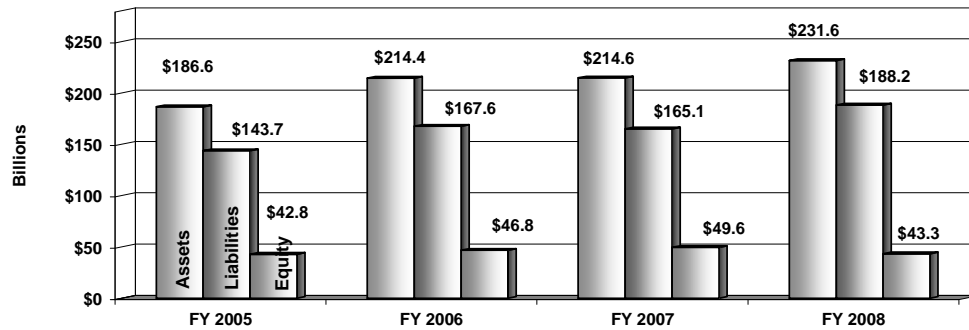


## Financial Summary

Dollars in Millions

### Balance Sheet

|   | % Change<br>2008/2007 | FY 2008           | FY 2007           | FY 2006           | FY 2005           |
|---|-----------------------|-------------------|-------------------|-------------------|-------------------|
| Fund Balance with Treasury                | -3%                   | \$ 94,899         | \$ 97,532         | \$ 107,053        | \$ 77,569         |
| Credit Program Receivables                | +16%                  | 134,725           | 115,904           | 106,728           | 107,937           |
| Other                                     | +62%                  | 1,949             | 1,202             | 640               | 1,061             |
| <b>Total Assets</b>                       |                       | <b>231,573</b>    | <b>214,638</b>    | <b>214,421</b>    | <b>186,567</b>    |
| Debt                                      | +23%                  | 128,668           | 104,287           | 105,677           | 104,597           |
| Liabilities for Loan Guarantees           | -15%                  | 43,322            | 50,874            | 52,453            | 30,611            |
| Other                                     | +64%                  | 16,247            | 9,896             | 9,481             | 8,517             |
| <b>Total Liabilities</b>                  |                       | <b>188,237</b>    | <b>165,057</b>    | <b>167,611</b>    | <b>143,725</b>    |
| Unexpended Appropriations                 | -5%                   | 49,506            | 52,047            | 51,812            | 47,288            |
| Cumulative Results of Operations          | +150%                 | (6,170)           | (2,466)           | (5,002)           | (4,446)           |
| <b>Total Net Position</b>                 |                       | <b>43,336</b>     | <b>49,581</b>     | <b>46,810</b>     | <b>42,842</b>     |
| <b>Total Liabilities and Net Position</b> |                       | <b>\$ 231,573</b> | <b>\$ 214,638</b> | <b>\$ 214,421</b> | <b>\$ 186,567</b> |



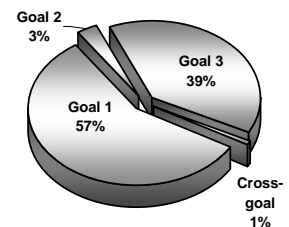
### Statement of Net Cost

|                                     | % Change<br>2008/2007 | FY 2008          | FY 2007          | FY 2006          | FY 2005          |
|-------------------------------------|-----------------------|------------------|------------------|------------------|------------------|
| Gross Cost                          | +2%                   | \$ 74,034        | \$ 72,316        | \$ 104,699       | \$ 82,204        |
| Earned Revenue                      | +15%                  | (9,217)          | (8,032)          | (7,870)          | (6,965)          |
| <b>Total Net Cost of Operations</b> |                       | <b>\$ 64,817</b> | <b>\$ 64,284</b> | <b>\$ 96,829</b> | <b>\$ 75,239</b> |

#### Net Cost Based on the Department's Strategic Plan 2007-2012

FY 2008

|                                     |  |                  |
|-------------------------------------|--|------------------|
| Goal 1                              | Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014                                       | \$ 37,045        |
| Goal 2                              | Increase the academic achievement of all high school students  | 2,112            |
| Goal 3                              | Ensure the accessibility, affordability, and accountability of higher education, and better prepare students and adults for employment and future learning | 25,094           |
| Cross-goal                          | Strategy on Management   | 566              |
| <b>Total Net Cost of Operations</b> |  | <b>\$ 64,817</b> |



#### Net Cost Based on the Department's Strategic Plan 2002-2007

|                                     | FY 2007          | FY 2006          | FY 2005          |
|-------------------------------------|------------------|------------------|------------------|
| Goal 2                              | \$ 36,838        | \$ 37,700        | \$ 36,415        |
| Goal 3                              | 740              | 849              | 877              |
| Goal 4                              | 367              | 422              | 442              |
| Goal 5                              | 25,799           | 57,303           | 36,940           |
| Goal 6                              | 540              | 555              | 565              |
| <b>Total Net Cost of Operations</b> | <b>\$ 64,284</b> | <b>\$ 96,829</b> | <b>\$ 75,239</b> |