



## **Financial Statement Summary For the Fiscal Year Ended June 30, 2022**

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I am pleased to present the audited financial statements for Wentworth Institute of Technology (the "University") for the fiscal year ending June 30, 2022. Consistent with prior years, the University has received a "clean" or unmodified audit opinion from our external auditors, which means the financial statements are presented fairly and are free from material misstatement.

### ***Statement of Activities***

#### **Operating Results**

Total operating revenues increased \$6.4 million, or 5.1%, over the prior fiscal year. The primary driver of this growth was the return to "normal" operations from the "de-densified" campus experience of fiscal year 2021, resulting in a \$12.6 million increase in residential and dining revenue while governmental grant revenue decreased by \$5 million year over year. In fiscal year 2021, the University participated in two federal programs (HEERF and FEMA) which provided \$12.2 million of relief to the University to help offset lost housing and board revenue and COVID related expenses, with \$1.7 million distributed directly to students in the form of emergency grants. In fiscal year 2022, the University again participated in these two federal programs, which provided \$7.2 million to the University to help defray COVID related expenses, with \$4.8 million distributed directly to students in the form of emergency grants.

Similar to the revenue increases associated with returning to pre-pandemic campus operations, operating expenses increased \$7.3 million, or 5.7%, with \$3.1 million increase, or 2.3% attributed to HEERF grant funds directly distributed students in the form of emergency grants, as further described above.

#### **Nonoperating Results**

The University's net assets decreased \$13.4 million from non-operating activities in fiscal year 2022, primarily driven by the University's investment return and annual draw from the endowment to support operations.

### ***Statement of Financial Position***

Despite running a modest operating deficit of \$3 million in fiscal year 2022, the University ended the year with a very healthy balance sheet including strong cash, working capital and investments. The University has significant liquidity with financial assets available within one year to meet general expenditures on June 30, 2022, at \$56.5M, an increase of \$4.4 million, or 8.4%, versus the prior fiscal year.

## ***Summary***

The University recently finalized its strategic plan that reflects upon four overarching strategic initiatives it is pursuing: Inclusive Excellence, High Value Learning, a Transformative Student Experience, and Next Generation Partnerships. We are confident that the measures we take now will ensure the University will be on a solid financial footing for years to come.

While the University is concerned about inflation, rising interest rates, and the challenging higher education market on the University's finances in fiscal year 2023 and beyond, the University has consistently demonstrated the ability to adjust to uncertain economic conditions and to maintain balance sheet strength over the long term.

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