FINANCIAL PLAN

2018 – 2023

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MONROE COLLEGE

BRONX • NEW ROCHELLE • ST. LUCIA • ONLINE

TABLE OF CONTENTS

TABLES

CHARTS

APPENDICES

EXECUTIVE SUMMARY

The *2018–2023 Financial Plan* outlines strategies and tactics to provide the necessary resources to maintain a personal and supportive environment for teaching and learning. The College's commitment to this objective is reflected in the magnitude of the resources allocated in support of student achievement, program expansion, faculty development, facilities improvement, and strategic planning.

The plan begins with a reflection on the prior planning periods. Specifically, the following three initiatives (tied to Goal 5 of the Strategic Plan) are presented:

- **Right-sizing the St. Lucia Campus**. The financial loss of approximately $726,000 in 2011–2012 was transformed to a projected financial surplus of $400,000 in 2018–2019 through a combination of budget reductions, streamlined schedules and majors, new facilities, reductions in staffing, and changes in tuition.
- **Improving the Budget Process**. The College revamped its budget process during the 2015–2016 year based on an analysis of areas in need of improvement. The revised process is supported by the Finance and Budget Committee along with the Office of Institutional Planning Effectiveness and Budget (IPEB), the Finance Office, and a new software system, *Questica*.
- **Expense Management**. Salaries and benefits increased from 53.5% to 57.5% of Net Revenue from 2010–2011 to 2015–2016. The College offset this reduced revenue with $8.5M in expense reductions without impacting services to students.

The forward-looking planning section of the document provides timetables and tactics that will enable the College to pursue the achievement of the following eight goals, which are linked to Strategic Plan sub-goals as shown:

Table 1. Financial Plan Goals 2018–2023

Financial Plan Goal #	Goal Description	Linked to Strategic Plan Goal #
FP-1	Evaluate and enhance the College's current process of allocating resources (operating and capital) based on institutional priorities	5.1, 5.6
FP-2	Implement a formal Human Resources Plan that defines staffing levels, strategies for hiring, training, and developing talented faculty and staff	3.1, 3.2, 5.4
FP-3	Assess and improve the effectiveness of institutional aid on new enrollment and retention while improving budgetary controls	5.5
FP-4	Assess and improve the College's scenario-based financial model	5

Financial Plan Goal #	Goal Description	Linked to Strategic Plan Goal #
FP-5	Analyze and improve the financial viability of all academic programs and selected student life programs (athletics, housing, and food services)	2.9, 5
FP-6	Improve the communication of resource allocation priorities to the college community	5.6
FP-7	Improve cash/management/reserves	5
FP-8	Provide sufficient resources to each location to provide a suitable environment for student learning	1, 2.2, 5, 5.2, 5.3
FP-9	Reduce Bad Debt Expense	5

The 2018-2023 Financial Plan is designed to help the College navigate what is expected to be a challenging period. The table above outlines all of the goals addressed in the plan, but the following objectives will likely prove to be the most critical:

- **FP-3 Assess and improve the effectiveness of institutional aid on enrollment while improving budgetary controls.** The College is addressing its recent enrollment challenges through the SEM Plan, but the equally important issue of discounting is included in this Financial Plan. According to NACUBO (National Association of College and University Business Officers)[1], independent colleges are discounting at an average rate of 55%. While Monroe's discount rate is only 21%, its spending on aid has doubled over the past four years and this rate of growth cannot be sustained. The College enters the new planning period with a clear appreciation of the fact that increases in Gross Revenue can be misleading; it is Net Revenue (Gross Revenue less IA) which needs to increase at a level necessary to provide for the needs of the College – the most important of which is providing sufficient resources to educate students.
- **FP-5 Analyze and improve the financial viability of all academic programs and selected student life programs (athletics, housing, and food services).** The challenge of managing the cost of intercollegiate athletics and specialized academic programs requiring substantial operational expenditures are also priorities in this plan. The College has produced detailed unit-level financial statements to inform this discussion. Plans to increase the contribution margins of each of these substantial units will be implemented for the 2019-2020 year and beyond.

[1] NACUBO Report Shows Tuition Discounting Trend Continuing Unabated, *Inside Higher Education,* May 10, 2019

The College acknowledges the challenges described above and herein, but enters the period with great confidence that it has charted a course that will provide for effective resource allocation in a dynamic environment. The College is committed to updating the Financial Plan annually.

SECTION ONE: INTRODUCTION

The *2018–2023 Financial Plan* provides a roadmap for the achievement of selected strategic objectives related to allocation of resources at the College. Operational and capital budgeting processes, the financial viability of selected College academic and student life programs, and the management of institutional aid programs are all addressed in the plan. The tactics described herein are integrated with the College's other sub-plans through Integration Maps (Appendix M).

The basis for revenue projections in the plan is the College's Five-Year Enrollment Forecast (Appendix E), which is presented and explained within the document. As a tuition-driven institution, the College recognizes the connection between achieving realistic enrollment results and allocating adequate resources for daily operations and strategic initiatives. As such, the plan employs a financial model based on different enrollment results, which provides flexibility in achieving the most important goals under various enrollment results.

The plan covers a period during which the College foresees modest enrollment growth, with the greatest increases generated by Monroe Online. The Queens Extension Center was closed in the months preceding the publication of the plan and a new extension site in Manhattan will be developed during the planning period.

The *2018–2023 Financial Plan* is driven by the vision, mission statement, core values, and strategic goals defined in the College's *2018–2023 Strategic Plan.*

VISION

To be a national leader in educating urban and international students.

MISSION

Monroe College, founded in 1933, is a national leader in higher education access, affordability, and attainment. We believe in the power of education to facilitate social mobility and transform communities, and embrace our responsibility to advocate national policies that serve students' best interests. We are proud of our outcomes and unique caring environment, especially for first-generation college students, newly arriving immigrants, and international students. Our innovative curriculum, taught by experienced industry professionals, integrates local, national, and global perspectives. Our academic programs align with industries that drive the New York and international economies that we serve. Our graduates are prepared for continued scholarship, professional growth, and career advancement.

CORE VALUES

- *Outcomes drive us.*

  We are committed to remaining a national leader in delivering strong outcomes for students and always strive for continuous improvement.

- *Integrity guides us.*

  Honesty, transparency, accountability, and fairness are the bedrock of our work.

- *Relationships define us.*

  We build strong personal connections among students, faculty, and staff, as well as with external educational, corporate, and community partners.

2018–2023 STRATEGIC GOALS

Goal 1: To ensure graduates possess the competencies for successful careers, advanced education, and lifelong learning.

Goal 2: To shape institutional enrollment by attracting, enrolling, and retaining students with the potential to succeed academically, graduate, and advance professionally.

Goal 3: To formally cultivate and institutionalize a responsive culture and structure to more effectively serve students, faculty, and staff.

Goal 4: To validate program quality and learning outcomes through rigorous self-assessment and enhanced external institutional and programmatic recognition.

Goal 5: To allocate resources effectively and efficiently in support of the Strategic Plan and institutional priorities.

SECTION TWO: BACKGROUND

REFLECTIONS ON PREVIOUS PLANNING PERIODS

Before moving ahead with the upcoming planning period, selected achievements during the prior periods will be presented. Three major initiatives are described below:

1. Right-Sizing the St. Lucia Campus

> *Linked to Goal 1.1 of the 2011–2014 Strategic Plan: Annually evaluate the efficiency and effectiveness of College operations on each campus and across campuses in light of planning and budgeting priorities. Regularly measure the viability and sustainability of each operating area.*

Specific Issues:

The St. Lucia Campus, which opened in 2007 and quickly grew to a peak enrollment of 390 students in Fall 2009, added a number of staff and faculty and entered into leases for two additional buildings within the first two years of operation. The break-even point to sustain this enhanced operation grew from approximately 200 students in 2007 to 400 students in Fall 2010 based on this build-up. The College anticipated enrollment eclipsing 500 and settling back in the mid- to upper-400s.

Unfortunately, Fall enrollment leveled-off in the mid-300s in 2010, and subsequently declined further to the high-200s. The average class size decreased to 7.2 students while the College attempted to offer eight majors. Initially, marketing and admissions strategies were implemented to address this development. Despite an increase in regional international students, however, these efforts did not prove to be successful and no meaningful progress was made in meeting or exceeding the campus break-even point. In addition, tuition collections began to slow down in October of 2010 when St. Lucia was devastated by Hurricane Tomas, and the economy needed time to recover.

By October 2013, this combination of factors created an unsustainable model and the campus net income fell to a loss of $725,496 for the 2012–2013 academic year. The College considered the possibility of closing the campus and weighed all available options. The President's Cabinet decided to implement a program designed to generate a two-year turnaround of the finances of the St. Lucia Campus.

Initiatives:

- *Course Delivery and Majors.* In Fall 2014, the St. Lucia campus evolved into a blend of online and onsite courses. This enabled the campus to utilize the virtual empty seats next to New York students taking the same online classes. In addition, the number of majors was reduced to three and the onsite section count decreased from 90 to 30, with similar reductions in Winter and Spring (a savings of $140,000 per year).

- *Budgeting*. The 2013–2014 budget contained substantial budget reductions ($50,000) in all non-academic areas. Academic resources were protected in this reduction.
- *Facilities Relocation*. The College closed one of three leased buildings (McVane Hall) in September of 2013 and contracted to move into a new facility that was under construction. This move in December 2015 lowered overhead and provided a better learning environment with a savings of $358,000 in rent expense.
- *Tuition Pricing*. The College implemented a 25% reduction in tuition for all St. Lucia students in May 2015 in order to address the affordability/collections issue.
- *Reduction of Staffing and Faculty Expense*. An initial staffing reduction was implemented in 2013–2014, and the adoption of a blended course delivery decreased the need for New York faculty (paid at a premium rate) to be assigned to St. Lucia. A final reduction in staffing to the level required for 200+ students took place in July of 2015. In total, payroll was cut by $970,000 from a peak payroll expense in 2012–2013.

The Results:

Financial results on the St. Lucia campus improved from a loss of $725,496 in 2012–2013 to a profit of $400,000* in 2018–2019, as follows:

Table 2. St. Lucia P&L Results 2012–2019

Year	Financial Result
2012–2013	($725,496)
2013–2014	(113,300)
2014–2015	1,662
2015–2016	113,300
2016–2017	224,464
2017–2018	129,618
2018–2019*	400,000

* *Projected*

2. IMPROVING THE BUDGET PROCESS

Linked to Goal 4 of the 2015–2018 Strategic Plan: To allocate resources appropriately in support of the strategic plan.

The budgeting process evolved over the years with the growth of the College. In 2015–2016, the College realized it needed to adopt an approach that would better protect major initiatives, so that the funding required to move the College forward would not be inadvertently cut when budgets were adjusted in light of spending limitations. This precipitated the following comprehensive review of the budget process during the 2015–2016 year:

Table 3. Assessment of 2015–2016 Budget Process

Step	Timing	Responsible Party	Areas in Need of Improvement
Initial Preparation of Budget Templates	May	Finance Office	Budget owners were not cognizant of strategic initiatives.
Initial Preparation of New Budgets	Early June	Departmental Budget Heads with Finance Office	Initial meetings compared actual spending to the current budget, but were not necessarily focused on strategic initiatives.
Final Budget Submissions	Late June	Departmental Budget Heads	Strategic initiatives were not clearly flagged or prioritized.
Analysis of Projected Spending In Light of Budget Constraints	July	Finance Office	Total spending was considered against *Most Likely** revenue. Other scenarios were not considered.
Final Budget Adjustment	July	Finance Office & Senior Mgt.	Based on a lack of prioritization, strategic initiatives might not have been protected during final budget adjustments.
Approval of Budget	August	Board of Trustees	Budget approved directly by the Board of Trustees. Other operational bodies did not make previous approvals.

* *The College uses the Best Case/Most Likely/Worst Case scenario as its financial model.*

The College addressed those areas in need of improvement by developing a modified process in which the Finance Office was now supported by the standing Finance & Budget Committee. This modified process, described in detail below, was used for the 2016–2017 budget year.

Additionally, in May 2015 budget software from Questica[2] was formally adopted, and in April 2016, the new office of Institutional Planning Effectiveness and Budget (IPEB) opened.

[2] Questica is a budget software suite that includes fully featured web-based budgeting, performance, and data visualization solutions.

Table 4. Strengthened 2016–2017 Budget Process

Step	Timing	Responsible Party	Improvements in Process
Initial Preparation of Budget Templates	May	Finance Office	Budget leaders received summaries of all of the College's strategic initiatives with instructions that any request supporting one of these initiatives should be labeled as such.
Initial Preparation of New Budgets	Early June	Departmental Budget Heads, Finance Office, Senior VP of IPEB	Initial meetings led by the head of the new Office of IPEB, and strategic budget items were fully discussed and prioritized.
Final Budget Submissions	Late June	Departmental Budget Heads	Final budget submissions with all strategic initiatives properly flagged were reviewed by the Finance & Budget Committee.
Analysis of Projected Spending In Light of Scenario Analysis	July	Finance Office	The initial proposed spending was considered against a more robust model of *Best Case*, *Most Likely*, and *Worst Case Revenue Scenarios*. Initial analysis completed by the Finance Office and reviewed by the Finance and Budget Committee.
Final Budget Adjustments	July	Finance & Budget Committee	Adjustments were made by the Finance & Budget Committee with every effort to protect strategic initiatives.
Approval of Budget	August	Board of Trustees	Before approval was requested from Board of Trustees, the budget was forwarded by the Finance & Budget Committee to the President's Cabinet.
Upload into Questica	Fall 2016	Finance Office, IT Department	All strategic initiatives were uploaded into the new budget software and reporting was improved.
Reforecasting	Ongoing	Finance Office	A plan was established for periodic budget reforecasts.

Approving Out-of-Budget Expenditures

The College is committed to flexibility by addressing ongoing needs as they occur. As a result, the institution does allow for the approval of non-budgeted expenditures. In 2016–2017, the College created a contingency fund for such requests and the Finance and Budget Committee initiated approval for items utilizing these funds.

3. EXPENSE MANAGEMENT

Linked to Goal 4 of the 2015–2018 Strategic Plan: To allocate resources appropriately in support of the strategic plan.

In a challenging environment of relatively flat enrollment from 2010–2011 through 2015–2016, total expenses across all categories continued to grow at a much higher rate than Net Revenue. As a result, salaries and benefits (2015–2016, excluding officer compensation) were 57.5% of net revenue as compared to 53.5% in the 2010–2011 fiscal year. The dollar increase in expenses between 2010–2011 and 2015–2016 was $8.4M.

The College addressed this issue with a reduction of salaries and benefits of $8.5M (over a three-year period, 2016–2017 through 2018–2019) through headcount reductions, increased staffing efficiencies, and benefits expense management. In addition, other expenses were reduced by $1.8M through targeted expense management across all areas.

The Results:

During 2016–2017, the College reduced employee headcount, which resulted in a savings of approximately $4.1M over that of 2015–2016. This reduction in headcount had no impact on the level of services provided to students as individuals were redeployed to take advantage of specific skill sets in areas of need. With respect to benefits, the College was able to renew its medical, dental, and other benefits at a very modest increase in cost to the institution of approximately $200,000 which, when combined with the impact of headcount reduction, resulted in an overall decrease in the cost of benefits.

The institution's focus on expense management in 2016–2017 resulted in a savings of approximately $4M from 2015–2016, a significant increase over the goal of a $1.8M reduction, with significant savings in occupancy costs, advertising, student activities, and professional fees.

- *Occupancy*. A projected $1.1M reduction in occupancy costs resulted from the following:
  - Increased efficiencies in student housing resulting from a conscious effort to avoid temporary housing in higher-cost rental properties or hotels.
  - Non-renewal of certain leased properties in the Bronx.
  - A reduction of maintenance costs related to HVAC, electrical, and other services as well as the elimination of certain non-recurring costs incurred in the prior year related to the King Hall renovation.
- *Student Activities*. Significant savings of approximately $900,000 were achieved in a number of areas including transportation, graduation, and off-campus student events.

In addition, events that were traditionally held off-campus were re-evaluated to determine if it was feasible and more cost-efficient to be held on-campus.

- *Professional Fees*. During 2016–2017, the institution was mindful and more diligent in its use of outside legal, accounting and other professional services. In addition, costs related to international recruiting efforts declined compared to the prior year. As a result, a savings of approximately $600,000 was achieved year-over-year.
- *Advertising*. Costs declined approximately $1M year-over-year (2016–2017 to 2017–2018) principally due to savings from decreased advertising as the College adopted a recruitment model for admissions.

SECTION THREE: STRATEGIC PLANNING GOALS

FP-1	Evaluate and enhance the College's current process of allocating resources (operating and capital) based on institutional priorities	**Linked to SP Goals** 5.1, 5.6

1. Baseline

Operational Budget Process

The operational budget process at the College was assessed and modified during the 2015–2016 academic year as described in Table 4 above. Since these major changes were implemented, the following additional improvements have been made:

1. *Budget Reforecasts.* Reforecasting at the beginning of each semester did not prove to be practical. While revenue information for the term is available early in the semester, expense information is delayed due to the monthly closing of the books well as the semester cycle. As an alternative, the College completed the initial reforecast in September based on actual Fall enrollment and completed one additional reforecast on April 1. This final reforecast benefited from six months of actual expense information and two semesters of actual revenue.
2. *Timing of Budget Submission.* The start of the budget period was moved up for the more predictable budgets. By getting these completed first, more resources were available to tackle the larger and more complicated budgets in May and early June.

Capital Budget Process

The capital budget process at the College was not reviewed and modified in the prior planning period. The current process involves a series of meetings with the major stakeholders in the process (the heads of Finance, IPEB, Information Technology, and Academics) which take place at the conclusion of the operational budget process. Projects are identified and assigned priority codes as well as target dates for implementation.

2. Objectives and Timing

The College is pleased with the way the current operational budget process allocates resources, but recognizes the need for a comprehensive review of the capital budgeting process. This review will take place during the 2019–2020 year and improvements will be in place by 2020–2021.

FP-2	Implement a formal Human Resources plan that defines staffing levels, strategies for hiring, training, and developing talented faculty and staff	**Linked to SP Goals** 3.1, 3.2, 5.4

1. **Baseline**

Over the past five years, the College has applied considerable energy and resources to enhance and centralize its human resources functions. The Office of Human Resources (HR) directs the College's human resources efforts in ways consistent with the mission, core values, and strategic goals. Working alongside College administrators at all locations, the HR team provides support to faculty and staff through the execution of professional searches for new employees, proper on-boarding and off-boarding techniques, assessment and constructive feedback, benefits research and administration, professional development, and general support of the College's Strategic Plan. Additionally, it regularly develops and communicates HR policies that are legally compliant and reflective of College culture. Efforts have been guided by the following HR priorities:

Priority 1: Attract, Hire, and Retain Talented Faculty and Staff. Employees add value to the College and have a commitment to its mission and core values.

Supporting Objectives:

- Provide training and development of HR staff and administrative managers on effective and efficient recruiting processes, legally compliant interviewing techniques, and strategies for making job offers and "closing" candidates.
- Create a Monroe "brand," emphasizing the benefits of working in a responsive culture in order to attract the most qualified and best-suited faculty and staff.
- Further develop and refine all recruitment-related materials to effectively portray the College to all potential applicants.
- Create a culture of "candidate care" among all involved in the hiring process.

Priority 2: Enhance On-boarding, Orientation, and Off-boarding. Employees are hired and oriented to the College's culture, values, and expectations in an efficient and impactful manner. Off-boarding is done respectfully.

Supporting Objectives:

- Further streamline and automate new hire processes utilizing a Human Resources Information System (HRIS) to create a high impact, end-to-end candidate and new hire experience. Implement systems that allow for "straight-through" candidate-to-new-hire processing. Eliminate paper-driven processes wherever possible.

- Further refine new employee orientation sessions geared toward educating employees on College culture and values as well as pertinent information regarding policies, benefits, and key processes.
- Establish managerial and team roles in the new employee on-boarding process. Create clear accountability for managers on their responsibilities in on-boarding a new employee. Provide training and coaching to managers on these processes. Implement a manager checklist for all management and supervisory staff on-boarding new hires.
- Create touch points for new employees during their first year to discuss new hire experiences, provide information, and check the pulse of the new hire community.
- Create an opportunity to gather relevant information as employees voluntarily leave the College. This can be accomplished through a brief survey or conversation with an HR team member upon departure. Develop standard reports to aggregate data and share with management to engage in productive conversations regarding retention and employee morale.

Priority 3: Provide Performance Assessment and Productive Feedback. Ensure that each employee sets goals that support the organizational structure, and that they are provided ongoing feedback and support towards achieving their goals.

Supporting Objectives:

- Refine performance management processes, making sure to capture "stretch goals" that will move the College forward, and an assessment of day-to-day performance.
- Design and deliver managerial training to ensure managers have the necessary skills and tools to deliver timely, relevant feedback.
- Develop a constructive feedback process and related documentation as a tool for managers to address performance management problems and issues in a consistent and fair manner.
- Provide ongoing learning opportunities for managers on how to bring out the best in their staff, coach them toward their highest potential, and address performance shortcomings where needed.

Priority 4: Continually Research and Administer Employee Benefits. Provide quality, cost-efficient, and comprehensive health and welfare options to the College employees.

Supporting Objectives:

- Continue to utilize systems and processes that allow for ease of administration for both the College and the employee. Provide timely access to information. Eliminate or minimize paper-driven processing to the greatest extent possible.

- Educate employees on how to utilize their benefits effectively and efficiently. Engage senior management to help in the education process and model effective behaviors for employees.
- Streamline disability and leave-management policies and procedures.
- Manage Affordable Care Act compliance, reporting, and monitoring, as required.

Priority 5: Provide Professional Development Opportunities. Bring out the best in the College's employees and managers, developing workforce to its highest potential.

Supporting Objectives:

- Provide professional development opportunities for employees and managers, including on-the-job training and prescribed learning opportunities such as classroom instruction and online learning.
- Coach managers on how to develop staff and provide learning and growth opportunities on the job.
- Develop relevant curricula in the areas of management and leadership development, technical computer skills, professional skills (communications, presentations, etc.), and higher education-specific training.
- Consider applicability of development plans for employees who are identified as having a high potential for growth within the College. Develop College "generalists" who have working knowledge and skills in multiple areas of higher education.

Priority 6: Support the College's Strategic Plan. Identify and implement systems and infrastructure. (Linked to Goal 4)

Supporting Objectives:

- Ensure that the College has the appropriate systems and processes to support the Strategic Plan. Identify gaps with respect to timekeeping, payroll, records retention, benefit enrollment, and applicant tracking.
- Review the current Human Resources Information System (HRIS) that integrates all HR system needs, and research other, more cost-effective systems on the market. The College presently uses services offered by ADP.
- Introduce and implement manager and employee self-service to streamline processes and enhance the employee experience over time.
- Use systems to develop HR reporting capability to provide data-driven analysis and insights to College senior management.

2. Objectives and Timing

The human resource priorities outlined above represent the current thinking at the institution and the starting point for the development of a comprehensive Human Resources Plan. In addition, the new overarching goal (Goal 3, *To formally cultivate and institutionalize a responsive culture and structure to more effectively serve students, faculty, and staff*) will also provide additional focus. An outline will be developed during 2019–2020 and the first draft of the Human Resources Plan will be published by 2020–2021.

FP-3	Assess and improve the effectiveness of institutional aid on new enrollment and retention while improving budgetary controls	**Linked to SP Goal** 5.5

1. Baseline

The College has a robust institutional aid (IA) budget that consists of 26 scholarship programs and 21 grant programs. Each of these programs is designed to assist a specific student population. Institutional aid provides additional resources for needy students as well as attracting desired populations to the College. Programs are assessed on an annual basis in terms of enrollment impact, expense, and retention.

The chart below contains a retention study of new undergraduate students by institutional aid type for the Fall 2015, Fall 2016, and Fall 2017 semesters:

Table 5. Retention by Institutional Aid and Scholarship Awards Fall 2015–Fall 2017

	FALL 2015		FALL 2016		FALL 2017	
Category	Number of Recipients	Retention Rate	Number of Recipients	Retention Rate	Number of Recipients	Retention Rate
Scholarship Awards Only	341	72%	361	73%	319	72%
Grant Awards Only	1,225	59%	1,196	62%	1,360	67%
Non-Recipients of Any Award	611	41%	260	64%	200	62%
Total	**2,177**	**56%**	**1,817**	**65%**	**1,879**	**68%**

The following charts present a breakdown of the institutional aid budget historically, as well as an overall summary by category.

Table 6. Annual Institutional Aid Actual/Budget 2013–2019

Year	New Students	Continuing Students	Total	Annual % Inc/Dec	IA % of Gross Revenue
2013–14	5,090,952	7,801,923	12,892,875	4.0%	10.5%
2014–15	5,276,389	7,675,463	12,951,852	0.5%	10.5%
2015–16	7,832,681	7,208,582	15,041,263	16.1%	11.7%
2016–17	9,109,389	9,010,218	18,119,607	20.5%	14.5%
2017–18	15,407,081	10,737,837	26,144,918	44.3%	20.5%
2018–19*	13,500,000	14,500,000	28,000,000	7.1%	21.4%

* *Projected*

Beginning in 2015–2016, the College significantly increased its annual IA spending in order to strengthen enrollment with qualified candidates. These increases targeted three categories of students: (1) traditional high school graduates, (2) international students, and (3) adults.

a. Traditional High School Graduates

The major IA program geared to traditional high school graduates is called the Presidential Partnership Program (PPP), targeted toward NYC and Westchester high school seniors in participating schools. The PPP Grant allows students to enroll in the College with no out-of-pocket expenses. This program has enabled the College to begin to build relationships with principals and guidance counselors who had previously only recommended their graduating students to SUNY or CUNY. The College also provides mentors, strong academic support, and feedback to each high school on the progress of their students. The high schools agree to partner with the College in spreading the word about the program and provide additional support to participating students as necessary.

For first generation, inner-city high school graduates, price sensitivity and the ability to avoid student loan debt is a primary factor in choosing a college. While it has allowed the College to make major strides with dozens of high schools, this program alone increased the institutional aid spending by almost $10 million. However, the new relationship-building model has allowed the College to divert some of its marketing and advertising spending toward institutional aid. In the last year, spending on advertising decreased by more than $2 million.

Significantly, the PPP may be the single-most effective IA-based recruitment program ever developed at the College. Over 400 PPP students enrolled in Fall 2017, effectively offering traditional high school graduates a 40% discount. Moving forward, the rate needs to decrease to a percentage in the low 30s/high 20s for the program to be financially viable. In Fall 2018, an award cap of $3,000 was implemented in the middle of May, late into the recruiting cycle. This helped to get the College closer to the 30% discount rate. In the Fall of 2018, more than 540 students were enrolled through the PPP program.

Two other scholarships are available to traditional high school graduates: (1) the Marching Band Scholarship provides institutional funding similar to that of the College's athletic teams; and (2) the Teachers Professional Scholarship, funded through a New York State *Teachers Opportunity Corps* grant, assists in recruiting under-represented students who wish to become teachers. The grant awarded Monroe $325,000 per year for five years (beginning in 2016–2017); increased in 2018–2019 to $375,000 for the remaining years. With matching funds from the College, students majoring in Education may attend the College with no out-of-pocket costs.

b. International Students

The College has two major international markets: the Caribbean and Asia. Since economies have weakened in the Caribbean in recent years, the College has taken steps to establish relationships with local governments to provide funding for their constituents, which is then matched by the College. In Asia, the College has faced increased competition and is now offering additional aid as a price incentive.

The College continues to focus on the enrollment of international students despite complications caused by the political climate in Washington. In 2018-2019, 84% of all undergraduate international students (excluding athletes) receive IA, representing 31% of the gross revenue for this population. For the same time period, 58% of all graduate international students receive IA (24% of gross revenue). The most significant IA spending for international students relates to the International Student Grant.

c. Adults

Over the last several years, adult enrollment at the College has declined. Conventional wisdom says that in a strong economy with low unemployment, adult enrollment generally declines because workers are not seeking retraining to find other employment. The College responded to this trend by appointing a dedicated staff in the Office of Career Services to cultivate relationships with corporate partners and create the Corporate Partnership Program (CPP). The CPP offers employees of various partner companies a 20% tuition discount. While this program increases the institutional aid budget, it also helps stabilize enrollment while opening doors for upper-level students to obtain both internships and full-time jobs.

Another IA program open to adults is the Transfer Grant Program which offers $1,500 (as of Fall 2018) to students who transfer to Monroe from other colleges. Through this program, the College is better able to compete with local four-year colleges. The original grant of $3,000 was found to be unsustainable as it was not supported by enrollment. The College will continue to evaluate the Transfer Grant's effect on enrollment.

The College acknowledges that the increase in IA spending cannot be sustained, and an evaluation of the effectiveness of each program will be conducted. The overall budget must be contained by placing restrictions on the amounts available for each of the programs, while still maintaining the relationships that have been formed.

Table 7. Overall 2019–2020 Institutional Aid Budget by Campus

Campus	Scholarships	Grants	Total Budget	%
Bronx	$707,800	$10,473,060	$11,180,860	40%
New Rochelle	5,651,300	9,978,500	15,629,800	55%
Monroe Online*	0	1,170,800	1,170,800	4%
St. Lucia	227,000	123,500	350,500	1%
Total	***$6,586,100***	***$21,745,860***	***$28,331,960***	***100%***

* *For the purpose of institutional aid, Monroe Online is given a separate budget, although it is not a true location.*

In order to properly evaluate each individual IA program, the College has begun to use two criteria: effectiveness (impact on enrollment) and efficiency (cost in light of results). A sample of this type of analysis appears below.

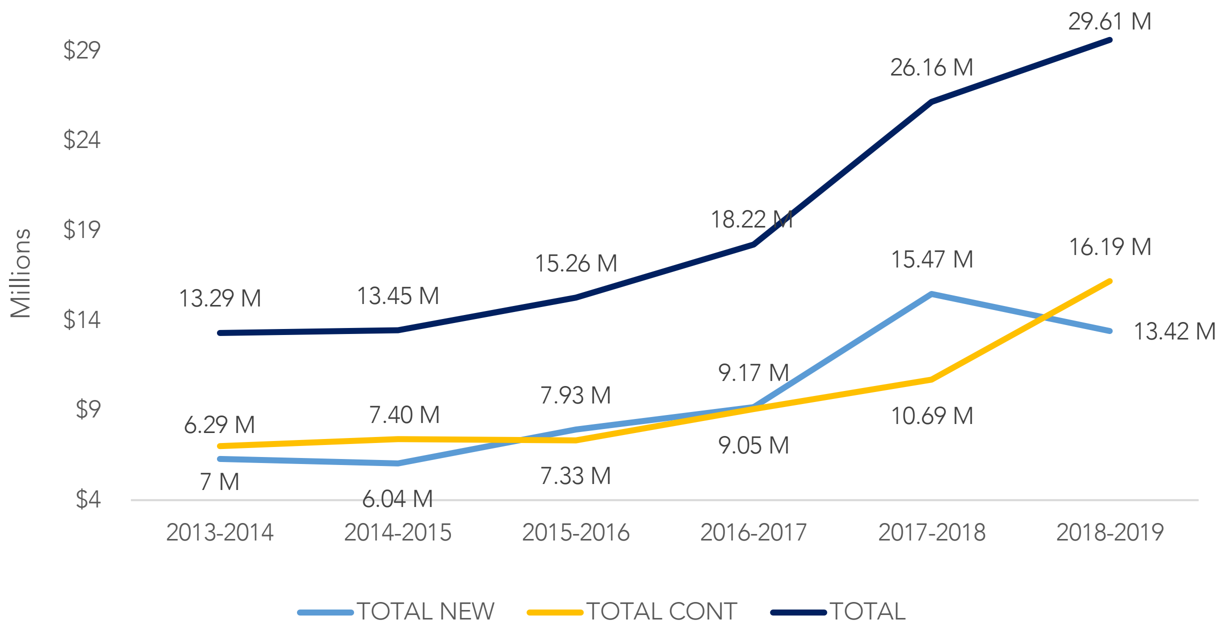
Table 8. Selected Institutional Aid Analysis 2017–2018

Program	Effectiveness	Efficiency
Presidential Partnership Program	High Effectiveness – New traditional high school graduate enrollment increased by 250% from Fall 2015 to Fall 2018.	Poor Efficiency – Some students over-awarded. The program began to serve higher income students who were not in the original target market. Discount rates peaked at 45% and were not sustainable.
Corporate Partnership Program	High Effectiveness – Adult enrollment related to Corporate Partnerships increased 61% from Fall 2015 to Fall 2018.	Excellent Efficiency – The 20% discount rate is appropriate and sufficient to satisfy the students' need for assistance with no over-awarding.
Transfer Grant	Poor Effectiveness – Adult enrollment decreased 386 from Fall 2015 to Fall 2018.	Poor Efficiency – The discount rate increased to 26%.

2. Objectives and Timing

The College is at a crossroads with IA spending and must slow the growth of discounting. The line graph that appears below outlines IA spending over the past several years:

Chart A. Institutional Aid New/Continuing 2013–2019



In planning a way forward, the College designed a model that projects subsequent year continuing IA spending based on the prior year's actual with certain assumptions for retention rates (new students) and re-registration rates (continuing students). The Chart that appears below was built with this model:

Table 9. Institutional Spending Projections based on Recommended Savings

Year	New (Millions)	Continuing (Millions)	Total (Millions)	Freshmen Retention Rate	Re-Reg. Rate Including Reduction for Grads
2013–14	$6.3	$7.0	$13.3	67%	45%
2014–15	6.0	7.4	13.4	65%	47%
2015–16	7.9	7.3	15.2	65%	53%
2016–17	9.2	9.0	18.2	65%	52%
2017–18	15.5	10.7	26.2	72%	47%
2018–19	13.4	16.2	29.6	72%	47%
2019–20	12.1	17.3	29.4	72%	47%
2020–21	11.1	16.8	27.9	72%	47%
2021–22	11.1	15.9	27.0	72%	47%
2022–23	11.1	15.5	26.6	72%	47%
2023–24	11.1	15.3	26.4	72%	47%

The $1.3M in reduced new student IA spending for 2019–2020 is presented below:

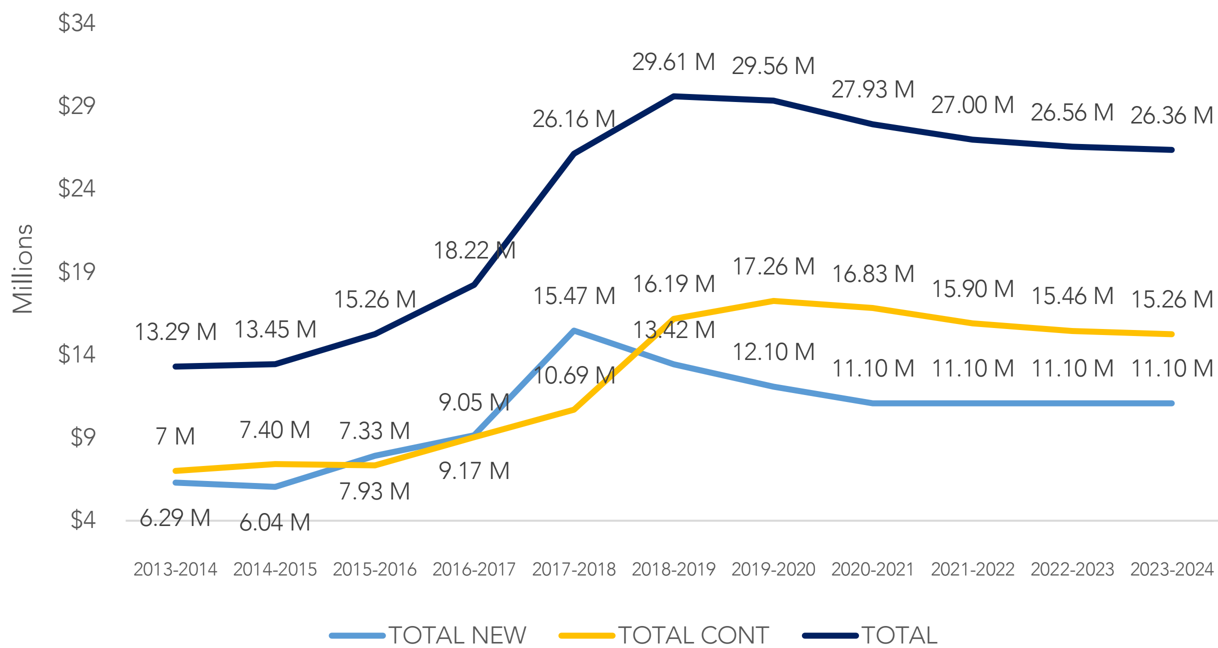
Table 10. Spending Level by Institutional Aid Program

Current Discount Rates of IA Programs	# of Stud-ents	Dis-count Rate	Estimated 2018–2019 Spending	Comment	2019–2020 Savings	2020–2021 Savings
Presidential Partnership Program (PPP)	888	40%	$7,608,000	Cap of $2,500. Elimination of $50,000 income threshold. Coordination on ETACM. Lower awards continue into year 2 and all students are packaged with a CAP of $2,500 in 2020–2021.	$300,000	$250,000
Athletic Scholarships	204	65%	$3,324,000	Limited savings for 2019–2020 (Many LOI issued). Substantial savings for 2020–2021 and beyond. If we remain D1, discount rate should reduce to 40% and if we go to D3, the discount rate will be at or about 30%. Savings shown to the right represents 40% discount.	$300,000	$334,000

Current Discount Rates of IA Programs	# of Stud-ents	Dis-count Rate	Estimated 2018–2019 Spending	Comment	2019–2020 Savings	2020–2021 Savings
Transfer Grant	607	25%	$3,067,000	Recently reduced from 33% discount in Winter 2019. Too soon to make additional adjustment.	$ –	$ –
Academic Scholarships	401	32%	$2,887,000	3 major categories: Trustees (Limit awards to $2500 and coordinate with ETACM), Hospitality awards (reduce $100,000 from current spending $709,000), Teachers Professional (cannot be changed due to contractual arrangement). In 2020–2021, reduce the number of awards for Trustees and save an additional $50,000 in Hospitality awards	$160,000	$100,000
International Awards (ISG, INTS, & CGSA)	448	30%	$2,796,000	Lower discount to 25% where not constrained by contractual agreements. In 2020–2021, we will revisit and adjust some of the contractual agreements.	$400,000	$200,000
Campus Grants*	234	35%	$1,449,000	Holding flat based on all other reductions	$ –	$ –
Corporate Partnership Program (CPP)	326	24%	$1,204,000	This program will be scaled up for enrollment purposes, but no new partnerships will be made with discounts greater than 20%	$ –	$ –
Metro Grant	297	24%	$1,158,000	No changes	$ –	$ –
Online	100	12%	$1,121,000	BOGO. No Change	$ –	$ –
MOG	179	21%	$1,114,000	Changes already made for 2019–2020. Limit # of new awards to 50.	$150,000	$ –
Monroe Alumni Grant	195	26%	$1,102,000	Recently reduced from 33% discount in Winter 2019. Too soon to make additional adjustment. In 2020–2021, the Graduate level grant will be reduced from $1,500 to $1,000.	$ –	$75,000
St Lucia	100	20%	$274,000	No changes	$ –	$ –
Other	216	24%	$2,496,000		$ –	$ –
No Institutional Aid	2304	0%	$ –		$ –	$ –
Total	*6499*	*21%*	*$29,600,000*		*$1,310,000*	*$959,000*

Assuming flat new awards after the two years of decreased spending, projected IA through 2023–2024 is as follows:

Chart B. Institutional Aid – New/Continuing 2013–2024



If enrollment grows (gross revenue) during this period of stabilizing and declining IA spending, improvements to the College's margins will follow.

Reporting and Tracking – In order to tighten controls and understand spending in real time, the College is developing several new dashboard reports for IA. For the 2018–2019 year, the College developed a Daily IA Report (Appendix H) to be used by admissions offices to better monitor the aid being offered to new students. This report compares IA spending to the established goals by segment. In addition, an Institutional Aid Control Committee will be established to closely monitor all IA spending moving forward.

FP-4	Assess and improve the College's scenario-based financial model	**Linked to SP Goal** 5

1. Baseline

The Financial Plan provides a model based on *Best Case*, *Most Likely*, and *Worst Case* enrollment/revenue scenarios, which provide flexibility in achieving the prioritized goals under various enrollment results. The assumptions used for the calculation of revenue creates the *Most Likely Scenario*. This scenario is the basis for calculating all other scenarios as follows:

Table 11. Summary of Financial Model/Scenarios for 2018–2019

Scenario	Projected Revenue	Calculation
Best Case	$135.1M	Most Likely x 102%
Most Likely	132.5M	Based on subjecting the official enrollment projections through the six-step process outlined above.
Worst Case	129.8M	Most Likely x 98%

Resource Allocation Based on Scenario

The College prepares its budgets based on the *Most Likely Scenario*, which means that the achievement of at least this enrollment result would not require any adjustments. Results substantially below the *Most Likely Scenario* would require some financial adjustments. Certainly, results along the lines of the *Worst Case Scenario* would require major adjustments. Specifically, the College would consider the following actions in the event of poor enrollment/revenue results:

1. Control and curtail discretionary spending
2. Forego or limit salary increases
3. Limit additional hiring (replacement or new positions)
4. Limit travel to what is considered essential or revenue generating (e.g., international recruiting)
5. Consider cut-backs in staffing
6. Review each major initiative based on its assigned priority and the extent to which it addresses the decreased revenue. As an example, the College has a number of initiatives slated for the upcoming period. Appendix M contains diagrams that map each of our strategic goals to all relevant plans in which they are listed. These diagrams also rank each goal in terms of priority, and provide a sense of which scenario would enable each goal to be funded.

2. Objectives and Timing

The College will continue to utilize the financial model as described above, but will seek to refine it and develop additional recommended actions for each scenario during the 2018–2023 planning period. Given that the model was recently revisited, the first overall review in the new planning period will take place during the 2020–2021 year.

FP-5	Investigate and analyze the financial viability of all academic programs and selected student life programs (athletics, housing, and food services)	**Linked to SP Goals** 2.9, 5

1. **Baseline**

The College's margins have been shrinking over the past years. Operations have been evaluated on a "location" basis, but this has not led to the development of strategies to improve financial performance. It has become clear that an analysis of the College's major units (schools, teams, etc.) will provide the necessary insight to make meaningful changes.

2. **Objectives and Timing**

In early 2018–2019, the College developed the methodology to review the financial viability of major units. This methodology includes enough data to fairly measure the financial viability of units without the use of excessive allocations of overhead. The formula stated in plain language is as follows:

- **Gross revenue** – All revenue generated from students involved in the unit
- **Offsets to income** – The portion of the revenue the College will not receive (IA, Bad Debts, Meal Plan revenue passed through to third party)
- **Net revenue** – The actual portion of the gross revenue received by the College
- **Other expenses** – Direct expenses related to the unit, which include dedicated operating expenses and the cost of the housing utilized by associated students.

The result of this analysis is a calculation of the **Contribution to the College**. In other words, the portion of the revenue generated by this unit that will help to pay for all of the other overhead of the College.

This unit analysis began with the academic schools and athletic teams. Appendices L-O contain two-year data sets of this information. The College determined that the target contribution level for schools was 50%. This conclusion was based on a review and analysis of recent financial statements. Contribution levels by school appear below:

Table 12. School Contribution Analysis 2017–2018 and 2018–2019

	2017–2018			2018–2019		
Schools	Gross Revenue	Contribution Margin	%	Gross Revenue	Contribution Margin	%
Allied Health	$19,001,298	$11,004,324	57.9%	$18,596,431	$10,135,122	54.5%
Business & Accounting	32,553,105	13,779,581	42.3%	34,600,554	13,487,660	39.0%
Criminal Justice	30,526,047	15,786,027	51.7%	33,315,327	16,482,466	49.5%
Education	2,194,176	606,291	27.6%	2,099,753	350,769	16.7%
Hospitality/CINY	12,603,980	4,872,461	38.7%	12,575,889	4,054,825	32.2%
Information Technology	10,477,160	5,118,386	48.9%	10,477,470	4,705,820	44.9%
Nursing	2,221,439	59,177	2.7%	2,047,305	-82,086	-4.0%
King Graduate School	14,245,597	8,783,516	61.7%	14,357,173	8,032,531	55.9%

Review of the data that appears above informed the following tactics designed to improve school contribution margins:

1. Business and Accounting (SOBA) – Further review of SOBA revealed that a full third of the student body are athletes. Improvements to the financial results from the athletic units, therefore, will improve SOBA results. With these athletic changes, SOBA should come close to the 50% benchmark.
2. Hospitality (CINY) – The large IA spend and departmental budget for this school are the main reasons for the low contribution rate. These issues will be addressed during the budget cycle.
3. Nursing – The tremendous instructional expense and high operating expenses of the school are primary reasons for the very low contribution margin. Nursing enrollment must grow without the addition of more instructional staff.
4. Education – A lack of enrollment, high instructional expenses, and high IA spending are relevant issues for this school. Increased enrollment will help, but interest in this major is low.
5. King Graduate School – IA spending at the graduate level is on the incline and should be controlled moving forward.

The athletic analysis yielded the following results:

Table 13. Athletic Contribution Analysis 2017–2018 and 2018–2019

	2017–2018			2018–2019		
Athletics	Gross Revenue	Contribution Margin	%	Gross Revenue	Contribution Margin	%
Division I: Men – NR	$9,095,563	-$1,293,102	-14.0%	$10,636,784	-$1,697,011	-16.0%
Division I: Women – NR	4,624,382	-1,220,491	-26.0%	5,318,304	-1,579,389	-29.7%
Division III: Combined – BX	2,829,558	119,950	4.0%	4,689,259	729,852	15.6%
Total	***$16,549,449***	***-2,393,649***	***-14.0%***	***20,644,346***	***-2,546,548***	***-12.3%***

Given the added value provided by athletics (additional enrollment and student life), a 0% contribution margin (break-even level) was determined as an appropriate benchmark. Based on the analysis above, which shows a $2.5M loss as a contribution margin, the following course of action will be pursued:

- **2019–2020** – IA will be cut by $900,000 and operating expenses will be reduced by $750,000.
- **2020–2021** – Additional cuts will be made and selected teams that do not scale down well may be disbanded.

The goal is to have the combined Bronx and New Rochelle athletic operations at break/even level by 2021–2022.

FP-6	Communicate resource allocation priorities to the college community	**Linked to SP Goal** 5.6

1. Baseline

Feedback received during selected budget meetings indicated that some budget owners felt the rationale for resource allocation decisions could have been better communicated. This feedback related to both operational and capital budget items. Comments along these lines increased during the preparation of the 2018–2019 budget, which was done with a Top-Down approach.

2. Objectives and Timing

The College makes an annual decision as to budget methodology in January/February and appreciates the challenge of achieving strong communications and buy-in when utilizing a Top/Down approach. The communication strategy, therefore, may vary from year-to-year based on the budgeting method adopted. The goal, however, will be to minimize any sense on the part of budget owner as being "left out of the loop." Specific strategies to accomplish this objective will be developed during the 2018–2019 year.

FP-7	Improve cash/management/reserves	**Linked to SP Goal** 5

1. Baseline

As of the date of this plan, the College held $11.3M in investments and $8M in cash. In addition, the College maintains a line of credit with access to over $9M to cover seasonal cash flow needs. The College draws down on the line periodically throughout the fiscal year. These amounts are sufficient to meet the operational needs of the institution but not large enough to handle a significant portion of planned capital expenditures.

2. Objectives and Timing

The College seeks to build up cash reserves in order to fund a greater portion of the capital budget without incurring additional debt. During the 2019–2010 year, cash reserve goals will be determined and strategies will be developed during 2020–2021 and beyond in order to achieve these objectives.

FP-8	Provide sufficient resources to each location to enable student learning to take place	**Linked to SP Goals** 1, 2.2, 5, 5.2, 5.3

1. Baseline

A. Bronx Campus

1. Enrollment and Other Background

The enrollment of the Bronx Campus has decreased approximately 600 students from Fall 2015 to Fall 2018. The last year of decline was Fall 2017. Enrollment stabilized in Fall 2018. Admissions experienced increases in traditional high school graduates during this period, with decreases in the adult population. Given the increases in a younger population, the Bronx Campus began a new Division III athletics program to enhance student life. Games and practices take place at Roberto Clemente Field, St. James Park, Monroe Athletic Center (MAC), and other local venues.

2. Facilities Issues

Given the reduction in enrollment without a similar reduction in facilities, the Bronx Campus shed some space as leases expired, and repurposed other properties, as follows:

- South Hall. 9,700 square feet, home of the Math Department, and overflow for day classes. This space was vacated at the end of the lease on December 31, 2016 at a savings of over $200,000. The Math Department was relocated to King Hall.
- West Hall. 52,500 square feet, home of Allied Health, Nursing, Registrar, and Career Services on the third and fourth floors, and a vacant second floor. The lease was renegotiated and amended on July 1, 2017, with an extension through December 31, 2022, for the third and fourth floors. The second floor space, which was not being utilized, was surrendered to the landlord on this date for an annual savings of over $350,000.
- The Annex. 5,500 square feet, home to the Admissions Welcome Center. As a result of the relocation of other offices, much of the space has been repurposed as an athletics training center and coach's offices.

Bronx Campus enrollment is projected to rise slightly during the 2018–2023 planning period (see Appendix E, *Five-Year Enrollment Forecast*).

B. New Rochelle Campus

1. Enrollment and Other Background

Enrollment at the New Rochelle Campus has increased slightly (59 students) from Fall 2015 to Fall 2018 after experiencing a long period of sustained growth driven by athletics, graduate programs, and international students. With the exception of graduate-level studies, dormitories have also proven to be a major driver of enrollment. Approximately 1,000 students live on-campus each Fall, with reduced numbers for the Winter and Spring semesters. Given the out-of-state, international, and athletic flavor of the campus, serving such diverse populations with unique needs and requirements has caused a substantial increase in operational costs and complexity.

New Rochelle enrollment is projected to increase modestly during the 2018–2023 planning period (see Appendix E, *Five-Year Enrollment Forecast*)

2. Facilities Issues

- Gaddy Hall. This mixed-use facility (residence hall with 250 beds, a cafeteria, seven classrooms, a student lounge, and meeting areas) opened in 2014 and was the second step in consolidating housing operations. (Allison Hall, built in 2005, was the first.)

- 21 Fountain Place. Vacated in December 2017, this building formerly housed 160 students.
- 26 Locust Avenue. The College has entered into a fifteen-year agreement with a developer to lease a new housing facility to accommodate approximately 290 students, plus parking. This new housing facility opened in Fall 2018 and was the third and final step in consolidating college housing operations. The development, which was built on a former college parking lot, maintained parking spots on the street level.
- Main/Franklin Development Site. In June 2015, the College acquired this one-acre parcel immediately adjacent to Gaddy Hall. While the Main/Franklin Development Site is used mostly for parking and storage at the present time, its location and future development potential dictated the purchase.

C. St. Lucia Campus

1. Enrollment and Facilities

Enrollment at the St. Lucia Campus has been steady from Fall 2015 (264 students) to Fall 2018 (256 students). As described in an earlier section of this plan, the Campus adopted a blended online approach to instruction, with students taking approximately 60% of their classes online. Based on cost issues as well as concerns about the neighborhood, the College relocated to new facilities in Vide Boutielle in 2015. An additional facility was opened in August 2018 in the southern part of the island (Vieu Forte) to house a new hospitality training facility that received a contract from the government to train 450+ students per year.

St. Lucia enrollment (collegiate and continuing education) is projected to increase during the 2018–2023 planning period (see Appendix E, *Five-Year Enrollment Forecast*).

D. Monroe Online

Monroe Online is not a physical location for the College, but it is the enrollment center with the largest projected growth (see Appendix E, *Five-Year Enrollment* Forecast). Enrollment in Monroe Online grew from 610 students in Fall 2015 to 698 students in Fall 2018, and the College expects it to eclipse 1,000 by the end of the planning period. Although Monroe Online Student Services is serviced on the Bronx Campus and Monroe Online Admissions is based in New Rochelle, the goal is to consolidate these operations by the end of the 2019–2020 year.

E. Extension Centers

The Queens Extension Center was closed during the 2017–2018 year due to low utilization of the facilities and less than expected enrollment. The College's Manhattan extension site was expanded within the DC37 headquarters in downtown Manhattan and now comprises a separate section of the building including four classrooms and a lounge area.

2. Objectives and Timing

A. Bronx Campus

Plans related to the Bronx Campus for the 2018–2023 planning period are described below:

- Annex. The lease for this facility expires in April 2023, but is renewable for an additional five-year period. The decision regarding this facility will depend upon other development opportunities to serve Bronx Campus athletics.
- 2409 Jerome Avenue. This property, which is currently leased month-to-month by Fordham Auto Repair may present a development opportunity for athletics. One concept being considered involves a mixed-use of classrooms, offices, and an indoor athletic facility. Alternatively, this property could be developed for use by the schools of Allied Health and Nursing. In this scenario, the College would vacate West Hall. In both scenarios, parking would be developed for students, staff, and faculty. This additional parking would free up financial resources currently directed toward the municipal lot.
- West Hall. The lease for West Hall expires on December 31, 2022. In the event that 2409 Jerome Avenue is not developed, the College would extend the lease for another five years.
- King Hall. A major capital improvement project to modernize King Hall (2505 Jerome Avenue) is in the process of being completed as of the writing of this plan. This project is estimated to cost approximately $5M. After the phase of the work is completed, the College will file for the second phase to be completed in the adjoining property Old King Hall (2501 Jerome Avenue). The second phase of this work will be completed by the end of the current planning period (2018–2023). An option being considered in the short-term is the relocation of the President's Office to the ground floor of King Hall. This will place the President's Office in a more accessible location and is in line with the core values of the institution. Long term, the College is considering either a sale/leaseback or outright sale of King Hall to free up funds for other properties. Further discussion of this possibility is included in the Facilities Master Plan.
- Monroe Hall. The lease on this property runs through 2026, but some scenarios described above would involve vacating Monroe Hall and consolidating operations elsewhere.

Much of the redevelopment of the Bronx Campus relates to a goal of replacing older facilities with new modern structures. In the event that the College does not pursue these redevelopment opportunities, a robust program to maintain and upgrade facilities would be undertaken.

B. New Rochelle Campus

Plans related to the New Rochelle Campus for the 2018–2023 planning period are described below:

- Main/Franklin Development Site. Potential development uses of this lot are as follows:

  - Build a facility to accommodate academic and administrative uses by consolidating functions currently located in two leased facilities at 140 and 145 Huguenot
  - Build an academic facility that will accommodate projected increases in graduate enrollment
  - Build a restaurant/hotel and catering facility managed by the School of Hospitality Management/CINY and open to the public
  - Build a mixed-use facility for one or some combination of the above

- Other Parcels. The College is currently exploring the possibility of developments at the following locations in the vicinity of the Campus:

  - Former Church site (corner of Main and Locust)
  - Former gas station (corner of Main and Echo)
  - Former funeral home site (Le Count Place, across from the MAC)
  - The former night club (Le Count Place)
  - Commercial space beneath Trump Tower

C. St. Lucia Campus

There are no anticipated facilities issues at this time. We are in process of negotiating the renewal of the lease for the Vide Boutielle location. Issues related to the branding of the building with a beverage distributor on the top floor will be addressed during these negotiations. In addition, terms for the replacement or upgrading of building systems will be addressed in the new lease.

D. Monroe Online

The separation of the academic, admissions, and student services functions for Monroe Online is not ideal and efforts will be made during the 2018–2023 planning period to consolidate these operations into a division located in one location. Plans will be made during 2019–2020 and the consolidation should be complete by the end of the planning period.

E. Extension Centers

The DC37 extension site will likely not be a permanent location. The classroom space is limited and the College's host, DC37, is planning to relocate its operations to a new facility over the next few years. Depending on the success in attracting enrollment during the 2018–2019 year, the College may seek a more permanent location in Manhattan for the 2019–2020 or 2020–2021 year.

FP-9	Reduce Bad Debt Expense	**Linked to SP Goal** 5

1. Baseline

Bad debt expense as a percentage of gross revenue for the past three years appears below:

Table 14. Bad Debt Expenses (2016–2017 and 2018–2019)

Year	Gross Revenue	Bad Debt Expense	%
2016–2017	$114,710,247	$1,927,385	1.68%
2017–2018	116,795,283	1,837,727	1.57%
2018–2019	119,646,088	3,775,242	3.16%

The bad debt levels for the first two years displayed above reflect typical levels dating back many years. The spike in 2018–2019 was caused by the following three factors:

1. **Verification Issues –** Historically, 30% of all Monroe students were selected for verification for Title IV awards. This rate of verification was among the highest nationally (the national average is in the low 20% range). The high historical rate of verification was due to the large number of low EFC students at the institution – the Department verifies a greater percentage for institutions where greater numbers of students receive larger awards. In 2018–2019, the already high rate of 30% verification jumped to 40%, a significant increase. This jump was the result of a one-time change in the algorithm utilized by the Department and caused a tremendous administrative challenge, especially in the Bronx Campus. If students withdrew before submitting the required documentation, the College needed to consider the uncollected amounts bad debts.

2. **Loosened Collection Requirements for Active Students –** In the College's efforts to maximize enrollment beginning in the Spring 2018 semester, collection policies including the placement of "holds" on accounts, the unpaid balances that would prevent students from progressing to the next semester, and the full payment of tuition from international students upon arrival for their first semester were relaxed. This loosening continued into the 2018–2019 year and impacted the New Rochelle Campus more than the Bronx.
3. **Discontinuation of Collection Efforts for Withdrawn Students –** Given the bad publicity created by aggressive collection policies from outside collection agencies, the College discontinued the use of such agencies in November of 2018. In addition, internal efforts to collect outstanding balances from withdrawn students have been hampered by staffing issues. This factor impacted both campuses to a degree, but this issue was not as significant as the first two mentioned above.

2. Objectives and Timing

Efforts to return the bad debt expense to previous levels are presented below through the lens of the three factors responsible for the problem:

1. **Verification Issues –** The verification rate appears to be decreasing for the 2019–2020 year and one of the most difficult supporting documents to obtain, the tax transcript, is no longer a requirement – students may now submit copies of their tax returns. These two changes for the upcoming year, along with a renewed determination to clear up verification issues as soon as possible, should reduce the contribution of this factor to the overall bad debt expense of the College.
2. **Loosened Collection Requirements for Active Students –** Beginning in the Winter 2019 semester, student financial services and bursar staff began enforcing previous guidelines related to prior balances and registration. During the Spring semester, policies regarding initial payments by international students will also be addressed in advance of their arrival in the Fall. In addition, the monthly Paystat meetings, where financial aid and bursar staff review student balances in a combined meeting along with representatives from the Finance Office, will be made an institutional priority and focus.
3. **Discontinuation of Collection Efforts for Withdrawn Students –** The College will revisit these efforts during the Spring semester and begin collection follow-up with this group. A decision as to whether collection agencies will be used again will be made during the Spring 2019 semester.

SECTION FOUR: CONCLUSION

As Monroe College implements this revision to the Financial Plan, it will continue to provide the resources necessary to create and maintain a personal and supportive environment for teaching, learning, and career growth. This plan links the specific financial objectives and priorities of the College with corresponding goals in the Strategic Plan.

As a tuition-driven institution, Monroe recognizes that the resources required to achieve our strategic objectives depend to a great extent on our enrollment results. As such, this plan provides a financial model based on *Best Case, Most Likely*, and *Worst Case Scenarios* which will provide flexibility in achieving the most important goals in the event of poor enrollment results. This *Financial Plan* will be reviewed on a periodic basis and changes will be made as necessary.

APPENDIX A: FINANCIAL STATEMENTS 2017 & 2018

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MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENT

AUGUST 31, 2017

MONROE COLLEGE, LTD. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2017

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INDEPENDENT AUDITORS' REPORT

To Monroe College, Ltd. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Monroe College, Ltd. and Subsidiaries (the "Companies"), which comprise the consolidated balance sheet as of August 31, 2017 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Auditors' Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Monroe College, Ltd. and Subsidiaries as of August 31, 2017, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Note 18 on the College's calculation of its Title IV 90/10 revenue percentage, and certain information in Note 13 on related party transactions, are required by the U.S. Department of Education and are presented for purposes of additional analysis, and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2017 on our consideration of Monroe College, Ltd. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Monroe College, Ltd. And Subsidiaries' internal control over financial reporting and compliance.

Anchin, Block + Anchin LLP

New York, New York
December 21, 2017

ANCHIN

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Monroe College, Ltd. and Subsidiaries:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of Monroe College, Ltd. and Subsidiaries which comprise the consolidated balance sheet as of August 31, 2017 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 21, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe College, Ltd. and Subsidiaries' internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe College, Ltd. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe College, Ltd. and Subsidiaries' internal control.

Internal Control over Financial Reporting {Continued)

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe College, Ltd. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchin, Block + Anchin LLP

New York, New York
December 21, 2017

MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

AUGUST 31, 2017

ASSETS

Current Assets:		
Cash and cash equivalents	$ 8,039,446	
Investments in marketable securities	10,383,872	
Accounts receivable (net of allowance for doubtful accounts of $2,683,608)	1,835,602	
Prepaid expenses	3,128,565	
Prepaid income taxes	147,743	
Notes and loans receivable, current portion	147,182	
Other current assets	759,979	
Total Current Assets		$ **24,442,389**
Property and Equipment, Net		**83,959,532**
Other Assets:		
Security deposits	1,213,538	
Net deferred income tax asset	58,416	
Notes and loans receivable, net of current portion	158,549	
Cash surrender value of life insurance	4,309,045	
Due from related parties	4,006,464	
Other assets	379,101	
Total Other Assets		**10,125,11**
Total Assets		**$ 118,527,03**

Note: The Company's assets at August 31, 2017 include total assets of $73,907,060 variable interest entities (VIE's) that can only be used to settle the liabilities of those VIE's. These assets include primarily property and equipment, net of accumulated depreciation of $67,327,829. The Company's liabilities at August 31, 2017 include total liabilities of $2,562,675 of VIE's for which the VIE creditors do not have recourse to the College. These liabilities include primarily accounts payable and accrued expenses of $322,632 and fair value of interest rate swap agreements of $2,207,416.

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (CONTINUED)

AUGUST 31, 2017

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Equipment financing obligations, current portion	$ 7,826	
Capital leases payable, current portion	651,027	
Mortgages payable, current portion	2,472,784	
Accounts payable	3,264,964	
Accrued expenses	7,376,922	
Tuition deposits	5,452,278	
Deferred capital improvement reimbursement, current portion	186,633	
Deferred revenue, current portion	61,616	
Income taxes payable	32,880	
Due to related parties	170,128	
Deferred compensation payable, current portion	121,621	
Total Current Liabilities		**$ 19,798,679**
Long-Term Liabilities:		
Equipment financing obligations, net of current portion	1,956	
Capital leases payable, net of current portion	1,545,151	
Mortgages payable, net of current portion and unamortized debt issuance cost	33,170,817	
Deferred capital improvement reimbursement, net of current portion	1,446,406	
Deferred revenue, net of current portion	183,823	
Deferred compensation payable, net of current portion	1,477,457	
Fair value of interest rate swap agreements	2,207,416	
Other liabilities	283,781	
Total Long-Term Liabilities		**40,316,807**
Total Liabilities		**60,115,486**
Equity:		
Monroe College, Ltd. Stockholders' Equity:		
Capital stock	5,850	
Additional paid-in capital	882	
Retained earnings	22,964,002	
Accumulated other comprehensive income	1,103,056	
Total Monroe College, Ltd. Stockholders' Equity	24,073,790	
Non-controlling interest	34,337,758	
Total Equity		**58,411,548**
Total Liabilities and Equity		**$ 118,527,034**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED AUGUST 31, 2017

Operating Income		**$ 105,456,374**
Cost of Operations:		
Instructional salaries	$ 21,247,274	
Instructional expenses	4,781,465	
Cost of sales	2,566,208	
Total Cost of Operations		**28,594,947**
Gross Profit		**76,861,427**
Operating Expenses:		
Student recruitment	10,218,299	
Occupancy expenses	21,961,321	
Administrative salaries	6,701,843	
General and administrative expenses	15,324,798	
Student services	15,621,222	
Total Operating Expenses		**69,827,483**
Income from Operations		**7,033,944**
Interest Expense, Net of Investment Income		**(1,836,886)**
Income before Provision for Income Taxes		**5,197,058**
Provision for Income Taxes		**188,199**
Net Income		**5,008,859**
Less: Net Income Attributable to Non-Controlling Interests		**(4,248,861)**
Net Income Attributable to Monroe College, Ltd.		**$ 759,998**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED AUGUST 31, 2017

Net Income		**$ 5,008,859**
Other Comprehensive Income (Loss):		
Unrealized gain on securities:		
Unrealized holding gain on securities (net of tax effect of $49,100)	$ 555,011	
Reclassification adjustment for realized gains included in net income (net of tax effect of $4,778)	(49,213)	**505,798**
Unrealized gain on interest rate swap agreements		**1,646,564**
Comprehensive Income		**7,161,221**
Less: Comprehensive Income Attributable to Non-Controlling Interests		**(5,895,425)**
Comprehensive Income Attributable to Monroe College, Ltd.		**$ 1,265,796**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

AUGUST 31, 2017

		Monroe College, Ltd. Stockholders' Equity				
	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Additional Paid-in Capital	Non-Controlling Interests
Balance September 1, 2016	$ 56,923,432	$ 25,410,859	$ 597,258	$ 5,850	$ 882	$ 30,908,583
Comprehensive Income:						
Net Income	5,008,859	759,998	-	-	-	4,248,861
Other Comprehensive Income, Net of Tax:						
Unrealized gain on interest rate swaps	1,646,564	-	-	-	-	1,646,564
Unrealized gain on securities	505,798	-	505,798	-	-	-
Other Comprehensive Income	2,152,362	-	505,798	-	-	1,646,564
Comprehensive Income	7,161,221	759,998	505,798			5,895,425
Distributions	(5,673,105)	(3,206,855)	-	-	-	(2,466,250)
Balance August 31, 2017	**$ 58,411,548**	**$ 22,964,002**	**$ 1,103,056**	**$ 5,850**	**$ 882**	**$ 34,337,758**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017

Cash Flows from Operating Activities:		
Net income		$ 5,008,859
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	$ 5,534,796	
Amortization of mortgage and lease costs		88,520
Gain on sale of investments, net		(53,991)
Deferred income taxes		(35,319)
(Increase) decrease in:		
Accounts receivable		1,692,003
Other receivables		(647,902)
Prepaid expenses		(78,187)
Other assets		(945,592)
Decrease in:		
Accounts payable and accrued expenses	(1,703,292)	
Tuition deposits	(425,928)	
Deferred capital improvement reimbursement	(186,633)	
Deferred revenue	(61,617)	
Deferred compensation payable	(85,652)	
Other liabilities	(63,027)	
Total adjustments		**3,028,179**
Net Cash Provided by Operating Activities		**8,037,038**
Cash Flows from Investing Activities:		
Purchases of property and equipment	(984,240)	
Increase in surrender value of life insurance	(320,274)	
Proceeds from sales and maturities of investments	4,042,849	
Purchases of investments	(3,988,660)	
Increase in due from related parties	1,542,401	
Decrease in notes and loans receivable	218,149	
Net Cash Provided by Investing Activities		**510,225**
Cash Flows from Financing Activities:		
Repayments of equipment financing obligations	(15,720)	
Repayments of mortgages payable	(2,327,121)	
Repayments of capital leases	(603,743)	
Decrease in due to related parties	(6,946)	
Distributions to non-controlling interests	(2,466,250)	
Distributions to shareholders	(3,206,855)	
Net Cash Used in Financing Activities		**(8,626,635)**
Net Decrease in Cash and Cash Equivalents		**(79,372)**
Cash and Cash Equivalents:		
Beginning of year		**8,118,818**
End of year		**$ 8,039,446**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2017

Supplemental Disclosures of Cash Flow Information:

Interest paid	$	2,259,551
Income taxes paid	$	96,659

Supplemental Schedule of Non-cash Operating,
Investing and Financing Activities:

Accrued additions for property and equipment	$	55,277

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

Monroe College, Ltd., (the "College") and Subsidiaries' principal business activity consists of the operation of a college with locations in New York (Bronx and New Rochelle) and the Eastern Caribbean (St. Lucia) offering two and four year degrees and masters' degrees.

The College participates in the Title IV Student Financial Aid (FSA) programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended (HEA). The College must comply with the regulations promulgated under the HEA.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the College and its subsidiaries as listed below:

> Monroe College Food Services, Inc., Mission Consulting, Inc., 2375 Jerome Ave., LLC, 2468 Jerome Ave. Corp., 434 Main Street Realty, LLC, Mavaren Advertising, Inc., Harlou Leasing, Inc., 2501 Jerome Ave. Inc., One West 190th St., LP, 2505 Jerome Avenue, LLC, NRHC, Inc., 420 Main St., LLC, 370 Main St., LLC, 428 Main Street Corp., Global Supervision LLC, 33 Echo LLC, 400 Main/Rochelle LLC, New Rochelle Athletics, LLC, the Stephen J. Jerome 2011 Trust #1 and 388-394 Main St., LLC, (collectively, the "Company").

These companies represent service, real estate, and equipment rental entities which conduct business with the College and a trust which is a primary owner of three of the real estate companies conducting business with the College. The College and the companies are affiliated through common ownership and management. The companies are variable interest entities (VIE's) and have met the consolidation criteria under accounting principles generally accepted in the United States of America. Accordingly, for financial reporting purposes, the accounts of the VIE's are consolidated with those of the College and presented as non-controlling interests in the consolidated financial statements. The College is considered the primary beneficiary of the VIE's as it directs the activities of the VIE's and guarantees substantially all of the debt and two of the leases of the real estate entities (Note 7). All significant intercompany balances and transactions have been eliminated in consolidation.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

Variable Interest Entity	Assets at August 31, 2017 (A)	Liabilities at August 31, 2017 (A)	Revenues For the Year	Expenses For the Year
Monroe College Food Services - Food Services	$ 766,697	$ 7,651	$ -	$ (55)
Mission Consulting - Management Services	758,069	214,275	2,663,692	2,082,995
Mavaren Advertising - Advertising Services	2,567,739	-	-	435
Harlou Leasing - Equipment Leasing	1,067	1,154	-	505
Real Estate Entities (including trust)	76,867,566	46,199,386	17,739,313	14,070,255
Total for VIE's	$ 80,961,138	$ 46,422,466	$ 20,403,005	$ 16,154,135

(A) Including intercompany balances

Total assets of the VIE's consist primarily of intercompany receivable balances of $5,556,650 and property and equipment of $67,327,829, which is net of accumulated depreciation. Total liabilities consist primarily of accounts payable and accrued expenses of $496,910, mortgages payable of $35,978,499, capital leases payable of $2,196,178, fair value of interest rate swap agreement of $2,207,416 and intercompany payable balances of $5,438,096. Except for the mortgages payable, the creditors of the VIE's have no recourse to the general credit of the College.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents consist of money market funds.

Debt and Marketable Equity Securities

Debt and marketable equity securities available for sale are measured at fair value, as defined in Note 3, with net unrealized gains and losses reported in equity as accumulated other comprehensive income. The Company uses the specific identification method to determine the cost of securities sold.

Accounts Receivable and Income Allowance

The Company's trade accounts receivable are recorded at amounts billed to students and presented on the balance sheet net of the income allowance, if required. The income allowance is determined by a variety of factors, including the age of the receivables, current economic conditions, historical losses and other information management obtains regarding the financial condition of students and the specific receivable which results in an adjustment to tuition and fees. The policy for determining the past due status of receivables is based on how recently payments have been received. Receivables are charged off when they are deemed uncollectible.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using straight line and accelerated methods over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful lives of the assets.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derivative Instruments and Hedging Activities

All derivatives are recorded on the consolidated balance sheet as assets or liabilities and measured at fair value, as defined in Note 3. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives are recorded in Stockholders' Equity and subsequently recognized in earnings when the hedged items impact income. The cash flows from the derivative are classified in the same category as the cash flows from the item hedged.

Unamortized Financing Costs

Unamortized financing costs represent amounts incurred to obtain financing and are amortized on a straight line basis over the term of the related financing agreement, and are presented as a reduction from the carrying amount of the debt.

Income Taxes

The corporate entities included herein have elected to be taxed under the provisions of Subchapter "S" of the Internal Revenue Code, whereby the corporate income or loss is passed through to the stockholders. Accordingly, no provision is required for federal income taxes. The corporate entities have also elected Subchapter "S" status for New York State. Corporate entities operating in New York City are liable for New York City corporate income taxes. A provision for New York State Subchapter "S" taxes and New York City corporate income taxes has been provided for herein. The LLCs and LP are taxed as partnerships for income tax purposes whereby income is reported by the individual members and partners. Therefore, no provision for income tax is required on the LLCs or the LP.

Advertising

The Company expenses the cost of producing its advertising as incurred and the cost of communicating its advertising when the advertising is run. Advertising expense totaled $3,661,685 for the year ended August 31, 2017.

Foreign Currency

The functional currency of the St. Lucia location is the East Caribbean dollar. The activity of this location is translated into United States dollars using period-end rates of exchange for assets and liabilities and average rates of exchange for the period for revenue and expenses. Translation gains (losses), if material, are recorded in accumulated other comprehensive income as a component of stockholders' equity.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

As a result of issuance by the Financial Accounting Standards Board of Accounting Standards Update No. 2015-03, the Company has changed its method for accounting for debt issuance costs. In prior years, these were presented as assets on the consolidated balance sheet and amortized on a straight-line basis. In accordance with the provisions of the new standard, the Company now presents these costs as a direct deduction from the related debt and amortizes the costs to interest expense using the interest method. The cumulative effect of the change on retained earnings at September 1, 2016 and the change in income for the fiscal year then ended was insignificant.

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES

The following is a summary of available-for-sale securities at August 31, 2017:

Face Value	Maturity Date	Interest Rate	Amortized Cost	Fair Value	Unrealized Gains	Unrealized Losses
Marketable Debt Securities						
Municipal Bonds:						
$ 275,000	1–12 months	3.63% - 4.00%	$ 275,949	$ 276,386	$ 437	$ -
950,000	1–5 years	3.000% - 5.00%	1,014,356	1,023,550	9,269	75
155,000	5.1–10 years	5.000%	184,188	185,146	1,421	463
1,380,000			1,474,493	1,485,082	11,127	538
Corporate Bonds:						
$ 55,000	1–12 months	4.00% - 5.70%	$ 51,181	$ 55,648	$ 4,467	$ -
50,000	1–5 years	7.63% - 7.88%	50,790	49,050	-	1,740
35,000	Over 10 years	3.500%	31,976	31,150	-	826
140,000			133,947	135,848	4,467	2,566
Total Marketable Debt Securities			1,608,440	1,620,930	15,594	3,104

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES (CONTINUED)

	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Marketable Equity Securities				
Common Stocks:				
Automotive	$ 95,493	$ 120,582	$ 25,089	$ -
Basic materials	42,867	79,293	36,426	-
Chemicals	13,907	15,330	1,423	-
Communication	54,045	50,888	-	3,157
Consumer goods	186,300	192,272	10,397	4,425
Discount	49,914	55,934	6,020	-
Electronics	22,367	24,875	2,508	-
Energy	115,714	126,907	17,219	6,026
Entertainment	39,792	55,767	15,975	-
Financial services	478,787	602,717	124,081	151
Food company	182,659	216,962	34,303	-
Healthcare	189,063	229,128	51,552	11,487
Hotel	41,981	42,000	19	-
Industrial goods	199,232	176,530	24,990	47,692
Insurance	83,399	106,817	23,418	-
Oil and gas	109,673	59,660	-	50,013
Pharmaceuticals	130,121	193,499	63,378	-
Real estate	526,811	621,093	110,097	15,815
Retail	40,749	41,540	791	-
Security	34,672	44,938	10,266	-
Services	22,661	21,252	-	1,409
Software	82,848	191,667	108,819	-
Technology	123,839	184,799	60,960	-
Transportation	8,310	7,898	-	412
Utilities	48,176	69,119	20,943	-
	2,923,380	3,531,467	748,674	140,587
Exchange Traded Fund	1,220,521	1,268,617	62,048	13,952
Mutual Funds:				
Fixed income funds	923,875	946,516	27,786	5,145
Other equity	2,389,778	2,895,241	536,019	30,556
Other funds	106,643	121,101	14,475	17
	3,420,296	3,962,858	578,280	35,718
Total Marketable Equity Securities	7,564,197	8,762,942	1,389,002	190,257
Grand Total	$ 9,172,637	$10,383,872	$ 1,404,596	$ 193,361

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES (CONTINUED)

Proceeds from sales of securities and maturities of bonds classified as available-for- sale during the year were $3,562,323 and $480,526, respectively. Gains of $53,991 were realized on these sales.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to level of risk associated with certain investment securities, it is at least reasonably possible that changes in any of these factors could materially affect amounts reported.

NOTE 3 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value and required disclosures about fair value measurement. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Common Stock and Exchanged Traded Fund: Valued at the closing price reported on the active market on which the individual securities are traded.

Municipal Bonds: Generally valued based on values provided by a pricing service which is based on the average value of the trades that occurred for the specific bond on the closing date or the closest date to the closing date.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Company at year end, based on published market quotations on active markets.

Corporate Bonds: Generally valued based on values provided by a pricing service which is based on the average value of the trades that occurred for the specific bond on the closing date or the closest date to the closing date.

Swap Agreements: Values estimated based on a model used by the bank. Interest rate yield curves are the significant inputs into this valuation model. These inputs are observable over active markets.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of August 31, 2017:

Description	Total	Level 1	Level 2	Level 3
Common Stocks:				
Automotive	$ 120,582	$ 120,582	$ -	$ -
Basic materials	79,293	79,293	-	-
Chemicals	15,330	15,330	-	-
Communication	50,888	50,888	-	-
Consumer goods	192,272	192,272	-	-
Discount	55,934	55,934	-	-
Electronics	24,875	24,875	-	-
Energy	126,907	126,907	-	-
Entertainment	55,767	55,767	-	-
Financial services	602,717	602,717	-	-
Food company	216,962	216,962	-	-
Healthcare	229,128	229,128	-	-
Hotel	42,000	42,000	-	-
Industrial goods	176,530	176,530	-	-
Insurance	106,817	106,817	-	-
Oil and gas	59,660	59,660	-	-
Pharmaceuticals	193,499	193,499	-	-
Real estate	621,093	621,093	-	-
Retail	41,540	41,540	-	-
Security	44,938	44,938	-	-
Services	21,252	21,252	-	-
Software	191,667	191,667	-	-
Technology	184,799	184,799	-	-
Transportation	7,898	7,898	-	-
Utilities	69,119	69,119	-	-
Total Common Stocks	3,531,467	3,531,467	-	-

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Total	Level 1	Level 2	Level 3
Exchange traded fund	$1,268,617	$1,268,617	$ -	$ -
Mutual Funds:				
Fixed income funds	946,516	946,516	-	-
Other equity	2,895,241	2,895,241	-	-
Other funds	121,101	121,101	-	-
Total Mutual Funds	3,962,858	3,962,858	-	-
Municipal Bonds:				
AAA credit rating	385,744	-	385,744	-
AA credit rating	1,049,105	-	1,049,105	-
BBB+ credit rating	50,233	-	50,233	-
Total Municipal Bonds	1,485,082	-	1,485,082	-
Corporate Bonds	135,848	-	135,848	-
Total Assets at Fair Value	**$10,383,872**	**$ 8,762,942**	**$1,620,930**	**$ -**

The following table sets forth by level, within the fair value hierarchy, the Company's liabilities at fair value at August 31, 2017:

Description	Total	Level 1	Level 2	Level 3
Interest Swap Agreement	**$ 2,207,416**	**$ -**	**$ 2,207,416**	**$ -**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	$ 11,401,547
Building and improvements	72,816,343
Fixtures and equipment	17,596,943
Leasehold improvements	28,205,286
Library	239,215
Total	130,259,334
Less: Accumulated depreciation and amortization	(46,299,802)
Total Property and Equipment	$ 83,959,532

NOTE 5 - LINE OF CREDIT

The College had available a $9,500,000 line of credit with a bank which was decreased to $9,250,000 in May 2017. The interest rate provisions are at the College's option either for a LIBOR loan the greater of 1.5% or the LIBOR rate plus 1.5% or for a prime loan the greater of 2.5% or the fluctuating prime rate. The line of credit expires on February 1, 2018. This line of credit is secured by a general security agreement on the trade accounts receivable of the College. At August 31, 2017 there was no outstanding balance.

Pursuant to this line of credit agreement, the College is required by the bank to adhere to various financial covenants of the College only. At August 31, 2017, the College was in compliance with such covenants.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - CAPITALIZED LEASES

The Company has three sale leaseback agreements for leasehold improvements for One West 190th St., LP, with monthly payments totaling $61,391. Two of the sale leaseback agreements expire in July 2020 and one expires in June 2021. The payments are guaranteed by the College. The leases have been classified as capitalized leases.

The following is a schedule of property held under capital leases at August 31, 2017:

Leasehold improvements	$ 3,422,736
Less: Accumulated depreciation	(487,326)
	$ 2,935,410

Amortization expense related to the capital leases amounted to $228,183 for the year ended August 31, 2017.

Present value of future minimum capital lease payments as of August 31, 2017 are as follows:

Years Ending August 31,	
2018	$ 736,690
2019	736,690
2020	678,685
2021	212,150
Total payment commitment	2,364,215
Less: Amount representing interest	(168,037)
Present value of net minimum lease payments	2,196,178
Less: Current maturities	651,027
Long-term Maturities	$ 1,545,151

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE

A summary of mortgages payable at August 31, 2017 is as follows:

	Principal	Unamortized Debt Issuance Costs
Mortgage payable - bank, due in monthly installments of $8,889 plus interest at 3.58% until December 2018. The mortgage is secured by a mortgage on property on the New Rochelle campus.	$ 151,115	$ -
Mortgage payable - bank, due in monthly installments of $51,111 plus interest at 4.57% (with an effective interest rate of 4.85% when including amortization of debt issuance costs) until November 2024 when a final payment of $3,200,000 is due. This second mortgage is secured by property on the New Rochelle campus. Notes (A) and (B)	7,513,333	91,670
Mortgage payable - bank, due in monthly installments of $165,274 including interest at 5.59% (with an effective interest rate of 5.72% when including amortization of debt issuance costs) until June 2025. The mortgage is secured by property on the New Rochelle campus. Notes (A) and (B)	18,050,290	145,709
Mortgage payable - seller of property, due in monthly installments of $42,427 including interest at 5.00% (with an effective interest rate of 5.39% when including amortization of debt issuance costs) due in May 2025. The mortgage is secured by property on the New Rochelle campus.	3,266,117	70,108
Mortgage payable - seller of property, due in monthly installments of $3,320 including interest at 5.250% due in November 2020. The mortgage is secured by property on the New Rochelle campus.	115,998	1,034

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE (CONTINUED)

	Principal	Unamortized Debt Issuance Costs
Mortgage payable - bank, due in monthly installments of $61,713 including interest at 7.30% until September 2017, at which time the monthly installments convert to $58,879 including interest at 4.62% (with an effective interest rate of 5.00% when including amortization of debt issuance costs) until September 2030. The mortgage is secured by a property on the New Rochelle campus and all personal property used in connection with the property. Notes (A) and (C)	$ 6,881,646	$ 26,377
	35,978,646	$ 334,898
Less: Unamortized debt issuance costs	334,784	
	35,643,601	
Less: Current portion	2,472,784	
	$ 33,170,817	

(A) The Company has an interest rate swap agreement with its bank in connection with this mortgage that is more fully described in Note 8.

(B) In connection with the mortgage, the Company has agreed to maintain a minimum debt service ratio. At August 31, 2017 the Company was in compliance with such ratio.

(C) In connection with the purchase and improvements made to the property located at 2375 Jerome Avenue, a consolidated entity obtained a mortgage from a bank which requires the Company to maintain a minimum debt service ratio. At August 31, 2017 the Company was in compliance with such ratio.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE (CONTINUED)

Substantially all of the above mortgages are guaranteed by the College. In addition, the mortgage described in (C) is also guaranteed by 434 Main Street Realty, LLC.

At August 31, 2017, long-term debt consisting of equipment financing obligations in Note 9 and mortgage payable maturities are as follows:

Years Ending August 31,	
2018	$ 2,480,609
2019	2,521,488
2020	2,575,109
2021	2,645,082
2022	2,755,313
Thereafter	23,010,680
	$ 35,988,281

Management has not determined the fair value of long term debt since an appraisal was not done because it is cost prohibitive.

Interest expense was $2,253,760 for the year ended August 31, 2017.

NOTE 8 INTEREST RATE SWAP AGREEMENTS

The Company has entered into three interest rate swap agreements with its bank for the purpose of hedging its variable interest rate exposure in connection with three mortgages, two based on LIBOR plus 2.25%, and one based on LIBOR plus 2.00% (Note 7). The swap agreements effectively fix the interest rates at the amounts disclosed in Note 7. The notional amounts under two of the agreements are always equal to the outstanding mortgage balances. The third agreement's notional amount is $6,863,192 which is the mortgage balance on September 1, 2017, the start date of the swap agreement. After September 1, 2017, the notional amount under the swap agreement will be equal to the outstanding balance on the mortgage. The swap agreements qualify as cash flow hedges and are recorded at fair value with the net unrealized gains or losses included in accumulated other comprehensive income allocated to the non-controlling interests. Obligations, if any, under the swap agreements are secured by the underlying property. The fair value is based on methods as described in Note 3. For the year ended August 31, 2017, the Company had an unrealized gain of $1,646,564 relating to the interest rate swap agreements in Note 7, which is included in the consolidated statement of comprehensive income.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - INTEREST RATE SWAP AGREEMENTS (CONTINUED)

Fair Value of Derivative Instrument

Derivative Designated as Hedging Instrument	Balance Sheet Location	Fair Value
Interest Rate Swap Contract	Interest Rate Swap Valuation Liability	$ 2,207,416

The Effect of Derivative Instrument on Consolidated Statement of Comprehensive Income

Derivative Designated as Hedging Instrument	Location of (Gain) or Loss on Derivatives	Amount
Interest Rate Swap Contract	Other Comprehensive Income	$ (1,646,564)

Location of Gain or Loss Reclassified from Accumulated Other Comprehensive Income into Income	Amount of (Gain) or Loss Reclassified from Accumulated Other Comprehensive Income into Income
Interest Expense	$ (588,169)

NOTE 9 - EQUIPMENT FINANCING OBLIGATIONS

The equipment financing obligation is due in monthly installments of $652 through November 2018. The loan is secured by the equipment under finance.

NOTE 10 - DEFERRED INCOME

Deferred Capital Improvement Reimbursement

On July 1, 2015, the College entered into an agreement (the "Chartwells Agreement") granting Chartwells, an independent contractor, the exclusive right to provide and manage the College's food service program including catering and vending services on its New Rochelle and Bronx campuses until the agreement expires on May 31, 2025. Through an amendment, effective April 1, 2016, the expiration of the Chartwells Agreement was extended to May 31, 2026.

NOTE 10 - DEFERRED INCOME (CONTINUED)

Deferred Capital Improvement Reimbursement (Continued)

Under the Chartwells Agreement, Chartwells funded $2,250,000 for capital improvements to the College's dining facilities with $2,000,000 disbursed in 2015 and $250,000 to be disbursed in 2019 (the "Fundings"). The Fundings shall be amortized over the life of the Chartwells Agreement beginning in October 2015 and July 2019, respectively. If the Chartwells Agreement is terminated for any reason prior to the full amortization of the Fundings, the College is liable to Chartwells for such unamortized Fundings. The unamortized balance of the Fundings, which totals $1,633,039 at August 31, 2017, is reflected in deferred capital improvement reimbursement on the consolidated balance sheet.

Deferred Revenue

In addition, Chartwells shall also pay commissions to the College ("Earned Commissions") based on certain gross sales related to the services provided to the College as defined in the Chartwells Agreement. Such Earned Commissions are guaranteed in each year of the term of the Chartwells Agreement to total at least $55,000. In connection with such Earned Commissions, Chartwells provided the College with an advance payment of $250,000 (the "Commission Advance") in October 2015. The College received from Chartwells a partnership bonus and an incentive bonus as defined in the agreement, totaling $115,000. If the Chartwells Agreement is terminated for any reason prior to the completion of the contract, the College is liable to Chartwells for the unearned amount. The balance, which totals $245,439 at August 31, 2017, is reflected in deferred revenue on the consolidated balance sheet.

NOTE 11 - STOCKHOLDERS' EQUITY

Common Stock

The College is authorized to issue and has issued two shares of voting and 200 shares of non-voting No Par Value stock.

Information Regarding LLC's with Limited Lives

2505 Jerome Avenue, LLC, was organized under the laws of the State of New York on March 22, 1996, and will continue until December 31, 2030.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 - RETIREMENT PLAN

The Company maintains a 401(k) profit-sharing plan. Individual participants may contribute up to 100% of their total compensation for the Plan year (subject to statutory limits). In addition to a mandatory 3% contribution, the Company may, at its sole discretion, make an additional contribution and/or contribute a discretionary amount as an employer non-elective contribution. The retirement plan contribution for the year ended August 31, 2017 was $1,180,665.

NOTE 13 - RELATED PARTY BALANCES

Due to and Due from Related Parties

Amounts due to related parties are due to unconsolidated affiliated entities and have no interest or payment terms.

Amounts due from related parties are loans to officers that have no interest or repayment terms.

Management has not determined the fair value of due from related parties since an appraisal was not done because it is cost prohibitive.

Included in notes and loans receivable are amounts of approximately $196,000 due from employees.

Investment Advisor Fees

The College used an investment advisor that is related to its stockholders. Fees paid to the investment advisor were $16,337 for the year ended August 31, 2017.

NOTE 14 - DEFERRED COMPENSATION

Under non-qualified deferred compensation agreements, the College has agreed to make certain payments to key employees. The College purchased key-man whole life insurance policies whereby the College is the owner and beneficiary to provide assistance in funding these arrangements. Vesting of these future payments occurs over time and the College is providing for the present value of the future payments beginning at the date of the agreement over the remaining service term of the employee to the normal retirement date. As of August 31, 2017, the liability accrued under these agreements was $1,599,078.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases administrative offices, classrooms and housing facilities in the Bronx, New Rochelle, New York and St. Lucia under operating lease agreements expiring in various years through 2033. Certain leases have options to renew under similar terms. Under certain leases, the Company is liable for its share of increases in real estate taxes. Most leases provide that the Company pays all operating expenses. The Company also leases equipment under operating leases expiring in various years through 2020. For the year ended August 31, 2017, rent expense for real estate and equipment was $5,395,389 and $409,857 respectively.

During April 2017, NRHC, Inc. entered into a fifteen year lease for additional dormitory and parking space which commences on the date of delivery of the premises which is estimated to be on or around June 30, 2018 but no later than August 1, 2018. Development of the premises commenced in 2017 and is being financed entirely by the landlord. The lease is cancellable if the project is damaged by fire or casualty causing a twelve month delay in completion of the building. The lease payments are fixed for the first six years of the lease at $141,000 per month (subject to final construction plans) and the increase in the following years is based on the increase in the Consumer Price Index which such increase for each year not to be less than 2% and not to be greater than 4%. Six months of rental payments totaling
$846,000 have been deposited with the landlord as security deposits, two months will be refunded within thirty days of delivery of the premises and one month will be applied towards the second month's rent. The lease expires July 2033, includes two five year tenant renewal options and is guaranteed by the College.

Future minimum lease payments under all non-cancelable operating leases, and assuming that the new NRHC lease's cancellable events will not occur, are as follows:

Years Ending August 31,	
2018	$ 4,013,487
2019	4,998,408
2020	4,660,607
2021	4,196,093
2022	3,999,135
Thereafter	23,386,049
Total Minimum Lease	$ 45,253,779

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Cash and Custody Credit Risk Concentration

The Company maintains accounts at several financial institutions located in New York and St. Lucia. The excess of deposit balances reported by a New York bank over amounts covered by federal insurance was approximately $3,538,000 at August 31, 2017. As of August 31, 2017, the Company has approximately $201,000 in a St. Lucia financial institution which is uninsured.

At August 31, 2017, the fair value of securities and money market fund investments held at four brokerage firms located in New York exceeded Securities Investor Protection Corporation ("SIPC") limits by approximately $10,294,000.

Shareholder's Agreement

In the event of the death of a minority shareholder the College is obligated to purchase his shares from the estate at a price (defined in the agreement), which is payable in quarterly installments over ten years.

Litigation

The Company has been named as a defendant in lawsuits arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's operations or financial position.

NOTE 16 - INCOME TAXES

Deferred income taxes result from temporary differences in reporting transactions for tax and financial purposes. Such differences relate primarily to different methods of accounting for bad debts and deferred compensation.

The components of the net deferred income tax asset at August 31, 2017 are as follows:

Total deferred income tax assets	$ 211,594
Total deferred income tax liabilities	(153,178)
Net Deferred Income Tax Asset	$ 58,416

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (CONTINUED)

The provision for income taxes for the year ended August 31, 2017, consisting primarily of NYC income taxes, is as follows:

Current income taxes	$	223,503
Deferred income tax		(35,304)
Total Income Taxes	$	188,199

NOTE 17 - RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (a)

	Gains (Losses) on Cash Flow Hedges	Unrealized Gains (Losses) on Available for Sale Securities	Total
Beginning Balance	$ (3,853,980)	$ 597,258	$ (3,256,722)
Other comprehensive income before reclassifications	2,234,733	555,011	2,789,744
Amount reclassified from accumulated other comprehensive income	(588,169)	(49,213)	(637,382)
Net current-period other comprehensive income	1,646,564	505,798	2,152,362
Subtotal	(2,207,416)	1,103,056	(1,104,360)
Less: Amount attributable to non- controlling interest	2,207,416	-	2,207,416
Ending Balance	-	$ 1,103,056	$1,103,056

(a) All amounts are net of tax. Amounts in parentheses indicate debits.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 - 90/10 REVENUE PERCENTAGE

The College derives a substantial portion of its revenues from Student Financial Aid (FSA) received by its students under programs authorized by Title IV of the Higher Education Act of 1965 (HEA), which are administered by the U.S. Department of Education. To continue to participate in the FSA programs, the College must comply with the regulations promulgated under the HEA. The regulations restrict the proportion of cash receipts from tuition, fees and other institutional charges from eligible programs to not be more than 90 percent from the Title IV programs. The failure of the College to meet 90 percent limitation for two consecutive years will result in the loss of the College ability to participate in Title IV programs. If the College receives more than 90 percent of its revenue from Title IV programs during its fiscal year, the College becomes provisionally certified for the next two fiscal years. This information is required by the U.S. Department of Education and is presented for purposes of additional analysis, and is not a required part of the basic consolidated financial statements.

For the fiscal year ended August 31, 2017, the College cash basis calculation is:

Adjusted Student Title IV Revenue:	$ 63,439,886	=	60.97%
Adjusted Student Title IV Revenue + Student Non-Title IV Revenue	104,051,116		

	Amount Disbursed	Adjusted Amount
Adjusted Student Title IV Revenue:		
Parent/Grad Plus Loan	$ 4,663,374	$ 4,663,374
Subsidized Loan	19,595,509	19,595,509
Unsubsidized Loan	19,319,592	19,319,592
Federal Pell Grant	22,954,161	22,954,161
FSEOG	809,466	607,099
Student Title IV Revenue:	67,342,102	67,139,735
Revenue Adjustment		(3,699,849)
Total Adjusted Student Title IV Revenue		**$ 63,439,886**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 - 90/10 REVENUE PERCENTAGE (CONTINUED)

Student Non-Title IV Revenue:	
Grant funds for the student from non-Federal public agencies or Private sources independent of the institution	$ 13,590,430
Student payments	27,020,800
Total Student Non- Title IV Revenue	**$ 40,611,230**

NOTE 19 - REVENUE CONCENTRATION

The College participates in most federal and state financial aid programs. A substantial portion of the students attending the College rely on these federal and state financial aid programs to meet their tuition needs. Changes in the programs could have a direct impact on the College.

NOTE 20 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 21, 2017, which is the date the consolidated financial statements were available to be issued.

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MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENT

AUGUST 31, 2018

MONROE COLLEGE, LTD. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2018

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INDEPENDENT AUDITORS' REPORT

To Monroe College, Ltd. and Subsidiaries:

We have audited the accompanying consolidated financial statements of Monroe College, Ltd. and Subsidiaries (the "Companies"), which comprise the consolidated balance sheet as of August 31, 2018 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

Auditors' Responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Monroe College, Ltd. and Subsidiaries as of August 31, 2018, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying Note 18 on the College's calculation of its Title IV 90/10 revenue percentage, and certain information in Note 13 on related party balances, are required by the U.S. Department of Education and are presented for purposes of additional analysis, and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 26, 2018 on our consideration of Monroe College, Ltd. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Monroe College, Ltd. And Subsidiaries' internal control over financial reporting and compliance.

Anchin, Block + Anchin LLP

New York, New York
December 26, 2018

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Monroe College, Ltd. and Subsidiaries:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the consolidated financial statements of Monroe College, Ltd. and Subsidiaries which comprise the consolidated balance sheet as of August 31, 2018 and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Monroe College, Ltd. and Subsidiaries' internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Monroe College, Ltd. and Subsidiaries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Monroe College, Ltd. and Subsidiaries' internal control.

Internal Control over Financial Reporting (Continued)

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Monroe College, Ltd. and Subsidiaries' consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anchin, Block & Anchin LLP

New York, New York
December 26, 2018

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
AUGUST 31, 2018

ASSETS

Current Assets:		
Cash and cash equivalents	$ 11,897,109	
Investments in marketable securities	11,321,029	
Accounts receivable (net of allowance for doubtful accounts of $3,232,032)	2,956,956	
Prepaid expenses	1,856,195	
Prepaid income taxes	170,440	
Notes and loans receivable, current portion	129,858	
Other current assets	807,684	
Total Current Assets		**$29,139,271**
Property and Equipment, Net		**79,679,115**
Other Assets:		
Security deposits	691,561	
Notes and loans receivable, net of current portion	114,660	
Cash surrender value of life insurance	4,518,921	
Due from related parties	5,110,879	
Other assets	436,820	
Total Other Assets		**10,872,841**
Total Assets		**$ 119,691,227**

Note: The Company's assets at August 31, 2018 include total assets of $70,661,280 of variable interest entities (VIE's) that can only be used to settle the liabilities of those VIE's. These assets include primarily property and equipment, net of accumulated depreciation of $64,304,778. The Company's liabilities at August 31, 2018 include total liabilities of $743,436 of VIE's for which the VIE creditors do not have recourse to the College. These liabilities include primarily accounts payable and accrued expenses of $394,895 and fair value of interest rate swap agreements of $348,244.

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (CONTINUED)
AUGUST 31, 2018

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Financing obligations, current portion	$ 1,956	
Capital leases payable, current portion	741,069	
Mortgages payable, current portion	2,517,899	
Accounts payable	1,537,919	
Accrued expenses	7,458,496	
Tuition deposits	9,838,840	
Deferred capital improvement reimbursement, current portion	186,633	
Deferred revenue, current portion	234,116	
Due to related parties	155,073	
Deferred compensation payable, current portion	130,934	
Total Current Liabilities		$ 22,802,935
Long-Term Liabilities:		
Capital leases payable, net of current portion	923,996	
Mortgages payable, net of current portion and unamortized debt issuance cost	30,722,178	
Deferred capital improvement reimbursement, net of current portion	1,259,773	
Deferred revenue, net of current portion	122,207	
Deferred income tax liability, net	13,372	
Deferred compensation payable, net of current portion	1,359,152	
Interest rate swap settlement value	348,244	
Other liabilities	208,451	
Total Long-Term Liabilities		34,957,373
Total Liabilities		57,760,308
Equity:		
Monroe College, Ltd. Stockholders' Equity:		
Capital stock	5,850	
Additional paid-in capital	882	
Retained earnings	23,822,205	
Accumulated other comprehensive income	1,790,555	
Total Monroe College, Ltd. Stockholders' Equity	25,619,492	
Non-controlling interest	36,311,427	
Total Equity		61,930,919
Total Liabilities and Equity		**$ 119,691,227**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED AUGUST 31, 2018

Operating Income		**$100,583,690**
Cost of Operations:		
Instructional salaries	$ 20,883,639	
Instructional expenses	5,462,817	
Cost of sales	2,940,878	
Total Cost of Operations		**29,287,334**
Gross Profit		**71,296,356**
Operating Expenses:		
Student recruitment	8,304,260	
Occupancy expenses	20,624,754	
Administrative salaries	7,128,358	
General and administrative expenses	14,717,910	
Student services	15,684,529	
Total Operating Expenses		**66,459,811**
Income from Operations		**4,836,545**
Interest Expense, Net of Investment Income of $412,614		**(1,476,590)**
Income before Provision for Income Taxes		**3,359,955**
Provision for Income Taxes		**96,400**
Net Income		**3,263,555**
Less: Net Income Attributable to Non-Controlling Interests		**(2,405,352)**
Net Income Attributable to Monroe College, Ltd.		**$ 858,203**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED AUGUST 31, 2018

Net Income	**$**	**3,263,555**
Other Comprehensive Income (Loss):		
Unrealized gain on securities:		
Unrealized holding gain on securities (net of tax effect of $66,800)	$ 694,682	
Reclassification adjustment for realized gains included in net income (net of tax effect of $697)	(7,183)	**687,499**
Unrealized gain on interest rate swap settlement value		**1,859,172**
Comprehensive Income		**5,810,226**
Less: Comprehensive Income Attributable to Non-Controlling Interests		**(4,264,524)**
Comprehensive Income Attributable to Monroe College, Ltd.		**$ 1,545,702**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED AUGUST 31, 2018

	Monroe College, Ltd. Stockholders' Equity					
	Total	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock	Additional Paid-in Capital	Non-Controlling Interests
Balance September 1, 2017	$ 58,411,548	$ 22,964,002	$ 1,103,056	$ 5,850	$ 882	$ 34,337,758
Comprehensive Income:						
Net Income	3,263,555	858,203	-	-	-	2,405,352
Other Comprehensive Income, Net of Tax:						
Unrealized gain on interest rate swap settlement value	1,859,172	-	-	-	-	1,859,172
Unrealized gain on securities	687,499	-	687,499	-	-	-
Other Comprehensive Income	2,546,671	-	687,499	-	-	1,859,172
Comprehensive Income	5,810,226	858,203	687,499	-	-	4,264,524
Distributions	(2,290,855)	-	-	-	-	(2,290,855)
Balance August 31, 2018	**$ 61,930,919**	**$ 23,822,205**	**$ 1,790,555**	**$ 5,850**	**$ 882**	**$ 36,311,427**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED AUGUST 31, 2018

Cash Flows from Operating Activities:		
Net income		$ 3,263,555
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	$ 5,198,255	
Amortization of mortgage and lease costs	76,407	
Gain on sale of property	(25,417)	
Gain on sale of investments	(7,880)	
Deferred income taxes	5,088	
(Increase) decrease in:		
Accounts receivable	(1,121,354)	
Other receivables	(47,705)	
Prepaid expenses	1,216,793	
Other assets	458,068	
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,645,471)	
Tuition deposits	4,386,562	
Deferred capital improvement reimbursement	(186,633)	
Deferred revenue	110,884	
Deferred compensation payable	(108,992)	
Other liabilities	(75,330)	
Total adjustments		8,233,275
Net Cash Provided by Operating Activities		**11,496,830**
Cash Flows from Investing Activities:		
Purchases of property and equipment	(1,366,881)	
Proceeds from sale of property	644,020	
Increase in surrender value of life insurance	(209,876)	
Proceeds from sales and maturities of investments	2,773,862	
Purchases of investments	(2,948,940)	
Increase in due from related parties	(1,104,415)	
Decrease in notes and loans receivable	61,213	
Net Cash Used in Investing Activities		**(2,151,017)**
Cash Flows from Financing Activities:		
Repayments of equipment financing obligations	(7,826)	
Repayments of mortgages payable	(2,472,789)	
Repayments of capital leases	(701,625)	
Decrease in due to related parties	(15,055)	
Distributions to non-controlling interests	(2,290,855)	
Net Cash Used in Financing Activities		**(5,488,150)**
Net Increase in Cash and Cash Equivalents		**3,857,663**
Cash and Cash Equivalents:		
Beginning of year		**8,039,446**
End of year		**$ 11,897,109**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED AUGUST 31, 2018

Supplemental Disclosures of Cash Flow Information:	
Interest paid	**$ 1,574,629**
Income taxes paid	**$ 210,409**
Supplemental Schedule of Non-Cash Investing and Financing Activities:	
Equipment purchased through capital lease	**$ 170,512**

See the accompanying Notes to the Consolidated Financial Statements.

MONROE COLLEGE, LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Description of Business

Monroe College, Ltd., (the "College") and Subsidiaries' principal business activity consists of the operation of a college with locations in New York (Bronx and New Rochelle) and the Eastern Caribbean (St. Lucia) offering two and four year degrees and masters' degrees.

The College participates in the Title IV Student Financial Aid (FSA) programs administered by the U.S. Department of Education pursuant to the Higher Education Act of 1965, as amended (HEA). The College must comply with the regulations promulgated under the HEA.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the College and its subsidiaries as listed below:

> Monroe College Food Services, Inc., Mission Consulting, Inc., 2375 Jerome Ave., LLC, 2468 Jerome Ave. Corp., 434 Main Street Realty, LLC, Mavaren Advertising, Inc., Harlou Leasing, Inc., 2501 Jerome Ave. Inc., One West 190th St., LP, 2505 Jerome Avenue, LLC, NRHC, Inc., 420 Main St., LLC, 370 Main St., LLC, 428 Main Street Corp., Global Supervision LLC, 33 Echo LLC, 400 Main/Rochelle LLC, New Rochelle Athletics, LLC, the Stephen J. Jerome 2011 Trust #1 and 388-394 Main St., LLC, (collectively, the "Companies").

These companies represent service, real estate, and equipment rental entities which conduct business with the College and a trust which is a primary owner of three of the real estate companies conducting business with the College. The College and the companies are affiliated through common ownership and management. The subsidiaries are variable interest entities (VIE's) and have met the consolidation criteria under accounting principles generally accepted in the United States of America. Accordingly, for financial reporting purposes, the accounts of the VIE's are consolidated with those of the College and presented as non-controlling interests in the consolidated financial statements. The College is considered the primary beneficiary of the VIE's as it directs the activities of the VIE's and guarantees substantially all of the debt (Note 7) and two of the leases of the real estate entities. All significant intercompany balances and transactions have been eliminated in consolidation.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation (Continued)

Variable Interest Entity	Assets at August 31, 2018 (A)	Liabilities at August 31, 2018 (A)	Revenues For the Year	Expenses For the Year
Monroe College Food Services - Food Services	$ 765,167	$ 65	$ 6,605	$ 551
Mission Consulting - Management Services	452,566	1,142,235	1,749,357	2,982,828
Mavaren Advertising - Advertising Services	2,559,179	-	-	8,560
Harlou Leasing - Equipment Leasing	1,018	1,743	-	638
Real Estate Entities (including trust)	75,565,243	41,680,806	15,533,080	11,891,113
Total for VIE's	$ 79,343,173	$ 42,824,849	$ 17,289,042	$ 14,883,690

(A) Including intercompany balances

Total assets of the VIE's consists of cash of $3,416,958, intercompany receivable balances of $7,178,485, prepaid expenses and other current assets of $2,074,578, security deposits of $500,103, cash surrender value of life insurance of $1,868,271 and property and equipment of $64,304,778, which is net of accumulated depreciation. Total liabilities consist primarily of accounts payable and accrued expenses of $542,600, mortgages payable of $33,240,077, capital leases payable of $1,545,150, interest rate swap settlement value of $348,244 and intercompany payable balances of $7,076,291. Except for the mortgages payable, the creditors of the VIE's have no recourse to the general credit of the College.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Equivalents

Cash equivalents consist of money market funds.

Debt and Marketable Equity Securities

Debt and marketable equity securities available for sale are measured at fair value, as defined in Note 3, with net unrealized gains and losses reported in equity as accumulated other comprehensive income. The Company uses the specific identification method to determine the cost of securities sold.

Accounts Receivable and Income Allowance

The Company's trade accounts receivable are recorded at amounts billed to students and presented on the balance sheet net of the income allowance, if required. The income allowance is determined by a variety of factors, including the age of the receivables, current economic conditions, historical losses and other information management obtains regarding the financial condition of students and the specific receivable which results in an adjustment to tuition and fees. The policy for determining the past due status of receivables is based on how recently payments have been received. Receivables are charged off when they are deemed uncollectible.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using straight line over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the term of the related lease or the estimated useful lives of the assets.

Derivative Instruments and Hedging Activities

The Company uses interest rate swaps to economically convert forecasted interest payments to fixed-rate debt. The Company has elected to implement the accounting alternative for hedge accounting where, under this policy, interest rate swaps are recorded at settlement value rather than fair value. Settlement value is estimated using a present value calculation of the swap's remaining estimated cash flows using a valuation technique that is not adjusted for performance risk. All changes in value are recognized through accumulated other comprehensive income. In the event that the interest rate swap ceases to qualify for hedge accounting, the amounts in accumulated other comprehensive income would be reclassified to earnings.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unamortized Financing Costs

Unamortized financing costs represent amounts incurred to obtain financing and are amortized on a straight line basis over the term of the related financing agreement, and are presented as a reduction from the carrying amount of the debt.

Income Taxes

The corporate entities included herein have elected to be taxed under the provisions of Subchapter “S” of the Internal Revenue Code, whereby the corporate income or loss is passed through to the stockholders. Accordingly, no provision is required for federal income taxes. The corporate entities have also elected Subchapter “S” status for New York State. Corporate entities operating in New York City are liable for New York City corporate income taxes. A provision for New York State Subchapter “S” taxes and New York City corporate income taxes has been provided for herein. The LLCs and LP are taxed as partnerships for income tax purposes whereby income is reported by the individual members and partners. Therefore, no provision for income tax is required on the LLCs or the LP.

Advertising

The Company expenses the cost of producing its advertising as incurred and the cost of communicating its advertising when the advertising is run. Advertising expenses totaled $2,389,106 for the year ended August 31, 2018.

Foreign Currency

The functional currency of the St. Lucia location is the East Caribbean dollar. The activity of this location is translated into United States dollars using period-end rates of exchange for assets and liabilities and average rates of exchange for the period for revenue and expenses. Translation gains (losses), if material, are recorded in accumulated other comprehensive income as a component of stockholders’ equity.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

Effective September 1, 2017, the Company elected to change its method of accounting for interest rate swaps on its variable-rate debt. Prior to September 1, 2017, the Company accounted for its mortgages payable separately from the related interest rate swap and measured the mortgage at amortized cost and the interest rate swap at fair value. Beginning in September 1, 2017, the Company began measuring the interest rate swap at settlement value, which assumes no ineffectiveness in the hedging relationship, and changes in the value of the swap are deferred to other comprehensive income and then released to the income statement as the hedged interest payments affect earnings. Management believes the new method more accurately reflects the Company's financial position, cash flows and results of operations.

The Company has chosen to use a modified retrospective approach to account for existing interest rate swaps. Financial statements have been adjusted as of the beginning of the current period, to reflect the application of the alternative for hedge accounting from the date the qualifying swap contract was entered into or acquired. There is no impact on the financial statements.

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES

The following is a summary of available-for-sale securities at August 31, 2018:

Face Value	Maturity Date	Interest Rate	Amortized Cost	Fair Value	Unrealized Gains	Unrealized Losses
Marketable Debt Securities						
Municipal Bonds:						
$ 200,000	1–12 months	4.00%	$ 205,280	$ 203,187	$ -	$ 2,093
1,150,000	1–5 years	3.00%	1,219,835	1,211,689	2,135	10,281
55,000	6–10 years	5.00%	65,039	62,407	-	2,632
1,405,000			1,490,154	1,477,283	2,135	15,006
Corporate Bonds:						
$ 20,000	1–5 years	7.875%	20,527	19,000	-	1,527
35,000	Over 10 years	3.50%	31,976	31,369	-	607
55,000			52,503	50,369	-	2,134
Total Marketable Debt Securities			$ 1,542,657	$ 1,527,652	$ 2,135	$ 17,140

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES (CONTINUED)

	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses
Marketable Equity Securities				
Common Stocks:				
Airline	$ 63,646	$ 64,328	$ 682	$ -
Automobile	84,242	104,545	20,303	-
Basic Materials	30,934	53,382	22,448	-
Chemicals	13,907	16,130	2,223	-
Communication	7,940	7,793	-	147
Consumer Goods	251,360	294,819	59,612	16,153
Discount	64,609	122,146	57,537	-
Electronics	93,742	110,845	17,103	-
Energy	48,392	52,268	5,447	1,571
Entertainment	28,536	35,141	6,605	-
Farm Products	49,762	60,900	11,138	-
Financial Services	536,536	737,687	206,484	5,333
Food Company	119,671	152,860	33,189	-
Healthcare	229,928	351,740	121,812	-
Hotel	41,559	81,900	40,341	-
Household Products	66,541	54,300	-	12,241
Industrial Goods	200,646	212,640	49,810	37,816
Insurance	181,852	215,562	33,710	-
Media	22,661	23,524	863	-
Oil & Gas	109,558	81,567	-	27,991
Pharmaceuticals	103,281	185,110	81,829	-
Real Estate	110,931	49,432	-	61,499
Security	34,672	51,695	17,023	-
Services	22,967	32,113	9,146	-
Software	124,902	345,947	221,045	-
Technology	381,871	509,823	130,750	2,798
Transportation	16,171	21,840	5,669	-
Utilities	52,720	66,996	14,276	-
	3,093,537	4,097,033	1,169,045	165,549
Exchange Traded Fund	1,283,804	1,530,138	246,334	-
Mutual Funds:				
Financial Services	124,582	156,960	32,378	-
Equity fund	2,124,556	2,678,501	592,764	38,819
Fixed income funds	697,778	696,171	1,558	3,165
Other funds	103,391	106,150	2,759	-
	3,050,307	3,637,782	629,459	41,984
Real Estate Investment Trust	385,240	528,424	157,987	14,803
Total Marketable Equity Securities	7,812,888	9,793,377	2,202,825	222,336
Grand Total	**$ 9,355,545**	**$ 11,321,029**	**$ 2,204,960**	**$ 239,476**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 - DEBT AND MARKETABLE EQUITY SECURITIES (CONTINUED)

Proceeds from sales of securities and maturities of bonds classified as available-for- sale during the year were $1,208,121 and $1,565,044, respectively. Gains of $7,880 were realized on these sales.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to level of risk associated with certain investment securities, it is at least reasonably possible that changes in any of these factors could materially affect amounts reported.

NOTE 3 - FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) ASC 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value and required disclosures about fair value measurement. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Common Stock and Exchanged Traded Fund: Valued at the closing price reported on the active market on which the individual securities are traded.

Municipal Bonds: Generally valued based on values provided by a pricing service which is based on the average value of the trades that occurred for the specific bond on the closing date or the closest date to the closing date.

Mutual Funds and Real Estate Investment Trust: Valued at the net asset value (NAV) of shares held by the Company at year end, based on published market quotations on active markets.

Corporate Bonds: Generally valued based on values provided by a pricing service which is based on the average value of the trades that occurred for the specific bond on the closing date or the closest date to the closing date.

Swap Agreements: Values estimated based on a model used by the bank. Under this model, settlement value is estimated using a present value calculation of the swap's remaining estimated cash flows using a valuation technique that is not adjusted for nonperformance risk. Interest rate yield curves are the significant inputs into this valuation model. These inputs are observable over active markets.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

The preceding method described may produce a settlement value calculation that may not be indicative of net realizable value or reflective of future settlement values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the settlement value of certain financial instruments could result in a different settlement value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Company's assets at fair value as of August 31, 2018:

Description	Total	Level 1	Level 2	Level 3
Common Stocks:				
Airline	$ 64,328	$ 64,328	$ -	$ -
Automobile	104,545	104,545	-	-
Basic Materials	53,382	53,382	-	-
Chemicals	16,130	16,130	-	-
Communication	7,793	7,793	-	-
Consumer Goods	294,819	294,819	-	-
Discount	122,146	122,146	-	-
Electronics	110,845	110,845	-	-
Energy	52,268	52,268	-	-
Entertainment	35,141	35,141	-	-
Farm Products	60,900	60,900	-	-
Financial Services	737,687	737,687	-	-
Food Company	152,860	152,860	-	-
Healthcare	351,740	351,740	-	-
Hotel	81,900	81,900	-	-
Household Products	54,300	54,300	-	-
Industrial Goods	212,640	212,640	-	-
Insurance	215,562	215,562	-	-
Media	23,524	23,524	-	-
Oil & Gas	81,567	81,567	-	-
Pharmaceuticals	185,110	185,110	-	-
Real Estate	49,432	49,432	-	-
Security	51,695	51,695	-	-
Services	32,113	32,113	-	-
Software	345,947	345,947	-	-
Technology	509,823	509,823	-	-
Transportation	21,840	21,840	-	-
Utilities	66,996	66,996	-	-
Total Common Stocks	**$ 4,097,033**	**$ 4,097,033**	**$ -**	**$ -**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Description	Total	Level 1	Level 2	Level 3
Exchange Traded Funds	$ 1,530,138	$1,530,138	$ -	$ -
Mutual Funds:				
Financial Services	156,960	156,960	-	-
Equity Fund	2,678,501	2,678,501		
Fixed income funds	696,171	696,171	-	-
Other funds	106,150	106,150	-	-
Total Mutual Funds	3,637,782	3,637,782	-	-
Real Estate Investment Trust	528,424	528,424	-	-
Municipal Bonds:				
AAA credit rating	369,522	-	369,522	-
AA credit rating	1,107,761	-	1,107,761	-
Total Municipal Bonds	1,477,283	-	1,477,283	-
Corporate Bonds	50,369	-	50,369	-
Total Assets at Fair Value	**$11,321,029**	**$ 9,793,377**	**$1,527,652**	**$ -**

The following table sets forth by level, within the fair value hierarchy, the Company's liabilities at fair value at August 31, 2018:

Description	Total	Level 1	Level 2	Level 3
Interest Swap Agreement				
(Settlement Value)	**$ 348,244**	**$ -**	**$ 348,244**	**$ -**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Land	$ 11,209,862
Building and improvements	72,475,190
Fixtures and equipment	17,702,087
Leasehold improvements	29,127,830
Library	222,004
Total	130,736,973
Less: Accumulated depreciation and amortization	(51,057,858)
Total Property and Equipment	$ 79,679,115

NOTE 5 - LINE OF CREDIT

The College had available a $9,250,000 line of credit with a bank which was decreased to $8,975,000 in February 2018. The interest rate provisions are at the College's option either for a LIBOR loan the greater of 1.5% or the LIBOR rate plus 1.5% or for a prime loan the greater of 2.5% or the fluctuating prime rate. The line of credit expires on February 1, 2019. This line of credit is secured by a general security agreement on the trade accounts receivable of the College. At August 31, 2018 there was no outstanding balance.

Pursuant to this line of credit agreement, the College is required by the bank to adhere to various financial covenants of the College only. At August 31, 2018, the College was in compliance with such covenants.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - CAPITALIZED LEASES

The Company has three sale leaseback agreements for leasehold improvements for One West 190th St., LP, with monthly payments totaling $61,391. Two of the sale leaseback agreements expire in July 2020 and one expires in June 2021. The payments are guaranteed by the College. The leases have been classified as capitalized leases.

The Company also leases computer equipment at the Bronx campus under a capital lease with a monthly payment totaling $5,271. This capital lease expires in August 2020.

The following is a schedule of property held under capital leases at August 31, 2018:

Leasehold improvements	$	3,422,736
Fixtures and equipment		170,512
Less: Accumulated amortization		(720,090)
	$	2,873,158

Amortization expense related to the capital leases amounted to $232,764 for the year ended August 31, 2018.

Present value of future minimum capital lease payments as of August 31, 2018 are as follows:

Years Ending August 31,		
2019	$	799,947
2020		743,158
2021		212,150
Total payment commitment		1,755,255
Less: Amount representing interest		(90,190)
Present value of net minimum lease payments		1,665,065
Less: Current maturities		741,069
Long-term Maturities	$	923,996

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE

A summary of mortgages payable at August 31, 2018 is as follows:

	Principal	Unamortized Debt Issuance Costs
Mortgage payable - bank, due in monthly installments of $8,889 plus interest at 3.58% until December 2018. The mortgage is secured by a mortgage on property on the New Rochelle campus.	$ 44,444	$ -
Mortgage payable - bank, due in monthly installments of $51,111 plus interest at 4.57% (with an effective interest rate of 4.85% when including amortization of debt issuance costs) until November 2024 when a final payment of $3,200,000 is due. This second mortgage is secured by property on the New Rochelle campus. Notes (A) and (B)	6,900,000	54,042
Mortgage payable - bank, due in monthly installments of $165,274 including interest at 5.59% (with an effective interest rate of 5.72% when including amortization of debt issuance costs) until June 2025. The mortgage is secured by property on the New Rochelle campus. Notes (A) and (B)	17,064,850	126,282
Mortgage payable - seller of property, due in monthly installments of $42,427 including interest at 5.00% (with an effective interest rate of 5.39% when including amortization of debt issuance costs) due in May 2025. The mortgage is secured by property on the New Rochelle campus.	2,912,278	61,565
Mortgage payable - seller of property, due in monthly installments of $3,320 including interest at 5.250% due in November 2020. The mortgage is secured by property on the New Rochelle campus.	81,427	-

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE (CONTINUED)

	Principal	Unamortized Debt Issuance Costs
Mortgage payable - bank, due in monthly installments of $58,879 including interest at 4.62% (with an effective interest rate of 5.00% when including amortization of debt issuance costs) until September 2030. The mortgage is secured by a property on the New Rochelle campus and all personal property used in connection with the property. Notes (A) and (C)	$ 6,502,712	$ 23,745
	33,505,711	$ 265,634
Less: Unamortized debt issuance costs	265,634	
	33,240,077	
Less: Current portion	2,517,899	
	$ 30,722,178	

(A) The Company has an interest rate swap agreement with its bank in connection with this mortgage that is more fully described in Note 8.

(B) In connection with the mortgage, the Company has agreed to maintain a minimum debt service ratio. At August 31, 2018 the Company was in compliance with such ratio.

(C) In connection with the purchase and improvements made to the property located at 2375 Jerome Avenue, a consolidated entity obtained a mortgage from a bank which requires the Company to maintain a minimum debt service ratio. At August 31, 2018 the Company was in compliance with such ratio.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 - MORTGAGES PAYABLE (CONTINUED)

Substantially all of the above mortgages are guaranteed by the College. In addition, the mortgage described in (C) is also guaranteed by 434 Main Street Realty, LLC.

At August 31, 2018, long-term debt consisting of financing obligations in Note 9 and mortgage payable maturities are as follows:

Years Ending August 31,	
2019	$ 2,715,766
2020	2,769,316
2021	2,839,205
2022	2,949,350
2023	3,063,611
Thereafter	20,149,966
	$ 34,487,214

Management has not determined the fair value of long term debt since an appraisal was not done because it is cost prohibitive.

Interest expense was $1,889,204 for the year ended August 31, 2018.

NOTE 8 INTEREST RATE SWAP AGREEMENTS

The Company has entered into three interest rate swap agreements with its banks for the purpose of hedging its variable interest rate exposure in connection with three mortgages, two based on LIBOR plus 2.25%, and one based on LIBOR plus 2.00% (Note 7). The swap agreements effectively fix the interest rates at the amounts disclosed in Note 7. The notional amounts under the agreements are always equal to the outstanding mortgage balances. The Company has designated these agreements as cash flow hedges and reported them at settlement value. The settlement value is estimated using a present value calculation of the swap's remaining estimated cash flows using a valuation technique that is not adjusted for performance risk. This may produce a value that may not be indicative of net realizable value or of fair value. Obligations, if any, under the swap agreements are secured by the underlying property. For the year ended August 31, 2018, the Company had an unrealized gain of $1,859,172 relating to the interest rate swap agreements in Note 7, which is included in the consolidated statement of comprehensive income.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - INTEREST RATE SWAP AGREEMENTS (CONTINUED)

Settlement Value of Derivative Instrument

Derivative Designated as Hedging Instrument	Balance Sheet Location	Settlement Value
Interest Rate Swap Contract	Interest Rate Swap Settlement Value Liability	$ 348,244

The Effect of Derivative Instrument on Consolidated Statement of Comprehensive Income

Derivative Designated as Hedging Instrument	Location of Gain on Derivatives	Amount
Interest Rate Swap Contract	Other Comprehensive Income	$ 1,859,172

Location of Gain or Loss Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain Reclassified from Accumulated Other Comprehensive Income into Income
Interest Expense	$ 415,369

NOTE 9 - FINANCING OBLIGATIONS

The equipment financing obligation is due in monthly installments of $652 through November 2018. The loan is secured by the equipment under finance.

The College entered into a financing agreement for software licenses. Monthly payments of $16,326 begin on September 1, 2018 and continue until July 2023.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 - DEFERRED INCOME

Deferred Capital Improvement Reimbursement

On July 1, 2015, the College entered into an agreement (the "Chartwells Agreement") granting Chartwells, an independent contractor, the exclusive right to provide and manage the College's food service program including catering and vending services on its New Rochelle and Bronx campuses until the agreement expires on May 31, 2026.

Under the Chartwells Agreement, Chartwells funded $2,250,000 for capital improvements to the College's dining facilities with $2,000,000 disbursed in 2015 and $250,000 to be disbursed in 2019 (the "Fundings"). The Fundings shall be amortized over the life of the Chartwells Agreement beginning in October 2015 and July 2019, respectively. If the Chartwells Agreement is terminated for any reason prior to the full amortization of the Fundings, the College is liable to Chartwells for such unamortized Fundings. The unamortized balance of the Fundings, which totals $1,446,406 at August 31, 2018, is reflected in deferred capital improvement reimbursement on the consolidated balance sheet.

Deferred Revenue

In addition, Chartwells shall also pay commissions to the College ("Earned Commissions") based on certain gross sales related to the services provided to the College as defined in the Chartwells Agreement. Such Earned Commissions are guaranteed in each year of the term of the Chartwells Agreement to total at least $55,000. In connection with such Earned Commissions, Chartwells provided the College with an advance payment of $250,000 (the "Commission Advance") in October 2015. The College received from Chartwells a partnership bonus and an incentive bonus as defined in the agreement, totaling $115,000. If the Chartwells Agreement is terminated for any reason prior to the completion of the contract, the College is liable to Chartwells for the unearned amount. The balance, which totals $183,823 at August 31, 2018, is reflected in deferred revenue on the consolidated balance sheet.

The College received rent in advance from their tenant, who operates the College's bookstore. The balance was $172,500 at August 31, 2018 and is reflected in deferred revenue on the consolidated balance sheet.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 - STOCKHOLDERS' EQUITY

Common Stock

The College is authorized to issue and has issued two shares of voting and 200 shares of non-voting No Par Value stock.

Information Regarding LLC's with Limited Lives

2505 Jerome Avenue, LLC, was organized under the laws of the State of New York on March 22, 1996, and will continue until December 31, 2030.

NOTE 12 - RETIREMENT PLAN

The Company maintains a 401(k) profit-sharing plan. Individual participants may contribute up to 100% of their total compensation for the Plan year (subject to statutory limits). In addition to a mandatory 3% contribution, the Company may, at its sole discretion, make an additional contribution and/or contribute a discretionary amount as an employer non-elective contribution. The retirement plan contribution for the year ended August 31, 2018 was $1,195,824.

NOTE 13 - RELATED PARTY BALANCES

Due to and Due from Related Parties

Amounts due to related parties are due to unconsolidated affiliated entities and have no interest or payment terms.

Amounts due from related parties are loans to officers that have no interest or repayment terms.

Management has not determined the fair value of due from related parties since an appraisal was not done because it is cost prohibitive.

Included in notes and loans receivable are amounts of approximately $154,000 due from employees.

Investment Advisor Fees

The College used an investment advisor that is related to its stockholders. Fees paid to the investment advisor were $38,718 for the year ended August 31, 2018.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 - DEFERRED COMPENSATION

Under non-qualified deferred compensation agreements, the College has agreed to make certain payments to key employees. The College purchased key-man whole life insurance policies whereby the College is the owner and beneficiary to provide assistance in funding these arrangements. Vesting of these future payments occurs over time and the College is providing for the present value of the future payments beginning at the date of the agreement over the remaining service term of the employee to the normal retirement date. As of August 31, 2018, the liability accrued under these agreements was $1,490,086.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company leases administrative offices, classrooms and housing facilities in the Bronx, New Rochelle, New York and St. Lucia under operating lease agreements expiring in various years through 2033. Certain leases have options to renew under similar terms. Under certain leases, the Company is liable for its share of increases in real estate taxes. Most leases provide that the Company pays all operating expenses. The Company also leases equipment under operating leases expiring in various years through 2023. For the year ended August 31, 2018, rent expense for real estate and equipment was $4,487,406 and $442,648, respectively.

Future minimum lease payments under all non-cancelable operating leases are as follows:

Years Ending August 31,	
2019	$ 5,183,917
2020	4,983,102
2021	4,728,216
2022	4,514,179
2023	3,737,562
Thereafter	22,683,406
Total Minimum Lease	$ 45,830,382

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Cash and Custody Credit Risk Concentration

The Company maintains accounts at several financial institutions located in New York and St. Lucia. The excess of deposit balances reported by four New York banks over amounts covered by federal insurance was approximately $7,587,000 at August 31, 2018. As of August 31, 2018, the Company has approximately $113,000 in a St. Lucia financial institution which is uninsured.

At August 31, 2018, the fair value of securities and money market fund investments held at four brokerage firms located in New York exceeded Securities Investor Protection Corporation ("SIPC") limits by approximately $11,445,000.

Stockholder's Agreement

In the event of the death of a minority stockholder the College is obligated to purchase his shares from the estate at a price (defined in the agreement), which is payable in quarterly installments over ten years.

Litigation

The Company has been named as a defendant in lawsuits arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material effect on the Company's operations or financial position.

NOTE 16 - INCOME TAXES

Deferred income taxes result from temporary differences in reporting transactions for tax and financial purposes. Such differences relate primarily to different methods of accounting for bad debts and deferred compensation.

The components of the net deferred income tax asset at August 31, 2018 are as follows:

Total deferred income tax assets	$ 202,733
Total deferred income tax liabilities	(216,105)
Net Deferred Income Tax Liability	$ (13,372)

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 16 - INCOME TAXES (CONTINUED)

The provision for income taxes for the year ended August 31, 2018, consisting primarily of NYC income taxes, is as follows:

Current income taxes	$ 91,363
Deferred income tax	5,037
Total Income Taxes	**$ 96,400**

NOTE 17 - RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE INCOME (a)

	Gains (Losses) on Cash Flow Hedges	Unrealized Gains (Losses) on Available for Sale Securities	Total
Beginning Balance	$ (2,207,416)	$ 1,103,056	$ (1,104,360)
Other comprehensive income before reclassifications	2,274,541	694,682	2,969,223
Amount reclassified from accumulated other comprehensive income	(415,369)	(7,183)	(422,552)
Net current-period other comprehensive income	1,859,172	687,499	2,546,671
Subtotal	(348,244)	1,790,555	1,442,311
Less: Amount attributable to non-controlling interest	348,244	-	348,244
Ending Balance	**$ -**	**$ 1,790,555**	**$ 1,790,555**

(a) All amounts are net of tax. Amounts in parentheses indicate debits.

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 - 90/10 REVENUE PERCENTAGE

The College derives a substantial portion of its revenues from Student Financial Aid (FSA) received by its students under programs authorized by Title IV of the Higher Education Act of 1965 (HEA), which are administered by the U.S. Department of Education. To continue to participate in the FSA programs, the College must comply with the regulations promulgated under the HEA. The regulations restrict the proportion of cash receipts from tuition, fees and other institutional charges from eligible programs to not be more than 90 percent from the Title IV programs. The failure of the College to meet 90 percent limitation for two consecutive years will result in the loss of the College's ability to participate in Title IV programs. If the College receives more than 90 percent of its revenue from Title IV programs during its fiscal year, the College becomes provisionally certified for the next two fiscal years. This information is required by the U.S. Department of Education and is presented for purposes of additional analysis, and is not a required part of the basic consolidated financial statements.

For the fiscal year ended August 31, 2018, the College cash basis calculation is:

Adjusted Student Title IV Revenue:	$ 60,636,790	=	62.34%
Adjusted Student Title IV Revenue + Student Non-Title IV Revenue	97,269,750		

	Amount Disbursed	Adjusted Amount
Adjusted Student Title IV Revenue:		
Parent/Grad Plus Loan	$ 3,959,207	$ 3,959,207
Subsidized Loan	15,793,508	15,793,508
Unsubsidized Loan	16,011,147	16,011,147
Federal Pell Grant	27,318,657	27,318,657
FSEOG	622,358	466,769
Student Title IV Revenue:	63,704,877	63,549,288
Revenue Adjustment		(2,912,498)
Total Adjusted Student Title IV Revenue		**$ 60,636,790**

MONROE COLLEGE, LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 18 – 90/10 REVENUE PERCENTAGE (CONTINUED)

Student Non-Title IV Revenue:	
Grant funds for the student from non-Federal public agencies or Private sources independent of the institution	$ 14,009,173
Student payments	22,623,787
Total Student Non-Title IV Revenue	**$ 36,632,960**

NOTE 19 - REVENUE CONCENTRATION

The College participates in most federal and state financial aid programs. A substantial portion of the students attending the College rely on these federal and state financial aid programs to meet their tuition needs. Changes in the programs could have a direct impact on the College.

NOTE 20 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 26, 2018, which is the date the consolidated financial statements were available to be issued.

APPENDIX B: REGULATORY AND BANKING RATIOS

Middle States Regulatory Ratios

	FY'18	FY'17	FY'16
Primary Reserve Ratio			
Expendable Reserves (A) / Total Expenses (F-2)	0.18	0.13	0.06
Viability Ratio			
Expendable Reserves (A) / Long Term Debt (B)	0.49	0.32	0.16
Return on Net Assets Ratio			
Total Change in Stockholder's Equity (C) / Total Stockholder's Equity [Beg. of Year] (D)	0.06	0.08	0.01
Net Income Ratio			
Total Net Income/(Loss) (E) / Total Operating Revenue (F-1)	0.03	0.05	0.03
Debt Coverage Ratio			
Adjusted Net Income/(Loss) (G) / Debt Service (H)	2.04	2.50	2.05
Net Tuition Dependency Ratio			
Net Tuition Revenue (I-J) / Total Operating Revenue (F-1)	0.93	0.94	1.22
Tuition Discount Ratio			
Tuition Discount [Financial Aid] (J) / Total Tuition & Fees (I)	0.23	0.16	0.13
KPMG FINANCIAL RATIO ANALYSIS (FINANCIAL HEALTH)	1.99	2.16	0.86

Middle States Banking Ratio

	FY'18	FY'17	FY'16
Financial Ratio - Monroe College, Ltd. (Stand-Alone)			
Total Liabilities / Tangible Net Worth	1.11	1.01	0.98

Other Regulatory and Banking Ratios

Type of Ratio	Explanation	FY13	FY14	FY15	FY16	FY17	FY18
Banking	Debt Service (Pre-tax income [a] / Current Portion of Long-term Debt)	4.58	*1.99	2.99	2.04	2.34	1.95
Regulatory	Weighted average of Primary Reserve, Equity, and Net Income Ratios	2.53	2.25	2.51	2.21	2.71	2.89

(a) Before interest tax and depreciation/amortization expense

* FY14 is lower due to the timing of dormitory reimbursements to the College, which necessitated temporary drawdowns from our line of credit. If not for these drawdowns, the ratio would have been 4.99.

APPENDIX C: OPERATIONAL BUDGETS 2018–2023

Five Year Budget, All Campuses

	2018-2019 Budget Year	2019-2020 Budget Year	2020-2021 Budget Year	2021-2022 Budget Year	2022-2023 Budget Year
Net Revenue	**$99,744,696**	**$99,036,865**	**$103,396,613**	**$107,941,265**	**$112,658,966**
Other Income					
Commission Income	$297,000	$139,196	$144,002	$149,065	$154,431
Miscellaneous Income	1,831,556	1,373,503	1,419,373	1,467,485	1,517,997
Net Revenue & Other Income	**$101,873,252**	**$100,549,564**	**$104,959,988**	**$109,557,815**	**$114,331,394**
Cost of Operations					
Instructional Salaries	$21,084,406	$21,745,951	$22,227,014	$22,786,871	$23,422,419
Instructional Expenses	5,383,677	5,401,977	5,521,179	5,660,081	5,817,636
Total Cost of Operations	**$26,468,083**	**$27,147,928**	**$27,748,193**	**$28,446,952**	**$29,240,055**
Gross Profits	**$75,405,169**	**$73,401,636**	**$77,211,795**	**$81,110,863**	**$85,091,339**
Operating Expenses					
Student Recruitment	$9,095,805	$9,099,474	$9,301,609	$9,536,268	$9,802,888
Occupancy Expenses	29,678,071	29,046,680	29,694,025	30,445,808	31,302,625
Administrative Salaries	4,261,953	4,294,874	4,390,133	4,501,118	4,627,528
General and Administrative Expenses	15,026,260	14,443,204	14,763,299	15,135,570	15,558,516
Student Services	16,495,724	15,830,208	16,181,717	16,589,992	17,053,964
Total Operating Expenses	**$74,557,813**	**$72,714,440**	**$74,330,783**	**$76,208,756**	**$78,345,521**
Income (Loss) From Operations	$847,356	$687,196	$2,881,012	$4,902,107	$6,745,818
Investment Income and Interest Expense	$490,501	$301,512	$308,146	$315,850	$324,537
Income Before Provision for Income	**$1,337,857**	**$988,708**	**$3,189,158**	**$5,217,957**	**$7,070,355**

Five Year Budget, Bronx Campus

	2018-2019 Budget Year	2019-2020 Budget Year	2020-2021 Budget Year	2021-2022 Budget Year	2022-2023 Budget Year
Net Revenue	**$49,143,970**	**$51,087,420**	**$53,318,967**	**$55,676,018**	**$58,198,945**
Other Income					
Commission Income	$225,000	$115,000	$119,050	$123,326	$127,882
Miscellaneous Income	1,236,000	741,850	767,976	795,559	824,950
Net Revenue & Other Income	**$50,604,970**	**$51,944,270**	**$54,205,993**	**$56,594,903**	**$59,151,777**
Cost of Operations					
Instructional Salaries	$12,950,605	$13,247,734	$13,539,184	$13,877,664	$14,259,300
Instructional Expenses	3,475,391	3,586,646	3,665,552	3,757,191	3,860,514
Total Cost of Operations	**$16,425,996**	**$16,834,380**	**$17,204,736**	**$17,634,855**	**$18,119,814**
Gross Profits	**$34,178,974**	**$35,109,890**	**$37,001,257**	**$38,960,048**	**$41,031,963**
Operating Expenses					
Student Recruitment	$4,934,903	$4,928,953	$5,037,390	$5,163,325	$5,305,316
Occupancy Expenses	10,971,263	10,394,770	10,623,455	10,889,041	11,188,490
Administrative Salaries	1,773,524	1,786,825	1,826,135	1,871,788	1,923,262
General and Administrative Expenses	8,388,553	8,035,923	8,212,713	8,418,031	8,649,527
Student Services	8,388,255	8,441,167	8,626,873	8,842,545	9,085,715
Total Operating Expenses	**$34,456,498**	**$33,587,638**	**$34,326,566**	**$35,184,730**	**$36,152,310**
Income (Loss) From Operations	-$277,523	$1,522,252	$2,674,691	$3,775,318	$4,879,653
Investment Income and Interest	$489,000	$300,000	$306,600	$314,265	$322,907
Income Before Provision for Income	**$211,477**	**$1,822,252**	**$2,981,291**	**$4,089,583**	**$5,202,560**

Five Year Budget, New Rochelle Campus

	2018-2019 Budget Year	2019-2020 Budget Year	2020-2021 Budget Year	2021-2022 Budget Year	2022-2023 Budget Year
Net Revenue	**$49,541,958**	**$46,245,071**	**$48,323,259**	**$50,458,847**	**$52,593,608**
Other Income					
Commission Income	$72,000	$24,196	$24,952	$25,739	$26,549
Miscellaneous Income	590,000	625,000	$644,534	$664,853	685,764
Net Revenue & Other Income	**$50,203,958**	**$46,894,267**	**$48,992,745**	**$51,149,439**	**$53,305,921**
Cost of Operations					
Instructional Salaries	$7,915,471	$8,178,795	$8,362,818	$8,576,070	$8,820,488
Instructional Expenses	1,808,923	1,705,471	1,743,844	1,788,312	1,839,279
Total Cost of Operations	**$9,724,394**	**$9,884,266**	**$10,106,662**	**$10,364,382**	**$10,659,767**
Gross Profits	**$40,479,564**	**$37,010,001**	**$38,886,083**	**$40,785,057**	**$42,646,154**
Operating Expenses					
Student Recruitment	$4,133,181	$4,142,661	$4,235,871	$4,343,886	$4,467,687
Occupancy Expenses	18,506,224	18,450,323	18,865,455	19,346,524	19,897,900
Administrative Salaries	2,392,498	2,411,638	2,465,900	2,528,780	2,600,850
General and Administrative Expenses	6,466,772	6,235,491	6,375,790	6,538,373	6,724,717
Student Services	8,017,891	7,299,015	7,463,243	7,653,556	7,871,682
Total Operating Expenses	**$39,516,566**	**$38,539,128**	**$39,406,259**	**$40,411,119**	**$41,562,836**
Income (Loss) From Operations	$962,997	($1,529,127)	($520,176)	$373,938	$1,083,318
Investment Income and Interest	$1,500	$1,512	$1,546	$1,585	$1,630
Income Before Provision for Income	**$964,497**	**($1,527,615)**	**($518,630)**	**$375,523**	**$1,084,948**

Five Year Budget, St. Lucia Campus

	2018-2019 Budget Year	2019-2020 Budget Year	2020-2021 Budget Year	2021-2022 Budget Year	2022-2023 Budget Year
Net Revenue	**$1,058,768**	**$1,704,374**	**$1,754,387**	**$1,806,400**	**$1,866,413**
Other Income					
Miscellaneous Income	$5,556	$6,653	$6,863	$7,073	$7,283
Net Revenue & Other Income	**$1,064,324**	**$1,711,027**	**$1,761,250**	**$1,813,473**	**$1,873,696**
Cost of Operations					
Instructional Salaries	$218,330	$319,422	$325,012	$333,137	$342,631
Instructional Expenses	99,363	109,860	111,783	114,578	117,843
Total Cost of Operations	**$317,693**	**$429,282**	**$436,795**	**$447,715**	**$460,474**
Gross Profits	**$746,631**	**$1,281,745**	**$1,324,455**	**$1,365,758**	**$1,413,222**
Operating Expenses					
Student Recruitment	$27,721	$27,860	$28,348	$29,057	$29,885
Occupancy Expenses	200,584	201,587	205,115	210,243	216,235
Administrative Salaries	95,931	96,411	98,098	100,550	103,416
General and Administrative Expenses	170,935	171,790	174,796	179,166	184,272
Student Services	89,578	90,026	91,601	93,891	96,567
Total Operating Expenses	**$584,749**	**$587,674**	**$597,958**	**$612,907**	**$630,375**
Income (Loss) From Operations	$161,882	$694,071	$726,497	$752,851	$782,847
Investment Income and Interest	$0	$0	$0	$0	$0
Income Before Provision for Income	**$161,882**	**$694,071**	**$726,497**	**$752,851**	**$782,847**

APPENDIX D: CAPITAL BUDGETS 2018–2023

Bronx Capital Budgets 2018–2023

	PC	2018–19	2019–20	2020–21	2021–22	2022–23
Facilities-Projects						
Reserve for furniture	4	$45,000	$45,000	$45,000	$45,000	$45,000
King Hall-Phase I	10	150,000	-	-	-	-
King Hall-Phase II	8	-	-	-	3,000,000	-
Annex Showers	7	-	100,000	-	-	-
Cargo Vans-Athletics	9	120,000	-	-	-	-
Jerome Hall-Elevator	8	-	350,000	-	-	-
Mintz Auditorium Renovation	7	100,000	-	-	-	-
2409 Jerome Ave Development	10	-	-	-	-	40,000,000
Total		*$415,000*	*$495,000*	*$45,000*	*$3,045,000*	*$40,045,000*
Facilities-Deferred Maintenance						
King Hall- Roof (Dome)	6	-	-	-	-	$100,000
King Hall- 20 of 30 ac units to be replaced (3 per year)	8	200,000	200,000	200,000	200,000	200,000
King Hall- Boiler Replacement	6	-	-	-	-	200,000
Jerome Hall-Replace 1 of 3 ac units	6	-	-	60,000	-	-
Total		*$200,000*	*$200,000*	*$260,000*	*$200,000*	*$400,000*
Technology Based						
SIT Upgrade	8	$105,000	-	-	-	-
Classroom Upgrades	8	9,000	9,000	9,000	9,000	9,000
Thin Clients	6	15,000	15,000	15,000	15,000	15,000
Administrative Technology Updates	6	95,000	95,000	95,000	95,000	95,000
Chasis Switch Upgrades	10	65,000	65,000	-	-	-
Battery Replacement	6	40,000	20,000	20,000	20,000	20,000
General Infrastructure	8	184,000	1,200,000	100,000	100,000	100,000
CPU/Memory Upgrades	6	24,000	24,000	12,000	-	-
Power Supply (UPS)	4	13,000	13,000	13,000	13,000	13,000
Server Vmware Host Upgrades	4	105,000	-	-	-	-
Campus Wireless	10	50,000	-	-	-	-
EqualLogic	7	20,000	-	-	-	-
Total		*$537,000*	*$1,428,000*	*$251,000*	*$239,000*	*$239,000*
Bronx Campus Total		*$1,152,000*	*$2,123,000*	*$556,000*	*$3,484,000*	*$40,684,000*

New Rochelle Capital Budgets 2018–2023

	PC	2018–19	2019–20	2020–21	2021–22	2022–23
Facilities- Projects						
Culinary Renovations	8	$95,000	-	-	-	-
Locust Dorm Furniture	10	170,000	-	-	-	-
Reserve for Furniture	4	-	45,000	45,000	45,000	45,000
Main Hall Classroom Upgrades (Room 514, 515, & 516)	5	-	100,000	-	-	-
Bleachers Build Out	7	-	76,000	-	-	-
Business & Acct. Finance Lab	6	-	75,000	-	-	-
Culinary Improvements (Plumbing, Meter hook up, & Electrical)	8	22,000	-	-	-	-
Locust Improvements (Cameras & Other)	10	60,000	50,000	-	-	-
145 Huguenot -Online Adm. Construction	8	40,000	-	-	-	-
Exploratory Drainage- Milavec Hall	7	26,000	-	-	-	-
Drainage work- Milavec Hall	8	100,000	-	-	-	-
Milavec - Backup Generator	5	-	-	200,000	-	-
Two Forty Seat Buses	6	-	-	350,000	-	-
Franklin- Phase I- Parking Lot	6	-	200,000		-	-
Franklin- Phase II- Academic/ Administrative Facility	5	-	-	-	18,750,000	-
Total		***$513,000***	***$546,000***	***$595,000***	***$18,795,000***	***$45,000***

	PC	2018–19	2019–20	2020–21	2021–22	2022–23
Facilities-Deferred Maintenance						
5 Franklin- New Roof	6	-	35,000	-	-	-
33 Echo- New Roof	6	-	40,000	-	-	-
Harrison Hall- AC/Heater	6	15,000	-	-	-	-
33 Echo- Waterproofing	6	20,000	20,000	-	-	-
34 Echo- Other Repairs (kitchen & Outside)	5	-	30,000	-	-	-
Milavec- New Roof	6	-	-	50,000	-	-
Allison Hall-Parking Lot	5	-	10,000	-	-	-
Allison Hall-AC/Heater	6	-	-	150,000	-	-
5 Franklin-Replacement windows	5	-	-	50,000	-	-
6 Franklin-AC/Heater	5	-	35,000	-	-	-
Main Hall- Repair Front	5	-	25,000	-	-	-
Main Hall- Repair Front Windows	4	10,000	-	-	-	-
Main Hall- Replace ac/heater & roof top	5	50,000	50,000	50,000	50,000	50,000
Total		*$95,000*	*$245,000*	*$300,000*	*$50,000*	*$50,000*
Technology Based						
Classroom Upgrades	8	6,000	6,000	6,000	6,000	6,000
Thin Clients	6	15,000	15,000	15,000	15,000	15,000
Administrative Technology Updates	6	95,000	95,000	95,000	95,000	95,000
General Infrastructure	8	300,000	300,000	300,000	300,000	300,000
Campus Wireless	10	60,000	-	-	-	-
Power Supply	4	13,000	-	-	-	-
Total		*$489,000*	*$416,000*	*$416,000*	*$416,000*	*$416,000*
New Rochelle Campus Total		*$1,097,000*	*$1,207,000*	*$1,311,000*	*$19,261,000*	*$511,000*

St. Lucia Capital Budgets 2018–2023

	PC	2018–19	2019–20	2020–21	2021–22	2022–23
Facilities- Projects						
Reserved for Capital Projects	8	$20,000	$20,000	$20,000	$20,000	$20,000
St. Lucia Campus Total		*$20,000*	*$20,000*	*$20,000*	*$20,000*	*$20,000*

APPENDIX E: PROJECTED ENROLLMENT 2018–2023

Five-Year Enrollment Projections

Campus	Year 1 -2018-2019			Year 2 -2019-2020			Year 3 -2020-2021			Year 4 -2021-2022			Year 5 -2022-2023		
	Fall 2018	Winter 2019	Spring 2019	Fall 2019	Winter 2020	Spring 2020	Fall 2020	Winter 2021	Spring 2021	Fall 2021	Winter 2022	Spring 2022	Fall 2022	Winter 2023	Spring 2023
Bronx	3227	3045	2637	3088	2724	2348	3150	2779	2395	3213	2834	2443	3277	2891	2492
New Rochelle	2971	2769	2007	2713	2473	1738	2794	2547	1790	2878	2623	1843	2964	2702	1899
Monroe Online	664	708	736	922	920	910	1005	995	965	1095	1084	1051	1194	1182	1147
St. Lucia	238	243	229	285	276	238	294	285	276	303	294	285	312	303	294
Total	7100	6765	5609	7008	6393	5234	7243	6606	5426	7489	6835	5622	7747	7078	5832

The five-year enrollment projections above begin with the original budget projection for 2018-2019 and continue with updated projections for years 2-5 that were completed in May 2019.

APPENDIX F: HISTORICAL FALL TO FALL ENROLLMENT 2013–2018

Fall to Fall Campus Enrollment

Academic Year	Bronx Campus	Rate of Growth	New Rochelle Campus	Rate of Growth	Monroe Online	Rate of Growth	St. Lucia Campus	Rate of Growth	Total	Rate of Growth
FALL 1990	1920	—	500	—	—	—	—	—	2420	—
FALL 1991	1822	–5.1%	483	–3.4%	—	—	—	—	2305	–4.8%
FALL 1992	2010	+10.3%	444	–8.1%	—	—	—	—	2454	+6.5%
FALL 1993	2016	+.3%	448	+.9%	—	—	—	—	2464	+.4%
FALL 1994	1918	–4.9%	399	–10.9%	—	—	—	—	2317	–6.0%
FALL 1995	2594	+35.2%	549	+37.6%	—	—	—	—	3143	+35.6%
FALL 1996	2701	+4.1%	602	+9.7%	—	—	—	—	3303	+5.1%
FALL 1997	2652	–1.8%	633	+5.1%	—	—	—	—	3285	–.5%
FALL 1998	2897	+9.2%	706	+11.5%	—	—	—	—	3603	+9.7%
FALL 1999	3270	+12.9%	801	+13.5%	—	—	—	—	4071	+13.0%
FALL 2000	3381	+3.4%	951	+18.7%	—	—	—	—	4332	+6.4%
FALL 2001	3447	+2.0%	1157	+21.7%	—	—	—	—	4604	+6.3%
FALL 2002	3917	+13.6%	1336	+15.5%	—	—	—	—	5253	+14.1%
FALL 2003	4057	+3.6%	1465	+9.7%	—	—	—	—	5522	+5.1%
FALL 2004	4248	+4.7%	1568	+7.0%	45	—	—	—	5861	+6.1%
FALL 2005	4160	–2.1%	1764	+12.5%	146	+224%	—	—	6070	+3.4%
FALL 2006	4228	+1.6%	1901	+7.8%	172	+17.8%	—	—	6301	+3.8%
FALL 2007	4470	+5.7%	2006	+5.5%	246	+43.8%	83	—	6805	+8.0%
FALL 2008	4462	–.2%	2154	+7.4%	322	+30.9%	316	+281.0%	7254	+6.6%
FALL 2009	4699	+5.3%	2231	+3.6%	386	+19.9%	390	+23.4%	7706	+6.2%
FALL 2010	4229	–10.0%	2173	–2.6%	373	–3.4%	368	–5.6%	7143	–7.3%
FALL 2011	4111	–2.8%	2172	—	371	–.5%	367	–.3%	7021	–1.8%
FALL 2012	4096	–.4%	2419	+11.4%	502	+35.0%	342	–6.8%	7359	+4.8%
FALL 2013	3927	–4.1%	2530	+4.6%	596	+18.7%	374	+9.4%	7427	+.9%
FALL 2014	3742	–4.7%	2568	+1.5%	584	–2.0%	309	–17.4%	7203	–3.0%
FALL 2015	3626	–3.1%	2739	+6.7%	610	+4.5%	264	–14.6%	7239	+.5%
FALL 2016	3265	–10.0%	2936	+7.2%	615	+.8%	231	–11.5%	7047	–2.7%
FALL 2017	2990	–8.4%	2858	–2.7%	541	–12.0%	212	–8.2%	6601	–6.3%
FALL 2018	3037	+1.6%	2798	–2.1%	698	+29.0%	256	+20.8%	6789	+2.8%
Overall Compound Growth Rate		**+1.7%**		**+6.3%**		**+21.6%**		**+10.8%**		**+ 3.8%**

APPENDIX G: INTERNAL CONTROLS

Monroe College has a number of controls in place to:

1. Ensure the achievement of the institution's objectives and its operational effectiveness
2. Ensure operational efficiency
3. Provide reliable financial reporting, and compliance with laws, regulations, and policies
4. Create a separation of responsibilities relating to the maintenance of the College's assets and resources, i.e., cash is reviewed and reconciled on a daily, weekly, and monthly basis

The College has a number of additional controls in place over various financial operations. These controls are reviewed as part of the annual audit by our independent accounting firm and updated as necessary throughout the year. The auditors also review appropriate controls related to our significant vendors including, but not limited to, our payroll vendor (ADP). The main areas of detailed specific controls relate to reconciling cash and investment balances, hiring and other changes to payroll, revenue recognition, collection and write-offs of accounts receivable, adding new vendors, and the authorization of cash disbursements through accounts payable. The College's financial controls have been evaluated each and every year as being both valid and effective during its financial audit. The institution will continue to monitor and update its controls as needed.

Examples of financial controls in place at the College appear below:

1. All expenses over $5,000 are approved by a Sr. Vice President.
2. The College utilizes a service called Positive Pay to prevent unauthorized checks and ACH payments from being processed.
3. All checks are reviewed by a member of the senior finance team before being released.
4. The Bursar is the only office designated to receive cash.
5. All cash must be deposited daily.
6. Two members of the Finance Office monitor all cash transactions on a daily basis.
7. Bank reconciliations are done monthly.

The College requires an appropriate segregation of duties to mitigate the possibility of fraud. Controls also include the ability of the institution to meet its various regulatory and banking covenants. Ratios are monitored at the end of each semester and forecast based on any significant changes, i.e., additional borrowings. A brief overview of our regulatory and banking ratios appears below:

APPENDIX H: DAILY INSTITUTIONAL AID REPORT

Starts & IA Goals for 10/4/2018

Group	Starts Actual	Starts Goal	Gross Actual	Gross Goal	IA Actual	IA Goal	IA Amount	Net Actual	Net Goal	Net Goal Reached	Final Est.
Bronx Adults	308	340	$2,218,607	$2,449,112	14.03%	17%	$311,168	$1,907,439	$2,032,763	93.83%	295
Bronx Career Pathways	31	60	$244,284	$472,808	7.81%	48%	$19,067	$225,217	$245,860	91.6%	32
Bronx Presidential Partnership	368	425	$2,832,501	$3,271,231	35.77%	32%	$1,013,066	$1,819,435	$2,224,437	81.79%	367
Bronx Non-Presidential Partnership	104	150	$807,708	$1,164,963	25.18%	23%	$203,408	$604,300	$897,022	67.37%	104
Bronx UG Total	***811***	***975***	***$6,103,100***	***$7,337,266***	***25.34%***	***26%***	***$1,546,711***	***$4,556,389***	***$5,429,577***	***83.92%***	***798***
NR Adults – Athlete	59	50	$604,532	$512,315	28.75%	25%	$173,833	$430,699	$384,236	112.09%	58
NR Adults – Non Athlete	126	150	$1,130,274	$1,345,564	19.2%	15%	$216,970	$913,304	$1,143,730	79.85%	125
NR Presidential Partnership – Athlete	55	60	$476,770	$520,113	39.61%	32%	$188,853	$287,917	$353,677	81.41%	55
NR Presidential Partnership – Non Athlete	133	165	$1,150,070	$1,426,779	38.12%	32%	$438,359	$711,711	$970,209	73.36%	133
NR Non-Presidential Partnership – Athlete	147	140	$1,686,358	$1,606,055	32%	23%	$539,626	$1,146,732	$1,236,663	92.73%	146
NR Non-Presidential Partnership – Non Athlete	220	235	$2,242,947	$2,395,875	22.38%	23%	$501,925	$1,741,022	$1,844,824	94.37%	220
New Rochelle UG Local Total	***741***	***800***	***$7,297,797***	***$7,878,863***	***28.24%***	***24%***	***$2,061,067***	***$5,236,730***	***$5,987,936***	***87.45%***	***738***
International UG – Athlete	37	50	$432,175	$584,020	78.79%	70%	$340,510	$91,665	$175,206	52.32%	33
International UG – All Others	82	97	$764,984	$904,920	17.97%	20%	$137,447	$627,537	$723,936	86.68%	81
International UG Total	***143***	***172***	***$1,482,320***	***$1,782,930***	***38.53%***	***37%***	***$571,068***	***$911,252***	***$1,123,246***	***81.13%***	***138***
Online – UG & GR	183	200	$693,029	$757,409	13.55%	12%	$93,927	$599,102	$666,520	89.89%	138
Bronx Graduate	76	75	$252,766	$249,440	20.53%	11%	$51,901	$200,865	$222,002	90.48%	38
NR Graduate – Local & International	155	110	$1,044,011	$740,911	18.88%	7%	$197,109	$846,902	$689,047	122.91%	130
St. Lucia – UG & GR	95	72	$0	$0	–	22%	$0	$0	$0	–	0
Bronx Athletics*	129	145	$1,004,588	$1,129,188	27.2%	35%	$273,254	$731,334	$733,972	99.64%	130
NR Athletics Overall*	299	300	$3,212,624	$3,223,369	38.84%	35%	$1,247,822	$1,964,802	$2,095,190	93.78%	293

APPENDIX I: SCHOOL CONTRIBUTION ANALYSIS 2017–2018

School Contribution Analysis 2017–2018

	SCHOOL OF ALLIED HEALTH		SCHOOL OF BUS. & ACCOUNTING		SCHOOL OF CRIMINAL JUSTICE		SCHOOL OF EDUCATION	
	#	#	#	#	#	#	#	#
Category	**Fall 2017**	**2017–2018**	**Fall 2017**	**2017–2018**	**Fall 2017**	**2017–2018**	**Fall 2017**	**2017–2018**
# Students	1084	2885	1685	4411	1530	4182	88	241
# Dorm Students	78	163	430	981	240	602	8	16
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$18,307,316	96.3%	$28,405,036	87.3%	$28,062,580	91.9%	$2,126,621	96.9%
Housing	502,956	2.6%	2,875,764	8.8%	1,771,752	5.8%	54,450	2.5%
Meal	191,026	1.0%	1,272,305	3.9%	691,715	2.3%	13,105	0.6%
Gross Revenue	**$19,001,298**	**–**	**$32,553,105**	**–**	**$30,526,047**	**–**	**$2,194,176**	**–**
Offsets to Income								
Institutional Aid	$3,141,616	16.5%	$7,685,157	23.6%	$5,778,303	18.9%	$687,360	31.3%
Bad Debt	285,019	1.5%	488,297	1.5%	457,891	1.5%	32,913	1.5%
Meal Plan to Chartwells	200,577	1.1%	1,335,920	4.1%	726,301	2.4%	13,760	0.6%
Total Offsets	**$3,627,213**	**19.1%**	**$9,509,374**	**29.2%**	**$6,962,494**	**22.8%**	**$734,033**	**33.5%**
Net Revenue	**$15,374,085**	**80.9%**	**$23,043,731**	**70.8%**	**$23,563,553**	**77.2%**	**$1,460,143**	**66.5%**
Instructional Expenses	3,778,244	19.9%	6,472,904	19.9%	6,069,841	19.9%	667,667	30.4%
Gross Margin	**$11,595,841**	**61.0%**	**$16,570,827**	**50.9%**	**$17,493,712**	**57.3%**	**$792,476**	**36.1%**
Operating & Housing Expenses								
Non-Payroll Expenses	$138,214	0.7%	$63,085	0.2%	$33,523	0.1%	$141,689	6.5%
Housing Costs	$453,303	2.4%	$2,728,161	8.4%	$1,674,162	5.5%	$44,496	2.0%
Total Operating & Housing Exp.	**$591,517**	**3.1%**	**$2,791,246**	**8.6%**	**$1,707,685**	**5.6%**	**$186,185**	**8.5%**
Contribution to the College	**$11,004,324**	**57.9%**	**$13,779,581**	**42.3%**	**$15,786,027**	**51.7%**	**$606,291**	**27.6%**

School Contribution Analysis 2017–2018

	SCHOOL OF HOSP. MANAGEMENT		SCHOOL OF INFO. TECHNOLOGY		SCHOOL OF NURSING		KING GRADUATE SCHOOL	
Category	# Fall 2017	# 2017–2018	# Fall 2017	# 2017–2018	# Fall 2017	# 2017–2018	# Fall 2017	# 2017–2018
# Students	605	1610	529	1491	113	320	786	2283
# Dorm Students	159	422	75	186	3	6	10	33
Gross Revenue	**$**	**%**	**$**	**%**	**$**		**$**	**%**
Gross Tuition	$10,948,404	86.9%	$9,713,743	92.7%	$2,191,774	98.7%	$14,125,430	99.2%
Housing	1,328,066	10.5%	525,338	5.0%	20,275	0.9%	90,077	0.6%
Meal	327,510	2.6%	238,079	2.3%	9,390	0.4%	30,090	0.2%
Gross Revenue	**$12,603,980**	–	**$10,477,160**	–	**$2,221,439**	–	**$14,245,597**	–
Offsets to Income								
Institutional Aid	$2,785,834	22.1%	$2,339,003	22.3%	$369,177	16.6%	$2,202,846	15.5%
Bad Debt	189,060	1.5%	157,157	1.5%	33,322	1.5%	213,684	1.5%
Meal Plan to Chartwells	343,886	2.7%	249,983	2.4%	9,860	0.4%	31,595	0.2%
Total Offsets	**$3,318,779**	**26.3%**	**$2,746,143**	**26.2%**	**$412,358**	**18.6%**	**$2,448,124**	**17.2%**
Net Revenue	**$9,285,201**	**73.7%**	**$7,731,017**	**73.8%**	**$1,809,081**	**81.4%**	**$11,797,473**	**82.8%**
Instructional Expenses	2,546,196	20.2%	2,083,293	19.9%	1,549,240	69.7%	2,832,614	19.9%
Gross Margin	**$6,739,005**	**53.5%**	**$5,647,724**	**53.9%**	**$259,841**	**11.7%**	**$8,964,859**	**62.9%**
Operating & Housing Expenses								
Non-Payroll Expenses	$692,962	5.5%	$12,072	0.1%	$183,978	8.3%	$89,573	0.6%
Housing Costs	$1,173,582	9.3%	$517,266	4.9%	$16,686	0.8%	$91,773	0.6%
Total Operating & Housing Exp.	**$1,866,544**	**14.8%**	**$529,338**	**5.1%**	**$200,664**	**9.0%**	**$181,346**	**1.3%**
Contribution to the College	**$4,872,461**	**38.7%**	**$5,118,386**	**48.9%**	**$59,177**	**2.7%**	**$8,783,513**	**61.7%**

APPENDIX J: SCHOOL CONTRIBUTION ANALYSIS 2018–2019

	SCHOOL OF ALLIED HEALTH PROFESSIONS		SCHOOL OF BUSINESS AND ACCOUNTING		SCHOOL OF CRIMINAL JUSTICE		SCHOOL OF EDUCATION	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	1,025	2,832	1,793	4,607	1,677	4,485	83	230
# Dorm Students	55	135	398	944	227	565	5	12
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$17,975,653	96.7%	$ 30,214,940	87.3%	$ 30,823,353	92.5%	$ 2,048,769	97.6%
Housing	484,545	2.6%	3,162,523	9.1%	1,889,823	5.7%	43,850	2.1%
Meal	136,233	0.7%	1,223,092	3.5%	602,151	1.8%	7,134	0.3%
Gross Revenue	**$18,596,431**	**--**	**$ 34,600,554**	**--**	**$ 33,315,327**	**--**	**$ 2,099,753**	**--**
Offsets to Income								
Institutional Aid	$ 3,666,610	19.7%	$ 9,413,724	27.2%	$ 7,151,281	21.5%	$ 772,705	36.8%
Bad Debt	464,911	2.5%	865,014	2.5%	832,883	2.5%	52,494	2.5%
Meal Plan to Chartwells	143,045	0.8%	1,284,247	3.7%	632,259	1.9%	7,491	0.4%
Total Offsets	**$ 4,274,566**	**23.0%**	**$ 11,562,985**	**33.4%**	**$ 8,616,423**	**25.9%**	**$ 832,690**	**39.7%**
Net Revenue	**$14,321,865**	**77.0%**	**$ 23,037,569**	**66.6%**	**$ 24,698,904**	**74.1%**	**$ 1,267,063**	**60.3%**
Instructional Expenses	3,686,107	19.8%	6,858,377	19.8%	6,603,625	19.8%	746,146	35.5%
Gross Margin	**$10,635,758**	**57.2%**	**$ 16,179,192**	**46.8%**	**$ 18,095,279**	**54.3%**	**$ 520,917**	**24.8%**
Operating & Housing Expenses								
Non-Payroll Expenses	$ 125,201	0.7%	$ 66,268	0.2%	$ 41,548	0.1%	$ 136,776	6.5%
Housing Costs	$ 375,435	2.0%	$ 2,625,264	7.6%	$ 1,571,265	4.7%	$ 33,372	1.6%
Total Operating & Housing Expense	**$ 500,636**	**2.7%**	**$ 2,691,532**	**7.8%**	**$ 1,612,813**	**4.8%**	**$ 170,148**	**8.1%**
Contribution to the College	**$10,135,122**	**54.5%**	**$ 13,487,660**	**39.0%**	**$ 16,482,466**	**49.5%**	**$ 350,769**	**16.7%**

School Contribution Analysis 2018–2019

	SCHOOL OF HOSPITALITY MANAGEMENT		SCHOOL OF INFORMATION TECHNOLOGY		SCHOOL OF NURSING		KING GRADUATE SCHOOL	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	582	1,572	585	1,513	106	314	811	2,316
# Dorm Students	189	491	79	183	1	5	22	54
Gross Revenue	$	%	$	%	$	%	$	%
Gross Tuition	$10,584,267	84.2%	$ 9,647,154	92.1%	$ 2,027,775	99.0%	$14,182,069	98.8%
Housing	1,708,135	13.5%	597,992	5.7%	19,530	1.0%	129,819	0.9%
Meal	288,487	2.3%	232,324	2.2%	--	0.0%	45,286	0.3%
Gross Revenue	**$12,575,889**	**--**	**$ 10,477,470**	**--**	**$ 2,047,305**	**--**	**$14,357,173**	**--**
Offsets to Income								
Institutional Aid	$ 3,287,359	26.1%	$2,664,978	25.4%	$ 338,042	16.5%	$ 2,818,052	19.6%
Bad Debt	314,397	2.5%	261,937	2.5%	51,183	2.5%	358,929	2.5%
Meal Plan to Chartwells	302,911	2.4%	243,940	2.3%	--	0.0%	47,550	0.3%
Total Offsets	**$ 3,904,667**	**31.0%**	**$ 3,170,855**	**30.3%**	**$ 389,224**	**19.0%**	**$ 3,224,531**	**22.5%**
Net Revenue	**$ 8,671,222**	**69.0%**	**$ 7,306,615**	**69.7%**	**$ 1,658,081**	**81.0%**	**$11,132,642**	**77.5%**
Instructional Expenses	2,576,300	20.5%	2,076,800	19.8%	1,501,507	73.3%	2,845,819	19.8%
Gross Margin	**$ 6,094,922**	**48.5%**	**$ 5,229,815**	**49.9%**	**$ 156,574**	**7.6%**	**$ 8,286,823**	**57.7%**
Operating & Housing Expenses								
Non-Payroll Expenses	$ 674,626	5.4%	$ 15,072	0.1%	$ 224,755	11.0%	$ 104,118	0.7%
Housing Costs	1,365,471	10.9%	508,923	4.9%	13.905	0.7%	150,174	1.0%
Total Operating & Housing Expense	**$ 2,040,097**	**16.2%**	**$ 523,995**	**5.0%**	**$ 238,660**	**11.7%**	**$ 254,292**	**1.8%**
Contribution to the College	**$ 4,054,825**	**32.2%**	**$ 4,705,820**	**44.9%**	**$ (82,086)**	**-4.0%**	**$ 8,032,531**	**55.9%**

APPENDIX K: ATHLETIC CONTRIBUTION ANALYSIS 2017–2018

New Rochelle Division I – Men

	MEN'S TRACK		MEN'S SOCCER		MEN'S RUGBY	
Category	# Fall 2017		# Fall 2017		# Fall 2017	
# Students	38		85		42	
# Dorm Students	26		53		25	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 592,896	72.1%	$1,410,046	73.4%	$ 599,531	74.4%
Housing	156,809	19.1%	340,304	17.7%	140,207	17.4%
Meal	72,625	8.8%	171,588	8.9%	66,214	8.2%
Gross Revenue	**$ 822,330**	**--**	**$1,921,938**	**--**	**$ 805,952**	**--**
Offsets to Income						
Institutional Aid	$ 278,672	33.9%	$ 757,916	39.4%	$ 131,268	16.3%
Bad Debt	12,335	1.5%	28,829	1.5%	12,089	1.5%
Meal Plan to Chartwells	76,256	9.3%	180,167	9.4%	69,525	8.6%
Total Offsets	**$ 367,263**	**44.7%**	**$ 966,912**	**50.3%**	**$ 212,882**	**26.4%**
Net Revenue	**$ 455,067**	**55.3%**	**$ 955,026**	**49.7%**	**$ 593,070**	**73.6%**
Instructional Expenses	163,644	19.9%	382,466	19.9%	160,384	19.9%
Gross Margin	**$ 291,423**	**35.4%**	**$ 572,560**	**29.8%**	**$ 432,686**	**53.7%**
Operating & Housing Expenses						
Non-Payroll Expenses	$ 385,357	46.9%	$ 478,289	24.9%	$ 241,127	29.9%
Housing Costs	139,050	16.9%	305,910	15.9%	133,488	16.6%
Total Operating & Housing Expense	**$ 524,407**	**63.8%**	**$ 784,199**	**40.8%**	**$ 374,615**	**46.5%**
Contribution to the College	**$ (232,984)**	**-28.3%**	**$ (211,639)**	**-11.0%**	**$ 58,071**	**7.2%**

New Rochelle Division I – Men (continued)

Category	MEN'S BASEBALL # Fall 2017		MEN'S BASKETBALL # Fall 2017		MEN'S FOOTBALL # Fall 2017	
# Students	90		49		98	
# Dorm Students	47		28		92	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$1,561,609	75.4%	$ 749,090	73.8%	$ 1,595,653	64.9%
Housing	336,125	16.2%	180,208	17.8%	565,951	23.0%
Meal	174,281	8.4%	85,340	8.4%	297,086	12.1%
Gross Revenue	**$2,072,015**	**--**	**$1,014,638**	**--**	**$ 2,458,690**	**--**
Offsets to Income						
Institutional Aid	$ 726,656	35.1%	$ 395,632	39.0%	$ 866,705	35.3%
Bad Debt	31,080	1.5%	15,220	1.5%	36,880	1.5%
Meal Plan to Chartwells	182,995	8.8%	89,607	8.8%	311,940	12.7%
Total Offsets	**$ 940,731**	**45.4%**	**$ 500,459**	**49.3%**	**$ 1,215,526**	**49.4%**
Net Revenue	**$1,131,284**	**54.6%**	**$ 514,179**	**50.7%**	**$ 1,243,164**	**50.6%**
Instructional Expenses	412,331	19.9%	201,913	19.9%	489,279	19.9%
Gross Margin	**$ 718,953**	**34.7%**	**$ 312,266**	**30.8%**	**$ 753,885**	**30.7%**
Operating & Housing Expenses						
Non-Payroll Expenses	573,012	27.7%	418,046	41.2%	752,275	30.6%
Housing Costs	$ 280,881	13.6%	$ 158,517	15.6%	$ 508,923	20.7%
Total Operating & Housing Expense	**$ 853,893**	**41.2%**	**$ 576,563**	**56.8%**	**$ 1,261,198**	**51.3%**
Contribution to the College	**$ (134,940)**	**-6.5%**	**$ (264,297)**	**-26.0%**	**$ (507,313)**	**-20.6%**

New Rochelle Division I – Women

	WOMEN'S SOCCER		WOMEN'S RUGBY		MARCHING BAND (CO-ED)	
Category	# Fall 2017		# Fall 2017		# Fall 2017	
# Students	32		23		38	
# Dorm Students	28		14		28	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 586,242	70.6%	$ 489,838	77.5%	$ 848,082	69.8%
Housing	167,165	20.1%	111,023	17.6%	265,638	21.9%
Meal	77,209	9.3%	31,143	4.9%	101,127	8.3%
Gross Revenue	**$ 803,616**	**--**	**$ 632,004**	**--**	**$1,214,847**	**--**
Offsets to Income						
Institutional Aid	$ 416,226	50.1%	$ 112,162	17.7%	$ 318,264	26.2%
Bad Debt	12,459	1.5%	9,480	1.5%	18,223	1.5%
Meal Plan to Chartwells	81,069	9.8%	32,700	5.2%	106,183	8.7%
Total Offsets	**$ 509,755**	**61.4%**	**$ 154,342**	**24.4%**	**$ 442,670**	**36.4%**
Net Revenue	**$ 320,861**	**38.6%**	**$ 477,662**	**75.6%**	**$ 772,177**	**63.6%**
Instructional Expenses	165,293	19.9%	125,769	19.9%	241,755	19.9%
Gross Margin	**$ 155,568**	**18.7%**	**$ 351,893**	**55.7%**	**$ 530,422**	**43.7%**
Operating & Housing Expenses						
Non-Payroll Expenses	$ 370,632	44.6%	$ 140,941	22.3%	$ 160,931	13.2%
Housing Costs	158,517	19.1%	97,335	15.4%	197,451	16.3%
Total Operating & Housing Expense	**$ 529,149**	**63.7%**	**$ 238,276**	**37.7%**	**$ 358,382**	**29.5%**
Contribution to the College	**$ (373,581)**	**-45.0%**	**$ 113,617**	**18.0%**	**$ 172,040**	**14.2%**

New Rochelle Division I – Women (continued)

	WOMEN'S BASKETBALL		WOMEN'S SOFTBALL		WOMEN'S VOLLEYBALL		WOMEN'S TRACK	
Category	# Fall 2017		# Fall 2017		# Fall 2017		# Fall 2017	
# Students	18		20		14		24	
# Dorm Students	16		11		14		19	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 365,915	65.6%	$ 340,131	76.3%	$ 233,059	64.4%	$ 395,558	68.0%
Housing	131,412	23.6%	70,961	15.9%	84,965	23.5%	126,974	21.8%
Meal	60,346	10.8%	34,446	7.7%	43,820	12.1%	59,274	10.2%
Gross Revenue	**$ 557,673**	**--**	**$ 445,538**	**--**	**$ 361,844**	**--**	**$ 581,806**	**--**
Offsets to Income								
Institutional Aid	$ 247,487	44.4%	$ 166,145	37.3%	$ 248,184	68.6%	$ 276,895	47.6%
Bad Debt	8,365	1.5%	6,683	1.5%	5,428	1.5%	8,727	1.5%
Meal Plan to Chartwells	63,363	11.4%	36,168	8.1%	46,011	12.7%	62,238	10.7%
Total Offsets	**$ 319,215**	**57.2%**	**$ 208,996**	**46.9%**	**$ 299,623**	**82.8%**	**$ 347,860**	**59.8%**
Net Revenue	**$ 238,458**	**42.8%**	**$ 236,542**	**53.1%**	**$ 62,221**	**17.2%**	**$ 233,946**	**40.2%**
Instructional Expenses	110,977	19.9%	88.662	19.9%	72,007	19.9%	115,779	19.9%
Gross Margin	**$ 127,481**	**22.9%**	**$ 147,880**	**33.2%**	**$ 9,786**	**-2.7%**	**$ 118,167**	**20.3%**
Operating & Housing Expenses								
Non-Payroll Expenses	$ 261,072	46.8%	$ 278,224	62.4%	$ 323,101	89.3%	$ 272,921	46.9%
Housing Costs	122,364	21.9%	63,963	14.4%	77,868	21.5%	116,802	20.1%
Total Operating & Housing Expense	**$ 383,436**	**68.8%**	**$ 342,187**	**76.8%**	**$ 400,969**	**110.8%**	**$ 389,723**	**67.0%**
Contribution to the College	**$ (255,955)**	**-45.9%**	**$ (194,307)**	**-43.6%**	**$(410,755)**	**-113.5%**	**$ (271,556)**	**-46.7%**

Bronx Division III – Men

Category	MEN'S BASEBALL # Fall 2017		MEN'S BASKETBALL # Fall 2017		MEN'S SOCCER # Fall 2017	
# Students	45		34		34	
# Dorm Students	0		0		2	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 828,456	100.00%	$ 437,446	100.0%	$ 696,943	98.1%
Housing	--	0.0%	--	0.0%	8,825	1.2%
Meal	--	0.0%	--	0.0%	4,695	0.7%
Gross Revenue	**$ 828,456**	**--**	**$ 437,446**	**--**	**$ 710,463**	**--**
Offsets to Income						
Institutional Aid	$ 259,174	31.3%	$ 124,359	28.4%	$ 332,288	46.8%
Bad Debt	12,427	1.5%	6,562	1.5%	10,657	1.5%
Meal Plan to Chartwells	--	0.0%	--	0.0%	4,930	0.7%
Total Offsets	**$ 271,601**	**32.8%**	**$ 130,921**	**29.9%**	**$ 347,875**	**49.0%**
Net Revenue	**$ 556,855**	**67.2%**	**$ 306,525**	**70.1%**	**$ 362,588**	**51.0%**
Instructional Expenses	164,863	19.9%	87,052	19.9%	141,382	19.9%
Gross Margin	**$ 391,992**	**47.3%**	**$ 219,473**	**50.2%**	**$ 221,206**	**31.1%**
Operating & Housing Expenses						
Non-Payroll Expenses	$ 190,505	23.0%	$ 168,797	38.6%	$ 270,046	38.0%
Housing Costs	--	0.0%	--	0.0%	$ 8,343	1.2%
Total Operating & Housing Expense	**$ 190,505**	**23.0%**	**$ 168,797**	**38.6%**	**$ 278,389**	**39.2%**
Contribution to the College	**$ 201,487**	**24.3%**	**$ 50,676**	**11.6%**	**$ (57,183)**	**-8.0%**

Bronx Division III – Women

Category	WOMEN'S BASKETBALL # Fall 2017		WOMEN'S VOLLEYBALL # Fall 2017		WOMEN'S SOCCER # Fall 2017	
# Students	13		18		17	
# Dorm Students	0		0		2	
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 192,663	100.0%	$ 384,805	100.0%	$ 258,655	93.8%
Housing	--	0.0%	--	0.0%	12,375	4.5%
Meal	--	0.0%	--	0.0%	4,695	1.7%
Gross Revenue	**$ 192,663**	**--**	**$ 384,805**	**--**	**$ 275,725**	**--**
Offsets to Income						
Institutional Aid	$ 49,919	25.9%	$ 108,263	28.1%	$ 87,279	31.7%
Bad Debt	2,890	1.5%	5,772	1.5%	4,136	1.5%
Meal Plan to Chartwells	--	0.0	--	0.0%	4,930	1.8%
Total Offsets	**$ 52,809**	**27.4%**	**$ 114,035**	**29.6%**	**$ 96,345**	**34.9%**
Net Revenue	**$ 139,854**	**72.6%**	**$ 270,770**	**70.4%**	**$ 179,380**	**65.1%**
Instructional Expenses	38,340	19.9%	76,576	19.9%	54,869	19.9%
Gross Margin	**$ 101,514**	**52.7%**	**$ 194,194**	**50.5%**	**$ 124,511**	**45.2%**
Operating & Housing Expenses						
Non-Payroll Expenses	$ 153,452	79.6%	$ 150,327	39.1%	$ 180,347	65.4%
Housing Costs	--	0.0%	--	0.0%	$ 11,124	4.0%
Total Operating & Housing Expense	**$ 153,452**	**79.6%**	**$ 150,327**	**39.1%**	**$ 191,471**	**69.4%**
Contribution to the College	**$ (51,938)**	**-27.0%**	**$ 43,867**	**11.4%**	**$ (66,960)**	**-24.3%**

APPENDIX L: ATHLETIC CONTRIBUTION ANALYSIS 2018–2019

New Rochelle Division I – Men

	MEN'S TRACK EM = 2.02		MEN'S SOCCER EM = 2.23		MEN'S RUGBY EM = 2.74	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	51	103	103	230	23	63
# Dorm Students	31	70	51	105	14	38
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 776,536	69.6%	$1,698,878	77.7%	$ 469,340	74.4%
Housing	230,379	20.6%	322,279	14.7%	129,553	20.5%
Meal	109,591	9.8%	163,951	7.5%	31,860	5.1%
Gross Revenue	**$1,116,506**	**--**	**$2,185,108**	**--**	**$ 630,753**	**--**
Offsets to Income						
Institutional Aid	$ 454,935	40.7%	$1,013,175	46.4%	$ 73,341	11.6%
Bad Debt	27,913	2.5%	54,628	2.5%	15,769	2.5%
Meal Plan to Chartwells	115,071	10.3%	172,149	7.9%	33,453	5.3%
Total Offsets	**$ 597,918**	**53.6%**	**$1,239,952**	**56.7%**	**$ 122,563**	**19.4%**
Net Revenue	**$ 518,588**	**46.4%**	**$ 945,156**	**43.3%**	**$ 508,189**	**80.6%**
Instructional Expenses	222,185	19.9%	434,836	19.9%	125,520	19.9%
Gross Margin	**$ 296,403**	**26.5%**	**$ 510,320**	**23.4%**	**$ 382,669**	**60.7%**
Operating & Housing Expenses						
Operating Expenses	$402,166	36.0%	$ 580,193	26.6%	$ 225,841	35.8%
Housing Costs	194,670	17.4%	292,005	13.4%	105,678	16.8%
Total Operating & Housing Expense	**$ 596,836**	**53.5%**	**872,198**	**39.9%**	**331,519**	**52.6%**
Contribution to the College	**$ (300,433)**	**-26.9%**	**$ (361,878)**	**-16.6%**	**$ 51,150**	**8.1%**

New Rochelle Division I – Men (continued)

	MEN'S BASEBALL EM = 2.45		MEN'S BASKETBALL EM = 2.38		MEN'S FOOTBALL EM = 2.19	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	110	270	53	126	104	228
# Dorm Students	63	146	28	76	92	201
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$2,017,347	74.6%	$ 940,239	72.8%	$1,730,204	63.9%
Housing	481,020	17.8%	254,987	19.7%	658,392	24.3%
Meal	206,745	7.6%	95,923	7.4%	319,559	11.8%
Gross Revenue	**$2,705,113**	**--**	**$1,291,149**	**--**	**$2,708,155**	**--**
Offsets to Income						
Institutional Aid	$1,019,326	37.7%	$ 442,041	34.2%	$ 996,832	36.8%
Bad Debt	67,628	2.5%	32,279	2.5%	67,704	2.5%
Meal Plan to Chartwells	217,082	8.0%	100,719	7.8%	335,537	12.4%
Total Offsets	**$1,304,036**	**48.2%**	**$ 575,039**	**44.5%**	**$1,400,073**	**51.7%**
Net Revenue	**$1,401,077**	**51.8%**	**$ 716,110**	**55.5%**	**$1,308,082**	**48.3%**
Instructional Expenses	538,317	19.9%	256,939	19.9%	538,923	19.9%
Gross Margin	**$ 862,760**	**31.9%**	**$ 459,171**	**35.6%**	**$ 769,159**	**28.4%**
Operating & Housing Expenses						
Operating Expenses	$ 692,734	25.6%	$ 446,637	34.6%	$ 861,207	31.8%
Housing Costs	406,026	15.0%	211,356	16.4%	558,981	20.6%
Total Operating & Housing Expense	**$1,098,760**	**40.6%**	**$ 657,993**	**51.0%**	**$1,420,188**	**52.4%**
Contribution to the College	**$ (236,000)**	**-8.7%**	**$ (198,822)**	**-15.4%**	**$ (651,029)**	**-24.0%**

New Rochelle Division I – Women

	WOMEN'S SOCCER EM = 2.47		WOMEN'S RUGBY EM = 2.50		MARCHING BAND (CO-ED) EM = 2.49	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	32	79	22	55	51	127
# Dorm Students	26	60	14	39	36	89
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 598,991	67.0%	$ 403,959	71.9%	$ 963,094	69.9%
Housing	197,243	22.1%	137,236	24.4%	313,825	22.8%
Meal	97,777	10.9%	20,606	3.7%	101,801	7.4%
Gross Revenue	**$ 894,010**	**--**	**$ 561,801**	**--**	**$1,378,720**	**--**
Offsets to Income						
Institutional Aid	$ 565,410	63.2%	106,746	19.0%	450,304	32,7%
Bad Debt	22,350	2.5%	14,045	2.5%	34,468	2.5%
Meal Plan to Chartwells	102,666	11.5%	21,636	3.9%	106,891	7.8%
Total Offsets	**$ 690,426**	**77.2%**	**$ 142,427**	**25.4%**	**$ 591,663**	**42.9%**
Net Revenue	**$ 203,585**	**22.8%**	**$ 419,373**	**74.6%**	**$ 787,057**	**57.1%**
Instructional Expenses	177,908	19.9%	111,798	19.9%	274,365	19.9%
Gross Margin	**$ 25,677**	**2.9%**	**$ 307,575**	**54.7%**	**$ 512,692**	**37.2%**
Operating & Housing Expenses						
Operating Expenses	$ 471,273	52.7%%	$ 138,543	24.7%	$ 167,688	12.2%
Housing Costs	166,860	18.7%	108,459	19.3%	247,509	18.0%
Total Operating & Housing Expense	**$ 638,133**	**71.4%**	**$ 247,002**	**44.0%**	**$ 415,197**	**30.1%**
Contribution to the College	**$ (612,456)**	**-68.5%**	**$ 60,573**	**10.8%**	**$ 97,495**	**7.1%**

New Rochelle Division I – Women (continued)

	WOMEN'S BASKETBALL EM = 2.32		WOMEN'S SOFTBALL EM = 2.63		WOMEN'S VOLLEYBALL EM = 2.27		WOMEN'S TRACK EM = 2.17	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	19	44	27	71	22	50	30	65
# Dorm Students	15	35	17	48	16	36	20	39
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 336,732	66.6%	$ 543,750	71.4%	$ 378,538	69.7%	$ 499,624	74.3%
Housing	118,179	23.4%	160,025	21.0%	113,226	20.8%	123,692	18.4%
Meal	50,928	10.1%	58,270	7.6%	51,481	9.5%	49,329	7.3%
Gross Revenue	**$ 505,838**	**--**	**$ 762,045**	**--**	**$ 543,245**	**--**	**$ 672,645**	**--**
Offsets to Income								
Institutional Aid	$ 228,001	45.1%	$ 295,573	38.8%	$ 360,270	66.3%	$ 368,761	54.8%
Bad Debt	12,646	2.5%	19,051	2.5%	13,581	2.5%	16,816	2.5%
Meal Plan to Chartwells	53,474	10.6%	61,184	8.0%	54,055	10.0%	51,795	7.7%
Total Offsets	**$ 294,122**	**58.1%**	**$ 375,808**	**49.3%**	**$ 427,906**	**78.8%**	**$ 437,373**	**65.0%**
Net Revenue	**$ 211,717**	**41.9%**	**$ 386,237**	**50.7%**	**$ 115,339**	**21.2%**	**$ 235,272**	**35.0%**
Instructional Expenses	100,662	19.9%	151,647	19.9%	108,106	19.9%	133,856	19.9%
Gross Margin	**$ 111,055**	**22.0%**	**$ 234,590**	**30.8%**	**$ 7,233**	**1.3%**	**$ 101,416**	**15.1%**
Operating & Housing Expenses								
Operating Expenses	$ 267,455	52.9%	$ 299,998	39.4%	$ 304,867	56.1%	$ 267,576	39.8%
Housing Costs	97,335	19.2	133,488	17.5%	100,116	18.4%	108,459	16.1%
Total Operating & Housing Expense	**$ 364,790**	**72.1%**	**$ 433,486**	**56.9%**	**$ 404,983**	**74.5%**	**$ 376,035**	**55.9%**
Contribution to the College	**$ (253,735)**	**-50.2%**	**$ (198,896)**	**-26.1%**	**$ (397,750)**	**-73.2%**	**$ (274,619)**	**-40.8%**

Bronx Division III – Men

	MEN'S BASEBALL EM = 2.62		MEN'S BASKETBALL EM = 2.90		MEN'S SOCCER EM = 2.70	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	73	191	29	84	57	154
# Dorm Students	0	0	1	2	0	0
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$1,408,308	100.00%	$ 607,830	98.4%	$1,151,579	99.9%
Housing	--	0.0%	6,882	1.1%	--	0.0%
Meal	--	0.0%	3,250	0.5%	1,625	0.1%
Gross Revenue	**$1,408,308**	**--**	**$ 617,962**	**--**	**$1,153,204**	**--**
Offsets to Income						
Institutional Aid	$ 407,316	28.9%	$ 211,279	34.2%	$ 466,090	40.4%
Bad Debt	35,208	2.5%	15,448	2.5%	28,830	2.5%
Meal Plan to Chartwells	--	0.0%	3,413	0.6%	1,706	0.1%
Total Offsets	**$ 442,523**	**31.4%**	**$ 230,140**	**37.2%**	**$ 496,626**	**43.1%**
Net Revenue	**$965,785**	**68.6%**	**$ 387,882**	**62.8%**	**$ 656,578**	**56.9%**
Instructional Expenses	280,253	19.9%	122,974	19.9%	229,488	19.9%
Gross Margin	**$ 685,532**	**48.7%**	**$ 264,848**	**42.9%**	**$ 427,090**	**37.0%**
Operating & Housing Expenses						
Operating Expenses	$211,988	15.1%	$ 170,192	27.5%	$ 302,060	26.2%
Housing Costs	--	0.0%	5,562	0.9%	--	0.0%
Total Operating & Housing Expense	**$ 211,988**	**15.1%**	**$ 175,754**	**28.4%**	**$ 302,060**	**26.2%**
Contribution to the College	**$ 473,544**	**33.6%**	**$ 89,094**	**14.4%**	**$ 125,030**	**10.8%%**

Bronx Division III – Women

	WOMEN'S BASKETBALL EM = 2.11		WOMEN'S VOLLEYBALL EM = 2.22		WOMEN'S SOCCER EM = 2.39		WOMEN'S SOFTBALL EM = 2.96	
Category	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19	# Fall 2018	# 2018-19
# Students	18	38	23	51	18	43	23	68
# Dorm Students	0	0	0	0	1	2	0	0
Gross Revenue	**$**	**%**	**$**	**%**	**$**	**%**	**$**	**%**
Gross Tuition	$ 270,558	100.0%	$ 376,318	100.0%	$ 335,368	97.3%	$ 518,103	100.0%%
Housing	--	0.0%	--	0.0%	7,812	2.3%	--	0.0%
Meal	--	0.0%	--	0.0%	1,625	0.5%	--	0.0%
Gross Revenue	**$ 270,558**	**--**	**$ 376,318**	**--**	**$ 344,805**	**--**	**$ 518,103**	**--**
Offsets to Income								
Institutional Aid	$ 69,268	25.6%	$ 125,548	33.4%	$ 110,706	32.1%	$ 137,659	26.6%
Bad Debt	6,764	2.5%	9,408	2.5%	8,620	2.5%	12,953	2.5%
Meal Plan to Chartwells	--	0.0%	--	0.0%	1,706	0.5%	--	0.0%
Total Offsets	**$ 76,032**	**28.1%**	**$ 134,956**	**35.9%**	**$ 121,032**	**35.1%**	**$ 150,612**	**29.1%**
Net Revenue	**$ 194,526**	**71.9%**	**$ 241,362**	**64.1%**	**$ 223,773**	**64.9%**	**$ 367,491**	**70.9%**
Instructional Expenses	53,841	19.9%	74,887	19.9%	68,616	19.9%	103,102	19.9%
Gross Margin	**$ 140,685**	**52.0%**	**$ 166,475**	**44.2%**	**$ 155,157**	**45.0%**	**$ 264,389**	**51.0%**
Operating & Housing Expenses								
Operating Expenses	$ 152,250	56.3%	$ 147,764	39.3%	$ 207,206	60.1%	$ 171,741	33.1%
Housing Costs	--	0.0%	--	0.0%	5,562	1.6%	--	0.0%
Total Operating & Housing Expense	**$ 152,250**	**56.3%**	**$ 147,764**	**39.3%**	**$ 212,768**	**61.7%**	**$ 171,741**	**33.1%**
Contribution to the College	**$ (11,565)**	**-4.3%**	**$ 18,711**	**5.0%**	**$ (57,611)**	**-16.7%**	**$ 92,648**	**17.9%**

APPENDIX M: STRATEGIC GOAL INTEGRATION MAPS 2018–2023

2018–2023 Strategic Goal Integration Map

GOAL 1:

To ensure graduates possess the competencies for successful careers, advanced education, and lifelong learning

- AP – Academic Plan
- FP – Financial Plan
- FMP – Facilities Master Plan
- IE –Institutional Effectiveness Plan
- SEM – Strategic Enrollment Management Plan
- TP – Technology Plan

INSTITUTIONAL GOALS		Priority Code	AP	FP	FMP	IE	SEM	TP
1.0	Ensure graduates possess the competencies for successful careers, advanced education, and lifelong learning	–	–	FP-8	–	IE-1a IE-1b IE-1c	–	TP-1
1.1	Enhance the effectiveness of the curricula through assessment of technical, major-related, quantitative, analytical, and written/oral communication skills for advanced education and employment	9	AP-1	–	–	IE-1b IE-4a	–	–
1.2	Expand and diversify the College's undergraduate programs, student body, faculty, and experiential learning capabilities	8	AP-2	–	FMP-5	–	SEM-5	–
1.3	Expand and diversify the King Graduate School's programs, student body, faculty, and research capabilities	8	AP-3	–	FMP-5	–	SEM-5	–
1.4a	Assess and strengthen the student experience delivered through Monroe Online	10	AP-4	–	–	IE-1c	SEM-1	TP-2
1.4b	Assess and strengthen the student experience for adult learners							
1.4c	Assess and strengthen the student experience for English language learners							
1.5	Measure and improve the effectiveness of academic support services (e.g., labs, learning support centers, libraries, academic support classes, adaptive software, and research centers) in preparing students for academic success	7	AP-5	–	–	IE-1c	–	TP-1
1.6	Expand curricular and co-curricular and community service projects as part of curricula to contextualize learning	5	AP-6	–	–	–	–	–
1.7	Expand and diversify internship opportunities aligned with students' career goals, and ensure a high-quality experience for students and employers	7	AP-7	–	–	IE-1b IE-4a	–	–
1.8	Integrate career exploration and preparation into curricular and co-curricular experiences	6	AP-8	–	–	–	–	–
1.9	Improve employment and advanced education outcomes for graduates	9	AP-9	–	–	IE-1b IE-4a	SEM-1	–
1.10	Engage and support alumni by expanding programs that promote lifelong learning and professional development	5	AP-10	–	–	–	–	–

2018–2023 Strategic Goal Integration Map

GOAL 2:

To shape institutional enrollment by attracting, enrolling, and retaining students with the potential to succeed academically, graduate, and advance professionally

- AP – Academic Plan
- FP – Financial Plan
- FMP – Facilities Master Plan
- IE –Institutional Effectiveness Plan
- SEM – Strategic Enrollment Management Plan
- TP – Technology Plan

INSTITUTIONAL GOALS		Priority Code	AP	FP	FMP	IE	SEM	TP
2.0	To shape institutional enrollment by attracting, enrolling, and retaining students with the potential to succeed academically, graduate, and advance professionally	–	–	–	–	IE-2a IE-2b	–	TP-2
2.1	Continuously improve student engagement, retention, and graduation outcomes	10	–	–	–	IE-2a	SEM-1	–
2.2	Manage enrollment strategically, appropriate to locations, schools, programs, and the employment landscape	9	–	FP-8	FMP-6	IE-2b	SEM-2	–
2.3	Explore, launch, and nurture strategic enrollment partnerships	8	–	–	–	–	SEM-3	–
2.4	Implement innovative practices that facilitate adult learner enrollment	8	AP-4	–	–	–	SEM-4	–
2.5	Expand program offerings and outcomes for specific communities, e.g., English language learners, veterans, transfer students, international students, first generation students, and students with disabilities	7	AP-4	–	–	–	SEM-5	–
2.6	Apply institutional analysis and predictive modeling to support strategic enrollment management college-wide	6	–	–	–	–	SEM-6	TP-3
2.7	Advance enrollment for Spring, intersession, and non-traditional starts throughout the year by leveraging the three-semester academic calendar and multiple delivery formats.	9	–	–	–	–	SEM-7	–
2.8	Pursue additional degree programs	8	AP-2 AP-3	–	FMP-6	–	SEM-8	–
2.9	Evaluate the feasibility of additional extension sites	5	–	FP-5	FMP-7	–	SEM-9	–
2.10	Expand and diversify club athletics programs on both the New Rochelle and Bronx campuses.	5	–	–	–	–	SEM-10	–

2018–2023 Strategic Goal Integration Map

GOAL 3:

To formally cultivate and institutionalize a responsive culture and structure to more effectively serve students, faculty, and staff

- AP – Academic Plan
- FP – Financial Plan
- FMP – Facilities Master Plan
- IE –Institutional Effectiveness Plan
- SEM – Strategic Enrollment Management Plan
- TP – Technology Plan

INSTITUTIONAL GOALS		Priority Code	AP	FP	FMP	IE	SEM	TP
3.0	Formally cultivate and institutionalize a responsive culture and structure to more effectively serve students, faculty, and staff	–	–	–	–	IE-3a IE-3b IE-3c	SEM-1	TP-4
3.1	Codify the College's values to clearly communicate performance expectations and standards	8	AP-11	FP-2	–	IE-3a	–	TP-4
3.2	Implement hiring, onboarding, and professional development programs for all employees that emphasize the College's mission and core values	10	AP-12	FP-2	–	IE-3b	–	–
3.3a	Strengthen relationships with faculty, staff, and students	9	AP-13	–	–	IE-3c	–	–
3.3b	Strengthen relationships with external community groups and organizations	8	–	–	–	–	–	–
3.4	Improve the College's organizational structure to reflect functional areas, campus locations, and opportunities for greater efficiencies	8	Carried out by the President's Cabinet					
3.5	Improve the College's governance structure to ensure appropriate representation of all constituencies and logical decision-making	5	Carried out by the President's Cabinet					
3.6	Develop periodic assessment of governance, leadership, and administration	6	Carried out by the President's Cabinet					

2018–2023 Strategic Goal Integration Map

GOAL 4:

To validate program quality and learning outcomes through rigorous self-assessment and enhanced external institutional and programmatic recognition

- AP – Academic Plan
- FP – Financial Plan
- FMP – Facilities Master Plan
- IE –Institutional Effectiveness Plan
- SEM – Strategic Enrollment Management Plan
- TP – Technology Plan

INSTITUTIONAL GOALS		Priority Code	AP	FP	FMP	IE	SEM	TP
4.0	Validate program quality and learning outcomes through rigorous self-assessment and enhanced external institutional and programmatic recognition	–	–	–	–	IE-4a IE-4b	–	TP-5
4.1	Enhance and promote the identity of the College as a leader in higher education access, affordability, and degree attainment	10	AP-14	–	–	–	–	–
4.2	Engage students in opportunities for research, study abroad, competitions, and conference presentations that will enhance their academic experiences	7	AP-15	–	–	–	–	–
4.3	Pursue additional program accreditations for validation and engagement in continuous improvement	8	AP-16	–	–	–	–	–
4.4	Expand and strengthen the honors program at the undergraduate level	8	AP-17	–	–	–	–	–
4.5	Enhance and expand internal and external faculty development opportunities	7	AP-18	–	–	–	–	–
4.6	Encourage, support, and articulate faculty contributions to the discipline	6	AP-19	–	–	–	–	–
4.7	Communicate the achievements and distinctions of the College and its students, faculty, and staff to internal and external audiences	6	AP-19	–	–	–	–	–

2018–2023 Strategic Goal Integration Map

GOAL 5:

To allocate resources effectively and efficiently in support of the Strategic Plan and institutional priorities

- AP – Academic Plan
- FP – Financial Plan
- FMP – Facilities Master Plan
- IE –Institutional Effectiveness Plan
- SEM – Strategic Enrollment Management Plan
- TP – Technology Plan

INSTITUTIONAL GOALS		Priority Code	AP	FP	FMP	IE	SEM	TP
5.0	Allocate resources effectively and efficiently in support of the Strategic Plan and institutional priorities	–	–	FP-4 FP-5 FP-7 FP-8 FP-9	–	IE-5a IE-5b	–	TP-6
5.1	Evaluate and enhance the College's current process of allocating resources (operational and capital) based on institutional priorities	7	–	FP-1	–	IE-5a	–	–
5.2	Continuously assess and improve campus facilities and technology to enhance teaching and learning	8	–	FP-8	FMP-1 FMP-2 FMP-3 FMP-5	–	–	TP-7
5.3	Improve learning environments by evaluating and upgrading classroom settings, as appropriate, to promote innovation and collaboration	8	–	FP-8	FMP-1 FMP-2 FMP-3 FMP-5	–	–	TP-7
5.4	Implement a formal human resources plan that defines staffing levels, strategies for hiring, training, and developing talented faculty and staff	8	–	FP-2	–	–	–	–
5.5	Assess and improve the effectiveness of institutional aid on new enrollment and retention while improving related budgetary controls	10	–	FP-3	–	–	–	–
5.6	Align all sub-plans to prioritize budget resource allocation	10	–	FP-1	–	–	–	–
5.7	Incorporate sustainable practices and programs to make College communities greener and safer	6	–	–	FMP-4	–	–	–