



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF INSPECTOR GENERAL

Audit Services

November 15, 2011

MEMORANDUM

TO: Thomas Skelly
Acting Chief Financial Officer
Office of the Chief Financial Officer

FROM: Keith West
Assistant Inspector General for Audit

SUBJECT: FINAL AUDIT REPORT
Financial Statement Audits for Fiscal Years 2011 and 2010
U.S. Department of Education Special Purpose Financial Statements
Control Number ED-OIG/A17L0003

Attached is the subject final report on the results of the audits of the special purpose financial statements (closing package) of the U.S. Department of Education for fiscal years 2011 and 2010. This report will also be provided to the Secretary. The report should be read in conjunction with the Department's special purpose financial statements and notes to fully understand the context of the information contained therein. The auditors have discussed the report with you or appropriate members of your staff at various times throughout the audit.

We appreciate the cooperation given Ernst & Young, LLP and the OIG, during the audits. Should you have any questions concerning the report, please contact me or Greg Spencer at 245-7041 or 245-6015, respectively.

Attachment

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Report of Independent Auditors

To the Inspector General
U.S. Department of Education

We have audited the accompanying reclassified balance sheets as of September 30, 2011 and 2010, and the related reclassified statements of net cost and changes in net position for the fiscal years then ended (hereinafter referred to as the special-purpose financial statements) contained in the special-purpose closing package of the U.S. Department of Education (the Department). These special-purpose financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, as amended. Those standards and bulletin require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. We were not engaged to perform an audit of the Department's internal control over financial reporting for the special-purpose financial statements. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting for the special-purpose financial statements. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying special-purpose financial statements and accompanying notes contained in the special-purpose closing package have been prepared for the purpose of complying with the requirements of the U.S. Department of the Treasury's Financial Manual (TFM) Volume I, Part 2, Chapter 4700, as described in Note 1, solely for the purpose of providing financial information to the U.S. Department of the Treasury and the U.S. Government Accountability Office to use in preparing and auditing the *Financial Report of the U.S. Government*, and are not intended to be a complete presentation of the Department's financial statements.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Department as of September 30, 2011 and 2010,



and its net cost and changes in net position, for the years then ended, in conformity with accounting principles generally accepted in the United States of America and the presentation pursuant to the requirements of the TFM Chapter 4700.

The information included in the Other Data is presented for the purpose of additional analysis and is not a required part of the special-purpose financial statements, but is supplementary information required by the TFM Chapter 4700. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methodology and presentation of this information. We also reviewed such information for consistency with the related information presented in the Department's financial statements. However, we did not audit this information, and accordingly, we express no opinion on it.

In accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, we have also issued our reports dated November 15, 2011 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations and other matters. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 07-04, as amended, and should be considered in assessing the results of our audit.

In planning and performing our audit of the special-purpose financial statements, we also considered the Department's internal control over the financial reporting process for the special-purpose financial statements and compliance with the TFM Chapter 4700. Management is responsible for establishing and maintaining internal control over financial reporting, including Other Data, and for complying with laws and regulations, including compliance with the TFM Chapter 4700 requirements.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over the financial reporting process for the special-purpose financial statements was for the limited purpose described in the second preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses.



We noted no matters involving internal control over the financial reporting process for the special-purpose financial statements that we consider to be material weaknesses, and our tests of compliance with the TFM Chapter 4700 requirements disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 07-04, as amended. However, providing opinions on internal control over the financial reporting process for the special-purpose financial statements or on compliance with the TFM Chapter 4700 requirements were not objectives of our audits of the special-purpose financial statements and, accordingly, we do not express such opinions.

This report is intended solely for the information and use of the Department, the U.S. Department of the Treasury, the Office of Management and Budget and the U.S. Government Accountability Office in connection with the preparation and audit of the *Financial Report of the U.S. Government* and is not intended to be and should not be used by anyone other than these specified parties.

Ernst & Young LLP

November 15, 2011

**U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

11-15-2011 17:53:46

GF003F-Closing Package Financial Statement Report

Statement: BALANCE SHEET

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

Reported In: MILLIONS

Decimal Point: ZERO

Amounts presented as debits and credits()

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

I = Inactive Line

Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Assets:				
Non-Federal				
Cash and Other Monetary Assets		1,664	2,965	2,965
Accounts and Taxes Receivable		138	239	239
Loans Receivable and mortgage backed securities		530,491	367,904	367,904
TARP Direct Loans and Equity Investments		0	0	0
Beneficial Interest in Trust		0	0	0
Inventory and Related Property		0	0	0
Property, Plant and Equipment		16	28	28
Debt and Equity Securities		0	0	0
Investment in Government sponsored enterprises (GSEs)		0	0	0
Derivative Assets		0	0	0
Other Assets		98	166	166
Total Non-Federal Assets		532,407	371,302	371,302
Federal				
Fund Balance with Treasury		114,085	132,259	132,259
Federal Investments		0	0	0
Accounts Receivable		0	1	1
Accounts Receivable, capital transfers		0	0	0
Interest Receivable		0	0	0
Loans Receivable		0	0	0
Transfers Receivable		0	0	0
Benefit Program Contributions		0	0	0

**U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

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Entity: 9100-Department of Education

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Receivable				
Advances to Others and Prepayments		50	102	102
Other Assets (without reciprocals)		0	0	0
Total Federal Assets		114,135	132,362	132,362
Total Assets		646,542	503,664	503,664
Liabilities				
Non-Federal				
Accounts Payable		(4,248)	(4,810)	(4,810)
Federal Debt Securities Held by the Public		0	0	0
Federal Employee and Veteran Benefits Payable		(18)	(16)	(16)
Environmental and Disposal Liabilities		0	0	0
Benefits Due and Payable		0	0	0
Loan Guarantee Liabilities		(10,025)	(14,479)	(14,479)
Liabilities to Government Sponsored Enterprises		0	0	0
Insurance and Guarantee Program Liabilities		0	0	0
Derivative Liabilities		0	0	0
Other Liabilities		(4,127)	(4,074)	(4,074)
Total Non-Federal Liabilities		(18,418)	(23,379)	(23,379)
Federal				
Accounts Payable		(1,698)	(2,966)	(5,390)

**U.S Department of the Treasury
Financial Management Service
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Entity: 9100-Department of Education

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Accounts Payable, capital transfers		(3,890)	(2,424)	0
Federal Debt		0	0	0
Interest Payable		0	(4)	(4)
Loans Payable		(547,108)	(374,331)	(374,331)
Transfers Payable		0	0	0
Benefit Program Contributions Payable		(10)	(8)	(8)
Advances from Others and Deferred Credits		(89)	(96)	(96)
Liability to the General Fund for custodial and other non-entity assets		0	0	0
Other Liabilities (without reciprocals)		(6,744)	(12,854)	(12,854)
Total Federal Liabilities		(559,539)	(392,683)	(392,683)
Total Liabilities		(577,957)	(416,062)	(416,062)
 Net Position				
Net Position-Non-Earmarked Funds		(68,581)	(87,598)	(87,598)
Net Position-Earmarked Funds		(4)	(4)	(4)
Total Net Position		(68,585)	(87,602)	(87,602)
Total Liabilities and Net Position		(646,542)	(503,664)	(503,664)

**U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

11-15-2011 17:53:46

GF003F-Closing Package Financial Statement Report

Statement: STATEMENT OF NET COST

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

Reported In: MILLIONS

Decimal Point: ZERO

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Gross Cost:				
Non-Federal Gross Cost		69,173	100,219	100,219
Interest on Debt Held by the Public		0	0	0
Gain/Loss from changes in actuarial assumptions		0	0	0
Total Non-Federal Gross Cost		69,173	100,219	100,219
Federal Gross Cost				
Benefit Program Costs		123	98	98
Imputed Costs		38	30	30
Buy/Sell Costs		379	384	384
Federal Securities Interest Expense		0	0	0
Borrowing and Other Interest Expense		20,197	16,222	16,222
Borrowing Losses		0	0	0
Other Expenses (without reciprocals)		0	0	0
Total Federal Gross Cost		20,737	16,734	16,734
Department Total Gross Cost		89,910	116,953	116,953
Earned Revenue				
Non-Federal Earned Revenue		(15,008)	(11,328)	(11,328)
Federal Earned Revenue				
Benefit Program Revenue (exchange)		0	0	0
Buy/Sell Revenue		0	(76)	(1,070)
Federal Securities Interest Revenue (exchange)		0	0	0

U.S Department of the Treasury
Financial Management Service
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Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

Reported In: MILLIONS

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Borrowing and Other Interest Revenue (Exchange)		(4,457)	(4,881)	(4,881)
Borrowings Gains		0	0	0
Other Revenue (without reciprocals)		(932)	(994)	0
Total Federal Earned Revenue		(5,389)	(5,951)	(5,951)
Department Total Earned Revenue		(20,397)	(17,279)	(17,279)
Net Cost		69,513	99,674	99,674

**U.S Department of the Treasury
Financial Management Service
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11-15-2011 17:53:46

GF003F-Closing Package Financial Statement Report

Statement: STATEMENT OF CHANGES IN NET POSITION **Fiscal Year:** 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

Reported In: MILLIONS

Decimal Point: ZERO

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Beginning Net Position		(87,602)	(127,060)	(127,060)
Non-Federal Prior-Period Adjustments				
Changes in Accounting Principles - Non Federal		0	0	0
Corrections of Errors - Non Federal		0	0	0
Corrections of Errors - Years Preceding the Prior Year - Non Federal		0	0	0
Federal Prior-Period Adjustments				
Change in Accounting Principles - Federal		0	0	0
Corrections of Errors - Federal		0	0	0
Corrections of Errors - Years Preceding the Prior Year - Federal		0	0	0
Adjusted Beginning Net Position Balance		(87,602)	(127,060)	(127,060)
Non-Federal Nonexchange Revenue				
Individual Income Tax and Tax Withholdings		0	0	0
Corporation Income Taxes		0	0	0
Unemployment Taxes		0	0	0
Excise Taxes		0	0	0
Estate and Gift Taxes		0	0	0
Custom Duties		0	0	0
Other Taxes and Receipts		(4)	(12)	(12)

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Statement: STATEMENT OF CHANGES IN NET POSITION **Fiscal Year:** 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Miscellaneous Earned Revenue		0	0	0
Total Non-Federal Nonexchange Revenue		(4)	(12)	(12)
Federal Nonexchange Revenue				
Federal Securities Interest Revenue (nonexchange)		0	0	0
Borrowing and other interest revenue (nonexchange)		0	0	0
Benefit Program Revenue (nonexchange)		0	0	0
Other taxes and receipts		0	0	0
Total Federal Nonexchange Revenue		0	0	0
Budgetary Financing Sources:				
Appropriations received as adjusted (rescissions and other adjustments)		(93,346)	(91,606)	(91,606)
Appropriation of unavailable special or trust fund receipts transfers-in		0	0	0
Appropriation of unavailable special or trust fund receipts Transfers-out		0	0	0
Nonexpenditure transfers-in of unexpended appropriations and financing sources		0	0	0
Nonexpenditure Transfers-out of unexpended appropriations and financing sources		0	0	0

**U.S Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

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GF003F-Closing Package Financial Statement Report

Statement: STATEMENT OF CHANGES IN NET POSITION **Fiscal Year:** 2011

Period: SEPTEMBER

Entity: 9100-Department of Education

Reported In: MILLIONS

Decimal Point: ZERO

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
Expenditure transfers-in of financing sources		0	0	0
Expenditure Transfers-out of financing sources		0	0	0
Nonexpenditure Transfers-In of Financing Sources - Capital Transfers		0	0	0
Nonexpenditure Transfers-out of Financing Sources - Capital Transfers		24	19	19
Collections for Others Transferred to the General Fund		0	0	0
Accrual for Amounts to be Collected for Others and Transferred to the General Fund		0	0	0
Other budgetary financing sources		(1,300)	989	989
Total Budgetary Financing Sources		(94,622)	(90,598)	(90,598)
Other Financing Sources:				
Transfers-in Without Reimbursement		0	0	0
Transfers-out Without Reimbursement		0	0	0
Imputed Financing Source		(38)	(30)	(30)
Non-Entity Collections Transferred to the General Fund		0	0	0
Accrual for Non-entity Amounts to be Collected and Transferred to the General Fund		0	0	0
Other non-budgetary financing		44,168	30,424	30,424

U.S Department of the Treasury
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Period: SEPTEMBER

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Closing Line item	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported
sources				
Total Other Financing Sources		44,130	30,394	30,394
Net Cost		69,513	99,674	99,674
Ending Net Position Balance		(68,585)	(87,602)	(87,602)

**U.S.Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

11-15-2011 17:59:15

GF004F - Trading Partner Summary Note Report

Statement: BALANCE SHEET

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts presented as debits and credits()

I = Inactive Line

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Accounts Receivable	A	D	0	1
				Variance:	0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
8600	Department of Housing and Urban Development		0	1	1	0
	Total		0	1	1	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Advances to Others and Prepayments	A	D	50	102
				Variance:	0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
1400	Department of the Interior		50	102	102	0
	Total		50	102	102	0

**U.S.Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

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GF004F - Trading Partner Summary Note Report

Statement: BALANCE SHEET

Fiscal Year: 2011

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Entity: 9100 - Department of Education

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Accounts Payable	L	C	1,698	2,966
Variance:					0	0
Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		1,698	2,966	5,390	(2,424)
Total			(1,698)	(2,966)	(5,390)	(2,424)

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Accounts Payable, capital transfers	L	C	3,890	2,424
Variance:					0	0
Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
9100	Department of Education		3,890	0	0	0
9900	Treasury General Fund		0	2,424	0	2,424
Total			(3,890)	(2,424)	0	2,424

**U.S.Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

11-15-2011 17:59:15

GF004F - Trading Partner Summary Note Report

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Advances from Others and Deferred Credits	L	C	89	96
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
1200	Department of Agriculture		0	1	1	0
2000	Department of the Treasury		1	0	0	0
2800	Social Security Administration		0	1	1	0
3600	DEPARTMENT OF VETERANS AFFAIRS		1	0	0	0
4900	National Science Foundation		1	0	0	0
7000	Department of Homeland Security		1	1	1	0
7500	Department of Health and Human Services		84	93	93	0
8600	Department of Housing and Urban Development		1	0	0	0
Total			(89)	(96)	(96)	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Benefit Program Contributions Payable	L	C	10	8
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
1601	Department of Labor		4	3	3	0
2400	Office of Personnel Management		6	5	5	0
Total			(10)	(8)	(8)	0

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Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
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Agency FS	Status	CP Line Description	Account Type	NB	2011-SEPTEMBER	2010-SEPTEMBER
BS		Interest Payable	L	C	0	4
				Variance:	0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2000	Department of the Treasury		0	4	4	0
	Total		0	(4)	(4)	0

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Loans Payable	L	C	547,108	374,331
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2000	Department of the Treasury		547,108	374,331	374,331	0
Total			(547,108)	(374,331)	(374,331)	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
BS		Other Liabilities (without reciprocals)	L	C	6,744	12,854
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
1500	Department of Justice		0	2	2	0
6900	Department of Transportation		0	1	1	0
7500	Department of Health and Human Services		0	1	1	0
9900	Treasury General Fund		6,744	12,850	12,850	0
Total			(6,744)	(12,854)	(12,854)	0

**U.S.Department of the Treasury
Financial Management Service
Governmentwide Financial Report System**

11-15-2011 17:59:15

GF004F - Trading Partner Summary Note Report

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Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

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I = Inactive Line

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Borrowing and Other Interest Revenue (Exchange)	ER	C	4,457	4,881
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2000	Department of the Treasury		4,457	4,881	4,881	0
Total			(4,457)	(4,881)	(4,881)	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Buy/Sell Revenue	ER	C	0	76
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
4900	National Science Foundation		0	2	2	0
7500	Department of Health and Human Services		0	74	74	0
9900	Treasury General Fund		0	0	994	(994)
Total			0	(76)	(1,070)	(994)

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GF004F - Trading Partner Summary Note Report

Statement: STATEMENT OF NET COST

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Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts presented as debits and credits()

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Other Revenue (without reciprocals)	ER	C	932	994
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
1300	Department of Commerce		2	0	0	0
3600	DEPARTMENT OF VETERANS AFFAIRS		2	0	0	0
4900	National Science Foundation		2	0	0	0
5000	Securities and Exchange Commission		2	0	0	0
7000	Department of Homeland Security		2	0	0	0
9900	Treasury General Fund		922	994	0	994
Total			(932)	(994)	0	994

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Benefit Program Costs	GC	D	123	98
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2400	Office of Personnel Management		96	84	84	0
9900	Treasury General Fund		27	14	14	0
Total			123	98	98	0

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Borrowing and Other Interest Expense	GC	D	20,197	16,222
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2000	Department of the Treasury		20,197	16,222	16,222	0
Total			20,197	16,222	16,222	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Buy/Sell Costs	GC	D	379	384
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
0400	GOVERNMENT PRINTING OFFICE		5	0	0	0
1300	Department of Commerce		30	30	30	0
1400	Department of the Interior		227	194	194	0
1601	Department of Labor		0	12	12	0
1900	Department of State		3	2	2	0
2000	Department of the Treasury		3	1	1	0
2400	Office of Personnel Management		0	6	6	0
4700	General Services Administration		77	96	96	0
4900	National Science Foundation		0	1	1	0
6900	Department of Transportation		17	13	13	0
7000	Department of Homeland Security		11	11	11	0

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Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
7500	Department of Health and Human Services		6	3	3	0
9500	Independent and Other Agencies		0	9	9	0
9900	Treasury General Fund		0	(11)	(11)	0
DE00	Department of Defense		0	17	17	0
	Total		379	384	384	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
NCS		Imputed Costs	GC	D	38	30
				Variance:	0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2400	Office of Personnel Management		38	30	30	0
	Total		38	30	30	0

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
SCNP		Nonexpenditure Transfers-out of Financing Sources	CF	D	24	19
		- Capital Transfers				
		Variance:			0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
9100	Department of Education		24	19	19	0
	Total		24	19	19	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
SCNP		Imputed Financing Source	F	C	38	30
		Variance:			0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
2400	Office of Personnel Management		38	30	30	0
	Total		(38)	(30)	(30)	0

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<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
SCNP		Other budgetary financing sources	F	C	1,300	(989)
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		1,300	(989)	(989)	0
Total			(1,300)	989	989	0

<u>Agency FS</u>	<u>Status</u>	<u>CP Line Description</u>	<u>Account Type</u>	<u>NB</u>	<u>2011-SEPTEMBER</u>	<u>2010-SEPTEMBER</u>
SCNP		Other non-budgetary financing sources	F	C	(44,168)	(30,424)
Variance:					0	0

Trading Partner	Name	Status	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line item Changes
9900	Treasury General Fund		(44,168)	(30,424)	(30,424)	0
Total			44,168	30,424	30,424	0

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Statement: BALANCE SHEET
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Amounts reported as normal/(abnormal) balances.
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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
4	Fund Balance with Treasury (Note 3)		A	D	B	114,085	132,259
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Fund Balance with Treasury		F	114,085	132,259	132,259	0
Total:			114,085	132,259	132,259	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
5	Accounts Receivable (Note 4)		A	D	F	0	1
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Receivable		F	0	1	1	0
Total:			0	1	1	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
6	Other Intragovernmental Assets (Note 8)		A	D	B	50	102
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Advances to Others and Prepayments		F	50	102	102	0
Total:			50	102	102	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
9	Cash and Other Monetary Assets (Note 5)		A	D	B	1,664	2,965
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Cash and Other Monetary Assets		N	1,664	2,965	2,965	0
Total:			1,664	2,965	2,965	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
10	Accounts Receivable, Net (Note 4)		A	D	B	138	239
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts and Taxes Receivable		N	138	239	239	0
Total:			138	239	239	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
11	Credit Program Receivables, Net (Note 6)		A	D	N	530,491	367,904
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Loans Receivable and mortgage backed securities		N	530,491	367,904	367,904	0
Total:			530,491	367,904	367,904	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
12	General Property, Plant and Equipment, Net (Note 7)		A	D	B	16	28
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Property, Plant and Equipment		N	16	28	28	0
Total:			16	28	28	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
13	Other Assets (Note 8)		A	D	N	98	166
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Other Assets		N	98	166	166	0
Total:			98	166	166	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
19	Accounts Payable		L	C	F	34	1
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Payable		F	34	1	1	0
Total:			(34)	(1)	(1)	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
20	Debt (Note 9)		L	C	F	547,108	374,335
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Interest Payable		F	0		4	0
Loans Payable		F	547,108	374,331	374,331	0
Total:			(547,108)	(374,335)	(374,335)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
21	Guaranty Agency Federal and Restricted Funds Due to Treasury (Note 5)		L	C	F	1,664	2,965
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Payable		F	1,664	2,965	2,965	0
Total:			(1,664)	(2,965)	(2,965)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
22	Payable to Treasury (Note 6)		L	C	F	3,890	2,424
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Payable		F	0	0	2,424	(2,424)
Accounts Payable, capital transfers		F	3,890	2,424	0	2,424
Total:			(3,890)	(2,424)	(2,424)	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
23	Other Intragovernmental Liabilities (Note 10)		L	C	F	6,843	12,958
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Benefit Program Contributions Payable		F	10	8	8	0
Advances from Others and Deferred Credits		F	89	96	96	0
Other Liabilities (without reciprocals)		F	6,744	12,854	12,854	0
Total:			(6,843)	(12,958)	(12,958)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
27	Accounts Payable		L	C	N	4,248	4,810
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Accounts Payable		N	4,248	4,810	4,810	0
Total:			(4,248)	(4,810)	(4,810)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
28	Accrued Grant Liability (Note 11)		L	C	N	3,928	3,744
					Variance:	0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Other Liabilities		N	3,928	3,744	3,744	0
Total:			(3,928)	(3,744)	(3,744)	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
29	Liabilities for Loan Guarantees (Note 6)		L	C	N	10,025	14,479
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Loan Guarantee Liabilities		N	10,025	14,479	14,479	0
Total:			(10,025)	(14,479)	(14,479)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
30	Other Liabilities (Note 10)		L	C	N	217	346
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Federal Employee and Veteran Benefits Payable		N	18	16	16	0
Other Liabilities		N	199	330	330	0
Total:			(217)	(346)	(346)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
37	Unexpended Appropriations - Earmarked Funds (Note 20)		E	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
38	Unexpended Appropriations -Other Funds		E	C	B	71,729	94,371
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Net Position-Non-Earmarked Funds		B	71,729	94,371	94,371	0
Total:			(71,729)	(94,371)	(94,371)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
39	Cumulative Results of Operations - Earmarked Funds (Note 20)		E	C	B	4	4
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Net Position-Earmarked Funds		B	4	4	4	0
Total:			(4)	(4)	(4)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
40	Cumulative Results of Operations-Other Funds		E	C	B	(3,148)	(6,773)
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Net Position-Non-Earmarked Funds		B	(3,148)	(6,773)	(6,773)	0
Total:			3,148	6,773	6,773	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
42	Total Gross costs		GC	D	B	89,910	116,953
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Imputed Costs		F	38	30	30	0
Buy/Sell Costs		F	379	384	384	0
Benefit Program Costs		F	123	98	98	0
Borrowing and Other Interest Expense		F	20,197	16,222	16,222	0
Non-Federal Gross Cost		N	69,173	100,219	100,219	0
Total:			89,910	116,953	116,953	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
43	Total Earned Revenue		ER	C	B	20,397	17,279
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Buy/Sell Revenue		F	0	76	1,070	(994)
Borrowing and Other Interest Revenue (Exchange)		F	4,457	4,881	4,881	0
Non-Federal Earned Revenue		N	15,008	11,328	11,328	0
Other Revenue (without reciprocals)		F	932	994	0	994
Total:			(20,397)	(17,279)	(17,279)	0

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Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
3	Beginning Balances - Earmarked Funds		BN	C	B	4	8
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Beginning Net Position		B	4	8	8	0
Total:			(4)	(8)	(8)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
4	Beginning Balances - All Other Funds		BN	C	B	(6,773)	(217)
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Beginning Net Position		B	(6,773)	(217)	(217)	0
Total:			6,773	217	217	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
8	Other Adjustments (rescission, etc) - Earmarked Funds		F	C	B	1	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Appropriations received as adjusted (rescissions and other adjustments)		F	1	0	0	0
Total:			(1)	0	0	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
9	Other Adjustments (rescission, etc) - All Other Funds		F	C	B	(2)	(2)
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Appropriations received as adjusted (rescissions and other adjustments)		F	(2)	(2)	(2)	0
Total:			2	2	2	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
11	Appropriations Used - Earmarked Funds		F	C	B	0	0
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
12	Appropriations Used - All Other Funds		F	C	B	115,989	124,506
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Nonexpenditure transfers-in of unexpended appropriations and financing sources		F	115,989	124,506	124,506	0
Total:			(115,989)	(124,506)	(124,506)	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
14	Nonexchange Revenue - Earmarked Funds		F	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
15	Nonexchange Revenue - All Other Funds		F	C	B	3	12
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Other Taxes and Receipts		N	3	12	12	0
Total:			(3)	(12)	(12)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
17	Donations and Forfeitures of Cash and Cash Equivalents - Earmarked Funds		F	C	B	1	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Other Taxes and Receipts		N	1	0	0	0
Total:			(1)	0	0	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
18	Donations and Forfeitures of Cash and Cash Equivalents - All Other Funds		F	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
20	Nonexpenditure Financing Sources - Transfers-Out - Earmarked Funds		F	C	F	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
21	Nonexpenditure Financing Sources - Transfers-Out - All Other Funds		F	C	F	(24)	(19)
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Nonexpenditure Transfers-out of Financing Sources - Capital Transfers		F	24	19	19	0
Total:			24	19	19	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
25	Imputed Financing from Costs Absorbed by Others - Earmarked Funds		F	C	F	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
26	Imputed Financing from Costs Absorbed by Others - All Other Funds		F	C	F	38	30
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Imputed Financing Source		F	38	30	30	0
Total:			(38)	(30)	(30)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
28	Others - Earmarked Funds		F	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
29	Others - All Other Funds		F	C	B	(42,868)	(31,413)
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Other non-budgetary financing sources		F	(44,168)	(30,424)	(30,424)	0
Other budgetary financing sources		F	1,300	(989)	(989)	0
Total:			42,868	31,413	31,413	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
49	Beginning Balances - Earmarked Funds		BN	C	B	0	0
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
50	Beginning Balances - All Other Funds		BN	C	B	94,371	127,269
						Variance: 0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Beginning Net Position		B	94,371	127,269	127,269	0
Total:			(94,371)	(127,269)	(127,269)	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
54	Appropriations Received - Earmarked Funds		F	C	F	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
55	Appropriations Received - All Other Funds		F	C	F	94,398	92,900
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Appropriations received as adjusted (rescissions and other adjustments)		F	94,398	92,900	92,900	0
Total:			(94,398)	(92,900)	(92,900)	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
57	Appropriations Transferred - in/out - Earmarked Funds		F	C	F	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

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Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
58	Appropriations Transferred - in/out - All Other Funds		F	C	F	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
60	Other Adjustments (rescissions, etc) - Earmarked Funds		F	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
61	Other Adjustments (rescissions, etc) - All Other Funds		F	C	B	(1,051)	(1,292)
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Appropriations received as adjusted (rescissions and other adjustments)		F	(1,051)	(1,292)	(1,292)	0
Total:			1,051	1,292	1,292	0

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GF003G-Closing Package Line Reclassification Summary Report

Statement: STATEMENT OF CHANGES IN NET POSITION

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 - Department of Education

Reported in: MILLIONS

Decimal Point: ZERO

Amounts reported as normal/(abnormal) balances.

I = Inactive Line

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
63	Appropriations Used - Earmarked Funds		F	C	B	0	0
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Total:			0	0	0	0

Line	Agency Line Description	Status	Account Type	NB	F/N	2011-SEPTEMBER	2010-SEPTEMBER
64	Appropriations Used - All Other Funds		F	C	B	(115,989)	(124,506)
			Variance:			0	0

Closing Package Line Reclassification

Closing Package Line Description	Status	F/N	2011-SEPTEMBER	2010-SEPTEMBER	Previously Reported	Line Item Changes
Nonexpenditure transfers-in of unexpended appropriations and financing sources		F	(115,989)	(124,506)	(124,506)	0
Total:			115,989	124,506	124,506	0

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 01 Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 1

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: B **Section Name:** Related Parties, External to the Reporting Entity for the Financial Report **No Data Flag:** YES **Line Attributes:** Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Related party receivables	Debit				
2		Related party payables	Credit				
3		Related party operating revenue	Credit				
4		Related party net cost of operations	Debit				
5		Related party economic dependency transactions	Debit				
6		Investments in related parties	Debit				

**U.S. Department of the Treasury
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GF006 - FR Notes Report**

Note: 01 Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 1

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
1	Describe any significant events that occurred after the date of the balance sheet but prior to the agencies audited financial statements being issued.	<p>The Department reclassified \$2,424 for fiscal year 2010, on the Balance Sheet, from Payable to Treasury to Accounts Payable, Capital Transfers, due to the inclusion of Accounts Payable, capital transfers into the FY 2011 Treasury crosswalk.</p> <p>The Department reclassified \$994 for fiscal year 2010, from Buy/Sell Revenue to Other Revenue to be consistent with Treasury guidance.</p>
2	Describe any departures from U.S. Generally Accepted Accounting Procedures (GAAP).	
3	When applying the general rule of the Statements of Federal Financial Accounting Standards (SFFAS) No. 7, par. 48, describe the specific potential accruals that are not made and the practical and inherent limitations affecting the accrual of taxes and duties.	
4	Describe any change in accounting if a collecting entity adopts accounting standards that embody a fuller application of accrual accounting concepts that differ from that prescribed by SFFAS No. 7, par. 48.	
5	List all of the agency's components for which balances and activities are not combined into the agency's financial statements, and, therefore, are represented in the GFRS data.	<p>The components whose balances and activities are combined into the financial statements and presented in the GFRS data are Federal Student Aid (FSA), Office of Elementary and Secondary Education (OESE), Office of Special Education and Rehabilitative Services (OSERS), Office of Vocational and Adult Education (OVAE), Office of Postsecondary Education (OPE), Institute of Education Sciences (IES), Office of English Language Acquisition (OELA), Office of Safe and Drug-Free Schools (OSDFS), Office of Innovation and Improvement (OII), Office of Management (OM), American Recovery and Reinvestment Act of 2009 and Educations Jobs Fund (RA/JF) activities, Office of Management, Office for Civil Rights (OCR), and Hurricane Education Recovery (HR) activities.</p>
6	List all of the agency's components for which balances and activities are combined into the agency's financial statements, and, therefore, are represented in the GFRS data.	<p>Under the provisions of the SAFRA Act, no new loans were made under the FFEL Program after June 30, 2010. This legislation effectively required a transition for new loans from guaranteed student loans to full direct lending through the Department under the Direct Loan Program. Federal guarantees on FFEL Program loans and commitments remain in effect for loans made before July 1, 2010 until the loan is sold to the Department through an ECASLA program, consolidated into a direct loan, or otherwise satisfied, discharged, or cancelled.</p> <p>Note 6, page 53, 2nd to last paragraph.</p> <p>Certain reclassifications were made to the FY 2010 financial statements and notes to conform to the current year presentation. These changes had no effect on total assets, liabilities, net position, net cost of operations, or budgetary resources. Components of FY 2010 FFEL Program Receivables, Net were reclassified to reflect a change in the Department's business process for accruing interest on assigned defaulted FFEL loans. FFEL Guaranteed accrued interest receivable was increased, with an offset to the allowance for subsidy. The net effect of this reclassification did not affect net Credit Program Receivables.</p>

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 01 Federal Reserve Earnings, Subsequent Events, and Other Pertinent Information

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 1

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
		Note 1, page 49, last paragraph before Note 2
7	Describe any additional significant accounting policies specific to the agency not included in GFRS Module GF006 - FR Notes.	
8	Provide any other relevant information pertaining to the Federal Reserve Earnings.	
9	Describe the nature of the related party relationship and transactions pertaining to the amount in the ,Other Notes Info, tab, Related party receivables' line.	
10	Describe the nature of the related party relationship and transactions pertaining to the amount in the "Other Notes Info " tab, " Related party payables" line.	
11	Describe the "Other Notes Info" tab, "Related party operating revenue" transactions along with the related party relationship and include transactions with zero or nominal balances, guarantees, and other terms. Also, describe changes in related party terms.	
12	Describe the "Other Notes Info" tab, "Related party net cost of operations" transactions along with the related party relationship and include transactions with zero or nominal balances, guarantees, and other terms. Also, describe changes in related party terms.	
13	Describe related party economic dependency (that is, major customers, suppliers, franchisors, franchisees, distributors, general agents, borrowers, and lenders) relationships and transactions included in the "Other Notes Info" tab, "Related party economic dependency transactions" section.	
14	Provide details on the investments in related parties.	
15	Provide details on related party leases.	
16	Describe control relationships with entities under common ownership, management control, and conservatorship if the operating results or financial position could be significantly impacted as a result of the relationship. Include control relationships with and without transactions.	
17	Provide any other useful information on related parties.	

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 02 Cash and Other Monetary Assets

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 2

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Cash and Other Monetary Assets		D	A	1,664	2,965		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Operating Cash- not restricted					
2		Operating Cash- restricted					
3		Other cash - not restricted					
4		Other cash - restricted	1,664	2,965	2,965	0	
5		International monetary assets					
6		Gold					
7		Foreign currency					
Total			1,664	2,965	2,965	0	

Threshold

Line Description	Question	Answer
Line Item Notes - Other cash - restricted (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	This change reflects the impact of guaranty agencies ongoing operations and a change the Department made to the process for estimating the valuation of the Federal Fund.

**U.S. Department of the Treasury
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Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 02 Cash and Other Monetary Assets

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 2

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A **Section Name:** Other Related Information

No Data Flag: YES

Line Attributes: Dollars

Rounding Method: User-Defined

Decimal: User-Defined

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		IMF Letter of Credit - available balance	Debit				
2		Reserve Position in the IMF	Debit				
3		SDR Holdings-Exchange Stabilization Fund	Debit				
4	I	SDR Certificates outstanding with the FRB	Debit				
5		SDR Certificates outstanding with the FRB	Credit				
6		Interest bearing liability to the IMF for SDR Allocations	Credit				
7		Gold certificates	Credit				

Section: B **Section Name:** Gold

No Data Flag: YES

Line Attributes: Units

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Number of fine troy ounces of gold	N/A				
2		Statutory price of 1 fine troy ounce of gold	N/A				
3		Market value of 1 fine troy ounce of gold	N/A				

**U.S. Department of the Treasury
Financial Management Service
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GF006 - FR Notes Report**

Note: 02 Cash and Other Monetary Assets

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 2

Status: Complete

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

I = Inactive Line

Section: C	Section Name: Analysis of Cash Held Outside Treasury	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER
1		Total Cash Held Outside Treasury (reported to Treasury	Credit		
2		Agency-entered reconciling item	Credit		
3		Agency-entered reconciling item	Credit		
4		Agency-entered reconciling item	Credit		
5		Agency-entered reconciling item	Credit		
6		Agency-entered reconciling item	Credit		
7		Total cash reported in Note 2.	N/A		

**U.S. Department of the Treasury
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Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 02 Cash and Other Monetary Assets

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 2

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
1	Describe the nature of the amount in the line item "other cash - not restricted."	
2	Describe the restrictions on the cash reported in the line item "Other cash - restricted" and any statutory authority (law, regulation, or agreement).	Cash and Other Monetary Assets consist of guaranty agency reserves that represent the federal governments interest in the net assets of state and nonprofit FFEL Program guaranty agencies. Guaranty agency reserves include initial federal start-up funds, receipts of federal reinsurance payments, insurance premiums, guaranty agency share of collections on defaulted loans, investment income, administrative cost allowances, and other assets.
3	If the cash is restricted because it is non-entity, state the entity for which the cash is being held.	Cash and Other Monetary Assets consist of reserves held in the FFEL Guaranty Agency Federal Funds.
4	Is the reported restricted cash being held in a financial institution? If yes, is it a Treasury designated bank?	
5	If the agency has restricted cash, is the restricted cash invested? If yes, is it invested in the Bureau of the Public Debt (BPD) security, agency security, and/or non-Federal security?	
6	Describe the nature of the amount in the line item "Foreign currency."	
7	Disclose any restrictions on the use (for example, by law, regulation, or agreement) of the amount in the line item "Foreign Currency."	
8	Disclose the method of exchange rate used on the financial statement date (Treasury exchange rate or prevailing market rate).	
9	Provide additional details describing the nature and cause of reconciling items reported in Section C, lines 2 through 6.	
10	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

**U.S. Department of the Treasury
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Note: 03 Accounts and Taxes Receivable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 3

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Accounts and Taxes Receivable		D	A	138	239		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Accounts receivable, gross	322	416	416	0	
2		Related interest receivable - accounts receivable					
3		Penalties, fines, and administrative fees receivable					
4		Less: allowance for loss on accounts receivable	-184	-177	-177	0	
5		Less: allowance for loss on interest receivable					
6		Less: allowance for loss on penalties, fines, and admin. fees rec.					
Total			138	239	239	0	

Threshold

Line Description	Question	Answer
Line Item Notes - Accounts receivable, gross (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	This decrease is primarily due to a decrease in the amount of in-process interest recapture (negative special allowance payments) for the FFEL program. Within threshold

Tab: Text Data

Line	Question	Answer
1	Describe the method(s) used to calculate the allowances on accounts receivable.	The estimate of the allowance for loss on uncollectible accounts is based on Department experience in the collection of receivables and an analysis of the outstanding balances.
3	Explain any material difference between the balance of accounts receivable and the amounts reported on the Treasury Report on Receivables.	
4	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description				NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Loans Receivable and mortgage backed securities				D	A	530,491	367,904		
				Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	CY Face Value of loans outstanding	CY Long-term cost of loans	CY Net loans receivable	PY Face Value of loans outstanding	PY Long-term cost of loans	PY Net loans receivable	
1		Federal Direct Student Loans	356,108	-25,346	381,454	230,177	1,969	228,208	
4		Federal Family Education Loan	147,283	-760	148,043	144,126	5,244	138,882	
14									
15									
16									
17									
18									
19		All other loans receivable	1,545	551	994	1,261	447	814	
		Total	504,936	-25,555	530,491	375,564	7,660	367,904	

Threshold

Line Description	Question	Answer
Line Item Notes - Federal Direct Student Loans (CY Face Value of loans outstanding)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase is due to new loan originations and consolidations, net collections from borrowers.
Line Item Notes - All other loans receivable (CY Long-term cost of loans)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The change is primarily due to a change in the allowance for loss percentage in the Perkins Loan Program. The increase is primarily due to subsidy transfers during FY 2011, net of net downward subsidy re-estimate and subsidy amortization in the TEACH Grant Program. The increase is primarily due to HBCU net upward subsidy re-estimates during FY 2011 in the Facilities Loan Program.
Line Item Notes - All other loans receivable (CY Face Value of loans outstanding)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase is due to TEACH loans disbursed during FY 2011, net collections from borrowers. Increase is primarily due to new HBCU loans disbursed during FY 2011 in the Facilities Loan Program.

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A **Section Name:** Subsidy Expense/(Income)

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Federal Direct Students Loans	Debit	-28,630			
4		Federal Family Education Loan	Debit	-4,905			
14			Debit				
15			Debit				
16			Debit				
17			Debit				
18			Debit				
19		All other loans receivable	Debit	12			
20		Total	N/A	-33,523			

Section: B **Section Name:** Foreclosed Assets - Balances (SFFAS No. 3, par. 91)

No Data Flag: YES

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Balances for property held Pre-1992	Debit				
2		Balances for property held Post-1991	Debit				

**U.S. Department of the Treasury
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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Section: C **Section Name:** Components of Loans Receivable, Net - Current
Year

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Federal Direct Student Loans	Electric Loans	Rural Housing Service	Federal Family Education Loan	Water and Environmental Loans	Farm Loans
1		Loans receivable, net - beginning of the year	Debit	228,208			138,882		
2		Loans disbursed (loans made)	Debit	131,636					
3		Loan collections (principal and interest repayments, penalties and fines related to loans)	Debit	-17,110			-9,502		
4		Loan Purchases	Debit				3,297		
5		Other Cash	Debit	-637			634		
6			Debit						
7			Debit						
8		Interest accrued on loans	Debit	3,747			5,023		
9		Foreclosed property acquired	Debit						
10		Allowance for loss (loans, interest, and foreclosed property)	Debit						
11		Allowance for subsidy	Debit						
12		Subsidy re-estimates	Debit	11,599			6,168		
13		Subsidy transfers	Debit	17,031					
14		Other non cash	Debit	6,980			3,541		
15			Debit						
16		Loans receivable, net - end of the year	N/A	381,454			148,043		

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Section: C **Section Name:** Components of Loans Receivable, Net - Current Year

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Export-Import Bank Loans	U.S. Agency for International Development	Housing and Urban Development	Telecommunications Loans	GSE Mortgage Backed Securities Purchase Program	All other loans receivable
1		Loans receivable, net - beginning of the year	Debit						814
2		Loans disbursed (loans made)	Debit						300
3		Loan collections (principal and interest repayments, penalties and fines related to loans)	Debit						-50
4		Loan Purchases	Debit						
5		Other Cash	Debit						-17
6			Debit						
7			Debit						
8		Interest accrued on loans	Debit						15
9		Foreclosed property acquired	Debit						
10		Allowance for loss (loans, interest, and foreclosed property)	Debit						30
11		Allowance for subsidy	Debit						
12		Subsidy re-estimates	Debit						-67
13		Subsidy transfers	Debit						-25
14		Other non cash	Debit						-6
15			Debit						
16		Loans receivable, net - end of the year	N/A						994

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Section: D **Section Name:** Components of Loans Receivable, Net - Prior Year

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Federal Direct Student Loans	Electric Loans	Rural Housing Service	Federal Family Education Loan	Water and Environmental Loans	Farm Loans
1		Loans receivable, net - beginning of the year	Debit	152,771			80,954		
2		Loans disbursed (loans made)	Debit	78,707					
3		Loan collections (principal and interest repayments, penalties and fines related to loans)	Debit	-12,399			-32,245		
4		Loan Purchases	Debit				82,020		
5		Other Cash	Debit	-240			1,295		
6			Debit						
7			Debit						
8		Interest accrued on loans	Debit	98			2,143		
9		Foreclosed property acquired	Debit						
10		Allowance for loss (loans, interest, and foreclosed property)	Debit						
11		Allowance for subsidy	Debit						
12		Subsidy re-estimates	Debit	-4,743			-4,104		
13		Subsidy Transfers	Debit	6,310			4,110		
14		Other non cash	Debit	7,704			4,709		
15			Debit						
16		Loans receivable, net - end of the year	N/A	228,208			138,882		

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Section: D **Section Name:** Components of Loans Receivable, Net - Prior Year

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Export-Import Bank Loans	U.S. Agency for International Development	Housing and Urban Development	Telecommunications Loans	GSE Mortgage Backed Securities Purchase Program	All other loans receivable
1		Loans receivable, net - beginning of the year	Debit						529
2		Loans disbursed (loans made)	Debit						274
3		Loan collections (principal and interest repayments, penalties and fines related to loans)	Debit						-54
4		Loan Purchases	Debit						
5		Other Cash	Debit						1
6			Debit						
7			Debit						
8		Interest accrued on loans	Debit						8
9		Foreclosed property acquired	Debit						
10		Allowance for loss (loans, interest, and foreclosed property)	Debit						
11		Allowance for subsidy	Debit						
12		Subsidy re- estimates	Debit						77
13		Subsidy Transfers	Debit						-23
14		Other non cash	Debit						2
15			Debit						
16		Loans receivable, net - end of the year	N/A						814

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
1	Provide a broad description of foreclosed property.	
2	Provide details regarding programs reported in Sections C and D that comprise amounts reported in the "All Other loans receivable" column.	The "all other loans receivable" column consists of amounts for the Teacher Education Assistance for College and Higher Education (TEACH) Grant Program. This program is used to award annual grants to students who agree to teach in a high-need subject area in a public or private elementary or secondary school that serves low-income students.
3	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	<p>The Department administers the William D. Ford Federal Direct Student Loan (Direct Loan) Program, to help students finance the costs of higher education. The Direct Loan Program, authorized by the Student Loan Reform Act of 1993, enables the Department to make loans directly to eligible undergraduate and graduate students and their parents through participating schools. Under this program, loans are made to individuals who meet statutorily set eligibility criteria and attend eligible institutions of higher education public or private two- and four-year institutions, graduate schools, and vocational training schools.</p> <p>The Federal Credit Reform Act of 1990 (Credit Reform Act) underlies the proprietary and budgetary accounting treatment of direct loans. The long-term cost to the government for direct loans, other than for general administration of the programs, is referred to as subsidy cost. Under the Credit Reform Act, subsidy costs for loans obligated beginning in fiscal year 1992 are estimated at the net present value of projected lifetime costs in the year the loan is obligated. Subsidy costs are then revalued annually through the re-estimate process.</p> <p>The Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) amended the FFEL Program to authorize the Secretary to purchase or enter into forward commitments to purchase FFEL loans. This temporary loan purchase authority was to expire on September 30, 2009; however, Public Law (P.L.) 110-350 extended the authority through September 30, 2010. The Department has implemented three activities under this temporary loan purchase authority. These activities are: (1) loan purchase commitments under which the Department purchases loans directly from FFEL lenders; (2) loan participation purchases in which the Department purchases participation interests in FFEL loans; and (3) an Asset-Backed Commercial Paper (ABCP) Conduit in which the Department enters into a forward commitment to purchase FFEL loans from a conduit, as needed, to allow the conduit to repay short-term liquidity loans used to re-finance maturing commercial paper.</p> <p>The Teacher Education Assistance for College and Higher Education Grant (TEACH) Program was implemented beginning July 1, 2008. This program, added to the HEA by the College Cost Reduction and Access Act (CCRAA), awards annual grants to students who agree to teach in a high-need subject area in a public or private elementary or secondary school that serves low-income students.</p> <p>Estimates for credit program receivables and liabilities contain assumptions that have a significant impact on the financial statements. The primary components of this assumption set include, but are not limited to, collections (including loan consolidations), repayments, default rates, prevailing interest rates and loan volume.</p>

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Note: 04A Direct Loans Receivable and Mortgage Backed Securities

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 4A

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line

Question

Answer

Actual loan volume, interest rates, cash flows and other critical components used in the estimation process may differ significantly from the assumptions made at the time the financial statements are prepared. Minor adjustments to any of these components may create significant changes to the estimate. The Department estimates all future cash flows associated with the Direct Loan, FFEL and TEACH Programs. Projected cash flows are used to develop subsidy estimates. Subsidy cost can be positive or negative; negative subsidies occur when expected program inflows of cash (e.g., repayments and fees) exceed expected outflows. Subsidy cost is recorded as the initial amount of the loan guarantee liability when guarantees are made or as a valuation allowance to government-owned loans and interest receivable (i.e., direct and defaulted guaranteed loans).

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Note: 04B Loan Guarantees
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER

Agency Notes: Note 4B

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Loan Guarantee Liabilities		C	L	10,025	14,479		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Federal Family Education Loans					
13		Federal Family Education Loans	10,025	14,479	14,479	0	
14							
15							
16							
17							
18		All other loan guarantee liabilities					
Total			10,025	14,479	14,479	0	

Threshold

Line Description	Question	Answer
Line Item Notes - Federal Family Education Loans (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	This decrease is mostly due to net downward subsidy re-estimates during FY 2011.

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Note: 04B Loan Guarantees
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 4B

Status: Complete The accompanying notes are an integral part of these financial statements.

I = Inactive Line

Tab: Other Notes Info.

Section: A **Section Name:** Other Related Information

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	CY Face Value of Loans Outstanding D	CY Amount Guaranteed by the Government D	CY Subsidy Expense D	PY Face Value of Loans Outstanding D	PY Amount Guaranteed by the Government D	PY Subsidy Expense D
1		Federal Family Education Loans	N/A	327,617	320,709	-11,221			
13			N/A						
14			N/A						
15			N/A						
16			N/A						
17			N/A						
18		All other loans guarantee liabilities	N/A						
19		Total:	N/A	327,617	320,709	-11,221			

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Note: 04B Loan Guarantees
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER

Agency Notes: Note 4B

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
1	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	<p>The Department administers the Federal Family Education Loan (FFEL) Program, to help students finance the costs of higher education. The FFEL Program, initially authorized by the Higher Education Act of 1965 (HEA), as amended, cooperates with state and private nonprofit Guaranty Agencies to provide loan guarantees and interest subsidies on loans made by private lenders to eligible students. Under this program, loans are made to individuals who meet statutorily set eligibility criteria and attend eligible institutions of higher education public or private two- and four-year institutions, graduate schools, and vocational training schools.</p> <p>The Federal Credit Reform Act of 1990 (Credit Reform Act) underlies the proprietary and budgetary accounting treatment of guaranteed loans. The long-term cost to the government for loan guarantees, other than for general administration of the programs, is referred to as subsidy cost. Under the Credit Reform Act, subsidy costs for loans obligated beginning in fiscal year 1992 are estimated at the net present value of projected lifetime costs in the year the loan is obligated. Subsidy costs are then revalued annually through the re-estimate process.</p> <p>Under provisions of the recently passed HCERA, the FFEL Guaranteed Student Loan program was eliminated. The new legislation requires transition from guaranteed student loans to full direct lending through the Department under the William D. Ford Federal Direct Student Loan program. As of September 30, 2010, all new federal student loans are funded through the William D. Ford Direct Loan Program. The transition from guaranteeing a loan to direct lending through the Department began on July 1, 2010. All Federal guarantees originated before July 1, 2010 are covered by the Department unless the loan is sold, consolidated, or otherwise disposed. The FFEL Program will continue to be accounted for under credit reform accounting.</p> <p>Estimates for credit program receivables and liabilities contain assumptions that have a significant impact on the financial statements. The primary components of this assumption set include, but are not limited to, collections (including loan consolidations), repayments, default rates, prevailing interest rates and loan volume. Actual loan volume, interest rates, cash flows and other critical components used in the estimation process may differ significantly from the assumptions made at the time the financial statements are prepared. Minor adjustments to any of these components may create significant changes to the estimate. The Department estimates all future cash flows associated with the Direct Loan, FFEL and TEACH Programs. Projected cash flows are used to develop subsidy estimates. Subsidy cost can be positive or negative; negative subsidies occur when expected program inflows of cash (e.g., repayments and fees) exceed expected outflows. Subsidy cost is recorded as the initial amount of the loan guarantee liability when guarantees are made or as a valuation allowance to government-owned loans and interest receivable (i.e., direct and defaulted guaranteed loans).</p> <p>The Department uses a computerized cash flow projection Student Loan Model to</p>

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Note: 04B Loan Guarantees
Entity: 9100 Department of Education

Fiscal Year: 2011

Period: SEPTEMBER

Agency Notes: Note 4B

Status: Complete

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

I = Inactive Line

Tab: Text Data

Line	Question	Answer
		calculate subsidy estimates for the Direct Loan, FFEL and TEACH Programs. Each year, the Department re-evaluates the estimation methods related to changing conditions. The Department uses a probabilistic technique to forecast interest rates based on different methods to establish the relationship between an events occurrence and the magnitude of its probability. The Departments approach estimates interest rates under numerous scenarios and then bases interest rates on the average interest rates weighted by the assumed probability of each scenario occurring. Probabilistic methodology facilitates the modeling of the Departments unique loan programs.

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Note: 06 Property, Plant, and Equipment

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 6

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER			
Property, Plant and Equipment		D	A	16	28			
		Variance:		0	0	Rounding Method: Millions		Decimal: Zero
Line	Status	Line Description	CY PP&E	CY Accum. Depr.	CY Net PP& E	PY PP&E	PY Accum. Depr.	PY Net PP&E
1		PP&E - balance beginning of year	175	147	28	163	125	38
2		Prior-period adjustments (not restated)						
3		Capitalized acquisitions from the public	4		4	12		12
4		Capitalized acquisitions from Government agencies						
5		Deletions from the Balance Sheet						
6		Revaluations						
7		Stewardship reclassifications						
8		Depreciation/amortization		16	-16		22	-22
Total			179	163	16	175	147	28

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Note: 06 Property, Plant, and Equipment

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 6

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A

Section Name: Gross cost for PP&E for each category

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Buildings, structures, and facilities (including improvement to land)	Debit				
2		Furniture, fixtures, and equipmen (including airgraf,ships, vessels, small boats, and vehicles)	Debit	3	3	3	0
3		Construction in progress	Debit				
4		Land and Land Rights	Debit				
5		Internal use software	Debit	176	172	172	0
6		Assets under capital lease	Debit				
7		Leasehold improvements	Debit				
8		Other property, plant and equipment	Debit				
9		Total property, plant and equipment	N/A	179	175	175	0

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Note: 06 Property, Plant, and Equipment

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 6

Status: Complete

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

I = Inactive Line

Section: B **Section Name:** Accumulated Depreciation/Amortization

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Buildings, structures, and facilities (including improvements to land)	Credit				
2		Furniture, fixtures, and equipment (including aircraft, ships, vessels, small boats, and vehicles)	Credit	3	3	3	0
3		Internal use software	Credit	160	144	144	0
4		Assets under capital lease	Credit				
5		Leasehold improvements	Credit				
6		Other property, plant, and equipment	Credit				
7		Total accumulated depreciation/amortization	N/A	-163	-147	-147	0

Section: C **Section Name:** Intragovernmental Capitalized acquisition amounts

No Data Flag: YES

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		General Services Administration	Debit				
2		Department of Defense	Debit				
3		Department of the Interior	Debit				
4		Department of Justice	Debit				
5		National Aeronautics and Space Administration	Debit				

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Note: 06	Property, Plant, and Equipment	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes: Note 6	
Status: Complete	The accompanying notes are an integral part of these financial statements.		I = Inactive Line

Section: C		Section Name: Intragovernmental Capitalized acquisition amounts		No Data Flag: YES		Line Attributes: Dollars		Rounding Method: Millions		Decimal: Zero	
Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes				
6		All other departments	Debit								
7		Total capitalized assets from Federal agencies	N/A								

Section: D		Section Name: Gain/Loss on Sale/Disposition		No Data Flag: YES		Line Attributes: Dollars			
						Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes		
1		Gain/loss on sale/disposition of property, plant and equipment	Credit						

Tab: Text Data

Line	Question	Answer
1	Provide the physical quantity information by category for multiuse heritage assets that are included in the "Line Item Notes" tab of this note (SFFAS No. 29, par 25).	
2	Provide any other relevant information pertaining to this note and any material changes from the prior years' depreciation methods and capitalization thresholds. In addition, describe briefly the significant accounting policies pertaining to this note.	The Department capitalizes single items of property and equipment with a cost of \$50,000 or more that have an estimated useful life greater than two years. Additionally, the Department capitalizes bulk purchases of property and equipment with an aggregate cost of \$500,000 or more. A bulk purchase is defined as the purchase of like items related to a specific project or the purchase of like items occurring within the same fiscal year that have an estimated useful life greater than two years. Property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation. Internal Use Software meeting the above cost and useful life criteria is also capitalized. Internal Use Software is either purchased off the shelf, internally developed or contractor developed solely to meet the Departments needs.

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Note: 08 Other Assets

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 8

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Other Assets		D	A	98	166		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Advances and prepayments					
4		Regulatory Assets					
5		Other assets	98	166	166	0	
Total			98	166	166	0	

Threshold

Line Description	Question	Answer
Line Item Notes - Other assets (2010 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Other Assets results primarily from lower in-process disbursements in the FFEL Program and lower payments made to grant recipients in advance of their expenditures.
Line Item Notes - Other assets (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The decrease is due to an decrease in in-process invoices for FFEL interest benefits and special allowance payments to lenders, and payments made to grant recipients in advance of their expenditures.

Tab: Text Data

No Data Flag: YES

Line	Question	Answer
1	Provide a description of advances and prepayments on the "Line Item Notes" tab for line 1.	
2	Provide a description and related amounts for balances that exceed \$1 billion in the line titled "Other Assets" on the "Line Item Notes" tab.	
3	Provide any relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 09 Accounts Payable
Entity: 9100 Department of Education

Fiscal Year: 2011

Period: SEPTEMBER

Agency Notes: Note 9

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Accounts Payable		C	L	4,248	4,810		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description		2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Accounts Payable		4,248	4,810	4,810	0
		Total		4,248	4,810	4,810	0

Threshold

Line Description	Question	Answer
Line Item Notes - Accounts Payable (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase is primarily the result of decreased in-process Direct Loan and grant disbursements.

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Note: 09	Accounts Payable	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes: Note 9	
Status: Complete	The accompanying notes are an integral part of these financial statements.		I = Inactive Line

Tab: Other Notes Info.

Section: A	Section Name: Interest	No Data Flag: YES	Line Attributes: Dollars							
			Rounding Method: Millions	Decimal: Zero						
Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	C	Previously Rptd	C	Line Item Changes	D

1	Interest accrued and owed to others	N/A								
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Tab: Text Data**No Data Flag:** YES

Line	Question	Answer
1	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Federal Employee and Veteran Benefits Payable		C	L	18	16		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Pension and accrued benefits					
2		Post-retirement health and accrued benefits					
3		Veteran's compensation and burial benefits					
4		Life Insurance and accrued benefits					
5		FECA Benefits	18	16	16	0	
6		Liability for other retirement and postemployment benefits					
Total			18	16	16	0	

Threshold

Line Description	Question	Answer
Line Item Notes - FECA Benefits (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (unaudited)	This increase is attributable to normal changes in the estimates of FECA future liabilities provided by the Department of Labor.

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A	Section Name: Pension and Accrued Benefits Liability-To be completed for the amount entered for pension and accrued benefits in the "Line Item Notes" tab	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Pension and accrued benefits liability- beginning of period	Credit				
2		Prior-period adjustments(not restated)	Credit				
3		Prior (and past) service costs from plan amendments (or the initiation of a new plan) during the period	Credit				
4	I	Assumption Change Liability	Credit				
5		Normal Costs (SFFAS No. 5, par. 72)	Credit				
6		Interest on pension liability during the period	Credit				
7		Prior (and past) service cost (from the initiation of a new plan)	Credit				
8		Actuarial (gains)/losses (from experience)	Credit				
9		Actuarial (gains)/losses (from assumption changes)	Credit				
10		Other	Credit				
11		Total pension expense (SFFAS No. 5, par.72)	N/A				
12		Less Benefits Paid	Debit				

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Section: A	Section Name: Pension and Accrued Benefits Liability-To be completed for the amount entered for pension and accrued benefits in the "Line Item Notes" tab	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
13		Pension and Accrued Benefits Liability-end of period	N/A				

Section: B	Section Name: Pension Liability Long-Term Significant Assumptions Used in 2011 and 2010 Valuation	No Data Flag: YES	Line Attributes: Percent	
-------------------	----------------------------------------------------------------------------------------------------------	--------------------------	---------------------------------	--

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Rate of Interest (except OPM)	N/A				
2		Rate of inflation (except OPM)	N/A				
3		Projected salary increases (except OPM)	N/A				

Section: C	Section Name: Postretirement Health and Accrued Benefits	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Postretirement health and accrued benefits liability-beginning of period (SFFAS No. 5, par.88)	Credit				
2		Prior-period adjustments (not restated)	Credit				
3		Prior (and past) service costs from plan amendments (or the initiation of	Credit				

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Section: C **Section Name:** Postretirement Health and Accrued Benefits

No Data Flag: YES

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
		a new plan) during the period					
4		Normal costs	Credit				
5		Interest on liability	Credit				
6		Change in medical cost trend rate assumption (gains)/losses	Credit				
7		Actuarial (gains)/losses (from experience)	Credit				
8		Actuarial (gains)/losses (from assumption changes)	Credit				
9		Other	Credit				
10		Total postretirement health benefits expense	N/A				
11		Less claims paid	Debit				
12		Postretirement health and accrued benefits liability-end of period	N/A				

Section: D **Section Name:** Postretirement Health Liability Significant Assumptions Used in Determining the 2011 and 2010 Valuation

No Data Flag: YES

Line Attributes: Percent

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Rate of Interest	N/A				
2		Ultimate rate of health care cost trend	N/A				
3		Single equivalent rate of health care cost trend	N/A				

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Section: G **Section Name:** Other **No Data Flag:** YES **Line Attributes:** Dollars
Rounding Method: User-Defined **Decimal:** User-Defined

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Non-marketable Treasury securities held by Thrift Savings Plan (TSP) Fund	Debit				
2		Total assets of pension (SFFAS No.5, par. 68)	Debit				
3		Market value of investments in market-based and marketable securities included in line 2	Debit				
4		Total assets of other retirement benefit plans (SFFAS No. 5, par. 85)	Debit				
5		Market value of investments in market-based and marketable securities included in line 4 (SFFAS no. 5, par.85)	Debit				

Section: L **Section Name:** Workers' Compensation Benefits (to be completed by DOL) **No Data Flag:** YES **Line Attributes:** Percent

Line	Status	Line Description	NB	COLA	CPIM
6		2015	N/A		
7		2016+	N/A		

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Section: O **Section Name:** Veteran's Compensation and Burial Benefits (to be completed by the Department of Veterans Affairs) **No Data Flag:** YES **Line Attributes:** Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	CY Compensation	CY Burial	CY Total	PY Compensation	PY Burial	PY Total
1		Veterans compensation and burial benefits liability - beginning of period	Credit						
2		Prior-period adjustments (not restated)	Credit						
3		Actuarial (gains)/losses (from experience)	Credit						
4		Actuarial (gains)/losses (from assumption changes)	Credit						
5		Other	Credit						
6		Veterans compensation and burial benefits liability - end of period	N/A						

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Note: 11 Federal Employee and Veteran Benefits Payable

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 11

Status: Complete

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

I = Inactive Line

Tab: Text Data

No Data Flag: YES

Line	Question	Answer
1	Provide the following information as it relates to the future policy benefits for noncancelable and renewable life insurance (other than whole life) (SFFAS No. 5, par. 110, table 9): a description of each component of the liability for future policy benefits, an explanation of its projected use, and any other potential uses.	
2	For pension plans that differ from the Civil Service Retirement System (CSRS), the Federal Employee Retirement System (FERS), and the Military Retirement System (MRS), describe how and why the assumptions differ from one of those plans (SFFAS No. 5, par. 67).	
3	Provide the long-term projection of the significant economic assumptions used in determining pension liability and the related expense (example of assumptions: actuarial, economic, interest rate, and trend).	
4	Provide a description of the changes in the significant assumptions used in determining pension liability and the related expense (SFFAS No. 33, par.19).	
5	Provide the long-term projection of the significant economic assumptions used in determining the postretirement health benefits liability and the related expense (example of assumptions: actuarial, economic, interest rate, and trend).	
6	Provide a description of the changes in the significant assumptions used in determining the postretirement health benefits liability and the related expense (SFFAS No. 33, par. 19).	
10	Provide the source(s) of the information entered for Line Item Notes tab lines 4, 5, and 6.	
11	Provide the source(s) for the components of pension expense entered in Section A.	
12	Provide the source(s) for the interest rate entered in Section B.	
13	Provide the source(s) for the components of postretirement expense entered in Section C.	
14	Provide the source(s) for the interest rate entered in Section D.	
17	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 15 Other Liabilities
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER

Agency Notes: Note 15

Status: Complete

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

I = Inactive Line

Tab: Line Item Notes

Closing Package Line Description		NB	Account Type	2011 - SEPTEMBER	2010 - SEPTEMBER		
Other Liabilities		C	L	4,127	4,074		
		Variance:		0	0	Rounding Method: Millions	Decimal: Zero
Line	Status	Line Description	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes	
1		Deferred revenue	62	182	182	0	
2		Accrued wages and benefits	28	25	25	0	
4		Other debt					
6		Legal and other contingencies					
7		Grant payments due to State and local governments and others	3,928	3,744	3,744	0	
8		Other employee and actuarial liabilities					
10		D.C. pension liability					
11		Custodial liabilities					
12		Accrued annual leave	38	37	37	0	
14		Advances and prepayments					
15		Farm and other subsidies					
16		Deposit funds	71	86	86	0	
17		Bonneville Power Administration Non-Federal power projects and capital lease liabilities and disposal liabilities					
18							
19							
20							
21		Other Liabilities					
Total			4,127	4,074	4,074	0	

**U.S. Department of the Treasury
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Note: 15 Other Liabilities
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER

Agency Notes: Note 15

Status: Complete

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

I = Inactive Line

Threshold

Line Description	Question	Answer
Line Item Notes - Deferred revenue (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The decrease is primarily the result of a reduction of in process collections of negative special allowance, lender loan fees, and origination fees.
Line Item Notes - Accrued wages and benefits (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	The increase is due to a change in the numbers of days included in the accrual.
Line Item Notes - Deposit funds (2011 - SEPTEMBER)	Please provide explanations for any amounts that have changed by 10% or more and or greater than 500,000 between the current fiscal year and prior fiscal year. (Unaudited)	Within Threshold

Tab: Text Data

Line	Question	Answer
1	Provide more details on the liabilities reported on the "Line Item Notes" tab for each line 1 through 21 by including a description of the significant related amounts and providing the page number of the agency's financial report where the amount is identified.	Other liabilities consists of liabilities not recognized in specific categories, including (but is not limited to) liabilities related to grants payable, and accrued liabilities related to ongoing continuous expenses such as Federal employee salaries and accrued employee annual leave.
2	Provide a description and related amounts for balances that exceed \$50 million on the Line Item Notes tab, line 21, "Other liabilities," and provide the page number of the agency's financial report where the amount is identified.	
3	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 18 Contingencies (SFFAS Nos. 5 and 12)

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 18

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A	Section Name: Insurance Contingencies (Reasonably Possible Only)	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: User-Defined	Decimal: User-Defined

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
4			Credit				
5			Credit				
6			Credit				
7			Credit				
8			Credit				
9		Other insurance contingencies	Credit				
10		Total	N/A				

Section: B	Section Name: Insurance in force (Sum of Policy Face Value and Dividends Paid)	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: User-Defined	Decimal: User-Defined

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
3			Credit				
4			Credit				
5			Credit				
6			Credit				
7			Credit				
8		Other insurance in force	Credit				
9		Total	N/A				

Section: C	Section Name: Civil Litigation, Claims and Assessments	Line Attributes: Dollars	
		Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	CYAccrued/Estimated amount	CY Estimated Range(Low end)	CY Estimated Range (High end)	CY Claim amount(Unable to determine loss)	PYAccrued/Estimated amount rued/Estimated amount	PY Estimated Range(Low end)
1		Probable	Credit						
2		Reasonably Possible	Credit			0			0

Line	Status	Line Description	NB	PY Estimated Range (High end)	PY Claim amunt (unable to determine)
1		Probable	Credit		
2		Reasonably Possible	Credit		

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Note: 18	Contingencies (SFFAS Nos. 5 and 12)	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes: Note 18	
Status: Complete	The accompanying notes are an integral part of these financial statements.		I = Inactive Line

Section: D			Section Name: Environmental Litigation, Claims, and Assessments			No Data Flag: YES		Line Attributes: Dollars			
								Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	CY	Accrued/Estimated amount	CY Estimated Range (Low end)	CY Estimated Range (High end)	CY Claim amunt(unable to determine)	PY Accrued/Estimated amount	PY Estimated Range (Low end)	
1		Probable	Credit								
2		Reasonably Possible	Credit								
Line	Status	Line Description	NB		PY Estimated Range (High Range)	PY Claim amount (unable to determine)					
1		Probable	Credit								
2		Reasonably Possible	Credit								
Section: E			Section Name: Other Contingencies			No Data Flag: YES		Line Attributes: Dollars			
								Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB		CY Probable	CY Reasonably Possible	PY Probable	PY Reasonably Possible			
3			Credit								
4			Credit								
5			Credit								

Tab: Text Data		
Line	Question	Answer
1	Describe the risk insurance programs that are in force.	
2	Provide the nature of the insurance contingencies.	
3	Provide the nature of the litigation contingencies, including the range of loss for probable liabilities.	The Department is involved in various lawsuits incidental to its operations. The Treasury Judgment Fund pays judgments resulting from litigation against the Department. In the opinion of management, the ultimate resolution of pending litigation will not have a material effect on the Departments financial position.
4	Provide the nature of the litigation contingencies including the range of loss for reasonably possible contingencies.	
5	Provide the total claim amount for cases assessed as "unable to determine" if significant. Also, provide a statement on whether this materiality affects the financial statements.	
6	Describe the other claims that may derive from treaties or international agreements.	
7	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 19 Commitments
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 19

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A **Section Name:** Capital leases-Asset **No Data Flag:** YES **Line Attributes:** Dollars
Rounding Method: User-Defined **Decimal:** User-Defined

Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal
1		Building	Debit				
2		Land	Debit				
3		Equipment	Debit				
4		Software license	Debit				
5		Other	Debit				
6		Accumulated depreciation/amortization	Credit				
7		Net assets under capital leases	N/A				

Section: B **Section Name:** Capital leases - Liability **No Data Flag:** YES **Line Attributes:** Dollars
Rounding Method: User-Defined **Decimal:** User-Defined

Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal
1		Future minimum lease programs	Credit				
2		Imputed interest	Debit				
3		Executory costs including any profit	Debit				
4		Total capital lease liability	N/A				

Section: C **Section Name:** Commitments: Operating leases and undelivered orders **Line Attributes:** Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal
1		Operating leases	Credit	292		298	
2		Undelivered orders	Credit		229,239		237,541

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Note: 19	Commitments	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes: Note 19	
Status: Complete	The accompanying notes are an integral part of these financial statements.		I = Inactive Line

Section: D	Section Name: Other Commitments	No Data Flag: YES	Line Attributes: Dollars	
			Rounding Method: User-Defined	Decimal: User-Defined

Line	Status	Line Description	NB	CY Federal	CY Non-Federal	PY Federal	PY Non-Federal
9			Credit				
10			Credit				
11			Credit				
12			Credit				
13			Credit				
14		Total	N/A				

Tab: Text Data

Line	Question	Answer
1	Describe the lessee's leasing arrangements including the basis on which contingent rental payments are determined, the existence and terms of renewal or purchase options, escalation clauses and restrictions imposed by lease agreements.	The Department leases office space from the General Services Administration (GSA). The lease contracts with GSA for privately and publicly owned buildings are operating leases. Future lease payments are not accrued as liabilities, but expensed as incurred.
2	Explain any amounts listed in Section D in detail and reference the note, and/or location, in the agency's Performance and Accountability Report (PAR).	
3	Provide any other relevant information pertaining to this note. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

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Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Tab: Other Notes Info.

Section: A **Section Name:** Assets - Current Year

Line Attributes: Dollars

Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Cash and other monetary assets D	Fund balance with Treasury D	Inv in U. S. Treas. Sec.(net of prem. & disc) D	Interest Receivable D	Other Federal assets (with earmarked funds) D	Other Federal assets (with non-earmarked funds) D
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A		4				
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A		4				
Line	Status	Line Description	NB	Other non-Federal assets D	Total assets				
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A		4				
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A		4				

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Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Section: B **Section Name:** Assets - Prior Year

Line Attributes: Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	Cash and other monetary assets D	Fund balance with Treasury D	Inv. in U.S. Treas. Sec. (net of prem. & disc.) D	Interest Receivable D	Other Federal assets (with earmarked funds) D	Other Federal assets (with non-earmarked funds) D
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A		4				
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A		4				
Line	Status	Line Description	NB	Other non-Federal assets D	Total assets				
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A		4				
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A		4				

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Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Section: C **Section Name:** Liabilities and Net Position - Current Year

Line Attributes: Dollars
Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Benefits due and payable C	Other Federal liabilities (with earmarked funds) C	Other Fed. liabilities (with non-earmarked funds) C	Other non-Federal liabilities C	Total liabilities	Ending net position C
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A						4
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A						-4
Line	Status	Line Description	NB	Total liabilities and net position					
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A					-4	
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A					-4	

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GF006 - FR Notes Report**

Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Section: D **Section Name:** Liabilities and Net Position - Prior Year

Line Attributes: Dollars
Rounding Method: Millions

Decimal: Zero

Line	Status	Line Description	NB	Benefits due and payable C	Other Federal liabilities (with earmarked funds) C	Other Fed. liabilities (with non-earmarked funds) C	Other non-Federal liabilities C	Total liabilities	Ending net position C
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A						4
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A						-4
Line	Status	Line Description	NB	Total liabilities and net position					
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A					-4	
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A					-4	

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Section: E **Section Name:** Revenue, Financing, Expenses, and Other - Current Year

Line Attributes: Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	Net position, beginning of period C	Prior-period adjustment C	Investment revenue from Treasury Securities C	Individual income taxes and payroll tax withhold C	Unemployment and excise taxes C	Other taxes and receipts C
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A	4					
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A	-4					
Line	Status	Line Description	NB	Royalties and other special revenue C	All other financing sources C	Program net cost - public D	Program net cost - Intragovernmental D	Non-program expenses D	Net position, end of period
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A						-4
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A						-4

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 22 Earmarked Funds
Entity: 9100 Department of Education

Fiscal Year: 2011 **Period:** SEPTEMBER
Agency Notes: Note 22

Status: Complete

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

I = Inactive Line

Section: F **Section Name:** Revenue, Financing, Expenses, and Other - Prior Year

Line Attributes: Dollars
Rounding Method: Millions **Decimal:** Zero

Line	Status	Line Description	NB	Net position, beginning of period C	Prior-period adjustment C	Investment revenue from Treasury Securities C	Individual income taxes and payroll tax withhold C	Unemployment and excise taxes C	Other taxes and receipts C
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A	8					
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A	-8					

Line	Status	Line Description	NB	Royalties and other special revenue C	All other financing sources C	Program net cost - public D	Program net cost - Intragovernmental D	Non-program expenses D	Net position, end of period
26			N/A						
27			N/A						
28			N/A						
29			N/A						
30			N/A						
31		All other earmarked funds	N/A			4			-4
32		Intra-agency earmarked funds elimination amounts	N/A						
33		Total	N/A			4			-4

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF006 - FR Notes Report**

Note: 22	Earmarked Funds	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes: Note 22	
Status: Complete	The accompanying notes are an integral part of these financial statements.		I = Inactive Line

Section: G **Section Name:** Number of Agency Earmarked Funds **Line Attributes:** Units

Line	Status	Line Description	NB	2011 - SEPTEMBER	2010 - SEPTEMBER	Previously Rptd	Line Item Changes
1		Total number of earmarked funds	N/A	2.0000	2.0000	2.0000	.0000

Tab: Text Data

Line	Question	Answer
1	Provide a general description of the individual earmarked funds reported in the Other Notes Info tab (SFFAS No. 27, par. 33). Also describe how the entity accounts for and reports the fund (SFFAS No. 27, par. 23.1).	Earmarked funds are recorded as specifically identified revenues, often supplemented by other financing sources, which remain available over time. These funds are required by statute to be used for designated activities, benefits, or purposes. The Departments earmarked funds are primarily related to the 2005 Hurricane Relief efforts.
2	State the legal authority for the administrative entity of each fund to use the revenues and other financing sources based on SFFAS No. 27, par. 23.1	Earmarked funds are recorded as specifically identified revenues, often supplemented by other financing sources, which remain available over time. These funds are required by statute to be used for designated activities, benefits, or purposes. The Departments earmarked funds are primarily related to the 2005 Hurricane Relief efforts.
3	Explain any change in legislation during or subsequent to the reporting period and before the issuance of the financial statements that significantly change the purpose of the fund or that redirects a material portion of the accumulated balance (SFFAS No. 27, par. 23.3).	
4	Provide the sources of revenue and other financing for amounts reported in columns 3 through 8 of Sections E and F in the Other Notes Info tab (SFFAS No. 27, par. 23.2).	In the aftermath of Hurricane Katrina, a number of foreign governments, international entities and individuals made donations of financial assistance to the U.S. Government to support Katrina relief and recovery efforts. These donations were received by the U.S. Department of State as an intermediary. Subsequently, \$61 million was transferred to the Department to finance educational initiatives in Louisiana and Mississippi under a Memorandum of Understanding issued in March 2006.
5	Provide any other relevant information pertaining to this note, including explanation for prior-period adjustments, if any. At a minimum, describe briefly the significant accounting policies pertaining to this note.	

**U.S. Department of the Treasury
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GF007 - Other Data Report**

Other Data: 09	Stewardship Investments	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes:	Note 9
Status: Complete	I = Inactive Line		

Tab: Other Data Info.

Section: A	Section Name: Investment in Non-Federal physical property (SFFAS No. 8, par 87)	No Data: YES	Line Attributes: Dollars	Decimal: User-Defined
			Rounding Method: User-Defined	

Line	Status	Line Description	NB	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
1			Debit					
2			Debit					
3			Debit					
4			Debit					
5			Debit					
6		Other non-Federal physical property	Debit					

Section: B	Section Name: Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100)	No Data: YES	Line Attributes: Dollars	Decimal: User-Defined
			Rounding Method: User-Defined	

Line	Status	Line Description	NB	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
1			Debit					
2			Debit					
3			Debit					
4			Debit					
5			Debit					
6		Other investment in development	Debit					

**U.S. Department of the Treasury
Financial Management Service
Governmentwide Financial Report System
GF007 - Other Data Report**

Other Data: 09 Stewardship Investments

Fiscal Year: 2011

Period: SEPTEMBER

Entity: 9100 Department of Education

Agency Notes: Note 9

Status: Complete

I = Inactive Line

Tab: Other Data Info.

Section: C	Section Name: Investment in Human Capital (SFFAS No. 8, par 100)	Line Attributes: Dollars	
		Rounding Method: Millions	Decimal: Zero

Line	Status	Line Description	NB	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007
1		Federal Student Aid	Debit	-5,555	11,096	-22,055	20,037	19,650
2		Elementary and Secondary Education	Debit	21,195	21,608	21,443	21,583	21,199
3		Special Education and Rehab Services	Debit	15,357	15,227	15,075	15,730	15,402
4		Other Departmental Programs	Debit	7,341	7,067	7,150	4,911	5,109
5		Salaries and Administration	Debit	504	502	472	491	467
6		Other Investments in human capital	Debit	27,945	44,019	21,616	0	0

Threshold

Line Description	Question	Answer
Other Data Info - Federal Student Aid (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Change is primarily due to the change in the FFEL Program and Direct Loan Program subsidy expense.
Other Data Info - Elementary and Secondary Education (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Within threshold
Other Data Info - Special Education and Rehab Services (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Within threshold
Other Data Info - Other Departmental Programs (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Within threshold
Other Data Info - Salaries and Administration (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	Within threshold
Other Data Info - Other Investments in human capital (FY 2011)	Please provide explanations for any amounts that have changed by 20% or more and or greater than 5,000,000 between the current fiscal year and prior fiscal year. (Unaudited)	The decrease is the result of the cumulative disbursement of funds originally made available by the American Recovery and Reinvestment Act of 2009.

**U.S. Department of the Treasury
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GF007 - Other Data Report**

Other Data: 09	Stewardship Investments	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes:	Note 9
Status: Complete	I = Inactive Line		

Tab: Other Data Info.

Section: D		Section Name: Research and Development: Investment in Basic Research (SFFAS No. 8, par.99 & 100)	No Data: YES		Line Attributes: Dollars		Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007		
1			Debit							
2			Debit							
3			Debit							
4			Debit							
5			Debit							
6		Other investments in basic research	Debit							

Section: E		Section Name: Research and Development: Investment in Applied Research (SFFAS No. 8, par 100)	No Data: YES		Line Attributes: Dollars		Rounding Method: User-Defined		Decimal: User-Defined	
Line	Status	Line Description	NB	FY 2011	FY 2010	FY 2009	FY 2008	FY 2007		
1			Debit							
2			Debit							
3			Debit							
4			Debit							
5			Debit							
6		Other investment in applied research	Debit							

Tab: Other Text Data

Section: A		Section Name: Investment in Non-Federal physical property (SFFAS No. 8, par 87)	No Data: YES
Line	Question	Answer	
1	Provide a description of federally owned physical property transferred to state and local governments. (SFFAS No. 8, par 87)		
2	Provide a description of the major programs of Federal investments in non-Federal physical property used in the "Other Data Info" tab. (SFFAS No.8 par. 87)		

**U.S. Department of the Treasury
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Governmentwide Financial Report System
GF007 - Other Data Report**

Other Data: 09 Stewardship Investments

Entity: 9100 Department of Education

Status: Complete

Fiscal Year: 2011

Period: SEPTEMBER

Agency Notes: Note 9

I = Inactive Line

Tab: Other Text Data

Section: B **Section Name:** Research and Development: Investment in Development (SFFAS No. 8, par. 94, 99 & 100) **No Data:** YES

Line	Question	Answer
1	Provide a description of the major programs of Federal investments in development used in the "Other Data Info" tab. (SFFAS No. 8, par. 100)	
2	Provide a description of the progress of major developmental projects including the results with respect to projects completed or otherwise terminated during the year and the status of projects that will continue (SFFAS No. 8, par. 99).	

Tab: Other Text Data

Section: C **Section Name:** Investment in Human Capital (SFFAS No. 8, par 100)

Line	Question	Answer
1	Provide a description of the major education and training programs considered Federal investments in human capital used in the "Other Data Info" tab (SFFAS No. 8, par. 94).	<p>Federal Student Aid - The Office of Federal Student Aid administers need based financial assistance programs for students pursuing postsecondary education and makes available federal grants, direct loans, guaranteed loans, and work study funding to eligible undergraduate and graduate students.</p> <p>Office of Elementary and Secondary Education- The Office of Elementary and Secondary Education provides leadership, technical assistance, and financial support to state and local educational agencies for the maintenance and improvement of preschool, elementary, and secondary education. Financial assistance programs support services for children in high-poverty schools, institutions for neglected and delinquent children, homeless children, certain Native American children, children of migrant families, and children who live on or whose parents work on Federal property.</p> <p>Office of Special Education and Rehabilitative Services- The Office of Special Education and Rehabilitative Services supports state and local programs that assist in educating children, youth and adults with special needs to increase their level of employment, productivity, independence, and integration into the community. Funding is also provided for research to improve the quality of their lives.</p> <p>Other Departmental Programs- Other Departmental Programs include, but are not limited to, making strategic investments in educational practices; funding research, evaluations, and information dissemination; enabling students with limited English proficiency to become proficient in English; funding vocational and technical education; and promoting reform, innovation and improvement in postsecondary education.</p> <p>The American Recovery and Reinvestment Act of 2009 enacted on February 17, 2009 by P.L. 111-5, provided \$97.4 billion in funding for FY 2009 to the Department for improving schools, raising students achievement, driving reform, and producing better results for</p>

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Other Data: 09	Stewardship Investments	Fiscal Year: 2011	Period: SEPTEMBER
Entity: 9100	Department of Education	Agency Notes:	Note 9
Status: Complete	I = Inactive Line		

Tab: Other Text Data

Section: C **Section Name:** Investment in Human Capital (SFFAS No. 8, par 100)

Line	Question	Answer
		children and young people for the long term health of the nation. Approximately 55 percent of the Departments Recovery Act funding was appropriated for the creation of a new State Fiscal Stabilization Fund with the goal to stabilize state and local government budgets to avoid reductions in education and other essential public services while driving education reform. The Department was tasked with promptly disbursing these funds through a variety of existing and new grant programs, while ensuring the transparency. P.L. 111-226, enacted on August 10, 2010, created the Education Jobs Fund which provided funding to the Department to assist in saving and creating jobs for the 2010-2011 school year. The Department was given the assignment to disburse these funds to states through formula grants promptly, while ensuring transparency and accountability overall.

Tab: Other Text Data

Section: D **Section Name:** Research and Development: Investment in Basic Research (SFFAS No. 8, par.99 & 100) **No Data:** YES

Line	Question	Answer
1	Provide a description of the major programs of Federal investments in basic research used in the "Other Data Info" tab (SFFAS No. 8, par. 100).	
2	Provide a description of any major new discoveries made during the year (SFFAS No. 8, par. 99)	

Tab: Other Text Data

Section: E **Section Name:** Research and Development: Investment in Applied Research (SFFAS No. 8, par 100) **No Data:** YES

Line	Question	Answer
1	Provide a description of the major programs of Federal investments in applied research used in the "Other Data Info" tab (SFFAS No. 8, par. 100).	
2	Provide a description of any major new applications developed during the year (SFFAS No. 8, par. 99)	