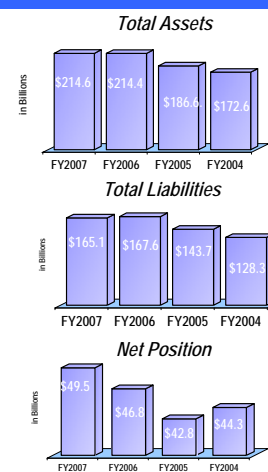
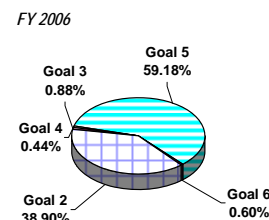
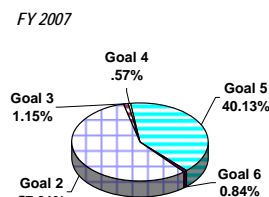


Financial Summary					
<i>(Dollars in Millions)</i>					
At End of Year	% Change 2007 / 2006	FY2007	FY2006	FY2005	FY2004
Condensed Balance Sheet Data					
Fund Balance with Treasury	- 9%	\$ 97,532	\$ 107,053	\$ 77,569	\$ 66,371
Credit Program Receivables	+ 9%	115,904	106,728	107,937	104,966
Accounts Receivable	+ 20%	53	44	141	155
Other	+ 93%	1,149	596	920	1,117
Total Assets	-	\$ 214,638	\$ 214,421	\$ 186,567	\$ 172,609
Debt	- 1%	\$ 104,287	\$ 105,677	\$ 104,597	\$ 96,649
Other Intragovernmental Liabilities	+ 9%	6,746	6,182	6,146	6,051
Liabilities for Loan Guarantees	- 3%	50,874	52,453	30,611	23,329
Other Liabilities	- 5%	3,150	3,299	2,371	2,246
Total Liabilities	- 2%	165,057	167,611	143,725	128,275
*Unexpended Appropriations	-	52,047	51,812	47,288	47,285
Cumulative Results of Operations	- 51%	(2,466)	(5,002)	(4,446)	(2,951)
Total Net Position	+ 6%	49,581	46,810	42,842	44,334
Total Liabilities and Net Position	-	\$ 214,638	\$ 214,421	\$ 186,567	\$ 172,609
For the Year					
Statement of Net Cost					
Total Cost	- 31%	\$ 72,316	\$ 104,699	\$ 82,204	\$ 70,187
Earned Revenue	+ 2%	(8,032)	(7,870)	(6,965)	(6,564)
Total Net Cost of Operations	- 34%	\$ 64,284	\$ 96,829	\$ 75,239	\$ 63,623
Net Cost by Strategic Goal					
Goal 2 Improve Student Achievement	- 2%	\$ 36,838	\$ 37,700	\$ 36,415	\$ 32,687
Goal 3 Develop Safe and Drug-Free Schools	- 13%	740	849	877	756
Goal 4 Transform Education into Evidence Based Field	- 13%	367	422	442	467
Goal 5 Enhance Quality of and Access to Postsecondary and Adult Education	- 55%	25,799	57,303	36,940	29,713
Goal 6 Management Excellence ¹	- 3%	540	555	565	-
	- 34%	\$ 64,284	\$ 96,829	\$ 75,239	\$ 63,623
Net Cost Percentages by Strategic Goal					
Goal 2 Improve Student Achievement	+ 47%	57.31%	38.90%	48.40%	51.38%
Goal 3 Develop Safe and Drug-Free Schools	+ 31%	1.15%	0.88%	1.17%	1.19%
Goal 4 Transform Education into Evidence Based Field	+ 30%	0.57%	0.44%	0.59%	0.73%
Goal 5 Enhance Quality of and Access to Postsecondary and Adult Education	- 32%	40.13%	59.18%	49.09%	46.70%
Goal 6 Management Excellence ¹	+ 40%	0.84%	0.60%	0.75%	N/A

* Percentage changes less than 1% are not presented in this summary.
¹ In FY04 Goal 6 was not included in this summary.



Net Cost by Strategic Goal



Limitations of Financial Statements

Management has prepared the accompanying financial statements to report the financial position and operational results for the U.S. Department of Education for fiscal years 2007 and 2006 pursuant to the requirements of Title 31 of the United States Code, section 3515(b).

While these statements have been prepared from the books and records of the Department in accordance with generally accepted accounting principles for federal entities and the formats prescribed by OMB, these statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

The statements should be read with the realization that they are a component of the U.S. Government, a sovereign entity. One implication of this is that the liabilities presented herein cannot be liquidated without the enactment of appropriations, and ongoing operations are subject to the enactment of future appropriations.