

Letter from the Vice President for Finance and Administration — Fiscal Year 2025

I am pleased to present the audited financial statements for Wheaton College for the fiscal year ending June 30, 2025. 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.

As an industry, the market factors impacting higher education continue to be defined by both inspiring opportunities and discouraging trends, leading to increasing challenges for revenue growth and escalating requirements to reduce costs. Despite the ongoing disruptive factors for higher education, Wheaton has maintained stable enrollment, developed and sustained competitive academic and residential facilities, grown its endowment and annual fundraising, and funded significant strategic investments for growth, including new academic programs and athletic teams. Fiscal year 2025 was the second year of the new Nursing program which met its related enrollment and financial goals. The College remains focused on its integrated financial strategy: to grow and diversify total net revenues; to improve operating margins through sustainable growth in revenues and philanthropic support and controlling costs; while simultaneously maintaining and growing its financial resources and investing in campus preservation and renewal.

Wheaton ended the year with an unrestricted operating deficit of \$10.2 million, \$1.8 million larger than the prior year. This increase was primarily due to the federal government’s substantially delayed launch of the new FAFSA systems in 2024-2025 (e.g., the delay in the launch of the financial aid system led to lower enrollment across the higher education sector due to processing delays and students’ deferring their college searches and enrollment). In turn, this led to a smaller cohort of entering new students and a lower first-to-second year retention rate of 82.2% compared with 85.6% in fiscal year 2024. Our retention rate has returned to our normal range in fiscal year 2026 with an 88.3% retention rate in fall 2025.

In addition, the College continues to invest in faculty and staff compensation, particularly promotions, totaling \$1.4 million. While total revenues were up \$1.2 million, this increase was about \$1.7 million below our original plan primarily due to lower total enrollment.

The College’s balance sheet strengthened year over year with an \$12.3 million increase in assets and a \$1.7 million decrease in total liabilities, while maintaining \$19.9 million in operating and capital cash reserves.

The College's endowment market value was \$287.4 million at June 30, 2025, up approximately \$14.6 million from June 30, 2024, due to net investment returns and donor contributions of \$29.3 million. The endowment investment performance compares favorably to the respective market indices. This was offset by the annual endowment distribution of approximately \$14.7 million to support the College's operating budget. The endowment distribution supports the College's operations, providing funding for student scholarships, student experiential learning opportunities, faculty research, academic program support, capital improvements, and other strategic operating needs. The unrestricted quasi portion of the endowment portfolio was \$49.7 million at June 30, 2025, up \$1.4 million from June 30, 2024.

We are confident that our integrated strategic and financial plans will continue to help ensure the College's long-term growth and sustainability.

Roger W. Stackpoole
Vice President for Finance and Administration