



OFFICE OF THE
INSPECTOR GENERAL

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

February 12, 2015

MEMORANDUM TO: Chairman Burns

FROM: Hubert T. Bell */RA/*
Inspector General

SUBJECT: TRANSMITTAL OF THE INDEPENDENT AUDITORS'
REPORT ON THE SUMMARY FINANCIAL STATEMENTS
(OIG-15-A-10)

Office of Management and Budget Circular No. A-136, *Financial Reporting Requirements*, Revised, September 18, 2014, requires all entities covered under *The Chief Financial Officer's Act of 1990* to prepare a summary of performance and financial information which summarizes performance and accountability results for the fiscal year. The summary report should include the most important performance and financial information contained in NRC's *Performance and Accountability Report* 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 CliftonLarsonAllen LLP (CLA) Auditors' Report on the Summary Financial Statements. NRC publishes this report and summary financial statements as part of the "*Fiscal Year 2014 Summary of Performance and Financial Information.*"

CLA is responsible for the attached auditors' report, dated February 12, 2015. 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 CLA'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 summary financial statements included in the summary report. However, OIG's oversight of CLA's work disclosed no instances where CLA did not comply with applicable auditing standards.

We appreciate the cooperation provided by NRC staff.

Attachment: As stated

cc: Commissioner Svinicki
Commissioner Ostendorff
Commissioner Baran
M. Satorius, EDO
M. Wylie, CFO



CliftonLarsonAllen LLP

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INDEPENDENT AUDITORS' REPORT ON SUMMARY FINANCIAL STATEMENTS

Inspector General
United States Nuclear Regulatory Commission

Chairman
United States Nuclear Regulatory Commission

The accompanying summary financial statements, which comprise the summary balance sheets as of September 30, 2014 and 2013, the summary statements of net cost and summary statements of changes in net position for the years then ended are derived from the audited financial statements of the United States Nuclear Regulatory Commission (NRC) as of and for the years ended September 30, 2014 and 2013, and the related notes, which collectively comprise the NRC's basic financial statements. We expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2014. The audited financial statements, and the summary financial statements derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements.

The summary financial statements do not contain the statement of budgetary resources and all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of NRC.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with accounting principles generally accepted in the United States of America.

Auditors' Responsibility

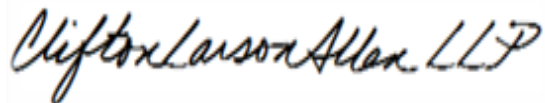
Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our

INDEPENDENT AUDITORS' REPORT ON SUMMARY FINANCIAL STATEMENTS,
CONTINUED

procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived, and evaluating whether the summary financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. We did not perform any audit procedures regarding the audited financial statements after the date of our report on those financial statements.

Opinion

In our opinion, the summary financial statements of the NRC as of and for the years ended September 30, 2014 and 2013 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Arlington, Virginia
February 12, 2015

NRC Fiscal Years 2013 and 2014 Summary Comparative Financial Statements

(Extracted from NRC's Fiscal Year 2014 Summary Performance and Accountability Report)

The full summary report is available at
<http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>

SUMMARY FINANCIAL STATEMENTS

SUMMARY BALANCE SHEET* (In Thousands)

As of September 30,	2014	2013
Assets		
Fund balance with Treasury	\$ 377,391	\$ 318,244
Accounts receivable, net	111,567	91,808
Property and equipment, net	90,280	107,771
Other	8,076	4,952
Total Assets	\$ 587,314	\$ 522,775
Liabilities		
Accounts payable	\$ 38,185	\$ 38,048
Federal employee benefits	6,669	7,023
Other	79,416	74,427
Total Liabilities	124,270	119,498
Net Position		
Unexpended appropriations	306,226	242,640
Cumulative results of operations	156,818	160,637
Total Net Position	463,044	403,277
Total Liabilities and Net Position	\$ 587,314	\$ 522,775

SUMMARY STATEMENT OF NET COST* (In Thousands)

For the years ended September 30,	2014	2013
Nuclear Reactor Safety		
Gross costs	\$ 817,279	\$ 831,114
Less: Earned revenue	(815,037)	(760,283)
Total Net Cost of Nuclear Reactor Safety	2,242	70,831
Nuclear Materials and Waste Safety		
Gross costs	239,305	232,011
Less: Earned revenue	(81,515)	(91,959)
Total Net Cost of Nuclear Materials and Waste	157,790	140,052
Net Cost of Operations	\$ 160,032	\$ 210,883

SUMMARY FINANCIAL STATEMENTS

SUMMARY STATEMENT OF CHANGES IN NET POSITION* *(In Thousands)*

For the years ended September 30,	2014	2013
Cumulative Results of Operations		
Beginning Balance	\$ 160,637	\$ 160,194
Budgetary Financing Sources	121,264	176,651
Other Financing Sources	34,949	34,675
Net Cost of Operations	(160,032)	(210,883)
Net Change	(3,819)	443
Cumulative Results of Operations	\$ 156,818	\$ 160,637
Unexpended Appropriations		
Beginning Balance	\$ 242,640	\$ 285,080
Budgetary Financing Sources	63,586	(42,440)
Total Unexpended Appropriations	306,226	242,640
Net Position	\$ 463,044	\$ 403,277

* For a complete set of financial statements and notes, see Chapter 3, "Financial Statements and Auditors' Report," beginning on page 69 of the FY 2014 PAR. This report can be accessed on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.

SUMMARY OF FINANCIAL STATEMENT AUDIT
AND MANAGEMENT ASSURANCES**

SUMMARY OF FINANCIAL STATEMENT AUDIT FOR FY 2014

Audit Opinion – Unmodified	Restatement – No	Material Weaknesses – No
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SUMMARY OF MANAGEMENT ASSURANCES FOR FY 2014

Effectiveness of Internal Control over Financial Reporting and Operations (FMFIA § 2)

Statement of Assurance – Unqualified	Material Weaknesses – No
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Conformance with Financial Management System Requirements (FMFIA § 4)

Statement of Assurance – Systems conform to financial management systems requirements	Nonconformance – No
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Compliance with Federal Financial Management Improvement Act (FFMIA)

	Agency	Auditor
Systems Requirements, Accounting Standards, and United States Standard General Ledger at Transaction Level	No lack of Substantial Compliance Noted	No lack of Substantial Compliance Noted

**For the complete Summary of Financial Statement Audit and Management Assurances, see page 145 of the FY 2014 PAR. This report can be accessed on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.