



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

**OFFICE OF THE
INSPECTOR GENERAL**

November 14, 2012

MEMORANDUM TO: Chairman Macfarlane

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

SUBJECT: RESULTS OF THE AUDIT OF THE UNITED STATES
NUCLEAR REGULATORY COMMISSION'S FINANCIAL
STATEMENTS FOR FISCAL YEARS 2012 and 2011
(OIG-13-A-04)

The Chief Financial Officers Act of 1990, as amended (CFO Act), requires the Inspector General (IG) or an independent external auditor, as determined by the IG, to annually audit the United States Nuclear Regulatory Commission's (NRC) financial statements in accordance with applicable standards. In compliance with this requirement, the Office of the Inspector General (OIG) retained Clifton Gunderson, LLP, which merged with another firm to become CliftonLarsonAllen, LLP (CLA), to conduct this annual audit. Transmitted with this memorandum are the following CLA reports:

- Opinion on the Principal Statements.
- Opinion on Internal Control.
- Compliance with Laws and Regulations.

NRC's Performance and Accountability Report includes comparative financial statements for FY 2012 and FY 2011.

Objective of a Financial Statement Audit

The objective of a financial statement audit is to determine whether the audited entity's financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

CLA's audit and examination were conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards* issued by the Comptroller General of the United States; attestation standards established by the American Institute of Certified Public Accountants; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. The audit included, among other things, obtaining an understanding of NRC and its operations, including internal control over financial reporting; evaluating the design and operating effectiveness of internal control and assessing risk; and testing relevant internal controls over financial reporting. Because of inherent limitations in any internal control, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal control to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

FY 2012 Audit Results

The results are as follows:

Financial Statements

- Unqualified opinion.

Internal Controls

- Unqualified opinion.

Compliance with Laws and Regulations

- No reportable instances of noncompliance/no substantial noncompliance noted.

Office of the Inspector General Oversight of CLA Performance

To fulfill our responsibilities under the CFO Act and related legislation for oversight of the quality of the audit work performed, we monitored CLA's audit of NRC's FY 2012 financial statements by:

- Reviewing CLA's audit approach and planning.
- Evaluating the qualifications and independence of CLA's auditors.
- Monitoring audit progress at key points.
- Examining the working papers related to planning and performing the audit and assessing NRC's internal controls.
- Reviewing CLA's audit reports for compliance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended.

- Coordinating the issuance of the audit reports.
- Performing other procedures deemed necessary.

CLA is responsible for the attached auditor's report, dated November 8, 2012, and the conclusions expressed therein. OIG is responsible for technical and administrative oversight regarding the firm's performance under the terms of the contract. Our oversight, as differentiated from an audit in conformance with *Government Auditing Standards*, was not intended to enable us to express, and accordingly we do not express, an opinion on:

- NRC's financial statements.
- The effectiveness of NRC's internal control over financial reporting.
- NRC's compliance with laws and regulations.

However, our monitoring review, as described above, disclosed no instances where CLA did not comply, in all material respects, with applicable auditing standards.

Meeting with the Chief Financial Officer

At the exit conference on November 13, 2012, representatives of the Office of the Chief Financial Officer, OIG, and CLA discussed the results of the audit.

Comments of the Chief Financial Officer

In his response, the Chief Financial Officer (CFO) agreed with the report. The full text of the CFO's response follows this report.

We appreciate NRC staff's cooperation and continued interest in improving financial management within NRC.

Attachment: As stated

cc: Commissioner Svinicki
 Commissioner Apostolakis
 Commissioner Magwood
 Commissioner Ostendorff
 N. Mamish, OEDO
 K. Brock, OEDO
 C. Jaegers, OEDO

INDEPENDENT AUDITORS' REPORT

Inspector General
United States Nuclear Regulatory Commission

Chairman
United States Nuclear Regulatory Commission

We have audited the accompanying balance sheets of the United States Nuclear Regulatory Commission (NRC) as of September 30, 2012 and 2011, and the related statements of net cost, changes in net position, and budgetary resources ("financial statements") for the years then ended. The objective of our audit was to express an opinion on the fairness of these financial statements. In connection with our audit, we were also engaged to express an opinion on the effectiveness of NRC's internal control over financial reporting and considered NRC's compliance with laws and regulations. In our audit, we found:

- The financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S.);
- NRC maintained, in all material respects, effective internal control over financial reporting including safeguarding of assets and compliance with laws and regulations; and
- No instances of reportable noncompliance with selected provisions of laws and regulations tested, including the requirements of the Federal Financial Management Improvement Act of 1996 (FFMIA).

The following sections discuss in more detail: (1) these conclusions; (2) Management's Discussion and Analysis (MD&A), required supplementary information, and other accompanying information; (3) management's responsibility for the financial statements; (4) our responsibility for the audit; and (5) certain other matters.

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NRC as of September 30, 2012 and 2011, its net costs, changes in net position, and budgetary resources for the years then ended in conformity with accounting principles generally accepted in the U.S.

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion on Internal Control

In our opinion, the NRC maintained, in all material respects, effective control over financial reporting including safeguarding of assets and compliance with laws and regulations as of September 30, 2012, that provided reasonable assurance that misstatements, losses or noncompliance material in relation to the financial statements would be prevented, or detected and corrected, on a timely basis. Our opinion is based on criteria established under 31 U.S.C. 3512 (c) and (d) and the Federal Managers' Financial Integrity Act (FMFIA).

Report on Compliance

In connection with our audit, we performed tests of NRC's compliance with certain provisions of laws and regulations. The results of our tests disclosed no instances of noncompliance that are required to be reported in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States or OMB Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, as amended (OMB Bulletin 07-04). However, the objective of our audit was not to provide an opinion on compliance with laws and regulations. Accordingly, we do not express such an opinion.

Under FFMA, we are required to report whether the financial management systems used by NRC substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Standard General Ledger (USSGL) at the transaction level. To meet this requirement, we performed tests of compliance with FFMA Section 803(a) requirements.

The objective of our audit was not to provide an opinion on NRC's compliance with FFMA. Accordingly, we do not express such an opinion. However, our work disclosed no instances in which NRC's financial management systems did not substantially comply with (1) Federal financial management systems requirements, (2) Federal accounting standards, or (3) the USSGL at the transaction level.

Required Supplementary Information

Accounting principles generally accepted in the U.S. require that NRC's Management Discussion and Analysis (MD&A) and other required supplementary information be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and required supplementary information in accordance with auditing standards generally accepted in the U.S., which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Information

Other Accompanying Information in Chapters 2 and 4 (Program Performance and Other Accompanying Information) of NRC's Fiscal Year 2012 Performance and Accountability Report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Management's Responsibility for the Financial Statements

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the U.S., and assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (2) transactions are executed in accordance with laws and regulations that could have a direct and material effect on the financial statements.

Management is responsible for (1) preparing the financial statements in conformity with accounting principles generally accepted in the U.S.; (2) preparing and presenting other information in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements; (3) designing, implementing, and maintaining effective internal control over financial reporting, and evaluating its effectiveness; (4) ensuring that NRC's financial management systems substantially comply with FFMIA requirements; and (5) complying with applicable laws and regulations. NRC management evaluated the effectiveness of NRC's internal control over financial reporting as of September 30, 2012, based on criteria established under FMFIA.

Auditor's Responsibility

We are responsible for conducting our audit in accordance with auditing standards generally accepted in the U.S.; the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Bulletin 07-04. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the U.S. We are also responsible for: (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing whether NRC's financial management systems substantially comply with the FFMIA requirements referred to above, (3) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB Bulletin 07-04 requires testing, and (4) performing limited procedures with respect to other information appearing in the Performance and Accountability Report.

In order to fulfill these responsibilities, we (1) examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (2) assessed the appropriateness of the accounting policies used and the reasonableness of significant estimates made by management; (3) evaluated the overall presentation of the financial statements; (4) obtained an understanding of NRC and its operations, including its internal control related to financial reporting (including safeguarding of assets) and compliance with laws, regulations, contracts,

INDEPENDENT AUDITOR'S REPORT (Continued)

and grant agreements (including execution of transactions in accordance with budget authority); (5) evaluated the effectiveness of the design of internal control; (6) tested the operating effectiveness of relevant internal controls over financial reporting and compliance; (7) considered the design of the process for evaluating and reporting on internal control and financial management systems under FMFIA; (8) tested whether NRC's financial management systems substantially complied with the FMFIA requirements referred to above; and (9) tested compliance with selected provisions of certain laws, regulations, contracts, and grant agreements. The procedures selected depend on the auditors' judgment, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. We believe we obtained sufficient and appropriate audit evidence on which to base our conclusions.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our audit results to future periods is subject to risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

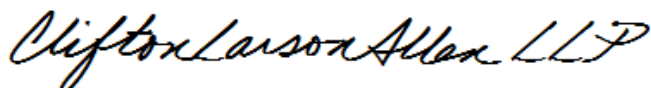
We did not test compliance with all laws and regulations applicable to NRC. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin 07-04 that we deemed applicable to NRC's financial statements for the fiscal year ended September 30, 2012. We caution that noncompliance with laws and regulations may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

Other Matters

We noted certain matters involving the NRC's internal controls and its operation, which we have reported to NRC management in a separate letter dated November 8, 2012.

Management's response to our report is presented in Chapter 3 of NRC's Fiscal Year 2012 Performance and Accountability Report. We did not audit NRC's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of NRC's management, NRC's Office of the Inspector General, OMB, the U.S. Government Accountability Office, and the U.S. Congress, and is not intended to be, and should not be, used by anyone other than these specified parties.

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

Arlington, Virginia
November 8, 2012

NRC Fiscal Year 2012 Financial Statements and Notes

(Extracted from NRC's Fiscal Year 2012 Performance and Accountability Report)

PRINCIPAL STATEMENTS

BALANCE SHEET

(In Thousands)

As of September 30,	2012	2011
Assets		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 357,529	\$ 394,580
Accounts receivable (Note 3)	7,660	8,287
Other-Advances and prepayments	11,736	3,681
Total intragovernmental	376,925	406,548
Accounts receivable, net (Note 3)	92,946	92,009
Property and equipment, net (Note 4)	99,982	46,542
Other	14	41
Total Assets	\$ 569,867	\$ 545,140
Liabilities		
Intragovernmental		
Accounts payable	\$ 16,900	\$ 13,554
Other (Note 5)	3,896	4,010
Total intragovernmental	20,796	17,564
Accounts payable	26,272	29,648
Federal employee benefits (Note 6)	7,224	7,245
Other (Note 5)	70,301	75,158
Total Liabilities	124,593	129,615
Net Position		
Unexpended appropriations	285,080	310,332
Cumulative results of operations (Note 8)	160,194	105,193
Total Net Position	445,274	415,525
Total Liabilities and Net Position	\$ 569,867	\$ 545,140

The accompanying notes to the principal statements are an integral part of this statement.

STATEMENT OF NET COST

(In Thousands)

For the years ended September 30,	2012	2011
Nuclear Reactor Safety and Security		
Gross costs	\$ 824,091	\$ 857,569
Less: Earned revenue	(815,701)	(786,741)
Total Net Cost of Nuclear Reactor Safety and Security (Note 9)	8,390	70,828
Nuclear Materials and Waste Safety and Security		
Gross costs	228,000	239,350
Less: Earned revenue	(88,630)	(101,919)
Total Net Cost of Nuclear Materials and Waste Safety and Security (Note 9)	139,370	137,431
Net Cost of Operations	\$ 147,760	\$ 208,259

The accompanying notes to the principal statements are an integral part of this statement.

STATEMENT OF CHANGES IN NET POSITION

(In Thousands)

For the years ended September 30,	2012	2011
Cumulative Results of Operations		
Beginning Balance	\$ 105,193	\$ 118,312
Budgetary Financing Sources		
Appropriations used (Note 11)	169,056	134,626
Non-exchange revenue (Note 11)	697	270
Transfers-in/out without reimbursement	-	9,980
Other Financing Sources		
Imputed financing from costs absorbed by others (Note 11)	33,705	50,534
Other	(697)	(270)
Total Financing Sources	202,761	195,140
Net Cost of Operations	(147,760)	(208,259)
Net Change	55,001	(13,119)
Cumulative Results of Operations	\$ 160,194	\$ 105,193
Unexpended Appropriations		
Beginning Balance	\$ 310,332	\$ 311,869
Budgetary Financing Sources		
Appropriations received	143,804	133,346
Other adjustments	-	(257)
Appropriations used (Note 11)	(169,056)	(134,626)
Total Budgetary Financing Sources	(25,252)	(1,537)
Total Unexpended Appropriations	285,080	310,332
Net Position	\$ 445,274	\$ 415,525

The accompanying notes to the principal statements are an integral part of this statement.

STATEMENT OF BUDGETARY RESOURCES

(In Thousands)

For the years ended September 30,	2012	2011
Budgetary Resources		
Unobligated balance brought forward, October 1	\$ 48,510	\$ 44,699
Recoveries of prior year unpaid obligations		
Actual	14,428	18,841
Unobligated balance from prior year budget authority, net	62,938	63,540
Budget authority		
Appropriations	1,038,204	1,053,962
Spending authority from offsetting collections	6,914	14,493
Total Budgetary Resources	\$ 1,108,056	\$ 1,131,995
Status of Budgetary Resources		
Obligations incurred (Note 12)	\$ 1,045,152	\$ 1,083,485
Unobligated balance, end of year		
Apportioned	50,977	28,853
Exempt from apportionment	10,497	9,892
Unapportioned	1,430	9,765
Total unobligated balance, end of year	62,904	48,510
Total Status of Budgetary Resources	\$ 1,108,056	\$ 1,131,995
Change in Obligated Balance		
Unpaid obligations brought forward, October 1	\$ 359,402	\$ 383,154
Uncollected customer payments from Federal sources, brought forward, October 1	(13,333)	(7,773)
Obligated balance, start of year (net), as adjusted	346,069	375,381
Obligations incurred (Note 12)	1,045,152	1,083,485
Outlays, gross	(1,086,872)	(1,088,396)
Recoveries of prior year unpaid obligations	(14,428)	(18,841)
Change in unpaid obligations	(56,148)	(23,752)
Change in uncollected customer payments, from Federal sources	4,702	(5,560)
Obligated balance, end of year		
Unpaid obligations, end of year (gross)	303,254	359,402
Uncollected customer payments from Federal sources, end of year	(8,631)	(13,333)
Obligated Balance, End of Year (Net)	\$ 294,623	\$ 346,069
Budget Authority and Outlays, Net		
Budget Authority, gross	\$ 1,045,118	\$ 1,068,455
Actual offsetting collections	(11,616)	(8,933)
Change in uncollected customer payments from Federal sources	4,702	(5,560)
Budget Authority, Net	\$ 1,038,204	\$ 1,053,962
Outlays, gross	\$ 1,086,872	\$ 1,088,396
Actual offsetting collections	(11,616)	(8,933)
Outlays, net	1,075,256	1,079,463
Distributed offsetting receipts	(894,399)	(910,901)
Agency Outlays, Net	\$ 180,857	\$ 168,562

The accompanying notes to the principal statements are an integral part of this statement.

NOTES TO THE PRINCIPAL STATEMENTS

(All Tables are Presented in Thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The U.S. Nuclear Regulatory Commission (NRC) is an independent regulatory agency of the Federal Government that the U.S. Congress created to regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of the public health and safety, to promote the common defense and security, and to protect the environment. 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 (which includes funds derived from the Nuclear Waste Fund) and the Office of the Inspector General. In addition, the U.S. Agency for International Development (USAID) provides transfer appropriations to develop nuclear safety, regulatory authorities, and independent oversight of nuclear reactors in Russia, Ukraine, Kazakhstan, Georgia, and Armenia.

B. BASIS OF PRESENTATION

These principal statements 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 the GAAP of the United States and the form and content for entity financial statements specified by the OMB in Circular No. A-136, "Financial Reporting Requirements." The GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board, which is the official body for setting the accounting standards of the

U.S. Government. These statements are, therefore, different from the financial reports, also prepared by the NRC pursuant to OMB directives, which are used to monitor and control the NRC's use of budgetary resources.

The NRC has not presented a Statement of Custodial Activity because the amounts involved are immaterial and incidental to its operations and mission.

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 consumed at the time of purchase. Assets and liabilities, which do not consume current budgetary resources, are not reported, and only those liabilities for which valid obligations have been established are considered to consume budgetary resources.

For FY 2012, Congress enacted no-year appropriations for the NRC Salaries and Expenses and the Office of the Inspector General, which are available for obligation by the NRC until expended. Additionally, Congress enacted a two year appropriation for the Office of the Inspector General, which is available for obligation by the NRC until September 30, 2013. Congress passed NRC's appropriation for FY 2012.

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 prior to the accrual-based transaction. The Statement of Budgetary Resources presents budgetary resources available to the NRC and changes in obligations during the year. Interest on borrowings of the Treasury is not included as a cost to the NRC programs and is not included in the accompanying financial statements.

Pursuant to OMB Circular A-136, the format of the Statement of Budgetary Resources (SBR) was revised in FY 2012 to better align with Treasury Standard Form (SF) 133. Accordingly,

certain reclassifications were made to the previously issued FY 2011 SBR amounts to conform to the new presentation used for FY 2012. Beginning balances for the FY 2011 SBR were not changed.

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 budget authority: (1) fees assessed 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, inspection, and other services under the authority of the *Independent Offices Appropriation Act of 1952* to recover the NRC's costs of providing individually identifiable services to specific applicants and licensees; and (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 Material 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 materials annual fee is invoiced in the month the license was originally issued. Inspection fees are recorded as revenues when the services are performed.

For accounting purposes, appropriations are recognized as financing sources (appropriations used) at the time goods and services are received. At the end of 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 the new budget authority are held to offset subsequent years' appropriations. Appropriations expended for property and equipment are recognized as expenses when the asset is consumed in operations as reflected by depreciation and amortization expense.

F. FUND BALANCE WITH TREASURY

The NRC's cash receipts and disbursements are processed by the Treasury. The Fund Balance with Treasury is primarily appropriated funds that are available to pay current liabilities and to finance authorized purchase commitments. Fund Balance with Treasury represents the NRC's right to draw on the Treasury for allowable expenditures.

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.

H. NON-ENTITY ASSETS

Non-entity assets consist of miscellaneous penalties and interest due from the public, which, when collected, must be transferred to the Treasury.

I. PROPERTY AND EQUIPMENT

Property and equipment consist 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. The land and buildings in which the NRC operates are provided by the General Services Administration (GSA), which charges the NRC rent that approximates the commercial rental rates for similar properties.

Property with a cost of \$50 thousand 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. 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 (prior to year end) that are unpaid. The NRC had previously used an estimation methodology to calculate the accounts payable balance based on a review of the sample obligations from the total open obligations balances. For FY 2012, 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 represent the amount of monies or other resources that the NRC is likely to pay as the result of a transaction or event that has already occurred. No liability can be paid by the NRC absent an appropriation. Liabilities for which an appropriation has not been enacted are classified as "Liabilities Not Covered by Budgetary Resources." Also, the NRC liabilities arising from sources other than contracts can be abrogated by the Government acting in its sovereign capacity.

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.

Federal Employee Benefits

Federal employee benefits represent the actuarial liability for estimated future FECA disability benefits. The DOL generated 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. The liability is calculated using historical benefit payment patterns related to a specific incurred period to predict the ultimate payments related to that period.

Other

Accrued annual leave represents the amount of annual leave that NRC employees have earned but not yet taken.

L. CONTINGENT LIABILITIES

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. A contingent liability (included in Other Liabilities) 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 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. A contingency is disclosed in

the Notes to the Financial Statements 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 reasonably possible when the chance of the future confirming event or events occurring is more than remote but less than probable (Note 16). A contingency is not recognized as a contingent liability and an expense nor disclosed in the Notes to the Financial Statements when the chance of the future event or events occurring is remote. A contingency is considered remote when the chance of the future event or events occurring is slight.

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 nonvested leave 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. The portion of the current and estimated future outlays for CSRS not paid by the NRC is included in the NRC's financial statements as an imputed financing source in the NRC's Statement of Changes in Net Position and as program costs on the Statement of Net Cost.

O. LEASES

The NRC's capital leases are for personal property consisting of reproduction equipment that is installed at the NRC Headquarters.

Operating leases consist of real property leases with the GSA. The leases are for the NRC's Headquarters and regional offices. 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 No. A-25, "User Charges," and the *Independent Offices Appropriation Act of 1952*, the NRC assesses fees under 10 CFR Part 170 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 in which the services performed are not part of its 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 appropriated spending authority that is unobligated and has not been withdrawn by the Treasury and obligations that have not been paid. 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. APPROPRIATION TRANSFERS

The NRC is a party to allocation transfers with the USAID as a receiving (child) entity. These transfers are for the international development of nuclear safety and regulatory authorities in Russia, Ukraine, Kazakhstan, Georgia, and Armenia for the

startup, operation, shutdown, and decommissioning of Soviet-designed nuclear power plants; the safe and secure use of radioactive materials; and the accounting for and protection of nuclear materials. Allocation transfers are legal delegations by one agency of its authority to obligate budget authority and outlay funds to another agency. All financial activity related to these allocation transfers (e.g., budget authority, obligations, and outlays) is reported in the financial statements of the parent entity from which the underlying legislative authority, appropriations, and budget apportionments are derived. The NRC receives allocation transfers, as the child, from USAID.

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

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

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

NOTE 2. FUND BALANCE WITH TREASURY

	2012	2011
Fund Balances		
Appropriated funds	\$ 343,925	\$ 379,586
Nuclear Waste Fund	13,602	15,098
Other fund types	2	(104)
Total	\$ 357,529	\$ 394,580
Status of Fund Balance with Treasury		
Unobligated balance		
Available		
Appropriated funds	\$ 61,474	\$ 38,745
Unavailable	1,430	9,765
Obligated balance not yet disbursed	294,623	346,069
Non-budgetary funds with Treasury	2	1
Total	\$ 357,529	\$ 394,580

The Fund Balance with Treasury consists of the unobligated and obligated budgetary account balances. It includes Nuclear Waste Fund activity. The Nuclear Waste Fund unobligated balance is \$10.5 million and \$9.9 million as of September 30, 2012, and 2011, respectively.

Other fund types in the Fund Balance with Treasury represent miscellaneous collections and adjustments which will offset revenue in the following year.

NOTE 3. ACCOUNTS RECEIVABLE

	2012	2011
Intragovernmental		
Fee receivables and reimbursements	\$ 7,660	\$ 8,287
Receivables with the Public		
Materials and facilities fees-billed	\$ 3,180	\$ 13,107
Materials and facilities fees-unbilled	91,269	83,189
Other	61	180
Total Receivables with the Public	94,510	96,476
Less: Allowance for uncollectible accounts	(1,564)	(4,467)
Total Receivables with the Public, Net	\$ 92,946	\$ 92,009
Total Accounts Receivable	\$ 102,170	\$ 104,763
Less: Allowance for uncollectible accounts	(1,564)	(4,467)
Total Accounts Receivable, Net	\$ 100,606	\$ 100,296

NOTE 4. PROPERTY AND EQUIPMENT, NET

Fixed Assets Class	Service Years	Acquisition Value	Accumulated Depreciation and Amortization	2012 Net Book Value	2011 Net Book Value
Equipment	5-8	\$ 12,239	\$ (10,987)	\$ 1,252	\$ 1,613
Leased equipment	5-8	1,806	(1,508)	298	649
IT software	5	55,828	(38,418)	17,410	10,057
IT software under development	-	2,155	-	2,155	4,104
Leasehold improvements	20	69,998	(36,387)	33,611	15,128
Leasehold improvements in progress	-	45,256	-	45,256	14,991
Total		\$ 187,282	\$ (87,300)	\$ 99,982	\$ 46,542

NOTE 5. OTHER LIABILITIES

	2012	2011
Intragovernmental		
Liability to offset miscellaneous accounts receivable	\$ 6	\$ 60
Liability for advances from other agencies	18	81
Accrued workers' compensation	1,797	1,753
Accrued unemployment compensation	13	37
Employee benefit contributions	2,062	2,079
Total Intragovernmental Other Liabilities	\$ 3,896	\$ 4,010
Other Liabilities		
Accrued annual leave	\$ 47,824	\$ 49,918
Accrued salaries and benefits	8,772	9,138
Contract holdbacks, advances, capital lease liability, and other	5,544	5,344
Contingent liabilities	-	-
Grants payable	8,161	10,758
Total Other Liabilities	\$ 70,301	\$ 75,158
Total Intragovernmental and Other Liabilities	\$ 74,197	\$ 79,168

Other liabilities are current except for capital lease liability (Note 7).

NOTE 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

	2012	2011
Intragovernmental		
FECA paid by DOL	\$ 1,797	\$ 1,753
Accrued unemployment compensation	13	37
Federal Employee Benefits		
Future FECA	7,224	7,245
Other		
Accrued annual leave	47,824	49,918
Contingent liabilities	-	-
Total Liabilities Not Covered by Budgetary Resources	56,858	58,953
Total Liabilities Covered by Budgetary Resources	67,735	70,662
Total Liabilities	\$ 124,593	\$ 129,615

Liabilities Not Covered by Budgetary Resources represents the amount of future funding needed to pay the accrued unfunded expenses as of September 30, 2012, and 2011. These liabilities are not funded from current or prior-year appropriations and assessments, but rather should be funded from future appropriations and assessments. Accordingly, future funding requirements have been recognized for the expenses that will be paid from future appropriations.

The projected annual benefit payments for FECA are discounted to present value. The interest rate assumptions used for discounting benefits are 3.54 percent and 4.03 percent for FY 2012 and FY 2011, respectively.

NOTE 7. LEASES

				2012	2011
Assets Under Capital Leases:					
Copiers and booklet maker				\$ 1,806	\$ 1,806
Accumulated depreciation				(1,508)	(1,157)
Net Assets Under Capital Leases				\$ 298	\$ 649
				2012	2011
Future Lease Payments Due:	Fiscal Year	Capital	Operating		
	2012	\$ -	\$ -	\$ -	\$ 32,110
	2013	244	56,083	56,327	33,801
	2014	92	44,174	44,266	23,805
	2015	93	41,133	41,226	20,874
	2016	-	41,342	41,342	20,852
	2017 and thereafter	-	296,128	296,128	58,631
Total Lease Liability		429	478,860	479,289	190,073
Add: Imputed Interest		9	-	9	17
Total Future Lease Payments		\$ 438	\$ 478,860	\$ 479,298	\$ 190,090

The Capital Lease Liability of \$429 thousand is included in Other Liabilities (Note 5).

For FY 2012, there are six capital leases with terms of 5 years, consisting of two capital leases added in FY 2011 with an interest rate of 1.26 percent, two capital leases added in FY 2008 with an interest rate of 3.99 percent, and two capital leases added in FY 2007 with an interest rate of 4.58 percent. The reproduction equipment is depreciated over 5 years using the straight-line method with no salvage value.

For FY 2012, there are three new operating leases for new office space at the NRC Headquarters and regional offices. The GSA charges the NRC lease rates which are approximate commercial rates for comparable space.

NOTE 8. CUMULATIVE RESULTS OF OPERATIONS

	2012	2011
Liabilities not covered by budgetary resources (Note 6)	\$ (56,858)	\$ (58,953)
Investment in property and equipment, net (Note 4)	99,982	46,542
Contributions from foreign cooperative research agreements	4,064	3,997
Nuclear Waste Fund	13,782	15,024
Accounts receivable - fees	99,068	98,660
Fee collection revenue not transferred	104	(104)
Other	52	27
Cumulative Results of Operations	\$ 160,194	\$ 105,193

NOTE 9. STATEMENT OF NET COST

For the years ended September 30,	2012	2011
Nuclear Reactor Safety and Security		
Intragovernmental gross costs	\$ 237,830	\$ 257,924
Less: Intragovernmental earned revenue	(48,945)	(59,332)
Intragovernmental net costs	188,885	198,592
Gross costs with the public	586,261	599,644
Less: Earned revenues from the public	(766,756)	(727,408)
Net costs with the public	(180,495)	(127,764)
Total Net Cost of Nuclear Reactor Safety and Security	\$ 8,390	\$ 70,828
Nuclear Materials and Waste Safety and Security		
Intragovernmental gross costs	\$ 59,551	\$ 71,987
Less: Intragovernmental earned revenue	(6,228)	(7,686)
Intragovernmental net costs	53,323	64,301
Gross costs with the public	168,449	167,363
Less: Earned revenues from the public	(82,402)	(94,233)
Net costs with the public	86,047	73,130
Total Net Cost of Nuclear Materials and Waste Safety and Security	\$ 139,370	\$ 137,431

NOTE 10. EXCHANGE REVENUES

	2012	2011
Fees for licensing, inspection, and other services	\$ 894,860	\$ 879,208
Revenue from reimbursable work	9,471	9,452
Total Exchange Revenues	\$ 904,331	\$ 888,660

NOTE 11. FINANCING SOURCES OTHER THAN EXCHANGE REVENUE

	2012	2011
Appropriations Used		
Collections are used to reduce the fiscal year's appropriations recognized:		
Funds consumed	\$ 1,064,774	\$ 1,060,178
Less: Collection of fees assessed	(894,296)	(911,004)
Less: Nuclear Waste Funding expense	(1,422)	(14,548)
Total Appropriations Used	\$ 169,056	\$ 134,626
Funds consumed include \$48.6 million and \$44.7 million through September 30, 2012, and 2011, respectively, of available funds from prior years.		
	2012	2011
Non-Exchange Revenue, Net of Funds Returned to U.S. Treasury General Fund		
Civil penalties	\$ 466	\$ 98
Miscellaneous receipts	231	172
Non-Exchange Revenue	697	270
Contra-Revenue	(697)	(270)
Total Non-Exchange Revenue, Net of Funds Returned to U.S. Treasury General Fund	\$ -	\$ -
	2012	2011
Imputed Financing		
Civil Service Retirement System	\$ 13,193	\$ 16,541
Federal Employee Health Benefit	19,958	21,245
Federal Employee Group Life Insurance	90	92
Judgments/Awards	464	12,656
Total Imputed Financing	\$ 33,705	\$ 50,534

NRC employees belong to either the Federal Employees Retirement System (FERS) or the Civil Service Retirement System (CSRS). For FY 2012 and FY 2011, for employees belonging to FERS, the NRC withheld 0.8 percent of base pay earnings, in addition to *Federal Insurance Contribution Act* (FICA) withholdings, and matched the withholdings with an 11.7 percent contribution. The sum is transferred to the Federal Employees Retirement Fund. For employees covered by CSRS, the NRC withholds 7 percent of base pay earnings. The NRC matched this withholding with a 7 percent contribution in FY 2012 and FY 2011.

The Thrift Savings Plan (TSP) 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, subject to the maximum contribution of \$17 thousand in 2012 and \$16.5 thousand in 2011. For employees participating in FERS, the NRC automatically contributes 1 percent of base pay to their account and matches contributions up to an additional 4 percent. For employees participating in CSRS, there is no NRC matching of the contribution. The sum of the employees' and NRC's contributions are transferred to the Federal Retirement Thrift Investment Board.

NOTE 12. TOTAL OBLIGATIONS INCURRED

	2012	2011
Direct Obligations		
Category A	\$ 1,032,329	\$ 1,071,326
Exempt from Apportionment	-	7,341
Total Direct Obligations	1,032,329	1,078,667
Reimbursable Obligations	12,823	4,818
Total Obligations Incurred	\$ 1,045,152	\$ 1,083,485

Obligations exempt from apportionment are the result of funds derived from the Nuclear Waste Fund. Category A Obligations consist of the NRC appropriations only. Undelivered orders for the Nuclear Waste Fund are \$3.1 million and \$5.0 million, Salaries and Expenses are \$246.4 million and \$289.7 million, and the Office of the Inspector General is \$2.4 million and \$2.2 million through September 30, 2012, and 2011, respectively.

NOTE 13. NUCLEAR WASTE FUND

For FY 2012, the NRC's budget did not include funds from the Nuclear Waste Fund compared to the NRC's budget for FY 2011, which included \$9.9 million. The Statement of Federal Financial Accounting Standards (SFFAS) No. 27, "Identifying and Reporting Earmarked Funds," lists three defining criteria for an earmarked fund. Generally, an earmarked fund is established by law to use specifically identified financing sources only for designated activities, and the statute provides explicit authority to retain current, unused revenues for future use. Also, the law includes a requirement to account for and report on the receipt and use of the financing sources as distinguished from general revenues.

In 1982, Congress passed the *Nuclear Waste Policy Act of 1982* (Public Law 97-425) establishing the Nuclear Waste Fund (NWF) to be administered by the U.S. Department of Energy (DOE) (42 U.S.C. 10222). Given the terms of the statute, the NWF clearly meets the definition of an earmarked fund from the DOE's perspective, and the DOE does indeed report the NWF as an earmarked fund in its Performance and Accountability Report (PAR).

For the NRC, the NWF transfer is a source of financing; its receipt of NWF funds is a use of NWF resources. The NRC collects no revenue on behalf of the NWF and has no administrative control over it. Furthermore, the Treasury has no separate fund symbol for the NWF under the NRC's agency location code (ALC). The receipt and expenditure of NWF money is reported to Treasury under the NRC's primary Salaries and Expenses fund (X0200).

Based on these facts, the NWF is not an earmarked fund from the NRC's perspective. In order to provide additional information to the users of these financial statements, enhanced disclosure of the fund is presented below.

The funding provided to the NRC in FY 2011 and carried forward to subsequent years was for the purpose of performing activities associated with the DOE's application for a high-level waste repository at Yucca Mountain, NV.

The NWF amounts received, expended, obligated, and unobligated balances as of September 30, 2012, and 2011, are shown in the following:

	2012	2011
Appropriations received	\$ -	\$ 9,980
Expended appropriations	\$ 1,689	\$ 14,601
Obligations incurred	\$ -	\$ 7,341
Unobligated balances	\$ 10,497	\$ 9,996

NOTE 14. EXPLANATION OF DIFFERENCES BETWEEN THE STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

The Statement of Federal Financial Standards (SFFAS) No. 7, "Accounting for Revenue and Other Financing Sources," requires the NRC to reconcile the budgetary resources reported on the Statement of Budgetary Resources to the prior fiscal year actual budgetary resources presented in the Budget of the U.S. Government and explain any material differences. The NRC does not have any material differences between the Statement of Budgetary Resources and the Budget of the U.S. Government.

NOTE 15. RECONCILIATION OF NET COST OF OPERATIONS TO BUDGETARY RESOURCES

For the years ended September 30,	2012	2011
Budgetary Resources Obligated		
Obligations incurred (Note 12)	\$ 1,045,152	\$ 1,083,485
Less: Spending authority from offsetting collections and recoveries	(21,342)	(33,334)
Less: Distributed offsetting receipts	(894,399)	(910,901)
Net Obligations	129,411	139,250
Other Resources		
Imputed financing from costs absorbed by others	33,705	50,534
Non-Exchange Revenue	697	270
Funds returned to U.S. Treasury General Fund	(697)	(270)
Net Other Resources Used to Finance Activities	33,705	50,534
Total Resources Used to Finance Activities	163,116	189,784
Resources Used to Finance Items Not Part of the Net Cost of Operations	(26,311)	(14,846)
Total Resources Used to Finance the Net Cost of Operations	136,805	174,938
Components of the Net Cost of Operations that will not require or generate resources in the current period	10,955	33,321
Net Cost of Operations	\$ 147,760	\$ 208,259

NOTE 16. 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.

Reasonably Possible Likelihood of an Adverse Outcome:

The NRC was a party to a case as of September 30, 2012 and 2011 where an adverse outcome was reasonably possible. The upper range of the loss on the potential liability was \$2.5 million and \$150 thousand as of September 30, 2012 and 2011, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF BUDGETARY RESOURCES

(In Thousands)

For the fiscal year ended September 30, 2012	Salaries and Expenses	Office of Inspector General	Office of Inspector General	Nuclear Facility Fees	Total
	X0200	X0300	12/130300	X5280	
Budgetary Resources					
Unobligated balances brought forward, October 1	\$ 47,602	\$ 1,012	\$ -	\$ (104)	\$ 48,510
Recoveries of prior year obligations					
Actual	13,992	436	-	-	14,428
Unobligated balance from prior year budget authority, net	61,594	1,448	-	(104)	62,938
Budget authority					
Appropriations	1,027,240	9,774	1,086	104	1,038,204
Spending authority from offsetting collections	6,900	14	-	-	6,914
Total Budgetary Resources	\$ 1,095,734	\$ 11,236	\$ 1,086	\$ -	\$ 1,108,056
Status of Budgetary Resources					
Obligations incurred (Note 12)	\$ 1,034,287	\$ 9,779	\$ 1,086	\$ -	\$ 1,045,152
Unobligated balance, end of year					
Apportioned	49,564	1,413	-	-	50,977
Exempt from apportionment	10,497	-	-	-	10,497
Unapportioned	1,386	44	-	-	1,430
Total unobligated balance, end of year	61,447	1,457	-	-	62,904
Total Status of Budgetary Resources	\$ 1,095,734	\$ 11,236	\$ 1,086	\$ -	\$ 1,108,056
Change in Obligated Balance					
Unpaid obligations, brought forward, October 1	\$ 358,707	\$ 695	\$ -	\$ -	\$ 359,402
Uncollected customer payments from Federal sources, brought forward, October 1	(13,333)	-	-	-	(13,333)
Obligated balance, start of year (net), as adjusted	345,374	695	-	-	346,069
Obligations incurred (Note 12)	1,034,287	9,779	1,086	-	1,045,152
Outlays, gross	(1,076,390)	(9,396)	(1,086)	-	(1,086,872)
Recoveries of prior year unpaid obligations	(13,992)	(436)	-	-	(14,428)
Change in unpaid obligations	(56,095)	(53)	-	-	(56,148)
Change in uncollected customer payments, from Federal sources	4,702	-	-	-	4,702
Obligated balance, end of year					
Unpaid obligations, end of year (gross)	302,612	642	-	-	303,254
Uncollected customer payments from Federal sources, end of year	(8,631)	-	-	-	(8,631)
Obligated Balance, End of Year (Net)	\$ 293,981	\$ 642	\$ -	\$ -	\$ 294,623
Budget Authority and Outlays, Net					
Budget Authority, gross	\$ 1,034,140	\$ 9,788	\$ 1,086	\$ 104	\$ 1,045,118
Actual offsetting collections	(11,602)	(14)	-	-	(11,616)
Change in uncollected customer payments from Federal sources	4,702	-	-	-	4,702
Budget Authority, Net	\$ 1,027,240	\$ 9,774	\$ 1,086	\$ 104	\$ 1,038,204
Outlays, gross	\$ 1,076,390	\$ 9,396	\$ 1,086	\$ -	\$ 1,086,872
Actual offsetting collections	(11,602)	(14)	-	-	(11,616)
Outlays, net	1,064,788	9,382	1,086	-	1,075,256
Distributed offsetting receipts	-	-	-	(894,399)	(894,399)
Agency Outlays, Net	\$ 1,064,788	\$ 9,382	\$ 1,086	\$ (894,399)	\$ 180,857