



United States Nuclear Regulatory Commission

*Protecting People and the Environment*

**Fiscal Year 2025**

## Agency Financial Report



**UNITED STATES NUCLEAR REGULATORY COMMISSION**

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# About This Report

The Agency Financial Report (AFR) for the U.S. Nuclear Regulatory Commission (NRC) provides financial and summary performance information in accordance with Office of Management and Budget Circular A-136, “Financial Reporting Requirements,” revised July 14, 2025. This AFR is an account of the agency’s stewardship of its resources during fiscal year (FY) 2025, which covers the period from October 1, 2024, to September 30, 2025. The report is organized into the following three chapters:

- **Chapter 1: Management’s Discussion and Analysis**  
This chapter provides an overview of the NRC’s financial information and summary-level program performance information. It includes an overview of program performance, the current status of systems, internal controls, financial management, and the FY 2025 financial statement analysis.
- **Chapter 2: Financial Statements and Auditors’ Report**  
This chapter contains details on the NRC’s finances for FY 2025. It includes a message from the Chief Financial Officer, the financial statements, and accompanying notes, required supplementary information, and the independent auditors’ report.
- **Chapter 3: Other Information**  
This chapter provides the Office of the Inspector General’s discussion of management and performance challenges, a summary of the financial statement audit, information on payment integrity, details on space occupancy, a glossary of acronyms, and other information.

**The following related reports are available on the NRC website:**

- The Annual Performance Plan is reflected in the NRC’s FY 2025 Congressional Budget Justification and is posted on the NRC’s Web site at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1100/>.
- Since FY 2017, AFRs are located at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr2220/>
- Before publication of the AFR, the NRC prepared Performance and Accountability Reports, which are located at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1542/>.

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## The Commission

The authority of the U.S. Nuclear Regulatory Commission is vested in a Commission of five members, with one member designated by the President of the United States to serve as Chairman. With the advice and consent of the Senate, the President appoints each member to serve a 5-year term. The Chairman is the chief executive officer and official spokesperson for the Commission. The Commission as a whole formulates policies and regulations governing the safety and security of nuclear reactors and materials, issues orders to licensees, and adjudicates legal matters brought before it. The Executive Director for Operations carries out program policies and decisions made by the Commission. At the end of FY 2025, two of the five Commissioner positions were vacant.



**Chairman David A. Wright**



**Commissioner Bradley R. Crowell**



**Commissioner Matthew J. Marzano**

## A Message from the Chairman



The U.S. Nuclear Regulatory Commission (NRC) is pleased to present its fiscal year (FY) 2025 Agency Financial Report (AFR). This report details the NRC's continuing success in achieving its mission, which protects public health and safety and advances the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment. The AFR provides key financial information and a summary of program performance to the President, Congress, and the American people, detailing our financial status and the use of our resources during FY 2025.

The AFR includes the results of the independent audit of the NRC's financial statements. I am pleased to share that for over 20 consecutive

years, we have received an unmodified (clean) opinion, providing reasonable assurance that the financial statements are reported fairly, in all material respects, and in accordance with U.S. Generally Accepted Accounting Principles. The message from the Chief Financial Officer in the AFR underscores progress made to improve financial management.

The NRC is a safety regulator dedicated to the effective and efficient licensing and oversight of the Nation's operating power, research, and test nuclear reactors. The agency also maintains regulatory oversight of nuclear reactors in various stages of decommissioning. The NRC reviews all safety aspects of new reactor designs, siting, and construction. Further, the agency focuses on the safe and secure use of nuclear materials in the energy, medical, educational, and industrial sectors through effective regulatory oversight of fuel facilities, uranium recovery sites, decommissioning sites, spent nuclear fuel sites, and nuclear material users.

The NRC is committed to good governance and the prudent management of its resources. Based on assessments the agency conducted consistent with the *Federal Managers' Financial Integrity Act of 1982* (FMFIA), and Office of Management and Budget (OMB) Circular A-123 Appendix A, I have concluded the NRC is able to provide an unmodified statement of assurance that the internal control and financial management systems meet the objectives of the FMFIA. There is reasonable assurance the agency is in substantial compliance with all requirements pertaining to internal control including laws, regulations, program management, resource management, and information technology. The financial and summary performance data published in this report are complete, accurate, reliable, and timely, in accordance with the *Reports Consolidation Act of 2000* and OMB Circular A-136, "Financial Reporting Requirements." Additionally, I have concluded that the agency is in substantial compliance with the *Federal Financial Management Improvement Act of 1996*, based on the NRC's implementation of OMB Circular A-123, Appendix D requirements.

The performance and dedication of NRC employees in achieving the agency's safety and security goals is evident. As an agency, we look forward to continuing to provide the high-quality service the American people have come to expect from us.

David A. Wright  
Chairman



## **Chapter 1: Management's Discussion and Analysis**

### 2025 marks 50 Years of Nuclear Regulation by the NRC

On October 9, 2024 - a crisp fall day - the NRC celebrated its 50th anniversary, marking decades of leadership in nuclear safety. The event featured reflections from distinguished speakers, including current and former chairs and commissioners, who discussed the NRC's evolution, challenges, and significant contributions to both the United States and the global nuclear community. This anniversary reminds us of the NRC's critical role in shaping a safe and sustainable nuclear future.

Looking ahead to the next 50 years, the NRC's focus will remain on innovation, adaptability, and maintaining the highest safety standards for both traditional and advanced nuclear technologies. The celebration not only reflected on the agency's past but also inspired a forward-looking commitment to safeguarding public health and safety while supporting the continued advancement of nuclear energy.

More information from the anniversary event is available in the YouTube video linked here: <https://youtu.be/KuOK7yZhP2g>

In addition, you can also browse the Moments in NRC History video series on the NRC's YouTube Channel linked here: [www.youtube.com/@NRCgovVideo](https://www.youtube.com/@NRCgovVideo)



### Mission

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

### Vision

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

To be successful, the NRC must not only excel in carrying out its mission but must do so in a manner that engenders the trust of the public and stakeholders. The Principles of Good Regulation—**independence, openness, efficiency, clarity, and reliability**—guide the agency. They affect how the NRC reaches decisions on safety, security, and the environment; how the NRC performs administrative tasks; and how its employees interact with each other as well as with external stakeholders. By adhering to these principles, the NRC maintains its regulatory competence, conveys that competence to stakeholders, and promotes trust in the agency. The agency puts these principles into practice with effective, realistic, and timely actions.

<b>Principles of Good Regulation</b>	
<b>Independence:</b>	<i>Nothing but the highest possible standard of ethical performance and professionalism should influence regulation.</i>
<b>Openness:</b>	<i>Nuclear regulation is the public's business, and it must be transacted publicly and candidly.</i>
<b>Efficiency:</b>	<i>The highest technical and managerial competence is required and must be a constant agency goal.</i>
<b>Clarity:</b>	<i>Regulations should be coherent, logical, and practical. Agency positions should be readily understood and easily applied.</i>
<b>Reliability:</b>	<i>Regulations should be based on the best available knowledge from research and operational experience.</i>

### 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 protect public health and safety and advance the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment. The agency regulates civilian nuclear power plants and other nuclear facilities, as well as other uses of nuclear materials. These other uses include nuclear medicine programs at hospitals; academic activities at educational institutions; research work; industrial applications, such as gauges and testing equipment; and the transport, storage, and disposal of nuclear materials and wastes. Additional information about the NRC is available in the Information Digest at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1350/>.

NRC Headquarters is located in Rockville, Maryland. The agency Operations Center in the headquarters building coordinates communications with NRC licensees, State agencies, and other Federal agencies. This center is the focal point for assessing and responding to operating events in the industry. NRC operations officers staff the Operations Center 24 hours a day, 7 days a week. The agency also has four regional offices located in King of Prussia, Pennsylvania; Atlanta, Georgia; Naperville, Illinois; and Arlington, Texas. The regional offices allow the agency to work closely with the agency's licensees to ensure safety. The NRC also employs at least two resident inspectors at each of the Nation's nuclear power reactor, new reactor, and fuel fabrication sites.

### NRC REGIONS



Region I  
King of Prussia, PA



Region II  
Atlanta, GA



Region III  
Naperville, IL



Region IV  
Arlington, TX



Technical Training Ctr.  
Chattanooga, TN

### Program Performance Overview

The NRC protects public health and safety and advances the nation's common defense and security by enabling the safe and secure use and deployment of civilian nuclear energy technologies and radioactive materials through efficient and reliable licensing, oversight, and regulation for the benefit of society and the environment. The agency works to prevent or minimize the outcomes tracked by the safety and security performance indicators. Therefore, the trends for progress on the agency's strategic goals and objectives are to be at either zero or very low levels.

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

### Strategic Goals, Objectives and Results

In FY 2025, the NRC continued to pursue the strategic goals outlined in the FY 2022 – 2026 Strategic Plan (available to view at <https://www.nrc.gov/reading-rm/doc-collections/nuregs/staff/sr1614/v8/index>) with a focus on ensuring the safe and secure use of radioactive materials. This goal is further subdivided into 3 strategic objectives, which include maintaining high-quality licensing and oversight, ensuring regulatory frameworks support safety and security, and sustaining emergency preparedness. The NRC's performance framework emphasizes risk-informed regulation, efficient licensing decisions, data-driven decision-making, and continuous improvement, with input and outcome measures tracked across all business lines to assess progress and inform strategic adjustments.

While final review and analysis is currently underway, the agency expects that the strategic goals were successfully met in FY 2025. The NRC's ongoing commitment to excellence in regulatory oversight, streamlined licensing processes, and efficient review of new nuclear reactor technologies will be reflected, with the detailed results, in the FY 2025 Agency Performance Report, scheduled for publication in 2026, and available at <https://www.nrc.gov/about-nrc/plans-performance#annual>.

### Future Challenges

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

#### Market Forces

Many market forces affect the nuclear industry. These can affect the business operations of facility operators and license applicants subject to NRC jurisdiction and therefore the workload before the agency. The NRC must be prepared with the regulatory infrastructure to continue to provide reasonable assurance of the safety and security of operating facilities and to support areas such as decommissioning of nuclear power plants, changes in exports and imports, and licensing of new technologies and facilities.

#### Globalization and Development of Nuclear Technology

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

#### Incidents

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

### Legislative and Executive Branch Actions

Congressional or Executive Branch actions may affect the NRC's regulatory responsibilities, and strategies to comply with new direction would be needed.

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

The ADVANCE Act was signed into law on July 9, 2024. The Act contains a variety of requirements relevant to the NRC. They address a wide range of NRC activities, such as the NRC's budgeting process, recruitment and retention of the NRC workforce, reduced fee rates for advanced nuclear reactor applicants and pre-applicants, the regulatory framework for advanced reactors and fusion technology, as well as strategies to enhance the NRC's efficient, timely, and predictable reviews of license applications. The Act also provides for a number of reports to Congress.

The NRC's Office of the Executive Director for Operations (OEDO), in partnership with other NRC offices, is coordinating the implementations of the provisions in the ADVANCE Act and the development and submission of reports to Congress.

#### International Treaties and Conventions

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

#### Workforce Dynamics

The agency's most valuable resource is its staff, and its ability to recruit, hire, train, motivate, and retain qualified staff in a competitive job market is critical to meeting its strategic goals. The agency must also maintain a high-performing, diverse, engaged, and flexible workforce supported by a healthy organizational culture with a focus on safety, security, and continuous improvement to meet mission needs. This will require the NRC to better understand and meet the needs of its employees and become a more flexible and agile organization.

#### Information Technology Advances

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

### Source of Funds

#### Appropriations

The NRC receives two appropriations: (1) Salaries and Expenses and (2) the Office of the Inspector General (OIG). For FY 2025, the NRC received total appropriations of \$944,087 thousand, which included \$928,318 thousand for the Salaries and Expenses appropriation and \$15,769 thousand for the OIG.

The Salaries and Expenses appropriation is available until expended. This includes a provision that not more than \$10,400 thousand be made available for the Office of the Commission; these funds are available for that purpose for 2 years. After that date, the remaining funds that have not been obligated for the Office of the Commission are available until expended as part of the Salaries and Expenses appropriation.

The OIG receives a 2-year appropriation, which includes \$1,500 thousand in funding for Inspector General services provided to the Defense Nuclear Facilities Safety Board.

### Total Budgetary Resources

The total budgetary resource available for the NRC to expend in FY 2025 was \$1,069,846 thousand and included \$944,087 thousand from current-year appropriations, \$100,216 thousand from prior-year appropriations, \$22,018 thousand from recoveries of prior-year obligations, and \$3,525 thousand from spending authority from offsetting collections.

**Table 1 Total Budgetary Resources (in Thousands)**

For the fiscal year ended September 30,	2025
<b>Appropriations</b>	
Salaries and Expenses	\$ 928,318
Office of the Inspector General	15,769
<b>Total Appropriations</b>	<b>944,087</b>
<b>Other Budgetary Resources</b>	
Unobligated balance from prior-year budget authority, brought forward October 1	100,216
Recoveries of prior-year obligations	22,018
Spending Authority from Offsetting Collections	3,525
<b>Total Other Budgetary Resources</b>	<b>125,759</b>
<b>Total NRC Budgetary Resources</b>	<b>\$ 1,069,846</b>

## Fee Collection Offset of Appropriations

The Nuclear Energy Innovation and Modernization Act (NEIMA) requires the NRC to recover, to the maximum extent practicable, approximately 100 percent of its annual budget less certain amounts excluded

from the fee-recovery requirement. Funds equal to fees collected are transferred to the NRC's two appropriations, and the U.S. Department of the Treasury (Treasury) issues a negative warrant in the amount of the fee transfer to reduce the NRC's appropriations.

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

For the fiscal year ended September 30,	2025
Reactor Fees Collected	\$ 714,021
Material Fees Collected	105,541
Nuclear Waste Fund	—
Treasury General Fund	124,525
Total Sources of Funds	\$ 944,087

## Analysis of the Financial Statements

Chapter 2 presents the NRC's financial statements, accompanying notes, and required supplementary information. The independent auditors issued an unmodified opinion on the financial statements and an unmodified opinion on internal controls over financial reporting for the fiscal year that ended September 30, 2025. Additionally, the independent auditors found no reportable instances of noncompliance with laws and regulations.

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

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

## Chapter 1 · Management's Discussion and Analysis

**Table 3 Key Measures (in Thousands)**

For the fiscal year ended September 30,	2025
<b>Nuclear Reactor Safety</b>	\$ 808,434
<b>Nuclear Materials and Waste Safety</b>	228,081
<b>Less Earned Revenue (License Fees)</b>	<b>819,562</b>
<b>Net Cost of Operations</b>	\$ 216,953
<b>Assets:</b>	
Fund Balance with Treasury	\$ 356,340
Accounts Receivable, Net	60,334
Advances and Prepayments	2,471
Property, Plant and Equipment, Net	31,660
<b>Total Assets</b>	<b>\$ 450,805</b>
<b>Liabilities:</b>	
Accounts Payable	\$ 26,265
Federal Employee Benefits	62,179
Other Liabilities	17,951
<b>Total Liabilities</b>	<b>106,395</b>
<b>Net Position (Assets minus Liabilities)</b>	<b>\$ 344,410</b>

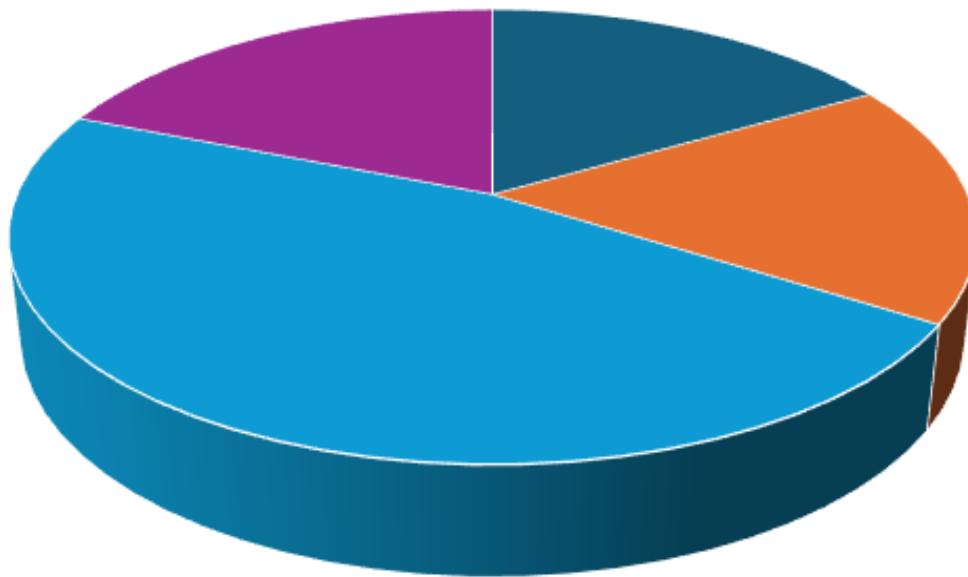
### Analysis of Gross Costs

The NRC's total gross costs were \$1,036,515 thousands of dollars for FY 2025. The gross costs for the Nuclear Materials and Waste Safety program were \$228,081 thousands and the gross costs for the Nuclear Reactor Safety program were \$808,434 thousands. The following table breaks it down further by various fee categories within the major programs.

**Table 4 Nuclear Material and Waste Safety Gross Costs (in Thousands)**

For the fiscal year ended September 30,	2025
Decommissioning and Low-Level Waste	\$ 37,564
Fuel Facilities	38,798
High-Level Waste	7
Nuclear Materials Users	109,052
Spent Fuel Storage and Transportation	42,660
<b>Total</b>	<b>\$ 228,081</b>

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

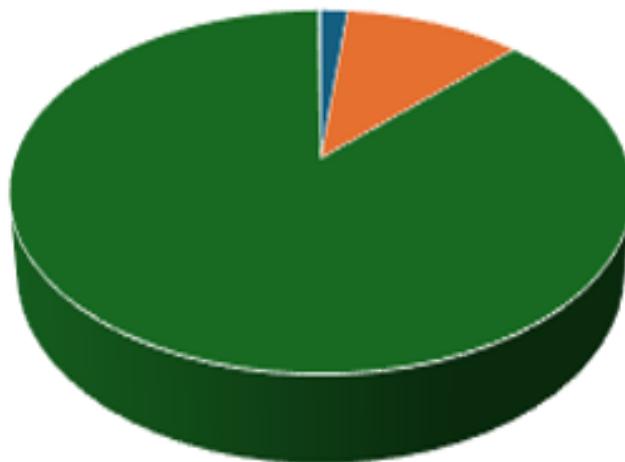


- Decommissioning and Low-Level Waste
- Fuel Facilities
- High-Level Waste
- Nuclear Materials Users
- Spent Fuel Storage and Transportation

**Table 5 Nuclear Reactor Safety Gross Costs (in Thousands)**

For the fiscal year ended September 30,	2025
Advanced Reactors	\$ 13,556
New Reactors	89,238
Operating Reactors	704,423
Corporate Support/Other	845
Waste Incidental to Reprocessing	372
<b>Total</b>	<b>\$ 808,434</b>

**Nuclear Reactor Safety Gross Costs (Data in Thousands)**



- Advanced Reactors
- New Reactors
- Operating Reactors
- Corporate Support/Other
- Waste Incidental to Reprocessing

# Analysis of Systems, Controls, and Legal Compliance

## Federal Managers' Financial Integrity Act of 1982

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

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

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

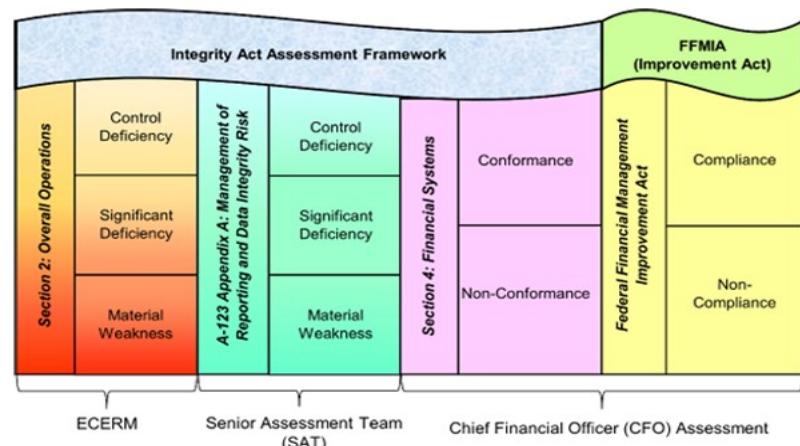
## Enterprise Risk Management and Programmatic Internal Control

Enterprise Risk Management (ERM) provides a holistic, portfolio view of organizational risks and challenges that offers better insight into how to most effectively prioritize resource allocations to ensure successful mission delivery. OMB Circular A-123, "Management's Responsibility for Enterprise Risk Management and Internal Control," provides Federal agencies guidance on how to comply with the FMFIA and requires Federal managers to effectively manage risks that may impact agencies in meeting their strategic objectives. The NRC's ERM Framework meets OMB requirements.

Each year, the NRC has continually matured its ERM Framework. In FY 2021, the OIG conducted an audit of the NRC's implementation of the ERM process. The report (OIG-21-A-16) was issued in September 2021 and included eight recommendations to improve the overall alignment of the NRC's ERM to the guidance provided in OMB Circular A-123. As of September 30, 2025, all the audit recommendations have either been deemed resolved by the OIG or are actively being implemented by the NRC.

A principal component of ERM is Internal Control, which the U.S. Government Accountability Office (GAO) in GAO-14-704G, "Standards for Internal Control in the Federal Government," (Green Book) defines as "a process effected by an entity's oversight body, management, and other personnel that provides reasonable assurance that the objectives of an entity will be achieved." During FY 2025, the GAO issued an updated Green Book (GAO-25-107721), effective beginning with FY 2026. The NRC is proactively planning implementation of the updated standards, which emphasize preventive control activities and management's responsibility for internal control at all levels.

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



**Figure 1**  
**The NRC's FMFIA Governance Framework**

The other members that comprise the ECERM are senior executives from the Office of the Executive Director for Operations and the Chief Information Officer. The agency's General Counsel, Inspector General, and the agency's Internal Control Team Leader serve as advisory members. The SAT membership includes senior executives from the Office of the Chief Financial Officer (OCFO) as well as senior officials from the agency's corporate support product lines (i.e., the Chief Human Capital Officer, the Chief Information Officer, and the Director of the Office of Administration, who oversees the agency's Division of Acquisitions).

The ECERM assessed the agency's programmatic operations, financial systems, and internal control over reporting and found there is reasonable assurance that NRC internal control is achieving its intended results. The ECERM voted to recommend that the Chairman sign the agency's Statement of Assurance (see Figure 2).

## FMFIA Results

As required by section 2 of the FMFIA and under the guidance established in OMB Circular A-123, all NRC business line leads and corporate support product lines certified that, as of September 30, 2025, there was reasonable assurance that internal control was in place producing intended results. Based on management's certification of reasonable assurance, the NRC can provide a statement of assurance that its internal control met the objectives of the FMFIA and conforms to Government-wide standards.

## Chapter 1 · Management's Discussion and Analysis

U.S. NUCLEAR REGULATORY COMMISSION  
FISCAL YEAR 2025  
STATEMENT OF ASSURANCE

The U.S. Nuclear Regulatory Commission's (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 of 1982* (FMFIA). The NRC is able to provide an unmodified statement of assurance that the internal control and financial management systems meet the objectives of the FMFIA.

The NRC conducted its assessment of the agency's overall system of internal control and Enterprise Risk Management (ERM) in accordance with the Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control* (Circular A-123) guidelines. Based on the results of this evaluation, NRC can provide reasonable assurance that its internal control over programmatic operations, as well as its ERM efforts, are in compliance with applicable laws and guidance, as of September 30, 2025.

In addition, the NRC conducted its assessment of the effectiveness of internal control over reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of the evaluation, the NRC can provide reasonable assurance that its internal control over reporting as of September 30, 2025, was operating effectively, and no material weaknesses were identified.

In accordance with the requirements of the *Federal Financial Management Improvement Act of 1996* and Circular A-123 guidance, the Chief Financial Officer reviewed audit reports and other sources of information, and as of September 30, 2025, can provide reasonable assurance that NRC's financial systems substantially comply with Federal financial system requirements, applicable Federal accounting standards, and the U.S. Department of Treasury standard general ledger at the transaction level.



David A. Wright  
Chairman  
U.S. Nuclear Regulatory Commission

**Figure 2 FY 2025 Statement of Assurance**

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

#### Management of Reporting and Data Integrity Risk (Appendix A)

The NRC conducted its assessment of the effectiveness of internal control over reporting, which includes safeguarding of assets and compliance with applicable laws and regulations, in accordance with the requirements of Appendix A of OMB Circular A-123. Based on the results of the evaluation, the NRC can provide reasonable assurance that its internal control over reporting as of September 30, 2025, was operating effectively, and no material weaknesses were found in the design or operation of the internal control over reporting.

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

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

#### Requirements for Payment Integrity Improvement (Appendix C)

In accordance with the *Payment Integrity Information Act of 2019* (PIIA), the NRC conducts a risk assessment to determine whether any programs are susceptible to making significant improper payments on a triennial basis. The NRC conducted the latest risk assessment in FY 2023.

The FY 2023 risk assessment did not identify any programs that were susceptible to making significant improper payments. Although the results of the FY 2023 risk assessment identified programs as low risk, the NRC continues to monitor its payment processes, in addition to conducting periodic reviews of key controls for PIIA programs if identified by management. The NRC will continue to conduct a risk assessment on a triennial basis, in accordance with PIIA and OMB guidance. The next NRC PIIA risk assessment will take place in FY 2026. In addition, the NRC will conduct additional risk assessments, as needed, if there are material changes in program operations or if the NRC establishes new programs.

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

### Federal Financial Management Improvement Act of 1996

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

### Improvement Act Results

In FY 2025, the agency implemented the following financial system functionalities to improve the accuracy, reliability, and transparency of Federal financial information, as required by the FFMIA.

- **Automatic Recoveries** - Established an automated Actual Recoveries process eliminated the need to manually post prior-year de-obligations as Recovery Withdrawn amounts in the prior-year budget and as Actual Recovery amounts in the current fiscal year budget.
- **Tie Point Financial Reporting** - Incorporating Tie Points system functionality reduces manual reconciliation by verifying general ledger account synchronization and identifying discrepancies before financial reports are generated.
- **Treasury Central Accounting Reporting System (CARS) Reconciliation Automation** - A systemic automated process reconciles the agency's financial system reporting with Treasury CARS by document/schedule number, fund, and amount for collections, commercial payments, grants, and intra-governmental payment and collections transactions. This automation reduces reconciliation time by roughly 96 percent, cutting a 4 hour task down to minutes.

### Digital Accountability and Transparency Act of 2014

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

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

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

### Financial Management Systems Strategies

In FY 2025, the agency established an enterprise IT strategic roadmap that aligns with the CFO's 5 year Future of Finance Initiative. Developed in close collaboration with business leads and agency leadership, the roadmap outlines future funding needs, federally mandated requirements, emerging technologies, and key system implementation and retirement activities. This comprehensive blueprint now serves as a foundational guide for modernizing financial operations and positioning the agency to meet evolving mission and compliance demands.

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

Financial Management Systems at the NRC include:

- **Budget Formulation System (BFS)** - A FedRAMP SaaS Cloud platform (Oracle Enterprise Performance Management) that contains a series of modules to provide development, formulation, forecasting, operating and planning of the NRC's budget formulation, commitment planning, acquisition spend planning, salaries and benefits forecasting and staffing planning business processes.
- **Cost Activity Code System (CACS)** - A NRC customized solution for planning, scheduling, conducting, reporting, and analyzing of cost activities (CACs) and enterprise project identifiers (EPIDs) performed by NRC staff. The CACS system supports the HRMS and HRMS Cloud systems by providing NRC staff employee time and labor assignments.
- **eBilling** - The NRC's customized web-based licensee fee billing invoicing and payment solution. The eBilling platform is housed in CGI Federal Inc. FedRAMP Infrastructure as a Service (IaaS) environment. Licensees gain access to the system to perform various license fee billing activities which include Part 170 and Part 171 invoices, Small Entity Adjustment requests and estimated cost accruals.
- **Financial Accounting and Integrated Management Information System (FAIMIS)** - The NRC's core financial accounting capabilities and authoritative source for budget execution and fees billing. FAIMIS also supports accounting for assets, liabilities, fund balances, revenues, and expenses, in accordance with applicable Federal standards (FASAB, Treasury, OMB, GAO, etc.).
- **HCM Cloud for Time & Labor (HCMTL)** - The agency's time and labor system supports the submission, approval, and adjustment of employees' hours, as well as management of time, attendance, leave, and payroll processing. Oracle Human Capital Management (HCM) Cloud is a FedRAMP cloud-based global HR, talent and workforce management solution suite.
- **Workiva Platform** - Workiva is a cloud-based platform that provides software solutions for data management, financial reporting, and compliance. The company is particularly known for its tools that help organizations streamline processes related to financial reporting, auditing, risk management, and regulatory compliance.

### Prompt Payment

*The Prompt Payment Act of 1982*, as amended, requires Federal agencies to make timely payments to vendors for supplies and services, to pay interest penalties when payments are made after the due date, and to take cash discounts when they are economically justified. In FY 2025, the NRC paid 99 percent of the 4,214 invoices subject to the Prompt Payment Act on time.

### Debt Collection

*The Debt Collection Improvement Act of 1996* enhances the ability of the Federal Government to service and collect debts. The agency's goal is to maintain the level of delinquent debt owed to the NRC at year-end to less than 1 percent of its annual billings. The NRC met this goal. At the end of FY 2025, delinquent debt was \$6,300 thousand or less than 1 percent of annual billings.

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

### Biennial Review of User Fees

The NRC conducts a biennial review of fees, royalties, rents, and other charges imposed by the agency and revises fees as appropriate to recover program and administrative costs incurred, as required by the *Chief Financial Officers Act of 1990*. The NRC has conducted the following reviews during the current biennial cycle:

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

On June 24, 2025, the NRC issued a final rule in the *Federal Register* (FR) amending the licensing, inspection, special project, and annual fees charged to its applicants and licensees. These amendments are necessary to implement NEIMA, which requires the NRC to recover, to the maximum extent practicable, approximately 100 percent of its annual budget less certain amounts excluded from this fee-recovery requirement.

The FY 2025 rule can be found at <https://www.federalregister.gov/documents/2025/06/24/2025-11544/fee-schedules-fee-recovery-for-fiscal-year-2025>.

By law, NEIMA requires the following appropriated amounts be excluded from the fee-recovery requirement: any type of fee-relief activity as identified by the Commission, generic homeland security activities, waste incidental to reprocessing activities, Nuclear Waste Fund (NWF) activities, advanced reactor regulatory infrastructure activities, Inspector General services for the Defense Nuclear Facilities Safety Board (DNFSB), research and development at universities in areas relevant to the NRC's mission, and a nuclear science and engineering grant program.

Based on Public Law 119-4, the *Full-Year Continuing Appropriations and Extensions Act, 2025*, the final rule reflects a budget authority in the amount of \$944,087 thousand. After accounting for the fee-recovery exclusions and net billing adjustments, the NRC must recover approximately \$808,800 thousand in fees for FY 2025.

### Inspector General Act of 1978

The NRC has established and continues to maintain an excellent record in resolving and implementing OIG open audit recommendations. The status of these recommendations can be found at <https://www.nrc.gov/reading-rm/doc-collections/insp-gen>.

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

## A Message from the Chief Financial Officer



The fiscal year (FY) 2025 Agency Financial Report reflects the U.S. Nuclear Regulatory Commission's continued commitment to rigorous stewardship of public resources and excellence in mission execution. As outlined in Chapter 1, the agency successfully achieved all Safety and Security goals, reinforcing the NRC's unwavering focus on protecting the public health and safety. Chapter 2 provides the agency's financial statements and the independent auditor's report, and Chapter 3 offers additional information, including the Inspector General's assessment of the most significant management and performance challenges confronting the NRC.

I am pleased to present the NRC's FY 2025 financial statements. The independent auditor issued an unmodified opinion, concluding that the NRC's financial statements as of and for the year ended September 30, 2025, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles. The auditor further determined that the NRC maintained effective internal control over financial reporting and identified no reportable noncompliance with applicable laws, regulations, contracts, or grant agreements. These results underscore the agency's strong financial governance and its sustained commitment to transparency and accountability.

During FY 2025, the NRC advanced key financial management and system-modernization initiatives designed to strengthen operational efficiency and ensure optimal use of government resources in support of the agency's mission. Enhancing the core financial system through automated transaction reconciliation for the Central Accounting Reporting System reduced manual workload, accelerated reconciliation cycles, and improved the precision of financial data. These improvements strengthened the reliability of financial information that supports critical decision-making.

The NRC also contributed to government-wide efficiency efforts by supporting enhancements to the U.S. General Services Administration's Federal Procurement Data System and the SAM.gov socioeconomic interface. These upgrades streamlined procurement data processes, minimized duplicative entry, and improved data quality across acquisition operations. Additionally, the agency's ongoing implementation of the U.S. Department of the Treasury's G-Invoicing platform advanced standardized intra-governmental buy/sell processes, reduced processing delays, and increased the accuracy and timeliness of financial settlements.

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

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

*Christopher Carroll*

Christopher D. Carroll  
Acting Chief Financial Officer  
December 16, 2025

## Financial Statements

### Consolidated Balance Sheet (*In Thousands*)

As of September 30,	2025
<b>Assets</b>	
Intragovernmental Assets:	
Fund Balance with Treasury (Note 2)	\$ 356,340
Accounts Receivable, Net (Note 3)	3,930
Advances and Prepayments	2,401
Total Intragovernmental Assets	362,671
Other than Intragovernmental Assets:	
Accounts Receivable, Net (Note 3)	56,404
Property, Plant, and Equipment, Net (Note 4)	31,660
Advances and Prepayments	70
Total Other than Intragovernmental Assets	88,134
<b>Total Assets</b>	\$ 450,805
<b>Liabilities</b>	
Intragovernmental Liabilities:	
Accounts Payable	\$ 6,072
Other Liabilities (Note 5)	4,592
Total Intragovernmental Liabilities	10,664
Other than Intragovernmental Liabilities:	
Accounts Payable	20,193
Federal Employee Salary, Leave and Benefits Payable (Note 6)	62,179
Other Liabilities (Note 5)	13,359
Total Other than Intragovernmental Liabilities	95,731
<b>Total Liabilities</b>	106,395
<b>Net Position</b>	
Unexpended Appropriations	296,610
Cumulative Results of Operations	47,800
<b>Total Net Position</b>	344,410
<b>Total Liabilities and Net Position</b>	\$ 450,805

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

**Consolidated Statement of Net Cost (*In Thousands*)**

For the year ended September 30,	2025
<b>Nuclear Reactor Safety</b>	
Gross Costs	\$ 808,434
Less: Earned Revenue (Note 10)	(714,021)
<b>Net Cost of Nuclear Reactor Safety (Note 9)</b>	<b>94,413</b>
<b>Nuclear Materials and Waste Safety</b>	
Gross Costs	228,081
Less: Earned Revenue (Note 10)	(105,541)
<b>Net Cost of Nuclear Materials and Waste Safety (Note 9)</b>	<b>122,540</b>
<b>Net Cost of Operations</b>	<b>\$ 216,953</b>

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

### Consolidated Statement of Changes in Net Position (*In Thousands*)

For the year ended September 30,	2025
<b>Unexpended Appropriations</b>	
Beginning Balance	\$ 329,107
Adjustments	—
Beginning Balance, as Adjusted	329,107
Appropriations Received	131,550
Other Adjustments	(268)
Appropriations Used (Note 11)	(163,779)
Net Change in Unexpended Appropriations	(32,497)
<b>Total Unexpended Appropriations, Ending Balance</b>	<b>296,610</b>
<b>Cumulative Results of Operations</b>	
Beginning Balance	\$ 41,897
Change in Accounting Principles (Note 1A)	—
Beginning Balance, as Adjusted	41,897
Appropriations Used (Note 11)	163,779
Non-Exchange Revenue (Note 11)	(18)
Transfers-In/(Out) without Reimbursement	(300)
Imputed Financing (Note 11)	59,377
Other	18
<b>Net Cost of Operations</b>	<b>(216,953)</b>
<b>Net Change in Cumulative Results of Operations</b>	<b>5,903</b>
<b>Total Cumulative Results of Operations</b>	<b>\$ 47,800</b>
<b>Net Position</b>	<b>\$ 344,410</b>

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

### Combined Statement of Budgetary Resources (*In Thousands*)

For the year ended September 30,	2025
<b>Budgetary Resources</b>	
Unobligated Balance from Prior-Year Budget Authority, Net (Discretionary and Mandatory)	\$ 122,234
Appropriations (Discretionary and Mandatory)	944,087
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	3,525
<b>Total Budgetary Resources</b>	\$ 1,069,846
<b>Status of Budgetary Resources</b>	
New Obligations and Upward Adjustments (Total)	\$ 988,090
Unobligated Balance, End of Year	
Apportioned, Unexpired Accounts	75,066
Exempt from Apportionment, Unexpired Accounts	208
Unapportioned, Unexpired Accounts	3,014
Unexpired Unobligated Balance, End of Year	78,288
Expired Unobligated Balance, End of Year	3,468
Unobligated Balance, End of Year (Total)	81,756
<b>Total Status Budgetary Resources</b>	\$ 1,069,846
<b>Outlays, Net, and Disbursements, Net</b>	
Outlays, Net (Total) (Discretionary and Mandatory)	983,358
Distributed Offsetting Receipts (-)	(812,537)
<b>Agency Outlays, Net</b>	\$ 170,821

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

### Notes to the Financial Statements

(All tables are presented in thousands)

#### Note 1 – Summary of Significant Accounting Policies

##### A. Reporting Entity

The U.S. Nuclear Regulatory Commission (NRC) is a regulatory agency of the U.S. Federal Government that Congress created 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. Its purposes are defined by the *Energy Reorganization Act of 1974*, as amended, along with the *Atomic Energy Act of 1954*, as amended, which provide the foundation for regulating the Nation's civilian use of nuclear materials.

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

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

##### B. Basis of Presentation

The financial statements report the financial position and results of operations of the NRC as required by the *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994*. These financial statements were prepared from the books and records of the NRC in conformance with generally accepted accounting principles (GAAP) for Federal entities of the United States and the form and content for entity financial statements specified in OMB Circular A-136. GAAP for Federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB).

The FASAB has been recognized by the American Institute of Certified Public Accountants (AICPA) as the official accounting standard setting authority for the Federal government. These statements are different from the financial reports prepared by the NRC in compliance with OMB directives, which are used to monitor and control the NRC's use of budgetary resources.

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

### C. Budgets and Budgetary Accounting

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

Congress passed the *Full-Year Continuing Appropriations and Extensions Act, 2025*, funding NRC at the same level as in fiscal year 2024, including \$928,318 thousand for Salaries and Expenses (S&E) and \$15,769 thousand for the Office of the Inspector General (OIG). Not more than \$10,400 thousand of the S&E appropriation was made available for the costs of the Office of the Commission until September 30, 2026. The OIG appropriation specifies that \$1,500 thousand shall be for OIG services to the Defense Nuclear Facilities Safety Board. Total funding for the NRC, including OIG funding is \$944,087 thousand for FY 2025.

### D. Basis of Accounting

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

### E. Revenues and Other Financing Sources

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

1. Fees assessed to recover the NRC's costs of providing individually identifiable services to specific applicants and licensees under 10 CFR Part 170, "Fees for Facilities, Materials, Import and Export Licenses, and Other Regulatory Services under the *Atomic Energy Act of 1954, as Amended*," for licensing, inspection, and other services under the authority of the *Independent Offices Appropriation Act of 1952*.
2. Annual fees assessed for nuclear facilities and materials licensees under 10 CFR Part 171, "Annual Fees for Reactor Licenses and Fuel Cycle Licenses and Materials Licenses."

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

For accounting purposes, appropriations are recognized as a financing source (appropriations used) at the time goods and services are received. Periodically during the FY, appropriations recognized are reduced by the amount of assessed fees collected during the FY to the extent of new budget authority for the year. Collections that exceed 100 percent of the NRC's appropriation, excluding amounts appropriated for any fee-relief activity as identified by the Commission, generic homeland security activities, waste incidental to reprocessing activities, Nuclear Waste Fund activities, advanced reactor regulatory infrastructure activities, Inspector General services for the Defense Nuclear Facilities Safety Board, research and development at universities in areas relevant to the NRC's mission, and a nuclear science and engineering grant program, are held to offset subsequent years' appropriations. The NRC recognizes appropriated expenses over the useful life of property, plant and equipment as reflected by depreciation and amortization expense.

### **F. Fund Balance with Treasury**

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

### **G. Accounts Receivable**

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

### H. Non-Entity Activity

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

### I. Property, Plant and Equipment, Net

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

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

### J. Accounts Payable

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

### K. Liabilities Not Covered by Budgetary Resources

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

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

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

2. **Federal Employee Benefits.** Federal employee benefits represent the actuarial liability for estimated future FECA disability benefits. The DOL generates the future workers' compensation estimate from an application of actuarial procedures developed to estimate the liability for FECA, which includes the expected liability for death, disability, medical, and miscellaneous costs for approved compensation cases.
3. **Other.** This category includes the amount of accrued annual leave earned by the NRC employees, but not yet taken; and contingent liabilities which have the probable likelihood of an adverse outcome.

### L. Contingencies

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

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

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

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

### M. Annual, Sick and Other leave

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

### N. Retirement Plans

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

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

NRC employees make mandatory contributions to their federal retirement plans through payroll deductions as required by law. Employees who entered federal service before 1987 are covered under the Civil Service Retirement System (CSRS). The NRC withholds 7 percent of base pay earnings from CSRS participants, and the NRC matches this 7 percent contribution. Employees who entered federal service on and after January 1, 1987 but before January 1, 2013 are covered under the Federal Employee Retirement System (FERS). Under FERS, the NRC withholds 0.8 percent of base pay earnings and made employer contributions of 18.4 percent in 2025 for FERS participants. In accordance with Public Law 112-96, Section 5001 of the *Middle Class Tax Relief and Job Creation Act of 2012*, employees who entered federal service on and after January 1, 2013 but before January 1, 2014 are covered under the Federal Employee Retirement System – Revised Annuity Employees (FERS-RAE). Under FERS-RAE, the NRC withholds 3.1 percent of base pay earnings and made employer contributions of 16.5 percent in 2025. Employees who entered federal service on and after January 1, 2014 are covered under the Federal Employee Retirement System – Further Revised Annuity Employees (FERS-FRAE). Under FERS-FRAE, the NRC withholds 4.4 percent of base pay earnings and made employer contributions of 16.5 percent in 2025.

The Thrift Savings Plan (TSP) is a retirement savings and investment plan for employees belonging to either FERS or CSRS. The maximum percentage of base pay that an employee participating in FERS or CSRS may contribute is unlimited, but it is subject to the maximum contribution of \$23,500 in 2025. For employees participating in FERS, the NRC automatically contributes 1 percent of base pay to the employee's account and matches contributions up to an additional 4 percent. For employees participating in CSRS, the NRC does not match the contribution. The sum of the employees' and the NRC's contributions is transferred to the Federal Retirement Thrift Investment Board.

### O. Leases

The NRC has two types of leases: Lease Assets and Intragovernmental leases (Note 7):

Lease Assets: A lease, for purposes of applying Statement of Federal Accounting Standards (SFFAS) 54, is defined as a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration. In order to determine whether a contract or agreement conveys the right to control the use of the

underlying asset, a federal entity should assess whether the contract or agreement gives the lessee both of the following:

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

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

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

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

### P. Pricing Policy

The NRC provides nuclear reactor and materials licensing and inspection services to the public and other Government entities. In accordance with OMB Circular A-25, "Transmittal Memorandum #1, User Charges of 1993," and the *Independent Offices Appropriation Act of 1952*, the NRC assesses fees under 10 CFR Part 170 for licensing and inspection activities to recover the full cost of providing individually identifiable services.

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

### Q. Net Position

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

### R. Use of Management Estimates

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

### S. Statements of Net Cost

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

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

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

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

### T. Classified Activities

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

### Note 2 – Fund Balance with Treasury

As of September 30,	2025
<b>Status of Fund Balance with Treasury</b>	
Unobligated Balance	\$ 81,756
Obligated Balance not yet Disbursed	274,584
<b>Total</b>	<b>\$ 356,340</b>

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

### Note 3 – Accounts Receivable

As of September 30,	2025
<b>Intragovernmental</b>	
Fee Receivables and Reimbursements	\$ 3,930
<b>Other than Intragovernmental</b>	
Materials and Facilities Fees-Billed	5,415
Materials and Facilities Fees-Unbilled	51,705
Other	1,566
<b>Total Other than Intragovernmental</b>	<b>\$ 58,686</b>
Less: Allowance for Uncollectible Accounts	(2,282)
<b>Total Other than Intragovernmental, Net</b>	<b>\$ 56,404</b>
Total Accounts Receivable	\$ 62,616
Less: Allowance for Uncollectible Accounts	(2,282)
<b>Total Accounts Receivable, Net</b>	<b>\$ 60,334</b>

Refer to Note 1G, "Summary of Significant Accounting Policies", *Accounts Receivable* for more information.

### Note 4 – Property, Plant and Equipment, Net

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

For the year ended September 30,			2025
Balance Beginning of Year			\$ 29,355
Capitalized Acquisitions			10,888
Dispositions			—
Depreciation & Amortization Expense			(8,583)
Other			—
<b>Balance at End of Year</b>			<b>\$ 31,660</b>

In accordance with SFFAS No. 44, "Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use," the NRC repairs or replaces lease assets as required and does not recognize impairment losses. Refer to Note 11, "Summary of Significant Accounting Policies", *Property and Equipment* for more information.

### Note 5 – Other Liabilities

As of September 30,	2025
<b>Intragovernmental Liabilities</b>	
Liability to the U.S. Treasury General Fund for Misc. Receipts	\$ 105
Liability for Advances from Other Agencies	18
Accrued Workers' Compensation	644
Accrued Unemployment Compensation	4
Employee Benefit Contributions	3,821
Other Liabilities	—
<b>Total Intragovernmental Liabilities</b>	<b>\$ 4,592</b>
<b>Other than Intragovernmental Liabilities</b>	
Actuarial FECA Liability	\$ 2,178
Contract Holdbacks, Advances, Capital Lease Liability, and Other Contingent Liabilities	4,419
Grants Payable	6,762
<b>Total Other than Intragovernmental Liabilities</b>	<b>\$ 13,359</b>
<b>Total Other Liabilities</b>	<b>\$ 17,951</b>

**Note 6 – Liabilities Not Covered by Budgetary Resources**

As of September 30,	2025
<b>Intragovernmental</b>	
FECA Paid by DOL	\$ 644
Accrued Unemployment Compensation	4
<b>Federal Employee Benefits</b>	
Accrued Salaries and Benefits	11,647
Employer Contributions & Payroll Taxes Payable	549
Accrued Annual Leave	49,983
<b>Other</b>	
Contingent Liabilities	—
Other Liabilities	—
<b>Total Liabilities Not Covered by Budgetary Resources</b>	<b>\$ 62,827</b>
<b>Total Liabilities Covered by Budgetary Resources</b>	<b>43,568</b>
<b>Total Liabilities</b>	<b>\$ 106,395</b>

For more information, refer to Note 1K.

**Note 7 – Leases**

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

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

These federal leases are intragovernmental leases and are expensed in the Consolidated Statement of Net Cost when incurred. FY 2025 lease expenses were \$28,198 thousand. The lease amounts include \$165 thousand for FY 2025 in vehicle lease expenses.

### Note 8 – Contingencies

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

#### Probable Likelihood of an Adverse Outcome:

As of September 30, 2025, the NRC is not involved in any case whose likelihood of an adverse outcome is probable.

#### Reasonably Possible Likelihood of an Adverse Outcome:

As of September 30, 2025, the NRC was involved in two cases that have a combined reasonably possible amount of \$382 thousand and an upper range of \$1,100 thousand and a third case that has an undetermined amount of potential loss.

### Note 9 – Suborganization Program Costs

For the year ended September 30,	2025
<b>Nuclear Reactor Safety</b>	
Intragovernmental Gross Costs	\$ 242,139
Less: Intragovernmental Earned Revenue	(53,434)
Intragovernmental Net Costs	188,705
Other than Intragovernmental Gross Costs	566,295
Less: Other than Intragovernmental Earned Revenues	(660,587)
Other than Intragovernmental Net Costs	(94,292)
<b>Total Net Cost of Nuclear Reactor Safety</b>	\$ 94,413
<b>Nuclear Materials and Waste Safety</b>	
Intragovernmental Gross Costs	\$ 67,717
Less: Intragovernmental Earned Revenue	(8,514)
Intragovernmental Net Costs	59,203
Other than Intragovernmental Gross Costs	160,364
Less: Other than Intragovernmental Earned Revenues	(97,027)
Other than Intragovernmental Net Costs	63,337
<b>Total Net Cost of Nuclear Materials and Waste Safety</b>	\$ 122,540

Nuclear Reactor Safety and Nuclear Materials and Waste Safety represent the NRC's two major programs as identified in the NRC Strategic Plan.

### Note 10 – Exchange Revenues

For the year ended September 30,	2025
Fees for Licensing, Inspection, and Other Services	\$ 813,825
Revenue from Reimbursable Work	5,737
<b>Total Exchange Revenues</b>	<b>\$ 819,562</b>

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

### Note 11 – Financing Sources Other Than Exchange Revenue

For the year ended September 30,	2025
<b>Appropriations Used</b>	
Collections are Used to Reduce the FY's Appropriations:	
Funds Consumed	\$ 976,022
Less: Collection of Fees Assessed	(812,237)
Less: Nuclear Waste Fund Expense	(6)
<b>Total Appropriations Used</b>	<b>\$ 163,779</b>

Funds consumed include \$74,646 thousand through September 30, 2025 of available funds from prior years. Current year funds consumed were \$901,375 thousand through September 30, 2025.

For the year ended September 30,	2025
<b>Non-Exchange Revenue</b>	
Civil Penalties	\$ 237
Miscellaneous Receipts	(255)
<b>Non-Exchange Revenue</b>	<b>(18)</b>
Contra-Revenue	18
<b>Total Non-Exchange Revenue, Net of Funds Returned to the U.S. Treasury</b>	<b>\$ —</b>

For the year ended September 30,	2025
<b>Imputed Financing</b>	
Civil Service Retirement System	\$ 1,347
Federal Employees Retirement System	30,295
Federal Employee Health Benefit	26,435
Federal Employee Group Life Insurance	88
Judgments/Awards	1,212
<b>Total Imputed Financing</b>	<b>\$ 59,377</b>

### Note 12 – Status of Budgetary Resources

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

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

For the years ended September 30,	2025
Unobligated Balance, Brought Forward, October 1	\$ 86,431
Actual Recoveries of Prior Year Unpaid Obligations	35,357
Canceled Authority	(268)
Other Changes in Unobligated Balance, Net	714
<b>Unobligated Balance from Prior Year Budget Authority, net</b>	<b>\$ 122,234</b>

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

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

The NRC does not have any material differences between the budgetary resources reported on the SBR for FY 2024 and the FY 2024 actuals in the proposed President’s Budget for FY 2026. The reconciliation was based on actual numbers for FY 2024 because the Budget of the United States (also known as the President’s Budget) was not published at the time that these financial statements were issued.

The NRC reconciled the amounts of the FY 2024 Combined Statement of Budgetary Resources to the actual amounts for FY 2024 from the Appendix in the FY 2026 President’s Budget for budgetary resources, new obligations and upward adjustments, distributed offsetting receipts, and net outlays.

For the period ended September 30, 2024	Budgetary Resources	New Obligations & Upward Adjustments	Distributed Offsetting Receipts	Outlays (Net)
Combined Statement of Budgetary Resources	\$ 1,094,981	\$ 1,008,550	\$ (800,763)	\$ 960,311
Spending Authority from Offsetting Collections	(6,131)	—	—	—
Unobligated Balance Beginning of Period	(144,763)	—	—	—
<b>Budget of the U.S. Government</b>	<b>\$ 944,087</b>	<b>\$ 1,008,550</b>	<b>\$ (800,763)</b>	<b>\$ 960,311</b>

The FY 2025 actual budgetary resources numbers will be available in the FY 2027 President’s Budget which is expected to be published in 2026, and will be available on the OMB Web site <https://www.whitehouse.gov/omb/> and through the U.S. Government Publishing Office.

**Note 13 – Reconciliation of Net Costs to Net Outlays**

For the period ended September 30, 2025

	Intragovernmental	Other than Intragovernmental	Total
<b>Net Cost</b>	\$ 247,906	\$ (30,953)	\$ 216,953
<b>Components of Net Cost That Are Not Part of Net Outlays:</b>			
Property, Plant, and Equipment Depreciation	—	(8,584)	(8,584)
<b>Increase/(Decrease) in Assets:</b>			
Accounts Receivable, Net	179	(19)	160
Other Assets	(883)	(1)	(884)
<b>(Increase)/Decrease in Liabilities:</b>			
Accounts payable	6,801	\$ (686)	6,115
Salaries and Benefits	—	880	880
Other Liabilities	(202)	4,554	4,352
<b>Other Financing sources:</b>			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(59,376)	\$ -	(59,376)
<b>Total Components of Net Cost That Are Not Part of Net Outlays</b>	<b>(53,481)</b>	<b>(3,856)</b>	<b>\$ (57,337)</b>
<b>Components of Net Outlays That Are Not Part of Net Cost</b>			
Acquisition of Capital Assets	—	10,888	10,888
<b>Financing Sources:</b>			
Transfers Out/(In) without Reimbursements	300	—	300
<b>Total Components of Net Outlays That Are Not Part of Net Cost</b>	<b>300</b>	<b>10,888</b>	<b>\$ 11,188</b>
<b>Misc. Items:</b>			
Distributed Offsetting Receipts	(812,537)	—	\$ (812,537)
Custodial/Non-Exchange Revenue	—	18	\$ 18
Non-Entity Activity	11	—	\$ 11
Prior Period Adjustment due to Change in Accounting Principles	—	—	\$ —
Appropriated Receipts for Trust/Special Funds	812,537	—	\$ 812,537
Other Reconciling Items	—	(12)	\$ (12)
<b>Total Other Reconciling Items</b>	<b>11</b>	<b>6</b>	<b>\$ 17</b>
<b>Net Outlays</b>	<b>\$ 194,736</b>	<b>\$ (23,915)</b>	<b>\$ 170,821</b>

### Note 14 – Financial Statements to Reclassified Financial Statements

To prepare the Financial Report of the U.S. Government (Financial Report), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the Financial Report statements. This note shows the NRC's financial statements and the NRC's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated Financial Report line items. A copy of the 2026 Financial Report can be found here: Bureau of the Fiscal Service - Reports, Statements & Publications (treasury.gov) and a copy of the 2027 Financial Report will be posted to this site as soon as it is released.

The term “intragovernmental” is used in this note to refer to amounts that result from other components of the Federal Government.

The term “non-Federal” is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments.

#### Statement of Net Cost to Reclassified Statement of Changes in Net Cost

For the period ended September 30, 2025			Line Items Used to Prepare the Government-wide SNC	
Financial Statement Line	Amount		Total (Consolidated)	Reclassified Financial Statement Line
			\$ 726,660	<b>Non-Federal Costs</b> Non-Federal Gross Costs
			726,660	<b>Total Non-Federal Costs</b>
				<b>Intragovernmental Costs</b>
Gross Costs	\$ 1,036,515		113,758	Benefits Program Costs
			59,376	Imputed Costs
			103,848	Buy/Sell Costs
			32,873	Other Expenses (w/o Reciprocals)
			309,855	<b>Total Intragovernmental Costs</b>
<b>Total Gross Costs</b>	<b>1,036,515</b>		<b>1,036,515</b>	<b>Total Reclassified Gross Costs</b>
Earned Revenue	819,562		757,613	Non-Federal Earned Revenue
				<b>Intragovernmental Revenue</b>
			61,949	Buy/Sell Revenue
			61,949	<b>Total Intragovernmental Earned Revenue</b>
<b>Total Earned Revenue</b>	<b>819,562</b>		<b>819,562</b>	<b>Total Reclassified Earned Revenue</b>
<b>Net Cost</b>	<b>\$ 216,953</b>		<b>\$ 216,953</b>	<b>Net Cost</b>

### Statement of Changes in Net Position to Reclassified Statement of Changes in Net Position

For the period ended September 30, 2025

FY 2025 NRC SNCP		Line Items Used to Prepare the Government-wide SNCP	
Financial Statement Line	Amount	Total (Consolidated)	Reclassified Financial Statement Line
Unexpended Appropriations			
Unexpended Appropriations, Beginning Balance	\$ 329,107	\$ 329,107	Unexpended Appropriations, Beginning Balance
Appropriations Received	131,282	131,282	Appropriations Received
Other Adjustments	—	—	— Other Adjustments
Appropriations Used	(163,779)	(163,779)	(163,779) Appropriations Used
<b>Total Unexpended Appropriations</b>	<b>\$ 296,610</b>	<b>\$ 296,610</b>	<b>Total Unexpended Appropriations</b>
Cumulative Results of Operations			
Cumulative Results, Beginning Balance	\$ 41,897	\$ 41,897	Cumulative Results, Beginning Balance
Changes in Accounting Principles	—	—	Changes in Accounting Principles
Non-Exchange Revenues	(18)	(18)	<b>Non-Federal Non-Exchange Revenues</b>
<b>Total Non-Exchange Revenues</b>	<b>(18)</b>	<b>(18)</b>	<b>Total Non-Exchange Revenues</b>
Transfers In/Out w/o Reimbursement - Budgetary	(300)	822,887 (822,887) (300)	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources (300) <i>Total Reclassified Transfers In/Out w/o Reimbursement - Budgetary (Federal)</i>
<b>Total Transfers In/Out w/o Reimbursement - Budgetary</b>	<b>(300)</b>	<b>(300)</b>	<b>Total Transfers In/Out w/o Reimbursement - Budgetary</b>
Other	18	(11) 29	(11) Other 29
<b>Total Other</b>	<b>18</b>	<b>18</b>	<b>Total Other</b>
Imputed Financing	59,377	59,377	Imputed Financing Sources
<b>Total Other &amp; Imputed Financing</b>	<b>223,156</b>	<b>223,156</b>	<b>Total Other &amp; Imputed Financing</b>
<b>Net Cost of Operations</b>	<b>(216,953)</b>	<b>(216,953)</b>	<b>Net Cost of Operations</b>
<b>Ending Balance - Cumulative Results of Operations</b>	<b>47,800</b>	<b>47,800</b>	<b>Cumulative Results of Operations</b>
<b>Total Net Position</b>	<b>\$ 344,410</b>	<b>\$ 344,410</b>	<b>Net Position</b>

NRC does not have funds from dedicated collections.

### Note 15 – Nuclear Waste Fund

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

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

1. A statute committing the Federal government to use specifically identified revenues and/or other financing sources that are originally provided to the Federal government by a non-federal source only for designated activities, benefits or purposes;
2. Explicit authority for the fund to retain revenues and/or other financing sources not used in the current period for future use to finance the designated activities, benefits, or purposes; and
3. A requirement to account for and report on the receipt, use, and retention of the revenues and/or other financing sources that distinguishes the fund from the Federal government's general revenues.

In 1982, Congress passed the *Nuclear Waste Policy Act of 1982* (Public Law 97-425) establishing the NWF to be administered by the DOE (42 U.S.C. 10222). For the NRC, the NWF transfer is a source of financing from other than non-Federal sources. The NRC collects no revenue on behalf of the NWF and has no administrative control over it. Furthermore, the Treasury has no separate fund symbol for the NWF under the NRC's agency location code. The receipt and expenditure of NWF funding is reported to the Treasury under the NRC's primary Salaries and Expenses Treasury Account Symbol (X0200).

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

<b>As of September 30,</b>	<b>2025</b>
Appropriations Received from NWF	\$ -
Expended Appropriations	\$ 6
Obligations Incurred	\$ 5
Unobligated Balances (includes recoveries of prior year obligations)	\$ 208

## Required Supplementary Information

### Deferred Maintenance and Repairs for Property, Plant and Equipment

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

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

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

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

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

### Defining and Implementing Maintenance and Repair Policies in Practice

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

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

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

### **Ranking and Prioritization of Maintenance and Repair Activities**

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

### **Factors Considered in Determining Acceptable Condition**

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

### Deferred Maintenance and Repairs for Information Technology Infrastructure and Systems

The NRC had no DM&R for IT Infrastructure and Systems as of September 30, 2025.

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

- End-user systems and support and end-user hardware includes desktop, laptop, and handheld devices; peripherals (local printers, shared printers); software (personal computer operating systems, office automation suites, messaging, and groupware), and hardware and software for help desks. Also included are network operations command centers, wire closets, and cable management. For regional offices, this includes regional end-user support similar to that provided by the Customer Support Center at the NRC Headquarters, which includes contract support and Federal full-time equivalent (FTE).
- Telecommunications services includes data networks and telecommunications (including wireless, multimedia, and local and long-distance telephone); hardware and software operations; licenses; maintenance; and backup, continuity of operations, and disaster recovery. For regional offices, this includes local telecommunications, which includes contract support and Federal FTE.
- Production operations include mainframes and servers (including Web hosting, but not Web content development and management), hardware and software operations, licenses, maintenance, backup, continuity of operations, and disaster recovery. Also included are resources related to carrying out Homeland Security Presidential Directive-12, which requires all Federal Executive departments and agencies to implement a Government-wide standard for secure and reliable forms of identification for access to Federal facilities and information systems.

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

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

### Defining and Implementing Maintenance and Repair Policies in Practice

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

### Ranking and Prioritization of Maintenance and Repair Activities

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

### Factors Considered in Determining Acceptable Condition

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

Combined Statement of Budgetary Resources *(In Thousands)*

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

### Inspector General's Letter Transmitting Independent Auditors' Report



#### MEMORANDUM

**DATE:** December 17, 2025

**TO:** David A. Wright  
Chairman

**FROM:** Robert J. Feitel  
Inspector General

**SUBJECT:** RESULTS OF THE INDEPENDENT AUDITOR'S REPORT  
OF THE U.S. NUCLEAR REGULATORY COMMISSION'S  
FINANCIAL STATEMENTS FOR FISCAL YEAR 2025  
(OIG-NRC-26-A-01)

ROBERT FEITEL Digitally signed by ROBERT FEITEL  
Date 2025.12.17 09:51:58 -05'00'

We contracted with the independent public accounting firm, Sikich LLP (Sikich), to audit the financial statements of the U.S. Nuclear Regulatory Commission (NRC) as of and for the fiscal year (FY) ended September 30, 2025, to provide an opinion on internal control over financial reporting and to report on compliance with laws and other matters, including whether the NRC's financial management systems complied substantially with the requirements of federal law. The contract required that the audit be performed in accordance with generally accepted government auditing standards, Office of Management and Budget audit guidance, and the *Financial Audit Manual* issued by the Government Accountability Office and the Council of Inspectors General on Integrity and Efficiency.

In its audit of the NRC, Sikich reported:

- The NRC's financial statements as of and for the fiscal year ended September 30, 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- The NRC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025; and,
- No reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

In connection with the contract, we reviewed Sikich's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with U.S. generally accepted government auditing

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nrcog.oversight.gov

standards, was not intended to enable us to express, and we do not express, opinions on the NRC's financial statements or internal control over financial reporting, or conclusions on compliance with applicable laws and other matters. Sikich is responsible for the attached Independent Auditor's Report, dated December 17, 2025, and the conclusions expressed therein. However, our review disclosed no instances where Sikich did not comply, in all material respects, with U.S. generally accepted government auditing standards.

We held an exit conference on December 11, 2025, with representatives of the Office of the Chief Financial Officer, the Office of the Inspector General, and Sikich to discuss the results of the audit. The Acting Chief Financial Officer concurred with the report.

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

Attachment:

As stated

cc:     Commissioner Crowell  
          Commissioner Marzano  
          Commissioner Nieh

### Independent Auditors' Report



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

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#### INDEPENDENT AUDITORS' REPORT

Inspector General  
United States Nuclear Regulatory Commission

Chairman  
United States Nuclear Regulatory Commission

In our audit of the fiscal year 2025 financial statements of the United States Nuclear Regulatory Commission (NRC), we found:

- The NRC's financial statements as of and for the fiscal year ended September 30, 2025, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America;
- The NRC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025; and,
- No reportable noncompliance for fiscal year 2025 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections contain:

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

#### REPORT ON THE AUDITS OF THE FINANCIAL STATEMENTS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

##### Opinion on the Financial Statements

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the NRC's financial position as of September 30, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.



### Opinion on Internal Control over Financial Reporting

We also have audited the NRC's internal control over financial reporting as of September 30, 2025, based on criteria established under 31 U.S.C. § 3512(c), (d), commonly known as the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

In our opinion, the NRC maintained, in all material respects, effective internal control over financial reporting as of September 30, 2025, based on criteria established under the FMFIA.

During our 2025 audit, we identified deficiencies in the NRC's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies.<sup>1</sup> Nonetheless, these deficiencies warrant the NRC management's attention. We have communicated these matters to the NRC management and, where appropriate, will report on them separately.

### Basis for Opinions

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

### Emphasis of Matter

The financial statements of the NRC as of and for the year ended September 30, 2024, were audited by us, and we expressed an unmodified opinion on those financial statements in our report dated November 12, 2024. Those financial statements are not presented herein. Management implemented a single-year financial statement presentation beginning in fiscal year 2025 in accordance with the requirements of OMB Circular A-136, *Financial Reporting Requirements*.

### Other Matter

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

### Responsibilities of Management for the Financial Statements and Internal Control over Financial Reporting

Management is responsible for (1) preparing and fairly presenting the financial statements in accordance with U.S. generally accepted accounting principles; (2) the preparation, measurement, and presentation of the RSI in accordance with U.S. generally accepted accounting principles; (3) the preparation and presentation of other information included in the NRC's AFR, and ensuring the consistency of that information with the audited financial statements and the RSI; (4) the design, implementation, and maintenance of effective internal control over financial reporting relevant to the preparation and fair

<sup>1</sup> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



presentation of financial statements that are free from material misstatement, whether due to fraud or error; (5) assessment of the effectiveness of internal control over financial reporting based on the criteria established under the FFMIA; and, (6) assessment of the effectiveness of internal control over financial reporting as of September 30, 2025, included in the Federal Managers' Financial Integrity Act Statement in the Management's Discussion and Analysis (MD&A) section of the AFR.

### **Auditors' Responsibilities for the Audits of the Financial Statements and Internal Control over Financial Reporting**

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

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

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

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

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



### Definition and Inherent Limitations of Internal Control over Financial Reporting

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

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

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

### Required Supplementary Information

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

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

### Other Information

The NRC's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in the NRC's AFR. The other information comprises a *Message from the Chairman, Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the NRC, Summary of Financial Statement Audit and Management Assurances, Payment Integrity, Real Property, Civil Monetary Penalty Adjustment for Inflation, Grants Oversight and New Efficiency Act Requirements, and Abbreviations*, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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



### OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

#### Report on Compliance and Other Matters

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

#### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance or other matters for fiscal year 2025 that would be reportable under GAGAS. The results of our tests with Section 803 (a) of FFMIA disclosed no instances in which the NRC's financial management systems did not comply substantially comply with (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the U.S. Government Standard General Ledger at the transaction level. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to the NRC. Accordingly, we do not express such an opinion.

#### Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements and Other Matters

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

#### Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

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

#### Auditors' Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

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

#### Intended Purpose of Report on Compliance and Other Matters

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

#### **NRC's Comments**

The NRC's comments on this report are included in Exhibit A. The NRC concurred with our report.

*SIKICH CPA LLC*

Alexandria, VA

December 17, 2025

## Management's Response to the Independent Auditors' Report

### Exhibit A



CHIEF FINANCIAL  
OFFICER

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

December 10, 2025

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

FROM: Christopher D. Carroll *Christopher Carroll* Signed by Carroll, Christopher  
Acting Chief Financial Officer

SUBJECT: AUDIT OF THE FISCAL YEAR 2025 FINANCIAL STATEMENTS

We appreciate the collaborative relationship between the Office of the Inspector General, the auditors, and the Office of the Chief Financial Officer in supporting our continuing effort to improve financial reporting. We have reviewed the Independent Auditor's Report of the Agency's fiscal year 2025 financial statements and are in agreement with it.

cc: M. King, OEDO  
J. Martin, OEDO  
E. Deeds, OEDO

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

## **Chapter 3: Other Information**

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

December 12, 2025

OIG-NRC-26-M-01



### The Inspector General's Assessment of the Most Serious Management and Performance Challenges Facing the U.S. Nuclear Regulatory Commission in Fiscal Year 2026



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[nrcioig.oversight.gov](http://nrcioig.oversight.gov)

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### ***From the Inspector General...***

On behalf of the Office of the Inspector General (OIG), U.S. Nuclear Regulatory Commission (NRC) and Defense Nuclear Facilities Safety Board (DNFSB), it is my pleasure to present our assessment of the most significant management and performance challenges facing the NRC in Fiscal Year 2026.

The Reports Consolidation Act of 2000 (Public Law 106-531) requires the OIG to summarize what it considers to be the most serious management and performance challenges facing the NRC every year. The Act also requires the OIG to briefly assess the agency's progress in addressing those challenges.

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

1. Reforming and Modernizing Nuclear Regulation while Ensuring Regulatory Integrity;
2. Advancing Policy and Regulatory Approaches for the Reauthorization of Nuclear Plants in Decommissioning Status;
3. Ensuring an Effective Information Security Program and Planning for and Assessing the Impact of Artificial Intelligence;
4. Modernizing Regulatory Frameworks for the Safe Deployment of Advanced Reactors, Small Modular Reactors, and Microreactors; and,
5. Enhancing Financial Efficiency and Resource Management.

By addressing the challenges identified above, the NRC will strengthen its mission execution, help achieve its strategic goals, and maintain a high standard of accountability for its resources. Finally, the OIG has included in this report, summaries of some of the work the NRC has accomplished or plans to complete during Fiscal Year 2026 related to each NRC challenge.

*Robert J. Feitel*  
Inspector General



### Challenge #1: Reforming and Modernizing Nuclear Regulation while Ensuring Regulatory Integrity

President Donald J. Trump signed four executive orders on May 23, 2025, to revitalize and modernize the U.S. nuclear energy industry. Executive Order (EO) 14300, *Ordering the Reform of the Nuclear Regulatory Commission*, directs the NRC to streamline its licensing processes and revise existing regulations, focusing on balancing safety with the benefits of emerging nuclear technology. The EO builds on the Accelerating Deployment of Versatile, Advanced Nuclear for Clean Energy Act of 2024 (ADVANCE Act), which required the NRC to take steps to streamline its licensing processes, reduce regulatory costs, and promote the development and deployment of advanced nuclear reactor technologies.

EO 14300 also requires the NRC to reorganize and reduce staffing to promote the efficient processing of license applications and the adoption of innovative technology. Personnel and the functions of the Advisory Committee on Reactor Safeguards shall be reduced to the minimum necessary to fulfill the committee's statutory obligations. At the same time, the EO acknowledges that certain NRC functions may need to increase in size, including those devoted to new reactor licensing. The EO further required the NRC to assign a dedicated team of officials to review and revise the agency's regulations to establish fixed deadlines for evaluating licensing requests. The NRC must work with the Department of Government Efficiency Team and the Office of Management and Budget to issue notices of proposed rulemaking affecting these revisions within nine months of the EO date. The NRC must issue the final rules and guidance within 18 months of the EO date.

In addition to its modernization efforts, the NRC must comply with new requirements mandating review of its regulatory actions. EO 14215, *Ensuring Accountability for All Agencies* (Feb. 18, 2025), extended the Office of Information and Regulatory Affairs (OIRA) review requirements under EO 12866 to independent agencies. Requiring the rules of independent agencies, like the NRC, to undergo OIRA review is intended to enhance accountability and promote the consistent implementation of federal law.

#### Ongoing and Completed Actions

- The NRC had previously established, in response to the Nuclear Energy Innovation and Modernization Act (NEIMA) of 2019, milestones for completing certain actions requested by NRC-regulated entities. As an interim step to implementing requirements in EO 14300, in May 2025, the NRC revised its NEIMA milestones to align with the periods cited in EO 14300. Further changes to the NEIMA milestones will be made once the NRC completes rulemaking efforts related to EO 14300.
- On January 6, 2025, the NRC issued “Advanced Methods of Manufacturing and Construction for Nuclear Energy Projects,” a report addressing the agency’s initiatives related to advanced manufacturing and construction for nuclear energy projects.

- On January 6, 2025, in response to the ADVANCE Act, the NRC issued “The Modernization of Nuclear Reactor Environmental Reviews,” a report discussing the current and future efforts to facilitate efficient, timely, and predictable environmental reviews for nuclear reactor applicants.
- On July 10, 2025, the NRC issued “Improving Oversight and Inspection Programs,” a report that outlines the specific improvements identified through an assessment of the NRC’s reactor and materials oversight and inspection programs.
- On August 18, 2025, in response to the ADVANCE Act and EO 14300, the NRC issued “NRC Licensing Efficiency Initiatives Update,” a report discussing the actions the agency is taking to improve licensing efficiency, predictability, and timeliness.

### **Challenge #2: Advancing Policy and Regulatory Approaches for Reauthorization of Nuclear Plants in Decommissioning Status**

The NRC expects to soon be considering the potential reauthorization of operations for three nuclear power plants currently in decommissioning status. In March 2023, the NRC received a first-of-its-kind licensing request to reauthorize power operations at one of these plants. However, to restart a nuclear power plant, each licensee will need to (1) gain the NRC's approval to restore the licensing basis of the plant to an operational status; (2) return plant components to a status that supports safe operations; and, (3) make the necessary upgrades to meet the proposed operational licensing basis.

In the interim, the NRC has developed inspection requirements to ensure plant operational readiness to provide reasonable assurance of safe operations following the reauthorization of the operating license. The NRC has also developed oversight policies, requirements, and guidance for transitioning from a decommissioned or decommissioning plant to an operational power reactor facility. In its application-specific reviews, the NRC staff will need to carefully review the regulatory and licensing documents for the plants. If the NRC reauthorizes plant operations, NRC staff will have to inspect new and restored components necessary to operate safely, and they will have to continue ongoing oversight to help ensure the sufficiency of all plant systems and programs.

#### **Ongoing and Completed Actions**

- The NRC is currently conducting a range of licensing and inspection activities related to the potential restart of the Palisades Nuclear Power Plant, the Christopher M. Crane Clean Energy Center/Three Mile Island Unit 1, and the Duane Arnold Energy Center.
- On April 15, 2025, the NRC established the Duane Arnold Energy Center Restart Panel and charter. The charter defines the responsibilities of the restart panel regarding licensing actions, exemptions, technical issues, and inspections required for Duane Arnold Energy Center to resume commercial operations.
- On March 4, 2025, NRC staff issued the Christopher M. Crane Clean Energy Center/Three Mile Island Nuclear Station, Unit 1, Restart Panel Charter. This charter defines the responsibilities of the Crane Restart Panel regarding inspection and licensing activities until commercial operation resumes. The panel's primary objective is to proactively identify and promptly resolve any licensing, inspection, or regulatory challenges concerning the restart. The members are senior management from across the NRC.
- The NRC has approved a series of licensing and regulatory actions that will pave the way for the restart of the Palisades Nuclear Plant, including the transfer of operating authority for the plant and its independent spent fuel storage facility from Holtec Decommissioning International to Palisades Energy.

### **Challenge #3: Ensuring an Effective Information Security Program and Planning for and Assessing the Impact of Artificial Intelligence**

The security and operations of the NRC's information technology (IT) must remain a focus for the agency. The NRC will be challenged to support a future-ready environment that has the tools, technology, skills, and knowledge necessary to meet the agency's current and future mission needs. Therefore, the NRC must develop and implement an artificial intelligence (AI) framework that supports the identification, development, and implementation of AI uses that enhance the delivery of the agency's mission through improvements in operational efficiency, productivity, and decision-making.

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

AI has the potential to enhance decision-making processes in the nuclear industry by providing insights into the vast amounts of data generated during the design and operation of nuclear facilities. Thus, the NRC must ensure it is positioned to support the agency's timely review of licensees' proposed uses of AI in regulated activities. Expanded adoption of AI technologies within the agency and across the industry presents additional vulnerabilities and risks that must be considered, increasing the numerous challenges posed by cyber threats to potential data security compromises.

#### **Ongoing and Completed Actions**

- The NRC published a new agency AI Strategic Plan and AI Compliance Plan on September 30, 2025, per EO 14179 and OMB Memo-25-21. This new plan replaced the previous AI Strategic Plan from 2023.
- The NRC deployed its initial version of the regulatory AI tool, SimplifAI, to provide the agency with program-specific companions that can expedite knowledge discovery and content generation.
- The NRC will be providing a list of AI Use Cases to the Office of Management and Budget (OMB) in December that will then be published on the NRC website in January 2026. In addition, the NRC is drafting an AI Action Plan to outline discreet actions to meet the goals and objectives of its AI Strategic Plan. This plan will include a section on AI Adoption to cultivate an AI-proficient workforce.

- In March 2025, the NRC held its AI Symposium 2025. During the symposium, the NRC and stakeholders held open discussions and the agency provided updates on its progress in addressing regulatory and technical issues related to AI use in the nuclear industry.
- Following up on the Symposium and March 2025 RIC session on AI and Data, the NRC now holds monthly meetings with the Nuclear Energy Institute to discuss industry needs for data curation to ensure AI tools have the correct data to deliver trustworthy results. These data sets are available to the public.
- In October 2024, the NRC implemented policies and procedures for prioritizing risk assessments of externally provided systems and services documented in CSO-PROS-0008, "Process to Assess, Respond, and Monitor ICT Supply Chain Risks." The NRC subsequently published the Generative AI Rules of Behavior in May 2025 to further govern the use of AI solutions.
- The NRC implemented a process to validate that new NRC employees and contractors complete security awareness training within 20 business days of obtaining access to the NRC systems and annually thereafter.

### **Challenge #4: Modernizing Regulatory Frameworks for the Safe Deployment of Advanced Reactors, Small Modular Reactors, and Microreactors**

The NRC faces several challenges in licensing and overseeing advanced reactors, including small modular reactors (SMRs) and microreactors. These challenges center on adapting the agency's reactor-focused regulations, designed for large nuclear power reactors, to address the unique features of new smaller reactor designs. The NRC's challenges include (1) regulatory and licensing hurdles, (2) safety and security concerns, and (3) operational and deployment issues.

Applying legacy regulations developed for large nuclear power reactors to advanced technologies like SMRs and microreactors can lead to unnecessary delays and costs, without delivering proportional safety benefits. The novel nature of these advanced reactors often triggers lengthy licensing reviews, increasing both project timelines and overall costs. Moreover, these technologies introduce new challenges—including challenges related to radioactive contamination risks and waste management—that may not be adequately addressed by existing regulatory frameworks and thus require updated approaches. The NRC also faces the critical task of maintaining public trust by demonstrating transparency and technical competence when evaluating innovative reactor designs, particularly in light of ongoing concerns about nuclear safety and environmental impacts.

Section 505 of the ADVANCE Act requires the NRC to facilitate efficient, timely, and predictable reviews of applications. Similarly, Section 208 of the ADVANCE Act requires the NRC to develop risk-informed and performance-based strategies and guidance for the licensing and regulation of microreactors. If licensing reviews for new and advanced reactors are not conducted in a timely and effective manner, deployment of emerging SMR and advanced reactor technologies could be delayed. This may lead industry and other stakeholders to conclude that the NRC is not prepared to implement the changes needed for future reviews. The NRC must, therefore, demonstrate that it can efficiently license and regulate advanced reactors, including SMRs, while retaining the capability to manage extensive licensing and regulatory actions related to the existing commercial nuclear power reactor fleet.

#### **Ongoing and Completed Actions**

- The NRC is developing Part 53 of Title 10 in the Code of Federal Regulations (the “Risk-Informed, Technology-Inclusive Regulatory Framework for Commercial Nuclear Plants”) to provide a new licensing pathway for advanced reactors. The rule is intended to streamline the licensing process and reduce the need for exemptions from the NRC’s rules.
- In May 2025, the NRC approved the standard design for NuScale’s US460 small modular reactor.

- In February 2025, NRC staff published a new webpage specific to microreactors.<sup>1</sup> This webpage describes the regulatory activities that staff are pursuing regarding microreactors, including the Integrated Microreactor Activities Plan. The Integrated Microreactor Activities Plan includes actions the staff identified to enhance the regulatory framework flexibility to support the diverse technologies and deployment models under consideration by microreactor developers and potential applicants.
- Also in February 2025, NRC staff published a *Prospective Applicant Landing Page* that provides guidance for prospective applicants.<sup>2</sup> This webpage was designed to provide information, guidance, and support for entities that are currently in the development process for a nuclear reactor design or reactor-related project, but have not yet contacted the NRC.

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<sup>1</sup> <https://www.nrc.gov/reactors/new-reactors/advanced/modernizing/microreactors.html>

<sup>2</sup> <https://www.nrc.gov/reactors/new-reactors/advanced/new-app.html>

### **Challenge #5: Enhancing Financial Efficiency and Resource Management**

Growing demand for new technologies and scrutiny of licensing fees have increased the need for financial efficiency and more effective resource management. The NRC is required by the Nuclear Energy Innovation and Modernization Act (Public Law 115-439) (NEIMA) to recover, to the maximum extent practicable, its annual budget authority through fees, with certain activities specifically excluded from the fee recovery requirement. While the NRC has taken steps to improve the fee-setting process, it should ensure consistency, fairness, and transparency across all regulated entities to maintain public trust. Significant increases in budgeted costs or changes in the fee methodology could result in unexpected financial burdens for licensees.

In addition, the ADVANCE Act directs the NRC to reduce fees for advanced nuclear reactor applicants and pre-applicants for certain activities, beginning in fiscal year 2026. To meet this requirement, the NRC will charge these applicants an hourly rate that is significantly lower than the full-cost rate for other applicants. Under section 5(a) of EO 14300, the NRC also must establish deadlines for licensing actions and place fixed caps on hourly fees in a manner that enforces these deadlines.

Effective internal controls are critical as the NRC's operational demands and external expectations for the agency's efficiency increase. These controls include implementing disciplined budgeting practices, optimizing resource allocation, and preventing fraud, waste, and abuse in agency programs. In addition, the NRC must continue to meet federal requirements for accountability and financial reporting. Meeting these requirements involves adhering to federal financial management standards, timely submitting performance and financial reports, and ensuring that accurate financial data is available to Congress and other stakeholders.

#### **Ongoing and Completed Actions**

- Effective October 2025, the NRC will bill the reduced hourly rate for advanced nuclear reactor applicants and pre-applicants, as required by the ADVANCE Act.
- In November 2024, the NRC received an unmodified (clean) audit opinion on its fiscal year 2024 financial statements and internal controls over financial reporting.
- In May 2025, the OIG concluded that the NRC complied with the requirements of the Payment Integrity Information Act of 2019 for FY 2024.

### Reporting to the OIG

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

#### What should be reported to the OIG?

- Contract and Procurement Irregularities
- Conflicts of Interest
- Theft and Misuse of Property
- Travel Fraud
- Misconduct

- Abuse of Authority
- Misuse of Government Credit Cards
- Time and Attendance Abuse
- Misuse of IT Resources
- Program Mismanagement

#### How do I report to the OIG?

**Call the OIG Hotline:**

**1-800-233-3497**  
TTY/TDD: 7-1-1, or

**1-800-201-7165**  
7:00 a.m. – 4:00 p.m. (ET)

After hours, please leave a message.

**Submit an Online Form:**  
<https://nrciog.oversight.gov/oig-hotline>**Write:**

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

**If you wish to provide comments on this report or suggestions for future reports, please email the OIG at [audit.comments@nrc.gov](mailto:audit.comments@nrc.gov).**

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

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

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

# Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit for FY 2025					
Audit Opinion	Unmodified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
None	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0
Summary of Management Assurances for FY 2025					
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed
None	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0
Effectiveness of Internal Control over Operations (FMFIA § 2)					
Statement of Assurance	Unmodified				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed
None	0	0	0	0	0
Total Material Weaknesses	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)					
Statement of Assurance	Federal systems conform to financial management system requirements				
Non-conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed
None	0	0	0	0	0
Total Non-conformances	0	0	0	0	0
Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)					
		Agency		Auditor	
1. Federal Financial Management Systems Requirements		No Lack of Substantial Compliance Noted		No Lack of Substantial Compliance Noted	
2. Applicable Federal Accounting Standards		No Lack of Substantial Compliance Noted		No Lack of Substantial Compliance Noted	
3. United States Standard General Ledger at the Transaction Level		No Lack of Substantial Compliance Noted		No Lack of Substantial Compliance Noted	

### Payment Integrity

#### Risk Assessment

In accordance with the PIIA, the NRC is required to complete risk assessments to determine whether any programs were susceptible to making significant improper payments. At this time, only intragovernmental transactions are exempt from PIIA requirements.

The NRC performed a triennial risk assessment as of September 30, 2023, in accordance with the PIIA. Management identified commercial payments, grant payments, employee reimbursements, payroll, and Government charge cards as potential areas to include in the PIIA risk assessment. In FY 2023, the NRC reviewed FY 2022 disbursements of selected programs to determine the appropriate threshold for conducting a risk assessment and possible testing. For FY 2022, total commercial payments were \$181.4 million; total grants payments were \$12.3 million; total employee reimbursements were \$10.5 million; total payroll payments were \$442.7 million; and total Government charge cards were \$1.6 million.

For the programs selected for testing, as part of the qualitative and quantitative risk assessment, the NRC used its best judgment to select samples from each program under review, based on the universe of payments, which were reconciled to the general ledger. This sample was not meant to be statistically valid, as testing was performed only to support the risk assessment process; the goal was not to conduct full improper payment testing for high-risk programs. The testing was further refined through the identification of selected attributes for each program to determine whether the right recipient received the right payment amount for the right goods or services at the right time.

The FY 2023 triennial risk assessment did not identify any programs that were susceptible to making significant improper payments. Although the assessment identified programs as low risk, the NRC continues to monitor its payment processes and to conduct periodic reviews of key controls for PIIA programs identified by management. The NRC will continue to conduct risk assessments on a triennial basis, in accordance with the PIIA and OMB guidance. The next PIIA risk assessment will take place in FY 2026. In addition, the NRC will conduct risk assessments, as needed, if there are material changes in the way programs operate or if the agency establishes new programs.

In FY 2025, the NRC continued to fulfill the requirement of the OMB annual data call on payment integrity, which supports identifying, reporting, and reducing improper payments in federal programs. More detailed information on improper payments can be found at <https://paymentaccuracy.gov>.

#### Recapture of Improper Payments Reporting

As noted above, the NRC conducted a risk assessment in FY 2023 and discovered no significant improper payments. Based on this finding and in view of the substantial cost of conducting recapture audits, the agency determined that recovery or recapture audits would not be cost effective. The NRC conducts risk assessments every 3 years as required by the PIIA.

### Agency Improvement of Payment Accuracy with the Do Not Pay Initiative

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

To date, the NRC awards grants only to educational institutions and other entities, not individuals. The NRC uses the System for Award Management and other data systems to ensure that only responsible and otherwise eligible applicants receive the NRC grants. The agency uses the same monitoring practices for both grantees and commercial vendors. The NRC reviews for debarments and suspensions as part of its pre-award risk review for eligibility and takes appropriate action internally to debar and suspend grant recipients, as appropriate. The NRC continues to follow the lead of the Office of Federal Procurement Policy on award recipients and implements any changes directed by the policy. The NRC will also continue to use Do Not Pay to review and monitor improper payments.

### Real Property

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

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

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

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

### Civil Monetary Penalty Adjustment for Inflation

On November 2, 2015, the *Federal Civil Penalties Inflation Adjustment Act of 1990* was amended by the *Federal Civil Penalties Inflation Adjustment and Improvements Act of 2015* (section 701, Public Law 114-74, 129 Stat. 599). This act requires that the head of each agency annually adjust for inflation the amounts of any civil monetary penalties assessed under statutes enforced by that agency.

As displayed below, the NRC annually adjusts two civil penalty amounts for inflation. The most recent adjustment took place on January 15, 2025. With respect to civil penalties for violations of the *Atomic Energy Act of 1954*, as amended, the NRC codifies the maximum civil penalty amount at 10 CFR 2.205, “Civil Penalties,” although individual penalties are assessed based on the class of licensee and severity of violation in accordance with the NRC Enforcement Policy (available at <https://www.nrc.gov/docs/ML2420/ML24205A249.pdf>). With respect to monetary penalties under the *Program Fraud Civil Remedies Act*, the NRC codifies the maximum penalty amount at 10 CFR 13.3, “Basis for Civil Penalties and Assessments.”

Penalty (Name of Penalty)	Statutory Authority	Year Enacted	Date of Current Adjustment	Current Penalty Level	Location for Penalty Update Details
Maximum civil penalty for violations of the <i>Atomic Energy</i> Act	<i>Atomic Energy</i> Act of 1954, as amended (42 U.S.C. 2282)	1980	January 2025	\$372,240	<i>Federal</i> <i>Register</i> ; 90 FR 3612 (January 15, 2025)
Fraudulent false claims and statements	<i>Program Fraud</i> <i>Civil Remedies</i> Act (31 U.S.C. 3802)	1986	January 2025	\$14,308	<i>Federal</i> <i>Register</i> ; 90 FR 3612 (January 15, 2025)

## Grants Oversight and New Efficiency Act Requirements

Category	2–3 Years	>3–5 Years	>5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	2	0	13
Number of Grants/Cooperative Agreements with Undisbursed Dollar Balances	0	0	9
Total Amount of Undisbursed Balances	\$—	\$—	\$130,143.50

In FY 2025, the NRC dedicated resources to close out grants, which significantly reduced the number of open grants that expired more than two years ago. In FY 2026, the agency will continue to focus on closing out the oldest grants. The program offices are working to gather the paperwork necessary so that the oldest grants can be closed in FY 2026.



### Abbreviations

Acronym	Full Title
<b>10 CFR</b>	Title 10 of the <i>Code of Federal Regulations</i>
<b>AFR</b>	Agency Financial Report
<b>ADVANCE Act</b>	<i>Advanced Nuclear for Clean Energy Act of 2024</i>
<b>CARS</b>	Central Accounting Reporting System
<b>CFO</b>	Chief Financial Officer
<b>Charge Card Act</b>	<i>Government Charge Card Abuse Prevention Act of 2012</i>
<b>CSRS</b>	Civil Service Retirement System
<b>DATA Act</b>	<i>Digital Accountability and Transparency Act of 2014</i>
<b>DM&amp;R</b>	Deferred maintenance and repairs
<b>DNFSB</b>	Defense Nuclear Facilities Safety Board
<b>DOL</b>	U.S. Department of Labor
<b>ECERM</b>	Executive Committee on Enterprise Risk Management
<b>ERM</b>	Enterprise Risk Management
<b>FASAB</b>	Federal Accounting Standards Advisory Board
<b>FECA</b>	<i>Federal Employees Compensation Act of 1993</i>
<b>FERS</b>	Federal Employees Retirement System
<b>FERS-FRAE</b>	Federal Employees Retirement System-Further Revised Annuity Employees
<b>FERS-RAE</b>	Federal Employees Retirement System-Revised Annuity Employees
<b>FFMIA</b>	<i>Federal Financial Management Improvement Act of 1996</i>
<b>FMFIA</b>	<i>Federal Managers' Financial Integrity Act of 1982</i>
<b>FR</b>	<i>Federal Register</i>
<b>FTE</b>	full-time equivalent
<b>FY</b>	fiscal year
<b>GAAP</b>	generally accepted accounting principles
<b>GAO</b>	U.S. Government Accountability Office
<b>GSA</b>	U.S. General Services Administration
<b>GTAS</b>	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
<b>IT</b>	information technology
<b>M&amp;R</b>	maintenance and repairs
<b>NEIMA</b>	<i>Nuclear Energy Innovation and Modernization Act</i>
<b>NRC</b>	U.S. Nuclear Regulatory Commission

## Chapter 3 • Other Information

Acronym	Full Title
<b>NUREG</b>	Nuclear Regulatory Commission document identifier
<b>NWF</b>	Nuclear Waste Fund
<b>OCFO</b>	Office of the Chief Financial Officer
<b>OIG</b>	Office of the Inspector General
<b>OMB</b>	Office of Management and Budget
<b>OPM</b>	Office of Personnel Management
<b>PIIA</b>	<i>Payment Integrity Information Act of 2019</i>
<b>PP&amp;E</b>	property, plant, and equipment
<b>SAT</b>	Senior Assessment Team
<b>SBR</b>	Statement of Budgetary Resources
<b>SFFAS</b>	Statement of Federal Financial Accounting Standards
<b>Treasury</b>	U.S. Department of the Treasury
<b>TTC</b>	Technical Training Center
<b>U.S.C.</b>	United States Code
<b>USF</b>	usable square feet

## Quick Response (QR) Codes

2025 Federal Register



Federal Real Property Public Data Set



OIG Open Audit Recommendations



NRC Library



**Congressional Budget Justification**



**NRC AFR**



**NRC APR**



**INFORMATION DIGEST**





<b>NRC FORM 335</b> <small>(12-2010)</small> <small>NRCMD 3. 7</small>		<b>U.S. NUCLEAR REGULATORY COMMISSION</b>	
<b>BIBLIOGRAPHIC DATA SHEET</b> <small>(See instructions on the reverse)</small>			
<b>2. TITLE AND SUBTITLE</b> <b>U.S Nuclear Regulatory Commission</b> <b>Fiscal Year 2025</b> <b>Agency Financial Report</b>		<b>1. REPORT NUMBER</b> <small>(Assigned by NRC, Add Vol., Supp., Rev., and Addendum Numbers, if any.)</small>	
		<b>NUREG-2220</b> <b>Volume 9</b>	
<b>3. DATE REPORT PUBLISHED</b> <small>MONTH YEAR</small>		<b>4. FIN OR GRANT NUMBER</b>	
<b>5. AUTHOR(S)</b>  James Ekechuku, Rosalyn Jones, Susan Jones, Srividhya Lalgudi Nagarajan, Matthew Malone, et al		<b>6. TYPE OF REPORT</b> <b>Annual</b>	
<b>7. PERIOD COVERED (Inclusive Dates)</b> <b>Fiscal Year 2025</b>			
<b>8. PERFORMING ORGANIZATION - NAME AND ADDRESS</b> (If NRC, provide Division, Office or Region, U.S. Nuclear Regulatory Commission, and mailing address; if contractor, provide name and mailing address.)  <b>Division of the Comptroller</b> <b>Office of the Chief Financial Officer</b> <b>U.S Nuclear Regulatory Commission</b> <b>Washington, DC 20555-0001</b>			
<b>9. SPONSORING ORGANIZATION - NAME AND ADDRESS</b> (If NRC, type "Same as above", if contractor, provide NRC Division, Office or Region, U.S. Nuclear Regulatory Commission, and mailing address.)  <b>Same as above</b>			
<b>10. SUPPLEMENTARY NOTES</b>			
<b>11. ABSTRACT</b> (200 words or less)  The Fiscal Year 2025 Agency Financial Report (AFR) presents the agency's financial results of operations which includes the audited annual financial statements of the NRC. The AFR also provides a summary of NRC program performance and cost. The information is presented in accordance with applicable statutes and OMB requirements in OMB Circular A-136, Financial Reporting Requirements.			
<b>12. KEY WORDS/DESCRIPTORS</b> (List words or phrases that will assist researchers in locating the report.)  <b>Agency Financial Report (AFR) Fiscal Year 2025</b>		<b>13. AVAILABILITY STATEMENT</b> <b>unlimited</b>	
		<b>14. SECURITY CLASSIFICATION</b> <small>(This Page)</small> <b>unclassified</b>	
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