



Small College Solutions Sample Report

Real estate development decisions

Prepared by The Angeletti Group

January 2025

About this sample report

The following is a sample report prepared by the Small College Solutions division of The Angeletti Group, LLC.

This sample report's content is based on real client dynamics. While it is possible that some data and recommendations may be generalizable to other contexts, The Angeletti Group affirms that this report should not be interpreted as advice toward any specific venture.

Client

- ❖ A major midwestern real estate developer who owned two apartment properties on two different urban college campuses in the same city.
- ❖ The client asked The Angeletti Group (TAG) to review the financials of the schools that guaranteed the buildings of the two current properties to assess if the developer should retain or sell the assets (Targets 1 and 2).
- ❖ In addition, the client asked TAG to assess these financials as it related to the developer building a third apartment complex on one of the current campuses (Target 1).



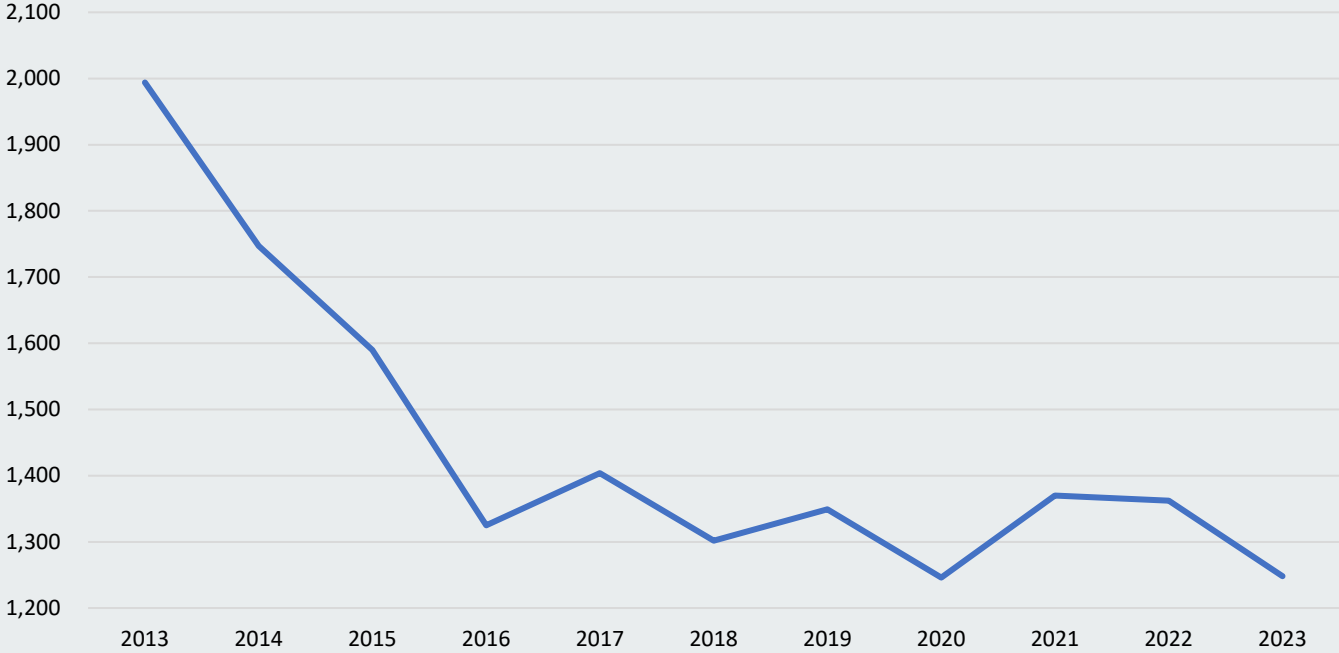
Schools

Target 1	Target 2
Midwest urban college	
1,200 students (800 undergraduate and 400 graduate students)	900 students
Private, four-year Catholic liberal arts school	Private four-year liberal arts school primarily focused on the arts
Approximately 78 competing schools within 100 miles	
School screens poorly for parents: More expensive than peers and state schools Average graduation rates Lower 10-year earnings post-graduation	

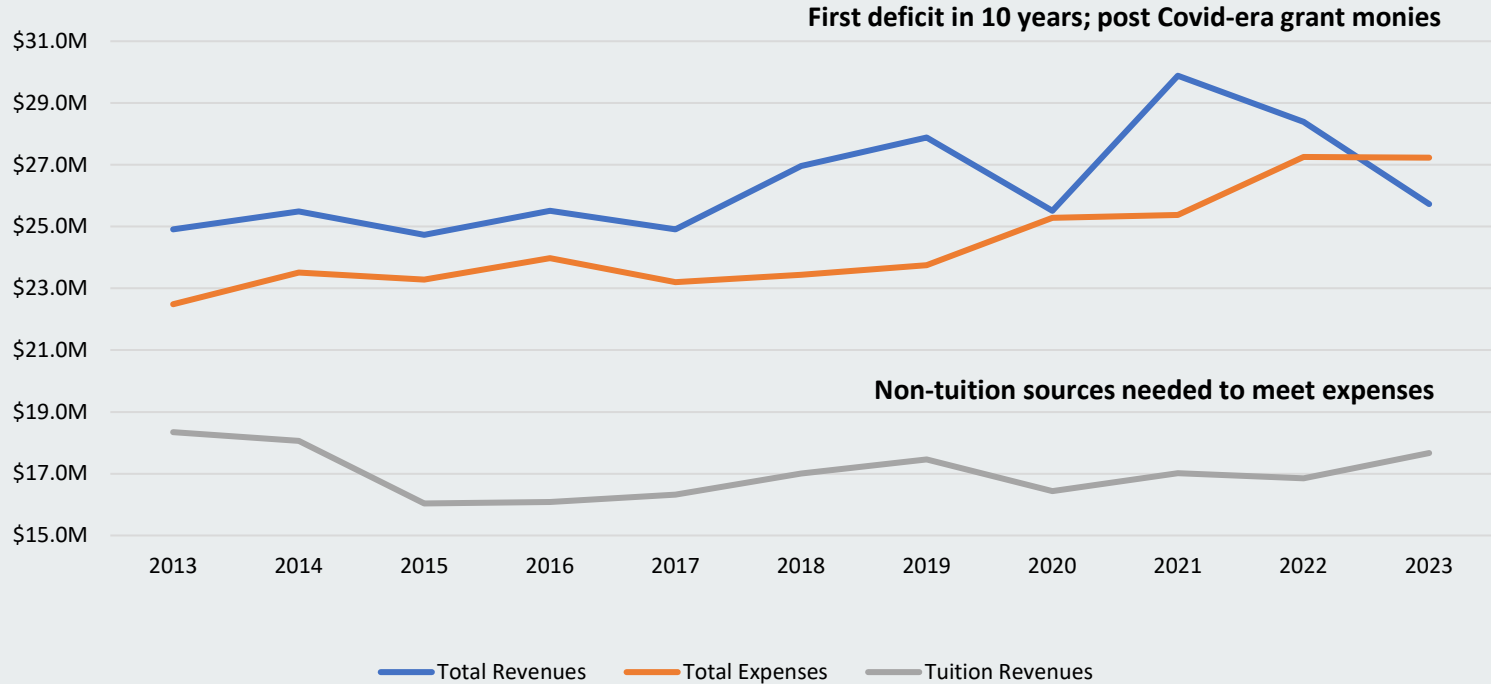
Problems

Target 1	Target 2
Declining enrollment of almost 5% per year for 10 years and increasing tuition discounting	Enrollment has remained flat due to a large increase in tuition discounting
Heavily restricted \$27 million endowment	Endowment and investments of only \$4 million
Post Covid-era funding, school faces increasing deficits – almost \$2 million in 2023	Post Covid-era funding, school faces increasing deficits – slightly less than \$1 million in 2023
Expense growth outpacing revenue growth by 1.2% per annum Increasingly relying on contributions and endowment to meet annual expenses Program expenses growing at 3% per year while program revenues declining 0.7%	Program expense growth outpacing tuition revenue growth by 0.2% per annum Increasingly relying on contributions and endowment to meet annual expenses

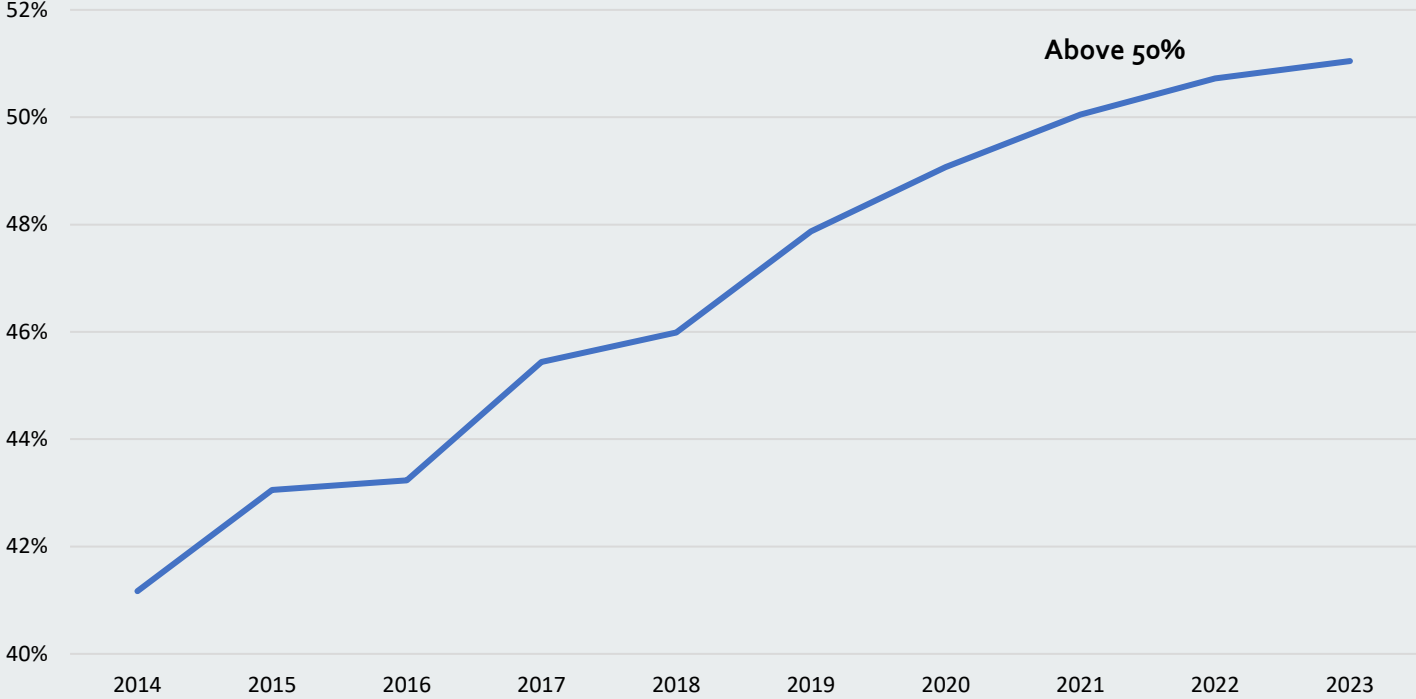
Target 1: Total Enrollment (# of Students)



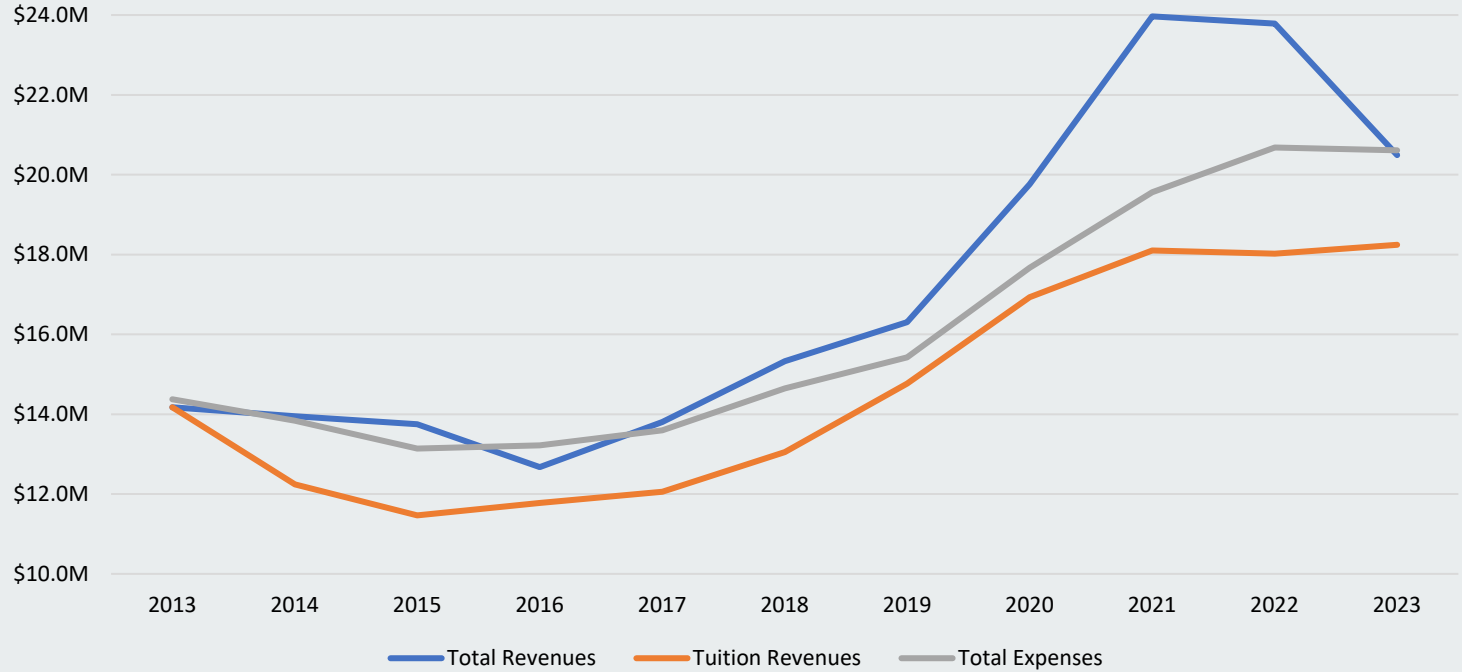
Target 1: Revenues and Expenses



Target 2: Tuition Discount Rate



Target 2: Revenues and Expenses



Solutions for Client

Target 1 recommendations:

- ❖ Keep current assets in place but focus on enrollment trends and revenue-to-expense ratio.
 - Tuition discounting reaching all-time highs.
 - Non-tuition sources becoming a bigger portion of the annual budget.
 - The school is supported by local Catholic charities.
- ❖ Do not build a second apartment building on this campus, given long-term enrollment trends and recent deficits.

Target 2 recommendation:

- ❖ Sell the building, given the small size of the student population, declining national trends in enrollment, and the school's reliance on tuition discounting to historic levels.

The Angeletti Group (TAG) is a full-service organization dedicated to nonprofit institutions in the following areas:

- ❖ Financial Stewardship
- ❖ Facilities Management
- ❖ Enrollment Management
- ❖ M&A / Asset Sales
- ❖ Executive Management Recruitment
- ❖ Fundraising and Development



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Small College Solutions

TAG specializes in helping smaller institutions and their affiliates navigate the complex higher education landscape.

