J. Andersen, OEDO

## Independent Auditor's Report on the Condensed Financial Statements



### INDEPENDENT AUDITOR'S REPORT ON THE CONDENSED FINANCIAL STATEMENTS

Hubert T. Bell  
Inspector General  
United States Nuclear Regulatory Commission

The Honorable Gregory B. Jaczko  
Chairman  
United States Nuclear Regulatory Commission

We have audited the balance sheets of the United States Nuclear Regulatory Commission (NRC) as of September 30, 2009 and 2008, and the related statements of net cost, changes in net position, and budgetary resources (Principal Statements) for the fiscal years then ended. Our audit was performed 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; and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. In our report dated November 6, 2009, we expressed an unqualified opinion on those Principal Statements.

In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated in all material respects in relation to the Principal Statements referred to above from which it has been derived.

In accordance with *Government Auditing Standards*, our report on the Principal Statements referred to above includes an opinion on the effectiveness of internal control over financial reporting and a report on compliance with laws and regulations for the fiscal years ended September 30, 2009 and 2008. Those reports are integral parts of a financial statement audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Urbach Kahn & Werlin LLP*

Arlington, Virginia  
November 6, 2009



NRC FORM 335  
(9-2004)  
NRCMD 3.7

U.S. NUCLEAR REGULATORY COMMISSION

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(Assigned by NRC, Add Vol., Supp., Rev.,  
and Addendum Numbers, if any.)

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Fiscal Year 2009

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2010

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Basia Sall, et. al

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FY 2009

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Resource Management and Support Staff  
Office of the Chief Financial Officer  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001

9. SPONSORING ORGANIZATION - NAME AND ADDRESS (If NRC, type "Same as above"; if contractor, provide NRC Division, Office or Region, U.S. Nuclear Regulatory Commission, and mailing address.)

Same as 8, above

10. SUPPLEMENTARY NOTES

11. ABSTRACT (200 words or less)

NRC Summary of Performance and Financial Information Fiscal Year 2009 provides performance results and audited financial statements that enable Congress, the President, and the public to assess the performance of the agency in achieving its mission and stewardship of its resources.

12. KEY WORDS/DESCRIPTORS (List words or phrases that will assist researchers in locating the report.)

Performance and Accountability Report  
FY 2009  
PAR

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14. SECURITY CLASSIFICATION

(This Page)

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(This Report)

unclassified

15. NUMBER OF PAGES

16. PRICE



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NUREG-1542, Vol. 15, Supp. 1  
February 2010