

## ORGANIZATION OF THIS REPORT

### ***Message from the Administrator***

This message highlights program and management accomplishments that enabled the SBA to reach its mission and strategic goals during FY 2005. The message also attests to the reliability and completeness of the financial and performance data. In addition, the Administrator uses this section to address the most important management challenges affecting the Agency.

### ***Management's Discussion & Analysis (MD&A)***

The MD&A is organized around the SBA's Strategic Goals and Long-Term Objectives (LTOs). It provides an overview of the financial and performance results of the PAR and discusses significant management actions. Each Long-Term Objective is cross-referenced to various reports relating to financial reporting and management issues. When multiple LTOs are affected by an issue, the position of the Agency is stated in only one LTO, and referenced under the others.

Under each Long-Term Objective are the key results (in terms of measurable outcomes) achieved from an Agency-wide perspective during the year in support of the objective. Also presented are the cost-related performance data that bring greater transparency to the relationship between dollars and results.

The MD&A attests to the SBA's conformance to U.S. Generally Accepted Accounting Principles for Federal entities, gives a brief description of systems, controls and legal compliance, and informs the reader on the SBA status and progress towards implementing the President's Management Agenda. It provides a statement of assurance, as required by the Federal Manager's Integrity Act (FMFIA), indicating whether the Agency's management controls and financial systems conform to government-wide standards set by FMFIA.

The MD&A section also introduces the reader to the Mission, organizational structure of the SBA, and to the performance goals, objectives, and results for FY 2005. Finally, it provides the reconciliation of the budgetary resources incurred and the SBA financial statements.

### ***Performance Report***

The performance section of the PAR presents the detailed annual program performance information required by the Government Performance and Results Act of 1993 (GPRA). This section, organized by the SBA's Strategic Goals and subdivided into the Agency's Long-Term Objectives, shows performance and cost data for FY 2005. Overarching information, achievements and issues are presented at the level of the Strategic Goal. The performance measures are further aggregated into the various types of assistance (regulatory, financial, technical, and procurement) that the SBA provides to its clients. A special feature of the presentation of this section is the integration of cost-performance data, which enables the reader to see how the Agency spends its resources to achieve goals. This integrated presentation is done in terms of outcomes and outputs and includes unit costs for each of the programs.

Where a performance measure is new, FY 2005 is indicated as the base year. Discontinued performance indicators are also indicated and their historical values are reported in Appendix 10. "N/A" (Not applicable) applies to indicators that were not yet established for the year in question, were discontinued, or were not measured. In addition, N/A values for unit costs apply to instances in which the number of units is not available.

## ***Financial Report***

This section presents the message from the CFO, the SBA's financial statements, the independent auditor's report, required supplementary stewardship information, as well as other information relevant to the financial management of the Agency.

## ***Appendices***

The reader can find in the appendices details on regional performance and stories that demonstrate the impact of the SBA on small businesses throughout the country. Also included are selected FY 2005 OIG Audits and Reports, recommendations from the Government Accountability Office, responses to Office of Management and Budget PART Evaluations, definitions of the SBA's acronyms and abbreviations, and performance indicators that were discontinued for FY 2005.

- Appendix 1: Regional Performance Information and Success Stories—Summarizes performance information for the SBA's regions broken down by State. It also demonstrates how the SBA's own success is tied to the success of its small business customers. This appendix contains success stories highlighting the programs conducted by the Agency through its national delivery system of district offices.
- Appendix 2: Selected FY 2005 Office of the Inspector General (OIG) Audits and Reports—Summarizes relevant OIG management reports. This section is organized by the SBA's Long-Term Objectives, with each OIG report summary shown under the objective whose achievement the issues in the report would most likely affect. (These summaries are also cross-referenced in the MD&A section under the relevant objectives).
- Appendix 3: Office of the Inspector General Audit Follow-Up—Summarizes the follow-up actions taken by the SBA as a result of OIG findings.
- Appendix 4: Government Accountability Office (GAO) Recommendations—Summarizes recommendations from GAO reports and the SBA responses. This section is organized by the SBA's Long-Term Objectives, with each GAO recommendation shown under the objective whose achievement the recommendation would most likely affect. (These summaries are also cross-referenced in the MD&A section under the relevant Objectives).

- Appendix 5: Office of the Inspector General (OIG) Report on the Most Serious Management Challenges—Summarizes the SBA's most serious management challenges, as identified by the OIG, along with the status of the Agency's efforts to resolve them. Under each challenge, there is a correlation of the SBA Long-Term Objective whose achievement is most affected. (These challenges are also cross-referenced in the MD&A section under the relevant Objectives.)
- Appendix 6: SBA's Actions in Response to OMB's PART Evaluations—Summarizes the actions of the SBA in relation to the PART (Program Assessment Rating Tool) evaluations and findings from OMB.
- Appendix 7: SBA Internet Links—Presents a variety of Web links to the SBA's reference materials.
- Appendix 8: Glossary of Acronyms and Abbreviations—Gives definitions of the SBA's-associated acronyms and abbreviations.
- Appendix 9: SBA Offices—Offers brief descriptions of the SBA Offices and the programs they support.
- Appendix 10: Discontinued Performance Indicators—Summarizes the performance indicators that have been discontinued for this reporting year.
- Appendix 11: Data Validation Example—Presents a completed data validation form as an example for the SBA Offices to follow.

### CD-ROM

A CD-ROM will be included with every hard copy of the PAR. The CD includes the entire PAR document as a PDF file, along with supplemental information not presented in the paper version of the PAR.

- Detailed cost information linked to the total cost of Capital Access programs
- Data Validation tables for many of the performance indicators linked to the name of the corresponding indicators in the Performance Statements tables.
- Methodology for calculating estimates for the Entrepreneurial Development programs linked to the name of those programs in the Performance Statements tables.
- Text for most of the documents cited in the footnotes linked to the corresponding footnotes.

