



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

FEB 1 2001

Foxx and Company, CPAs
ATTN: Mr. Martin O'Neill, Partner
700 Goodall Complex, 324 West Ninth Street
Cincinnati, OH 45202-1908

Dear Mr. O'Neill:

SUBJECT: TASK ORDER NO. 14, MODIFICATION NO. 2, ENTITLED, "FINANCIAL STATEMENT COMPILATION AND AUDIT INTERFACE" UNDER CONTRACT NO. NRC-09-97-205

In accordance with Section B.21(c) of the subject contract entitled, "Task Order Award," this letter definitizes Modification No. 2 to Task Order No. 14 which (1) extends the period of performance through September 30, 2001, and (2) increases the fixed price amount of the task order by \$21,560 from \$186,240 to \$207,800. This effort shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

The second paragraph of the definitization letter of the basic task order is deleted in its entirety and the following paragraph is substituted in lieu thereof.

"The period of performance for Task Order No. 14 shall be from October 1, 2000 through September 30, 2001, with a cost ceiling of \$207,800."

This task order obligates funds in the amount of \$21,560. The accounting data for Task Order No. 14, Modification No. 2, is as follows:

B&R No.:	17N-15-532-105
FIN No.:	L1965
Appropriation No.:	31X0200.17N
BOC No.:	252A
Obligated Amount:	\$21,560

Your contacts during the course of this task order are:

Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340
Contractual Matters: Paulette Smith, Contract Specialist
(301) 415-6594

TEMPLATE-ADM001

ADM02

The issuance of this task order does not amend any terms or conditions of the subject contract.

Please indicate your acceptance of this task order by having an official, authorized to bind your organization, execute three (3) copies of this document in the space provided and return two (2) copies to the U.S. Nuclear Regulatory Commission, ATTN: Paulette Smith, Division of Contracts and Property Management, Mail Stop: T-7-I-2, ADM/DCPM/CMB1, Washington, DC 20555. You should retain the third copy for your records.

Sincerely,

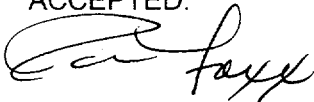


Mary Mace, Contracting Officer
Contract Management Branch 1
Division of Contracts and
Property Management
Office of Administration

Enclosures:

As stated

ACCEPTED:



PATRICIA A. FOXX
Name

MANAGING OFFICER
Title

2/1/01
Date

STATEMENT OF WORK
Modification No. 2 to Task Order No. 14 Under Job Code L1965
Contract No. NRC-09-97-205

Title: Financial Statement Compilation and Audit Interface

Technical Monitor: Robert E. Rakowski, OCFO - (301) 415-7340
Designated Alternates: Anthony C. Rossi, OCFO - (301) 415-7379
Barbara K. Gusack, OCFO - (301) 415-6054

Background

Since the passage of the Chief Financial Officers Act of 1990, the Nuclear Regulatory Commission (NRC) must comply with new Federal financial accounting standards and reporting requirements. The Office of the Chief Financial Officer (OCFO) of the NRC requires financial management advice and guidance concerning accounting and audit issues that affect the NRC's annual financial statements, accounting policy, and operations. The OCFO also seeks assistance in the preparation of the annual financial statements and compilation documentation, account reconciliations, and other general financial and accounting support tasks.

Objective

The objective of this task order is to obtain financial management assistance in preparing NRC's FY 2000 unaudited financial statements. These statements are to be prepared in accordance with OMB Bulletin 97-01, Form and Content of Agency Financial Statements; Statements of Federal Financial Accounting Standards; NRC Management Directive 4.1, Accounting Policy and Practices; and other appropriate guidance and standards.

Work Requirements

The contractor shall provide qualified personnel to complete the following tasks:

1. NRC's FY 2000 Annual Unaudited Financial Statements
 - a) Prepare draft financial statements and accompanying footnotes from the appropriate general ledger account balances as recorded in the agency's accounting system, in accordance with OMB Bulletin 97-01, Form and Content of Agency Financial Statements. The following draft financial statements shall be prepared: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Financing, and Statement of Budgetary Resources.

- b) Assemble, prepare, and compile records and data to support the dollar amounts, classifications, and footnotes reflected in the draft financial statements. This supporting documentation should be properly and easily cross-referenced to data provided in the draft financial statements. In addition, the supporting documentation shall be stored at an on-site repository designated by the NRC for review by the NRC Project Officer or designated alternates.
- c) Review supplemental information contained in the NRC accountability report for consistency with the draft financial statements prepared in paragraph 1(a), and provide comments and recommendations, if any. (Comments and recommendations may be written or oral at the discretion of the NRC Project Officer or designated alternates.)

2. Audit Liaison Assistance

- a) Upon the direction of the NRC Project Officer or designated alternates, respond to auditor inquiries within a mutually agreed-upon timeframe relating to the draft financial statements, compilation work papers, documentation, or other financial statement audit issues, including internal control issues.
- b) Review audit findings and recommend audit adjustments and corrective action(s), if any. (Recommendations and corrective actions may be written or oral at the discretion of the NRC Project Officer or designated alternates.)
- c) Make necessary audit adjustments to the draft financial statements, including general ledger postings, upon approval by the NRC Project Officer or designated alternates.
- d) Prepare FINAL financial statements after audit adjustments have been approved by the NRC Project Officer.

3. Task Order Management

The contractor shall provide supervision of junior and senior accountants and provide appropriate partner oversight of managers, work products, and deliverables.

Period of Performance

Modification No. 1 to Task Order No. 14 shall commence on February 1, 2001, and expire on September 30, 2001.

Deliverables

	<u>Task</u>	<u>Completion Date</u>
1.	Complete information on capitalized equipment for FY 2000	November 6, 2000
2.	Complete information on capitalized software and leasehold improvements for FY 2000	November 9, 2000
3.	Complete information on accounts receivable	November 14, 2000
4.	Proposed drafts of the following financial statements for FY 2000: <ul style="list-style-type: none">- Balance Sheet- Statement of Net Cost- Statement of Changes in Net Position- Statement of Financing- Statement of Budgetary Resources-	December 6, 2000
5.	Complete the compilation work papers (with proper referencing) to support the draft financial statement balances	December 8, 2000
6.	Complete work papers, data, and records; place in an on-site repository designated by the NRC	Three days after receiving audit findings
7.	Make recommendations concerning audit findings and recommend corrective action related to audit findings and audit adjustments	To be determined by the NRC Project Office
8.	Make necessary audit adjustments to the financial statement, including suggested ledger postings, and prepare FINAL financial statement	January 23, 2001

<u>Task</u>	<u>Completion Date</u>
9. Provide comments on draft Inspector General audit report	February 7, 2001
10. Comment and recommend changes if any, resulting from review of the supplemental information in the accountability report	February 13, 2001

Meetings

The contractor shall attend approximately ten (10) status meetings at NRC's Two White Flint North Building located at 11545 Rockville Pike, Rockville, Maryland. The date and time of each meeting will be coordinated between the contractor and the NRC Project Officer or designated alternates.

NRC Furnished Materials/Equipment

The NRC shall provide the contractor with the following items for use under this task order:

- ▶ Computer reports of general ledger account balances, audit reports, and other transaction data and documents relevant to the tasks.
- ▶ Personal computers, calculators, telephones, copy and facsimile machines will be provided to certain on-site contractor staff for support of this task order.

Progress Payments

Payments under this task order shall be made in accordance with contract clause B.24, "Progress Payments - Commercial Items."