



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

**OFFICE OF THE  
INSPECTOR GENERAL**

February 9, 2016

MEMORANDUM TO: Chairman Burns

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

SUBJECT: TRANSMITTAL OF THE INDEPENDENT AUDITORS'  
REPORT ON THE SUMMARY FINANCIAL STATEMENTS  
(OIG-16-A-09)

Office of Management and Budget Circular No. A-136, *Financial Reporting Requirements*, Revised, August 4, 2015, 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 2015 Summary of Performance and Financial Information.*"

CLA is responsible for the attached auditors' report. 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. E. Wylie, CFO  
V. M. McCree, EDO



CliftonLarsonAllen LLP

[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

## **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, 2015 and 2014, the summary statements of net cost and summary statements of changes in net position for the years then ended, and the related notes, are derived from the audited financial statements of the United States Nuclear Regulatory Commission (NRC) as of and for the years ended September 30, 2015 and 2014. We expressed an unmodified audit opinion on those audited financial statements in our report dated November 6, 2015. 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 on the basis described in Note 1.

### ***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 procedures, which were conducted in accordance with auditing standards generally accepted in the United

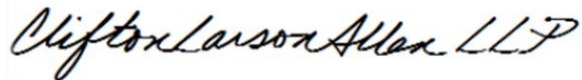
**INDEPENDENT AUDITORS' REPORT ON SUMMARY FINANCIAL STATEMENTS,**

**CONTINUED**

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 the basis described in Note 1. 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, 2015 and 2014 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the basis described in Note 1.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Arlington, Virginia  
February 9, 2016

NRC Fiscal Years 2014 and 2015  
Summary Comparative Financial Statements

(Extracted from NRC's Fiscal Year 2015  
Summary of Performance and Financial Information)

The full 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,                       | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>Assets</b>                             |                   |                   |
| Fund balance with Treasury                | \$ 353,838        | \$ 377,391        |
| Accounts receivable, net                  | 96,039            | 111,567           |
| Property and equipment, net               | 79,056            | 90,280            |
| Other                                     | 11,288            | 8,076             |
| <b>Total Assets</b>                       | <b>\$ 540,221</b> | <b>\$ 587,314</b> |
| <b>Liabilities</b>                        |                   |                   |
| Accounts payable                          | \$ 37,011         | \$ 38,185         |
| Federal employee benefits                 | 6,040             | 6,669             |
| Other                                     | 84,915            | 79,416            |
| <b>Total Liabilities</b>                  | <b>127,966</b>    | <b>124,270</b>    |
| <b>Net Position</b>                       |                   |                   |
| Unexpended appropriations                 | 283,151           | 306,226           |
| Cumulative results of operations          | 129,104           | 156,818           |
| <b>Total Net Position</b>                 | <b>412,255</b>    | <b>463,044</b>    |
| <b>Total Liabilities and Net Position</b> | <b>\$ 540,221</b> | <b>\$ 587,314</b> |

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

| For the years ended September 30,             | 2015              | 2014              |
|---|-------------------|-------------------|
| <b>Nuclear Reactor Safety</b>                 |                   |                   |
| Gross costs                                   | \$ 838,682        | \$ 817,279        |
| Less: Earned revenue                          | (814,280)         | (815,037)         |
| Total Net Cost of Nuclear Reactor Safety      | 24,402            | 2,242             |
| <b>Nuclear Materials and Waste Safety</b>     |                   |                   |
| Gross costs                                   | 244,777           | 239,305           |
| Less: Earned revenue                          | (86,554)          | (81,515)          |
| Total Net Cost of Nuclear Materials and Waste | 158,223           | 157,790           |
| <b>Net Cost of Operations</b>                 | <b>\$ 182,625</b> | <b>\$ 160,032</b> |

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

| For the years ended September 30,       | 2015       | 2014       |
|---|------------|------------|
| <b>Cumulative Results of Operations</b> |            |            |
| Beginning Balance                       | \$ 156,818 | \$ 160,637 |
| Budgetary Financing Sources             | 127,252    | 121,264    |
| Other Financing Sources                 | 27,659     | 34,949     |
| <b>Net Cost of Operations</b>           | (182,625)  | (160,032)  |
| <b>Net Change</b>                       | (27,714)   | (3,819)    |
| <b>Cumulative Results of Operations</b> | \$ 129,104 | \$ 156,818 |
| <b>Unexpended Appropriations</b>        |            |            |
| Beginning Balance                       | \$ 306,226 | \$ 242,640 |
| Budgetary Financing Sources             | (23,075)   | 63,586     |
| <b>Total Unexpended Appropriations</b>  | 283,151    | 306,226    |
| <b>Net Position</b>                     | \$ 412,255 | \$ 463,044 |

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

## NOTE 1. BASIS OF PRESENTATION

The NRC FY 2015 summary financial statements were prepared in accordance with applied criteria determined by management which is consistent with OMB A-136, Financial Reporting Requirements, Section III Summary of Performance and Financial Information. The NRC FY 2015 summary financial statements are consistent in all material respects with the NRC audited financial statements as of and for the periods ended September 30, 2015 and September 30, 2014, from which they have been derived.

## NOTE 2. ACCOUNTING POLICIES

The summary financial statements were prepared in accordance with policies described in the notes to the NRC audited financial statements as of and for the periods ended September 30, 2015 and September 30, 2014; however, they do not include all the information necessary for financial statements prepared in accordance with accounting principles generally accepted for Federal entities in the United States of America. The summary financial statements are sufficiently complete so that the summary financial statements contain the information necessary and are at an appropriate level of aggregation, so that they are not misleading in the circumstances.

\* For a complete set of financial statements and notes, see Chapter 3, "Financial Statements and Auditors' Report," beginning on page 83 of the FY 2015 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 2015

|                                  |                   |     |          |              |                |
|----------------------------------|-------------------|-----|----------|--------------|----------------|
| Audit Opinion                    | Unmodified        |     |          |              |                |
| Restatement                      | No                |     |          |              |                |
| Material Weaknesses              | Beginning Balance | New | Resolved | Consolidated | Ending Balance |
| None                             | 0                 | 0   | 0        | 0            | 0              |
| <i>Total Material Weaknesses</i> | 0                 | 0   | 0        | 0            | 0              |

### Summary of Management Assurances for FY 2015

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

|                                  |                   |     |          |              |                |
|----------------------------------|-------------------|-----|----------|--------------|----------------|
| Statement of Assurance           | Unqualified       |     |          |              |                |
| Material Weaknesses              | Beginning Balance | New | Resolved | Consolidated | Ending Balance |
| None                             | 0                 | 0   | 0        | 0            | 0              |
| <i>Total Material Weaknesses</i> | 0                 | 0   | 0        | 0            | 0              |

#### Effectiveness of Internal Control over Operations (FMFIA § 2)

|                                  |                   |     |          |              |                |
|----------------------------------|-------------------|-----|----------|--------------|----------------|
| Statement of Assurance           | Unqualified       |     |          |              |                |
| Material Weaknesses              | Beginning Balance | New | Resolved | Consolidated | Ending Balance |
| None                             | 0                 | 0   | 0        | 0            | 0              |
| <i>Total Material Weaknesses</i> | 0                 | 0   | 0        | 0            | 0              |

#### Conformance with Financial Management System Requirements (FMFIA § 4)

|                              |   |     |          |              |                |
|------------------------------|---|-----|----------|--------------|----------------|
| Statement of Assurance       | Systems conform to financial management system requirements |     |          |              |                |
| Nonconformances              | Beginning Balance   | New | Resolved | Consolidated | Ending Balance |
| None                         | 0   | 0   | 0        | 0            | 0              |
| <i>Total Nonconformances</i> | 0   | 0   | 0        | 0            | 0              |

#### Compliance with Federal Financial Management Improvement Act (FFMIA)

|  | Agency                                  | Auditor                                 |
|--|---|---|
| 1. Systems Requirements                                  | No Lack of Substantial Compliance Noted | No Lack of Substantial Compliance Noted |
| 2. Accounting Standards                                  | No Lack of Substantial Compliance Noted | No Lack of Substantial Compliance Noted |
| 3. U.S. Standard General Ledger at the Transaction Level | No Lack of Substantial Compliance Noted | No Lack of Substantial Compliance Noted |