



# U.S.NRC

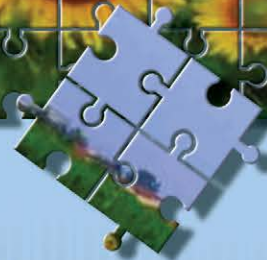
United States Nuclear Regulatory Commission

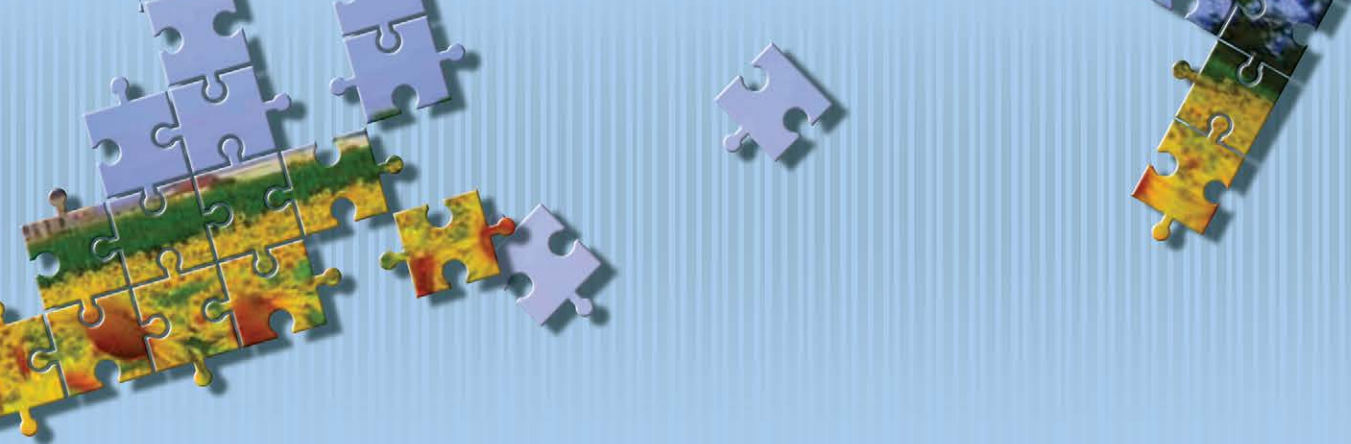
*Protecting People and the Environment*



**Fiscal Year 2013**

## **SUMMARY OF PERFORMANCE AND FINANCIAL INFORMATION**





## MISSION

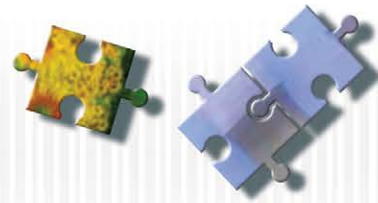
License and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment.

---

### **PUBLIC PROTECTION NOTIFICATION**

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





# TABLE OF CONTENTS

A MESSAGE FROM THE CHAIRMAN ..... 1

INTRODUCTION..... 2

ABOUT THE NRC ..... 2

THE NUCLEAR INDUSTRY ..... 3

PROGRAM PERFORMANCE OVERVIEW ..... 4

FUTURE CHALLENGES ..... 12

INSPECTOR GENERAL’S ASSESSMENT OF THE MOST SERIOUS MANAGEMENT  
AND PERFORMANCE CHALLENGES FACING NRC ..... 13

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER .....15

FINANCIAL PERFORMANCE OVERVIEW ..... 16

FINANCIAL STATEMENT HIGHLIGHTS ..... 18

MANAGEMENT ASSURANCES, SYSTEMS CONTROLS, AND LEGAL COMPLIANCE .... 22

INSPECTOR GENERAL’S TRANSMITTAL LETTER ..... 27

INDEPENDENT AUDITORS’ REPORT ON THE CONDENSED  
FINANCIAL STATEMENTS ..... 28

CONDENSED FINANCIAL STATEMENTS ..... 30

SUMMARY OF FINANCIAL STATEMENT AUDIT AND  
MANAGEMENT ASSURANCES ..... 32

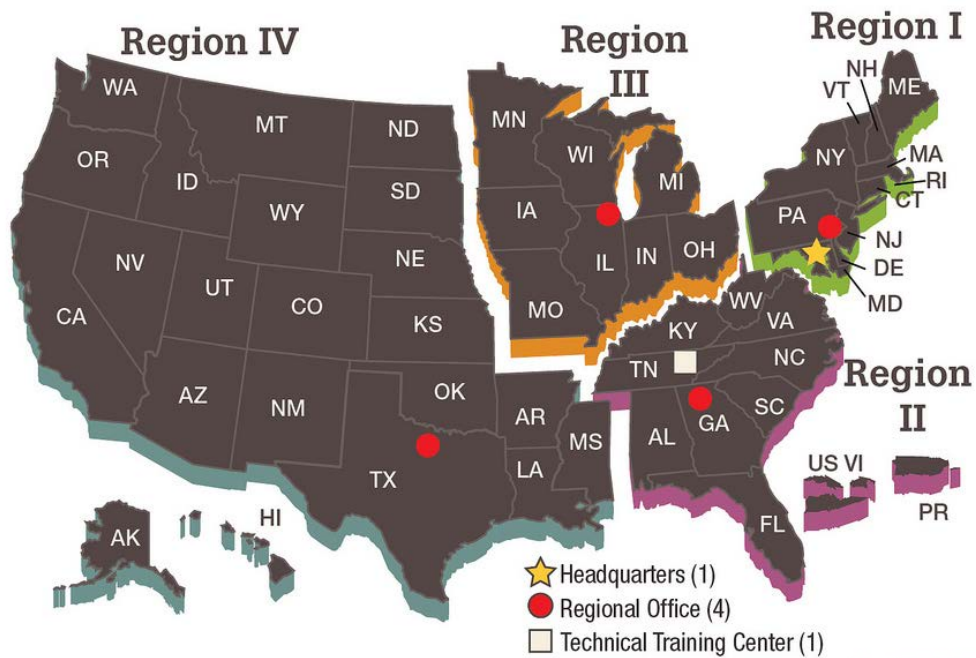
AVAILABILITY OF REFERENCE MATERIALS IN NRC PUBLICATIONS ..... 33

BIBLIOGRAPHIC DATA SHEET ..... 35

*This report is a summary of the U.S. Nuclear Regulatory Commission’s (NRC’s) Fiscal Year (FY) 2013 Performance and Accountability Report (PAR), published on December 16, 2013. This report is in an easy-to-read format and is available on the NRC Web site at <http://www.nrc.gov>. In addition, a video message from the Chairman and a full copy of the PAR are available on the DVD located on the back inside cover.*



*The U.S. Nuclear Regulatory Commission (NRC) Headquarters*



*The U.S. Nuclear Regulatory Commission (NRC) Regions*



## A MESSAGE FROM THE CHAIRMAN



I am pleased to present the U.S. Nuclear Regulatory Commission's (NRC's) Summary of Performance and Financial Information for Fiscal Year (FY) 2013. This report highlights the NRC's continuing success in achieving our mission to ensure the safe and secure use of radioactive materials for beneficial civilian purposes while protecting people and the environment. The report also provides key financial and performance information to Congress and the American people of how we used our resources during FY 2013. The report is available at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.

The NRC is an independent regulatory agency devoted to the effective and efficient oversight of the Nation's 100 operating nuclear reactors, 31 research and test reactors, and the 4 reactors that entered the decommissioning phase in FY 2013. The agency also reviews all safety aspects of new reactor designs, environmental siting, combined license applications, and provides oversight for the 2 nuclear power plants currently under construction. Further, the agency focuses on the safe and secure use of nuclear materials in the energy, medical and industrial sectors through effective oversight of fuel facilities, uranium recovery sites, decommissioning sites, and nuclear material user licensees. In FY 2013, the NRC met all of its strategic goals and performance measure targets.

The NRC developed 3 levels of recommendations following the 2011 Fukushima Dai-ichi accident in Japan. During FY 2013, the NRC monitored implementation of the highest priority new regulatory requirements for the Nation's nuclear power plants. These requirements have also been integrated into the new reactor licensing process. The second level recommendations, needing more technical study, and the third level recommendations, needing more information to support regulatory action, are expected to be completed in the next few years.

The NRC is committed to good governance and the prudent management of resources entrusted to it by the American people. The agency will continue to evaluate, test, and strengthen its internal controls, including those related to financial reporting and financial management systems, as required by the Federal Managers' Financial Integrity Act of 1982 (FMFIA). Based on the FMFIA assessments, I have concluded that there is reasonable assurance that the agency is in substantial compliance with FMFIA, and the financial and performance data published in this report are complete, accurate, reliable, and timely, in accordance with the Reports Consolidation Act of 2000 and Office of Management and Budget Circular A-136 requirements. Additionally, I have determined that the agency is in substantial compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), based on the NRC's application of the FFMIA risk model.

I continue to be impressed by the performance and dedication of NRC employees in achieving the agency's safety and security goals and look forward to continuing the high-quality service the American people have come to expect from us.



Allison M. Macfarlane  
Chairman  
March 10, 2014



## INTRODUCTION

The U.S. Nuclear Regulatory Commission (NRC) Summary of Performance and Financial Information presents an overview of the agency's program performance and financial management performance during fiscal year (FY) 2013, which covers the period from October 1, 2012, to September 30, 2013. This summary report provides an opportunity for the American public to assess how effectively the NRC uses its funds to achieve results.

When preparing this report, the NRC staff followed the guidance of the Office of Management and Budget (OMB) Circular A-136, "Financial Reporting Requirements." The summarized financial statement data are based on the same underlying data as the financial statements presented in the FY 2013 Performance and Accountability Report (PAR).

## ABOUT THE NRC

The U.S. Congress established the NRC on January 19, 1975, as an independent Federal agency regulating the commercial and institutional uses of nuclear materials. The *Atomic Energy Act of 1954*, as amended, and the *Energy Reorganization Act of 1974*, as amended, define the NRC's purpose. These acts provide the foundation for the NRC's mission to regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, to promote the common defense and security, and to protect the environment. The agency regulates civilian nuclear power plants and other nuclear facilities, as well as other uses of nuclear materials. These other uses

include nuclear medicine programs at hospitals; academic activities at educational institutions; research work; industrial applications, such as gauges and testing equipment; and the transport, storage, and disposal of nuclear materials and wastes.

The NRC is headed by a Commission composed of five members, with one member designated by the President to serve as Chairman. With the advice and consent of the Senate, the President appoints each member to serve a 5-year term. The Chairman is the principal executive officer and official spokesperson for the Commission. The Executive Director for Operations carries out program policies and decisions made by the Commission.

The NRC's Headquarters is located in Rockville, MD. The NRC has an Operations Center in the Headquarters building that coordinates communications with its licensees, State agencies, and other Federal agencies. This center is the focal point for assessing and responding to operating events in the industry. The NRC operations officers man the Operations Center 24 hours a day, seven days a week.

The agency also has four regional offices located in King of Prussia, PA; Atlanta, GA; Lisle, IL; and Arlington, TX. The regional offices allow the agency to work closely with its licensees to ensure safety. The NRC also employs at least two resident inspectors at each of the Nation's nuclear power reactor sites.

The NRC's new budget authority for FY 2013 was \$985.6 million, with 3,951 full-time equivalent staff. The NRC is primarily supported by fees collected from its licensees.

## THE NUCLEAR INDUSTRY

The NRC is responsible for regulating all aspects of the civilian nuclear industry. The industry can best be described by examining the nuclear material cycle. The nuclear material cycle begins with the mining and production of nuclear fuel or nuclear materials for medical, industrial, and other applications, continues with the use of nuclear fuel to power the Nation's 100 nuclear power plants, and ends with the safe transportation and storage of spent nuclear fuel and other nuclear waste. The NRC's regulatory programs ensure that radioactive materials are used safely and securely at every stage in the nuclear material cycle. To address safety and security issues, the NRC has developed regulatory practices, knowledge, and expertise specific to each activity in the nuclear material cycle.

## FUEL FACILITIES

The production of nuclear fuel begins at uranium mines, where milled uranium ore is used to produce a uranium concentrate called "yellow cake." At a special facility, the yellow cake is converted into uranium hexafluoride ( $UF_6$ ) gas and loaded into cylinders. The cylinders are sent to a gaseous diffusion

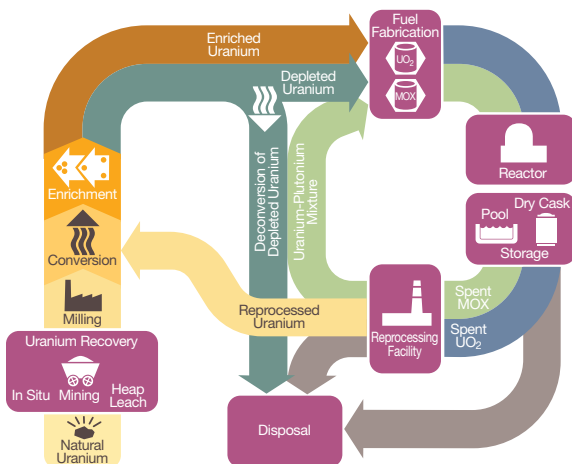
plant, where uranium is enriched for use as reactor fuel. The enriched uranium is then converted into oxide powder, fabricated into fuel pellets (each about the size of a fingertip), loaded into metal fuel rods about 3.5 meters long, and bundled into reactor fuel assemblies at a fuel fabrication facility. Assemblies are then transported to nuclear power plants, non-power research reactor facilities, and naval propulsion reactors for use as fuel. The NRC licenses eight major fuel fabrication and production facilities and three enrichment facilities in the United States. Because they handle extremely hazardous material, these facilities take special precautions to prevent theft, diversion by terrorists, and dangerous exposures to workers and the public from this nuclear material.

## REACTORS

Power plants change one form of energy into another. Electrical generating plants convert heat energy, the kinetic energy of wind or falling water, or solar energy into electricity. A nuclear power plant converts heat energy into electricity. Other types of heat-conversion plants burn coal, oil, or gas to produce heat energy that is then used to produce electricity. Nuclear energy cannot be seen. There is no burning of fuel in the usual sense. Rather, energy is given off by the nuclear fuel as certain types of atoms split in a process called nuclear fission. This energy is in the form of fast-moving particles and invisible radiation. As the particles and radiation move through the fuel and surrounding water, the energy is converted into heat. The radiation energy can be hazardous, and facilities take special precautions to protect people and the environment from these hazards.

Because the fission reaction produces potentially hazardous radioactive materials, nuclear power plants are equipped with safety systems to protect workers, the public, and the environment. Radioactive materials require careful use because they produce radiation, a form of energy that can damage human cells. Depending on the amount and duration of

Figure 1  
THE NUCLEAR FUEL CYCLE





the exposure, radiation can potentially cause cancer. In a nuclear reactor, most hazardous radioactive substances, called fission byproducts, are trapped in the fuel pellets or in the sealed metal tubes holding the fuel. However, small amounts of these radioactive fission byproducts, principally gases, become mixed with the water passing through the reactor. Other impurities in the water also become radioactive as they pass through the reactor. The facility processes and filters the water to remove these radioactive impurities and then returns the water to the reactor cooling system.

## MATERIALS USERS

The medical, academic, and industrial fields all use nuclear materials. For example, about one-third of all patients admitted to U.S. hospitals are diagnosed or treated using radioisotopes. Most major hospitals have specific departments dedicated to nuclear medicine. In all, about 112 million nuclear medicine or radiation therapy procedures are performed annually, with the vast majority used in diagnoses. Radioactive materials used as a diagnostic tool can identify the status of a disease and minimize the need for surgery. Radioisotopes give doctors the ability to look inside the body and observe soft tissues and organs, in a manner similar to the way X-rays provide images of bones. Radioisotopes carried in the blood also allow doctors to detect clogged arteries or check the functioning of the circulatory system.

The same property that makes radiation hazardous can also make it useful in treating certain diseases like cancer. When living tissue is exposed to high levels of radiation, cells can be destroyed or damaged. Doctors can selectively expose cancerous cells (cells that are dividing uncontrollably) to radiation to either destroy or damage these cells.

## WASTE DISPOSAL

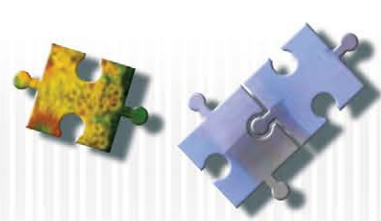
During normal operations, a nuclear power plant generates both high-level radioactive waste, which consists of spent fuel, and low-level radioactive waste, which includes contaminated equipment, filters, maintenance materials, and resins used in purifying water for the reactor cooling system. Other users of radioactive materials also generate low-level waste.

Nuclear power plants handle each type of radioactive waste differently. They must use special procedures in the handling of the spent fuel because it contains the highly radioactive fission byproducts created while the reactor was operating. Typically, the spent fuel from nuclear power plants is stored in water-filled pools at each reactor site or at a storage facility in Illinois. The water in the spent fuel storage pool provides cooling and adequately shields and protects workers from the radiation. Several nuclear power plants have also begun using dry casks to store spent fuel. These heavy metal or concrete casks rest on concrete pads adjacent to the reactor facility. The thick layers of concrete and steel in these casks shield workers and the public from radiation.

## PROGRAM PERFORMANCE OVERVIEW

The NRC's Strategic Plan describes the agency's mission, goals, and strategies. The Strategic Plan can be found on the NRC's Web site at [www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1614/v5/index.html](http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1614/v5/index.html). The agency's two strategic goals are focused on Safety and Security. The Safety goal is to *Ensure adequate protection of public health and safety and the environment*. The Security goal is to *Ensure adequate protection in the secure use and management of radioactive materials*.





Safety is the primary goal of the NRC. The agency achieves this goal by ensuring that the performance of licensees is at or above acceptable safety levels. NRC safety programs work in conjunction with its licensees in a partnership. The NRC licensees are responsible for designing, constructing, and operating nuclear facilities safely. The NRC is responsible for regulatory oversight of the licensees. The NRC safety goal activities are designed to achieve the following strategic outcomes.

### STRATEGIC OUTCOMES:

- Prevent the occurrence of any nuclear reactor accidents.
- Prevent the occurrence of any inadvertent criticality events.
- Prevent the occurrence of any acute radiation exposures resulting in fatalities.
- Prevent the occurrence of any releases of radioactive materials that result in significant radiation exposures.

- Prevent the occurrence of any releases of radioactive materials that cause significant adverse environmental impacts.

These strategic outcomes specify the conditions under which the Safety goal can be considered to have been met.

### SAFETY GOAL STRATEGIES

The agency used the following safety strategies from its strategic plan to guide its activities and achieve its safety goal in FY 2013:

1. Develop, maintain, implement, and improve licensing and regulatory programs for existing and new reactors, fuel cycle facilities, materials users, transportation and management of spent fuel, uranium recovery, waste disposal, and decommissioning activities to ensure the adequate protection of public health and safety.
2. Oversee the safe and secure operation of existing facilities and uses of nuclear material.
3. Oversee the construction of new power reactors.
4. Conduct NRC safety and security programs and emergency preparedness in an integrated manner.
5. Implement focused research programs to anticipate and support resolution of safety issues and address new technologies.
6. Use sound science and state-of-the-art methods to establish, where appropriate, risk-informed and performance-based regulations.
7. Promote awareness of the importance of a strong safety culture and individual accountability of those engaged in regulated activities.
8. Use domestic and international operating experience to inform decision-making.
9. Oversee licensee safety performance through inspections, investigations, enforcement, and performance assessment activities.
10. Respond to events at NRC-licensed facilities and other events of national and international interest,



including maintaining and enhancing the NRC's emergency incident response and communication capabilities.

11. Respond to future national policy decisions regarding high-level nuclear waste and spent nuclear fuel management strategies recommended or adopted as the Nation's policy, and assess issues associated with long-term storage of spent fuel and high-level waste.

## FY 2013 RESULTS

In FY 2013, the NRC achieved all five of its safety goal strategic outcomes. The NRC also uses six performance measures to determine whether it has met its Safety goal. The agency met all six performance measure targets in FY 2013 (see Table 1).

The first three performance measures focus on performance at individual nuclear power plants.

Inspection results show that all of the nuclear power plants are operating safely. The fourth measure tracks the trends of several key indicators of nuclear power plant safety. This measure is the broadest measure of the safety of nuclear power plants, incorporating the performance results from all plants to determine industry average results. This measure shows that there were no statistically significant adverse trends in any of the indicators in FY 2013.

The last two safety performance measures track harmful radiation exposures to the public and occupational workers, and radiation releases that harm the environment. Neither of these two measures exceeded their targets in FY 2013.

The cost of achieving the agency's Safety goal in FY 2013 was \$995.1 million.



Table 1

## FY 2013 SAFETY GOAL PERFORMANCE MEASURES

### 1. Number of new conditions evaluated as red by the NRC’s Reactor Oversight Process.<sup>1</sup>

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3
Actual	0	0	0	1	1	0

<sup>1</sup> This measure is the number of new red inspection findings during the fiscal year plus the number of new red performance indicators during the fiscal year. Programmatic issues at multiunit sites that result in red findings for each individual unit are considered separate conditions for purposes of reporting for this measure. A red performance indicator and a red inspection finding that are due to an issue with the same underlying causes are also considered separate conditions for purposes of reporting for this measure. Red inspection findings are included in the fiscal year in which the final significance determination was made. Red performance indicators are included in the fiscal year in which Reactor Oversight Process (ROP) external Web page was updated to show the red indicator.

### 2. Number of significant Accident Sequence Precursors <sup>2</sup> (ASPs) of a nuclear reactor accident.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

<sup>2</sup> Significant Accident Sequence Precursor (ASP) events have a conditional core damage probability (CCDP) or ΔCDP of > 1x 10<sup>-3</sup>. Such events have a 1/1000 (10<sup>-3</sup>) or greater probability of leading to a reactor accident involving core damage. An identical condition affecting more than one plant is counted as a single ASP event if a single accident initiator would have resulted in a single reactor accident.

### 3. Number of operating reactors with integrated performance that entered the multiple/repetitive degraded cornerstone column or the unacceptable performance column of the Reactor Oversight Process Action Matrix, or the Inspection Manual Chapter 0350 process is ≤ 3 with no performance leading to the initiation of an Accident Review Group.<sup>3</sup>

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	≤ 4	≤ 3	≤ 3	≤ 3	≤ 3	≤ 3
Actual	0	0	0	2	1	0

<sup>3</sup> This measure is the number of plants that have entered the Inspection Manual Chapter (IMC) 0350 process, the multiple/repetitive degraded cornerstone column, or the unacceptable performance column during the fiscal year (i.e., were not in these columns or process the previous fiscal year). Data for this measure are obtained from the NRC’s external Web Action Matrix Summary page, which provides a matrix of the five columns with the plants listed within their applicable column and notes the plants in the IMC 0350 process. For reporting purposes, plants that are the subject of an approved deviation from the Action Matrix are included in the column or process in which they appear on the Web page. The target value is set based on the expected addition of several indicators and a change in the long-term trending methodology (which will no longer be influenced by the earlier data and will be more sensitive to changes in current performance).



Table 1  
 FY 2013 SAFETY GOAL PERFORMANCE MEASURES (continued)

4. Number of significant adverse trends in industry safety performance is  $\leq 1$ <sup>4</sup>.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	$\leq 1$	$\leq 1$	$\leq 1$	$\leq 1$	$\leq 1$	$\leq 1$
Actual	0	0	0	0	0	0

<sup>4</sup> Considering all indicators qualified for use in reporting.

5. Number of events with radiation exposures to the public or occupational workers that exceed Abnormal Occurrence Criterion I.A.3.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Reactors Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0
Materials Target	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$
Actual	0	0	0	0	0	0
Waste Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

6. Number of radiological releases to the environment that exceed applicable regulatory limits.<sup>5</sup>

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Reactors Target <sup>6</sup>	0	0	0	0	0	0
Actual	0	0	0	0	0	0
Materials Target	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$	$\leq 2$
Actual	0	0	0	0	0	0
Waste Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

<sup>5</sup> Releases for which a 30-day report under Title 10 of the Code of Federal Regulations (10 CFR) 20.2203(a)(3) is required.

<sup>6</sup> With no event exceeding Abnormal Occurrence Criterion I.B.



## FUKUSHIMA REGULATORY REVIEW

The NRC's efforts to implement the lessons learned from the Fukushima Dai-ichi accident in March 2011 continued during FY 2013. Nuclear power plants in the United States have made great progress in implementing the near-term actions to address natural disasters that may challenge the design bases of these plants. The agency oversaw implementation of new requirements to address hazards such as earthquakes and flooding. The NRC has also been using the insights from Fukushima to inform its licensing and oversight activities. The agency has been conducting technical studies and regulatory analyses to ensure the safe operation of existing reactors and to be applied to new reactors. A more complete discussion of the review and the subsequent actions taken by the NRC can be found in Chapter 2, Nuclear Safety section of the NRC FY 2013 Performance and Accountability Report.

Additional information can be found on the agency's Web site at <http://www.nrc.gov/reactors/operating/ops-experience/japan-info.html>.

### STRATEGIC GOAL 2: SECURITY

Ensure Adequate Protection in the Secure Use and Management of Radioactive Materials

The NRC must remain vigilant in ensuring the security of nuclear facilities and materials in an elevated threat environment. The agency achieves its common defense and Security goal using licensing and oversight programs similar to those employed in achieving its Safety goal.

### STRATEGIC OUTCOMES:

- Prevent instances where licensed radioactive materials are used domestically in a manner hostile to the security of the United States.

- Prevent unauthorized public disclosures of classified or Safeguards Information through quality measures.

These strategic outcomes specify the conditions under which the Security goal can be considered to have been met.

### SECURITY GOAL STRATEGIES

The agency used the following security strategies from its Strategic Plan to guide its activities and achieve its Security goal in FY 2013:

1. Conduct oversight of licensee security performance.
2. Use relevant intelligence information and security assessments to maintain realistic and effective security requirements and mitigation measures.
3. Share security information with appropriate stakeholders and international partners.
4. Control the handling and storage of sensitive security information and the communication of information to licensees and Federal, State, local and Tribal governments.
5. Support Federal response plans that employ an approach to the security of nuclear facilities and radioactive material that integrates the efforts of licensees and Federal, State, local, and Tribal governments.
6. Use risk-informed approaches to inform regulatory controls for security.
7. Maintain the programs for controlling the security of radioactive sources and strategic special nuclear material commensurate with their risk, including actions required by the *Energy Policy Act of 2005*.
8. Promote U.S. national security interests and nuclear nonproliferation policy objectives for NRC-licensed imports and exports of byproduct source and special nuclear materials and nuclear equipment.



9. Manage the risk to information and systems to ensure the integrity of cyber security at regulated facilities.
10. Prevent instances of significant unauthorized public disclosures of classified or Safeguards Information.

## FY 2013 RESULTS

In FY 2013, the NRC achieved its Security goal strategic outcomes. The NRC also uses five Security goal performance measures to determine whether the agency has met its Security goal. The agency met all five performance measure targets in FY 2013 (see Table 2).

The first performance measure tracks unrecovered losses or thefts of risk-significant radioactive sources. The measure ensures that those radioactive sources that the agency has determined to be risk-significant to the public health and safety are accounted for at all times. The ability to account for these sources is critical to secure the nation from “dirty bomb” attacks or other means of radiation dispersal.

The second, third, and fourth performance measures evaluate the number of significant security events and incidents that occur at NRC-licensed facilities. These measures determine whether nuclear facilities

maintain adequate protective forces to prevent theft or diversion of nuclear material or sabotage; whether systems in place at licensee plants accurately account for the type and amount of materials processed, used, or stored; and whether the facilities account for special nuclear material at all times with no losses of this material. There were no events that met the conditions for these measures in FY 2013.

The last security measure tracks significant unauthorized disclosures of classified and/or Safeguards Information that may cause damage to national security or public safety. This measure focuses on whether classified information or Safeguards Information is stored and used in such a way as to prevent its disclosure to the public, terrorist organizations, other nations, or personnel without a need to know. Unauthorized disclosures can harm national security or compromise public health and safety. The measure also focuses on whether controls are in place to maintain and secure the various devices and systems (electronic or paper-based) that the agency and its licensees use to store, transmit, and use this information. There were no documented disclosures of this type of information during FY 2013.

The cost of achieving the agency’s Security goal was \$68.0 million in FY 2013.



Table 2

## FY 2013 SECURITY GOAL PERFORMANCE MEASURES

### 1. Unrecovered losses of risk-significant<sup>1</sup> radioactive sources.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	0	0	0	0	0	0
Actual	0	0	0	1 <sup>2</sup>	0	0

<sup>1</sup> “Risk-significant” is defined as any unrecovered lost or abandoned sources that exceed the values listed in Appendix P to 10 CFR 110 – Category 1 and 2 Radioactive Material. Excluded from reporting under this criterion are those events involving sources that are lost or abandoned under the following conditions: (1) sources abandoned in accordance with the requirements of 10 CFR 39.77(c); (2) recovered sources with sufficient indication that doses in excess of the reporting thresholds specified in Abnormal Occurrence (AO) Criteria I.A.1 and I.A.2 did not occur during the time the source was missing; (3) unrecoverable sources lost under such conditions that doses in excess of the reporting thresholds specified in AO Criteria I.A.1 and I.A.2 were not known to have occurred; (4) other sources that are lost or abandoned and declared unrecoverable; (5) for which the agency has made a determination that the risk-significance of the source is low based upon the locations (e.g., water depth) or physical characteristics (e.g., half-life, housing) of the source and its surroundings; (6) where all reasonable efforts have been made to recover the source; and (7) it has been determined that the source is not recoverable and will not be considered a realistic safety or security risk under this measure. (This includes licenses under the Agreement States.)

<sup>2</sup> There were no losses and one theft of radioactive nuclear material that the NRC considered to be risk-significant during FY 2011.

### 2. Number of substantiated<sup>3</sup> cases of actual theft or diversion of licensed, risk-significant radioactive sources or formula quantities<sup>4</sup> of special nuclear material or attacks that result in radiological sabotage<sup>5</sup>

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

<sup>3</sup> “Substantiated” means a situation where an indication of loss, theft, or unlawful diversion cannot be refuted following an investigation and requires further action on the part of the agency or other proper authorities.

<sup>4</sup> A “formula quantity” of special nuclear material is defined in 10 CFR 70.4, “Definitions.”

<sup>5</sup> “Radiological sabotage” is defined in 10 CFR 73.2, also titled “Definitions.”

### 3. Number of substantiated losses of formula quantities of special nuclear material or substantiated inventory discrepancies of formula quantities of special nuclear material that are judged to be caused by theft or diversion or by substantial breakdown of the Accountability System.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0



Table 2

## FY 2013 SECURITY GOAL PERFORMANCE MEASURES (continued)

4. Number of substantial breakdowns<sup>6</sup> of physical security or material control (i.e., access control, containment, or accountability systems) that significantly weakened the protection against theft, diversion, or sabotage.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	≤ 1	≤ 1	≤ 1	≤ 1	≤ 1	≤ 1
Actual	0	0	0	0	0	0

<sup>6</sup> A “substantial breakdown” is defined as a red finding in the security cornerstone of the ROP, or any plant or facility determined to either have overall unacceptable performance or be in a shutdown condition (inimical to the effective functioning of the Nation’s critical infrastructure) as a result of significant performance problems and/or operational events.

5. Number of significant unauthorized disclosures<sup>7</sup> of classified and/or Safeguards Information.

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target	0	0	0	0	0	0
Actual	0	0	0	0	0	0

<sup>7</sup> “Significant unauthorized disclosure” is defined as a disclosure that harms national security or public health or safety.

## FUTURE CHALLENGES

The nuclear industry has maintained an excellent safety record at nuclear power plants over the past two decades as both the nuclear industry and the NRC have gained substantial experience in the operation and maintenance of nuclear power facilities. However, despite the excellent safety record of the industry, the agency cannot rest on its achievements. The key challenges that the agency faces as the regulator of nuclear materials are to ensure that the new generation of nuclear power plants are built and operated safely and to safely dispose of nuclear waste.

### OVERSIGHT OF AN AGING FLEET OF OPERATING REACTORS

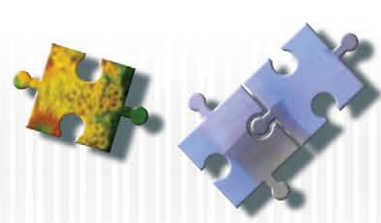
Nuclear reactors in the United States have been operating longer than most other reactors in the world. The NRC faces the difficult task of ensuring that the plant structures, systems, and components at

nuclear power plants are adequate for safe operation. Managing the aging of structures, equipment, and materials is a dynamic process that the licensees will have to diligently address and that will require monitoring by the agency’s licensing, oversight, and research staff. The NRC will also need to focus on the decommissioning of five nuclear reactors that will be discontinuing operation, one of which continues to operate but will cease operations in the near future.

### LICENSING A NEW GENERATION OF NUCLEAR POWER PLANTS

Currently, the agency has nine active Combined License (COL) applications for sites across the country. The NRC is overseeing construction activities for four reactors at two sites and conducts inspections of vendors supplying the components for these new plants. The agency’s primary challenge is to license new reactors to ensure that they will operate safely as they provide electricity required by the





Nation for economic growth. Some of the proposed new reactors under consideration are small modular reactors. In any case, before licensing any new nuclear reactor, the agency requires a detailed analysis of new reactor designs. This analysis includes a study of the reactor's vulnerability to accidents and security compromises. It also includes the development of inspection procedures, tests, analyses, and acceptance criteria for construction. The NRC is also evaluating commercial gas centrifuge facilities that use new methods of enriching nuclear fuel for reactors.

## SAFE DISPOSAL OF HIGH-LEVEL WASTE

Current law specifies that high-level radioactive waste will be disposed of underground in a deep geologic repository. On August 13, 2013, the U.S. Court of Appeals for the District of Columbia granted a writ of mandamus directing the agency to “promptly continue the legally mandated licensing process.”

In June 2012, the U.S. Appeals Court for the District of Columbia Circuit struck down a provision in NRC regulations known as the “Waste Confidence Rule.” Waste Confidence is a generic finding that spent nuclear fuel can be stored safely for decades at reactor sites in either spent fuel pools or dry storage casks and that a repository will be available for final disposal of the spent fuel. It does not authorize extended storage of spent fuel at reactor sites, but it allows the NRC to proceed with environmental reviews of new reactors or reactor license renewal without considering the site-specific effects of spent fuel storage in the environmental analysis.

The NRC released drafts of the rule and report for public comment in September 2013. The rule and the report are due by September 2014. Meanwhile, the Commission said the NRC will make no final licensing decisions on new reactors or reactor license renewals until the agency finishes the Waste Confidence work.

## SECURITY AT NUCLEAR FACILITIES

The security of nuclear materials is of paramount importance to the Nation. Nuclear facilities are among the most secure facilities in the Nation. The NRC, in concert with other Federal agencies, constantly monitors intelligence to determine the level of threat faced by nuclear facilities. The agency continues to improve the regulatory requirements to better ensure the security of nuclear materials and facilities. The threat faced by the Nation from those seeking to steal classified information has become more urgent in recent years. Nuclear facilities have implemented increased security measures, including “force-on-force” training exercises, to help ensure protection of this vital national infrastructure.

The agency has also focused on security concerns related to radioactive sources typically employed by radiation medicine and other non-power applications of nuclear technology. The sheer number of radioactive sources – numbering thousands in the United States alone – creates challenges in securing these sources. Moreover, these sources are widely spread geographically and used for a broad range of purposes. The agency will continue to evaluate ways to enhance its ability to account for these sources.

## INSPECTOR GENERAL'S ASSESSMENT OF THE MOST SERIOUS MANAGEMENT AND PERFORMANCE CHALLENGES FACING NRC

### BACKGROUND AND OBJECTIVES

On January 24, 2000, Congress enacted the *Reports Consolidation Act of 2000*, requiring Federal agencies to provide financial and performance management information in a more meaningful and useful



format for Congress, the President, and the public. The act requires the Inspector General (IG) of each Federal agency to annually summarize what he or she considers to be the most serious management and performance challenges facing the agency and to assess the agency's progress in addressing those challenges.

To accomplish this assessment, the IG considered the overall work of the Office of the Inspector General (OIG), the OIG staff's general knowledge of agency operations, and other relevant information to develop and update the list of management and performance challenges and assess the agency's progress in addressing these challenges. In addition, OIG staff sought input from NRC's Chairman, Commissioners, and management to obtain their views on what challenges the agency is facing and what efforts the agency has taken or are underway to address previously identified management and performance challenges.

## RESULTS IN BRIEF

The NRC's mission is to license and regulate the Nation's civilian use of byproduct, source, and special nuclear materials to ensure adequate protection of public health and safety, promote the common defense and security, and protect the environment. Like other Federal agencies, NRC faces management and performance challenges in carrying out its mission.

Congress left the determination and threshold of what constitutes a most serious management and performance challenge to the discretion of the IGs. The IG has defined serious management and performance challenges as *mission critical areas or programs that have the potential for a perennial weakness or vulnerability that, without substantial management attention, would seriously impact agency operations or strategic goals.*

Based on this definition, the IG has identified the following as the most serious management and performance challenges facing NRC as of October 1, 2013:

### Most Serious Management and Performance Challenges Facing NRC as of October 1, 2013\* (as identified by the Inspector General)

<b>Challenge 1</b>	Management of regulatory processes to meet a changing environment in the oversight of nuclear materials.
<b>Challenge 2</b>	Management of NRC security programs.
<b>Challenge 3</b>	Management of regulatory processes to meet a changing environment in the oversight of nuclear facilities.
<b>Challenge 4</b>	Management of regulatory processes associated with high-level radioactive waste.
<b>Challenge 5</b>	Management of information technology.
<b>Challenge 6</b>	Administration of all aspects of financial management and procurement.
<b>Challenge 7</b>	Management of human capital.

\*The most serious management and performance challenges are not ranked in any order of importance.

## CONCLUSION

The seven challenges contained in this report are distinct, yet are interdependent to accomplishing NRC's mission. For example, the challenge of managing human capital affects all other management and performance challenges.

The agency's continued progress in taking actions to address the challenges presented should facilitate achievement of the agency's mission and goals.



## A MESSAGE FROM THE CHIEF FINANCIAL OFFICER



I am pleased to present the condensed financial statements for the U.S. Nuclear Regulatory Commission's (NRC's) Fiscal Year (FY) 2013 Summary of Performance and Financial Information. For the tenth consecutive year, an independent auditor has rendered an unqualified opinion on the NRC financial statements. The auditor has also rendered an unqualified opinion on the NRC's internal control over financial reporting and concluded that the NRC is compliant with pertinent provisions of laws and regulations.

Receiving this most recent clean opinion was particularly notable since FY 2013 provided the NRC with challenging workload and budgetary conditions. Significant portions of the agency's planned regulatory activities are dependent on dynamic requests for new design and facility licensing reviews influenced by energy market fluctuations. Additionally, emerging issues affecting existing NRC reactor and fuel facility licensees resulting from lessons learned from the reactor accident at the Fukushima Dai-ichi Nuclear Station in Japan created new demands for the NRC not initially anticipated in the budget. Similarly, the level of agency budgeted resources were uncertain with the Government-wide prolonged Continuing Resolution, sequestration, and a rescission to the NRC FY 2013 appropriations. The successful redistribution of limited agency resources to address the highest priority regulatory activities and effective accounting for the use of funds in our financial statements is a tribute to the talent and dedication of the NRC's financial managers and staff.

In FY 2013, the NRC continued its modernization of financial systems with the transition to a new strategic acquisition system that seamlessly integrates with the agency's financial accounting system to provide timely and accurate financial information of contracting transactions with improved internal control. The NRC was also actively engaged with the U.S. Department of the Treasury to support its Government-wide new reporting initiatives: Government-wide Treasury Account Symbol Adjusted Trial Balance System, the Central Accounting Reporting System, and the Intra-Governmental Transactions Quarterly Score Card. These activities should put the agency in a sound position to continue with both agency and Government-wide financial management systems improvements in future years.

The NRC implemented an update to its programmatic internal control framework in FY 2013 based on Federal best practices. The updated framework ensures alignment with the agency's strategic plan, budget structure, and performance reporting; streamlines and improves agency processes and administrative requirements into a more interdependent approach; and increases management's accountability for the effectiveness of the agency's programmatic internal control.

The NRC is committed to ensuring the safety and security of the Nation's civilian use of nuclear materials in the most effective and efficient manner. The regulation of the Nation's nuclear industries during times of fiscal and regulatory challenges requires careful stewardship of limited agency resources and demands superior financial performance. I am proud of the progress we have made during this past year to promote sound business practices in accomplishing our regulatory mission and am confident that we will continue to make improvements.

A handwritten signature in black ink that reads "J.E. Dyer". The signature is written in a cursive, flowing style.

J.E. Dyer, Chief Financial Officer  
March 10, 2014



## FINANCIAL PERFORMANCE OVERVIEW

The NRC prepared its financial statements in accordance with the accounting standards codified in the Statements of Federal Financial Accounting Standards (SFFAS) and the Office of Management and Budget (OMB) Circular A-136, “Financial Reporting Requirements.”

As of September 30, 2013, the financial condition of the NRC was sound with respect to having sufficient funds to meet program needs and the NRC had adequate control of these funds in place to ensure that obligations did not exceed budget authority.

### SOURCES OF FUNDS

The NRC has two appropriations, Salaries and Expenses and the Office of the Inspector General. The new FY 2013 budget authority was \$985.6 million, which included \$975.2 million for the Salaries and Expenses appropriation and \$10.4 million for the Office of the Inspector General.

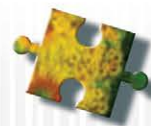
The new appropriated funding for both appropriations remained the same as the prior year (\$1,027.2 million for the Salaries and Expenses appropriation and \$10.9 million for the Office of the Inspector General). The new budget authority for FY 2013 decreased \$52.5 million compared to the FY 2012 budget authority due to the FY 2013 sequestration and rescission of funds returned to the U.S. Treasury (Treasury), \$52.0 million for the Salaries and Expenses appropriation and \$0.5 million for the Office of the Inspector General.

### BUDGET AUTHORITY (IN MILLIONS)

Appropriation	FY 2013	FY 2012
Salaries and Expenses	\$ 1,027.2	\$ 1,027.2
Less: Sequestration	(51.7)	-
Less: Rescission	(.3)	-
Budget Authority	975.2	1,027.2
Office of the Inspector General	10.9	10.9
Less: Sequestration	(.5)	-
Less: Rescission	-	-
Budget Authority	10.4	10.9
<b>Total NRC Budget Authority</b>	<b>\$ 985.6</b>	<b>\$ 1,038.1</b>

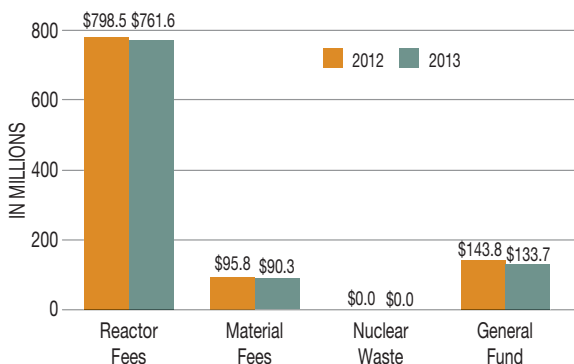
Funds available for the NRC to obligate in FY 2013 were \$1,069.8 million and included \$985.6 million of new budget authority, \$40.5 million of prior-year appropriations, \$11.9 million of prior-year funding for reimbursable work, \$14.9 million of recoveries of prior-year unpaid obligations, \$6.4 million of FY 2013 reimbursable work performed for other Federal agencies and commercial customers, and \$10.5 million of prior-year funding for resources received from the U.S. Department of Energy (DOE) to fund NRC activities associated with the *Nuclear Waste Policy Act of 1982*, as amended. Funds available to obligate in FY 2013 decreased \$38.7 million from the FY 2012 amount of \$1,108.1 million.

The *Omnibus Budget Reconciliation Act of 1990* (OBRA-90), as amended, requires the NRC to collect fees to offset approximately 90 percent of its new budget authority, less the amount appropriated to the NRC from the Nuclear Waste Fund and amounts appropriated for waste incidental to reprocessing and generic homeland security. Fees collected are returned to the Treasury to offset the NRC’s two appropriations.



The Salaries and Expenses new budget authority is offset by approximately 90 percent from the collection of fees from licensees and is available for obligation until expended. The new budget authority for the Office of the Inspector General is a two-year (FY 2013/2014) appropriation that expires at the end of FY 2014. Ninety percent of the new budget authority for the Office of the Inspector General appropriation is recoverable from the collection of fees and is retained in a separate no-year account, which is available for obligation until expended.

*Figure 2*  
SOURCES OF FUNDS FOR BUDGET AUTHORITY

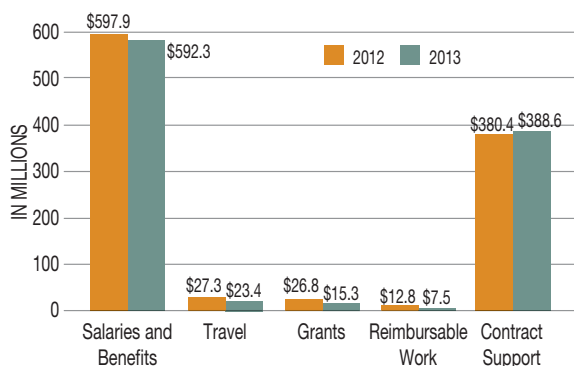


The approximate amount projected to be recovered from fees in FY 2013 was \$864.0 million, which included \$859.6 million from FY 2013 reactor and materials fees and \$4.4 million from other fees (unpaid current-year invoices and terminated reactors' FY 2013 annual fee collections, offset by payments of prior-year invoices in FY 2013). The NRC collected fees totaling \$851.9 million in FY 2013 (see Figure 2), which is 98.6 percent of the approximately \$864.0 million projected to be recovered. Fee collections decreased \$42.4 million in FY 2013 compared to the FY 2012 amount of \$894.3 million, mainly due to the FY 2013 sequestration and rescission.

## USES OF FUNDS BY FUNCTION

The NRC incurred obligations of \$1,027.1 million in FY 2013, which represented a decrease of \$18.1 million from the FY 2012 amount of \$1,045.2 million (see Figure 3). Approximately 58 percent of obligations in FY 2013 were used for salaries and benefits. The NRC used the remaining 42 percent to obtain technical assistance for the NRC's principal regulatory programs, to conduct confirmatory safety research, to fund operating expenses (e.g., building rentals, transportation, printing, security services, supplies, office automation, and training), and to pay for staff travel.

*Figure 3*  
USES OF FUNDS BY FUNCTION (OBLIGATIONS)



The unobligated budget authority available at the end of FY 2013 was \$42.8 million, which was a \$20.1 million decrease from the FY 2012 amount of \$62.9 million. Of the \$42.8 million unobligated balance at the end of FY 2013, \$9.0 million was for reimbursable work, \$11.0 million was for the Nuclear Waste Fund, and \$22.8 million was available to fund critical NRC needs in FY 2014. The \$62.9 million unobligated balance at the end of FY 2012 included \$11.9 million for reimbursable work, \$10.5 million for the Nuclear Waste Fund, and \$40.5 million for funding of critical NRC needs in FY 2013.



## AUDIT RESULTS

The NRC received an unqualified audit opinion on its FY 2013 financial statements and internal controls. The auditors found no reportable instances of noncompliance with laws and regulations during the FY 2013 audit.

The Summary of the Financial Statement Audit and Management Assurances is included on page 32 of this report.

## LIMITATIONS ON THE FINANCIAL STATEMENTS

The financial statements have been prepared to report the financial position and results of operations of the NRC, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the NRC in accordance with Generally Accepted Accounting Principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity. The condensed financial statements presented in this report (see pages 30 and 31) are drawn from the financial statements presented in the FY 2013 Performance and Accountability Report.

## FINANCIAL STATEMENT HIGHLIGHTS

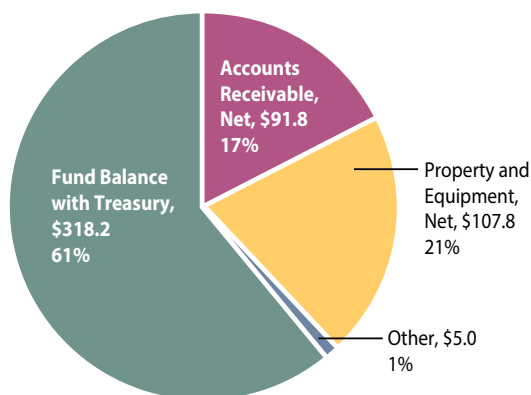
The NRC's condensed financial statements summarize the financial activity and the financial position of the agency.

## ANALYSIS OF THE BALANCE SHEET

The Balance Sheet, which shows the NRC's assets, liabilities, and net position, is summarized in the Condensed Balance Sheet on page 30.

**Assets.** The NRC's total assets (see Figure 4) were \$522.8 million as of September 30, 2013, representing a decrease of \$47.1 million from the FY 2012 year-end total of \$569.9 million. Changes in major categories include decreases of \$39.3 million in the Fund Balance with Treasury, \$8.8 million in Accounts Receivable, Net, and \$6.8 million in Other Assets, offset by an increase of \$7.8 million in Property & Equipment, Net.

Figure 4  
ASSET SUMMARY (IN MILLIONS)



The Fund Balance with Treasury was \$318.2 million as of September 30, 2013, which accounts for 61 percent of total assets. This account represents appropriated funds and other funds maintained at the Treasury to pay for current liabilities and to finance authorized purchase commitments. The \$39.3 million decrease in the fund balance from the prior year was primarily the result of decreases of \$37.1 million in the beginning balance and \$52.5 million in funding for new budget authority, offset by a \$50.3 million decrease in gross outlays (disbursement activity). The decrease in gross outlays, which results in increasing the fund balance, primarily consisted of decreases of \$11.0 million in salaries and benefits disbursements, \$3.5 million in travel costs, and \$36.3 million in contract support services, offset by an increase of \$0.5 million in grant disbursements.

Accounts receivable primarily consists of amounts that other Federal agencies and the public owe to

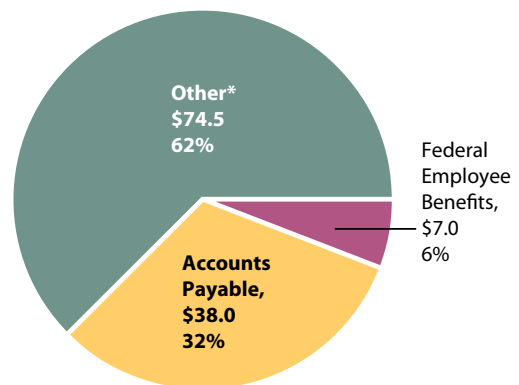


the NRC for license fees. Accounts Receivable, Net, as of September 30, 2013, was \$91.8 million, which included an offsetting allowance for doubtful accounts of \$1.8 million. For FY 2012, the year-end Accounts Receivable, Net, balance was \$100.6 million, including an offsetting allowance for doubtful accounts of \$1.6 million.

Property and Equipment consist primarily of typical office furnishings, leasehold improvements, nuclear reactor simulators, and computer hardware and software. (The NRC has no real property. The land and buildings in which the NRC operates are leased from the General Services Administration.) At the end of FY 2013, net property and equipment was \$107.8 million, an increase of \$7.8 million from the FY 2012 amount of \$100.0 million. The increase is primarily due to an increase of \$8.6 million in leasehold improvements, mainly for improvements to the NRC Headquarters buildings; offset by a decrease of \$0.8 million in IT software. Leasehold improvements were \$87.5 million in FY 2013 and \$78.9 million in FY 2012 and include improvements to the NRC's leased buildings for Headquarters (including the new Three White Flint North building) and regional offices. IT software was \$18.8 million in FY 2013 compared to \$19.6 million in FY 2012.

**Liabilities.** Total liabilities (see Figure 5) were \$119.5 million as of September 30, 2013, representing a decrease of \$5.1 million from the FY 2012 year-end balance of \$124.6 million. Accounts Payable, Federal Employee Benefits, and Other Liabilities remained approximately the same as the prior year. At the end of FY 2013, Other Liabilities included \$46.8 million in accrued annual leave; \$10.4 million in accrued funded salaries and benefits; \$6.6 million in grants payable; \$5.3 million in advances received by the NRC for services that will be provided; \$2.5 million in funded employee benefit contributions; \$1.7 million in accrued workers' compensation; and \$1.2 million in contract holdbacks, capital lease liability, and miscellaneous liabilities.

Figure 5  
LIABILITIES SUMMARY (IN MILLIONS)



\*Other Liabilities: \$46.8 Accrued Annual Leave, \$10.4 Accrued Salaries and Benefits, \$6.6 Grants Payable, \$10.7 Other.

Total Liabilities included liabilities not covered by budgetary resources, which represent expenses recognized in the financial statements that will be paid from future appropriations. The liabilities not covered by budgetary resources were \$55.5 million for FY 2013 compared to \$56.9 million for FY 2012, a \$1.4 million decrease. As of September 30, 2013, the liabilities not covered by budgetary resources represented 46 percent of total liabilities and included \$46.8 million in unfunded accrued annual leave that has been earned but not yet taken, \$1.7 million in accrued workers' compensation included in Other Liabilities, and \$7.0 million as an actuarial estimate of accrued future workers' compensation expenses included in Federal Employee Benefits.

**Net Position.** The difference between Total Assets and Total Liabilities, Net Position, was \$403.3 million as of September 30, 2013, which is a decrease of \$42.0 million from the FY 2012 year-end balance. Net Position is comprised of two components: Unexpended Appropriations, the amount of spending authority that remains unused at the end of the year, and Cumulative Results of Operations, the cumulative excess of financing sources over expenses.



Unexpended Appropriations were \$242.7 million at the end of FY 2013, a decrease of \$42.4 million from the end of FY 2012. Cumulative Results of Operations increased by \$0.4 million from \$160.2 million in FY 2012 to \$160.6 million in FY 2013.

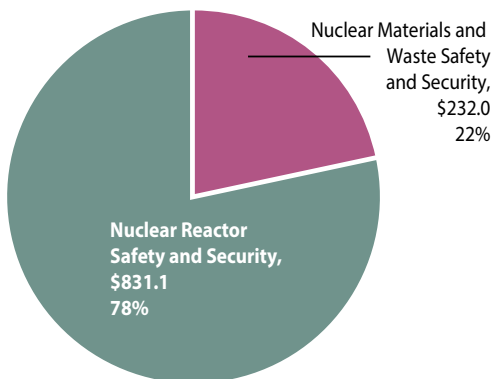
## ANALYSIS OF THE STATEMENT OF NET COST

The Statement of Net Cost, which links the NRC's program performance to the cost of programs, is shown on page 30.

The Statement of Net Cost represents the gross cost of the NRC's two programs (Nuclear Reactor Safety and Security and Nuclear Materials Safety and Security) as identified in the NRC Annual Performance Plan, offset by earned revenue. The purpose of this statement is to link program performance to the cost of programs. The NRC's Net Cost of Operations for the year ended September 30, 2013, was \$210.9 million, representing an increase of \$63.1 million over the FY 2012 net cost of \$147.8 million. This includes an increase of gross costs of \$11.0 million and a decrease in earned revenues of \$52.1 million, which offset gross costs.

**Gross Costs.** The NRC's total gross costs (see Figure 6) were \$1,063.1 million for FY 2013, an increase of \$11.0 million from the prior-year amount of \$1,052.1 million. The Nuclear Reactor Safety and Security program gross costs for FY 2013 were

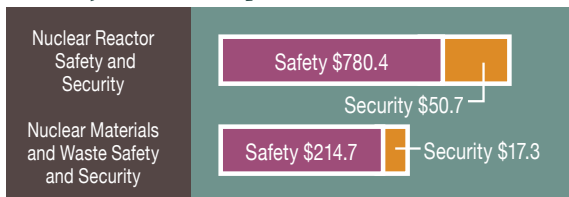
*Figure 6*  
GROSS COSTS BY PROGRAM (IN MILLIONS)



\$831.1 million compared to FY 2012 gross costs of \$824.1 million, an increase of \$7.0 million, and the Nuclear Materials and Waste Safety and Security program gross costs were \$232.0 million compared to FY 2012 gross costs of \$228.0 million, an increase of \$4.0 million.

The cost of achieving the agency's Safety and Security goals for the agency's programs for FY 2013 is the gross cost presented in the Statement of Net Cost. The total cost for achieving the agency's Safety goal was \$995.1 million and the cost of achieving the agency's Security goal was \$68.0 million (see Figure 7).

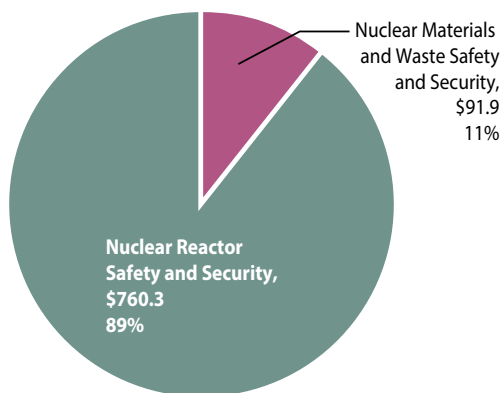
*Figure 7*  
GROSS COSTS BY STRATEGIC GOAL  
(IN MILLIONS)  
For the year ended September 30, 2013



**Earned Revenue.** Total earned revenue (see Figure 8) as of September 30, 2013, was \$852.2 million, a decrease of \$52.1 million from the September 30, 2012, earned revenue of \$904.3 million. The Nuclear Reactor Safety and Security program had revenues in FY 2013 of \$760.3 million compared to FY 2012 revenues of \$815.7 million, a decrease of \$55.4 million primarily due to decreases in operating reactor annual fees of \$43.7 million and full-cost new reactor fees of \$22.0 million, offset by an increase in full-cost operating reactor fees of \$10.3 million. The Nuclear Materials and Waste Safety and Security program had revenues from license fees in FY 2013 of \$91.9 million in FY 2013 compared to \$88.6 million in FY 2012, an increase of \$3.3 million.



Figure 8  
EARNED REVENUE BY PROGRAM  
(IN MILLIONS)



Fees collected (earned primarily in FY 2013) were \$851.9 million compared to \$894.4 million for FY 2012 (see Figure 2, page 17). The decrease was the result of reduced budget authority in FY 2013, which reduced the amount of fees from licensees that the NRC was required to collect. The NRC is required to collect approximately 90 percent of its new budget authority through license fee billing. Fees for reactor and materials licensing and inspections are collected in accordance with 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,” and 10 CFR Part 171, “Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses, Including Holders of Certificates of Compliance, Registrations, and Quality Assurance Program Approvals and Government Agencies Licensed by the NRC.”

## ANALYSIS OF THE STATEMENT OF CHANGES IN NET POSITION

The Statement of Changes in Net Position, which reports NRC’s change in net position for the reporting period, is summarized in the Condensed Statement of Changes in Net Position on page 31.

Net position is affected by changes in its two components: Cumulative Results of Operations and Unexpended Appropriations. The decrease in Net Position in FY 2013 of \$42.0 million, compared to FY 2012, was due to an increase of \$0.4 million in Cumulative Results of Operations, offset by a decrease of \$42.4 million in Unexpended Appropriations.

The increase in Cumulative Results of Operations of \$0.4 million was primarily comprised of increases in the beginning balance of \$55.0 million and financing sources derived from appropriations of \$7.1 million, offset by a reduction in the net cost of operations of \$63.1 million. The net cost of operations decrease was due an increase in gross costs of \$11.0 million and a decrease in earned revenue of \$52.1 million.

A change in unexpended appropriations results primarily from appropriations received being more, or less, than appropriations used and adjustments (e.g., sequestration, rescission) during the fiscal year. In FY 2013, unexpended appropriations decreased \$42.4 million from FY 2012. Appropriations received of \$186.2 million consisted primarily of the NRC’s total appropriation of \$1,038.1 million, reduced by \$851.9 million in fee collections. Adjustments to unexpended appropriations were due to the sequestration and rescissions totaling \$52.5 million. In financing the \$1,028.1 million cost of current year operations, the NRC consumed \$851.9 million of license fees collected and \$176.2 million in appropriations.



## MANAGEMENT ASSURANCES, SYSTEMS CONTROLS, AND LEGAL COMPLIANCE

This section provides information on NRC’s compliance with the *Federal Managers’ Financial Integrity Act of 1982* (Public Law 97-255), OMB Circular A-123, “Management’s Responsibility for Internal Control, and the Federal Financial Management Improvement Act of 1996.”


### FEDERAL MANAGERS’ FINANCIAL INTEGRITY ACT

The *Federal Managers’ Financial Integrity Act of 1982* (Integrity Act) mandates that agencies establish internal control to provide reasonable assurance that the agency complies with applicable laws and regulations; safeguards assets against waste, loss, unauthorized use, or misappropriation; and properly accounts for and records revenues and expenditures. The Integrity Act encompasses program, operational, and administrative areas, as well as accounting and financial management. It also requires the Chairman to provide an assurance statement on the adequacy of internal controls and on the conformance of financial systems with Government-wide standards, shown below.

### PROGRAMMATIC INTERNAL CONTROL

Internal control is the organization, policy, and procedures that help managers achieve intended results

and safeguard the integrity of their programs. NRC managers are responsible for designing and implementing effective internal control in their areas of responsibility. Each NRC business and corporate support product line manager prepares an annual assurance certification that identifies any control weaknesses requiring the attention of the NRC Executive Committee on Internal Control (ECIC). These certifications are based on internal control activities such as probabilistic risk assessments, as well as other activities, such as Integrated Regulatory Review Service self-assessments, Construction and




**U.S. NUCLEAR REGULATORY COMMISSION**

**FISCAL YEAR 2013 FEDERAL MANAGERS’ FINANCIAL INTEGRITY ACT STATEMENT**

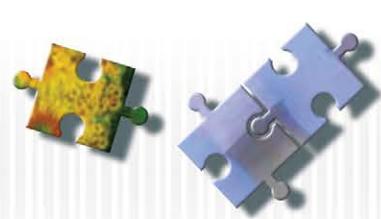
The U.S. Nuclear Regulatory Commission (NRC) managers are responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the *Federal Managers’ Financial Integrity Act* (Integrity Act). The NRC conducted its assessment of internal control over programmatic operations in accordance with Office of Management and Budget (OMB) Circular A-123, *Management’s Responsibility for Internal Control* (A-123) guidelines. Based on the results of this evaluation, NRC can provide reasonable assurance that its internal control over programmatic operations is in compliance with applicable laws and guidance, and no material weaknesses were found as of September 30, 2013.

In addition, NRC conducted its assessment of the effectiveness of internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of A-123. Based on the results of the evaluation, NRC can provide reasonable assurance that its internal control over financial reporting as of June 30, 2013, was operating effectively, and no material weaknesses were found in the design or operation of the internal control over financial reporting.

The NRC can also provide reasonable assurance that its financial systems substantially comply with applicable Federal accounting standards as required by the *Federal Financial Management Improvement Act of 1996*.



Allison M. Macfarlane  
Chairman  
U.S. Nuclear Regulatory Commission  
December 16, 2013



Reactor Oversight Process, Integrated Materials Performance Evaluation Program, Waste Confidence, Fukushima Dai-ichi Task Force Lessons Learned, Agency Action Review Meeting outcomes, financial statement audits, Inspector General and U.S. Government Accountability Office audits and reports, and other information provided by the congressional committees of jurisdiction.

The ECIC consists of senior executives from the Office of the Chief Financial Officer and the Office of the Executive Director for Operations. The agency's General Counsel and Inspector General participate as advisors.

The ECIC met to review the reasonable assurance certifications provided by the NRC business and corporate support product line managers. The ECIC then informed the Chairman as to whether the NRC had any internal control deficiencies serious enough to require reporting as a weakness or noncompliance.

The NRC's programmatic and financial internal control programs require that internal control deficiencies be documented and reported in business line quarterly performance reports and internal control plans. Together, both ensure that key issues receive senior management attention. Combined with the individual assurance statements discussed previously, the internal control information in these plans provides the framework for monitoring and improving the agency's internal control on an ongoing basis.

## FY 2013 INTEGRITY ACT RESULTS

In FY 2013, the Chief Financial Officer (CFO) and the Executive Director for Operations (EDO) issued agency-wide programmatic internal control and reasonable assurance guidance that provided information on the planned implementation of an updated programmatic internal control framework.

The updated framework, led by the agency's Branch Chief for Programmatic Internal Control and Planning, addressed the five Government Accountability Office (GAO) Standards for Internal Control, as well as GAO's Risk Assessment Monitoring Tool, and the Committee of Sponsoring Organizations of the Treadway Commission, Internal Control – Integrated Framework. The updated framework streamlined the agency's programmatic internal control processes, reduced administrative requirements on program and technical staff, better leveraged existing programmatic internal control activities across business lines, and significantly improved communication channels between the business lines, partner offices, and the corporate support offices.

As part of the FY 2013 guidance, NRC business and corporate support product lines were asked to certify that there was reasonable assurance that internal control was in place to achieve the following objectives:

- programs achieved their intended results, and are protected from waste, fraud, abuse, and mismanagement;
- resources were used consistently with the agency's mission;
- information systems were authorized and appropriately secured;
- laws and regulations were followed; and
- reliable and timely information was obtained, maintained, reported, and used for sound decision-making.

The NRC evaluated its updated programmatic internal control framework for the fiscal year ending September 30, 2013. Based on this evaluation, the NRC is able to provide a statement of assurance that its programmatic internal control met the objectives of the Integrity Act. The NRC has reasonable assurance that its internal control is effective and conforms to Government-wide standards.



## OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-123, “MANAGEMENT’S RESPONSIBILITY FOR INTERNAL CONTROL”

### INTERNAL CONTROL OVER FINANCIAL REPORTING (APPENDIX A)

In FY 2006, the NRC implemented the requirements of the revised OMB Circular A-123, which defined and strengthened management’s responsibility for internal control in Federal agencies. The revised circular included updated internal control standards. Appendix A to this circular requires Federal agencies to assess the effectiveness of internal controls over financial reporting and to prepare a separate annual statement of assurance as of June 30, 2013.

The NRC adopted a 3-year rotational testing plan for internal control over financial reporting. The agency determined that three of the nine key processes (financial reporting, revenue, and IT) were significant enough to include in the testing each year of the 3-year cycle. The remaining six key processes were to be tested once in the 3-year cycle, two each year. In FY 2013, the NRC continued its assessment of internal control over financial reporting. The agency reevaluated its scope of financial reports, materiality values, risk assessments, key processes, and key controls. Based on the results of this evaluation, the NRC can provide reasonable assurance that its internal control over financial reporting was operating effectively as of June 30, 2013, and that the evaluation found no material weaknesses in design or operation of the internal controls over financial reporting.

### REQUIREMENTS FOR EFFECTIVE MEASUREMENT AND REMEDIATION OF IMPROPER PAYMENTS (APPENDIX C)

In FY 2011, OMB revised Parts I and II of Appendix C to OMB Circular A-123. Appendix C, “Requirements for Effective Measurement and Remediation of Improper Payments,” as amended, implemented the *Improper Payments Information Act* (IPIA) of 2002 and the *Improper Payments Elimination and Reporting Act* (IPERA) of 2010. The purpose of this guidance was to reduce improper payments, hold agencies accountable for reducing improper payments, and increase penalties for contractors who fail to disclose improper payments in a timely manner. The NRC complied with this guidance by incorporating improper payments testing in its FY 2011 OMB Circular A-123, Appendix A, assessment.

The FY 2011 testing yielded an estimated improper payment rate of 0.02 percent and an estimated improper payment amount of less than \$27,000. These results fall below the IPERA thresholds of 2.5 percent of program outlays and \$10 million, of all program or activity payments made, or \$100 million. Therefore, after discussions with OMB, it was determined that the NRC would conduct this testing every 3 years, in accordance with the IPERA and OMB guidance. The next review is scheduled for FY 2014.

In addition to the testing completed in FY 2011, Office of the Chief Financial Officer staff determined that \$4.2 million in duplicate payments were made in July 2013. These errors were identified and corrected. The NRC will continue to monitor its payments in FY 2014, in addition to conducting testing already planned for the year.



## FEDERAL FINANCIAL MANAGEMENT IMPROVEMENT ACT

The *Federal Financial Management Improvement Act of 1996* (FFMIA) requires each agency to implement and maintain systems that comply substantially with (1) Federal financial system requirements, (2) applicable Federal accounting standards, and (3) the standard general ledger at the transaction level. FFMIA requires the Chairman to determine whether the agency’s financial management system complies with FFMIA and to develop remediation plans for systems that do not comply.

### FY 2013 FFMIA RESULTS

As of September 30, 2013, the NRC evaluated its financial systems and found that they comply with applicable Federal requirements and accounting standards required by FFMIA. In making this determination, the agency considered all available information, including the report from the ECIC on the effectiveness of internal control, Office of the Inspector General audit reports, and the result of the agency’s financial management system reviews.

### FINANCIAL MANAGEMENT SYSTEMS STRATEGIES

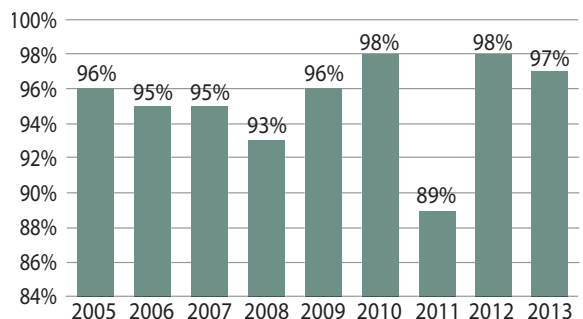
During FY 2013, the NRC continued to make substantial progress in modernizing its financial systems. System performance, data integrity, business processes, user expertise, and reporting were all enhanced for the Financial Accounting and Integrated Management Information System (FAIMIS) Core Financial System (CFS). The NRC specifically implemented additional user system training, developed a reporting dashboard and an interactive reporting tool, and further standardized job codes. Also, the NRC successfully developed both the NRC Strategic Acquisition System (STAQS)

and STAQS software integration with FAIMIS. Both STAQS and the STAQS integration with FAIMIS will be implemented in FY 2014. This completes a major milestone in automating, streamlining, and integrating the NRC acquisition processes and fully automating the system with the agency’s CFS. The agency also began implementing plans to move to the E-Gov Travel Service 2 (ETS2) system, which will be completed in FY 2014. Upgrades are planned in FY 2014 for both the FAIMIS and Time and Labor Modernization (TLM) system to address legislative requirements, strengthen controls, and further automate system processes. In addition, the Budget Formulation System (BFS) will be implementing a Spend Plan Tool to automate and enhance the agency’s current funds utilization process. Also, the NRC is pursuing implementation of the FAIMIS Momentum software Invoice Approval Processing functionality within the CFS to improve the current approval process.

### PROMPT PAYMENT

The *Prompt Payment Act of 1982*, as amended, requires Federal agencies to make timely payments to vendors for supplies and services, to pay interest penalties when payments are made after the due date, and to take cash discounts when they are economically justified. In FY 2013, the NRC paid 97 percent of the 8,759 invoices subject to the Prompt Payment Act on time.

Figure 9  
PAYMENT PERCENTAGE



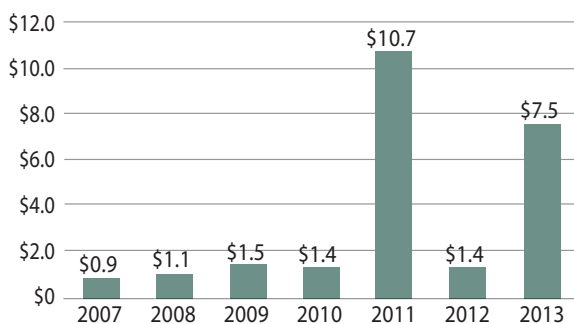


## DEBT COLLECTION

The *Debt Collection Improvement Act of 1996* enhances the ability of the Federal Government to service and collect debts. The agency's goal is to maintain the level of delinquent debt owed to the NRC at year end to less than 1 percent of its annual billings. The NRC met this goal. At the end of FY 2013, delinquent debt was \$7.5 million or 1 percent of annual billings. The NRC was able to refer 97.4 percent of all eligible debt over 180 days delinquent to the Treasury for collection. This success was due to an extensive cleanup effort resulting from the deployment of a new accounting system and process changes. The NRC hopes to continue this success through FY 2014.

Figure 10

### DELINQUENT DEBT (IN MILLIONS)



## BIENNIAL REVIEW OF USER FEES

The *Chief Financial Officers Act of 1990* requires agencies to conduct a biennial review of fees, royalties, rents, and other charges imposed by agencies and to make revisions to cover program and administrative costs incurred. Each year, the NRC revises the hourly rates for license and inspection fees and adjusts the annual fees to meet the fee collection requirements of *OBRA-90*, as amended, which requires the NRC to recover through fees approximately 90 percent of its budget authority in FY 2013, not including amounts appropriated for Waste Incidental to Reprocessing (WIR) and amounts appropriated for generic homeland security activities.

On July 1, 2013, the NRC issued a final rule in the *Federal Register* amending the licensing, inspection, and annual fees charged to its applicants and licensees. Based on the *Consolidated and Further Continuing Appropriations Act of 2013*, the NRC's required fee recovery amount for the FY 2013 budget is \$864.0 million. After accounting for billing adjustments, the total amount to be billed as fees to licensees is \$859.6 million. The NRC Fee Recovery Schedules for FY 2013 are located at <http://www.gpo.gov/fdsys/pkg/FR-2013-07-01/pdf/2013-15529.pdf>.

## INSPECTOR GENERAL ACT OF 1978

The NRC has established and continues to maintain an excellent record in resolving and implementing Office of the Inspector General open audit recommendations.

# INSPECTOR GENERAL'S TRANSMITTAL LETTER



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

OFFICE OF THE  
INSPECTOR GENERAL

March 31, 2014

MEMORANDUM TO: Chairman Macfarlane

FROM: Hubert T. Bell /RA/  
Inspector General

SUBJECT: TRANSMITTAL OF THE INDEPENDENT AUDITORS'  
REPORT ON THE CONDENSED FINANCIAL  
STATEMENTS (OIG-14-A-13)

Office of Management and Budget Circular No. A-136, *Financial Reporting Requirements*, Revised, October 21, 2013, requires all entities covered under *The Chief Financial Officers Act of 1990* to prepare a summary of performance and financial information which summarizes performance and accountability results for the fiscal year. The summary report should include the most important performance and financial information contained in NRC's *Performance and Accountability Report* in a brief, user-friendly format that is easily understood by a reader with little technical background in these areas. The purpose of this memorandum is to transmit CliftonLarsonAllen LLP (CLA) Auditors' Report on the Condensed Financial Statements. NRC publishes this report and condensed financial statements as part of the *Fiscal Year 2013 Summary Of Performance And Financial Information*.

CLA is responsible for the attached auditor's opinion, dated March 26, 2014. The Office of the Inspector General (OIG) is responsible for technical and administrative oversight regarding the firm's performance under the terms of the contract. Our oversight of CLA's work, as differentiated from an audit in conformance with *Government Auditing Standards*, was not intended to enable us to express, and accordingly we do not express, an opinion on the condensed financial statements included in the summary report. However, OIG's oversight of CLA's work disclosed no instances where CLA did not comply with applicable auditing standards.

We appreciate the cooperation provided by NRC staff.

Attachment: As stated



# INDEPENDENT AUDITORS' REPORT ON THE CONDENSED FINANCIAL STATEMENTS



**CliftonLarsonAllen**

CliftonLarsonAllen LLP

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

## **Independent Auditors' Report on Condensed Financial Statements**

Inspector General  
United States Nuclear Regulatory Commission

Chairman  
United States Nuclear Regulatory Commission

The accompanying condensed financial statements, which comprise the condensed balance sheets as of September 30, 2013 and 2012, the statement of net cost and condensed statement of changes in net position for the years then ended are derived from the audited financial statements of the United States Nuclear Regulatory Commission (NRC) as of and for the years ended September 30, 2013 and 2012. We expressed an unmodified audit opinion on those audited financial statements in our report dated December 2, 2013. The audited financial statements, and the condensed financial statements derived therefrom, do not reflect the effects of events, if any, that occurred subsequent to the date of our report on the audited financial statements.

The condensed financial statements do not contain the statement of budgetary resources and all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of NRC.

### ***Management's Responsibility for the Condensed Financial Statements***

Management is responsible for the preparation of the condensed financial statements in accordance with accounting principles generally accepted in the United States of America.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion about whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in





**Independent Auditors' Report on Condensed Financial Statements (Continued)**

the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The procedures consisted principally of comparing the condensed financial statements with the related information in the audited financial statements from which the condensed financial statements have been derived, and evaluating whether the condensed financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. We did not perform any audit procedures regarding the audited financial statements after the date of our report on those financial statements.

***Opinion***

In our opinion, the condensed financial statements of the NRC as of and for the years ended September 30, 2013 and 2012 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, our report on the audited financial statements referred to above includes an opinion on the effectiveness of internal control over financial reporting and a report on compliance with laws and regulations for the years ended September 30, 2013 and 2012. Those reports are an integral part of a financial statement audit performed in accordance with *Government Auditing Standards* in considering NRC's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

Arlington, Virginia

March 26, 2014



## CONDENSED FINANCIAL STATEMENTS

### CONDENSED BALANCE SHEET\* (In Thousands)

As of September 30,	2013	2012
<b>Assets</b>		
Fund balance with Treasury	\$ 318,244	\$ 357,529
Accounts receivable, net	91,808	100,606
Property and equipment, net	107,771	99,982
Other	4,952	11,750
<b>Total Assets</b>	<b>\$ 522,775</b>	<b>\$ 569,867</b>
<b>Liabilities</b>		
Accounts payable	\$ 38,048	\$ 43,172
Federal employee benefits	7,023	7,224
Other	74,427	74,197
<b>Total Liabilities</b>	<b>119,498</b>	<b>124,593</b>
<b>Net Position</b>		
Unexpended appropriations	242,640	285,080
Cumulative results of operations	160,637	160,194
<b>Total Net Position</b>	<b>403,277</b>	<b>445,274</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 522,775</b>	<b>\$ 569,867</b>

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

For the years ended September 30,	2013	2012
<b>Nuclear Reactor Safety and Security</b>		
Gross costs	\$ 831,114	\$ 824,091
Less: Earned revenue	(760,283)	(815,701)
<b>Total Net Cost of Nuclear Reactor Safety and Security</b>	<b>70,831</b>	<b>8,390</b>
<b>Nuclear Materials and Waste Safety and Security</b>		
Gross costs	232,011	228,000
Less: Earned revenue	(91,959)	(88,630)
<b>Total Net Cost of Nuclear Materials and Waste Safety and Security</b>	<b>140,052</b>	<b>139,370</b>
<b>Net Cost of Operations</b>	<b>\$ 210,883</b>	<b>\$ 147,760</b>



## CONDENSED FINANCIAL STATEMENTS




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

For the years ended September 30,	2013	2012
<b>Cumulative Results of Operations</b>		
Beginning Balance	\$ 160,194	\$ 105,193
Budgetary Financing Sources	176,651	169,753
Other Financing Sources	34,675	33,008
<b>Net Cost of Operations</b>	<b>(210,883)</b>	<b>(147,760)</b>
<b>Net Change</b>	<b>443</b>	<b>55,001</b>
<b>Cumulative Results of Operations</b>	<b>\$ 160,637</b>	<b>\$ 160,194</b>
<b>Unexpended Appropriations</b>		
Beginning Balance	\$ 285,080	\$ 310,332
Budgetary Financing Sources	(42,440)	(25,252)
<b>Total Unexpended Appropriations</b>	<b>242,640</b>	<b>285,080</b>
<b>Net Position</b>	<b>\$ 403,277</b>	<b>\$ 445,274</b>

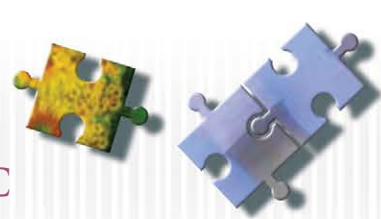
\* For a complete set of financial statements and notes, see Chapter 3, "Financial Statements and Auditors' Report," beginning on page 75 of the Fiscal Year 2013 Performance and Accountability Report. This report can be accessed on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.



## SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES\*\*

SUMMARY OF FINANCIAL STATEMENT AUDIT FOR FY 2013		
Audit Opinion – Unqualified	Restatement – No	Material Weaknesses – No
SUMMARY OF MANAGEMENT ASSURANCES FOR FY 2013		
Effectiveness of Internal Control over Financial Reporting and Operations (FMFIA § 2)		
Statement of Assurance – Unqualified		Material Weaknesses – No
Conformance with Financial Management System Requirements (FMFIA § 4)		
Statement of Assurance – Systems Conform to Requirements		Nonconformance – No
Compliance with Federal Financial Management Improvement Act (FFMIA)		
	Agency	Auditor
Systems Requirements, Accounting Standards, and United States Standard General Ledger at Transaction Level	No noncompliance noted	No noncompliance noted

\*\* For the complete Summary of Financial Statement Audit and Management Assurances, see page 127 of the FY 2013 Performance and Accountability Report. This report can be accessed on the NRC Web site at <http://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.



# AVAILABILITY OF REFERENCE MATERIALS IN NRC PUBLICATIONS

## NRC REFERENCE MATERIALS

As of November 1999, you may electronically access NUREG-series publications and other NRC records at the NRC Library at <http://www.nrc.gov/reading-rm.html>.

Publicly released records include, to name a few, NUREG-series publications; Federal Register notices; applicant, licensee, and vendor documents and correspondence; NRC correspondence and internal memoranda; bulletins and information notices; inspection and investigative reports; licensee event reports; and Commission papers and their attachments.

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

1. The Superintendent of Documents  
U.S. Government Printing Office  
Mail Stop SSOP  
Washington, DC 20402-0001  
Internet: [bookstore.gpo.gov](http://bookstore.gpo.gov)  
Telephone: 202-512-1800  
Fax: 202-512-2250
2. The National Technical Information Service  
Springfield, VA 22161-0002  
[www.ntis.gov](http://www.ntis.gov)  
1-800-553-6847 or, locally, 703-605-6000

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

Address: Office of Administration,  
Publications Branch  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555-0001  
E-mail: [DISTRIBUTION.Resource@nrc.gov](mailto:DISTRIBUTION.Resource@nrc.gov)  
Facsimile: 301-415-2289

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

## NON-NRC REFERENCE MATERIAL

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

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

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

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

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

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

The NUREG-series comprises (1) technical and administrative reports and books prepared by the staff (NUREG-XXXX), (2) proceedings of conferences (NUREG/CP-XXXX), (3) reports resulting from international agreements (NUREG/IA-XXXX), (4) brochures (NUREG/BR-XXXX), and (5) compilations of legal decisions and orders of the Commission and Atomic and Safety Licensing Boards and of Directors' decisions under 10 CFR 2.206, "Requests for Action under the Subpart" of the NRC's regulations (NUREG-0750).



<b>NRC FORM 335</b> (9-2004) NRCMD 3.7  <p style="text-align: center;"><b>BIBLIOGRAPHIC DATA SHEET</b></p> <p style="text-align: center;"><i>(See instructions on the reverse)</i></p>	<b>1. REPORT NUMBER</b> (Assigned by NRC, Add Vol., Supp., Rev., and Addendum Numbers, if any.)  NUREG-1542, Vol. 19, Supp. 1					
<b>2. TITLE AND SUBTITLE</b>  U.S. Nuclear Regulatory Commission Fiscal Year 2013 Summary of Performance and Financial Information	<b>3. DATE REPORT PUBLISHED</b>					
	<table border="1"> <tr> <td><b>MONTH</b></td> <td><b>YEAR</b></td> </tr> <tr> <td>March</td> <td>2014</td> </tr> </table>	<b>MONTH</b>	<b>YEAR</b>	March	2014	
	<b>MONTH</b>	<b>YEAR</b>				
March	2014					
<b>4. FIN OR GRANT NUMBER</b> N/A						
<b>5. AUTHOR(S)</b>  David Holley, James Coyle, et. al	<b>6. TYPE OF REPORT</b>  Annual					
	<b>7. PERIOD COVERED</b>  Fiscal Year 2013					
<b>8. PERFORMING ORGANIZATION - NAME AND ADDRESS</b> <i>(If NRC, provide Division, Office or Region, U. S. Nuclear Regulatory Commission, and mailing address; if contractor, provide name and mailing address)</i> Division of Planning and Budget Office of the Chief Financial Officer U.S. Nuclear Regulatory Commission Washington, DC 20555-0001						
<b>9. SPONSORING ORGANIZATION - NAME AND ADDRESS</b> <i>(If NRC, type "Same as above", if contractor, provide NRC Division, Office or Region, U.S. Nuclear Regulatory Commission, and mailing address)</i>  Same as above						
<b>10. SUPPLEMENTARY NOTES</b>						
<b>11. ABSTRACT</b> <i>(200 words or less)</i>  The Fiscal Year 2013 NRC Summary of Performance and Financial Information provides performance results and condensed audited financial statements that enable the Congress, the President, and the public to assess the performance of the agency in achieving its mission and stewardship of its resources.						
<b>12. KEY WORDS/DESCRIPTORS</b> <i>(List words or phrases that will assist researchers in locating the report)</i>  Performance and Accountability Report (PAR) Fiscal Year (FY) 2013	<b>13. AVAILABILITY STATEMENT</b> Unlimited					
	<b>14. SECURITY CLASSIFICATION</b>					
	<i>(This Page)</i> Unclassified					
	<i>(This Report)</i> Unclassified					
<b>15. NUMBER OF PAGES</b>						
<b>16. PRICE</b>						











FY 2013  
PERFORMANCE  
AND  
ACCOUNTABILITY  
REPORT



U.S. Nuclear Regulatory Commission  
Office of the Chief Financial Officer  
Washington, DC 20555-0001  
[www.nrc.gov](http://www.nrc.gov)

NUREG-1542, Vol. 19, Supp. 1, March 2014



U.S. NUCLEAR REGULATORY COMMISSION  
WASHINGTON, DC 20555-0001

<http://www.nrc.gov>



NUREG-1542, Vol. 19, Supp. 1  
March 2014