

## **Letter from the Vice President for Finance and Administration — Fiscal Year 2019**

I am pleased to present the audited financial statements for Wheaton College for the fiscal year ending June 30, 2019. The college 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 an operating deficit in fiscal year 2019, Wheaton ended the year with a strong balance sheet and significant liquidity. The without donor restrictions operating deficit of \$4.8 million reflects the very challenging operating environment for small colleges. Despite these challenges, the college saw an increase in student revenue and was able to maintain its cash position.

The college’s endowment reached an all-time high of more than \$213 million at June 30, 2019, aided by positive returns of 4.3% and donor contributions. In fiscal year 2019, the endowment provided an annual distribution of \$10.5 million to help fund scholarships, instruction, academic support, capital improvements, and general operations. The board-restricted portion of the endowment was approximately \$42 million at June 30, 2019 and serves as an additional source of liquidity for the college if needed.

The college is taking measures to strengthen its undergraduate program with a new curriculum and the addition of some majors and minors. The college has been successful at growing enrollment and opened a new residence hall in fall 2019 to accommodate the expanded student body. Plans are underway to modernize the Admissions Building to make it more accessible and to renovate an academic building that will become the vibrant new home for the college’s Psychology and Business programs as well as the college’s experiential learning program and makerspace. The college is also looking to identify alternative revenues and realize cost efficiencies as it sees discount rate pressures increase.

We are confident that the measures we take now will ensure the college will remain a solid financial footing for years to come.

Meghan E. Kass  
Vice President for Finance and Administration