

Worcester Polytechnic Institute FY21 & FY22 Consolidated Financial Statements:

FY22 delivered the largest first year class in university history, which helped us generate a \$16.5 million operating surplus. Given that, our financial outcomes noted below reflect the actions that were taken to stave off the impact of inflation (8.5%) and allow us to achieve the results that we did to ensure that WPI continues to be a leader in STEM focused fields while safeguarding our long-term financial viability in a very dynamic and challenging higher education environment.

The FY2022 operating budget was developed without knowing the true impact that coming out of COVID-19 would have on enrollment and the campus in general. Actual enrollment exceeded expectations for undergraduate and graduate programs by a total of \$9.5 million. The large incoming class filled our housing, resulting in a \$1.4 million gain over our budgeted expectations, and the university received \$6 million to offset COVID related expenses. The net result was that revenues exceeded our budget expectations by \$16.5 million.

The first-year class size of 1407 was above the budgeted 1335 students by 72 students. This contributed to our overall class size coming in at 5,010 vs a budgeted enrollment of 4,845. The impact of this stronger enrollment generated incremental tuition revenue of \$7.8 million and additional financial aid of \$2.5 million. Global award funds were not fully deployed due to COVID related travel restrictions. In combination, those factors resulted in additional net undergraduate revenue of \$6.2 million. Graduate programs delivered 25,480 credits at a 10% discount vs. budgeted \$24,000 credit hours at an 8% discount. FY22 is the first year since the decline in FY18 in which we saw graduate credits delivered increase and graduate net tuition revenue rebound.

In our commitment to future growth, we strategically invested in twenty-six new faculty members, focusing on areas such as AI, data science, robotics, and FinTech. Our healthcare costs were managed effectively, coming in below budget by \$2.5 million. We also made significant investments in infrastructure, with the opening of Unity Hall and the renovation of Kaven Hall. These strategic decisions position us for continued success in the future.

Despite the unprecedented challenges posed by the global pandemic, WPI demonstrated remarkable resilience and had a highly successful year. We navigated the uncertainties with strategic decisions and emerged stronger, ready to seize new opportunities.

[View Worcester Polytechnic Institute's consolidated financial statements.](#)

Sincerely,

Michael Horan CPA, Ed.D
Executive Vice President & CFO
Worcester Polytechnic Institute