I am pleased to present the audited financial statements for Wentworth Institute of Technology (the “university”) for the fiscal year ending June 30, 2019. The university received a “clean” or unqualified audit opinion from our external auditors, which means the financial statements are presented fairly and are free from material misstatement.

The university generated an operating surplus of $4.7 million in fiscal year 2019 (the 22nd consecutive year) and ended the year with a strong balance sheet and significant liquidity. The operating surplus reflected a $6.9 million (+5%) increase in total revenues primarily driven by a 3% net tuition and room increase and the endowment spending rate draw increased $2.1 million. The spending rate is 5% of a 3-year rolling average. However, in fiscal year 2018 management used only a portion of the university’s Board-designated endowment funds for support of current operations, which resulted in an effective draw of 1.9% based upon beginning investment balance for the period. Total operating expenses increased $5.4 million, or +4% and agreed to budget.

The university’s endowment stood at $116.1 million on June 30, 2019, up from $112.6 million in fiscal year 2018, aided by positive returns and donor contributions. The endowment provides an annual distribution of over $3.8 million to help fund scholarships, instruction, academic support, capital improvements, and general operations. The unrestricted portion of the endowment was approximately $77 million at June 30, 2019, and serves as an additional source of liquidity for the university if needed.

The university has demonstrated a 22-year track record of generating operating surpluses by increasing its revenues while containing operational costs. The university’s net assets (total assets minus total liabilities) grew by $6.9 million year over year to $249 million.

The university is looking to grow in new and exciting ways with the addition of new part-time graduate programs and continued investments in academic and student-centered spaces on campus. For example, in 2019, Wentworth completed the construction, furnishing and equipping of a new approximately 76,000 square foot, four-story multi-purpose academic building that holds academic labs, faculty offices and common areas to support the Civil Engineering, Biomedical Engineering and Biological Engineering programs. The total cost of the building was approximately at $57 million, of which approximately $45 million was financed with tax-exempt debt (the Series 2017 Bonds), approximately $1.5 million was funded from fundraising dollars and the balance was funded from the university’s existing cash reserves.

We are confident that the measures we take now will ensure the university will be on solid financial footing for years to come.

Robert L. Totino - Vice President for Finance and Chief Financial Officer