U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF INSPECTOR GENERAL
WASHINGTON, D.C. 20416

AUDIT REPORT
Issue Date: November 18, 2005
Number: 6-05

To: Department of Treasury, Financial Management Service

From: Robert G. Seabrooks,
Assistant Inspector General for Auditing

Subject: GFRS for Fiscal Year 2005

Pursuant to OMB Circular A-136, *Financial Reporting Requirements* (Circular A-136) and *Treasury Financial Manual* Part 2, Chapter 4700 (TFM 2-4700), attached is the *Independent Auditor's Report on Special-Purpose Financial Statements*, issued by Cotton & Company LLP, on the Small Business Administration's (SBA) reclassified balance sheet as of September 30, 2005, and the related reclassified statements of net cost and changes in net position for the year then ended (hereinafter referred to as the special-purpose financial statements). As requested, the following documents are attached to facilitate the Closing Package audit process:

(1) Reclassified financial statements;
(2) GF004 Trading Partner Summary Report;
(3) GF120 Audit Trail Report (Reclassification Journal Voucher Report);
(4) GF006 GFRS FR Notes Detail Report;
(5) GF007 Other Data Detail Report; and
(6) Management Representation Letter on Closing Package, including Summary of Unadjusted Misstatements.

The auditor found that the statements present fairly in all material respects, the financial position of SBA as of September 30, 2005, and the results of operations, and changes in net position for the period then ended in conformity with accounting principles generally accepted in the United States of America and the presentation pursuant to the requirements of TFM 2-4700.

Should you or your staff have any questions, please contact Jeff Brindle, Director, Information Technology and Financial Management Group at (202) 205-[Exemption 2]

Attachment

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Material below not part of the audit report

ADMINISTRATIVE NOTE:

Only the Inspector General Transmittal Letter is being posted to the SBA web site. Due to the large size and image degradation due to scanning, the attachments described above are available only in paper and on CD-ROM. If you would like a copy of one or more, send your request to ig.counseldiv@sba.gov or call 202-205-7200. Identify which attachments you want and your preferred format.

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