

DCD



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

NOV 04 1999

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

Dear Mr. O'Neill:

**SUBJECT: TASK ORDER NO. 11 ENTITLED, "FINANCIAL STATEMENT COMPILATION AND
AUDIT INTERFACE" UNDER CONTRACT NO. NRC-09-97-205**

In accordance with Section B.21(c) of the subject contract entitled, "Task Order Award," this letter definitizes Modification No. 1 to Task Order No. 11 which (1) extends the period of performance through September 30, 2000, and (2) increases the fixed price amount of the task order by \$215,500 from \$36,080 to \$251,580. This effort shall be performed in accordance with the enclosed Statement of Work. Accordingly, the task order is hereby revised as follows:

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

"The period of performance for Task Order No. 12 shall be from October 1, 1999, through September 30, 2000, with a cost ceiling of \$251,580."

This task order obligates funds in the amount of \$215,500. The accounting data for Task Order No. 11 is as follows:

B&R No.: 07N-15-532-105
FIN No.: L1965
Appropriation No.: 31X0200.07N
BOC No.: 252A
Obligated Amount: \$215,500⁰⁰

The following individuals are considered to be essential to the successful performance of the work hereunder: Patricia Foxx, Martin O'Neill, and Robert Warren.

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

Your contacts during the course of this task order are:

Technical Matters: Robert Rakowski, Project Officer
(301) 415-7340

Contractual Matters: Paulette Smith, Contract Specialist
(301) 415-6594

PDR CONTR

NRC-09-97-205

DF02

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

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

Sincerely,

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

Enclosures:
As stated

ACCEPTED:

Mark W. O'Neill

Name
Partner

Title
11/12/99

Date

RECEIVED
NOV 12 1999
THE FOX GROUP

STATEMENT OF WORK
Modification No. 1 to Task Order No. 11 Under Job Code L1965
Contract No. NRC-09-97-205

Title: Financial Statement Compilation and Audit Interface

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

Background

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

Objective

The objective of this task order is to obtain financial management assistance in preparing NRC's FY 1999 unaudited financial statements. These statements are to be prepared in accordance with OMB Bulletin 97-01, Form and Content of Agency Financial Statements; Statements of Federal Financial Accounting Standards; NRC Management Directive 4.1, Accounting Policy and Practices; and other appropriate guidance and standards.

Work Requirements

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

1. NRC's FY 1999 Annual Unaudited Financial Statements
 - a) Prepare draft financial statements and accompanying footnotes from the appropriate general ledger account balances as recorded in the agency's accounting system, in accordance with OMB Bulletin 97-01, Form and Content of Agency Financial Statements. The following draft financial statements shall be prepared: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Financing, and Statement of Budgetary Resources.

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

2. Audit Liaison Assistance

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

3. Task Order Management

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

Level of Effort

The level of effort is estimated at 1,030 hours for partner, 660 hours for manager, 600 hours for senior, and 1,280 hours for staff.

Period of Performance

Modification No. 1 to Task Order No. 11 shall commence on award date of modification through September 30, 2000.

Deliverables

<u>Task</u>	<u>Completion Date</u>
1. Complete information on capitalized equipment for FY 1999.	November 1, 1999
2. Complete information on capitalized software and leasehold improvements for FY 1999.	November 5, 1999
3. Complete information on accounts receivable.	November 15, 1999
4. Prepare drafts of the following financial statements for FY 1999: - Balance Sheet - Statement of Net Cost - Statement of Changes in Net Position - Statement of Financing - Statement of Budgetary Resources	December 7, 1999
5. Complete the compilation work papers (with proper referencing) to support the draft financial statement balances.	December 10, 1999
6. Complete work papers, data, and records; place in an on-site repository designated by the NRC.	Three days after receiving audit findings
7. Make recommendations concerning audit findings and recommend corrective action related to audit findings and audit adjustments.	To be determined by the NRC Project Officer

- | | | |
|-----|--|---------|
| 8. | Make necessary audit adjustments to the financial statement, including suggested ledger postings, and prepare FINAL financial statement. | 1/24/00 |
| 9. | Provide comments on draft Inspector General audit report. | 2/2/00 |
| 10. | Comment and recommend changes, if any, resulting from review of the supplemental information in the accountability report. | 2/10/00 |

Meetings

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

NRC Furnished Materials/Equipment

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

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

Progress Payments

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