

**United States Department of Education**  
**Consolidated Balance Sheet**  
**As of September 30, 2007 and 2006**

(Dollars in Millions)

	Fiscal Year 2007	Fiscal Year 2006
<b>Assets:</b>		
Intragovernmental:		
Fund Balance with Treasury (Note 3)	\$ 97,532	\$ 107,053
Accounts Receivable (Note 4)	4	1
Total Intragovernmental	97,536	107,054
Cash and Other Monetary Assets (Note 5)	1,103	566
Accounts Receivable, Net (Note 4)	49	43
Credit Program Receivables, Net (Note 6)	115,904	106,728
General Property, Plant and Equipment, Net (Note 7)	46	29
Other Assets	1	1
<b>Total Assets (Note 2)</b>	<b>\$ 214,638</b>	<b>\$ 214,421</b>
<b>Liabilities:</b>		
Intragovernmental:		
Debt (Note 8)	\$ 104,287	\$ 105,677
Guaranty Agency Federal and Restricted Funds Due to Treasury (Note 5)	1,103	566
Payable to Treasury (Note 6)	5,351	5,519
Other Intragovernmental Liabilities (Note 9)	292	97
Total Intragovernmental	111,033	111,859
Accounts Payable	913	859
Accrued Grant Liability (Note 10)	2,094	2,059
Liabilities for Loan Guarantees (Note 6)	50,874	52,453
Other Liabilities (Note 9)	143	381
<b>Total Liabilities</b>	<b>\$ 165,057</b>	<b>\$ 167,611</b>
Commitments and Contingencies (Note 17)		
<b>Net Position:</b>		
Unexpended Appropriations - Earmarked Funds (Note 16)		
Unexpended Appropriations - Other Funds	\$ 52,047	\$ 51,812
Cumulative Results of Operations - Earmarked Funds (Note 16)	39	61
Cumulative Results of Operations - Other Funds	(2,505)	(5,063)
<b>Total Net Position (Note 11)</b>	<b>\$ 49,581</b>	<b>\$ 46,810</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 214,638</b>	<b>\$ 214,421</b>

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

**United States Department of Education**  
**Consolidated Statement of Net Cost**  
**For the Years Ended September 30, 2007 and 2006**

(Dollars in Millions)

	Fiscal Year 2007	Fiscal Year 2006
<b>Program Costs</b>		
<b>Enhancement of Postsecondary and Adult Education</b>		
Gross Costs	\$ 31,924	\$ 63,356
Less: Earned Revenue	7,933	7,790
Net Program Costs	23,991	55,566
<b>Total Program Costs</b>	<b>\$ 23,991</b>	<b>\$ 55,566</b>
<b>Creation of Student Achievement, Culture of Achievement and Safe Schools</b>		
Gross Costs	\$ 23,368	\$ 24,605
Less: Earned Revenue	78	60
Net Program Costs	23,290	24,545
<b>Total Program Costs</b>	<b>\$ 23,290</b>	<b>\$ 24,545</b>
<b>Transformation of Education</b>		
Gross Costs	\$ 1,468	\$ 1,363
Less: Earned Revenue	18	18
Net Program Costs	1,450	1,345
<b>Total Program Costs</b>	<b>\$ 1,450</b>	<b>\$ 1,345</b>
<b>Special Education and Program Execution</b>		
Gross Costs	\$ 15,556	\$ 15,375
Less: Earned Revenue	3	2
Net Program Costs	15,553	15,373
<b>Total Program Costs</b>	<b>\$ 15,553</b>	<b>\$ 15,373</b>
<b>Grand Total Program Costs</b>	<b>\$ 64,284</b>	<b>\$ 96,829</b>
<b>Net Cost of Operations</b> (Notes 12 and 15)	<b>\$ 64,284</b>	<b>\$ 96,829</b>

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

**United States Department of Education  
Consolidated Statement of Changes in Net Position  
For the Years Ended September 30, 2007 and 2006**

(Dollars in Millions)

	Fiscal Year 2007		Fiscal Year 2006	
	Cumulative Results of Operations	Unexpended Appropriations	Cumulative Results of Operations	Unexpended Appropriations
<b>Beginning Balances</b>				
Beginning Balances - Earmarked Funds	\$ 61		\$ (4,446)	\$ 47,288
Beginning Balances - All Other Funds	\$ (5,063)	\$ 51,812	\$ (4,446)	\$ 47,288
<b>Budgetary Financing Sources:</b>				
Appropriations Received				
Appropriations Received - Earmarked Funds				
Appropriations Received - All Other Funds		\$ 73,921	\$ 102,139	
Other Adjustments (rescissions, etc)				
Other Adjustments (rescissions, etc) - Earmarked Funds				
Other Adjustments (rescissions, etc) - All Other Funds		(1,090)		(1,509)
Appropriations Used				
Appropriations Used - Earmarked Funds				
Appropriations Used - All Other Funds	\$ 72,596	(72,596)	\$ 96,106	(96,106)
Donations and Forfeitures of Cash and Cash Equivalents				
Donations and Forfeitures of Cash and Cash Equivalents - Earmarked Funds			61	
Donations and Forfeitures of Cash and Cash Equivalents - All Other Funds				
Nonexpenditure Financing Sources - Transfers-Out				
Nonexpenditure Financing Sources - Transfers-Out - Earmarked Funds				
Nonexpenditure Financing Sources - Transfers-Out - All Other Funds		(27)		(36)
<b>Other Financing Sources:</b>				
Imputed Financing from Costs Absorbed by Others - Earmarked Funds				
Imputed Financing from Costs Absorbed by Others - All Other Funds	\$ 32		\$ 31	
Others				
Others - Earmarked Funds				
Others - All Other Funds		(5,781)		111
<b>Total Financing Sources</b>				
Total Financing Sources - Earmarked Funds			\$ 61	
Total Financing Sources - All Other Funds	\$ 66,820	\$ 235	\$ 96,212	\$ 4,524
<b>Net Cost of Operations</b>				
Net Cost of Operations - Earmarked Funds	\$ (22)		\$ (96,829)	
Net Cost of Operations - All Other Funds	\$ (64,262)		\$ (96,829)	
<b>Net Change</b>				
Net Change - Earmarked Funds	\$ (22)		\$ 61	
Net Change - All Other Funds	\$ 2,558	\$ 235	\$ (617)	\$ 4,524
<b>Ending Balances - Earmarked Funds</b> (Note 11)	\$ 39		\$ 61	
<b>Ending Balances - All Other Funds</b> (Note 11)	\$ (2,505)	\$ 52,047	\$ (5,063)	\$ 51,812

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

**United States Department of Education**  
**Combined Statement of Budgetary Resources**  
**For the Years Ended September 30, 2007 and 2006**

(Dollars in Millions)

	Fiscal Year 2007		Fiscal Year 2006	
	Budgetary	Non-Budgetary Credit Reform Financing Accounts	Budgetary	Non-Budgetary Credit Reform Financing Accounts
<b>Budgetary Resources:</b>				
Unobligated balance, brought forward, October 1:	\$ 5,221	\$ 46,490	\$ 2,137	\$ 22,817
Recoveries of prior year Unpaid Obligations	1,968	3,043	1,434	3,450
Budgetary Authority:				
Appropriations	73,919	2	102,197	108
Borrowing Authority (Note 14)		20,037		35,089
Spending authority from offsetting collections (gross):				
Earned				
Collected	1,816	37,373	2,074	77,399
Change in Receivables from Federal Sources	3		1	
Change in unfilled customer orders				
Advance Received	(5)		9	
Without advance from Federal Sources	(3)	(30)	(1)	(4)
Subtotal	\$ 75,730	\$ 57,382	\$ 104,280	\$ 112,592
Permanently not available	(2,119)	(19,451)	(3,537)	(32,252)
<b>Total Budgetary Resources (Note 14)</b>	<b>\$ 80,800</b>	<b>\$ 87,464</b>	<b>\$ 104,314</b>	<b>\$ 106,607</b>
<b>Status of Budgetary Resources:</b>				
Obligations incurred: (Note 14)				
Direct	\$ 75,435	\$ 50,353	\$ 99,001	\$ 60,117
Reimbursable	93		92	
Subtotal	\$ 75,528	\$ 50,353	\$ 99,093	\$ 60,117
Unobligated Balances:				
Apportioned	3,093	321	4,081	
Subtotal	\$ 3,093	\$ 321	\$ 4,081	
Unobligated Balance not available	2,179	36,790	1,140	46,490
<b>Total Status of Budgetary Resources</b>	<b>\$ 80,800</b>	<b>\$ 87,464</b>	<b>\$ 104,314</b>	<b>\$ 106,607</b>
<b>Change in Obligated Balance:</b>				
Obligated balance, net				
Unpaid obligations, brought forward, October 1	\$ 50,210	\$ 12,953	\$ 48,213	\$ 10,802
Uncollected customer payments from Federal Sources, brought forward, October 1	(3)	(30)	(3)	(34)
Total, unpaid obligated balance, brought forward, net	\$ 50,207	\$ 12,923	\$ 48,210	\$ 10,768
Obligation Incurred net (+/-)	75,528	50,353	99,093	60,117
Gross Outlays	(73,058)	(45,529)	(95,662)	(54,516)
Recoveries of prior year unpaid obligations, actual	(1,968)	(3,043)	(1,434)	(3,450)
Change in uncollected customer payments from Federal Sources (+/-)		30		4
Obligated Balance, net, end of period				
Unpaid Obligations	\$ 50,712	\$ 14,734	\$ 50,210	\$ 12,953
Uncollected customer payments from Federal Sources	(3)		(3)	(30)
<b>Total, unpaid obligated balance, net, end of period</b>	<b>\$ 50,709</b>	<b>\$ 14,734</b>	<b>\$ 50,207</b>	<b>\$ 12,923</b>
<b>Net Outlays</b>				
Net Outlays:				
Gross Outlays	\$ 73,058	\$ 45,529	\$ 95,662	\$ 54,516
Offsetting collections	(1,811)	(37,373)	(2,083)	(77,399)
Distributed Offsetting receipts	(173)	(4,700)	(51)	
<b>Net Outlays (Note 14)</b>	<b>\$ 71,074</b>	<b>\$ 3,456</b>	<b>\$ 93,528</b>	<b>\$ (22,883)</b>

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