I am pleased to present the audited financial statements for Wentworth Institute of Technology (the “university”) for the fiscal year ending June 30, 2020. 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.

Despite running a modest operating deficit of $1.1 million in fiscal year 2020 (the first in twenty-three years), the university ended the year with a strong balance sheet and significant liquidity. The modest operating deficit reflects the impact of the COVID-19 pandemic and the very challenging operating environment it created for institutions of higher education. Despite these challenges, the university’s net assets (total assets minus total liabilities) remained virtually unchanged at $248.1M year over year.

The university’s endowment stood at $116.5 million on June 30, 2020, and has continued to grow into fiscal year 2021, aided by positive returns and donor contributions. The endowment provides an annual distribution of over $4.9 million to help fund scholarships, instruction, academic support, capital improvements, and general operations. The unrestricted portion of the endowment was approximately $75 million June 30, 2020, and serves as an additional source of liquidity for the university if needed.

The outbreak of COVID-19 disrupted college operations during this fiscal year, as a state of emergency was declared in March 2020 by both Massachusetts Governor Baker and President Trump. At that time, with the health and safety of the community in mind, the university shifted to remote operations, and students were asked to return to their permanent residences with instruction continuing in a virtual format. As a result, the university refunded $4.8 million to students for unused room and board. Under the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the university received a total of $3.5 million. The university distributed half of these funds to students to assist them with their COVID-related costs. The other half of the CARES aid was used to fund lost room and board revenue due to COVID in fiscal year 2020.

The university’s ability to control the financial impact of COVID-19 on fiscal year 2020 was limited, given that the fiscal year had just over three months remaining when the pandemic hit. Our lost revenue was partially offset by operating expense savings, as non-essential spending was curtailed. The university is taking strong measures to minimize the financial impact of COVID-19 and the challenging higher education market on the university’s finances in fiscal year 2021. Cost reductions measures have been put in place while significant investments have been made in COVID-19 mitigation efforts. At the same time, 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. 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