

**United States Department of Education**  
**Consolidated Statement of Net Cost**  
**For the Years Ended September 30, 2005 and 2004**  
(Dollars in Millions)

	<b>Fiscal Year 2005</b>	<b>Fiscal Year 2004</b>
<b>Program Costs</b>		
<b>Program A (Enhancement of Postsecondary and Adult Education)</b>		
Intragovernmental Gross Costs	\$ 7,141	\$ 6,376
Less: Intragovernmental Earned Revenue	2,140	1,627
<i>Intragovernmental Net Costs</i>	5,001	4,749
Gross Costs with the Public	35,210	28,167
Less: Earned Revenues from the Public	4,730	4,812
<i>Net Costs with the Public</i>	30,480	23,355
<b>Program A Total Net Cost</b>	<b>\$ 35,481</b>	<b>\$ 28,104</b>
<b>Program B (Creation of Student Achievement, Culture of Achievement and Safe Schools)</b>		
Intragovernmental Gross Costs	\$ 186	\$ 174
Less: Intragovernmental Earned Revenue	76	103
<i>Intragovernmental Net Costs</i>	110	71
Gross Costs with the Public	24,278	21,933
Less: Earned Revenues from the Public	24,278	21,933
<i>Net Costs with the Public</i>	24,278	21,933
<b>Program B Total Net Cost</b>	<b>\$ 24,388</b>	<b>\$ 22,004</b>
<b>Program C (Transformation of Education)</b>		
Intragovernmental Gross Costs	\$ 82	\$ 77
Less: Intragovernmental Earned Revenue	3	4
<i>Intragovernmental Net Costs</i>	79	73
Gross Costs with the Public	1,138	578
Less: Earned Revenues from the Public	14	14
<i>Net Costs with the Public</i>	1,124	564
<b>Program C Total Net Cost</b>	<b>\$ 1,203</b>	<b>\$ 637</b>
<b>Program D (Special Education and Program Execution)</b>		
Intragovernmental Gross Costs	\$ 94	\$ 34
Less: Intragovernmental Earned Revenue	2	4
<i>Intragovernmental Net Costs</i>	92	30
Gross Costs with the Public	14,075	12,848
Less: Earned Revenues from the Public	14,075	12,848
<i>Net Costs with the Public</i>	14,075	12,848
<b>Program D Total Net Cost</b>	<b>\$ 14,167</b>	<b>\$ 12,878</b>
<b>Total Program Net Costs</b>	<b>\$ 75,239</b>	<b>\$ 63,623</b>
<b>Net Cost of Operations (Note 17)</b>	<b>\$ 75,239</b>	<b>\$ 63,623</b>

The accompanying notes are an integral part of these statements.