



Financial Statement Summary For the Fiscal Year Ended June 30, 2024

I am pleased to present the audited financial statements for Wentworth Institute of Technology (the "University") for the fiscal year ending June 30, 2024. 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 ~\$2 million, or 1.3%, over the prior fiscal year. The primary drivers of this growth were an increase in net tuition (~\$3M), net student room and board (~\$3.5M) in grants and bequests, partially offset by an expected decline in private gifts and bequests (~\$2.7M) due to a one-time bequest in 2023 and declines in government grants and contracts associated with the employer retention tax credit of approximately \$1.1 million. Although Wentworth continues to derive a majority of its annual operational income from tuition and auxiliary operations, it also continues to diversify its revenue streams in areas such as gift and grant revenues.

Total operating expenses grew approximately \$4 million in fiscal year 2024 over the prior year, mainly due to higher salary expenditures.

Nonoperating Results

The University's net assets increased approximately \$8 million from non-operating activities in fiscal year 2024, primarily driven by the University's investment return which was offset by the annual draw from the endowment to support University operations.

Statement of Financial Position

Despite running a modest operating deficit of approximately \$3 million in fiscal year 2024, the University ended the year with a very healthy balance sheet including strong balances within certain areas such as cash, working capital, and investments. The University has significant liquidity with its financial assets to meet general expenditures on June 30, 2024.

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 solid financial footing for years to come.

While the University is concerned about inflationary pressures, higher interest rates, and the challenging higher education landscape (among many other financial and non-financial headwinds) in relation to the University's finances in fiscal year 2025 and beyond, the University has consistently demonstrated the ability to adjust to uncertain economic conditions and to maintain balance sheet strength over the short- and long-term.

Thank you.

Matthew Gruber – Senior Vice President of Finance & Administration and Chief Financial Officer