



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

**OFFICE OF THE
INSPECTOR GENERAL**

November 14, 2014

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 2014 AND 2013
(OIG-15-A-03)

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 CliftonLarsonAllen LLP (CLA) to conduct this annual audit. Transmitted with this memorandum are the following CLA reports:

- Financial Statements
- Internal Control Over Financial Reporting
- Compliance with Laws, Regulations, Contracts and Grant Agreements

NRC's Performance and Accountability Report includes comparative financial statements for FY 2014 and FY 2013.

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 audits were made in accordance with auditing standards generally accepted in the U. S.; *Government Auditing Standards* issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements*. The audits 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 2014 Audit Results

The results are as follows:

Financial Statements

- Unmodified opinion

Internal Control Over Financial Reporting

- Unqualified opinion

Compliance with Laws, Regulations, Contracts, and Grant Agreements

- No reportable instances of noncompliance

OIG Oversight of CLA Performance

To fulfill our responsibilities under the CFO Act and related legislation for overseeing the audit work performed, we monitored CLA's audit of NRC's FY 2014 and FY 2013 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. 14-02.

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

CLA is responsible for the attached auditors' reports, dated November 7, 2014, 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, regulations, contracts, and grant agreements.

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

Meeting with the Chief Financial Officer

At the exit conference on November 10, 2014, 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 her response, the Chief Financial Officer (CFO) agreed with CLA's 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 Ostendorff
Commissioner Baran
Commissioner Burns
M. Galloway, OEDO
K. Brock, OEDO
J. Arildsen, OEDO
C. Jaegers, OEDO
RidsEdoMailCenter

INDEPENDENT AUDITORS' REPORT

Inspector General
United States Nuclear Regulatory Commission

Chairman
United States Nuclear Regulatory Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the United States Nuclear Regulatory Commission (NRC), which comprise the balance sheets as of September 30, 2014 and 2013, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended, and the related notes to the financial statements (financial statements).

Management's Responsibility for the Financial Statements

NRC management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (U.S.) including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of the financial statements 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 Office of Management and Budget (OMB) Bulletin No. 14-02, *Audit Requirements for Federal Financial Statements* (OMB Bulletin 14-02). Those standards and OMB Bulletin 14-02 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting

INDEPENDENT AUDITORS' REPORT, CONTINUED

estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are also responsible for applying certain limited procedures with respect to the Required Supplementary Information (RSI) and all other accompanying information included with the financial statements.

Opinion on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nuclear Regulatory Commission as of September 30, 2014 and 2013, and its net costs, changes in net position, and budgetary resources for the years then ended, in accordance with accounting principles generally accepted in the U.S.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the U.S. issued by the Federal Accounting Standards Advisory Board (FASAB) require that NRC's Management Discussion and Analysis (MD&A), and other RSI, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by FASAB, which 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 other RSI 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 RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The FY 2014 Performance and Accountability Report contains a wide range of other information, some of which is not directly related to the financial statements. This other information includes the cover, table of contents, Message from the Chairman, Chapter 2 (Program Performance), Message from the Chief Financial Officer, the Inspector General's letter transmitting the Independent Auditors' Report, management's response to the audit report, and Chapter 4 (Other Accompanying Information). This information is presented for purposes of additional analysis and is not a required part of the financial statements or RSI. This other information has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Report on Internal Control Over Financial Reporting

We have audited NRC's internal control over financial reporting as of September 30, 2014, based on criteria established under 31 U.S.C. 3512 (c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA) and OMB Circular A-123, *Management's Responsibility for Internal Control*, as amended (OMB Circular A-123).

INDEPENDENT AUDITORS' REPORT, CONTINUED

Management's Responsibility for Internal Control

NRC management is responsible for maintaining effective internal control over financial reporting, and for its statement of assurance on the effectiveness of internal control over financial reporting.

Auditors' Responsibilities

Our responsibility is to express an opinion on NRC's internal control over financial reporting based on our audit. We conducted our audits of internal control over financial reporting in accordance with attestation standards established by the American Institute of Certified Public Accountants and the attestation standards contained in *Government Auditing Standards*.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and evaluating the design, and testing the operating effectiveness of internal control over financial reporting based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances.

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 by governance, management, and other personnel, designed 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.; (2) assets are safeguarded against loss from unauthorized acquisition, use, or disposition; and (3) transactions are executed in accordance with laws governing the use of budget authority and other applicable laws, regulations, contracts, and grant agreements that could have a direct and 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 our audit results 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 controls may deteriorate.

Opinion on Internal Control Over Financial Reporting

In our opinion, NRC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2014, based on criteria established under FMFIA and OMB Circular A-123.

Report on Compliance Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Compliance With Laws, Regulations, Contracts and Grant Agreements

In connection with our audits, we performed tests of the NRC's compliance with certain provisions of laws, regulations, contracts, and grant agreements consistent with our professional responsibilities discussed below. The results of our tests for the year ended September 30, 2014, disclosed no instances of noncompliance that are required to be reported in accordance with *Government Auditing Standards*.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Systems Compliance With the Federal Financial Management Improvement Act (FFMIA) Requirements

Under FFMIA, we are required to report whether the financial management systems used by NRC substantially comply with the (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 FFMIA Section 803(a) requirements. However, providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of FFMIA disclosed no instances in which NRC's financial management systems did not substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, or (3) the USSGL at the transaction level.

Management's Responsibility

Management is responsible for ensuring NRC's financial management systems are in substantial compliance with FFMIA requirements, and ensuring compliance with other applicable laws, regulations, contracts, and grant agreements.

Auditors' Responsibilities

We are responsible for testing compliance with certain provisions of laws, regulations, contracts and grants that have a direct and material effect on the determination of financial statement amounts and applicable laws for which OMB Bulletin 14-02 requires testing.

We did not test compliance with all laws, regulations, contracts and grant agreements applicable to NRC. We limited our tests of compliance to certain provisions of laws, regulations, contracts, and grant agreements that have a direct and material effect on the determination of financial statement amounts and those laws and regulations required by OMB Bulletin 14-02. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. 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. Also, our work on FFMIA would not necessarily disclose all instances of noncompliance with FFMIA requirements.

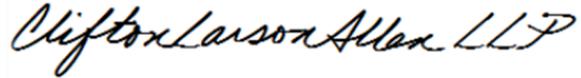
Purpose of the Report on Compliance

The purpose of the Report on Compliance is solely to describe the scope of our testing of compliance with laws and regulations and the result of that testing, and not to provide an opinion on the NRC's compliance. This report is an integral part of audits performed in accordance with *Government Auditing Standards* in considering NRC's compliance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Management's Response to the Independent Auditors' Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP". The signature is written in black ink on a white background.

CliftonLarsonAllen LLP

Arlington, Virginia
November 7, 2014

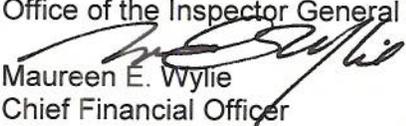


UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 7, 2014

CHIEF FINANCIAL
OFFICER

MEMORANDUM TO: Stephen D. Dingbaum
Assistant Inspector General for Audits
Office of the Inspector General

FROM: 
Maureen E. Wylie
Chief Financial Officer

SUBJECT: AUDIT OF THE FISCAL YEAR 2014 AND 2013 FINANCIAL
STATEMENTS

We appreciate the collaborative relationship between the Office of the Inspector General, the auditors, and the Office of the Chief Financial Officer in supporting our continuing effort to improve financial reporting. We have reviewed the Independent Auditor's Report of the Agency's Fiscal Year 2014 and 2013 financial statements and are in agreement with it.

cc: M. Galloway, AO/OEDO
J. Arildsen, OEDO
K. Brock, OEDO
H. Rasouli, OEDO
C. Jaegers, OEDO

**Nuclear Regulatory Commission's (NRC) Financial Statements for
Fiscal Years 2014 and 2013**

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

FINANCIAL STATEMENTS

BALANCE SHEET *(In Thousands)*

As of September 30,	2014	2013
Assets		
Intragovernmental		
Fund balance with Treasury (Note 2)	\$ 377,391	\$ 318,244
Accounts receivable (Note 3)	26,395	8,779
Other-Advances and prepayments	8,056	4,935
Total intragovernmental	411,842	331,958
Cash and other monetary assets	-	-
Accounts receivable, net (Note 3)	85,172	83,029
Property and equipment, net (Note 4)	90,280	107,771
Other	20	17
Total Assets	\$ 587,314	\$ 522,775
Liabilities		
Intragovernmental		
Accounts payable	\$ 12,472	\$ 9,322
Other (Note 5)	4,687	4,238
Total intragovernmental	17,159	13,560
Accounts payable	25,713	28,726
Federal employee benefits (Note 6)	6,669	7,023
Other (Note 5)	74,729	70,189
Total Liabilities	124,270	119,498
Net Position		
Unexpended appropriations	306,226	242,640
Cumulative results of operations (Note 8)	156,818	160,637
Total Net Position	463,044	403,277
Total Liabilities and Net Position	\$ 587,314	\$ 522,775

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

STATEMENT OF NET COST *(In Thousands)*

For the periods ended September 30,	2014	2013
Nuclear Reactor Safety		
Gross costs	\$ 817,279	\$ 831,114
Less: Earned revenue	(815,037)	(760,283)
Total Net Cost of Nuclear Reactor Safety (Note 9)	2,242	70,831
Nuclear Materials and Waste Safety		
Gross costs	239,305	232,011
Less: Earned revenue	(81,515)	(91,959)
Total Net Cost of Nuclear Materials and Waste Safety (Note 9)	157,790	140,052
Net Cost of Operations	\$ 160,032	\$ 210,883



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

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

For the periods ended September 30,	2014	2013
Cumulative Results of Operations		
Beginning Balance	\$ 160,637	\$ 160,194
Budgetary Financing Sources		
Appropriations used (Note 11)	121,099	176,169
Non-exchange revenue (Note 11)	165	482
Transfers-in/out without reimbursement	-	-
Other Financing Sources		
Transfers in/out without reimbursement	-	-
Imputed financing from costs absorbed by others (Note 11)	35,114	35,157
Other	(165)	(482)
Total Financing Sources	156,213	211,326
Net Cost of Operations	(160,032)	(210,883)
Net Change	(3,819)	443
Cumulative Results of Operations	\$ 156,818	\$ 160,637
Unexpended Appropriations		
Beginning Balance	\$ 242,640	\$ 285,080
Budgetary Financing Sources		
Appropriations received	184,685	186,209
Appropriations used (Note 11)	(121,099)	(176,169)
Other adjustments	-	(52,480)
Total Budgetary Financing Sources	63,586	(42,440)
Total Unexpended Appropriations	306,226	242,640
Net Position	\$ 463,044	\$ 403,277

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

STATEMENT OF BUDGETARY RESOURCES *(In Thousands)*

For the periods ended September 30,	2014	2013
Budgetary Resources		
Unobligated balance brought forward, October 1	\$ 42,779	\$ 62,904
Recoveries of prior year unpaid obligations		
Actual	10,600	14,921
Unobligated balance from prior year budget authority, net	53,379	77,825
Appropriations	1,055,895	985,620
Spending authority from offsetting collections	9,802	6,385
Total Budgetary Resources	\$ 1,119,076	\$ 1,069,830
Status of Budgetary Resources		
Obligations incurred (Note 12)	\$ 1,065,612	\$ 1,027,051
Unobligated balance, end of year		
Apportioned	48,479	30,017
Exempt from apportionment	4,816	11,005
Unapportioned	169	1,757
Total unobligated balance, end of year	53,464	42,779
Total Status of Budgetary Resources	\$ 1,119,076	\$ 1,069,830
Change in Obligated Balance		
Unpaid obligations		
Unpaid obligations brought forward, October 1	\$ 278,812	\$ 303,254
Obligations incurred (Note 12)	1,065,612	1,027,051
Outlays, gross	(1,007,948)	(1,036,572)
Recoveries of prior year unpaid obligations	(10,600)	(14,921)
Total unpaid obligations, end of year	\$ 325,876	\$ 278,812
Uncollected payments		
Uncollected customer payments from Federal sources, brought forward, October 1	\$ (3,517)	\$ (8,631)
Change in uncollected customer payments, Federal sources	1,568	5,114
Total uncollected customer payments, Federal sources, end of year	\$ (1,949)	\$ (3,517)
Memorandum entries:		
Obligated balances, start of year	\$ 275,295	\$ 294,623
Obligated balances, end of year	\$ 323,927	\$ 275,295
Budget Authority and Outlays, Net		
Budget Authority, gross	\$ 1,065,697	\$ 992,005
Actual offsetting collections	(11,201)	(11,668)
Change in uncollected customer payments, Federal sources	1,568	5,114
Budget Authority, Net	\$ 1,056,064	\$ 985,451
Outlays, gross	\$ 1,007,948	\$ 1,036,572
Actual offsetting collections	(11,201)	(11,668)
Outlays, net	996,747	1,024,904
Distributed offsetting receipts	(871,206)	(851,891)
Agency Outlays, Net	\$ 125,541	\$ 173,013

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

NOTES TO THE FINANCIAL STATEMENTS

(All tables are presented in thousands)

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The 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 NWF) and the Office of the Inspector General.

B. BASIS OF PRESENTATION

These financial 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 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.

Budgetary information for small budget accounts is aggregated by major budget accounts for purposes of the Required Supplementary Information.

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.

In FY 2013, the NRC's appropriations were full-year continuing resolutions at the funding levels included in the *Energy and Water Development Appropriations Act, 2012*, less a 5 percent reduction for sequestration and a 0.2 percent rescission. In FY 2014, Congress passed the *Consolidated Appropriations Act, 2014* that funded the NRC's full budget request of \$1.04 billion for FY 2014. Not more than \$9.5 million of the budget may be made available for the Office of the Commission as a 2-year appropriation that is available for obligation by the NRC until September 30, 2015. Additionally, Congress enacted a 2-year appropriation of \$12.0 million for the Office of the Inspector General, which is available for obligation by the NRC until September 30, 2015.

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 NRC programs and is not included in the accompanying financial statements.

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 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* 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. 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 which 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 and license fee collections 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 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 2014, 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 are likely to be paid by the NRC 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's 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 DOL on behalf of the NRC.

Federal Employee Benefits

Federal employee benefits represent the actuarial liability for estimated future FECA disability benefits. The future workers' compensation estimate was generated by DOL 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 earned by NRC employees but not yet taken.

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. 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 FERS and 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. The amount of current and estimated future retirement outlays represents biweekly payroll amounts withheld from employees' salaries and Federal government contributions.

O. LEASES

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

Operating leases consist of real property leases with GSA. The leases are for the NRC's Headquarters and regional offices. The GSA charges the NRC lease rates which 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 where 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 Generally Accepted Accounting Principles 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. 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 program encompasses all 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 program consists of activities related to both operating reactors and new reactors.

The Nuclear Materials and Waste Safety program encompasses all 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 program encompasses activities of fuel facilities, nuclear materials users, decommissioning and low-level waste, spent fuel storage and transportation, and establishing 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.



Note 2. FUND BALANCE WITH TREASURY

As of September 30,	2014	2013
Fund Balances		
Appropriated funds	\$ 371,197	\$ 304,746
Nuclear Waste Fund	6,191	13,498
Other fund types	3	-
Total	\$ 377,391	\$ 318,244
Status of Fund Balance with Treasury		
Unobligated balance		
Available		
Appropriated funds	\$ 53,464	\$ 41,022
Unavailable		
Unapportioned	-	1,757
Temporary reduction of spending authority from offsetting collections	-	169
Obligated balance not yet disbursed	323,927	275,296
Total	\$ 377,391	\$ 318,244

The Fund Balance with Treasury consists of the unobligated and obligated budgetary account balances, which include NWF activity. The NWF unobligated balance is \$4.8 million and \$11.1 million as of September 30, 2014, and 2013, respectively.

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

Note 3. ACCOUNTS RECEIVABLE

As of September 30,	2014	2013
Intragovernmental		
Fee receivables and reimbursements	\$ 26,395	\$ 8,779
Receivables with the Public		
Materials and facilities fees-billed	\$ 17,054	\$ 8,048
Materials and facilities fees-unbilled	72,351	76,730
Other	187	67
Total Receivables with the Public	89,592	84,845
Less: Allowance for uncollectible accounts	(4,420)	(1,816)
Total Receivables with the Public, Net	\$ 85,172	\$ 83,029
Total Accounts Receivable	\$ 115,987	\$ 93,624
Less: Allowance for uncollectible accounts	(4,420)	(1,816)
Total Accounts Receivable, Net	\$ 111,567	\$ 91,808

Note 4. PROPERTY AND EQUIPMENT, NET

As of September 30,				2014	2013
Fixed Assets Class	Service Years	Acquisition Value	Accumulated Depreciation and Amortization	Net Book Value	Net Book Value
Equipment	5-8	\$ 9,663	\$ (8,549)	\$ 1,114	\$ 1,283
Leased equipment	5-8	1,806	(1,715)	91	181
IT software	5	56,162	(43,002)	13,160	15,993
IT software under development	5	396	-	396	2,850
Leasehold improvements	20	123,979	(52,975)	71,004	85,982
Leasehold improvements in progress	-	4,515	-	4,515	1,482
Total		\$ 196,521	\$ (106,241)	\$ 90,280	\$ 107,771

Note 5. OTHER LIABILITIES

As of September 30,		2014	2013
Intragovernmental			
Liability to offset miscellaneous accounts receivable		\$ 70	\$ 58
Liability for advances from other agencies		7	12
Accrued workers' compensation		1,601	1,669
Accrued unemployment compensation		11	13
Employee benefit contributions		2,998	2,486
Other Liabilities, Sequestration and rescission awaiting Treasury warrant		-	-
Total Intragovernmental Other Liabilities		\$ 4,687	\$ 4,238
Other Liabilities			
Accrued annual leave		\$ 46,923	\$ 46,832
Accrued salaries and benefits		12,330	10,423
Contract holdbacks, advances, capital lease liability, and other		6,319	6,300
Contingent Liabilities		-	-
Grants Payable		9,157	6,634
Total Other Liabilities		\$ 74,729	\$ 70,189
Total Intragovernmental and Other Liabilities		\$ 79,416	\$ 74,427

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

Note 6. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

As of September 30,	2014	2013
Intragovernmental		
FECA paid by DOL	\$ 1,601	\$ 1,669
Accrued unemployment compensation	11	13
Federal Employee Benefits		
Future FECA	6,669	7,023
Other		
Accrued annual leave	46,923	46,832
Contingent Liabilities	-	-
Total Liabilities not Covered by Budgetary Resources	55,204	55,537
Total Liabilities Covered by Budgetary Resources	69,066	63,961
Total Liabilities	\$ 124,270	\$ 119,498

Liabilities not Covered by Budgetary Resources represents the amount of future funding needed to pay the accrued unfunded expenses as of September 30, 2014, and 2013. 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. For FY 2014, projected annual payments were discounted to present value based on the OMB interest rate assumptions which were interpolated to reflect the average duration in years for income payments and medical payments. The interest rate assumptions utilized for FY 2014 discounting were 2.73 percent in year 1 and 3.13 percent in year 2 for wage benefits, and 2.33 percent in year 1 and 2.86 percent in year 2 for medical benefits.

Note 7. LEASES

As of September 30,	2014	2013
Assets Under Capital Leases:		
Copiers and booklet maker	\$ 1,806	\$ 1,806
Accumulated depreciation	(1,715)	(1,625)
Net Assets Under Capital Leases	\$ 91	\$ 181

As of September 30,				2014	2013
Future Lease Payments Due:	Fiscal Year	Capital	Operating		
	2014	\$ 8	\$ -	\$ 8	\$ 39,770
	2015	93	46,362	46,455	40,239
	2016	-	43,141	43,141	40,380
	2017	-	42,497	42,497	39,785
	2018	-	37,778	37,778	35,117
	2019 and thereafter	-	158,227	158,227	237,016
	Total Lease Liability	101	328,005	328,106	432,307
Add: Imputed Interest		1	-	1	3
Total Future Lease Payments		\$ 102	\$ 328,005	\$ 328,107	\$ 432,310

The Capital Lease Liability of \$101 thousand is included in Other Liabilities (Note 5). For Future Lease Payments, the NRC calculates the Capital Lease Liability and adds the imputed interest to arrive at the Total Future Lease Payments.

For FY 2014, there are 3 capital leases with terms of 5 years, consisting of 1 capital lease added in FY 2014, 1 capital lease added in FY 2013, and 1 capital lease added in FY 2011 with an interest rate of 1.26 percent. The reproduction equipment is depreciated over 5 years using the straight-line method with no salvage value.

Note 8. CUMULATIVE RESULTS OF OPERATIONS

As of September 30,	2014	2013
Liabilities not covered by budgetary resources (Note 6)	\$ (55,204)	\$ (55,537)
Investment in property and equipment, net (Note 4)	90,280	107,771
Contributions from foreign cooperative research agreements	4,306	4,008
Nuclear Waste Fund	6,191	13,498
Accounts receivable - fees	111,114	90,889
Fee Collection Revenue Not Transferred	3	-
Other	128	8
Cumulative Results of Operations	\$ 156,818	\$ 160,637

Note 9. STATEMENT OF NET COST

For the years ended September 30,	2014	2013
Nuclear Reactor Safety		
Intragovernmental gross costs	\$ 234,636	\$ 234,342
Less: Intragovernmental earned revenue	(55,733)	(55,560)
Intragovernmental net costs	178,903	178,782
Gross costs with the public	582,643	596,772
Less: Earned revenues from the public	(759,305)	(704,723)
Net costs with the public	(176,662)	(107,951)
Total Net Cost of Nuclear Reactor Safety	\$ 2,241	\$ 70,831
Nuclear Materials and Waste Safety		
Intragovernmental gross costs	\$ 63,614	\$ 60,242
Less: Intragovernmental earned revenue	(5,947)	(6,216)
Intragovernmental net costs	57,667	54,026
Gross costs with the public	175,691	171,769
Less: Earned revenues from the public	(75,567)	(85,743)
Net costs with the public	100,124	86,026
Total Net Cost of Nuclear Materials and Waste Safety	\$ 157,791	\$ 140,052

Note 10. EXCHANGE REVENUES

For the years ended September 30,	2014	2013
Fees for licensing, inspection, and other services	\$ 891,446	\$ 843,703
Revenue from reimbursable work	5,106	8,539
Total Exchange Revenues	\$ 896,552	\$ 852,242

Note 11. FINANCING SOURCES OTHER THAN EXCHANGE REVENUE

For the years ended September 30,	2014	2013
Appropriations Used		
Collections are used to reduce the fiscal year's appropriations recognized:		
Funds consumed	\$ 999,612	\$ 1,028,164
Less: Collection of fees assessed	(871,206)	(851,891)
Less: Nuclear Waste Funding Expense	(7,307)	(104)
Total Appropriations Used	\$ 121,099	\$ 176,169

Funds consumed include \$42.9 million and \$62.9 million through September 30, 2014, and 2013, respectively, of available funds from prior years.

For the years ended September 30,	2014	2013
Non-Exchange Revenue		
Civil penalties	\$ 45	\$ 184
Miscellaneous receipts	120	298
Non-Exchange Revenue	165	482
Contra-Revenue	(165)	(482)
Total Non-Exchange Revenue, Net of Funds Returned to the U.S. Treasury General Fund	\$ -	\$ -

For the years ended September 30,	2014	2013
Imputed Financing		
Civil Service Retirement System	\$ 18,038	\$ 15,044
Federal Employee Health Benefit	16,954	17,215
Federal Employee Group Life Insurance	89	89
Judgments/Awards	33	2,809
Total Imputed Financing	\$ 35,114	\$ 35,157

The NRC employees belong to either the FERS or the CSRS. For employees belonging to FERS and receiving an appointment prior to January 1, 2013, the NRC withheld 0.8 percent of base pay earnings and provided a 11.9 percent employer contribution. In accordance with Section 5001 of Public Law 112-96 of the *Middle Class Tax Relief and Job Creation Act of 2012*, employees hired after January 1, 2013, as Federal Employees Retirement System - Revised Annuity Employees (FERS-RAE) must pay 3.1 percent of their salary to retirement contributions with a 9.6 percent employer matching 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 2014 and FY 2013.

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 \$17.5 thousand in 2014 and 2013. For employees participating in FERS, the NRC automatically contributes one percent of base pay to their account and matches contributions up to an additional four 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

For the years ended September 30,	2014	2013
Direct Obligations		
Category A	\$ 1,052,034	\$ 1,019,466
Exempt from Apportionment	8,391	52
Total Direct Obligations	1,060,425	1,019,518
Reimbursable Obligations	5,187	7,533
Total Obligations Incurred	\$ 1,065,612	\$ 1,027,051

Obligations exempt from apportionment are the result of funds derived from the NWF. Category A Obligations consist of NRC appropriations only. Undelivered orders for the NWF are \$1.4 million and \$2.5 million, Salaries and Expenses are \$268.1 million and \$221.6 million, and the Office of the Inspector General are \$0.9 million and \$1.1 million through September 30, 2014, and 2013, respectively.

Note 13. NUCLEAR WASTE FUND

For FY 2014 and FY 2013, the NRC's budget did not include funds from the NWF. The funding provided to the NRC prior to FY2013 and carried forward to subsequent years was for the purpose of performing activities associated with DOE's application for a high-level waste repository at Yucca Mountain, NV.

The SFFAS No. 43, "Funds from Dedicated Collections: Amending SFFAS 27, Identifying and Reporting Earmarked Funds," lists three defining criteria for funds from dedicated collections. Generally, funds from dedicated collections must have at least one source of funds external to the Federal Government, 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 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, the Treasury has no separate fund symbol for the NWF under the NRC's agency location code. 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 a fund from dedicated collections 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 NWF amounts received, expended, obligated, and unobligated balances as of September 30, 2014, and 2013, are shown in the following:

For the years ended September 30,	2014	2013
Appropriations Received	\$ -	\$ -
Expended Appropriations	\$ 7,307	\$ 107
Obligations Incurred	\$ 8,391	\$ 52
Unobligated Balances (includes recoveries of prior year obligations)	\$ 4,813	\$ 11,055

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

The SFFAS No. 7, "Accounting for Revenue and Other Financing Sources," requires the NRC to reconcile the budgetary resources reported on the SBR 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 SBR and the Budget of the U.S. Government.

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

For the periods ended September 30,	2014	2013
Budgetary Resources Obligated		
Obligations incurred (Note 12)	\$ 1,065,612	\$ 1,027,051
Less: Spending authority from offsetting collections and recoveries	(20,233)	(21,475)
Less: Distributed offsetting receipts	(871,206)	(851,891)
Net Obligations	174,173	153,685
Other Resources		
Imputed financing from costs absorbed by others	35,114	35,157
Non-Exchange Revenue	165	482
Funds returned to U.S. Treasury General Fund	(165)	(482)
Net Other Resources Used to Finance Activities	35,114	35,157
Total Resources Used to Finance Activities	209,287	188,842
Resources Used to Finance Items not Part of the Net Cost of Operations	(44,118)	(3,908)
Total Resources Used to Finance the Net Cost of Operations	165,169	184,934
Components of the Net Cost of Operations that will not require or generate resources in the current period	(5,137)	25,949
Net Cost of Operations	\$ 160,032	\$ 210,883

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.

In FY 2009, the NRC signed an Interagency Agreement with the GSA to fund the build-out of the NRC office space for the new 3WFN office building. The NRC capitalized the cost of the build-out as a leasehold improvement with a total cost \$40.4 million. However, to comply with the OMB's Freeze the Footprint initiative, the agency determined that it should only occupy 6 of the 14 floors of the 3WFN office building. Subsequently, GSA has leased 8 of the 14 floors to the FDA of which the FDA occupied 4 floors during the 4th quarter of FY 2014. It is anticipated that FDA will occupy 4 additional floors during the 3rd quarter of FY 2015. Accordingly, the NRC will recognize a loss on the impaired asset for the remaining net realizable value of the build-out cost for the 4 additional floors of \$10.2 million in FY 2015.

Reasonably Possible Likelihood of an Adverse Outcome:

As of September 30, 2014, the NRC was a party to a case in which an adverse outcome was reasonably possible. The upper range of the loss on the potential liability was \$64 million. As of September 30, 2013, the NRC was not party to a case in which an adverse outcome was probable or reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF BUDGETARY RESOURCES *(In Thousands)*

For the period ended September 30, 2014	Salaries and Expenses	Office of Inspector General	Nuclear Facility Fees	Total
Budgetary Resources				
Unobligated balances, brought forward, October 1	\$ 41,411	\$ 1,368	\$ -	\$ 42,779
Recoveries of prior year obligations				
Actual	10,223	377	-	10,600
Unobligated balance from prior year budget authority, net	51,634	1,745	-	53,379
Appropriations	1,043,937	11,955	3	1,055,895
Spending authority from offsetting collections	9,800	2	-	9,802
Total Budgetary Resources	\$ 1,105,371	\$ 13,702	\$ 3	\$ 1,119,076
Status of Budgetary Resources				
Obligations incurred (Note 12)	\$ 1,054,528	\$ 11,084	\$ -	\$ 1,065,612
Unobligated balance, end of period				
Apportioned	45,861	2,618	-	48,479
Exempt from apportionment	4,813	-	3	4,816
Unapportioned	169	-	-	169
Unobligated balance, end of period	50,843	2,618	3	53,464
Total Status of Budgetary Resources	\$ 1,105,371	\$ 13,702	\$ 3	\$ 1,119,076
Change in Obligated Balance				
Unpaid obligations				
Unpaid obligations, brought forward, October 1	\$ 278,098	\$ 714	\$ -	\$ 278,812
Obligations incurred (Note 12)	1,054,528	11,084	-	1,065,612
Outlays, gross	(997,490)	(10,458)	-	(1,007,948)
Recoveries of prior year unpaid obligations	(10,223)	(377)	-	(10,600)
Total unpaid obligations, end of period	\$ 324,913	\$ 963	\$ -	\$ 325,876
Uncollected payments				
Uncollected customer payments from Federal sources, brought forward, October 1	\$ (3,517)	\$ -	\$ -	\$ (3,517)
Change in uncollected customer payments, from Federal sources	1,568	-	-	1,568
Total uncollected customer payments, from Federal sources	\$ (1,949)	\$ -	\$ -	\$ (1,949)
Memorandum entries:				
Obligated balances, start of year	\$ 274,581	\$ 714	\$ -	\$ 275,295
Obligated balances, end of period	\$ 322,964	\$ 963	\$ -	\$ 323,927
Budget Authority and Outlays, Net				
Budget Authority, gross	\$ 1,053,737	\$ 11,957	\$ 3	\$ 1,065,697
Actual offsetting collections	(11,199)	(2)	-	(11,201)
Change in uncollected customer payments, from Federal sources	1,568	-	-	1,568
Budget Authority, net	\$ 1,044,106	\$ 11,955	\$ 3	\$ 1,056,064
Outlays, gross	\$ 997,490	\$ 10,458	\$ -	\$ 1,007,948
Actual offsetting collections	(11,199)	(2)	-	(11,201)
Outlays, net	986,291	10,456	-	996,747
Distributed offsetting receipts	-	-	(871,206)	(871,206)
Agency Outlays, net	\$ 986,291	\$ 10,456	\$ (871,206)	\$ 125,541

SCHEDULE OF BUDGETARY RESOURCES *(In Thousands)*

For the period ended September 30, 2013	Salaries and Expenses	Office of Inspector General	Nuclear Facility Fees	Total
Budgetary Resources				
Unobligated balances, brought forward, October 1	\$ 61,447	\$ 1,457	\$ -	\$ 62,904
Recoveries of prior year obligations				
Actual	14,599	322	-	14,921
Unobligated balance from prior year budget authority, net	76,046	1,779	-	77,825
Appropriations	975,309	10,311	-	985,620
Spending authority from offsetting collections	6,384	1	-	6,385
Total Budgetary Resources	\$ 1,057,739	\$ 12,091	\$ -	\$ 1,069,830
Status of Budgetary Resources				
Obligations incurred (Note 12)	\$ 1,016,328	\$ 10,723	\$ -	\$ 1,027,051
Unobligated balance, end of period				
Apportioned	28,649	1,368	-	30,017
Exempt from apportionment	11,005	-	-	11,005
Unapportioned	1,757	-	-	1,757
Unobligated balance, end of period	41,411	1,368	-	42,779
Total Status of Budgetary Resources	\$ 1,057,739	\$ 12,091	\$ -	\$ 1,069,830
Change in Obligated Balance				
Unpaid obligations				
Unpaid obligations, brought forward, October 1	\$ 302,612	\$ 642	\$ -	\$ 303,254
Obligations incurred (Note 12)	1,016,328	10,723	-	1,027,051
Outlays, gross	(1,026,243)	(10,329)	-	(1,036,572)
Recoveries of prior year unpaid obligations	(14,599)	(322)	-	(14,921)
Total unpaid obligations, end of period	\$ 278,098	\$ 714	\$ -	\$ 278,812
Uncollected payments				
Uncollected customer payments from Federal sources, brought forward, October 1	\$ (8,631)	\$ -	\$ -	\$ (8,631)
Change in uncollected customer payments, from Federal sources	5,114	-	-	5,114
Total uncollected customer payments, from Federal sources	\$ (3,517)	\$ -	\$ -	\$ (3,517)
Memorandum entries:				
Obligated balances, start of year	\$ 293,981	\$ 642	\$ -	\$ 294,623
Obligated balances, end of period	\$ 274,581	\$ 714	\$ -	\$ 275,295
Budget Authority and Outlays, Net				
Budget Authority, gross	\$ 981,693	\$ 10,312	\$ -	\$ 992,005
Actual offsetting collections	(11,667)	(1)	-	(11,668)
Change in uncollected customer payments, from Federal sources	5,114	-	-	5,114
Budget Authority, net	\$ 975,140	\$ 10,311	\$ -	\$ 985,451
Outlays, gross	\$ 1,026,243	\$ 10,329	\$ -	\$ 1,036,572
Actual offsetting collections	(11,667)	(1)	-	(11,668)
Outlays, net	1,014,576	10,328	-	1,024,904
Distributed offsetting receipts	-	-	(851,891)	(851,891)
Agency Outlays, net	\$ 1,014,576	\$ 10,328	\$ (851,891)	\$ 173,013