

Letter from the Vice President for Finance and Administration — Fiscal Year 2021

I am pleased to present the audited financial statements for Wheaton College for the fiscal year ending June 30, 2021. 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 2021, Wheaton ended the year with a strong balance sheet and significant liquidity. The operating deficit of \$5.9 million reflects the impact of the COVID-19 pandemic and the very challenging operating environment for small colleges. Despite these challenges, the college was cash flow positive for the year with cash and short-term investments growing from \$13.7 to \$14.1million.

The college’s endowment reached an all-time high of more than \$266.8 million at June 30, 2021, aided by positive returns and donor contributions. The endowment provided an annual distribution of over \$12.8 million to help fund scholarships, instruction, academic support, capital improvements, and general operations. The board-restricted portion of the endowment was \$47.8 million at June 30, 2021 and serves as an additional source of liquidity for the college if needed.

The college issued \$34.7 million in bonds in March 2021 to refund earlier bonds, reconstruct the Old Science Center, and to undertake other capital projects.

The outbreak of COVID-19 disrupted college operations during this fiscal year, as it had in fiscal year 2020. The college’s ability to control the financial impact of COVID-19 on fiscal year 2020 and 2021was limited, given the uncertainty of the operating environment. Our lost revenue was partially offset by federal grant programs and by operating expense savings, as non-essential spending was curtailed. We have participated in three federal programs, HEERF I, II & III, the Payroll Protection Loan program and FEMA relief. These programs provided \$1.6 million in FY2021.

The college is taking strong measures to minimize the financial impact of COVID-19 and the challenging higher education market on the college’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 college is looking to grow in new and exciting ways with the addition of new majors and minors and 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.

Philip Shapiro
Interim Vice President for Finance and Administration