



Financial Statement Summary 2020-2021

I am pleased to present the audited financial statements for Wentworth Institute of Technology (the “university”) for the fiscal year ending June 30, 2021. 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 \$2.1 million in fiscal year 2021, the university ended the year with a strong balance sheet and significant liquidity. The modest operating deficit reflects the continued impact of the COVID-19 pandemic and the very challenging operating environment it created for institutions of higher education.

The outbreak of COVID-19 disrupted college operations during the fiscal year, as it had in fiscal year 2020. The university’s ability to control the financial impact of COVID-19 on fiscal year 2021 was limited, given the uncertainty of the operating environment. With the health and safety of the community in mind, the university taught classes remotely and this resulted in approximately \$15 million of lost room and board revenue due to open beds in residential housing and the university also delayed operations for the spring term, and as a result the university refunded \$1 million to students for unused room and board. Our lost revenue was partially offset by federal grant programs and by operating expense savings, as non-essential spending was curtailed. The university participated in two federal programs, HEERF II and III and FEMA relief and these programs provided \$10.5 million to the university in fiscal year 2021 to help offset lost housing and board revenue and COVID related expenses.

Despite these challenges, the university’s net assets (total assets minus total liabilities) increased by \$32.4 million year over year to \$280.5 million. The university’s endowment reached an all-time high and stood at \$149.8 million on June 30, 2021, up from \$116.5 million on June 30, 2020, aided by positive returns and donor contributions. The endowment provides an annual distribution of over \$5.5 million to help fund scholarships, instruction, academic support, capital improvements, and general operations. The unrestricted portion of the endowment was approximately \$92 million at June 30, 2021, and serves as an additional source of liquidity for the university if needed.

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 2022 and beyond. Cost control 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 a new major Bachelor of Science in Information Technology and a new Master of Science program in Cybersecurity Analytics as well as investments in academic and innovation spaces on campus. We are confident that the measures we take now will ensure the college will be on a solid financial footing for years to come.

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