



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

DEC 12 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. 17, 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. 17 which (1) extends the period of performance through February 28, 2002, and (2) increases the fixed price amount of the task order by \$57,480 from \$29,770 to \$87,250. 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. 17 shall be from October 1, 2001 through February 28, 2002, with a cost ceiling of \$87,250."

This task order obligates funds in the amount of \$57,480. The accounting data for Task Order No. 17, Modification No. 2, is as follows:

B&R No.:	27N-15-532-358
FIN No.:	L1965
Appropriation No.:	31X0200.27N
BOC No.:	252A
Obligated Amount:	\$57,480

The following individuals are considered to be essential to the successful performance of the work hereunder: [REDACTED]

The Contractor agrees that such personnel shall not be removed from the effort under the task order without compliance with contract clause, NRCAR 2052.215-70 entitled, "KEY PERSONNEL."

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

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. NOTE: A signed faxed copy shall be sent to Ms. Smith at (301) 415-5761 prior to mailing the hard copy to NRC.

Sincerely,

*for Robert Walker*

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

Enclosures:  
As stated

ACCEPTED:

*Mark W. O'Neil*

Name

*Partner*

Title

*12/14/01*

Date

**STATEMENT OF WORK**  
**Modification No. 2 to Task Order No. 17 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 2001 unaudited financial statements and FY 2002 interim financial statements. These statements are to be prepared in accordance with OMB Bulletins 97-01 and 01-09, 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 2001 Annual Unaudited Financial Statements and FY 2002 Interim 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 Bulletins 97-01 and 01-09, Form and Content of Agency Financial Statements. The following draft financial statements shall be prepared: Balance Sheet, Statement of Net

- 2 -

**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. 2 to Task Order No. 17 extends the task order through 2/28/2002.

**Deliverables**

	<b><u>Task</u></b>	<b><u>Completion Date</u></b>
1.	Complete work papers, data, and records; place in an on-site repository designated by the NRC	Three working days after receiving audit findings
2.	Make recommendations concerning audit findings and recommend corrective action related to audit findings and audit adjustments	To be determined by the NRC Project Office
3.	Make necessary audit adjustments to the financial statement, including suggested ledger postings, and prepare FINAL financial statement	Three working days after receiving the last significant change to the Draft Financial Statement
4.	Provide comments on draft Inspector General audit report	Two working days after receiving draft audit report
5.	Comment and recommend changes if any, resulting from review of the supplemental information in the accountability report	Three working days after receiving the Supplemental Information
6.	Complete interim Financial Statement and notes for the first quarter of FY 2002	February 28, 2002

**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.

- 4 -

**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."