
Overview

About This Report

The United States Department of Education's (the Department's) *FY 2014 Annual Performance Report* (APR) and *FY 2016 Annual Performance Plan* (APP) provide information relative to the *FY 2014–18 Strategic Plan*.

Again this year, the Department has consolidated its APR and APP in an effort to provide a more complete and meaningful picture of the Department's past performance and plans for the 2016 fiscal year. Because the Department has a delay of at least one year in the collection of data for many of the performance metrics, trend data are not available for all metrics.

About the Agency Financial Report

The [FY 2014 Agency Financial Report \(AFR\)](#), released in November 2014, provides detailed information on the Department's financial performance and stewardship over its financial resources.

[The Secretary](#) has outlined accomplishments, ongoing initiatives, and management challenges for the Department in FY 2014 and certified that the Department's performance data are fundamentally complete and reliable in his letter published in the AFR.

FY 2014 Financial Highlights and Information

The Department significantly expanded information in the Financial Highlights section of the AFR to provide a more comprehensive depiction of its key financial activities for FY 2014 and to identify and explain significant trends.

As a 10-time recipient of the Association of Government Accountants Certificate of Excellence in Accountability Reporting and having earned unmodified¹ (or "clean") audit opinions for 13 consecutive years, the Department has demonstrated its commitment to continuous improvement in its financial management, operations, and reporting.

For an overview and analysis of the Department's sources of funds and financial position, including a section on trend analysis, please go to <http://www2.ed.gov/about/reports/annual/2014report/2014-afr-2e-mda-financial-highlights.pdf>.

To review the Department's financial summary and complete financial statements—including required supplementary stewardship information and notes to the principal financial statements for the fiscal years ended September 30, 2014, and September 30, 2013—please go to <http://www2.ed.gov/about/reports/annual/2014report/2014-afr-3-financial.pdf>.

Analysis of Controls, Systems, and Legal Compliance

The balance sheet of the Department now exceeds \$1.0 trillion in assets. These are primarily from Credit Program Receivables (loans) and the Fund Balance with the Department of the Treasury (Treasury). The Department had \$924 billion in loans outstanding at the end of the year. This included new loans made in 2014 and the balances of old loans less collections of interest and principal. The Department is the smallest of 15 cabinet-level agencies in terms of

¹ "Unmodified" has the same meaning as the previous terminology, "unqualified."

government staff, with approximately 4,100 employees, yet it has the third-largest grant portfolio among the 26 federal grant-making organizations. In order to demonstrate effective stewardship of these resources, the Department has to implement effective controls over operations, systems, and financial reporting as described in the Analysis of Controls, Systems, and Legal Compliance section of the *Agency Financial Report*.

For more information on [management assurances](#) regarding compliance with the *Federal Managers' Financial Integrity Act of 1982* (P.L. 97-255) (FMFIA) and Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Internal Control*, as well as an analysis of the Department's controls, systems, and legal compliance, go to <http://www2.ed.gov/about/reports/annual/2014report/2014-afr-2f-mda-analysis.pdf>.

For information on improper payments reporting details, which includes a risk assessment of certain programs, please go to <http://www2.ed.gov/about/reports/annual/2014report/2014-afr-4a-otherinfo-improper-pymts.pdf>.