



# New Director Seminar Financial Reporting

Private Licensed Schools

Division of Law Enforcement Education and  
Trade Schools

Please note this PowerPoint presentation does not replace required New Director Seminar attendance.

# Financial Review Committee (FRC)

- Composed of Board Members
- Responsible for reviewing and approving the financial information submitted
- Referrals to Review and Recommendations Panel (RRP) for enforcement action

# Who Needs to Submit Financial Statements?

- Applicants for a License
- Applicants for Renewal of License
  - initially 1 year / then every 2 years
- Applicants for Scholarship
- Applicants for Change of Ownership
- Schools on Quarterly Reporting

# Who Submits Quarterly Report and Why?

- New Schools
- Schools that have changed ownership
- Schools with financial concerns
  - Identified during renewal
  - Notification from accreditor or USDE
  - Legal action
- Is a monitoring process
- Is not a sanction or punishment

## Quarterly Reporting

- ACTUAL, REAL, income statement and balance sheet – not projected
- A guide for the Financial Review Committee to assess the financial strength and solvency of the applicant school
- Measures the current condition and ability to operate in the future
- Must balance. Total assets must equal total liabilities plus equity.
- May not be completely zeros
- Must complete all sections

# Quarterly Reporting

- The PDE2006 is the form used and required for quarterly reporting.
- New schools are automatically placed on quarterly reporting.
- Good rule of thumb is to place a calendar reminder 4 weeks prior to the next Board meeting to have your quarterly report submitted to avoid a late payment fine.
  - 2.18.2021
  - 5.13.2021
  - 8.12.2021
  - 11.18.2021

# Quarterly Reporting

- The PDE2006 for quarterly reporting can be located on our website  
<https://www.education.pa.gov/Postsecondary-Adult/CollegeCareer/Pages/PLS-School-Resources.aspx>
- The instructions on how to upload and submit are also there as well
- Mrs. Stephanie Rife is staff to the Financial Review Committee (FRC) and can be contacted with any questions at [striefe@pa.gov](mailto:striefe@pa.gov)

# Types of Financial Reports

- New Schools
  - Pro Forma Projections
  - PDE2006
  - Audited statement
- License Renewal/  
Scholarship/ Change of  
Ownership
  - PDE2006 (annually)
- Quarterly Reporting
  - PDE2006 (quarterly)



# PDE2006

- A guide for the FRC to assess the financial strength and solvency of a school
- Measures the current condition and ability to operate in the future through:
  - Income Statement (page 1) – Revenue and Expenses
  - Balance Sheet (page 2) – Assets, Liabilities and Stockholder's Equity
  - Disclosure Information (page 3) – Methodologies, Terms of Significant Notes, Parent Company Information, Pending Regulatory/Legal Issues and Explanations
  - Key Indicators (page 4) – Individual program information

# Quick View of Instructions

PDE-2006 (7/16)

## PENNSYLVANIA DEPARTMENT OF EDUCATION STATE BOARD OF PRIVATE LICENSED SCHOOLS FINANCIAL REPORT (PDE-2006) INSTRUCTIONS

### GENERAL INSTRUCTIONS

- **WHO HAS TO FILE:**
  - Annual Financial Report – Schools must complete the Annual Financial Report with each application for a new license, renewal of a license, scholarship or change of ownership.
  - Quarterly Financial Report – New schools and schools that have been notified by the Pennsylvania Department of Education State Board of Private Licensed Schools that they are on quarterly reporting. Schools on quarterly reporting are to remain on reporting until they have been released from their quarterly reporting requirements.
  - New School Submissions – The pre-licensure submissions must include a PDE-2006 reflecting **actual** data (i.e. start-up costs, capital infusions, equipment purchases, etc.) and should not be blank, estimates or pro-forma data. Incomplete or inaccurate PDE-2006 will delay processing of your application.



# Income Statement

5-24-17

**PENNSYLVANIA DEPARTMENT OF EDUCATION  
STATE BOARD OF PRIVATE LICENSED SCHOOLS  
ANNUAL FINANCIAL REPORTING**

School Name

School Address

Month and Year School Received Original License

	Latest Fiscal Year End		Previous Fiscal Year End	
	From		From	
	To		To	
	(whole dollars only)		(whole dollars only)	
<b>INCOME STATEMENT</b>				
EDUCATIONAL REVENUES (Income)				
1	Gross Tuition*			
2	Less: Tuition Refunds (Current Year Only)			
3	Less: Textbook and Supplies Expense			
	<b>TOTAL EDUCATIONAL REVENUES</b>	<b>0</b>	<b>0</b>	
EDUCATIONAL EXPENSES (Operating Expenses)				
4	Instructional Salaries and Expense	0.0%	0.0%	
5	Bad Debt Expense	0.0%	0.0%	
6	Advertising / Student Recruitment	0.0%	0.0%	
7	Depreciation / Amortization	0.0%	0.0%	
8	Occupancy Expense*	0.0%	0.0%	
9	Administrative Expense	0.0%	0.0%	
10	Student Personnel Services	0.0%	0.0%	
	<b>TOTAL EDUCATIONAL EXPENSES</b>	<b>0 0.0%</b>	<b>0 0.0%</b>	
	<b>EDUCATIONAL INCOME</b> (Educational Revenues less Educational Expenses)	<b>0 0.0%</b>	<b>0 0.0%</b>	
OTHER INCOME AND EXPENSE				
Enter Net Loss or Net Expense as a Negative				
11	Dormitory Income - Net	0.0%	0.0%	
12	Bookstore Operations - Net	0.0%	0.0%	
13	Management Fee	0.0%	0.0%	
14	Interest Income & Expense - Net	0.0%	0.0%	
15	Other Income & Expense - Net	0.0%	0.0%	
16	Extraordinary and Unusual Income and Expense - Net	0.0%	0.0%	
	<b>TOTAL OTHER INCOME AND EXPENSE</b>	<b>0 0.0%</b>	<b>0 0.0%</b>	
	<b>NET INCOME (Loss) BEFORE INCOME TAXES</b> (Education Income ± Total Other Income and Expenses)	<b>0 0.0%</b>	<b>0 0.0%</b>	



**pennsylvania**  
DEPARTMENT OF EDUCATION

# Balance Sheet

	As of the Latest Fiscal Year End	As of the Prior Fiscal Year End
	(whole dollars only)	(whole dollars only)
<b>BALANCE SHEET</b>		
CURRENT ASSETS		
18	Cash on Hand and in Banks - Unrestricted*	
19	Cash - Restricted	
20	Accounts Receivable, Students - Net	
21	Accounts Receivable, Other	
22	Notes Receivable	
23	Inventory - Books and Supplies	
24	Other Current Assets	
	TOTAL CURRENT ASSETS	0
25	Property and Equipment, Gross	
26	Accumulated Depreciation (enter as a negative)	
	Property and Equipment, Net	0
27	Deposits	
28	Prepaid Expenses	
29	Goodwill	
30	Other Assets	
	TOTAL ASSETS*	0
CURRENT LIABILITIES		
31	Accounts Payable	
32	Notes Payable	
33	Tuition Refunds Payable	
34	Current Portion - Long-Term Debt	
35	Unearned Tuition*	
36	Unearned Dormitory Fees	
37	Other Current Liabilities	
	TOTAL CURRENT LIABILITIES	0
38	Notes or Bonds Payable	
39	Due To / From Parent	
40	Other Long-Term Liabilities	
	TOTAL LIABILITIES	0
STOCKHOLDERS' EQUITY		
41	Preferred Stock	
42	Common Stock	
43	Other Equity	
	Retained Earnings:	
44	Beginning Balance	
45	Add: Earnings (Loss) for Year	
46	Deduct: Dividends	



# Disclosure Section

**DISCLOSURE SECTION**

METHODS USED TO DETERMINE

49 Inventory - Books and Supplies . . . . .

50 Depreciation. . . . .

51 Unearned Tuition / Dormitory Fees. . . . .

OTHER DISCLOSURES

52 Default Rate for Past 3 Years. . . . . Year      Rate

(If students do not use loans (e.g. cash pymt only) put 0%) Year      Rate

53 Business Type. . . . .

54 Terms of Significant Notes Receivable . . . . .

(Include Due From, Principal Amount, Interest Rate)

55 Terms of Significant Notes Payable . . . . .

(Include Due To, Principal Amt, Interest Rate and Maturity Date)

Parent Company Information (if applicable) - use information from latest Annual Report, 10K or annual audited report

56 Parent Company Name

57 Total Revenue

58 Net Income (Loss) After Taxes      Year Reported

59 Total Cash

60 Total Assets      (61) Year Company Acquired/School Founded

62 Total Stockholders' Equity

63 Adverse Findings from Regulators (Accreditors, SEC, USDOE, etc.)

64 Pending Legal Action that could have material impact on Operations (Students, Shareholders, Employees, etc.)

65 Explanations of Zero or Negative Balances (from pages 1 and 2 of PDE-2006)  
Tuition / Occupancy / Net Income

66 Cash / Total Assets

# Key Indicators

## KEY INDICATORS

	Program Name (b)	Is Program Currently Accredited (Yes/No)	As of	Year	Year	Year	Year
			Ending Student Population	Students on Temp Leave	Attrition Rate	Graduation Rate	Placement Rate
1							
2							
3							
4							
5							
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25							

(b) List all programs contained on your PDE-3808 even if not currently enrolling

# ▶ PDE2006 – General Guidelines

- All financial information must conform with Generally Accepted Accounting Principles (GAAP)
  - The common set of accounting principles, standards and procedures that companies use to compile their financial statements. GAAP are a combination of authoritative standards (set by policy boards) and commonly accepted ways of recording and reporting accounting information.
  - Imposed on companies so that investors have a minimum level of consistency in the financial statements they use when analyzing companies for investment purposes. GAAP cover such things as revenue recognition, balance sheet item classification and outstanding share measurements.
  - Still Room for interpretation and different methodologies within GAAP.

# ▶ Key concept of GAAP is Accrual Accounting

- The Matching Principle
  - Measures the performance and position of a company
  - Recognizes economic events regardless of when cash transactions occur
  - Matches the timing of the expenses of creating/delivering your product/service with the timing of getting revenue from the sale
  - Ensures that revenue is more precisely matched with the expenses incurred to generate revenue
  - Economic events are recognized by matching revenues to expenses (the matching principle) at the time in which the transaction occurs rather than when payment is made (or received)
  - This method allows the current cash inflows / outflows to be combined with future expected cash inflows / outflows to give a more accurate picture of a company's current financial condition





# ▶ Accrual Accounting – Revenue Example

A student starts a six-month program on July 1.  
He/she pays his/her full tuition on October 1.

## Accrual

Recognized when earned

Revenue – recognize 1/6<sup>th</sup>  
of the tuition each month  
for 6 months

## Cash

Recognized when collected

Revenue – recognize the  
full tuition when paid in  
October

# ▶ Accrual Accounting – Expense Example

A school pays their property insurance every year on April 1. Insurance covers from May 1 – April 30 of the following year.

## Accrual

Recognized when used

Expense – recognize 1/12<sup>th</sup> of the costs of the insurance each month from May through April

## Cash

Recognized when paid

Expense – recognize the full cost of the insurance when paid in April

# PDE2006 – Balance Sheet

- Three Sections:
  - *Assets* – what a company owns
  - *Liabilities* – what a company owes
  - *Stockholder's Equity* – the amount invested by shareholder(s)
- Measurement of a company at a specific point in time (e.g. June 30)
- Called a Balance Sheet because the 2 sides must balance (Assets = Liabilities + Stockholder's Equity)
- Balances are “permanent”

# PDE2006 – Assets

- Split into Current and Long-Term
  - Current Assets – can be converted to cash or consumed < 1 year
    - Cash (on hand and restricted)
    - Accounts Receivable (student and other)
    - Inventory
  - Non-Current Assets - > 1 year
    - Property and Equipment
    - Prepaid Expenses
    - Goodwill

# PDE2006 – Liabilities

- Split into Current and Long-Term
  - Current Liabilities – need to be settled / paid < 1 year
    - Accounts Payable / Notes Payable
    - Tuition Refunds Payable
    - Current Portion of Long-Term Debt
    - Unearned Tuition
  - Long-Term Liabilities - > 1 year
    - Notes or Bonds Payable
    - Due To / From Parent

# ➤ PDE2006 – Stockholder's Equity

- Stockholder's Equity – a.k.a. net worth or owner's equity
- Equity represents the capitalization and the retained earnings of the organization
  - Capitalization – capital contributed to an organization (either through stock or direct paid-in contributions)
  - Retained Earning – the amount of net income that an entity retains/re-invests back into its operations

# PDE2006 – Capitalization

- Ways to Capitalize
  - Cash investment – either through the purchase of stocks or direct capital contribution (Other Equity)
  - Contribution of equipment, building, or other asset
    - Note – Cash or Contribution of an Asset represents a capital investment made in the organization to purchase assets, pay expenses, or use in day to day operations of the business. Capital is not expected to be paid back.
  - Issuance of a Note Payable
    - Note – Notes payable are recorded as a liability and are paid back over time and place an additional burden on the organization
    - \* Terms of the note payable must be disclosed on PDE2006  
*(example: 5 year, 8% note payable to Bob Smith, proprietor.  
Note due on demand.)*

# PDE2006 – Retained Earnings

- Retained Earnings: Earnings (Loss) for Year - reflects the net income / (loss) from the Income Statement
- Dividends – the payout of any earnings to shareholders
- Retained Earnings: Ending Balance is closed out to the Beginning Balance each year



# ▶ PDE2006 – Retained Earnings

- Key Aspects
  - Balance Sheet must balance
  - Retained Earnings for Current Year Must = Net Income for Current Year

# ▶ Error Messages

TOTAL STOCKHOLDERS' EQUITY *	500	0
TOTAL LIABILITIES AND EQUITY	500	0

**ERROR - Assets do not equal Liabilities and Stockholder's Equity**

\*Please submit appropriate explanations (on Page 3) if these balances are zero or negative.

**ERROR - Current YEAR Income/Loss (cell M55) does not equal Retained Earnings Current Year (cell J113)**

- 2 -

## DISCLOSURE SECTION

METHODS USED TO DETERMINE

# PDE2006 – Balance Sheet

- Evaluation criteria
  - Current Ratio > 1:1
  - Cash, Total Assets, Unearned Tuition, Retained Earnings and Total Stockholder's Equity must be > \$0 or provide explanation
  - Capitalization – How well and for how long can an entity sustain operations

# PDE2006 – Income Statement

- Represents the financial performance resulting from the operations of the entity
- Two Components
  - Revenue
  - Expense
- Measurement of a company's performance over a period
  - Quarter Ending – a three-month period
  - Year to Date – range from 3 months to 12 months depending upon year end date
- Balances are closed out every year

# PDE2006 – Income Statement

- PDE2006 Income Statement is split into 2 sections:
  - Educational Income
    - tuition revenue less expenses incurred in operating (or running) the school
  - Other Income and Expense
    - revenue and expenses recognized from non-school / operating activities (clinic revenues, contract training, etc.)

# Tuition and Other Income

	Latest Fiscal Year End		Previous Fiscal Year End	
	From To	(whole dollars only)	From To	(whole dollars only)
<b>INCOME STATEMENT</b>				
EDUCATIONAL REVENUES (Income)				
1	Gross Tuition*	1,000		
2	Less: Tuition Refunds (Current Year Only)			
3	Less: Textbook and Supplies Expense			
	<b>TOTAL EDUCATIONAL REVENUES</b>	<b>1,000</b>	<b>0</b>	
EDUCATIONAL EXPENSES (Operating Expenses)				
4	Instructional Salaries and Expense	0.0%		0.0%
5	Bad Debt Expense	0.0%		0.0%
6	Advertising / Student Recruitment	0.0%		0.0%
7	Depreciation / Amortization	0.0%		0.0%
8	Occupancy Expense*	0.0%		0.0%
9	Administrative Expense	0.0%		0.0%
10	Student Personnel Services	0.0%		0.0%
	<b>TOTAL EDUCATIONAL EXPENSES</b>	<b>0 0.0%</b>	<b>0 0.0%</b>	
	<b>EDUCATIONAL INCOME</b> (Educational Revenues less Educational Expenses)	<b>1,000 100.0%</b>	<b>0 0.0%</b>	
OTHER INCOME AND EXPENSE				
Enter Net Loss or Net Expense as a Negative				
11	Dormitory Income - Net	0.0%		0.0%
12	Bookstore Operations - Net	0.0%		0.0%
13	Management Fee	0.0%		0.0%
14	Interest Income & Expense - Net	0.0%		0.0%
15	Other Income & Expense - Net	0.0%		0.0%
16	Extraordinary and Unusual Income and Expense - Net	0.0%		0.0%
	<b>TOTAL OTHER INCOME AND EXPENSE</b>	<b>0 0.0%</b>	<b>0 0.0%</b>	

Return



## PDE2006 – Revenue

- Educational Revenue = Tuition
- In order to be compliant with GAAP, Revenue must be recognized when earned, not collected or billed (revenue recognition)
- Deduct any tuition refunds recognized in current period (regardless of who it is owed to or when it will be paid)
- Deduct cost of books and/or supplies given to students as part of the program

# Tuition Revenue Example

Example – School A starts 10 students on January 1. They charge \$2,000 tuition for the 52-week program. There were no other starts in the year and half the students paid their full tuition by the end of the 1<sup>st</sup> quarter. The school’s financial statements would reflect the following on March 31:

## Balance Sheet

Cash	Asset	\$10,000
A/R – Student	Asset	\$10,000
Unearned Tuition	Liability	\$15,000

## Income Statement

Gross Tuition	Revenue	\$5,000
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## Explanation of Example

Why did we recognize \$5,000 of tuition revenue?

10 students \* \$2,000  
= \$20,000 (total revenue)

\$20,000 / 12 months (for the 52-week program)  
= \$1,666.67 (revenue earned per month)

\$1,666.67 \* 3 months (from January 1 – March 31)  
= \$5,000

## PDE2006 – Expenses

- Recognize all expenses incurred in operating the school:
  - Including but not limited to Salaries and Benefits, Classroom Supplies, Rent, Mortgage, Depreciation, Utilities, Bad Debt, Advertising and Taxes
- Include school related activity only
  - Do not include consolidated results
  - Do include school's portion of shared costs or management fees
- Expenses must be on accrual basis

# ▶ Accrued Expense Example

Example – School B pays their utility bill each month. The utility bill, which covered the period February 15 – March 14, was \$560. The school’s financial statements would reflect the following on March 31:

## Balance Sheet

Cash	Asset	(\$560)
A/P	Liability	\$340

## Income Statement

Utilities	Expense	\$900
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## Explanation of Example

- Why did we accrue \$340?
- How it was calculated – The \$560 bill was for a 28-day period (February 15 - March 14). That works out to \$20/day ( $\$560/28$ ). There are 17 days remaining in the month (March 15 - March 31).  $17 \text{ days} * \$20 = \$340$ .
- The \$340 represents that amount of utilities used by the organization but not yet paid. The amount will be paid with the next bill (around April 15).
- Any expense that is likely to occur and can be estimated, must be accrued.

## ➤ Accrued Expense Example #2

Example – School C offers a \$2,400 bonus to its school director if they achieve their targets. It is reasonable to expect that the director will earn their bonus. The bonus is paid out January of next year (once the results are final). The school’s financial statements would reflect the following at the close of each month:

### Balance Sheet

A/P	Liability	\$200
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### Income Statement

Administrative Expense	Expense	\$200
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# ► Disclosure Information

- Valuation Methodologies
  - Inventory, Depreciation, Revenue
- Default Rate
- Terms of Notes Payable / Receivable
- Parent Company Information
- Adverse Findings / Legal Action
- Explanations for Negative / \$0 Balances

# Disclosure Section

**DISCLOSURE SECTION**

METHODS USED TO DETERMINE

49 Inventory - Books and Supplies . . . . .

50 Depreciation. . . . .

51 Unearned Tuition / Dormitory Fees. . . . .

OTHER DISCLOSURES

52 Default Rate for Past 3 Years. . . . . Year  Rate   
 (If students do not use loans (e.g. cash pymt only) put 0%) Year  Rate   
 Year  Rate

53 Business Type. . . . .

54 Terms of Significant Notes Receivable . . . . .  
 (Include Due From, Principal Amount, Interest Rate)

55 Terms of Significant Notes Payable . . . . .  
 (Include Due To, Principal Amt, Interest Rate and Maturity Date)

Parent Company Information (if applicable) - use information from latest Annual Report, 10K or annual audited report

56 Parent Company Name

57 Total Revenue

58 Net Income (Loss) After Taxes  Year Reported

59 Total Cash

60 Total Assets  (61) Year Company Acquired/School Founded

62 Total Stockholders' Equity

63 Adverse Findings from Regulators (Accreditors, SEC, USDOE, etc.)

64 Pending Legal Action that could have material impact on Operations (Students, Shareholders, Employees, etc.)

65 Explanations of Zero or Negative Balances (from pages 1 and 2 of PDE-2006)  
 Tuition / Occupancy / Net Income

66 Cash / Total Assets

# Key Indicators

- Measures the performance of each program
  - Accreditation – Yes or No
  - Ending Student Population
  - Students on Temporary Leave
  - Attrition Rate
  - Graduation Rate
  - Placement Rate
- Instructions on Key Indicator measurements are meant to assist the schools. Use your accrediting / regulatory body calculations where possible



# Key Indicators

## KEY INDICATORS

	Program Name (b)	Is Program Currently Accredited (Yes/No)	As of	Year	Year	Year	Year
			Ending Student Population	Students on Temp Leave	Attrition Rate	Graduation Rate	Placement Rate
1							
2							
3							
4							
5							
6							
7							
8							
9							
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11							
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19							
20							
21							
22							
23							
24							
25							

(b) List all programs contained on your PDE-3808 even if not currently enrolling



# Key Indicators

- Attrition Rate
  - measures the % of students who permanently withdraw from a program

40 students withdraw during the year

(120 students beginning+80 starts+10 re-entries) = 19%

# Key Indicators

- Placement Rate

- measures the proportion of students who receive full time employment in their intended field compared to the number of graduates

70 students employed

90 students eligible for employment = 78%

# Summary of Financial Reports

## PDE2006

Actual results only  
Balance Sheet  
Income Statement  
Disclosure Section  
Key Indicators  
Quarterly/Annual  
Reports

## Pro Forma

Forecast (estimates)  
Income Statement only  
Filed only with a new  
school application

# ▶ Entry of Name, Address and Date Licensed

5-24-17

**PENNSYLVANIA DEPARTMENT OF EDUCATION  
STATE BOARD OF PRIVATE LICENSED SCHOOLS  
ANNUAL FINANCIAL REPORTING**

School Name

School Address

Month and Year School Received Original License



**pennsylvania**  
DEPARTMENT OF EDUCATION

# ▶ Entry of Methods Used – Page 3

## DISCLOSURE SECTION

### METHODS USED TO DETERMINE

49	Inventory - Books and Supplies . . . . .	
50	Depreciation. . . . .	
51	Unearned Tuition / Dormitory Fees. . . . .	

### OTHER DISCLOSURES

# Parent Company Information

Parent Company Information (if applicable) - use information from latest Annual Report, 10K or annual audited report

56  
57  
58  
59  
60  
62

Parent Company Name			
Total Revenue			
Net Income (Loss) After Taxes		Year Reported	
Total Cash			
Total Assets		(61) Year Company Acquired/School Founded	
Total Stockholders' Equity			

# Key Indicators

## KEY INDICATORS

	Program Name (b)	Is Program Currently Accredited (Yes/No)	As of	Year	Year	Year	Year
			Ending Student Population	Students on Temp Leave	Attrition Rate	Graduation Rate	Placement Rate
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							



# Checklist for PDE2006

- Did you obtain the current, most up-to-date form from the web site?
- Are year-to-date and quarter dates correct?
- Does quarter end date on balance sheet match income statement?
- Did you enter all information, including school name, address, date licensed, etc.?

# Checklist

- Does the balance sheet balance?
- Does income = retained earnings?
- Are entries included for methods used to determine inventory, depreciation, and unearned tuition?

# Checklist

- Are entries for methodologies accounting terms?
  - not numbers or n/a, etc.
- Did you enter your business type?
  - i.e. LLC, C-Corp, S-Corp, etc. Not “school”
- Did you include details on notes payable and notes receivable?
  - Amount, Terms, Interest, etc.
- Did you include parent company information?

# Checklist

- Did you include your method of accounting for unearned tuition. Is it appropriate?
  - Not “none” or n/a. Not a restatement of refund policy.

# Checklist

- Did you complete Key Indicators section?
- Did you answer accreditation question accurately?
  - Note accreditation is not the same as licensure.
- Did you include all programs, even if you are not currently enrolling?

## Lines with \*

- Are there any zeroes in lines with \*?
- If so, an explanation is required on page 3.

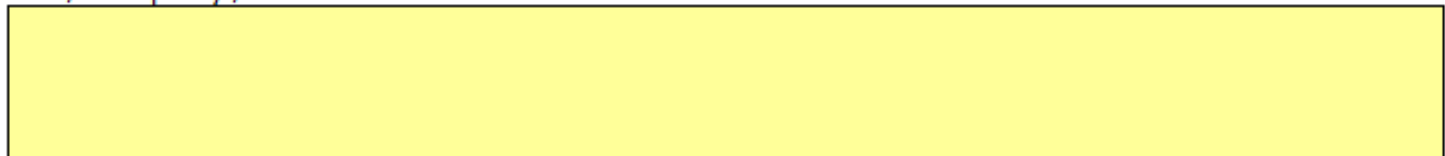
# Lines with \*

EDUCATIONAL REVENUES (Income)			
1	Gross Tuition*	1,000	
2	Less: Tuition Refunds (Current Year Only)		
<b>BALANCE SHEET</b>			
CURRENT ASSETS			
18	Cash on Hand and in Banks - Unrestricted*		
19	Cash - Restricted		
CURRENT LIABILITIES			
31	Accounts Payable		
32	Notes Payable		
33	Tuition Refunds Payable		
34	Current Portion - Long-Term Debt		
35	Unearned Tuition*		
36	Unearned Dormitory Fees		
Retained Earnings:			
44	Beginning Balance		
45	Add: Earnings (Loss) for Year		
46	Deduct: Dividends		
47	Other Retained Earnings Changes		
	Ending Balance *	0	
48	Deduct: Treasury Stock (at Cost)		

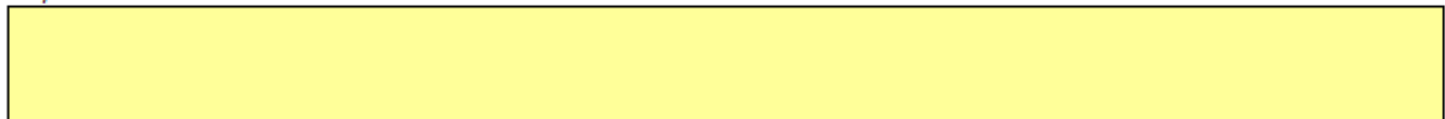
# Explanations of Lines with \*

65 Explanations of Zero or Negative Balances (from pages 1 and 2 of PDE-2006)

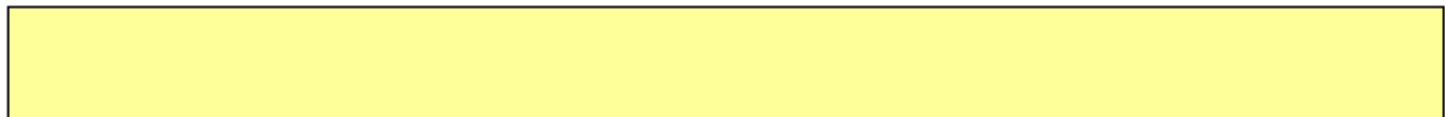
Tuition / Occupancy / Net Income



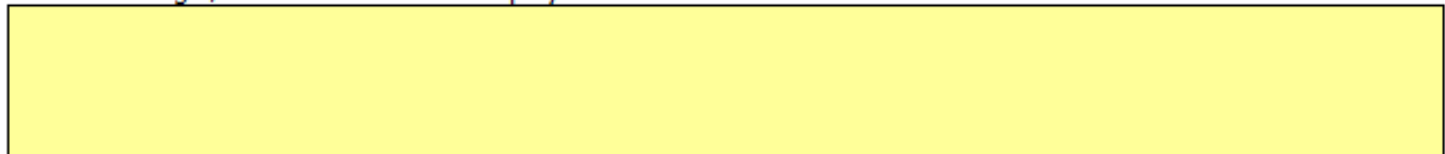
66 Cash / Total Assets



67 Unearned Tuition



68 Retained Earnings / Total Stockholders' Equity





## ▶ Name in Lieu of Signature

- Did you put the name of the responsible person in the signature block?
  - Signature not possible on electronic form, but name of responsible person required.

# ▶ Name in Lieu of Signature

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### STATEMENT OF AFFIRMATION

I hereby affirm that I am an officer or stockholder of the above-named school and that this Quarterly / Annual Financial Report has been prepared from the original records of the school and on an accrual basis.

NOTE: Type your name to take responsibility. It is not possible to sign the electronic form.

NAME

TITLE

SIGNATURE

DATE

- 4 -

# SharePoint Submission of Financials

Includes such documents as:

- Financials for ownership changes
- Quarterly reports
- Financials for scholarship applications

# ▶ Closing Thoughts

- Inaccurate Reporting
  - Results in delayed approvals
  - Results in follow-up questions
  - May result in requirement of audited reports
  - May result in referral for enforcement action
- Late Reports
  - Late fees of \$50 per day up to \$500

# Questions

- Division of Higher and Career Education
- (717) 783-8228
- Email your assigned Board Administrator
- Review Act, Regulations, Board Policy Memos

## Contact/Mission

For more information on financial reporting please visit PDE's website at [www.education.pa.gov/PLS](http://www.education.pa.gov/PLS)

*The mission of the Department of Education is to ensure that every learner has access to a world-class education system that academically prepares children and adults to succeed as productive citizens. Further, the Department seeks to establish a culture that is committed to improving opportunities throughout the commonwealth by ensuring that technical support, resources, and optimal learning environments are available for all students, whether children or adults.*