NRC Nuclear Regulatory Commission

Fiscal Year 2026

Agency Financial Report



UNITED STATES NUCLEAR REGULATORY COMMISSION

AVAILABILITY OF REFERENCE MATERIALS IN NRC PUBLICATIONS

NRC Reference Material

As of November 1999, you may electronically access NUREG)-series publications and other NRC records at the NRC's Library at www.nrc.gov/reading-rm.html. Publicly released records include, to name a few, NUREG-series publications; *Federal Register* notices; applicant, licensee, and vendor documents and correspondence; NRC correspondence and internal memoranda; bulletins and information notices; inspection and investigative reports; licensee event reports; and Commission papers and their attachments.

NRC publications in the NUREG series, NRC regulations, and Title 10, "Energy," in the *Code of Federal Regulations* may also be purchased from one of these two sources:

1. **The Superintendent of Documents**
   U.S. Government Publishing Office
   Washington, DC 20402-0001
   Internet: https://bookstore.gpo.gov/
   Telephone: (202) 512-1800
   Fax: (202) 512-2104

2. **The National Technical Information Service**
   5301 Shawnee Road
   Alexandria, VA 22312-0002
   Internet: https://www.ntis.gov/
   1-800-553-6847 or, locally, (703) 605-6000

A single copy of each NRC draft report for comment is available free, to the extent of supply, upon written request as follows:

Address: **U.S. Nuclear Regulatory Commission**
Office of the Chief Information Officer
Communication, Collaboration and
Workspace Branch
Washington, DC 20555-0001
Email: Reproduction.Resource@nrc.gov
Facsimile: (301) 415-2289

Some publications in the NUREG series that are posted at the NRC's website address www.nrc.gov/reading-rm/doc-collections/nuregs are updated periodically and may differ from the last printed version. Although references to material found on a website bear the date the material was accessed, the material available on the date cited may subsequently be removed from the site.

Non-NRC Reference Material

Documents available from public and special technical libraries include all open literature items, such as books, journal articles, transactions, *Federal Register* notices, Federal and State legislation, and congressional reports. Such documents as theses, dissertations, foreign reports and translations, and non-NRC conference proceedings may be purchased from their sponsoring organization.

Copies of industry codes and standards used in a substantive manner in the NRC regulatory process are maintained at—

The NRC Technical Library
Two White Flint North
11545 Rockville Pike
Rockville, MD 20852-2738

These standards are available in the library for reference use by the public. Codes and standards are usually copyrighted and may be purchased from the originating organization or, if they are American National Standards, from—

American National Standards Institute
11 West 42nd Street
New York, NY 10036-8002
Internet: https://www.ansi.org/
(212) 642-4900

Legally binding regulatory requirements are stated only in laws; NRC regulations; licenses, including technical specifications; or orders, not in NUREG-series publications. The views expressed in contractor-prepared publications in this series are not necessarily those of the NRC.

The NUREG series comprises (1) technical and administrative reports and books prepared by the staff (NUREG–XXXX) or agency contractors (NUREG/CR–XXXX), (2) proceedings of conferences (NUREG/CP–XXXX), (3) reports resulting from international agreements (NUREG/IA–XXXX), (4) brochures (NUREG/BR–XXXX), and (5) compilations of legal decisions and orders of the Commission and Atomic and Safety Licensing Boards and of Directors' decisions under Section 2.206 of the NRC's regulations (NUREG–0750) (6) Knowledge Management prepared by NRC staff or agency contractors (NUREG/KM–XXXX).

DISCLAIMER: This report was prepared as an account of work sponsored by an agency of the U.S. Government. Neither the U.S. Government nor any agency thereof, nor any employee, makes any warranty, expressed or implied, or assumes any legal liability or responsibility for any third party's use, or the results of such use, of any information, apparatus, product, or process disclosed in this publication, or represents that its use by such third party would not infringe privately owned rights.

About This Report

The Agency Financial Report (AFR) for the U.S. Nuclear Regulatory Commission (NRC) provides financial and summary performance information in accordance with Office of Management and Budget Circular A-136, "Financial Reporting Requirements," revised May 29, 2026. This AFR is an account of the agency's stewardship of its resources during fiscal year (FY) 2026, which covers the period from October 1, 2025, to September 30, 2026. The report is organized into the following three chapters:

- **Chapter 1: Management's Discussion and Analysis (Unaudited)**
  This chapter provides an overview of the NRC's financial information and summary-level program performance information. It includes an overview of program performance, the current status of systems, internal controls, financial management, and the FY 2026 financial statement analysis.

- **Chapter 2: Financial Statements and Auditors' Report**
  This chapter contains details on the NRC's finances for FY 2026. It includes a message from the Chief Financial Officer, the financial statements and accompanying notes, required supplementary information, and the independent auditors' report.

- **Chapter 3: Other Information (Unaudited)**
  This chapter provides the Office of the Inspector General's discussion of management and performance challenges, a summary of the financial statement audit, information on payment integrity, details on space occupancy, a glossary of acronyms, and other information.

The following related reports are available on the NRC website:

- The Annual Performance Plan is reflected in the NRC's FY 2026 Congressional Budget Justification and is posted on the NRC's website at https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1100/.

- AFRs are located at https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr2220/.

- Before publication of the AFR, the NRC prepared Performance and Accountability Reports, which are located at https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/.

Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, a request for information or an information collection requirement unless the requesting document displays a currently valid Office of Management and Budget control number.

The document NUREG-2220, Volume 10, U.S. Nuclear Regulatory Commission Fiscal Year 2026 Agency Financial Report, has been reproduced from the best available copy.


S NUCLEAR REGULATORY COM

Table of Contents

About This Report ..... **iii**

The Commission ..... **vi**

A Message from the Chairman ..... **vii**

Chapter 1: Management's Discussion and Analysis (Unaudited) **1**

Mission—Vision—Principles of Good Regulation 2
About the NRC 3
Program Performance Overview 4
Future Challenges 6
Source of Funds 11
Analysis of the Financial Statements 12
Analysis of Systems, Controls, and Legal Compliance 18

Chapter 2: Financial Statements and Auditors' Report **27**

A Message from the Chief Financial Officer 28
Financial Statements 29
Notes to the Financial Statements 33
Required Supplementary Information 54
Inspector General's Letter Transmitting Independent Auditors' Report 59
Independent Auditors' Report 61
Management's Response to the Independent Auditors' Report 70

Chapter 3: Other Information (Unaudited) **73**

Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the NRC 74
Summary of Financial Statement Audit and Management Assurances 88
Payment Integrity 89
Real Property 91
Civil Monetary Penalty Adjustment for Inflation 91
Grants Oversight and New Efficiency Act Requirements 91
Abbreviations 92
Quick Response (QR) Codes 94

The Commission

The authority of the U.S. Nuclear Regulatory Commission is vested in a Commission of five members, with one member designated by the President of the United States to serve as Chairman. With the advice and consent of the Senate, the President appoints each member to serve a 5-year term. The Chairman is the chief executive officer and official spokesperson for the Commission. The Commission as a whole formulates policies and regulations governing the safety and security of nuclear reactors and materials, issues orders to licensees, and adjudicates legal matters brought before it. The Executive Director for Operations carries out program policies and decisions made by the Commission.



Chairman Ho K. Nieh



Commissioner David A. Wright



Commissioner Bradley R. Crowell



Commissioner Matthew J. Marzano



Commissioner Douglas W. Weaver

A Message from the Chairman



The U.S. Nuclear Regulatory Commission's (NRC's) Fiscal Year (FY) 2026 Agency Financial Report (AFR) reflects the agency's commitment to carry out its mission with discipline and accountability.

This report provides the President, Congress and the American people with key financial information and a summary of program performance, including the agency's financial status and use of resources during FY 2026. It also includes results of the independent audit of the NRC's financial statements. For more than 21 consecutive years, the NRC has received an unmodified (clean) opinion, providing reasonable assurance that the financial statements are fairly presented, in all material respects and in accordance with U.S. Generally Accepted Accounting Principles. The auditors identified an exception related to change management over financial reporting, and the NRC will continue to strengthen controls in this area.

Strong financial management is essential to maintaining an effective and credible regulator. Based on the NRC's internal control system and assessments conducted in accordance with the *Federal Managers' Financial Integrity Act of 1982,* Office of Management and Budget (OMB) Circular A-123, "Management's Responsibility for Internal Control," I have concluded that the NRC is able to provide reasonable assurance that its internal controls effectively achieve the agency's objectives related to operations, compliance and programmatic reporting. The NRC's triennial improper payment risk assessment, conducted in accordance with the *Payment Integrity Information Act of 2019*, concluded that the risk of improper payments remains among the lowest and most secure in the Federal Government. In addition, the agency is in substantial compliance with the *Federal Financial Management Improvement Act of 1996*, based on the NRC's implementation of OMB Circular A-123, Appendix D requirements. The financial and summary performance data published in this report are complete, accurate, reliable and timely, in accordance with the *Reports Consolidation Act of 2000* and OMB Circular A-136,"Financial Reporting Requirements".

The performance and dedication of NRC employees are central to achieving the agency's safety and security mission. The Commission looks forward to continuing to serve the American people with independence, rigor and urgency.



Ho K. Nieh
Chairman
November 16, 2026


S NUCLEAR REGULATORY COM

Chapter 1

Management's Discussion and Analysis
(Unaudited)

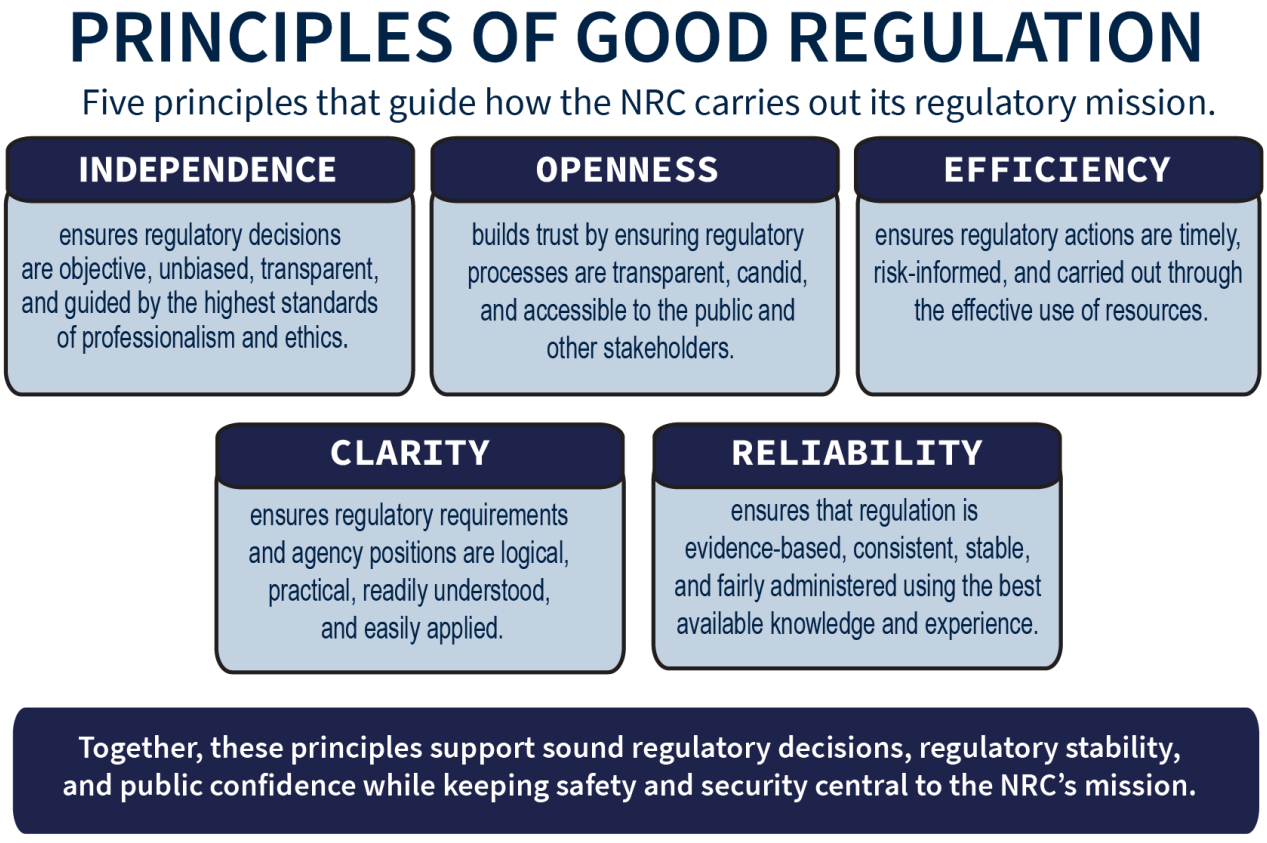
Mission

The U.S. Nuclear Regulatory Commission (NRC) protects public health and safety and advances the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment.

Vision

Demonstrate the Principles of Good Regulation in performing the agency's mission.

The NRC conducts its work according to the Principles of Good Regulation: independence, openness, efficiency, clarity, and reliability. These principles guide how the agency makes objective, transparent, risk-informed, and timely regulatory decisions; performs its work; communicates with stakeholders; and maintains safety, security, and public confidence using the best available information.



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 of 1954 (Public Law (P.L.) 83-703, 68 Stat. 919) The Atomic Energy Act, as amended through P.L. 118–67, and the Energy Reorganization Act of 1974 (P.L. 93-438) Energy Reorganization Act, as amended through P.L. 118–67, define the NRC's purpose. The Atomic Energy Act of 1954 is the primary U.S. federal law governing both the civilian and military uses of nuclear materials and facilities. The Energy Reorganization Act of 1974 is a United States federal law that established the independent Nuclear Regulatory Commission (NRC) to oversee civilian nuclear safety, licensing, and environmental protection.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. Additional information about the NRC is available in the Information Digest at https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1350/.

The NRC is headquartered in Rockville, Maryland, with four regional offices in King of Prussia, Pennsylvania (Region I); Atlanta, Georgia (Region II); Naperville, Illinois (Region III); and Arlington, Texas (Region IV). The agency also operates a Technical Training Center in Chattanooga, Tennessee. Regional offices provide the NRC's primary field presence and oversee regulatory activities within their geographical areas. The NRC's current organizational chart can be accessed at the following link: https://www.nrc.gov/docs/ML2132/ML21320A324.pdf.



An NRC resident inspector examines a refueling water storage tank at the South Texas Project Nuclear Generating Station in Matagorda County, Texas. This tank holds clean, borated water used to safely cool the reactor during refueling and in certain emergency situations. *Photo courtesy STP Nuclear Operating Co.*

The NRC's resident inspector program has provided oversight at licensee facilities throughout the United States for over 50 years.

Program Performance Overview

One of the key regulatory functions of the NRC is licensing and certifying the safe use of nuclear materials. The agency works to prevent or minimize the outcomes tracked by the safety and security performance indicators. Therefore, the trends for progress on the agency's strategic goals and objectives are to be at either zero or very low levels.

The NRC carries out its safety and security activities through two major programs: Nuclear Reactor Safety, consisting of the Operating Reactors and New Reactors business lines; and Nuclear Materials and Waste Safety, consisting of the Fuel Facilities, Nuclear Materials Users, Decommissioning and Low-Level Waste, and Spent Fuel Storage and Transportation business lines. The agency accomplishes its mission to protect public health and safety through efficient and reliable licensing, oversight, and regulation. The NRC oversees licensees through inspection, assessment, investigation, and enforcement actions. Investigations and enforcement actions are a subset of oversight in cases of suspected or proven instances of noncompliance with safety or security regulations. The NRC's event response activities prepare for and respond to emergencies involving radioactive materials.

The NRC intends to bill each applicant at quarterly intervals for all review costs for each application, until the review has been brought to an end by one of the following:

- issuance of a permit, license, approval, certificate, exemption, or other form of permission
- denial, withdrawal, or suspension of review of the application
- postponement of action on the application by the applicant

The NRC will bill the applicant for the full cost of all inspections at their facility. This includes the regular hourly work of inspectors living on site, as well as special reviews, investigations, and follow-up activities.

Here is how the charges work:

- You are billed for every hour the inspector is on duty, unless they are away helping at a different site.
- You pay the full cost of specific reviews, event investigations, and regular performance evaluations.
- Bills cover all preparation time, time spent at your site, report writing, follow-up work, and any outside contractor costs.
- For reports that get published, you will be billed for all related work up to about 30 days after the report comes out.
- You do not pay for the time the NRC spends processing or issuing violations and fines.

Strategic Goals, Objectives, and Results

In FY 2026, the NRC continued to implement the strategic goals outlined in the FY 2022–2026 Strategic Plan (available at https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1614/v8/index). The three strategic goals pursued by the NRC are to: (1) ensure the safe and secure use of radioactive materials, (2) continue to foster a healthy organization, and (3) inspire

stakeholder confidence in the NRC. Each strategic goal is further broken down into supporting objectives and strategies, including quantifiable metrics.

The Annual Performance Report provides information on the agency's progress achieving the goals and objectives described in the agency's strategic plan. The FY 2026 Annual Performance Reports is scheduled for publication in February 2027 and will be available at: https://www.nrc.gov/about-nrc/plans-performance#annual.

The Statement of Net Costs, presented in Chapter 2, aligns agency costs to the NRC's strategic objectives through its two major programs.

- The Nuclear Reactor Safety program, which accounts for 78.8% of NRC's total costs in FY 2026, directly supports the first strategic goal through the NRC's rulemaking, licensing, oversight and incident response programs at licensee reactor facilities.
- The Nuclear Materials and Waste Safety program, which accounts for 21.2% of NRC's total costs in FY 2026, contributed to the first strategic goal through regulating activities which provide for the safe storage, transportation and secure production of nuclear fuel used in commercial nuclear reactors;
- Both programs contributed to the second and third strategic goals through the strengthening of the NRC workforce's capabilities and dedication to risk-informed decision making.



NRC commissioner Bradley Crowell recently hosted a discussion on the agency's safety culture. Click the image above to view the recorded conversation.

"For the NRC to have a strong external safety culture oversight program, we also have to practice what we preach and have a strong internal safety culture that will translate and materialize into giving constructive, continuous learning feedback to our staff, our licensees, and stakeholders." — NRC Commissioner Bradley Crowell

Future Challenges

Many challenges and external factors influence the NRC's ability to achieve its strategic goals and associated objectives. The most significant challenges include industry operating experience, national priorities, a potential significant incident at a domestic or non-U.S. nuclear facility, the security and threat environment, legislation, federal court litigation, market forces, new technologies, and resource availability. The NRC strives to respond promptly to shifts in agency priorities necessitated by these challenges. The agency must also manage significant changes in federal priorities, regulatory responsibilities, and workforce capacity while maintaining its safety and security mission. The nuclear industry has maintained an excellent safety record at nuclear power plants over decades as both the nuclear industry and the NRC have gained substantial experience in the operation and maintenance of nuclear power facilities. Maintaining this excellent safety record requires that the agency take proactive measures to ensure the accomplishment of its mission. The sections below highlight the key challenges the agency faces.

Market Forces

Many market forces affect the nuclear industry. These can affect the business operations of facility operators and license applicants subject to NRC jurisdiction and therefore the workload before the agency. The NRC must be prepared with the regulatory infrastructure to continue to provide reasonable assurance of the safety and security of operating facilities and to support areas such as decommissioning of nuclear power plants, changes in exports and imports, and licensing of new technologies and facilities. The NRC has recently seen an increased interest in nuclear energy applications, following a downturn due to natural gas supplies and emphasis on renewable energy, to meet the increasing demand for safe, abundant clean energy to supply power for artificial (or super) intelligence, electrification of domestic manufacturing, and evolving consumer needs.

Globalization and Development of Nuclear Technology

Technological changes may affect the development of advanced nuclear systems and support infrastructure, resulting in impacts to the industry activities subject to NRC jurisdiction. Increased globalization of nuclear technology, including small modular reactors and advanced reactor designs, could increase competition in the nuclear supply chain and, therefore, could affect industry operating costs and increase the complexity of regulatory oversight due to the need to encompass foreign vendors. In addition to operating and regulatory impacts on the domestic nuclear industry, globalization increases the value of the NRC's enhanced cooperation with international organizations for licensing activities, training, development and implementation of codes and standards, and conventions and treaties to ensure safe and secure use of nuclear technology.

Incidents

The U.S. national security landscape will continue to be dynamic, encompassing a full range of threats and incidents, including the identification of and protection against cyber and physical security threats. As a result, the regulatory approach necessary to ensure the safety and security of nuclear materials and infrastructure may need to evolve in response to such incidents and threats. A significant incident at a nuclear facility, whether caused by adversaries, natural disaster, or other factors, could prompt the agency to reassess its safety and security requirements and could impact the agency's focus. The NRC must anticipate and be prepared for an operational and regulatory response to threats and incidents involving nuclear infrastructure. An incident at a non-U.S. facility could also cause the NRC to reassess its safety and security requirements.

Legislative and Executive Branch Actions

Legislative or executive branch actions may affect the NRC's regulatory responsibilities, and strategies to comply with new direction would be needed. Implementing these actions within compressed timelines can create competing demands on staff and resources, particularly when the NRC must continue its existing licensing, oversight, and regulatory responsibilities.

Executive Orders

On May 23, 2025, President Donald J. Trump signed four executive orders (EOs) aimed at restoring America's nuclear energy dominance. One of those EOs was EO 14300, "Ordering the Reform of the Nuclear Regulatory Commission." This EO requires the NRC to take a number of actions to help provide the American people with safe, abundant nuclear energy. The NRC has a dedicated team of individuals coordinating the agency's efforts to implement the requirements and meet the timelines of the EO. The NRC has aligned these EO efforts with the actions already underway to implement the provisions of the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act). As part of the wholesale review of regulations required by section 5 of the EO, the NRC has 20 rulemakings in development and has completed 8 rules. The status of the ongoing rulemakings is available on the NRC's public rulemaking website at https://www.nrc.gov/about-nrc/governing-laws/advance-act/wholesale-revision-regs.

The NRC is also coordinating with federal partners, including the U.S. Departments of Energy (DOE) and War, to support implementation of the other three EOs issued on May 23, 2025, addressing advanced reactor deployment for national security, reactor testing at DOE facilities, and strengthening the domestic nuclear industrial base. Implementing these EOs, particularly EO 14300, presents significant opportunities and management challenges. EO 14300 requires the NRC to modernize its regulatory framework, streamline licensing processes, improve regulatory predictability, and align its organizational structure and resources with evolving national priorities. The scope and compressed timelines of these reforms require close coordination with other federal agencies, timely decision-making, and careful prioritization of resources. The NRC must balance these efforts with its ongoing safety and security responsibilities, including licensing, inspection, and oversight, while preparing for increased demand for nuclear technologies and specialized technical and legal expertise.

Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act)

The ADVANCE Act was signed into law on July 9, 2024. It contains a variety of requirements relevant to the NRC. They address a wide range of NRC activities, such as its budgeting process, recruitment and retention of the agency workforce, reduced fee rates for advanced nuclear reactor applicants and preapplicants, the regulatory framework for advanced reactors and fusion technology, as well as strategies to enhance the NRC's efficient, timely, and predictable reviews of license applications. To date, the NRC has completed 33 of the 36 actions it identified from the ADVANCE Act and is on target to complete the remaining actions in FY 2027.

The NRC's goal under the ADVANCE Act and EO 14300 is to deliver timely, predictable, and efficient reviews. In response to the ADVANCE Act, the staff identified efficiencies by prioritizing agency resources on the issues that matter most to safety. In the FY 2026 final fee rule, the NRC established fixed caps on service fees to provide cost predictability and increased accountability in the NRC's licensing and other applicant-requested activities, consistent with the policy announced in EO 14300. In addition, the NRC has updated its Nuclear Energy Innovation and Modernization Act (NEIMA) milestone schedules for issuance of final safety evaluations to align with the EO's 12- and 18-month periods, and the NRC will be addressing the EO 14300 policy to establish fixed deadlines for final decisions in a future rulemaking. Since 2020, six advanced reactor design reviews have been completed under budget and on or ahead of schedule, with reviews since 2025 completed or on track to finish within 18 months. The NRC continues to encourage applicants to engage with the agency in robust preapplication discussions to resolve technical and policy issues early and support more efficient reviews. As staff gain familiarity with advanced and new reactor technologies, the NRC can expect to realize additional efficiencies in the timelines; however, maintaining this momentum toward efficiency and being able to meet current projected workloads present a challenge for the NRC in its mission to ensure the American people are provided safe, abundant nuclear energy.

Successful implementation of EO 14300 and the ADVANCE Act requires balancing resources for regulatory modernization with ongoing licensing, inspection, and oversight responsibilities. The pace of implementation and anticipated growth in licensing applications will place additional demands on specialized staff and require strong leadership and accountability. In FY 2026, the NRC introduced the Leadership, Excellence, Accountability, and Discipline (LEAD) framework to strengthen organizational performance and workforce capabilities. Institutionalizing LEAD will be essential as the agency transitions from developing regulatory reforms to implementing them through licensing and oversight, while maintaining its high standards for safety and security.

International Treaties and Conventions

The ratification by the United States of international instruments related to the safety of nuclear facilities or radioactive materials could potentially impose binding provisions on the Nation that can affect responsible governmental agencies, such as the NRC. Strategies to comply with new provisions would be needed.

Workforce Dynamics

The NRC's most valuable resource is its staff, and its ability to recruit, hire, train, motivate, and retain qualified staff in a competitive job market is critical to meeting its strategic goals. The agency must also maintain a high-performing, diverse, engaged, and flexible workforce supported by a healthy organizational culture with a focus on safety, security, and continuous improvement to meet mission needs. This will require the NRC to better understand and meet the needs of its employees and become a more flexible and agile organization. With the renewed interest in nuclear energy, the NRC has experienced notable staff attrition, as the private sector searches for experienced individuals in the nuclear field while offering lucrative benefits, such as increased pay and work-life balance. The NRC has also experienced workforce reductions during a period of significant changes in federal priorities and regulatory responsibilities. These reductions, combined with ongoing attrition, create challenges in maintaining institutional knowledge, specialized expertise, and sufficient capacity to meet competing demands. Despite the losses, the NRC remains sufficiently staffed to continue to meet its important safety and security mission. Through reform efforts in response to the ADVANCE Act and EO 14300, such as the NRC reorganization, wholesale review of regulations, updated licensing timelines due to efficiencies realized, and a rebaselining of the Reactor Oversight Process, the NRC has been able to absorb the loss of staff without compromising its mission. However, sustaining these efficiencies while implementing new regulatory requirements and preparing for increased licensing activity will require continued attention to workforce capacity, workload distribution, and retention of critical expertise. To prepare for an anticipated workload increase and expected attrition, the NRC is actively recruiting new employees to maintain sufficient staffing levels to enable the safe use of nuclear technologies. At a time of heightened demand for scientific, technical, and legal expertise in the nuclear field, the NRC continues to leverage available hiring and compensation authorities to remain a competitive employer of choice.

Information Technology Advances

Information technology (IT) developments in an increasingly mobile society will impact the agency's operations. The NRC will need to take advantage of technology to enable an effective and efficient work environment. It is essential to maintain a reasonable balance between the need to maximize technological innovation to perform the agency's mission and the secure use and protection of sensitive and proprietary information. The NRC remains aware of the heightened risk that sensitive information held by the agency or its licensees could be lost, misplaced, or intercepted and obtained by unauthorized users. The agency will continue to develop and maintain a knowledgeable workforce capable of addressing both these technology and security challenges.

Building an Agile NRC to Enable Advanced Reactor and Fuel Facility Deployment

The NRC has undertaken a significant reorganization in response to EO 14300 to align its structure, resources, staffing, and processes with the anticipated increase in new nuclear power plant applications, fuel facility applications and amendments, and supporting novel technologies. This transformation is intended to streamline decision-making, enhance technical integration, and provide the agility necessary to regulate an evolving nuclear landscape. The new business line-based model brings together licensing, inspection, and mission support functions under unified leadership, enabling the agency to better coordinate resources and respond to industry developments.

However, the success of this reorganization depends on several key assumptions regarding future workload, technology adoption, and the pace of industry innovation. The volume, timing, and complexity of new applications may differ from current projections, and the regulatory challenges associated with novel technologies could require further adaptation of agency processes, expertise, and resources. The transition to the new organizational structure also presents near-term challenges, including maintaining continuity of operations, clarifying roles and responsibilities, and managing workforce changes while implementing major regulatory reforms. The NRC will need to assess the effectiveness of these changes and make adjustments as necessary to ensure that efficiencies are sustained without affecting its safety and security mission.

Source of Funds

Appropriations

The NRC receives two appropriations: (1) Salaries and Expenses and (2) the Office of the Inspector General (OIG). For FY 2026, the NRC received total appropriations of $971.5 million, which included $952.7 million for the Salaries and Expenses appropriation and $18.8 million for the OIG. The NRC's Salaries and Expenses appropriation increased by $24.4 million compared to the prior-year. The appropriation for the OIG increased by $3 million compared to the previous year.

The Salaries and Expenses appropriation is available until expended. This includes a provision that not more than $11.5 million be made available for the Office of the Commission; these funds are available for that purpose for 2 years. After that date, the remaining funds that have not been obligated for the Office of the Commission are available until expended for all other valid purposes of the Salaries and Expenses appropriation.

The OIG receives a 2-year appropriation, which includes $1.6 million in funding for Inspector General services provided to the Defense Nuclear Facilities Safety Board.

Total Budgetary Resources

The total budgetary resource available for the NRC to expend in FY 2026 was $1.1 billion and included $971.5 million from current-year appropriations, $97.2 million from prior-year appropriations, $11 million from recoveries of prior-year obligations, and $19.4 million from spending authority from offsetting collections. Funds available in FY 2026 increased from the FY 2025 amount of $1.07 billion by $29.3 million, primarily as a result of an increase in current-year appropriations and an increase in spending authority from offsetting collections.

Table 1 Total Budgetary Resources *(in Thousands)*

For the fiscal year ended September 30,	2026	2025	Inc/(Dec)
Appropriations			
Salaries and Expenses	$ 952,700	$ 928,318	$ 24,382
Office of the Inspector General	18,795	15,769	3,026
Total Appropriations	971,495	944,087	27,408
Other Budget Authority			
Unobligated balance from prior-year budget authority, brought forward October 1	97,205	100,216	(3,011)
Recoveries of prior-year obligations	11,003	22,018	(11,015)
Spending Authority from Offsetting Collections	19,388	3,525	15,863
Total Other Budget Authority	127,596	125,759	1,837
Total NRC Budget Authority	$ 1,099,091	$ 1,069,846	$ 29,245

Fee Collection Offset of Appropriations

NEIMA requires the NRC to recover, to the maximum extent practicable, approximately 100 percent of its annual budget less certain amounts excluded from the fee-recovery requirement. Funds equal to fees collected are transferred to the NRC's two appropriations, and the U.S. Department of the Treasury (Treasury) issues a negative warrant in the amount of the fee transfer to reduce the NRC's appropriations. In FY 2026, the NRC collected $805 million, and the net received from the Treasury general fund was $166.5 million (table 2). The fees collected during FY 2025 and transferred to Treasury totaled $819.6 million.

Table 2 Sources of Funds for Appropriations *(in Thousands)*

For the fiscal year ended September 30,	2026	2025	Inc/(Dec)
Reactor Fees Collected	$ 710,681	$ 714,021	$ (3,340)
Material Fees Collected	94,334	105,541	(11,207)
Nuclear Waste Fund	—	—	—
Treasury General Fund	166,480	124,525	41,955
Total Sources of Funds	$ 971,495	$ 944,087	$ 27,408

Analysis of the Financial Statements

Chapter 2 presents the NRC's financial statements, accompanying notes, and required supplementary information. The independent auditors issued an unmodified opinion on the financial statements and an unmodified opinion on internal controls over financial reporting for the fiscal year that ended September 30, 2026. Additionally, the independent auditors found no reportable instances of noncompliance with laws and regulations.

The principal financial statements are prepared to report the financial position and results of operations of the NRC, pursuant to the requirements of 31 U.S.C. 3515(b). The statements are prepared from the books and records of the NRC in accordance with federal generally accepted accounting principles (GAAP) and the formats prescribed by the Office of Management and Budget (OMB). Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

An analysis of the financial statements is presented on the following page (see table 3).

Table 3 Key Measures (*in Thousands*)

For the fiscal year ended September 30,	2026	2025
Gross Cost:		
Nuclear Reactor Safety	$ 684,111	$ 801,018
Nuclear Materials and Waste Safety	247,905	226,014
Cost Not Assigned to Programs	43,478	9,483
Less Earned Revenue (License Fees)	**(805,015)**	**(819,562)**
Net Cost of Operations	**$ 170,479**	**$ 216,953**
Assets:		
Fund Balance with Treasury	$ 412,811	$ 356,340
Accounts Receivable, Net	52,368	60,334
Advances and Prepayments	1,577	2,471
Property, Plant, and Equipment, Net	28,492	31,660
Total Assets	**$ 495,248**	**$ 450,805**
Liabilities:		
Accounts Payable	$ 30,037	$ 26,265
Federal Employee Benefits	54,297	62,179
Other Liabilities	25,913	17,951
Total Liabilities	**110,247**	**106,395**
Net Position (Assets minus Liabilities)	**$ 385,001**	**$ 344,410**

Analysis of the Balance Sheet *(In Millions)*

Assets. The NRC reported total assets of $495.2 million as of September 30, 2026, representing an increase of $44.4 million compared with the prior fiscal year. The increase was driven primarily by a $56.5 million increase in Fund Balance with Treasury.

Fund Balance with Treasury was $412.8 million as of September 30, 2026, accounting for 83 percent of the NRC's total assets. This balance represents the NRC's available spending authority held by Treasury, including appropriated funds, license fee collections, and other funds available to support authorized activities. Variations in the balance are primarily attributable to the timing of cash receipts and disbursements and changes in appropriations.

Liabilities. Total liabilities were $110.2 million as of September 30, 2026, an increase of $3.8 million from the FY 2025 balance of $106.4 million. Liabilities consisted primarily of amounts payable to other federal agencies and the public, grants payable, accrued salaries and benefits, and other accrued employee benefits.

Of the $110.2 million in total liabilities reported as of September 30, 2026, $54.9 million represented liabilities not covered by budgetary resources, which are expenses recognized in the financial statements that will be funded through future appropriations. Liabilities not covered by budgetary resources accounted for 49.8 percent of total liabilities in FY 2026 and consisted primarily of $42.0 million in unfunded accrued annual leave earned by employees but not yet taken.

Net Position. Net position, which represents the difference between total assets and total liabilities, was $385.0 million as of September 30, 2026, an increase of $40.6 million from the FY 2025 year-end balance. Net position is composed of two elements: Unexpended Appropriations and Cumulative Results of Operations, which reflect the cumulative excess of financing sources over expenses. Additional information regarding the factors contributing to the increase in net position during FY 2026 is provided in the analysis of the Statement of Changes in Net Position.

Analysis of the Statement of Net Cost *(In Millions)*

Statement of Net Cost. The Statement of Net Cost presents the gross costs of the NRC's two major programs, Nuclear Reactor Safety and Nuclear Materials and Waste Safety, as identified in the NRC Annual Performance Plan, offset by earned revenue. This statement helps link program performance to the costs incurred in carrying out those programs. For the year ended September 30, 2026, the NRC reported a net cost of operations of $170.5 million, a decrease of $46.5 million from the FY 2025 net cost of $217.0 million. In FY 2026, the NRC also incurred non-production costs of $43.4 million that were reported separately as costs not assigned to programs, primarily related to furlough activities and the Deferred Resignation Program. Costs not assigned to programs in FY 2025 included only those costs related to the Deferred Resignation Program, totaling $9.5 million.

Gross Cost. The NRC's total gross costs were $975.5 million for FY 2026, a decrease of $61 million from the prior-year amount of $1,036.5 million. The gross costs in FY 2026 for the Nuclear Reactor Safety Program were $684.1 million, and the gross costs in FY 2026 for the Nuclear Materials and Waste Safety Program were $247.9 million. The decrease of $61 million is primarily attributable to: (1) reduced licensing resources resulting from efficiencies achieved through implementation of the ADVANCE Act and EO 14300, (2) the transition of Palisades back to the operating power reactors fee class, (3) lower oversight resource requirements resulting from streamlined inspection activities, including vendor inspections and event evaluations, and (4) reduced research expenditures in areas such as structural codes and standards, systems analysis, external hazards, risk analysis computer code development, and regulatory guide updates.

Earned Revenue. Total earned revenue for FY 2026 was $805.0 million, a decrease of $14.5 million from the FY 2025 total of $819.5 million. Earned revenue generated by the Nuclear Reactor Safety Program was $710.7 million in FY 2026, compared with $714.0 million in FY 2025, a decrease of $3.3 million. Earned revenue from the Nuclear Materials and Waste Safety Program totaled $94.3 million in FY 2026, a decrease of $11.2 million from the FY 2025 amount of $105.5 million. Billings decreased primarily due to the completion of the license renewal roadmap and the implementation of other efficiency initiatives, which significantly reduced the staff hours and contractor resources required to conduct license renewal and subsequent license renewal application reviews.

The NRC is required to collect approximately 100 percent of its annual budget, less certain excluded amounts, through license fee billing. The agency collects fees for reactor and materials licensing and inspections 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" (found at https://www.nrc.gov/reading-rm/doc-collections/cfr/part170/), 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" (found at https://www.nrc.gov/reading-rm/doc-collections/cfr/part171/).

Analysis of the Statement of Changes in Net Position *(In Millions)*

The Statement of Changes in Net Position reports the change in net position for the reporting period. Net position is affected by the changes in two components: (1) Cumulative Results of Operations and (2) Unexpended Appropriations. In FY 2026, the NRC had an increase in Net Position of $40.6 million.

The $40.6 million increase in Net Position in FY 2026 was primarily driven by cost reductions resulting from organizational efficiencies implemented under the ADVANCE Act and Executive Order 14300. Additional contributors included lower research expenditures in areas such as structural codes and standards, as well as streamlined oversight and inspection activities that reduced overall resource requirements. These factors collectively decreased operating costs and favorably impacted Net Position.

Analysis of the Statement of Budgetary Resources *(In Millions)*

The Statement of Budgetary Resources (SBR) provides information on budgetary resources available to the NRC and their status at the end of the period. In FY 2026, the Total Budgetary Resources available were $1,099.1 million. This was $29.3 million more than the $1,069.8 million available in FY 2025. The following categories contributed to this change: Appropriations, increase of $27.4 million; Unobligated balance from prior-year authority, brought forward October 1, decrease of $14.0 million; and Spending Authority from Offsetting Collections, increase of $15.9 million.

The SBR reflects the operational activities funded by the NRC's budgetary resources during the fiscal year. In FY 2026, the NRC recorded obligations of $960.1 million, representing a decrease of $28.0 million from $988.1 million in FY 2025. The decline was primarily driven by a $20 million reduction in payroll commitments and a $7 million decrease in grant funding.

The NRC also reports budgetary resources that were available but not obligated or used for operations during the fiscal year. As of September 30, 2026, unobligated budgetary resources totaled $139.0 million, compared with $81.8 million at the end of FY 2025. The increase was primarily attributable to a $59.6 million rise in unobligated balances within apportioned, unexpired accounts, which will remain available for obligation in future fiscal years.

Gross Costs by Programs

The NRC's total gross costs were $975.5 million for FY 2026. The gross costs for the Nuclear Reactor Safety Program were $684.1 million and for the Nuclear Materials and Waste Safety program were $247.9 million. Costs not assigned to programs, which included Deferred Resignation Program costs and furlough costs, were $43.5 million. The following table and chart break it down further by various fee categories within the major programs. Figures presented above are approximate and have been rounded to the nearest million dollars.

Table 4 Nuclear Reactor Safety Gross Costs (Data in Thousands)

For the fiscal year ended September 30,		2026
Operating Reactors	$	601,890
New Reactors		72,607
Advanced Reactors		7,502
Corporate Support/Other		1,309
Waste Incidental to Reprocessing		803
Total	**$**	**684,111**

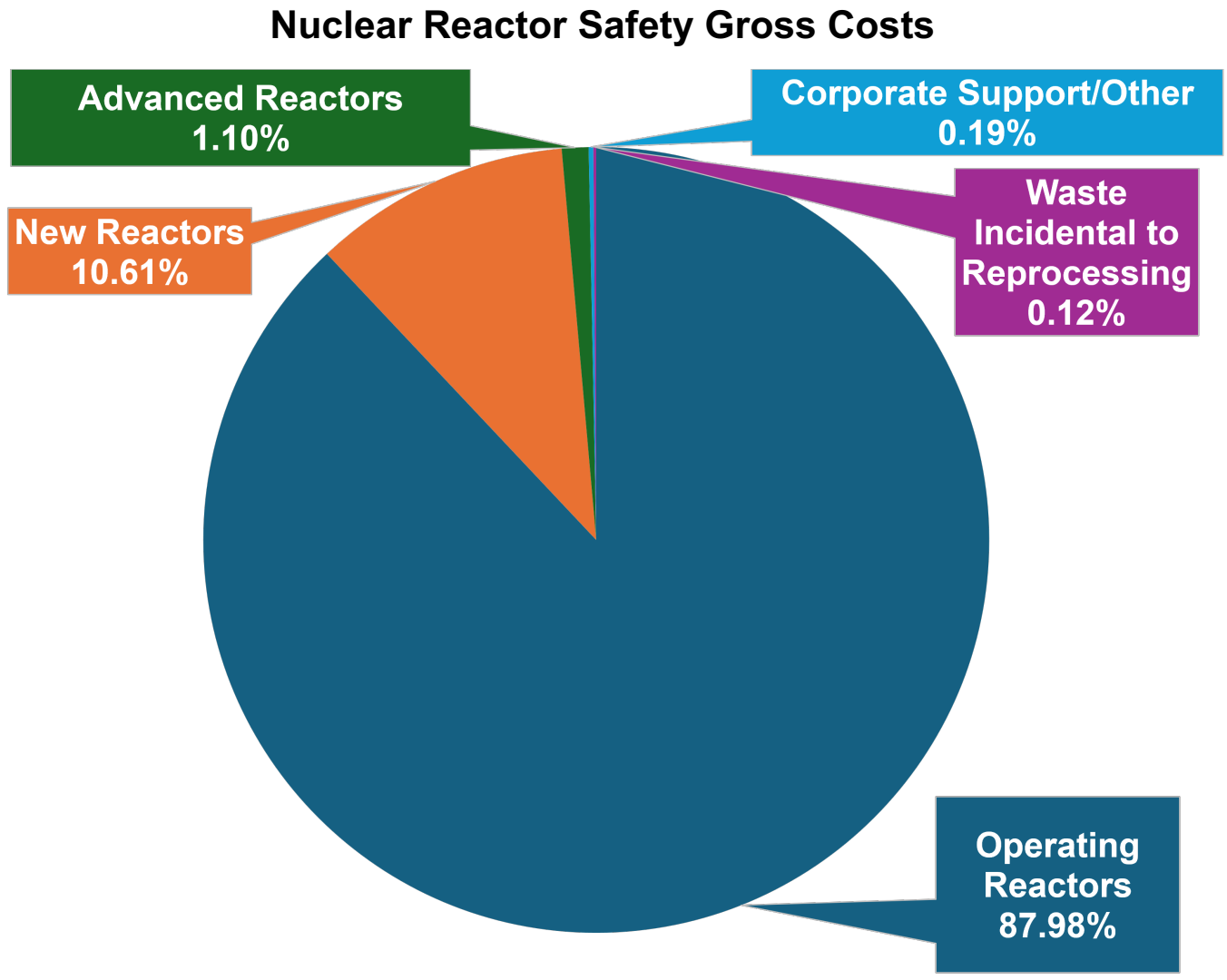
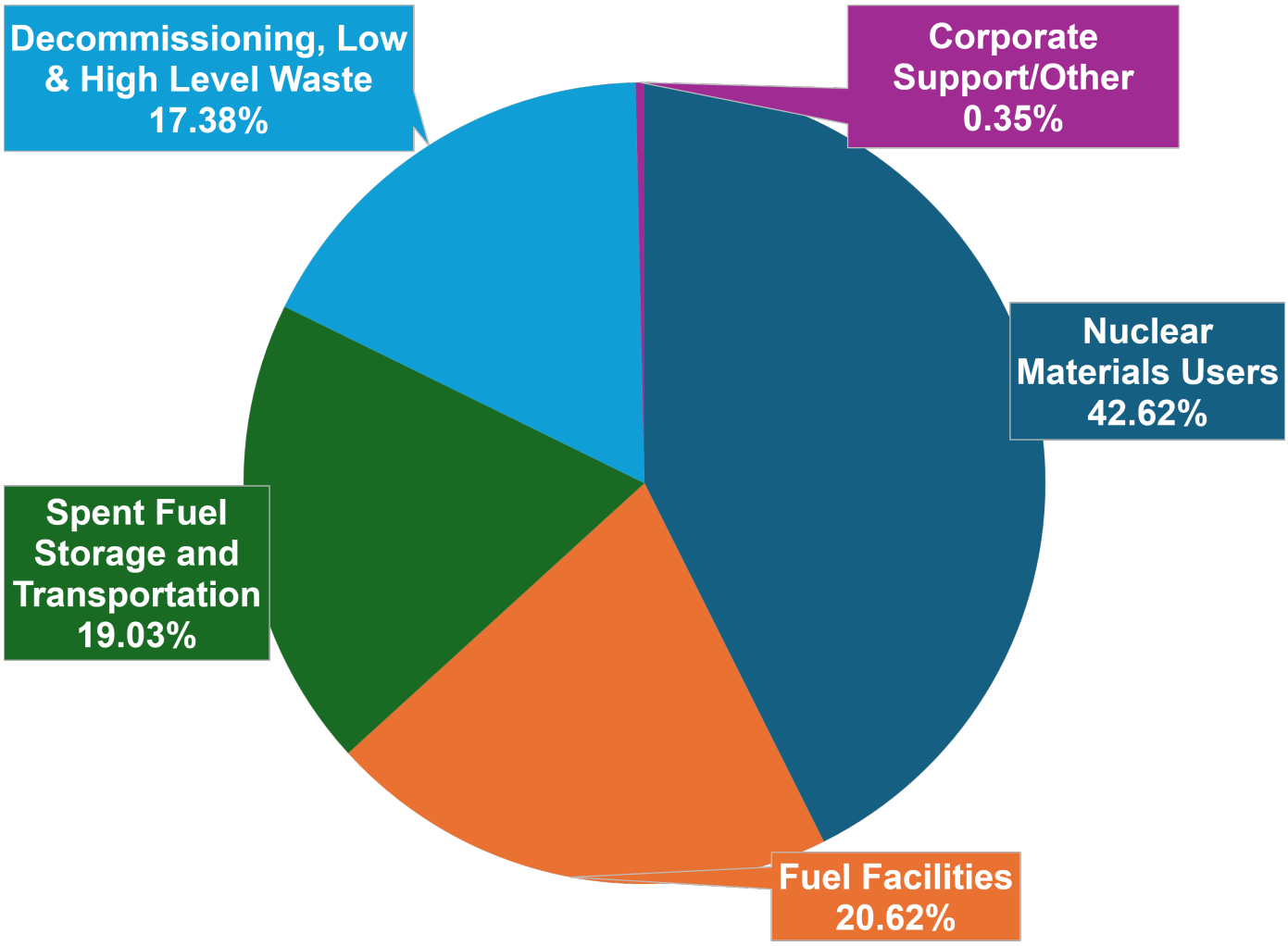


Table 5 Nuclear Materials and Waste Safety Gross Costs (Data in Thousands)

For the fiscal year ended September 30,		2026
Nuclear Materials Users	$	105,648
Fuel Facilities		51,119
Spent Fuel Storage and Transportation		47,171
Decommissioning, Low & High Level Waste		43,093
Corporate Support/Other		874
Total	**$**	**247,905**

Nuclear Materials and Waste Safety Gross Costs



Analysis of Systems, Controls, and Legal Compliance

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires that federal agencies establish effective internal control to achieve objectives related to compliance, operations, and reporting, and provide reasonable assurance that the following objectives are being met:

- **Program Management**—Programs are achieving their intended results and are protected from waste, fraud, abuse, and mismanagement.
- **Resource Management**—Resources are being used consistently with the agency's mission.
- **IT Systems** – Information systems are authorized and appropriately secured;
- **Laws and Regulations**—Laws and regulations are followed.
- **Communication**—Reliable and timely information is obtained, maintained, reported, and used for sound decision-making.

The agency's program, operational, and administrative areas, as well as accounting and financial management, are covered by FMFIA. Additionally, FMFIA requires the NRC Chairman to provide an annual Statement of Assurance (see Figure 2) on the adequacy of internal controls and conformance of financial systems with governmentwide standards.

Programmatic Internal Control

Internal control is the foundation of accountability. It comprises the plans, methods, policies, procedures, and other mechanisms carried out by an entity's oversight body, management, and personnel to fulfill the agency's mission and reduce the risk of fraud, waste, and abuse. According to the U.S. Government Accountability Office (GAO), in a mature and highly effective internal control system, internal control may be indistinguishable from day-to-day activities personnel perform (GAO-25-107721). NRC employees at all levels conduct internal control activities through well-documented programs for risk-informed and performance-based regulation and established agency processes for communication and risk-informed decision-making (e.g., the Reactor Oversight Process, Fuel Cycle Oversight Process, Integrated Materials Performance Evaluation Program, Lessons-Learned Program, Internal Commission Procedures, and LEAD Framework).

Effective in FY 2026, the OMB issued significant updates to implementing guidance for FMFIA. As reflected in the title change of OMB Circular A-123 from "Management's Responsibility for Enterprise Risk Management and Internal Control" to "Management's Responsibility for Internal Control," the OMB returned Circular A-123 to its core internal control mandate under FMFIA. Additionally, the GAO revised the *Standards for Internal Control in the Federal Government* (GAO-25-107721), also known as the Green Book, effective in FY 2026. This revision strengthens requirements for managing fraud, improper payments, and information security, while prioritizing cost-effective, preventive control activities. In alignment with these mandates, the Office of the Chief Financial Officer (OCFO) proactively expanded assessment templates to include fraud risk and relevant information systems, enhanced the line of sight from internal control activities to strategic goals and fraud risk, and communicated these OMB and GAO updates through agency forums and written policy and instructions, continuously reinforcing that all employees share responsibility for internal control.

Under the NRC's FMFIA Governance Framework (see Figure 1), reading from right to left: the Chief Financial Officer (CFO) is responsible for ensuring that the agency complies with the Federal Financial Management Improvement Act of 1996 (FFMIA or Improvement Act), and Section 4, "Financial Systems," of FMFIA. The Senior Assessment Team (SAT), chaired by the CFO, is responsible for ensuring that the agency complies with Appendix A, "Management of Reporting and Data Integrity Risk" to OMB Circular A-123. The Programmatic SAT (PSAT) and Executive Committee on Internal Control (ECIC), co-chaired by the CFO and the Executive Director for Operations, are responsible for ensuring that the agency's internal control over programmatic operations complies with FMFIA.

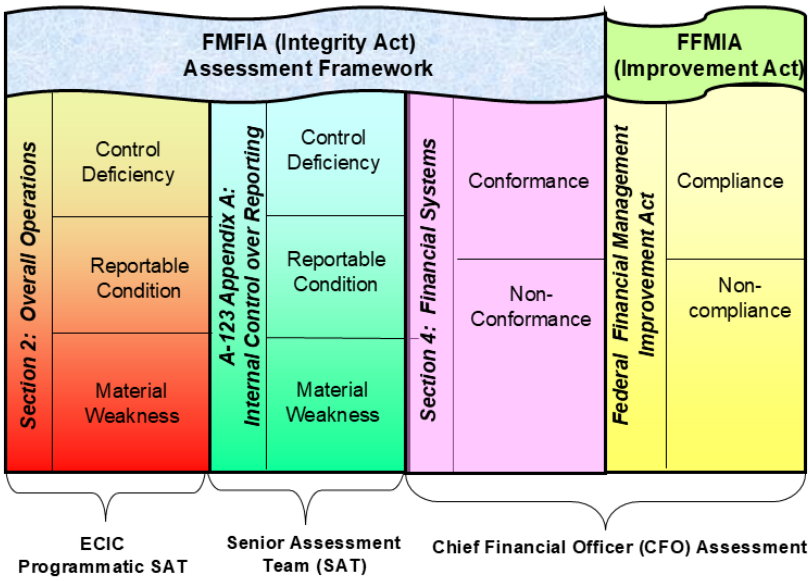


Figure 1
The NRC's FMFIA Governance Framework

The other members that comprise the ECIC are senior executives from the Office of the Executive Director for Operations and the Chief Information Officer. The agency's General Counsel, Inspector General, and Internal Control Branch Chief serve as advisory members. To conform with OMB Circular A-123, the Executive Committee on Enterprise Risk Management returned to the ECIC. The PSAT comprises business line leads. The SAT membership includes senior executives from OCFO as well as senior officials from the agency's corporate support product lines (i.e., the Chief Human Capital Officer, the Chief Information Officer, and the Director of the Acquisition Management Division in OCFO).

The NRC internal control framework is organized by business line, which aligns with the NRC's budget, strategic planning, performance, and post-reorganization structure. Each business line's internal control plan is the foundation for documenting and monitoring internal control activities and corrective action plans. The annual reasonable assurance certification is designed as a rigorous, evidence-based process. All Office Directors, including SAT and PSAT members, reviewed and concurred upon the FY 2026 agencywide reasonable assurance justification, which included substantial supporting documentation built throughout the year. The ECIC assessed the agency's programmatic operations, financial systems, and internal control over reporting and found there is reasonable assurance that NRC internal control is achieving its intended results. The ECIC voted to recommend that the Chairman sign the agency's Statement of Assurance (see Figure 2).

FMFIA Results

As required by section 2 of FMFIA and under the guidance established in OMB Circular A-123, all NRC business line and corporate support product line leads certified that, as of September 30, 2026, there was reasonable assurance that internal control was in place and producing intended results. Based on management's certification of reasonable assurance, the NRC can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2026, with exception to change management over financial reporting.

U.S. NUCLEAR REGULATORY COMMISSION
FISCAL YEAR 2026
STATEMENT OF ASSURANCE

The U.S. Nuclear Regulatory Commission (NRC) is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the *Federal Managers' Financial Integrity Act of 1982*. The NRC can provide reasonable assurance that internal control over operations, reporting, and compliance was operating effectively as of September 30, 2026, except for Internal Control over Financial Reporting, which was not effective as of September 30, 2026, because of the identified material weakness.

The NRC is responsible for designing, implementing, and maintaining effective internal control over financial reporting to provide reasonable assurance regarding the preparation of reliable financial statements for external purposes and that assets are safeguarded against loss from unauthorized acquisition, use, or disposition. The NRC maintains its system of accounting and internal control in accordance with accounting principles and standards set forth in the Statements of Federal Financial Accounting Standards promulgated by the Federal Accounting Standards Advisory Board and the requirements of other Federal statutes and Government regulations. Management assessed the effectiveness of NRC's internal control over financial reporting as of September 30, 2026, based on criteria established in the *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, and in accordance with the requirements of Appendix A to the Office of Management and Budget (OMB) Circular No. A-123, "Management of Reporting and Data Integrity Risk." Based on the results of its assessment, NRC concluded that its internal control over financial reporting was not effective as of September 30, 2026, because of the material weakness in change management over accounting and financial reporting described below:

The NRC's change management controls and the design and timing of the year-end financial reporting review process did not ensure that significant accounting methodology changes and their financial reporting implications were fully evaluated before implementation and submission of the financial statements to the auditors.

In accordance with the requirements of the *Federal Financial Management Improvement Act of 1996* and guidance in OMB Circular No. A-123, "Management's Responsibility for Internal Control," the Chief Financial Officer reviewed audit reports and other sources of information, and, as of September 30, 2026, can provide reasonable assurance that NRC financial systems substantially comply with Federal financial system requirements, applicable Federal accounting standards, and the Department of Treasury's standard general ledger at the transaction level.

Ho K. Nieh
Chairman
U.S. Nuclear Regulatory Commission

Figure 2 FY 2026 Statement of Assurance

Office of Management and Budget Circular A-123, Management's Responsibility for Internal Control

The NRC remains committed to the ensuring that a sound system of internal control exists over reporting and data integrity, government charge card programs, payment integrity, and financial management systems. The appendices mentioned in the paragraphs below refer to the appendices in OMB Circular A-123.

Management of Reporting and Data Integrity Risk (Appendix A)

The NRC conducted its assessment of the effectiveness of internal control over reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A to OMB Circular A-123. Based on the results of its assessment, NRC concluded that its internal control over financial reporting was not effective as of September 30, 2026, because of the material weakness in change management over accounting and financial reporting described below:
The NRC's change management controls and the design and timing of the year-end financial reporting review process did not ensure that significant accounting methodology changes and their financial reporting implications were fully evaluated before implementation and submission of the financial statements to the auditors.

Risk Management Framework for Government Charge Card Programs (Appendix B)

The Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act) establishes reporting and audit requirement responsibilities for executive branch agencies. The NRC's Acquisition Management Division of OCFO has procedures in place for use of purchase cards and updated the NRC's Purchase Card Management Plan in October 2023. Also, the NRC's OCFO has procedures in place for the use of the travel charge card. OCFO also updated the NRC's Travel Charge Card Management Plan in October 2023. The NRC has reviewed the Purchase Charge Card and Travel Card programs for compliance with the Charge Card Act and can provide reasonable assurance that appropriate policies and controls are in place to mitigate the risk of fraud and inappropriate charge card practices in accordance with OMB Circular A-123, Appendix B.

Requirements for Payment Integrity Improvement (Appendix C)

In accordance with the Payment Integrity Information Act of 2019 (PIIA), the NRC conducts a risk assessment on a triennial basis to determine whether any programs are susceptible to making significant improper payments. The NRC conducted the latest risk assessment in FY 2026.

The FY 2026 risk assessment did not identify any programs that were susceptible to making significant improper payments. Although the assessment identified programs as low to very low risk, the NRC continues to monitor its payment processes and to conduct periodic reviews of key controls for PIIA programs identified by management. The NRC's next PIIA triennial risk assessment will take place in FY 2029, in accordance with the PIIA and OMB guidance. In addition, the NRC will conduct out-of-cycle risk assessments, as needed, if a program experiences a significant legislative change or a substantial increase in its funding level.

Chapter 3 of this report presents additional information in the Payment Integrity section.

Federal Financial Management Improvement Act of 1996

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

Improvement Act Results (Appendix D)

In FY 2026, the agency implemented the following financial system functionalities to improve the accuracy, reliability, and transparency of federal financial information, as required by the FFMIA:

- **Financial Accounting and Integrated Management Information System (FAIMIS) version 8.3.4 Upgrade**—Enhancing the NRC's core financial system aligns it with industry best practice for system infrastructure. Migrating from a traditional architecture to a containerized model, the updated system is able to achieve faster deployment and more reliant system operations. It also introduced new features that will allow the agency to meet federal mandates such as GSA Go.gov and Treasury G-Invoicing implementation.

- **SF-224 Reconciliation Report Update**—Incorporating additional logic to accurately display license fee refunds into the correct activity category reduces the time necessary to manually recategorize such refunds based on varying disbursement methods.

- **Interagency Invoice Approvals by Contracting Officers Representatives (G-Invoicing) Report**—Standardizing information and language included within the approval report allows contracting officers' representatives to review G-Invoicing payments accurately and effectively, reducing the effort needed for additional coordination due to uncertainties.

Digital Accountability and Transparency Act of 2014

The Digital Accountability and Transparency Act of 2014 (DATA Act) aims to establish governmentwide financial data standards and increase the availability, accuracy, and usefulness of federal spending information. The DATA Act has the following purposes:

- **Establish Governmentwide data standards** for financial data and provide consistent, reliable, and searchable government-wide spending data that are accurately displayed.
- **Expand accountability** of the Federal Funding Accountability and Transparency Act of 2006 to disclose direct federal agency expenditures and link federal contract, loan, and grant spending information to programs.
- **Simplify reporting** for entities receiving federal funds by streamlining requirements and reducing compliance costs while improving transparency.
- **Improve data quality** submitted to USASpending.gov by holding federal agencies accountable for the completeness and accuracy of the information submitted.
- **Apply approaches** developed by the Recovery Accountability and Transparency Board for spending across the federal government to increase spending transparency and reduce reporting burden.

The NRC continues to refine internal processes related to the DATA Act to streamline the monthly and quarterly reviews of the DATA Act files. The NRC submitted and published monthly files that were certified on a quarterly basis.

Financial Management Systems Strategies

In FY 2026, the NRC established an enterprise IT strategic roadmap that aligns with the CFO's 5-year Future of Finance Initiative. Developed in close collaboration with business leads and agency leadership, the roadmap outlines future funding needs, federally mandated requirements, emerging technologies, and key system implementation and retirement activities. This comprehensive blueprint now serves as a foundational guide for modernizing financial operations and positioning the agency to meet evolving mission and compliance demands.

To further strengthen the agency's financial systems environment, the NRC executed a series of enterprise modernization strategies that strengthened the reliability of financial management data, enhanced operational efficiency, and fortified organizational long-term planning. As part of this effort, the agency implemented major infrastructure improvements to its Financial Management Data Mart platform, positioning it to support accelerating financial data consumption demands with greater speed, accuracy, and resilience.

Financial management systems at the NRC include the following:

- **Budget Formulation System—**A Federal Risk and Authorization Management Program (FedRAMP) cloud-based Software-as-a-Service (SaaS) platform built on Oracle Enterprise Performance Management (EPM). The system includes multiple modules that support the NRC's budget development and planning activities, including budget formulation, forecasting, operations planning, commitment planning, acquisition spend planning, salary and benefits forecasting, and workforce staffing planning.
- **Cost Activity Code System (CACS)**—A customized solution for the NRC for planning, scheduling, conducting, reporting, and analyzing cost activities and enterprise project identifiers performed by the NRC staff. The CACS supports the Oracle Human Capital Management (HCM Cloud) systems by providing NRC staff employee time and labor assignments. At the end of FY 2026, the NRC significantly enhanced the CACS to refresh the entire application's User Interface, and introduced a brand new module, Fixed Fee Cap (FFC), to support the agency's management of billing caps mandated by the EO 14300.
- **eBilling**—The NRC's customized web-based licensee fee billing invoicing and payment solution. The eBilling platform is housed in the CGI Federal Inc. Microsoft Azure FedRAMP Platform as a Service environment. Licensees gain access to the system to perform various licensee fee billing activities, which include 10 CFR Part 170 and 10 CFR Part 171 invoices, Small Entity Adjustment requests, and estimated cost accruals.
- **FAIMIS**—The NRC's core financial accounting capabilities and authoritative source for budget execution and fee billing. FAIMIS also supports accounting for assets, liabilities, fund balances, revenues, and expenses, in accordance with applicable federal standards (FASAB, Treasury, OMB, GAO, etc.).
- **Fee Billing Engine—**The NRC's newest customized fee billing generation and management solution. This supports the agency's ability to timely and accurately generate, track, and manage invoices billed to the NRC's licensees under 10 CFR Part 170, 10 CFR Part 171 and General License Tracking System. Additionally, this new application includes an FFC module to support the agency's management of billing caps mandated by the EO 14300.
- **HCM Cloud for Time & Labor—**The agency's time and labor system supports the submission, approval, and adjustment of employees' hours, as well as management of time, attendance, leave, and payroll processing. Oracle HCM Cloud is a FedRAMP cloud-based global human resources, talent, and workforce management solution suite.

- **Workiva Platform**—A cloud-based platform that provides software solutions for data management, financial reporting, and compliance. Workiva is particularly known for its tools that help organizations streamline processes related to financial reporting, auditing, risk management, and regulatory compliance.

Prompt Payment

The Prompt Payment Act of 1982, as amended, 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 2026, the NRC paid 98 percent of the 3,534 invoices subject to the Prompt Payment Act on time.

Debt Collection

The Debt Collection Improvement Act of 1996 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 met this goal. At the end of FY 2026, delinquent debt was $3.5 million or less than 1 percent of annual billings.

The NRC was able to refer 100 percent of eligible debt over 120 days delinquent to Treasury for collection in accordance with the DATA Act. The NRC also met the collections requirements of NEIMA, which directs the agency to recover through fees approximately 100 percent of its annual budget, less certain amounts excluded from this fee-recovery requirement, in the current fiscal year.

Biennial Review of User Fees

The NRC conducts a biennial review of fees, royalties, rents, and other charges imposed by the agency and revises fees as appropriate to recover program and administrative costs incurred, as required by the Chief Financial Officers Act of 1990. The NRC has conducted the reviews listed below during the current biennial cycle. The next reviews will be in FY 2027.

- Administrative Charges for Delinquent Debt—completed December 2025
- Auditorium Fees—completed December 2025
- Criminal History Program—completed December 2025
- Freedom of Information Act—completed December 2025
- Information Access and Material Access Authorization Programs—completed December 2025
- Navy Porting Fees—completed November 2025
- Small Materials—completed December 2025

On June 16, 2026, the NRC issued a final rule in the *Federal Register* (FR) amending the licensing, inspection, special project, and annual fees charged to its applicants and licensees. These amendments are necessary to comply with NEIMA. In addition, the rule continues to implement fee-related provisions of the ADVANCE Act and EO 14300. The rule establishes fixed caps on many NRC licensing and service fees and reduces costs for prospective applicants. These changes are designed to make the agency's licensing process more predictable, transparent, and accessible for innovators and existing licensees alike.

The FY 2026 rule can be found at https://www.federalregister.gov/documents/2026/06/16/2026-12067/fee-schedules-fee-recovery-for-fiscal-year-2026.

By law, NEIMA requires the following appropriated amounts to be excluded from the fee-recovery requirement: any type of fee-relief activity as identified by the Commission, generic homeland security activities, waste incidental to reprocessing activities, Nuclear Waste Fund activities, advanced reactor regulatory infrastructure activities, Inspector General services for the Defense Nuclear Facilities Safety Board, research and development at universities in areas relevant to the NRC's mission, a nuclear science and engineering grant program, and nuclear export and innovation activities. The NRC's implementation of the ADVANCE Act established additional excluded activities and a reduced hourly rate for advanced nuclear reactor applicants and pre-applicants. More detailed information on the NRC's license fee program can be found at https://www.nrc.gov/regulations-legislation/how-we-regulate/licensing/license-fees.

Based on the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026, the final rule reflects a budget authority in the amount of $971.5 million. After accounting for the fee-recovery exclusions and net billing adjustments, the NRC must recover approximately $818.8 million in fees for FY 2026.

Inspector General Act of 1978

The NRC has established and continues to maintain an excellent record in resolving and implementing OIG open audit recommendations. The status of these recommendations can be found at https://nrcoig.oversight.gov/reports/nrc.


S NUCLEAR REGULATORY COM

Chapter 2
Financial Statements and Auditors' Report

A Message from the Chief Financial Officer



The fiscal year (FY) 2026 Agency Financial Report reflects the U.S. Nuclear Regulatory Commission's (NRC's) continued commitment to rigorous stewardship of public resources and excellence in mission execution. As outlined in chapter 1, the agency is in process of successfully achieving all safety and security goals, reinforcing the NRC's unwavering focus on protecting public health and safety. Chapter 2 provides the agency's financial statements and the independent auditor's report, and Chapter 3 offers additional information, including the Inspector General's assessment of the most significant management and performance challenges confronting the NRC.

I am pleased to present the NRC's FY 2026 financial statements. The independent auditor issued an unmodified (clean) opinion, concluding that the NRC's financial statements as of and for the year ended September 30, 2026, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles. The auditor determined internal control over financial reporting was not effective due to an exception in change management over financial reporting. The NRC will continue to strengthen controls in this area. The auditor further identified no reportable noncompliance with applicable laws, regulations, contracts, or grant agreements. The agency is committed to strong financial governance, transparency, and accountability.

During FY 2026, the NRC advanced financial modernization through the development and October deployment of the Fee Billing Engine (FBE), following three years of design and development. The FBE substantially automates fee billing, reduces manual processes, improves billing consistency, and strengthens fee-recovery operations. It also provides critical capabilities to support fixed fee caps and enhance financial oversight.

The NRC also contributed to governmentwide efficiency and advanced financial transparency through the design and development of the Financial Control Room, a centralized repository for agency financial information. New dashboards and access to certified financial data improve visibility into resources and performance, providing leadership and program offices with timely, reliable information for decision-making, resource allocation, and financial oversight while reducing manual data collection and reconciliation.

These modernization efforts improved efficiency, reduced administrative burden, and strengthened the agency's capacity to direct resources to its core mission. In a complex regulatory and fiscal environment, disciplined financial management remains essential to sustaining NRC mission effectiveness.

Finally, I want to express my appreciation to the NRC staff for their professionalism, dedication, and commitment to excellence. Their efforts ensure that the agency maintains its strong fiscal standing and continues to deliver on its vital mission to protect the public, the environment, and the Nation's security.

Christopher D. Carroll
Chief Financial Officer
November 12, 2026

Financial Statements

Consolidated Balance Sheets (In Thousands)

As of September 30,	2026	2025
Assets		
Intragovernmental Assets:		
Fund Balance with Treasury (Note 2)	**$ 412,811**	$ 356,340
Accounts Receivable, Net (Note 3)	**2,728**	3,930
Advances and Prepayments	**1,508**	2,401
Total Intragovernmental Assets	**417,047**	362,671
Other than Intragovernmental Assets:		
Accounts Receivable, Net (Note 3)	**49,640**	56,404
Property, Plant, and Equipment, Net (Note 4)	**28,492**	31,660
Advances and Prepayments	**69**	70
Total Other than Intragovernmental Assets	**78,201**	88,134
Total Assets	**$ 495,248**	$ 450,805
Liabilities		
Intragovernmental Liabilities:		
Accounts Payable	**$ 5,176**	$ 6,072
Other Liabilities (Note 5)	**4,895**	4,592
Total Intragovernmental Liabilities	**10,071**	10,664
Other than Intragovernmental Liabilities:		
Accounts Payable	**24,861**	20,193
Federal Employee Salary, Leave, and Benefits Payable (Note 6)	**54,297**	62,179
Other Liabilities (Note 5)	**21,018**	13,359
Total Other than Intragovernmental Liabilities	**100,176**	95,731
Total liabilities	**110,247**	106,395
Net Position		
Unexpended Appropriations	**342,548**	296,610
Cumulative Results of Operations	**42,453**	47,800
Total Net Position	**385,001**	344,410
Total Liabilities and Net Position	**$ 495,248**	$ 450,805

The accompanying notes to the financial statements are an integral part of these statements.

Consolidated Statements of Net Cost (In Thousands)

For the years ended September 30,	2026	2025
Nuclear Reactor Safety		
Gross Cost	**$ 684,111**	$801,018
Less: Earned Revenue (Note 10)	**(710,681)**	(714,021)
Net Cost of Nuclear Reactor Safety (Note 9)	**(26,570)**	86,997
Nuclear Materials and Waste Safety		
Gross Cost	**247,905**	226,014
Less: Earned Revenue (Note 10)	**(94,334)**	(105,541)
Net Cost of Nuclear Materials and Waste Safety (Note 9)	**153,571**	120,473
Cost Not Assigned to Programs	**43,478**	9,483
Net Cost of Operations	**$ 170,479**	$ 216,953

The accompanying notes to the financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Position (In Thousands)

For the years ended September 30,	2026	2025
Unexpended Appropriations		
Beginning Balance	**$ 296,610**	$ 329,107
Appropriations Received	**165,692**	131,550
Other Adjustments	**(647)**	(268)
Appropriations Used (Note 11)	**(119,107)**	(163,779)
Net Change in Unexpended Appropriations	**45,938**	(32,497)
Total Unexpended Appropriations, Ending Balance	**342,548**	296,610
Cumulative Results of Operations		
Beginning Balance	**$ 47,800**	$ 41,897
Appropriations Used (Note 11)	**119,107**	163,779
Non-Exchange Revenue (Note 11)	**(55)**	(18)
Transfers-In/(Out) without Reimbursement	**(300)**	(300)
Imputed Financing (Note 11)	**46,325**	59,377
Other	**55**	18
Net Cost of Operations	**(170,479)**	(216,953)
Net Change in Cumulative Results of Operations	**(5,347)**	5,903
Total Cumulative Results of Operations	**$ 42,453**	$ 47,800
Net Position	**$ 385,001**	$ 344,410

The accompanying notes to the financial statements are an integral part of these statements.

Combined Statements of Budgetary Resources (In Thousands)

For the years ended September 30,	2026	2025
Budgetary Resources		
Unobligated Balance from Prior-Year Budget Authority, Net (Discretionary and Mandatory)	**$ 108,208**	$ 122,234
Appropriations (Discretionary and Mandatory)	**971,495**	944,087
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	**19,388**	3,525
Total Budgetary Resources	**$ 1,099,091**	$ 1,069,846
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	**$ 960,125**	$ 988,090
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	**134,674**	75,066
Exempt from Apportionment, Unexpired Accounts	**203**	208
Unapportioned, Unexpired Accounts	**—**	3,014
Unexpired Unobligated Balance, End of Year	**134,877**	78,288
Expired Unobligated Balance, End of Year	**4,089**	3,468
Unobligated Balance, End of Year (Total)	**138,966**	81,756
Total Status Budgetary Resources	**$ 1,099,091**	$ 1,069,846
Outlays, Net, and Disbursements, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	**914,377**	983,358
Distributed Offsetting Receipts (-)	**(805,804)**	(812,537)
Agency Outlays, Net	**$ 108,573**	$ 170,821

The accompanying notes to the financial statements are an integral part of these statements.

Notes to the Financial Statements

(All tables are presented in thousands.)

Note 1—Summary of Significant Accounting Policies

A. Reporting Entity

The U.S. Nuclear Regulatory Commission (NRC) was created as a regulatory agency in 1974 to ensure the safe use of radioactive materials for beneficial civilian purposes. Its purposes are defined by the Energy Reorganization Act of 1974, as amended, along with the Atomic Energy Act of 1954, as amended, which provide the foundation for regulating the Nation's civilian use of nuclear materials.

The NRC operates through the execution of its congressionally approved appropriations for Salaries and Expenses (S&E) (which includes funds derived from the Nuclear Waste Fund [NWF]) and the Office of the Inspector General (OIG).

The reporting entity is a component of the U.S. Government. For this reason, some of the assets and liabilities reported by the entity may be eliminated for governmentwide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government.

B. Basis of Presentation

These financial statements for FY 2026 and FY 2025 (prior-year) are presented on a comparative basis. They report the financial position and results of operations of the NRC as required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994. These financial statements were prepared from the books and records of the NRC in conformance with generally accepted accounting principles (GAAP) for federal entities of the United States and the form and content for entity financial statements specified in Office of Management and Budget (OMB) Circular A-136 "Financial Reporting Requirements." GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB). The FASAB has been recognized by the American Institute of Certified Public Accountants as the official accounting standard-setting authority for the federal government. These statements are different from the financial reports prepared by the NRC in compliance with OMB directives, which are used to monitor and control the NRC's use of budgetary resources.

The NRC collects miscellaneous receipts for information requests under the Freedom of Information Act; civil penalties; and interest, administrative, and penalty charges on delinquent debt. All miscellaneous receipts, when collected, are returned to the U.S. Department of the Treasury (Treasury). The NRC has not presented these amounts on a Statement of Custodial Activity, as the amounts involved are immaterial and incidental to the agency's operations and mission.

OMB Circular A-136 revised the fiscal year 2026 disclosure requirements for the Statement of Net Cost. The guidance provides that, when material, non-production costs—including costs assigned to programs and costs not assigned to programs—should be disclosed in the notes to the financial statements or presented separately on the face of the Statement of Net Cost. Costs not assigned to programs include (a) general management and administrative support costs that cannot be directly traced, assigned on a cause-and-effect basis, or reasonably allocated to a specific program and (b) other non-production costs that cannot be assigned to a specific program. Such costs are included in the costs of the reporting entity and its suborganizations and are reported on the Statement of Net Cost as "Costs Not Assigned to Programs." Accordingly, for fiscal year 2026, the NRC classified costs associated with furloughs and the Deferred Resignation Program as Costs Not Assigned to Programs. The NRC also applied this presentation to fiscal year 2025 by classifying costs associated with the Deferred Resignation Program as Costs Not Assigned to Programs to enhance year-over-year comparability.

The NRC presents amounts in the accompanying tables and charts in thousands. Elsewhere, amounts are presented in millions for ease of understanding, except for certain items, such as TSP limits, lease expenses and the PP&E capitalization threshold, which are presented in whole dollars.

C. Budgets and Budgetary Accounting

Budgetary accounting measures appropriation and consumption of budget spending authority or other budgetary resources and facilitates compliance with legal constraints and controls over the use of federal funds. Under budgetary reporting principles, budgetary resources are used at the time of purchase. Assets and liabilities, which do not use current budgetary resources, are not reported, and only those liabilities for which valid obligations have been established are considered to use budgetary resources.

Congress passed the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment Appropriations Act, 2026 that funded the NRC's S&E budget at a level of $952.7 million for FY 2026. Not more than $11.5 million of the S&E appropriation was made available for the costs of the Office of the Commission until September 30, 2027. Congress also enacted a two-year appropriation of $18.8 million for the OIG, which is available for obligation through September 30, 2027. The OIG appropriation specifies that $1.6 million shall be for OIG services to the Defense Nuclear Facilities Safety Board. Total funding for the NRC, including OIG funding, is $971.5 million for FY 2026.

Congress passed the Full-Year Continuing Appropriations and Extensions Act, 2025, funding the NRC at the same level as in FY 2024, including $928.3 million for S&E and $15.8 million for the OIG. Not more than $10.4 million of the S&E appropriation was made available for the costs of the Office of the Commission until September 30, 2026. The OIG appropriation specifies that $1.5 million shall be for OIG services to the Defense Nuclear Facilities Safety Board. Total funding for the NRC, including OIG funding, was $944.1 million for FY 2025.

D. Basis of Accounting

These financial statements reflect both accrual and budgetary accounting transactions. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting is also used to record the obligation of funds before the accrual-based transaction. The Statement of Budgetary Resources (SBR) presents total budgetary resources available to the NRC, the status of total budgetary resources, and net outlays for the year.

E. Revenues and Other Financing Sources

The NRC is required to offset its appropriations by revenue received during the fiscal year from the assessment of fees. The NRC assesses two types of fees to recover its appropriation:

1. Fees assessed to recover the NRC's costs of providing individually identifiable services to specific applicants and licensees under 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," for licensing, inspection, and other services under the authority of the Independent Offices Appropriation Act of 1952.
2. Annual fees assessed for nuclear facilities and materials licensees under 10 CFR Part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses."

Licensing revenues are recognized on a straight-line basis over the licensing period. The annual licensing period for reactor and materials fees begins October 1 and ends September 30. Annual fees for reactors are invoiced in four quarterly installments, before the end of each quarter. The NRC invoices licensees for materials annual fees in the month the license is originally issued. Fees are recorded as revenues when the services are performed.

For accounting purposes, appropriations are recognized as a financing source (appropriations used) at the time goods and services are received. Periodically during the fiscal year, appropriations recognized are reduced by the amount of assessed fees collected during the fiscal year to the extent of new budget authority for the year. Collections that exceed 100 percent of the NRC's appropriation, excluding amounts appropriated for any fee-relief activity as identified by the Commission, generic homeland security activities, waste incidental to reprocessing activities, NWF activities, advanced reactor regulatory infrastructure activities, Inspector General services for the Defense Nuclear Facilities Safety Board, research and development at universities in areas relevant to the NRC's mission, and a nuclear science and engineering grant program, are held to offset subsequent years' appropriations. Assets acquired by the NRC with appropriated funds are depreciated over their estimated useful lives.

Goods and services are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by that reporting entity are recognized as imputed costs in the Statement of Net Cost and are offset by imputed revenue in the Statement of Changes in Net Position. Such imputed costs and revenues relate to business-type activities (if applicable), employee benefits, and claims to be settled by the Treasury Judgment Fund. However, unreimbursed costs of goods and services other than those identified above are not included in the agency's financial statements.

F. Fund Balance with Treasury

The Treasury processes the NRC's cash receipts and disbursements. The Fund Balance with Treasury is primarily appropriated funds and license fee collections that are available to pay current liabilities and to finance authorized purchase commitments. The Fund Balance with Treasury represents the NRC's right to draw on Treasury for allowable expenditures. Fund Balances with Treasury is an asset of a reporting entity and a liability of the General Fund.

G. Accounts Receivable

Accounts receivable consist of amounts that other federal agencies and the public owe to the NRC. Amounts due from the public are presented net of an allowance for uncollectible accounts. The allowance is determined based on the age of the receivable and allowance rates established from historical experience. Receivables from federal agencies are expected to be collected; therefore, there is no allowance for uncollectible accounts for federal agencies. An allowance for federal agencies is considered based on FASAB Technical Bulletin 2020-01, "Loss Allowance for Intragovernmental Receivables", but the NRC deems the federal accounts receivable to be receivable based on historical experience.

H. Non-Entity Activity

Non-entity activity consists of miscellaneous fees assessed for Freedom of Information Act requests; civil penalties; and interest, administrative charges, and penalties assessed on delinquent debt due from the public. Once collected, the funds are transferred to Treasury.

I. Property, Plant, and Equipment, Net

Property, plant and equipment (PP&E) consists primarily of typical office furnishings, leasehold improvements, nuclear reactor simulators, and computer hardware and software. The costs of internal use software include the full cost of salaries and benefits for agency personnel involved in software development. The NRC has no real property, as the land and buildings in which the NRC operates are Occupancy Agreements through the General Services Administration (GSA). The rent approximates the commercial rental rates for similar properties.

Property with a cost of $50,000 or more per unit and a useful life of 2 years or more is capitalized at cost and depreciated using the straight-line method over the useful life of the asset. Other property items are expensed when purchased. Normal repairs and maintenance are charged to expense as incurred.

J. Accounts Payable

The NRC uses an estimation methodology to calculate the accounts payable balance, which represents costs for billed and unbilled goods and services received but unpaid before year-end. The NRC calculates the accounts payable amount using an average based on the historical trend of validated accruals. The estimation methodology is validated quarterly.

K. Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, using some combination of receipts, other inflows, and borrowing from the public (if there is a budget deficit).

Liabilities that do not require the use of budgetary resources may be covered by assets that are not budgetary resources to the entity.

Liabilities represent the amount of monies or other resources that are likely to be paid by the NRC as a result of a transaction or event that has already occurred. The NRC cannot pay Liabilities without an appropriation. Liabilities for which an appropriation has not been enacted are classified as "Liabilities Not Covered by Budgetary Resources" and fall into the following three categories:

1. **Intragovernmental.** The NRC records a liability to the U.S. Department of Labor (DOL) for Federal Employees Compensation Act (FECA) benefits paid by the DOL on behalf of the NRC.

2. **Federal Employee Benefits.** Federal employee benefits represent the actuarial liability for estimated future FECA disability benefits. The DOL generates the future workers' compensation estimate from an application of actuarial procedures developed to estimate the liability for FECA, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases.

3. **Other.** This category includes the amount of accrued annual leave earned by the NRC employees but not yet taken and contingent liabilities that have the probable likelihood of an adverse outcome.

L. Contingencies

Contingent liabilities are those for which the existence or amount of the liability cannot be determined with certainty pending the outcome of future events. The uncertainty should ultimately be resolved when one or more future events occur or fail to occur. Accounting treatment of the contingency depends on whether the likely outcome is considered probable, reasonably possible, or remote.

A contingency is considered probable when the future confirming event or events are more likely than not to occur, with the exception of pending or threatened litigation and unasserted claims. This type of contingency is recorded in the financial statements as a contingent liability (included in Other Liabilities) and as an expense. It should be recorded when a past event or exchange transaction has occurred, a future outflow or other sacrifice of resources is probable, and the future outflow or sacrifice of resources is measurable.

A contingency is considered reasonably possible when the chance of the future confirming event or events occurring is more than remote but less than probable. This type of contingency is disclosed in the notes to the financial statements (Note 8) if any of the conditions for liability recognition are not met and there is at least a reasonable possibility that a loss or an additional loss may have been incurred.

A contingency is considered remote when the chance of the future event or events occurring is slight. This type of contingency is not recognized as a liability or as an expense in the financial statements, nor is it disclosed in the notes when the chance of the future event or events occurring is remote.

M. Annual, Sick, and Other Leave

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. To the extent that current or prior-year funding is not available to cover annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of leave that do not vest are expensed as taken.

N. Retirement Plans

The NRC employees belong to either the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS).

The NRC does not report on its financial statements FERS and CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the U.S. Office of Personnel Management (OPM). The portion of the current and estimated future outlays for FERS and CSRS not paid by the NRC is included in the NRC's financial statements as an imputed financing source in the Statement of Changes in Net Position and as program costs on the Statement of Net Cost.

The NRC's employees make mandatory contributions to their federal retirement plans through payroll deductions as required by law. Employees who entered federal service before 1987 are covered under CSRS. The NRC withholds 7 percent of base pay earnings from CSRS participants, and the NRC matches this 7 percent contribution. Employees who entered federal service on and after January 1, 1987, but before January 1, 2013, are covered under FERS. Under FERS, the NRC withholds 0.8 percent of base pay earnings and made employer contributions of 18.4 percent in 2026 for FERS participants. In accordance with Section 5001 of the Middle Class Tax Relief and Job Creation Act of 2012, employees who entered federal service on and after January 1, 2013, but before January 1, 2014, are covered under the Federal Employee Retirement System—Revised Annuity Employees (FERS-RAE). Under FERS-RAE, the NRC withholds 3.1 percent of base pay earnings and made employer contributions of 16.5 percent in 2026. Employees who entered federal service on and after January 1, 2014, are covered under the Federal Employee Retirement System—Further Revised Annuity Employees (FERS-FRAE). Under FERS-FRAE, the NRC withholds 4.4 percent of base pay earnings and made employer contributions of 16.5 percent in 2026.

The Thrift Savings Plan is a retirement savings and investment plan for employees belonging to either FERS or CSRS. The maximum percentage of base pay that an employee participating in FERS or CSRS may contribute is unlimited, but is subject to the maximum contribution limit depending on the employees current age. The annual TSP contribution limit is $24,500 for individuals under age 50, equivalent to approximately $943 per pay period over 26 pay periods. The total limit is $32,500 for individuals ages 50–59, including an $8,000 catch-up contribution; $35,750 for individuals ages 60–63, including an $11,250 super catch-up contribution; and $32,500 for individuals age 64 or older, including an $8,000 catch-up contribution.

For employees participating in FERS, the NRC automatically contributes 1 percent of base pay to the employee's account and matches contributions up to an additional 4 percent. For employees participating in CSRS, the NRC does not match the contribution. The sum of the employees' and the NRC's contributions is transferred to the Federal Retirement Thrift Investment Board.

O. Leases

The NRC has two types of leases: Lease Assets and Intragovernmental Leases (Note 7):
Lease Assets: A lease, for purposes of applying Statement of Federal Accounting Standards (SFFAS) 54, "Leases," is defined as a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration. In order to determine whether a contract or agreement conveys the right to control the use of the underlying asset, a federal entity should assess whether the contract or agreement gives the lessee both of the following:

1. the right to obtain economic benefits or services from use of the underlying asset as specified in the contract or agreement
2. the right to control access to the economic benefits or services of the underlying asset as specified in the contract or agreement

The NRC's lease assets are personal property consisting of reproduction equipment that is installed at the NRC Headquarters.

Intragovernmental Leases: An intragovernmental lease, according to SFFAS 54, is a contract or agreement occurring within a consolidation entity or between two or more consolidation entities as defined in SFFAS 47, "Reporting Entity," whereby one entity lessor conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.

The NRC's intragovernmental leases consist of real property leases with the GSA. The NRC holds Operating Agreements with the GSA, which are not leases but are treated as leases for accounting purposes. The leases are for the NRC's Headquarters, regional offices, and Technical Training Center (TTC). The GSA charges the NRC lease rates that approximate commercial rates for comparable space.

P. Pricing Policy

The NRC provides nuclear reactor and materials licensing and inspection services to the public and other government entities. In accordance with OMB Circular A-25, "Transmittal Memorandum #1, User Charges of 1993," and the Independent Offices Appropriation Act of 1952, the NRC assesses fees under 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," for licensing and inspection activities to recover the full cost of providing individually identifiable services.

The NRC's policy is to recover the full cost of goods and services provided to other government entities where the services performed are not part of the agency's statutory mission and the NRC has not received appropriations for those services. Fees for reimbursable work are assessed at the 10 CFR Part 170 rate with minor exceptions for programs that are nominal activities of the NRC.

Q. Net Position

The NRC's net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent (1) appropriated spending authority that is unobligated and has not been withdrawn by Treasury, and (2) unliquidated obligations and expenditures not yet disbursed. Cumulative results of operations represent the excess of financing sources over expenses since inception.

R. Use of Management Estimates

The preparation of the accompanying financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

S. Statements of Net Cost

The programs as presented on the Statement of Net Cost are based on the annual performance budget and are described as follows.

The Nuclear Reactor Safety program encompasses all of the NRC's efforts to ensure that civilian nuclear power reactor facilities and research and test reactors are licensed and operated in a manner that adequately protects public health and safety and the environment, and protects against radiological sabotage and theft or diversion of special nuclear materials. The Nuclear Reactor Safety program consists of the following activities: operating reactors and new reactors.

The Nuclear Materials and Waste Safety program encompasses all NRC efforts to protect public health and safety and the environment and ensures the secure use and management of radioactive materials. The Nuclear Materials and Waste Safety program consist of the following activities: fuel facilities, nuclear materials users, decommissioning and low-level waste, spent fuel storage and transportation, and a high-level waste repository.

For intragovernmental gross costs and revenue, the buyers and sellers are federal entities. For earned revenues from the public, the buyers of the goods or services are non-federal entities.

T. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2—Fund Balance with Treasury

As of September 30,	2026	2025
Status of Fund Balance with Treasury		
Unobligated Balance	**$ 138,966**	$ 81,756
Obligated Balance not yet Disbursed	**273,845**	274,584
Total	**$ 412,811**	$ 356,340

Other fund types in the Fund Balance with Treasury represent license fee collection used to offset the NRC current-year budget authority, miscellaneous collections, and adjustments that will offset revenue in the following fiscal year.

Note 3—Accounts Receivable

As of September 30,	2026	2025
Intragovernmental		
Fee Receivables and Reimbursements	**$ 2,728**	$ 3,930
Other than Intragovernmental		
Materials and Facilities Fees-Billed	**$ 3,109**	$ 5,415
Materials and Facilities Fees-Unbilled	**44,250**	51,705
Other	**4,328**	1,566
Total Other than Intragovernmental	**$ 51,687**	$ 58,686
Less: Allowance for Uncollectible Accounts	**(2,047)**	(2,282)
Total Other than Intragovernmental, Net	**$ 49,640**	$ 56,404
Total Accounts Receivable	**$ 54,415**	$ 62,616
Less: Allowance for Uncollectible Accounts	**(2,047)**	(2,282)
Total Accounts Receivable, Net	**$ 52,368**	$ 60,334

Refer to Note 1G for more information.

Note 4—Property, Plant, and Equipment, Net

As of September 30,				2026
Fixed Assets Class	**Service Years**	**Cost**	**Accumulated Depreciation and Amortization**	**Net Book Value**
Equipment	5	$ 17,985	$ (14,721)	**$ 3,264**
Lease Asset	5	207	(207)	**—**
IT Software	5	63,751	(60,994)	**2,757**
IT software under development	—	517	—	**517**
Leasehold Improvements	Life of related lease	75,465	(55,662)	**19,803**
Leasehold Improvements in Progress	-	2,151	—	**2,151**
Total		$ 160,076	$ (131,584)	**$ 28,492**

As of September 30,				2025
Fixed Assets Class	**Service Years**	**Acquisition Value**	**Accumulated Depreciation and Amortization**	**Net Book Value**
Equipment	5	$ 16,783	$ (13,764)	**$ 3,019**
Leased Equipment	5	207	(207)	**—**
IT Software	5	62,503	(62,115)	**388**
Leasehold Improvements	Life of related lease	68,458	(48,293)	**20,165**
Leasehold Improvements in Progress	-	8,088	—	**8,088**
Total		$ 156,039	$ (124,379)	**$ 31,660**

For the years ended September 30,	2026	2025
Balance Beginning of Year	**$ 31,660**	$ 29,355
Capitalized Acquisitions	**5,667**	10,888
Depreciation & Amortization Expense	**(8,835)**	(8,583)
Balance at End of Year	**$ 28,492**	$ 31,660

In accordance with SFFAS 44, "Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use," the NRC repairs or replaces lease assets as required and does not recognize impairment losses. Refer to Note 1I for more information.

Note 5—Other Liabilities

As of September 30,	2026	2025
Intragovernmental Liabilities		
Liability to the U.S. Treasury General Fund for Misc. Receipts	**$ 49**	$ 105
Liability for Advances from Other Agencies	**364**	18
Accrued Workers' Compensation	**590**	644
Accrued Unemployment Compensation	**—**	4
Employee Benefit Contributions	**3,892**	3,821
Total Intragovernmental Liabilities	**$ 4,895**	$ 4,592
Other than Intragovernmental Liabilities		
Actuarial FECA Liability	**$ 2,009**	$ 2,178
Contract Holdbacks, Advances, and Other	**13,669**	4,419
Grants Payable	**5,340**	6,762
Total Other than Intragovernmental Liabilities	**$ 21,018**	$ 13,359
Total Other Liabilities	**$ 25,913**	$ 17,951

Note 6—Liabilities Not Covered by Budgetary Resources

As of September 30,	2026	2025
Intragovernmental		
FECA Paid by DOL	**$ 590**	$ 644
Accrued Unemployment Compensation	**—**	4
Federal Employee Benefits		
Accrued Salaries and Benefits	**11,775**	11,647
Employer Contributions & Payroll Taxes Payable	**569**	549
Accrued Annual Leave	**41,953**	49,983
Total Liabilities Not Covered by Budgetary Resources	**$ 54,887**	$ 62,827
Total Liabilities Covered by Budgetary Resources	**55,360**	43,568
Total Liabilities	**$ 110,247**	$ 106,395

For more information, refer to Note 1K.

Note 7—Leases

The NRC leases its facilities from the GSA. The NRC enters into an Occupancy Agreement with the GSA for each facility. The GSA, in turn, leases commercial facilities or provides space in federal buildings. The GSA bills the NRC monthly for leased space. Agreements specify that space in federal buildings can be vacated with notice periods ranging from 120 to 180 days. The NRC anticipates continuing the same or similar facilities in the future.

For official travel, the NRC leases its vehicles from the GSA.

These federal leases are intragovernmental leases and are expensed in the Consolidated Statement of Net Cost when incurred. FY 2026 lease expenses were $28,513,092.69. The lease amounts include $164,665.15 in vehicle lease expenses.

Note 8—Contingencies

The NRC is subject to potential liabilities in various administrative proceedings, legal actions, environmental suits, and claims brought against it. In the opinion of the NRC's management and legal counsel, the ultimate resolution of these proceedings, actions, suits, and claims will not materially affect the financial position or net costs of the NRC.

Probable Likelihood of an Adverse Outcome:

As of September 30, 2026 and 2025, the NRC was not involved in any litigation or claims with a probable risk of an adverse outcome.

Reasonably Possible Likelihood of an Adverse Outcome:

As of September 30, 2026, the NRC was involved in two cases. One case had a reasonably possible loss of $382,445 and an estimated upper loss range of $600,000, while the potential loss associated with the other case could not be reasonably estimated. As of September 30, 2025, the NRC was involved in three cases. Two cases had a combined reasonably possible loss of $382,445 and an estimated upper loss range of $1,100,000, while the potential loss associated with the third case could not be reasonably estimated.

Note 9—Suborganization Program Costs

For the years ended September 30,	2026	2025
Nuclear Reactor Safety		
Intragovernmental Gross Costs	**$ 207,317**	$ 242,139
Less: Intragovernmental Earned Revenue	**(53,541)**	(53,434)
Intragovernmental Net Costs	**153,776**	188,705
Other than Intragovernmental Gross Costs	**476,794**	558,879
Less: Other than Intragovernmental Earned Revenues	**(657,140)**	(660,587)
Other than Intragovernmental Net Costs	**(180,346)**	(101,708)
Total Net Cost of Nuclear Reactor Safety	**$ (26,570)**	$ 86,997
Nuclear Materials and Waste Safety		
Intragovernmental Gross Costs	**$ 74,600**	$ 67,717
Less: Intragovernmental Earned Revenue	**(8,912)**	(8,514)
Intragovernmental Net Costs	**65,688**	59,203
Other than Intragovernmental Gross Costs	**173,305**	158,297
Less: Other than Intragovernmental Earned Revenues	**(85,422)**	(97,027)
Other than Intragovernmental Net Costs	**87,883**	61,270
Total Net Cost of Nuclear Materials and Waste Safety	**$ 153,571**	$ 120,473
Costs Not Assigned to Programs	**43,478**	9,483
Net Cost of Operations	**$ 170,479**	$ 216,953

Nuclear Reactor Safety and Nuclear Materials and Waste Safety represent the NRC's two major programs as identified in the NRC Strategic Plan. Cost Not Assigned to Programs consist of costs associated with furloughs and the Deferred Resignation Program for the fiscal year ended 2026, and costs associated with the Deferred Resignation Program for the fiscal year ended 2025.

Note 10—Exchange Revenues

For the years ended September 30,	2026	2025
Fees for Licensing, Inspection, and Other Services	$ 795,217	$ 813,825
Revenue from Reimbursable Work	9,798	5,737
Total Exchange Revenues	**$ 805,015**	$ 819,562

Earned revenues or exchange revenues arise when an entity provides goods and services to the public or another government entity for a price. The NRC's revenues are primarily recorded at full cost for services provided for inspections, fees for licensing, and reimbursable work.

Note 11—Financing Sources Other Than Exchange Revenue

For the years ended September 30,	2026	2025
Appropriations Used		
Funds Consumed	$ 924,614	$ 976,022
Less: Collection of Fees Assessed	(805,503)	(812,237)
Less: Nuclear Waste Fund Expense	(4)	(6)
Total Appropriations Used	**$ 119,107**	$ 163,779

Funds consumed include $66.2 million and $74.6 million through September 30, 2026 and 2025, respectively, of available funds from prior years. Current year funds consumed were $858.4 million and $901.4 million through September 30, 2026 and 2025, respectively.

For the years ended September 30,	2026	2025
Non-Exchange Revenue		
Civil Penalties	$ 180	$ 237
Miscellaneous Receipts	(235)	(255)
Non-Exchange Revenue	(55)	(18)
Contra-Revenue	55	18
Total Non-Exchange Revenue, Net of Funds Returned to the U.S. Treasury	**$ —**	$ —

For the years ended September 30,	2026	2025
Imputed Financing		
Civil Service Retirement System	$ 512	$ 1,347
Federal Employees Retirement System	21,407	30,295
Federal Employee Health Benefit	24,326	26,435
Federal Employee Group Life Insurance	80	88
Judgments/Awards	—	1,212
Total Imputed Financing	**$ 46,325**	$ 59,377

Note 12—Status of Budgetary Resources

A. Net Adjustments to Unobligated Balance, Brought Forward, October 1

This budgetary resources line consists of unobligated balance, brought forward as of October 1, as increased or decreased by current fiscal year activity related to the unobligated balance brought forward—typical items include recoveries of prior-year unpaid obligations, cancellations of multi-year appropriations, other changes including refunds collected for downward adjustments of prior-year paid obligations, and remaining anticipated recoveries. The adjustments for FY 2026 and FY 2025 are presented below.

For the years ended September 30,	2026	2025
Unobligated Balance, Brought Forward, October 1	**$ 81,756**	$ 86,431
Actual Recoveries of Prior-Year Unpaid Obligations	**26,586**	35,357
Canceled Authority	**(647)**	(268)
Other Changes in Unobligated Balance, Net	**513**	714
Unobligated Balance from Prior-Year Budget Authority, net	**$ 108,208**	$ 122,234

B. Explanation of Differences between the Statement of Budgetary Resources and the Budget of the U.S. Government

SFFAS 7, "Accounting for Revenue and Other Financing Sources", and OMB Circular A-136 require the NRC to reconcile the budgetary resources reported on the SBR to the actual budgetary resources presented in the President's Budget and explain any material differences.

The NRC does not have any material differences between the budgetary resources reported on the SBR for FY 2025 and the FY 2025 actuals in the proposed President's Budget for FY 2027. The reconciliation was based on actual numbers for FY 2025 because the Budget of the United States (also known as the President's Budget) was not published at the time that these financial statements were issued.

The NRC reconciled the amounts of the FY 2025 Combined Statement of Budgetary Resources to the actual amounts for FY 2025 from the appendix to the FY 2027 President's Budget for budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and net outlays.

For the period ended September 30, 2025	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Outlays (Net)
Combined Statement of Budgetary Resources	**$ 1,069,846**	**$ 988,090**	**$ (812,537)**	**$ 983,358**
Spending Authority from Offsetting Collections	**(3,525)**	**—**	**—**	**—**
Unobligated Balance Beginning of Period	**(122,234)**	**—**	**—**	**—**
Budget of the U.S. Government	**$ 944,087**	**$ 988,090**	**$ (812,537)**	**$ 983,358**

The FY 2026 actual budgetary resources numbers will be available in the FY 2028 President's Budget, which is expected to be published in 2027 and will be available on the OMB website https://www.whitehouse.gov/omb/ and through the U.S. Government Publishing Office.

Note 13—Undelivered Orders at the End of the Period

For the years ended September 30,	2026	2025
Intragovernmental:		
Unpaid Undelivered Orders	**$ 4,448**	$ 8,528
Paid Undelivered Orders	**(893)**	(883)
With the Public:		
Unpaid Undelivered Orders	**221,370**	217,472
Paid Undelivered Orders	**2,401**	3,284
Total Undelivered Orders	**$ 227,327**	$ 228,401

Note 14—Reconciliation of Net Costs to Net Outlays

For the period ended September 30, 2026	Intragovernmental	Other than Intragovernmental	Total
Net Cost	**$ 219,464**	**$ (48,985)**	**$ 170,479**
Components of Net Cost That Are Not Part of Net Outlays:			
Property, Plant, and Equipment Depreciation	—	(8,835)	(8,835)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	(1,202)	(6,763)	(7,965)
Other Assets	(893)	(1)	(894)
(Increase)/Decrease in Liabilities:			
Accounts Payable	896	$ (4,668)	(3,772)
Salaries and Benefits	—	—	—
Other Liabilities	(303)	222	(81)
Other Financing Sources:			
Federal employee retirement benefit costs paid by the OPM and imputed to the agency	(46,325)	$ -	(46,325)
Total Components of Net Cost That Are Not Part of Net Outlays	**$ (47,827)**	**$ (20,045)**	**$ (67,872)**
Components of Net Outlays That Are Not Part of Net Cost			
Acquisition of Capital Assets	—	5,667	5,667
Financing Sources:			
Transfers Out/(In) without Reimbursements	300	—	300
Total Components of Net Outlays That Are Not Part of Net Cost	**300**	**5,667**	**$ 5,967**

Misc. Items:			
Distributed Offsetting Receipts	(805,804)	—	(805,804)
Custodial/Non-Exchange Revenue		55	55
Non-Entity Activity	(12)	—	(12)
Other Temporary Timing Differences	—	(43)	(43)
Appropriated Receipts for Trust/Special Funds	805,804	—	805,804
Other Reconciling Items	—		$ (1)
Total Other Reconciling Items	**(13)**	**12**	**$ (1)**
Net Outlays	**$ 171,924**	**$ (63,351)**	**$ 108,573**

Note 15—Financial Statements to Reclassified Financial Statements

To prepare the Financial Report of the U.S. Government (Financial Report), Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the Financial Report statements. This note shows the NRC's financial statements and the NRC's reclassified statements before elimination of intragovernmental balances and before aggregation of repeated Financial Report line items. At the time of publication, a copy of the 2025 Financial Report can be found here: https://fiscal.treasury.gov/resources/reports-statements. A copy of the 2026 Financial Report will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of the federal government.

The term "non-federal" is used in this note to refer to federal government amounts that result from transactions with non-federal entities. These include transactions with individuals, businesses, nonprofit entities, and State, local, and foreign governments.

Statement of Net Cost (SNC) to Reclassified Statement of Changes in Net Cost

For the period ended September 30, 2026				
FY 2026 NRC SNC			**Line Items Used to Prepare the Governmentwide SNC**	
Financial Statement Line		**Amount**	**Total (Consolidated)**	**Reclassified Financial Statement Line**
			$ 693,577	**Non-Federal Costs** Non-Federal Gross Costs
			693,577	**Total Non-Federal Costs**
				Intragovernmental Costs
Gross Costs	$	975,494	103,113	Benefits Program Costs
			46,325	Imputed Costs
			99,877	Buy/Sell Costs
			32,602	Other Expenses (w/o Reciprocals)
			281,917	**Total Intragovernmental Costs**
Total Gross Costs		975,494	975,494	Total Reclassified Gross Costs
			742,562	Non-Federal Earned Revenue
Earned Revenue		805,015		**Intragovernmental Revenue**
			62,453	Buy/Sell Revenue
			62,453	Total Intragovernmental Earned Revenue
Total Earned Revenue		805,015	805,015	Total Reclassified Earned Revenue
Net Cost	**$**	**170,479**	**$ 170,479**	**Net Cost**

Statement of Changes in Net Position (SCNP) to Reclassified Statement of Changes in Net Position

For the period ended September 30, 2026			
FY 2026 NRC SNCP		**Line Items Used to Prepare the Governmentwide SNCP**	
Financial Statement Line	**Amount**	**Total (Consolidated)**	**Reclassified Financial Statement Line**
Unexpended Appropriations			
Unexpended Appropriations, Beginning Balance	$ 296,610	$ 296,610	Unexpended Appropriations, Beginning Balance
Appropriations Received	165,692	165,692	Appropriations Received
Other Adjustments	(647)	(647)	Other Adjustments
Appropriations Used	(119,107)	(119,107)	Appropriations Used
Total Unexpended Appropriations	$ 342,548	$ 342,548	**Total Unexpended Appropriations**
Cumulative Results of Operations			
Cumulative Results, Beginning Balance	$ 47,800	$ 47,800	Cumulative Results, Beginning Balance
			Non-Federal Non-Exchange Revenues
		(55)	Miscellaneous Taxes and Receipts
Non-Exchange Revenues	(55)	(55)	**Total Non-Federal Non-Exchange Revenues**
Total Non-Exchange Revenues	(55)	(55)	**Total Non-Exchange Revenues**
		817,298	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
Transfers In/Out w/o Reimbursement—Budgetary	(300)		Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
		(300)	Total Reclassified Transfers In/Out w/o Reimbursement—Budgetary (Federal)
Total Transfers In/Out w/o Reimbursement—Budgetary	(300)	(300)	**Total Transfers In/Out w/o Reimbursement—Budgetary**
		12	Other
Other	55	43	
Total Other	55	55	**Total Other**
Imputed Financing	46,325	46,325	Imputed Financing Sources
Total Other & Imputed Financing	46,625	46,625	**Total Other & Imputed Financing**
Net Cost of Operations	(170,479)	(170,479)	**Net Cost of Operations**
Ending Balance—Cumulative Results of Operations	42,453	42,453	**Cumulative Results of Operations**
Total Net Position	**$ 385,001**	**$ 385,001**	**Net Position**

The NRC does not have funds from dedicated collections.

Note 16 – Nuclear Waste Fund

For FY 2026 and FY 2025, the NRC's budget submitted to the OMB did not include funds for the NWF. The funding provided to the NRC before FY 2014 and carried forward to subsequent years was for the purpose of performing activities associated with the U.S. Department of Energy (DOE) application for a high-level waste repository at Yucca Mountain, Nevada.

SFFAS 43, "Funds from Dedicated Collections: Amending Statement of Federal Financial Accounting Standards 27, Identifying and Reporting Earmarked Funds," lists three defining criteria for funds from dedicated collections:

1. a statute committing the federal government to use specifically identified revenues and/or other financing sources that are originally provided to the federal government by a non-federal source only for designated activities, benefits or purposes

2. explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes

3. a requirement to account for and report on the receipt, use, and retention of the revenues and/or other financing sources that distinguishes the fund from the federal government's general revenues

In 1982, Congress passed the Nuclear Waste Policy Act of 1982 establishing the NWF to be administered by the DOE (42 U.S.C. 10222). For the NRC, the NWF transfer is a source of financing from other than non-federal sources. The NRC collects no revenue on behalf of the NWF and has no administrative control over it. Furthermore, Treasury has no separate fund symbol for the NWF under the NRC's agency location code. The receipt and expenditure of NWF funding is reported to Treasury under the NRC's primary S&E Treasury Account Symbol (X0200).

As a result, the NWF is not a fund from dedicated collections from the NRC's perspective. However, to provide additional information to the users of these financial statements, the summary below presents enhanced disclosure of the fund.

As of September 30,	2026	2025
Appropriations Received from NWF	**$ —**	$ —
Expended Appropriations	**4**	6
Obligations Incurred	**4**	6
Unobligated Balances (includes recoveries of prior year obligations)	**203**	208

Required Supplementary Information

Deferred Maintenance and Repairs for Property, Plant, and Equipment

Information on deferred maintenance and repairs (DM&R) is required under SFFAS 42, "Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32."

SFFAS 42 defines DM&R as "maintenance and repairs that were not performed when they should have been or were scheduled to be, and which are put off or delayed for a future period." Maintenance and repairs (M&R) are defined as activities directed toward keeping fixed assets in an acceptable condition. Activities include preventive maintenance; replacement of parts, systems, or components; and other activities needed to preserve or maintain the asset. M&R, as distinguished from capital improvements, excludes activities directed towards expanding the capacity of an asset or otherwise upgrading it to serve needs different from, or significantly greater than, its current use.

DM&R should include funded and unfunded M&R activities that have been delayed to a future period. DM&R on inactive or excess PP&E should be included to the extent that it is required to maintain those items in acceptable condition. The NRC evaluated DM&R activities for leased facilities, the multiple components of the agency IT infrastructure, and individual asset purchases with a cost equal to or greater than $50,000. The NRC did not include noncapitalized PP&E with a cost of less than $50,000, which are deemed immaterial.

Deferred Maintenance and Repairs for the NRC Facilities, Other Structures, and Capital Equipment

For the NRC leased facilities and capital equipment purchases, the agency typically does not have any DM&R. The NRC had no DM&R for facilities, other structures, or capital equipment as of September 30, 2026 and 2025.

Defining and Implementing Maintenance and Repair Policies in Practice

For the NRC Headquarters facilities, the agency uses the GSA guidelines for maintenance activities along with industry best practices to determine the preventive maintenance activities to perform and the schedule for those activities. For the building structures and systems, the maintenance contractor performs all required periodic maintenance to keep the systems and buildings in a good state of repair. The contractor is held to a 98 percent scheduled completion rate, with all the preventive maintenance completed within a reasonable time. When equipment reaches the end of its useful life, it is generally replaced with like-kind or upgraded equipment. For any type of an emergent failure to facilities, the NRC would request additional funding, as needed, for repairs or replacement to structures and equipment.

For the regional offices, the building management (lessor) is responsible for performing all required periodic maintenance to keep the systems and buildings in a good state. Generally, the regional leases contain the fixed assets, including equipment purchased to support the operations of the agency's leased space, such as diesel generators and chillers for the Incident Response Center, the local area network, and power cooling. Equipment requiring repair results in a service repair call. If equipment is purchased to support the NRC regional operations, maintenance contracts are put in place to provide periodic service and maintenance on the equipment. When equipment reaches the end of its useful life, it is generally replaced with like-kind or upgraded equipment. For any type of an emergent failure, the NRC would request additional funding, as needed, for repairs or replacement of equipment.

The TTC facility and associated systems are leased and maintained by the lessor. This includes any emergent repairs that may occur, as well as any scheduled maintenance. Assets within the TTC are predominantly maintained by facilities personnel. In some cases, such as for simulator systems, contractor personnel perform all required emergent and periodic maintenance to keep the systems in a good state of repair. When equipment reaches the end of its useful life, it is replaced with like-kind or upgraded equipment.

Ranking and Prioritization of Maintenance and Repair Activities

Personnel safety is paramount at the NRC leased facilities. Maintenance activity, such as for fire alarms and emergency exits, is given top priority. If a preventive maintenance activity must be deferred, which is typically only for 2 to 4 weeks, the impact to personnel safety and building functionality is considered during the review. Other M&R activities are executed as required so that there is no disruption to NRC operations and TTC training schedules.

Factors Considered in Determining Acceptable Condition

The Facilities Management Branch at NRC Headquarters performs daily inspections and maintenance of the buildings and major systems. The NRC internally reviews planned maintenance activity records and historical logs of M&R to monitor condition information for equipment. Based on the information gathered, the NRC will determine whether planning for replacement or upgrade is needed. Additionally, the GSA conducts onsite inspections every 3 to 5 years at the headquarters facilities to assess the overall condition of the buildings and to determine when major systems and components need to be scheduled for replacement. For the TTC and regional offices, the NRC has a Facilities Management staff person onsite to work with the GSA to manage the buildings with support from the lessors. As a result, the GSA performs more frequent on site inspections of the facilities. The NRC works in close coordination with the GSA to ensure that M&R activities are performed on a timely basis for all NRC-occupied facilities.

Deferred Maintenance and Repairs for Information Technology Infrastructure and Systems

The NRC had no DM&R for IT infrastructure and systems as of September 30, 2026 and 2025.

The NRC IT infrastructure is a network of multiple equipment, software, and service components, which, taken as a whole, provides the critical communication network that allows the NRC to accomplish its mission. The NRC IT infrastructure encompasses the following:

- End-user systems and support and end-user hardware include desktop, laptop, and handheld devices; peripherals (local printers, shared printers); software (personal computer operating systems, office automation suites, messaging, and groupware), and hardware and software for help desks. Also included are network operations command centers, wire closets, and cable management. For regional offices, this includes regional end-user support similar to that provided by the Customer Support Center at NRC Headquarters, using both contract support and federal full-time equivalents (FTE).

- Telecommunications services include data networks and telecommunications (wireless, multimedia, and local and long-distance telephone); hardware and software operations; licenses; maintenance; and backup, continuity of operations, and disaster recovery. For regional offices, this includes local telecommunications, using both contract support and federal FTE.

- Production operations include mainframes and servers (including web hosting, but not web content development and management), hardware and software operations, licenses, maintenance, backup, continuity of operations, and disaster recovery. Also included are resources related to carrying out Homeland Security Presidential Directive-12, which requires all federal executive departments and agencies to implement a governmentwide standard for secure and reliable forms of identification for access to federal facilities and information systems.

The NRC relies on the asset project and program managers to execute the maintenance budget and to establish and modify the M&R schedule as needed. Ranking factors that may impact the M&R schedule include personnel safety, age of the asset, scheduled replacement date, budget constraints, and unforeseen or unexpected events.

Additionally, for IT systems, whether commercial-off-the-shelf or internally developed software, the NRC relies on the project and program managers to establish an M&R budget and schedule. Minor repairs, enhancements, and upgrades are completed internally through the regular M&R operations process. For major upgrades and replacement systems, the project manager must submit a request to perform the work to the appropriate IT governance boards for their approval.

Defining and Implementing Maintenance and Repair Policies in Practice

All of the NRC IT infrastructure M&R activities are performed under various contracts, which include leasing of servers, computers, printers, and software and provide provisions for periodic monitoring, maintenance, and repairs. Replacement of miscellaneous equipment components and software is scheduled as needed when the equipment reaches the end of its useful life and before the equipment and software become obsolete. Desktops and laptops are upgraded on a 3-year rolling schedule so that they do not become obsolete.

Ranking and Prioritization of Maintenance and Repair Activities

The NRC program managers determine the requirements for ranking, scheduling, and performing IT infrastructure M&R activities and include them in the contractor statement of work. For the critical IT infrastructure and support services contract, the main ranking factor is the age of the asset (e.g., desktop, laptop, printer), followed by cost and budget constraints. However, when applicable, personnel safety is considered and is the highest priority.

Factors Considered in Determining Acceptable Condition

In determining acceptable condition, the NRC mainly considers the asset's age, remaining useful life, and compatibility with current and required software.

The NRC does not have deferred maintenance to report within the scope of its delegated maintenance responsibilities.

With the exception of One White Flint North (OWFN), which is federally owned, NRC facilities are leased. Under its GSA delegation, the NRC is responsible for routine, day-to-day maintenance and repairs at OWFN and Two White Flint North, with individual repairs generally limited to $250,000. The NRC has not deferred maintenance within the scope of these delegated responsibilities. Required maintenance is addressed through planned and corrective maintenance activities.

For OWFN, the GSA retains responsibility for major building systems and infrastructure. The GSA may maintain or identify a deferred-maintenance backlog associated with those systems and infrastructure. The NRC does not maintain or have access to the GSA's deferred-maintenance backlog for those areas and therefore cannot report on the status or value of any GSA-identified backlog.

For the remaining leased facilities, major building systems and infrastructure maintenance are generally the responsibility of the lessor and/or the GSA in accordance with the applicable lease and delegation arrangements. The NRC does not maintain a deferred-maintenance backlog for those facilities.

Combined Statements of Budgetary Resources *(In Thousands)*

For the period ended September 30, 2026	Salaries and Expenses	Office of the Inspector General	Nuclear Facility Fees	Total
Budgetary Resources				
Unobligated Balance from Prior-Year Budget Authority, Net (Note12)	$ 97,453	$ 10,755	—	**$ 108,208**
Appropriations	952,700	18,795	—	**971,495**
Spending Authority from Offsetting Collections	19,388	—	—	**19,388**
Total Budgetary Resources	$ 1,069,541	$ 29,550	$ —	**$ 1,099,091**
Status of Budgetary Resources				
New Obligations and Upward Adjustments (Total)	$ 945,818	$ 14,307	$ —	**$ 960,125**
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts	123,358	11,316	—	**134,674**
Exempt from Apportionment, Unexpired Accounts	203	—	—	**203**
Unapportioned, Unexpired Accounts	—	—	—	**—**
Unexpired, Unobligated Balance, End of Year	$ 123,561	$ 11,316	$ —	**$ 134,877**
Expired Unobligated Balance, End of Year	162	3,927	—	**4,089**
Unobligated Balance, End of Year	123,723	15,243	—	**138,966**
Total Status of Budgetary Resources	$ 1,069,541	$ 29,550	$ —	**$ 1,099,091**
Outlays, Net and Disbursements Net				
Outlays, Net and Disbursements Net	900,845	13,532	—	**$ 914,377**
Distributed Offsetting Receipts	—		(805,804)	**(805,804)**
Agency Outlays, Net	$ 900,845	$ 13,532	$ (805,804)	**$ 108,573**

For the period ended September 30, 2025	Salaries and Expenses	Office of the Inspector General	Nuclear Facility Fees	Total
Budgetary Resources				
Unobligated Balance from Prior-Year Budget Authority, Net (Note12)	$ 112,589	$ 9,645	—	**$ 122,234**
Appropriations	928,318	15,769	—	**944,087**
Spending Authority from Offsetting Collections	3,525	—	—	**3,525**
Total Budgetary Resources	$ 1,044,432	$ 25,414	$ —	**$ 1,069,846**
Status of Budgetary Resources				
New Obligations and Upward Adjustments (Total)	$ 973,726	$ 14,364	$ —	**$ 988,090**
Unobligated Balance, End of Year				
Apportioned, Unexpired Accounts	67,364	7,702	—	**75,066**
Exempt from Apportionment, Unexpired Accounts	208	—	—	**208**
Unapportioned, Unexpired Accounts	3,014	—	—	**3,014**
Unexpired, Unobligated Balance, End of Year	$ 70,586	$ 7,702	$ —	**$ 78,288**
Expired Unobligated Balance, End of Year	120	3,348	—	**3,468**
Unobligated Balance, End of Year	70,706	11,050	—	**81,756**
Total Status of Budgetary Resources	$ 1,044,432	$ 25,414	$ —	**$ 1,069,846**
Outlays, Net and Disbursements Net				
Outlays, Net and Disbursements Net	969,539	13,819	—	**$ 983,358**
Distributed Offsetting Receipts	—		(812,537)	**(812,537)**
Agency Outlays, Net	$ 969,539	$ 13,819	$ (812,537)	**$ 170,821**

Inspector General's Letter Transmitting Independent Auditors' Report

MEMORANDUM

DATE: November 16, 2026

TO: Ho K. Nieh
Chairman

FROM: Robert J. Feitel
Inspector General

ROBERT FEITEL Digitally signed by ROBERT FEITEL Date: 2026.11.16 11:46:58 -05'00'

SUBJECT: INDEPENDENT AUDITORS' REPORT OF THE U.S. NUCLEAR REGULATORY COMMISSION'S FINANCIAL STATEMENTS FOR FISCAL YEAR 2026 (OIG-NRC-27-A-01)

The independent public accounting firm of Sikich CPA LLC (Sikich), was awarded a contract to audit the financial statements of the U.S. Nuclear Regulatory Commission (NRC) as of and for the fiscal years ended September 30, 2026, and 2025; provide an opinion on internal control over financial reporting; report on compliance with laws, regulations, contracts, and grant agreements; and, report on whether the NRC's financial management systems comply substantially with the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA). The contract required that the audit be performed in accordance with U.S. Generally Accepted Government Auditing Standards (GAGAS), Office of Management and Budget audit guidance, and the Financial Audit Manual issued by the Government Accountability Office and the Council of Inspectors General on Integrity and Efficiency.

In its audit of the NRC, Sikich reported:

- The NRC's financial statements as of and for the fiscal year ended September 30, 2026, and 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- The NRC's internal control over financial reporting was not effective as of September 30, 2026; and,
- No reportable noncompliance for fiscal year 2026 with provisions of applicable laws, regulations, contracts, and grant agreements that we tested.

NRC Headquarters | 11555 Rockville Pike | Rockville, Maryland 20852 | 301.415.5930
nrcoig.oversight.gov

The Sikich report also described the following significant matter:

- A material weakness in the design and effectiveness of internal controls over financial reporting.

In connection with the contract, we reviewed Sikich's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on the NRC's financial statements or internal control over financial reporting, conclusions on whether the NRC's financial management systems complied substantially with the three FFMIA requirements, or conclusions on compliance. Sikich is responsible for the attached auditor's report dated November 16, 2026, and the conclusions expressed therein. However, our review disclosed no instances where Sikich did not comply, in all material respects, with GAGAS.

We held an exit conference on November 12, 2026, with representatives of the Office of the Chief Financial Officer, the Office of the Inspector General, and Sikich to discuss the results of the audit. The Chief Financial Officer concurred with the report.

If you have any questions, please contact Hruta Virkar, Assistant Inspector General for Audits & Evaluations, at 301.415.1982, or me at 301.415.5930.

Attachment:
As stated

cc: Commissioner Wright
Commissioner Crowell
Commissioner Marzano
Commissioner Weaver

Independent Auditors' Report

SIKICH

333 John Carlyle Street, Suite 500
Alexandria, VA 22314
703.836.6701

Independent auditors' report

Inspector General
United States Nuclear Regulatory Commission

Chairman
United States Nuclear Regulatory Commission

In our audits of the fiscal years 2026 and 2025 financial statements of the United States Nuclear Regulatory Commission (NRC), we found:

- The NRC's financial statements as of and for the fiscal years ended September 30, 2026, and 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- The NRC's internal control over financial reporting was not effective as of September 30, 2026; and,
- No reportable noncompliance for fiscal year 2026 with provisions of applicable laws, regulations, contracts, and grant agreements that we tested.

The following sections contain:

1. Our report on the NRC's financial statements and on internal control over financial reporting, including: an other-matter paragraph related to hyperlinked data within the Agency Financial Report (AFR); required supplementary information (RSI); other information included with the financial statements; and,
2. Other reporting required by *Government Auditing Standards*, which is our report on the NRC's compliance and other matters, including certain provisions referred to in Section 803(a) of the Federal Financial Management Improvement Act of 1996 (FFMIA). This section also includes a summary of the NRC's comments on our report.

Report on the audits of the financial statements and internal control over financial reporting

Opinion on the financial statements

We have audited the financial statements of the NRC, which comprise the consolidated balance sheets as of September 30, 2026, and 2025, and the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the fiscal years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the accompanying financial statements present fairly, in all material respects, the NRC's financial position as of September 30, 2026, and 2025, and its net cost of

SIKICH

operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America.

Adverse opinion on internal control over financial reporting

We also have audited the NRC's internal control over financial reporting as of September 30, 2026, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA). In our opinion, because of a material weakness in the design and effectiveness of internal controls over financial reporting, the NRC did not maintain, in all material respects, effective internal control over financial reporting as of September 30, 2026, based on criteria established under the FMFIA.[1]

Although the NRC had a material weakness in the design and effectiveness of internal control over financial reporting, the NRC made the necessary adjustments to its records and was therefore able to prepare financial statements that were fairly presented in all material respects for fiscal year 2026. This material weakness, which is discussed in more detail in the *Basis for Adverse Opinion on Internal Control over Financial Reporting* section, is also disclosed by the NRC in its fiscal year 2026 *Statement of Assurance*. We considered this material weakness in determining the nature, timing, and extent of our audit procedures on the NRC's fiscal year 2026 financial statements. The material weakness did not affect our unmodified opinion on the financial statements.

In addition to the material weakness in the design and effectiveness of internal control over financial reporting, we also identified other deficiencies in the NRC's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies.[2] Nonetheless, these deficiencies warrant the NRC management's attention. We have communicated these matters to the NRC management and, where appropriate, will report on them separately.

Basis for opinion on the financial statements

We conducted our audits in accordance with Generally Accepted Auditing Standards (GAAS) in the United States of America; standards applicable to financial statement audits contained in Generally Accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States; and guidance contained in Office of Management and Budget (OMB) Bulletin 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin 24-02 are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting* subsection of our report. We are required to be independent of the NRC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

[1] A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

[2] A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SIKICH

Basis for adverse opinion on internal control over financial reporting

In our audits of the fiscal years 2026 and 2025 financial statements of NRC, we identified the following control deficiency, which constituted a material weakness as of September 30, 2026. Accordingly, we determined that internal control over financial reporting was not effective as of that date.

Material Weakness: Inadequately Designed and Ineffective Internal Controls over Financial Reporting

Before submitting the fiscal year 2026 financial statements and related disclosures to the auditors, the NRC's year-end financial reporting review did not identify, document, or resolve the accounting and reporting implications of a methodology change. The NRC implemented the change without first evaluating its appropriateness, its effect on beginning balances, or whether it was an error correction or a change in accounting principle. Management then recorded an approximately $812 million prior-period adjustment tied to the change, only to later determine that the change was erroneous and reversed both the change and the adjustment. Additional information is provided in Exhibit 1.

We conducted our audits in accordance with GAGAS. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting* section of our report. We are required to be independent of the NRC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion on internal control over financial reporting.

Other matter – hyperlinks and QR codes

Management has elected to include hyperlinks and QR codes that link to information on websites outside the AFR to provide additional information for the users of its financial statements. Such information is not a required part of the financial statements or supplementary information required by the Federal Accounting Standards Advisory Board (FASAB). The information on these websites has not been subjected to auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

Responsibilities of management for the financial statements and internal control over financial reporting

Management is responsible for (1) preparing and fairly presenting the financial statements in accordance with accounting principles generally accepted in the United States of America; (2) the preparation, measurement, and presentation of the RSI in accordance with accounting principles generally accepted in the United States of America; (3) the preparation and presentation of other information included in the NRC's AFR, and ensuring the consistency of that information with the audited financial statements and the RSI; (4) the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; (5) the assessment of the effectiveness of internal control over financial reporting based on the criteria established under the FMFIA; and, (6) the assessment of the effectiveness of internal control over financial reporting as of September 30, 2026, included in the *Statement of Assurance* in the Management's Discussion and Analysis (MD&A) section of the AFR.

SIKICH

Auditors' responsibilities for the audits of the financial statements and internal control over financial reporting

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether effective internal control over financial reporting was maintained in all material respects, and (2) issue an auditors' report that includes our opinions.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements or an audit of internal control over financial reporting conducted in accordance with GAAS, GAGAS, and OMB guidance will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgments made by a reasonable user based on the financial statements.

In performing an audit of financial statements and an audit of internal control over financial reporting in accordance with GAAS, GAGAS, and OMB guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances.
- Obtain an understanding of internal control relevant to our audit of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk. Our audit of internal control also considered the NRC's process for evaluating and reporting on internal control over financial reporting based on criteria established under the FMFIA. We did not evaluate all internal controls relevant to operating objectives as broadly established under the FMFIA, such as those controls relevant to preparing performance information and ensuring efficient operations. We limited our internal control testing to testing controls over financial reporting. Our internal control testing was for the purpose of expressing an opinion on whether effective internal control over financial reporting was maintained, in all material respects. Consequently, our audit may not identify all deficiencies in internal control over financial reporting that are less severe than a material weakness.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

SIKICH

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the financial statement audit.

Definition and inherent limitations of internal control over financial reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that:

- Transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and,
- Transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error. We also caution that projecting any evaluation of effectiveness to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Required supplementary information

Accounting principles generally accepted in the United States of America and OMB Circular A-136, *Financial Reporting Requirements,* require that the MD&A and other RSI be presented to supplement the financial statements. Such RSI is the responsibility of management and, although not a part of the financial statements, is required by the FASAB and OMB, who consider it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, and historical context.

We have applied certain limited procedures to the RSI in accordance with GAGAS. These procedures consisted of (1) inquiring of management about the methods of preparing the RSI, and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements, in order to report omissions or material departures from FASAB and OMB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the information because the limited procedures we applied do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

The NRC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in the NRC's AFR. The other information comprises *About This Report, The Commission, A Message from the Chairman, A Message from the Chief Financial Officer, Inspector General's Letter Transmitting Independent Auditors' Report,* and *Other Information* sections but does not include the financial statements and our

SIKICH

auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other reporting required by Government Auditing Standards

Report on compliance and other matters

In connection with our audits of the NRC's financial statements, we tested compliance with selected provisions of applicable laws, including certain provisions referred to in Section 803(a) of FFMIA; regulations; contracts; and grant agreements consistent with our auditors' responsibilities discussed below.

Results of our tests for compliance with laws, regulations, contracts, and grant agreements and other matters

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters for fiscal year 2026 that would be reportable under GAGAS. The results of our tests of compliance with Section 803(a) of FFMIA disclosed no instances in which the NRC's financial management systems did not substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the NRC. Accordingly, we do not express such an opinion.

Basis for results of our tests for compliance with laws, regulations, contracts, and grant agreements and other matters

We performed our tests of compliance in accordance with GAGAS and OMB audit guidance.

Responsibilities of management for compliance with laws, regulations, contracts, and grant agreements

The NRC management is responsible for complying with laws, including certain provisions referred to in Section 803(a) of FFMIA; regulations; contracts; and grant agreements applicable to the NRC.

Auditors' responsibilities for tests of compliance with laws, regulations, contracts, and grant agreements

Our responsibility is to test compliance with selected provisions of laws, including certain provisions referred to in Section 803(a) of FFMIA, regulations, contracts, and grant agreements applicable to the NRC that have a direct effect on the determination of material amounts and disclosures in the NRC's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to the NRC. We caution that noncompliance may occur and not be detected by these tests.

SIKICH

Intended purpose of reporting on compliance with laws, regulations, contracts, and grant agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with GAGAS in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements and other matters is not suitable for any other purpose.

NRC's comments

The NRC's comments on this report are included in Exhibit 2. The NRC concurred with our audit report. The NRC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Sikich CPA LLC

Alexandria, VA
November 16, 2026

SIKICH

Exhibit 1: Material Weakness

Material Weakness: Inadequately Designed and Ineffective Internal Controls over Financial Reporting

Condition: Before submitting the fiscal year 2026 financial statements and related disclosures to the auditors, the NRC's year-end financial reporting review did not identify, document, or resolve the accounting and reporting implications of a methodology change. The NRC implemented the change without first evaluating its appropriateness, its effect on beginning balances, or whether it was an error correction or a change in accounting principle. Management then recorded an approximately $812 million prior-period adjustment tied to the change, only to later determine that the change was erroneous and reversed both the change and the adjustment.

Criteria:

- U.S. Government Accountability Office's (GAO's) *Standards for Internal Control in the Federal Government*

Cause: The deficiency resulted from ineffective change management controls and the design and timing of the NRC's year-end financial reporting review process, which did not ensure that significant accounting methodology changes and their financial reporting implications were fully evaluated before implementation and submission of the financial statements to the auditors. NRC did not adequately assess the change's effects on beginning balances or determine whether it represented a correction of errors or a change in accounting principle, and its process defers Chief Financial Officer review until after the external auditors' review. Consequently, NRC places reliance on auditor inquiries and subsequent Treasury consultations to identify and resolve accounting matters that have not been addressed through management's internal change management and financial reporting reviews.

Effect: The Statement of Changes in Net Position understated Appropriations Used by $806 million within Unexpended Appropriations and by $805 million within Cumulative Results of Operations. These errors also resulted in material misstatements to Net Position on the Consolidated Balance Sheet and affected Note 11, *Financing Sources Other Than Exchange Revenue*, and Note 15, *Reconciliation of Net Cost to Net Outlays*.

Additionally, the Statement of Net Cost included a $34 million overstatement of Net Cost of Nuclear Reactor Safety. NRC management subsequently corrected this error in revised submissions of the financial statements.

Ineffective change management over accounting and financial reporting increases the risk that changes to accounting policies, processes, or treatments may be implemented without sufficient evaluation of their impact on the financial statements, applicable accounting standards, or related internal controls. As a result, accounting changes may be applied incorrectly or inconsistently, increasing the risk of errors or material misstatements in the financial statements and reducing management's ability to timely identify and correct financial reporting issues.

SIKICH®

Recommendation: We recommend the NRC's Chief Financial Officer:

- Develop, document, and implement a formal change management process over accounting and financial reporting that requires proposed accounting changes to be documented and evaluated for their impact on the financial statement balances, note disclosures, internal controls, and compliance with applicable federal requirements, and to be approved by appropriate management before implementation.
- Establish and document a formal review and approval process requiring the Chief Financial Officer to review the financial statements and notes, including significant accounting changes and adjustments, before submitting to its auditors.

Management's Response to the Independent Auditors' Report

SIKICH

Exhibit 2: Management's Response

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

CHIEF FINANCIAL OFFICER

November 10, 2026

MEMORANDUM TO: Hruta Virkar
Assistant Inspector General for Audits
Office of the Inspector General

FROM: Christopher D. Carroll
Chief Financial Officer

Signed by Chris Carroll on 11/10/26

SUBJECT: AUDIT OF THE FISCAL YEARS 2026 AND 2025 FINANCIAL STATEMENTS

This memorandum responds to the draft report on the audit of the Nuclear Regulatory Commission's (NRC) fiscal years (FYs) 2026 and 2025 financial statements, provided on November 9, 2026. The audit was conducted by the firm Sikich LLC under contract to the NRC Office of the Inspector General (OIG).

We concur that change management over financial reporting can be improved and we will take corrective actions to strengthen it. The NRC recognizes the importance of maintaining a comprehensive and well-documented change management process to support accurate financial reporting and effective internal controls. Management has taken steps to strengthen its existing processes and will implement additional enhancements to improve documentation, oversight, accountability, and management review of significant accounting and financial reporting changes.

The auditors' review identified an exception related to the NRC's implementation of accounting changes to pass the Department of Treasury's new Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) Edit #133 – *Disbursement From General Fund Appropriations*. This requirement presented implementation challenges unique to agencies with fee-recovery models, including the NRC.

The NRC took a proactive approach: we initiated implementation work in FY 2026 to resolve technical issues in coordination with Treasury as they communicated potential solutions. The NRC continues to participate actively in Treasury's implementation working group. This approach allowed NRC to begin addressing implementation challenges early while continuing to coordinate with Treasury on evolving guidance.

CONTACT: Jim Ekechuku, OCFO/DOC
301-415-5045

Page 10 of 12

SIKICH®

In addition, the NRC has implemented several significant accounting and financial reporting changes in recent years. Recent examples include:

- Implementation of Workiva financial software to automate portions of the production of the financial statements and Annual Financial Report.
- Implementation of revised accounting for reimbursable agreements with advances to comply with the Treasury Financial Manual requirements.
- Implementation of U.S. Standard General Ledger (SGL) account 576000 to comply with the U.S. General Services Administration requirements.

The recommendations and NRC's response are outlined below. We appreciate the collaborative relationship between the OIG, the auditors, and the Office of the Chief Financial Officer (OCFO) in supporting our continuing effort to improve financial reporting.

Recommendation No. 1:
Develop, document, and implement a formal change management process over accounting and financial reporting that requires proposed accounting changes to be documented and evaluated for their impact on the financial statement balances, note disclosures, internal controls, and compliance with applicable federal requirements, and to be approved by appropriate management before implementation.

NRC Response:
Agree. The OCFO will enhance and formalize controls over the financial reporting change management process, including documentation, impact assessments, management review and approval of significant accounting changes.

Recommendation No. 2:
Establish and document a formal review and approval process requiring the Chief Financial Officer to review the financial statements and notes, including significant accounting changes and adjustments, before submitting to its auditors.

NRC Response:
Agree. The OCFO will implement and document a formal review and approval control requiring the Chief Financial Officer to review significant accounting changes, and year-end financial statements and note disclosures prior to submission to the financial statement auditors.

cc: M. King, EDO
A. Rivera-Varona, ADO/OEDO
E. Deeds, OEDO

SIKICH®

SUBJECT: AUDIT OF THE FISCAL YEARS 2026 AND 2025 FINANCIAL STATEMENTS
DATED: NOVEMBER 10, 2026

DISTRIBUTION:
OCFO R/F
DOC R/F
RidsEdoMailCenter Resource

ADAMS Accession Numbers: PKG: ML26314A135, Memo: ML26314A130 e-Concurrence
Case: 20261110-03321

Chapter 3
Other Information
(Unaudited)

Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the NRC

November 9, 2026 OIG-NRC-27-M-01

The Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the U.S. Nuclear Regulatory Commission in Fiscal Year 2027



All publicly available OIG reports are accessible through the OIG's website:
nrcoig.oversight.gov

Contents

From the Inspector General……...ii

Challenge #1: Reforming and Modernizing Nuclear Regulation While Maintaining Safety and Security……..…….....….1

Challenge #2: Modernizing Regulatory Frameworks for the Safe Deployment of Advanced Reactors and Advanced Fuels…..…….…...3

Challenge #3: Managing and Addressing Evolving Human Capital Demands……..……..…….…5

Challenge #4: Ensuring an Effective Information Security Program and Managing the Impact of Super Intelligence ……..……...7

Challenge #5: Managing Financial Resources and Enhancing Accountability……..……..…9

Report Fraud, Waste, or Abuse……..……...11

Comments and Suggestions……..……11

Notice to Non-Governmental Organizations and Business Entities Specifically Mentioned in this Report……....…11

Find this document on our website:
nrcoig.oversight.gov

From the Inspector General



On behalf of the Office of the Inspector General (OIG) for the U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board (DNFSB), it is my pleasure to present our assessment of the most serious management and performance challenges facing the NRC in Fiscal Year 2027. The OIG presents this assessment consistent with the Reports Consolidation Act of 2000 (Public Law 106-531), which requires each OIG to annually summarize the challenges facing the agencies it oversees and briefly assess each agency's progress in addressing those challenges.

The challenges set forth below are not listed in order of priority, nor do they necessarily indicate problems within the agency; rather, they should be considered as areas of focus for the NRC's management and staff. NRC leaders provided their own assessments of the key challenges facing the agency in responding to the OIG's request for input in these areas. We considered their input and independently identified the following five clear, specific, and actionable challenges that require the NRC's continued attention:

1. Reforming and Modernizing Nuclear Regulation While Maintaining Safety and Security;
2. Modernizing Regulatory Frameworks for the Safe Deployment of Advanced Reactors and Advanced Fuels;
3. Managing and Addressing Evolving Human Capital Demands;
4. Ensuring an Effective Information Security Program and Managing the Impact of Super Intelligence; and,
5. Managing Financial Resources and Enhancing Accountability.

By addressing the challenges identified above, the NRC will strengthen its mission execution, help achieve its strategic goals, and maintain a high standard of accountability for its resources.

The OIG has included in this report summaries of some of the work the NRC has accomplished or plans to complete during Fiscal Year 2027 for each NRC challenge.

Robert J. Feitel

Inspector General

Challenge #1: Reforming and Modernizing Nuclear Regulation While Maintaining Safety and Security

In 2025, President Donald J. Trump issued several executive orders (EO) to modernize federal oversight of the production and uses of nuclear energy. Among these orders, EO 14300, *Ordering the Reform of the Nuclear Regulatory Commission*, instructed the NRC to simplify licensing, update regulations, and remove unnecessary barriers to the introduction of new nuclear technologies. The EO builds on reforms enacted in the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy (ADVANCE) Act of 2024, which directed the NRC to improve the efficiency, timeliness, and predictability of licensing reviews and facilitate the safe deployment of new nuclear technologies.

EO 14300 addresses both advanced and existing technologies. While its primary focus is on accelerating the licensing and deployment of new reactor technologies, the order also directs the NRC to support the continued operation of the current nuclear fleet and reduce unnecessary regulatory burdens for existing nuclear facilities. Additionally, it requires the NRC to reduce unnecessary regulatory burdens and licensing costs related to areas such as security, storage, and the use of special nuclear material.

As the NRC continues its transformation into a modern, risk-informed regulator, the agency must continue to ensure the safety and security of existing and new nuclear facilities. Specifically, the agency must: (1) ensure risk-informed regulation is consistently applied to its licensing and oversight processes; (2) reach licensing decisions on established and new reactor technologies in a timely manner; (3) make well-supported decisions regarding the restart of power plants in decommissioning; and, (4) maintain robust and adaptive oversight programs to ensure nuclear power licensees can protect their facilities effectively against evolving threats.

Ongoing and Completed Actions:

- In September 2025, the NRC published a direct final rule extending the duration of standard design certifications from 15 to 40 years. This rule allows a much longer period for applicants to reference a certified design in their applications, expediting the licensing process. Previously, applicants and the NRC had to cycle through the renewal processes every 15 years. The NRC determined that extending the renewal process to 40 years would reduce unnecessary regulatory burdens on applicants and save the industry and the NRC's resources without compromising safety or security. The NRC

estimated that the rule will result in cost savings of over $55 million over a 65-year analysis period.

- In March 2026, the NRC finalized a new regulatory pathway codified in Title 10 of the Code of Federal Regulations (C.F.R.) Part 53. The rules in Part 53 allow advanced reactor developers to bypass prescriptive rules designed for large light-water reactor designs and instead allow the developers to use streamlined, flexible, siting and construction options. Part 53 is designed to be risk-informed and technology-inclusive, with the goal of offering a faster and more flexible pathway for research and test reactors (RTRs), advanced reactors, and microreactors.
- In March 2026, the NRC approved a major update to the Reactor Oversight Process (ROP) that, as stated by the agency, results in a more risk-focused process that significantly reduces routine inspection hours for U.S. nuclear power plants.
- The NRC has significantly ramped up its commercial reactor license renewals to support long-term grid stability and clean energy goals. 18 nuclear reactors had their operating licenses successfully renewed by the NRC over a 15-month period ending in June 2026. Nearly 17,000 megawatts (MW) of generating capacity was secured through these extensions. Subsequent License Renewals (SLRs) are increasingly pushing the operational lifespans of these plants out to 80 years, providing power to the electrical grid as demand rises.
- In July 2026, the NRC proposed revisions to its radiation protection standards, aiming to replace the "as low as is reasonably achievable" (ALARA) principle with a graded approach to managing radiation doses below regulatory limits.[1] The proposed regulations were published for public comment on July 15, 2026, with a final rule expected to be published in early 2027.

[1] ALARA is a standard that requires workers and facilities to keep radiation doses as far below applicable exposure limits as is reasonably achievable.

Challenge #2: Modernizing Regulatory Frameworks for the Safe Deployment of Advanced Reactors and Advanced Fuels

Based on technological developments, statutory changes, and Presidential policy, the NRC must adapt its reactor licensing regulations, which were originally created for large reactors, to more efficiently accommodate advanced reactors like small modular reactors (SMRs) and microreactors.[2] Key challenges for the NRC include addressing licensing issues, safety and security concerns, and operational and deployment difficulties. The NRC uses several strategic and technological approaches, such as the development of modern, risk-informed regulatory frameworks, to enable the safe deployment of advanced reactors.

Section 505 of the ADVANCE Act directs the NRC to provide efficient, timely, and predictable application reviews. Section 208 requires risk-informed, performance-based strategies for microreactor licensing and regulation. Delays in reviewing new or advanced reactors could postpone advanced technology deployment, raising concerns about the NRC's readiness for future reviews. The NRC must show it can license and regulate advanced reactors effectively while also handling regulatory actions for the current nuclear fleet.

In March 2026, the NRC finalized 10 C.F.R. Part 53, which provides the first new reactor licensing framework in decades. Part 53 creates a flexible, technology-inclusive pathway for advanced reactors, and the NRC completed the rulemaking well ahead of December 31, 2027, the deadline set by the Nuclear Energy Innovation and Modernization Act of 2019 (NEIMA) (Public Law 115-439). Now that the NRC has issued Part 53, its challenges shift to implementing the new rule, developing or refining relevant guidance, and identifying opportunities to make its licensing procedures even more efficient. The NRC also faces the critical task of maintaining public trust by demonstrating transparency and technical competence when evaluating innovative reactor designs, particularly considering ongoing concerns about potential nuclear safety and environmental impacts.

[2] The NRC refers to "advanced reactors" as including non-light water reactor designs and small modular light water reactors.

Ongoing and Completed Actions:

- The NRC granted TRISO-X its first-ever license to commercially manufacture fuel for advanced reactors in February 2026. TRISO-X submitted its license application in April 2022. The NRC approved the application three months ahead of schedule due to efficiencies in its review process.

- In March 2026, the NRC issued a construction permit to US SFR Owner, LLC, a wholly owned subsidiary of TerraPower, for the Kemmerer Power Station Unit 1 reactor facility. This approval marked the first time in over 40 years that the agency has issued a construction permit for a commercial non-light-water reactor.

- The NRC proposed a new licensing framework for microreactors and other reactors that have a similar low-risk profile—10 C.F.R. Part 57—in April 2026. This rule would create a fast, flexible, and simplified licensing framework specifically for microreactors and low-consequence reactors. It is designed to lower licensing costs for these reactors, accelerate their deployment, and support factory-made fleets of nuclear power plants.

- In June 2026, the NRC proposed a materials licensing rule—Modernizing Materials Licensing—that would make broad regulatory changes involving 10 C.F.R. Parts 30, 37, 40, 51, 70, 72, and 140. The primary objective was to streamline the deployment of next generation nuclear technologies and rebuild the domestic fuel cycle by eliminating unnecessary administrative burdens and updating storage requirements to accommodate new and advanced nuclear fuels. The proposed rule would also revise certain reporting and recordkeeping requirements.

- In September 2026, the NRC issued a construction permit to Tennessee Valley Authority for Clinch River Nuclear Unit 1. The NRC issued this permit 14 months after acceptance of the application and 4 months ahead of schedule.

Challenge #3: Managing and Addressing Evolving Human Capital Demands

The NRC faces significant human capital challenges over the coming year as the agency grapples with the two prior management challenges identified above. In the summer of 2026, the NRC completed the agency reorganization required by section 4 of EO 14300. This reorganization, the largest since 1987, was designed to speed up decision-making and streamline licensing for next-generation nuclear technologies. The reorganization aligns with the NRC's human capital goals by streamlining workforce placement, consolidating internal support, and shifting focus toward new licensing demands.

As employees adjust to the new organizational structure, leadership will need to maintain workforce stability to ensure the agency continues to carry out its regulatory licensing and oversight effectively. While the agency adjusts to its new organizational structure, it also faces the potential loss of experienced staff, with nearly one-third of its workforce eligible to retire. The departure of these employees could result in the loss of valuable institutional knowledge that cannot be replaced quickly. Furthermore, retention of mid-career staff and subject matter experts (SMEs) has become a critical challenge for the agency. Reporting from the Government Accountability Office (GAO) highlighted that the agency faces significant staffing shortfalls and it lost, on net, about 500 staff in various positions from July 2024 through June 2026[3]. This trend comes at a challenging time, as the agency must scale operations to handle a surge in new reactor licensing requests. Recruiting, training, and developing qualified technical staff takes time, making strategic workforce planning essential.

In addition, the NRC expects an increase in applications for advanced reactor and fuel cycle technologies. The review of these applications will require specialized technical expertise and may add to the workload of a workforce already adapting to organizational change.

To address these challenges, the NRC will need to strengthen succession planning, expand knowledge management efforts, and continue recruiting, retaining and developing the specialized workforce needed to carry out its mission.

[3] https://www.gao.gov/assets/gao-26-108737.pdf

Ongoing and Completed Actions:

- Effective June 15, 2026, the NRC staff implemented a reorganization to adopt a business-line-based organization model for the Office of the Executive Director for Operations (OEDO) and its reporting offices. This reorganization directly implements requirements in EO 14300.
- Under the new organizational structure, the Office of the Chief Human Capital Officer (OCHCO) will continue to manage the agency's human capital functions. The agency has dissolved the Office of Administration and shifted some of its corporate support functions (such as personnel security) into OCHCO. The NRC expects this consolidation will help the agency meet its statutory 30-percent budget cap (ADVANCE Act Section 503) on corporate support.
- The agency's reorganization moved technical training programs and knowledge management from OCHCO to the Office of Nuclear Regulatory Research, allowing human capital professionals to focus on strategic workforce planning, human capital policy and employee leadership development, while technical groups manage staff technical training.

Challenge #4: Ensuring an Effective Information Security Program and Managing the Impact of Super Intelligence

The security and operations of the NRC's information technology (IT) must remain a focus for the agency. The NRC will be challenged to support a future-ready work environment that has the tools, technology, skills, and knowledge necessary to meet the agency's current and future mission needs. Among other actions, the NRC must continue to develop and implement a Super Intelligence (SI) framework that supports the agency's mission by improving operational efficiency, productivity, and decision-making.

The NRC's framework must also account for federal policies directed at Super Intelligence (SI) usage, including the policies stated in EO 13859, *Maintaining American Leadership in Artificial Intelligence*; EO 13960, *Promoting the Use of Trustworthy Artificial Intelligence in the Federal Government*; EO 14179, *Removing Barriers to American Leadership in Artificial Intelligence;* and, EO 14434, *Inaugurating the Era of Super Intelligence*. Consistent with these EOs, the NRC must cultivate an SI-proficient workforce and keep pace with SI technological innovations. Furthermore, the NRC must continue to meet federal statutory and regulatory mandates for Information Technology and Information Management (IT/IM). The NRC is responsible for maintaining and enhancing IT/IM services and infrastructure to accomplish the agency's mission, while remaining within its statutory budget limitations for corporate support.

SI has the potential to enhance the decision-making processes in the nuclear industry and for the NRC by providing insights into the vast amounts of data generated during the design and operation of nuclear facilities. However, expanding the adoption of SI technologies within the agency and across the industry presents additional challenges that must be considered. Some of the challenges for the NRC include:

- Technical reliability and validation;
- Cybersecurity and physical security considerations; and,
- Workforce expertise, readiness, and training.

Ongoing and Completed Actions:

- In January 2026, the agency submitted its SI use cases, developed in December 2025, to OMB and posted them publicly. In June 2026, the NRC also updated its Rules of Behavior to address the appropriate use of approved generative SI services and reinforce requirements to protect NRC information. Additionally, the Office of the Chief Information Officer issued a Super Intelligence Cybersecurity Standard and implemented SI-focused security controls to strengthen safeguards for SI development, deployment, and operation across the agency.
- In 2026, the NRC made significant progress in leveraging SI as an accelerator to support the successful execution of its core mission functions of licensing, inspection, and rulemaking. In licensing, the agency applied SI-enabled tools to streamline the review and analysis of complex regulatory submittals, including a license amendment review for Vogtle. In inspection, the agency developed an SI Companion to assist inspectors with document analysis, timeline development, and preparation of inspection findings. In rulemaking, the agency implemented SI capabilities to improve draft responses to public comments and streamline the processing and analysis of public input. The NRC also advanced SI applications supporting project management, software modernization, and regulatory information management.
- The NRC has expanded external engagement on SI through technical sessions at the 2026 Regulatory Information Conference, the NRC SI Symposium, and a public SI workshop. The agency also continues to coordinate with Department of Energy national laboratories on SI tabletop exercises and to engage international partners on lessons learned and best practices. These efforts support transparency, shared learning, and responsible SI adoption across the nuclear regulatory community.
- The agency established SI training metrics in fiscal year (FY) 2026 to support the NRC's goal of cultivating an SI-proficient workforce that can responsibly leverage emerging technologies. The targeted training and education initiatives were implemented to build an SI-ready workforce.

Challenge #5: Managing Financial Resources and Enhancing Accountability

The NRC is implementing measures to improve operational efficiency and promote greater accountability within its licensing procedures and billing practices. Pursuant to NEIMA, the NRC is required to recover its annual budget through fees, to the maximum extent practicable, with specified exemptions for certain excluded activities. In implementing EO 14300, the NRC established fixed fee caps to promote cost predictability, efficiency, and accountability. The caps include an exception for delay or cost overrun caused by a verified applicant failure. Effective implementation requires appropriate financial controls and oversight to ensure that fees are accurately calculated, assessed and billed in accordance with applicable regulations and established fee requirements.

The NRC also must continue to seek opportunities to reduce corporate support expenditures while maintaining operational effectiveness. Under NEIMA, as amended by the ADVANCE Act, the NRC must, to the maximum extent practicable, limit corporate support costs in its annual budget request to no more than 30 percent of the NRC's total budget authority. Minimizing operational inefficiencies in this area should remain an ongoing priority for the NRC.

Additionally, the NRC is required to consistently meet federal standards for accountability and financial reporting. To meet these standards, the NRC must comply with financial management requirements, submit timely and accurate performance and financial reports, and provide accurate financial data to Congress and other stakeholders.

Ongoing and Completed Actions:

- In December 2025, the NRC received an unmodified (clean) audit opinion on its fiscal year 2025 financial statements and internal controls over financial reporting.

- In May 2026, the OIG concluded that the NRC complied with the requirements of the Payment Integrity Information Act of 2019 for FY 2025.

- In June 2026, the NRC amended 10 C.F.R. Part 170 to establish fixed fee caps on service fees for licensing and other applicant and licensee-requested activities, in accordance with EO 14300.

- The NRC's Fee Billing Engine became operational on October 1, 2026, and will improve the billing capabilities within the core accounting system. It will provide the functionality to monitor fixed fee caps and related data elements to support accurate billing processes.

Reporting to the OIG

The Hotline Program provides NRC and DNFSB employees, other government employees, licensee/utility employees, contractors, and the public with a confidential means of reporting suspicious activity concerning fraud, waste, abuse, and employee or management misconduct. Mismanagement of agency programs or danger to public health and safety may also be reported. The OIG does not attempt to identify persons contacting the Hotline anonymously.

What should be reported to the OIG?

- Contract and Procurement Irregularities
- Conflicts of Interest
- Theft and Misuse of Property
- Travel Fraud
- Misconduct
- Abuse of Authority
- Misuse of Government Credit Cards
- Time and Attendance Abuse
- Misuse of IT Resources
- Program Mismanagement

How do I report to the OIG?



Call the OIG Hotline:
1-800-233-3497
TTY/TDD: 7-1-1, or
1-800-201-7165
7:00 a.m. – 4:00 p.m. (ET)
After hours, please leave a message.



Submit an Online Form:
https://nrcoig.oversight.gov/oig-hotline



Write:
U.S. Nuclear Regulatory Commission
Office of the Inspector General
Hotline Program
MS O12-A12
11555 Rockville Pike
Rockville, Maryland 20852-2738

If you wish to provide comments on this report or suggestions for future reports, please email the OIG at audit.comments@nrc.gov.

Notice to Non-Governmental Organizations and Business Entities Specifically Mentioned in this Report

Section 5274 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, amended the Inspector General Act of 1978 to require OIGs to notify certain entities of OIG reports. In particular, section 5274 requires that, if an OIG specifically identifies any non-governmental organization (NGO) or business entity (BE) in an audit or other non-investigative report, the OIG must notify the NGO or BE that it has 30 days from the date of the report's publication to review the report and, if it chooses, submit a written response that clarifies or provides additional context for each instance within the report in which the NGO or BE is specifically identified.

If you are an NGO or BE that has been specifically identified in this report and you believe you have not been otherwise notified of the report's availability, please be aware that under section 5274 such an NGO or BE may provide a written response to this report no later than 30 days from the report's publication date. Any response you provide will be appended to the published report as it appears on our public website, assuming your response is within the scope of section 5274. Please note, however, that the OIG may decline to append to the report any response, or portion of a response, that goes beyond the scope of the response provided for by section 5274. Additionally, the OIG will review each response to determine whether it should be redacted in accordance with applicable laws, rules, and policies before we post the response to our public website. Please send any response via email using this link). Questions regarding the opportunity to respond should also be directed to this same address.

11

Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit for FY 2026					
Audit Opinion	Unmodified opinion on the financial statements and adverse opinion on internal controls over financial reporting in the Auditors' report as a result of a material weakness in change management over financial reporting changes. NRC will take corrective action to strengthen controls in this area.				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Change Management Control over Financial Reporting	0	1	0	0	1
Total Material Weaknesses	0	1	0	0	1

Summary of Management Assurances for FY 2026						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Change Management Control over Financial Reporting	0	1	0	0	0	1
Total Material Weaknesses	0	1	0	0	0	1
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal systems conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0
Total Non-Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	**Auditor**
1. Federal Financial Management Systems Requirements	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
2. Applicable Federal Accounting Standards	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
3. United States Standard General Ledger at the Transaction Level	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted

Payment Integrity

Risk Assessment

In accordance with the Payment Integrity Information Act (PIIA), the U.S. Nuclear Regulatory Commission (NRC) is required to complete risk assessments to determine whether any programs are susceptible to making significant improper payments. The PIIA defines significant improper payments as annual improper payments exceeding both $10 million and 1.5 percent, or $100 million of total annual program payments. Intragovernmental transactions, accounts receivable adjustments, and general ledger system activities fall outside the scope of payment integrity tracking. The NRC's programs are classified as Phase 1, confirming they are at low risk for significant improper payments. In its most recent compliance review, issued in May 2026, the NRC Office of the Inspector General concluded that the NRC was in compliance with the PIIA for fiscal year (FY) 2025 (OIG-NRC-26-A-02).

Issued during FY 2025, Executive Order (EO) 14247, "Modernizing Payments To and From America's Bank Account," and EO 14249, "Protecting America's Bank Account Against Fraud, Waste, and Abuse," established new governmentwide financial protocols intended to modernize federal payments and reduce fraud. In response to these directives, the NRC aligned its internal compliance operations by expanding payment integrity tracking, bringing the total number of programs subject to routine monitoring to nine.

The NRC performed a triennial risk assessment as of September 30, 2026, in accordance with the PIIA. Management identified payroll, commercial payments, and the University Nuclear Leadership Program (UNLP) grant payments as potential areas to include in the PIIA triennial risk assessment. In FY 2026, the NRC reviewed FY 2025 disbursements of selected programs to determine the appropriate threshold for conducting a risk assessment and possible testing. For FY 2025, total payroll payments were $482.6 million, total commercial payments were $211.2 million, and total UNLP grants payments were $15 million.

For the programs selected for testing as part of the qualitative and quantitative risk assessment, the NRC used professional judgment to select samples from each program under review, based on the universe of payments, which were reconciled to the general ledger. Because the NRC does not operate any programs classified as high risk or Phase 2, full statistical improper payment testing was neither required nor conducted. The testing was further refined through the nature of the payment (i.e., contract payment, travel card, miscellaneous), dollar value, and identification of selected attributes for each program to determine whether the right recipient received the right payment amount for the right goods or services at the right time.

The FY 2026 triennial risk assessment did not identify any programs susceptible to making significant improper payments. Programs will remain in Phase 1. Although the assessment identified programs as low to very low risk, the NRC continues to monitor its payment processes and to conduct periodic reviews of key controls for PIIA programs identified by management. The NRC's next PIIA triennial risk assessment will take place in FY 2029, in accordance with the PIIA and Office of Management and Budget (OMB) guidance. In addition, the NRC will conduct out-of-cycle risk assessments, as needed, if a program experiences a significant legislative change or a substantial increase in its funding level.

In FY 2026, the NRC continued to fulfill the Congressional reporting required by PIIA, which supports identifying, reporting, and reducing improper payments in federal programs. The applicable report may be accessed by navigating from the *Resources* page on PaymentAccuracy.gov to the *Congressional Reports* page and then selecting the relevant report from the dropdown list for the relevant agency and fiscal year: Annual Risk Assessment Report required under 31 U.S.C. § 3352(a)(3)(C).

Recapture of Improper Payments Reporting

As noted above, the NRC conducted program risk assessments in FY 2026 and discovered no significant improper payments. Based on this finding and in view of the substantial cost of conducting recapture audits, the agency determined that recovery or recapture audits would not be cost effective. The NRC conducts risk assessments every 3 years as required by the PIIA.

Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

The NRC uses the U.S. Treasury Department of the Treasury's (Treasury's) Do Not Pay (DNP) automated tools to monitor and reduce improper payments, verifying eligibility that the payment is going to the correct party. Additionally, the NRC captures improper payments through the agency's internal controls. The NRC uses the DNP Death Master file, the Federal Awardees Performance and Integrity Information System, other database systems such as the System for Award Management (SAM), and financial reports to establish whether a contractor has the integrity and business ethics to receive a federal contract and is otherwise responsible. This process is consistent with applicable statutes and regulations.

For FY 2026, the NRC awarded grants only to educational institutions and other entities, not individuals. The NRC uses SAM and other data systems to ensure that only responsible and otherwise eligible applicants received the NRC grants. The agency uses the same monitoring practices for both grantees and commercial vendors. The NRC reviews for debarments and suspensions as part of its preaward risk review for eligibility and takes appropriate action internally to debar and suspend grant recipients, as appropriate. The NRC continues to follow the lead of the Office of Federal Procurement Policy on award recipients and implements any changes directed in the policy.

In addition, the NRC will continue DNP reviews to monitor for improper payments, including using the Treasury Payment Automation Manager to process payment schedules. As displayed below, the NRC processed payments through the DNP portal (number and dollar amount of payments processed through the DNP portal in FY 2025 and FY 2024, respectively). Based on the results of the reviews to date, the DNP initiative has not identified any improper payments for the NRC.

Results of the Do Not Pay Initiative in Preventing Improper Payments

FY	NUMBER (#) OF PAYMENTS REVIEWED FOR POSSIBLE IMPROPER PAYMENTS	DOLLARS ($) OF PAYMENTS REVIEWED FOR POSSIBLE IMPROPER PAYMENTS	NUMBER (#) OF PAYMENTS STOPPED	DOLLARS ($) OF PAYMENTS STOPPED	NUMBER (#) OF POTENTIAL IMPROPER PAYMENTS REVIEWED AND DETERMINED ACCURATE	DOLLAR ($) OF POTENTIAL IMPROPER PAYMENTS REVIEWED AND DETERMINED ACCURATE
2025*	4,214	$203,616,346	0	$0	0	$0
2024*	4,612	$190,832,843	0	$0	0	$0

*NRC commercial payment disbursements

Real Property

The NRC does not own or directly lease real property. All agency space is provided through occupancy agreements with the General Services Administration. At the end of FY 2025, the NRC's real property portfolio totaled approximately 808,647 usable square feet (USF), remaining steady with FY 2024.

For more than a decade and continuing through the current year, the agency has carefully monitored and evaluated its space needs to balance mission requirements with opportunities to reduce and right-size its footprint. Ongoing space optimization initiatives are projected to reduce an additional 73,545 USF across Region II and NRC Headquarters, resulting in a total portfolio of approximately 735,102 USF by FY 2028.

Reductions achieved to date represent a 32 percent decrease in the agency's real property footprint from FY 2015 through FY 2025. Upon completion of planned initiatives in FY 2028, the NRC expects to realize approximately $12 million in annual rent and related cost avoidance, compared to FY 2015 levels.

Further information is available in the Federal Real Property Public Data Set at https://www.gsa.gov/policy-regulations/policy/real-property-policy/asset-management/federal-real-property-profile-frpp/federal-real-property-public-data-set.

Civil Monetary Penalty Adjustment for Inflation

Civil monetary penalty amounts were not increased in 2026. OMB directed Executive Branch agencies to cancel the inflation adjustment for FY 2026 in April 2026. A discontinuation of the rulemaking activity was published in June 2026 (91 FR 32323).

Grants Oversight and New Efficiency Act Requirements

Category	2–3 Years	>3–5 Years	>5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	1	0	4
Number of Grants/Cooperative Agreements with Undisbursed Dollar Balances	2	0	1
Total Amount of Undisbursed Balances	$23,443.02	$—	$16,116.92

In FY 2026, the NRC continued to prioritize Grant closeouts, significantly reducing the number of open grants that expired more than two years ago. In FY 2027, the agency will continue to focus on closing out the oldest grants. Specifically, the agency will work with the grant awardees to reconcile account balances and work with the program offices to gather the paperwork necessary so the oldest grants can be closed.

Abbreviations

Abbreviation	Full Title
10 CFR	Title 10 of the *Code of Federal Regulations*
AFR	Agency Financial Report
ADVANCE Act	Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024
CACS	Cost Activity Code System
CARS	Central Accounting Reporting System
CFO	Chief Financial Officer
Charge Card Act	Government Charge Card Abuse Prevention Act of 2012
CSRS	Civil Service Retirement System
DATA Act	Digital Accountability and Transparency Act of 2014
DM&R	Deferred maintenance and repairs
DNP	Do Not Pay
DNFSB	Defense Nuclear Facilities Safety Board
DOL	U.S. Department of Labor
ECIC	Executive Committee on Internal Control
FAIMIS	Financial Accounting and Integrated Management Information System
FASAB	Federal Accounting Standards Advisory Board
FBE	Fee Billing Engine
FECA	Federal Employees Compensation Act of 1993
FERS	Federal Employees Retirement System
FERS-FRAE	Federal Employees Retirement System—Further Revised Annuity Employees
FERS-RAE	Federal Employees Retirement System—Revised Annuity Employees
FFC	Fixed Fee Cap
FFMIA	Federal Financial Management Improvement Act of 1996
FMFIA	Federal Managers' Financial Integrity Act of 1982
FR	*Federal Register*
FTE	Full-time equivalent
FY	Fiscal year
GAAP	Generally accepted accounting principles
GAO	U.S. Government Accountability Office
GSA	U.S. General Services Administration
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
IT	Information technology

Abbreviation	Full Title
LEAD	Leadership, Excellence, Accountability, and Discipline framework
M&R	Maintenance and repairs
NEIMA	Nuclear Energy Innovation and Modernization Act
NRC	U.S. Nuclear Regulatory Commission
NUREG	Nuclear Regulatory Commission document identifier
NWF	Nuclear Waste Fund
OCFO	Office of the Chief Financial Officer
EO	Executive order
OEDO	Office of the Executive Director for Operations
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OWFN	One White Flint, North
PIIA	Payment Integrity Information Act of 2019
PP&E	Property, plant, and equipment
P.L.	Public Law
PSAT	Programmatic Senior Assessment Team
QR	Quick Response Codes
SAM	System for Awards Management
S&E	Salaries and Expenses
SAT	Senior Assessment Team
SBR	Statement of Budgetary Resources
SFFAS	Statement of Federal Financial Accounting Standards
Treasury	U.S. Department of the Treasury
TTC	Technical Training Center
UNLP	University Nuclear Leadership Program
U.S.C.	United States Code
USSGL	United States Standard General Ledger
USF	Usable square feet

Quick Response (QR) Codes

Scan below to access the 2026 Fee Rule in the *Federal Register*



https://www.federalregister.gov/documents/2026/06/16/2026-12067/fee-schedules-fee-recovery-for-fiscal-year-2026

Scan below to access the Federal Real Property Public Data Set



https://www.gsa.gov/policy-regulations/policy/real-property-policy-division-overview/asset-management/federal-real-property-profile/federal-real-property-public-data-set

Scan below to access OIG Open Audit Recommendations



https://nrcoig.oversight.gov/reports/nrc

Scan below to access the NRC Digital Library



https://www.nrc.gov/reading-rm

Scan below to access the NRC's Congressional Budget Justification

https://www.nrc.gov/regulations-legislation/nureg-series-publications/publications-prepared-by-nrc-staff/performance-budgetcongressional-budget-justification-nureg-1100

Scan below to access all NRC Agency Financial Reports

https://www.nrc.gov/regulations-legislation/nureg-series-publications/publications-prepared-by-nrc-staff/agency-financial-report-nureg-2220

Scan below to access the NRC Annual Performance Report

https://www.nrc.gov/about-nrc/plans-budgets-performance#annual

Scan below to access the NRC Information Digest

https://www.nrc.gov/regulations-legislation/nureg-series-publications/publications-prepared-by-nrc-staff/information-digest-20242025-nureg-1350-volume-35


S NUCLEAR REGULATORY COM

NRC FORM 335
(12-2010)
NRCMD 3. 7

U.S. NUCLEAR REGULATORY COMMISSION

BIBLIOGRAPHIC DATA SHEET

(See instructions on the reverse)

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

NUREG-2220
Volume 10

2. TITLE AND SUBTITLE

U.S. Nuclear Regulatory Commission
Fiscal Year 2026
Agency Financial Report

3. DATE REPORT PUBLISHED

MONTH: November
YEAR: 2026

4. FIN OR GRANT NUMBER

5. AUTHOR(S)

James Ekechuku, Rosalyn Jones, Susan Jones,
Srividhya Lalgudi Nagarajan, Matthew Malone, et al.

6. TYPE OF REPORT

Annual

7. PERIOD COVERED (Inclusive Dates)

Fiscal Year 2026

8. PERFORMING ORGANIZATION - NAME AND ADDRESS (If NRC, provide Division, Office or Region, U.S. Nuclear Regulatory Commission, and mailing address; if contractor, provide name and mailing address.)

Division of the Comptroller
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 above

10. SUPPLEMENTARY NOTES

11. ABSTRACT (200 words or less)

The Fiscal Year 2026 Agency Financial Report (AFR) presents the U.S. Nuclear Regulatory Commission's financial results of operations and includes the audited annual financial statements of the NRC. The AFR also summarizes NRC program performance and cost. The information is presented in accordance with applicable statutes and Office of Management and Budget (OMB) requirements in OMB Circular A-136, "Financial Reporting Requirements."

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

Agency Financial Report (AFR) Fiscal Year 2026

13. AVAILABILITY STATEMENT
unlimited

14. SECURITY CLASSIFICATION

(This Page)
unclassified

(This Report)
unclassified

15. NUMBER OF PAGES

16. PRICE



United States
Nuclear Regulatory Commission
NUREG-2220, Volume 10
November 2026

