



Pennsylvania Department of Education

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

- **WHO HAS TO FILE:**
 - Please reference PLS Board Policy Memos 63 and 72 for more information.
 - 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.
- **INPUTTING DATA:** Cells shaded in yellow are input areas. If the reporting school does not have a balance for a particular line item, input zero. To edit an amount already input, hit the **F2** key. Before submitting, ensure all yellow shaded areas are completed.
- **REPORT WHOLE DOLLAR AMOUNTS ONLY:** All amounts must be in whole dollars (no pennies and not rounded to thousands). Failure to report amounts in whole numbers only will likely result in error messages on the report.
- **HOW TO SUBMIT:** Schools are required to submit their PDE-2006 electronically by uploading to SharePoint and then choosing the “PLS Financial Report” section from the dropdown list. If a school is unable to complete the form electronically, contact your Board Administrator at (717) 783-8228 to make other acceptable arrangements.
- **EFFECTIVE DATES:**
 - **Annual Reports.** Must be from the first day of the school’s reporting year through the last day of the reporting year (e.g. From 1/1/24 To 12/31/24) and the first day of the school’s **previous** reporting year through the last day of the previous reporting year (e.g. From 1/1/23 To 12/31/23).
 - **Quarterly Reports.** The Income Statement section must be from the first day of the quarter through the last day of the quarter (e.g., From 4/1/2024 To 6/30/2024) and year to date information (e.g., From 1/1/2024 To 6/30/2024). The Balance Sheet section must be as of the last day of the current quarter (e.g., 6/30/2024) and the last day of the previous quarter (e.g., 3/31/2024).
 - **New School Applicants.** Latest Fiscal Year End should be the first day of the organization’s current fiscal year through the most recent date for which financial data are available. Previous Fiscal Year End must be the first day of the school’s **previous** reporting year through the last day of the previous reporting year (e.g., from 1/1/2023 To 12/31/2023).
- **DUE DATES:** **Annual Reports** are due with your application package or with License Renewal Applications. **Quarterly Reports** are due approximately one month prior to the quarterly Board meeting. Due dates can be found on the Division’s website under “Quarterly Financial Reporting Submission Deadlines.” If you are required to submit for other reasons, follow the instructions for the due date based on the request for filing.
- **LATE /AMENDED SUBMISSIONS:** Contact your Board Administrator if you will not be able to meet the deadline for Quarterly Reporting or as soon as you realize an amended report needs to be submitted. For late submissions, make sure to contact your Board Administrator at (717) 783-8228 **before the due date**. Note: The Board usually submits disciplinary action against schools that submit late. Late submissions for Annual Reports submitted as part of the license renewal application **WILL NOT BE ACCEPTED**, resulting in a non-renewal of license.
- **REPORTING:** **Again, all amounts must be in whole dollars (no pennies and not rounded to thousands)** and on an **accrual basis** of accounting. Accrual accounting means transactions are counted when the order is made, the item is delivered, or the service occurs, regardless of when the money is actually received or paid. For example, you are completing your financial statements for the quarter ended 3/31/2024 and the last electric bill you received was for

service through 3/11/2024. You need to accrue the electric expense for the remaining 21 days in the quarter (covering 3/12/2024 – 3/31/2024). If you are uncertain if your financial statements are on an accrual basis of accounting or how to get your statements on an accrual basis of accounting, contact an accounting professional.

- **SCHOOL RESULTS:** The PDE-2006 Income Statement must contain the entire legal entity's results. If the school is part of a group of schools, the Income Statement should be for the location of the individual school, and the parent company information included beginning on line 56. Ensure that the Parent Company and Adverse Findings / Pending Legal Action (Lines 56 through 64) contain consolidated results.
- **OUT-OF-STATE (REGISTERED) SCHOOLS:** Educational Revenues should be related to PA resident student enrollments only. Educational Expenses should be proportional to PA residents' enrollment (lines 1-10). All other income and expenses for the school should be reported under OTHER INCOME AND EXPENSE (lines 11-16).
- **NOTE ON NEGATIVE AMOUNTS:** Certain amounts need to be entered as a negative. Some amounts are noted in the lines below (for example, Line 26 - Accumulated Depreciation). Other amounts will vary depending upon the results of the operation. For example, Line 14 – Interest Income & Expense – Net needs to be entered as a positive number if the interest income exceeds interest expense and as a negative if interest expense exceeds interest income.

INCOME STATEMENT

Line 1: GROSS TUITION*

Revenues from all tuition and required fees assessed against students for educational purposes. Fees include application fees, transcript fees, lab fees, computer fees, activity fees, health insurance fees, etc. Note that as per PLS Board Policy Memorandum 108, "Gross tuition revenue includes tuition and fees (all monies) received against expenses and charges related to a student's enrollment" including tuition assistance, grants, scholarships, fund reimbursement, Workforce Innovation and Opportunity Act (WIOA), etc. For new schools and already licensed schools with tuition revenue not related to programs that will be or already are approved under the school licensure, please include that revenue and related expenses in line 15 "Other Income & Expense – Net."

Line 2: TUITION REFUND

All tuition and fees (included in the line above) refunded during the current period (year or quarter). Refund needs to reflect revenue previously recognized/earned, regardless of when it was earned. Include all amounts whether refunded directly to the student, lending institution, government agency (e.g. Veteran Affairs), etc.

Line 3: TEXTBOOK AND SUPPLY EXPENSE

Textbook and supply expenses include all required book and supply expenses furnished to a student by the school. Textbooks include any **required** books, manuals, workbooks, study guides, software applications, etc. needed during the program. Supply expense includes all supplies furnished directly to a student by the school for the program of study (shoes, uniforms, culinary supplies, tools, stethoscope, blood pressure kit, stop watches, etc.). If a book or supply is **encouraged** (e.g. dictionary, notebooks, pens, medical guides, etc.), the cost is to be included in Line 12 – Bookstore Operations (if the material was provided through the school's bookstore).

Line 4: INSTRUCTIONAL SALARIES AND EXPENSE

Instructional salary includes all payments to instructors for education purposes. Include payments for class instruction as well as office hours, tutoring, auxiliary classes (e.g. CPR), benefits and any bonus payments. Do not include payments to instructors for non-education purposes (e.g. an instructor helps the Financial Aid department during the evening hours). These costs must be captured in Line 9 – Administrative Expense. Instructional Expense includes all costs paid by the school (i.e. not reimbursed by employees) for educational instruction. Include all equipment purchases, whiteboard markers, food related costs, instructor licensure costs, lab supplies, grade books, instructor telephone, printer, copy charges, etc. used directly in the administering of classes. Do not include overhead costs such as utility costs, taxes, school permits and licenses, etc.

Line 5: BAD DEBT EXPENSE

Bad Debt is an account receivable that will likely remain uncollectable and written off against net income. In other words, any reduction/adjustment in a school's student accounts receivable balance due to unlikelihood of collectability needs to be included as Bad Debt expense (Line 5). Bad Debt expense needs to include all reserves as well as actual write-offs. Some schools may have a set policy in which a receivable that reaches 30, 60 or 90 days on their accounts receivable aging schedule is written off (or

reserved against) in total or partially (e.g. 75% reserve over 90-days). Bad Debt expense includes amounts sent to collection agencies. If you currently net the bad debt charges against tuition income (Line 1), you must split out the costs for reporting on the PDE-2006. Bad Debt amounts that are recouped (e.g. payments from collection agencies) need to be reflected as a reduction to bad debt expense.

Line 6: ADVERTISING/STUDENT RECRUITMENT

Advertising includes all forms of communication whose purpose is to inform potential customers about a school's products, services and offerings. Forms of advertising are radio, television, newspaper, internet, billboards, trade journals, etc. Include all related costs such as commercial production costs, print layout costs or web development costs. Student recruitment costs need to include all admission related activities. Including, but not limited to, in-house recruiting, off-campus recruiting, attending trade shows, involvement in job fairs, etc.

Line 7: DEPRECIATION/AMORTIZATION

Depreciation expense is an allowance or provision made for the wear and tear or technical obsolescence of equipment, furniture, and buildings. Depreciation allows an entity to spread the cost of that particular capital asset over its useful life. Capital assets have different useful lives depending upon the nature and usage of the asset.

Amortization is similar to depreciation but involves intangible assets (such as goodwill). This proration is one of the key principles behind accrual accounting and is a requirement in completing the PDE-2006 on an accrual basis.

Line 8: OCCUPANCY EXPENSE*

All schools require a space to conduct their educational activities. This space is either owned by the school or rented/leased. Occupancy Expense includes all rent/lease costs, depreciation of leasehold improvements or, in the case of ownership, mortgage payments. Occupancy expense also includes all utility related costs, maintenance contract costs, cleaning, trash removal, taxes and property insurance related costs. Occupancy Expense must include the cost of all facilities, including rental properties used for storage. If a property is sub-leased to another tenant (not involved in the educational activities), rent payments received need to be netted out against Occupancy Expenses. Do not include any Dormitory related fees (see Line 11).

Line 9: ADMINISTRATIVE EXPENSE

Administrative costs are those costs incurred in the operating of the school. That includes, but is not limited to, Financial Aid, Business Office / Bursar, Registrar, Human Resources, Legal, Regulatory/Compliance, School Director, Information Technology, and other auxiliary departmental costs not captured elsewhere on the PDE-2006.

Line 10: STUDENT PERSONNEL SERVICES

Student Personnel Services includes all activities associated with the placement of students into employment opportunities while in school and upon graduation. Include all Career Services department costs, and other department costs that may assist students in job training, interviewing, resume writing or finding part-time employment while attending school. Do not include any Federal Work Study or payroll related costs paid to students employed at the school.

Line 11: DORMITORY INCOME – NET

Dormitory income is the fee paid by a student for the securing and living in a school owned or leased facility. If a school rents properties to house students, Dormitory Income needs to be net of any payments the school makes to a landlord. If a student pays a landlord (other than the school) directly, the school must not reflect those costs. Dormitory Income needs to be netted with any costs associated with owning, renting, administering or maintaining the facilities themselves. This includes, but is not limited to, maintenance contracts to repair/clean the properties, rental costs, mortgage payments or depreciation on the properties, departmental costs incurred in scheduling students into housing, handling complaints, collecting/refunding deposits, etc. Include any fines levied against students for violations.

Line 12: BOOKSTORE OPERATIONS – NET

If the school maintains a bookstore, all revenues and expenses associated with operating the bookstore need to be netted in Line 12. Revenue includes all items sold to students or 3rd parties (books, supplies, sundries, food/beverages, uniforms, shoes, reference materials, etc). Do not include inter-entity sales (i.e. items "sold" to other internal departments). Expense items include direct costs for the products sold as well as the administrative costs of operating the bookstore. Do not include textbooks and/or supplies given to students as part of their program or included in the cost of tuition.

Line 13: MANAGEMENT FEE

Management Fee is a fee paid or received by a school for overhead support functions. If a school has a parent company or head office that provides a service (e.g. payroll, legal, accounts payable/receivable,

regulatory, senior management services, etc.) and charges the school a fee, that expense needs to be captured here as a negative. If the school provides an overhead support function to another branch or division, the revenue needs to be captured here as a positive number.

Line 14: INTEREST INCOME & EXPENSE – NET

Interest Income and Expense – Net is interest paid or received on the borrowing or lending/investing activities. Interest is typically paid/received on notes payables/receivables, investment securities, or bonds. Do not include the interest on mortgages, as that is included in Line 8 – Occupancy Expense. If the net result is interest expense (i.e. interest expense is greater than interest income), enter the amount as a negative. If the net amount is interest income, enter the amount as a positive.

Line 15: OTHER INCOME & EXPENSE – NET

All other income statement activity not recorded elsewhere needs to be recorded on Line 15 – Other Income & Expense – Net. If the net activity is an expense, enter the value as a negative. If the net result is income, enter the value as a positive number.

Line 16: EXTRAORDINARY AND UNUSUAL INCOME AND EXPENSE – NET

Extraordinary items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the institution and therefore are not expected to recur frequently or regularly. They usually include items that are not part of the core business (i.e. education). Extraordinary items may include one time sale or impairment of an asset or a large legal claim or settlement.

Line 17: FEDERAL & STATE INCOME TAXES

Include all income taxes paid to Federal or State institutions. If a school has a net loss for the quarter or year, the school needs to reflect zero tax or a negative tax if it is claiming a refund against prior period earnings. If a school does not pay its taxes directly (i.e. it is consolidated with other schools or a parent company), the school still needs to reflect how much tax was paid on its portion of earnings. Otherwise, all schools need to reflect how much tax was paid or accrued for the current period earnings. In order to be consistent with accrual accounting, tax expense is reflected when incurred not when it is paid.

BALANCE SHEET

CURRENT ASSETS – Current assets are assets of the organization that can easily be converted into cash within one year.

Line 18: CASH ON HAND AND IN BANKS - UNRESTRICTED*

Cash on Hand and in Banks – Unrestricted represents the liquid cash a school has readily available to spend in order to meet its business needs. The cash is used to meet short term obligations such as payroll, paying of bills or student refunds. Cash on hand includes petty cash.

Line 19: CASH – RESTRICTED

Restricted cash is cash that is not available for general use, usually set aside for a specific purpose. If the restricted cash is not to be used in the next year, it must be included in Other Assets (Line 30).

Line 20: ACCOUNTS RECEIVABLE, STUDENTS – NET

Student Account Receivable balances are the total of all monies owed by students to the school for tuition, fees, supplies, housing, etc. Student receivable balances need to be net of any refunds due to the student (i.e. reduction of charges) or return of funds to financial institutions (e.g. return of Title IV funds due to ineligibility). Student account receivable balances also need to be net of any bad debt charges or reserves.

Line 21: ACCOUNTS RECEIVABLE, OTHER

All other account receivable balances are to be included in the Accounts Receivable, Other (Line 21) section.

Line 22: NOTES RECEIVABLE

Note Receivables are used when longer credit terms are involved. They typically involve a promissory note stipulating the maturity date, interest rate and other party involved in the transaction. Notes that are less than 1 year need to be included in the Current Asset section (Line 22) and Notes over 1 year need to be included on Line 30. Significant Notes Receivable need to be detailed in the Disclosure Section (Line 54).

Line 23: INVENTORY - BOOKS AND SUPPLIES

Inventory of Books and Supplies is the total value of all items that are ready to be sold or given to students. Inventory items typically include books, uniforms, merchandise sold in bookstores, etc. It does

not include supplies or equipment owned by the school and used in the classroom by the school for instructional purposes. These costs would either be expensed (on Line 4) or capitalized (Line 25) depending upon the item.

Line 24: OTHER CURRENT ASSETS

All other current assets (i.e. can be converted into cash in less than 1 year) not reported elsewhere.

Line 25: PROPERTY AND EQUIPMENT, GROSS

Property and Equipment, Gross is the gross value of all property and equipment (not easily liquidated) that will be depreciated over a set time. Examples of property and equipment include purchased buildings, land (not depreciated), vehicles, furniture, office equipment, computers, lab equipment, and leasehold improvements.

Line 26: ACCUMULATED DEPRECIATION (ENTER AS A NEGATIVE)

Accumulated depreciation is the write-down of an asset's value over the useful life due to usage and age. Each asset, or group of assets, has a useful life over which the cost is spread. For example, a school purchases a computer server for \$6,000 which has a useful life of 3 years. Each year the school would recognize \$2,000 in depreciation expense and \$2,000 of accumulated depreciation ($\$6,000 / 3$ years). At the end of 3 years, the school would have an accumulated depreciation balance of \$6,000 (the aggregate of each of the annual \$2,000 amounts). This amount needs to be entered as a negative or contra-asset.

Line 27: DEPOSITS

Deposits are monies paid by the school in advance of a transaction to protect the other party against damage, non-payment or late return. Deposits are expected to be returned when the event or transaction is over. Impairment or loss of a deposit must be recorded as an expense on the income statement.

Line 28: PREPAID EXPENSES

Prepaid expenses are the payments for goods or services before a school actually receives them. An organization may prepay taxes, rent, utility bills or interest on their debt. The unearned or unused portion of these payments needs to be captured under Prepaid Expense (Line 28).

Line 29: GOODWILL

Goodwill is recognized when one entity purchases another entity for a "premium." Goodwill is calculated by taking the purchase price and subtracting it by the company's book value. Goodwill is amortized over 40 years.

Line 30: OTHER ASSETS

Other Assets include all other non-current assets not reported elsewhere.

Line 31: ACCOUNTS PAYABLE

Accounts payables represent the money owed to vendors for products and services purchased but not yet paid for. For accrual accounting purposes, entities need to accrue the unpaid portion of each expense against their accounts payables at the end of each period.

Line 32: NOTES PAYABLE

Notes Payable are used when longer credit terms are involved. They typically involve a promissory note stipulating the maturity date, interest rate and other party involved in the transaction. Notes that are less than 1 year are to be included in the Current Liability section (Line 32) and Notes over 1 year need to be included on Line 38. Significant Notes Payable need to be detailed in the Disclosure Section (Line 55).

Line 33: TUITION REFUNDS PAYABLE

Tuition Refunds Payable are refunds owed to students, banks, or the return of Title IV funds that are known but have not yet been paid. Tuition refunds payable have already been reduced from revenue (through Line 2 – Tuition Refunds) on the Income Statement.

Line 34: CURRENT PORTION - LONG-TERM DEBT

Current Portion – Long-term Debt is that portion of long-term debt that needs to be paid within the next year. This includes interest as well as any principal that may be due within the year.

Line 35: UNEARNED TUITION*

Unearned tuition is any tuition fee billed to or collected from a currently enrolled student for the study period in which the student is registered but not yet earned because the program has not yet been delivered. In essence, it is the portion of tuition income not yet earned by the institution through providing educational services. Unearned tuition is only for current or future students. If a student has withdrawn, all unearned income needs to be recognized as Gross Tuition Income (Line 1) or returned back to the student/lender (reducing the student's account receivable).

Line 36: UNEARNED DORMITORY FEES

Similar to Unearned Tuition above, unearned dormitory fees are any dormitory fees billed to or collected from a current or future student but not yet earned. The portion of dormitory fees not yet earned must not

be reflected on the Dormitory Income – Net line (Line 11) until it is earned. Until the fees are earned, the balance needs to remain in the Unearned Dormitory Fees account (Line 36).

Line 37: OTHER CURRENT LIABILITIES

Other Current Liabilities are all other current liabilities (that need to be settled in less than 1 year) not reported elsewhere.

Line 38: NOTES OR BONDS PAYABLE

See Line 32. Notes or Bonds with terms greater than 1 year are to be included on Line 38. The current portion of all Notes or Bonds (i.e. any interest or principal due in the next year) needs to be included on the Notes Payable line (Line 32). Significant Notes Payable need to be detailed in the Disclosure Section (Line 55).

Line 39: DUE TO/FROM PARENT

Due To/From Parent account is just for entities owned by another organization (parent company or holding company). When a new school starts-up and incurs operating losses, the parent company absorbs the losses and accounts for the transfer through an inter-entity Due To/From Parent account. In this case (of a start-up school), the school “owes” or has a liability with its parent so the amount would be recorded as a positive liability. As the school develops and starts to produce a net income, the Due To Parent company becomes a Due From Parent company and would be recorded as a negative liability.

Line 40: OTHER LONG-TERM LIABILITIES

Other Long-Term Liabilities are all other non-current liabilities not reported elsewhere.

Line 41: PREFERRED STOCK

Preferred Stock, like Common Stock, represents partial ownership in a company or organization. Preferred stock provides a specific dividend that is paid before any dividends are paid to common stockholders, and which takes precedence over common stock in the event of liquidation.

Line 42: COMMON STOCK

Common Stock is the most traditional type of equity ownership in a corporation. Unlike Preferred shares, Common Stock includes voting rights. When shares are sold (either directly to the public or through an investment bank), the par value of the shares is recorded in the Common Stock line (Line 42). Amounts paid in excess of the par value are recorded in the Other Equity line (Line 43). For example, XYZ Company issues 500 shares of \$10 par value common stock for \$7,500. XYZ Company would record the following entry:

Cash	\$7,500
Common Stock (500 * \$10)	\$5,000
Other Equity (Paid-in Capital)	\$2,500

If the Common Stock has no par value, all funds received would be recorded in the Common Stock line (i.e. no Other Equity).

Line 43: OTHER EQUITY

Other equity consists of additional paid in capital (see line above) and other equity contributions in which shares of stock are not issued.

Line 44: RETAINED EARNINGS - BEGINNING BALANCE

Retained Earnings represent the earnings (i.e. net income) that an organization has decided to keep in order to support ongoing operations. Current year retained earnings activity is recorded in lines 45-47. At the beginning of the next year, Retained Earnings – Ending Balance is then rolled-up to Retained Earnings – Beginning Balance.

Line 45: ADD: EARNINGS (LOSS) FOR YEAR

Retained earnings is increased by the net income of the organization and decreased by any net losses. Line 45 must equal the year to date Net Income (Loss) After Taxes from Income Statement.

Line 46: DEDUCT: DIVIDENDS

Dividends paid to shareholders (whether cash, stock or property) is a reduction to Retained Earnings. Enter the dividends paid as a negative amount on Line 46.

Line 47: OTHER RETAINED EARNINGS CHANGES

All other adjustments to retained earnings (e.g. prior period adjustments, accounting changes, treasury stock sold below acquisition cost, etc.) are to be recorded on the Other Retained Earnings Changes line (Line 47).

Line 48: DEDUCT: TREASURY STOCK (AT COST)

Treasury Stock is the corporation's own stock that it has re-acquired from shareholders but not retired. The amount paid to re-acquire the shares is the value of the Treasury Stock (i.e. not the par value). For example, XYZ Company purchases 100 of its own \$10 par value shares back for \$5,000:

Treasury Stock	\$5,000
Cash	\$5,000

If the Treasury Stock is later sold above re-acquiring price, the difference would be recorded as Paid-in Capital in the Other Equity Line (Line 43). If the Treasury Shares are sold below re-acquiring price, the difference would be recorded against retained earnings (Line 47).

DISCLOSURE SECTION

METHODS USED – The Methods Used section is tracking the method used to value or calculate inventory, depreciation or unearned tuition / dormitory fees. **Do not enter the value** of inventory or depreciation expense as these items are included on the income statement and balance sheet above.

Line 49: INVENTORY – BOOKS AND SUPPLIES

The most common methods of valuing inventory are: First In, First Out (FIFO), Last In, First Out (LIFO), Weighted Average, or Specific Identification. While this is not an exhaustive list, determine which method of inventory valuation is used at the school and record on Line 49.

Line 50: DEPRECIATION

The most common methods of calculating depreciation expense are: Straight Line, Declining Balance, Active Depreciation, Sum of the Years' Digits, or Modified Accelerated Cost Recovery System (MACRS). Determine which method is used at the school and record on line 50.

Line 51: UNEARNED TUITION / DORMOTORY FEES

The most common method of calculating unearned tuition or dormitory fees is **ratably** -- meaning over the period in which the revenue is earned. For example, consider a school that charges \$10,000 for a program (or Dorm fee) that is 365 days long and starts on April 1st. For the June 30th quarterly report, a school would record \$2,493 (91 days/365 days or 24.9%) of Gross Tuition Revenue and defer the remaining (\$7,507 or 274/365th) as Unearned Tuition. If ratably is used, note whether it is calculated over the number of days (as in the example above), months or hours.

OTHER DISCLOSURES

Line 52: DEFAULT RATE FOR PAST 3 YEARS

A cohort default rate is the percentage of a school's borrowers who enter repayment (i.e. fail to fulfill payment obligations) on certain Federal Family Education Loan (FFEL) Program or William D. Ford Federal Direct Loan (Direct Loan) Program loans during a particular federal fiscal year (FY). A school's cohort default rate is available on the US Department of Education website. If a school does not participate in the Title IV federal aid program, it will not have a default rate and can put N/A for each of the years.

Line 53: BUSINESS TYPE

The most common types of business are: Sole Proprietorship, Partnership, Limited Partnership, Limited Liability Corporation, Corporation (General), S-Corporation, Close Corporation, Cooperative, Not-For-Profit Organization (501(c)3).

Line 54: TERMS OF SIGNIFICANT NOTES RECEIVABLE

A note receivable is an asset representing the right to receive the principal amount contained in a written promissory note. Specific details on the terms and agreements of the asset are also contained in the promissory note. On Line 54 list who the promissory note is with, principal amount of the note, the maturity date (date when the principal must be repaid), and interest rate for each significant note receivable contained on Line 22 and/or Line 30.

Line 55: TERMS OF SIGNIFICANT NOTES PAYABLE

A note payable is a contract detailing the terms of a promise by one party to pay a sum of money to the other. On Line 55 list who the promissory note is with, principal amount of the note, the maturity date (date when the principal must be repaid), and interest rate for each significant note payable contained on Line 32 and/or Line 38. Make sure to include any outstanding Letters of Credit and secured or unsecured credit lines.

PARENT COMPANY INFORMATION – This section is to be completed by schools that have a parent company, that are the parent company for other school(s) or are consolidated with other schools. If your school is a single, stand alone entity, input N/A for each of the Lines 56 through 62. Parent Company information must come from the last annual audited financial statements (e.g. Annual Report or 10k). As such, these numbers will only be updated one time a year.

Line 56: PARENT COMPANY NAME

Legal name of the Parent company. If there are multiple tiers within the legal business structure, list the name of the top most entity.

Line 57: TOTAL REVENUE

The total dollar amount of annual sales of the **consolidated** entity named on Line 56.

Line 58: NET INCOME (LOSS) AFTER TAXES

Net income (or loss) of the **consolidated** entity named on Line 56. Net income must be entered as a positive and net loss as a negative.

Line 59: TOTAL CASH

Total cash on hand per **consolidated** balance sheet of entity named on Line 56.

Line 60: TOTAL ASSETS

Total assets of the **consolidated** entity named on Line 56.

Line 61: YEAR COMPANY ACQUIRED / SCHOOL FOUNDED

List the month and year the Parent Company either purchased the school filing the PDE-2006 or started/founded the school filing the PDE-2006.

Line 62: TOTAL STOCKHOLDERS' EQUITY

Total stockholders' equity of the **consolidated** entity named on Line 56.

EXPLANATIONS – The purpose of the Explanations section is to gather information about the school that may have an impact on the going concern of the entity. The Pennsylvania Department of Education State Board of Private Licensed Schools may have been notified via mail, on site visitation or through calls regarding potential concerns. This section allows the school to provide details behind the information that may have been obtained through other sources. If it would be beneficial, attach supporting documentation to your submission.

Line 63: ADVERSE FINDINGS FROM REGULATORS

Summarize any adverse findings from any regulatory body (Accrediting body, USDOE, SEC, etc.). Adverse findings can be the loss of accreditation, the school being put on probation, watch, or under investigation, programs being put on review, potential loss of Title IV aid, etc.

Please also note that Adverse Findings should be separately reported to the Division Chief and the school's Board Administrator copies of all adverse findings correspondence as per PLS Board Policy Memo 104.

Line 64: PENDING LEGAL ACTION THAT COULD HAVE MATERIAL IMPACT ON OPERATIONS

Summarize any legal action (e.g. class action lawsuits, former employee/shareholder claims, etc.) that could have a material impact on operations. Material impact is financial as well as management turnover, reputation, or control/safety related.

Line 65: TUITION/OCCUPANCY/NET INCOME ZERO OR NEGATIVE BALANCE EXPLANATIONS

If Gross Tuition (Line 1), Occupancy Expense (Line 8) or Net Income (Loss) After Taxes is \$0 or a negative balance, an explanation must be provided. The explanation needs to detail the cause for the zero or negative balance.

Line 66: CASH/TOTAL ASSETS ZERO OR NEGATIVE BALANCE EXPLANATIONS

If Cash on Hand and in Banks – Unrestricted (Line 18) or Total Assets is \$0 or negative, an explanation must be provided. The explanation needs to detail the cause for the zero or negative balance.

Line 67: UNEARNED TUITION ZERO OR NEGATIVE BALANCE EXPLANATION

If Unearned Tuition (Line 35) is \$0 or negative, an explanation must be provided. The explanation needs to detail the cause for the zero or negative balance.

Line 68: RETAINED EARNINGS/TOTAL STOCKHOLDERS' EQUITY ZERO OR NEGATIVE BALANCE EXPLANATIONS

If Retained Earnings – Ending Balance or Total Stockholders' Equity is \$0 or negative, an explanation must be provided. The explanation needs to detail the cause for the zero or negative balance.

KEY INDICATORS

The Key Indicators section is established to track the viability of all programs currently approved by the Pennsylvania Department of Education State Board of Private Licensed Schools. All programs listed on the school's PDE-3808, which can be found on the PA Department of Ed's website, must be listed on this sheet. The data should reflect the school's most recent current year-end information. Thus, this information will only be updated once a year (even for those schools on Quarterly Reporting). The examples below are for guideline purposes. **If your accrediting or other regulatory body dictates how attrition, graduation or placement rates are to be calculated, those calculations must be used for reporting on the PDE-2006.**

- **Program Name** – List the program name for each program per the PDE-3808
- **Is Program Currently Accredited** – Input Yes or No for each program
- **Ending Student Population** – Input the Current Year (example format 12/31/2024) being reported at the top of the column. The ending student population needs to reflect Active students only.
- **Students on Temporary Leave** – Input the Year (example format 2024) of the data being reported at the top of the column. Input all students who are on Temporary leave (Leave of Absence, Military Leave, Standard Period of Non-Enrollment, etc.). The students in this category must **not** be counted in the Ending Student Population.
- **Attrition Rate** – Input the Year (example format 2024) of the data being reported at the top of the column. Attrition rates measure the proportion of students who “drop-out” or permanently withdraw from a program at the school each year. While the calculation from school to school may vary slightly, attrition is generally calculated by dividing the total number of students not completing the program for the year (i.e. drops) by the total number of students enrolling in the program. For example, a program with 40 drops throughout the year, a beginning population of 120 students, 80 starts for the year and 10 re-enrollments (or re-entries) would have an attrition rate of 19% calculated as follows: $19\% = 40 \text{ drops} / (120 \text{ beginning} + 80 \text{ starts} + 10 \text{ re-entries})$
- **Graduation Rate** - Input the Year (example format 2024) of the data being reported at the top of the column. Graduation rates measure the proportion of students who receive a certificate or diploma compared to the full enrollment. Graduation rates are generally calculated by dividing the total number of graduates for the year by the total number of students enrolling in the program. For example, a program with 80 graduates throughout the year, a beginning population of 120 students, 80 starts for the year and 10 re-enrollments (or re-entries) would have a graduation rate of 38% calculated as follows: $38\% = 80 \text{ graduates} / (120 \text{ beginning} + 80 \text{ starts} + 10 \text{ re-entries})$
- **Placement Rates** - Input the Year (example format 2024) of the data being reported at the top of the column. Placement rates measure the proportion of students who receive full time employment in their intended field compared to the number of graduates. In order to qualify as full time employment in their intended field, employment is verified by the school after a certain period of time. There is also a window of time in which students are assisted in finding employment before they are counted in a school's placement rate. Students typically remain in the placement rate calculation for a certain period of time. For example, a school has 70 students employed (in their intended field), verified and past the 90-day placement window for the year. The total graduates eligible for placement (past the 90-day placement window and within the 18 month placement period) are 90. The Placement Rate for the year would be 78% (70/90).

If a program is currently not being taught but is still active on the PDE-3808, complete the accreditation status, put NBT (Not Being Taught) for the Ending Student Population, and leave the remaining columns blank for the specific program. If you need to delete a program from the PDE-3808 (which means you will not be able to offer this course unless you go through the program approval process again), contact your Board Administrator at (717) 783-8228.

ADDITIONAL NOTES

ERROR MESSAGES WILL APPEAR IN RED AND MUST BE RESOLVED PRIOR TO SUBMITTING THE REPORT.

FIELDS MARKED WITH AN ASTERISK (*) REQUIRE EXPLANATIONS FOR A \$0 OR NEGATIVE BALANCE. LISTING “NOT APPLICABLE” IS NOT A SUFFICIENT EXPLANATION FOR A \$0 OR NEGATIVE BALANCE.

ALL BALANCES REPORTED ON THE PDE-2006 ARE SUBJECT TO AUDIT. FURTHER DETAIL OR SUPPORTING DOCUMENTATION MAY BE REQUIRED TO SUBSTANTIATE A BALANCE OR CLAIM MADE ON THE PDE-2006.