

Pineapple House Coopers LLP

Worcester Polytechnic Institute
Note to Schedule of Financial Responsibility Ratios
June 30, 2022

1. Basis of Presentation

The proceeding schedule of financial responsibility ratios (the "Schedule") of the University provides financial information required by the Department of Education to calculate the primary reserve ratio, equity ratio, net income ratio and the composite score as defined in Subpart L of 34 CFR 668 for the fiscal year-ended June 30, 2022. The financial information in the Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The Schedule is presented for purposes of additional analysis as required by the Department of Education and is not a required part of the basic financial statements.

Worcester Polytechnic Institute

Notes to Schedule of Expenditures of Federal Awards

June 30, 2022

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule"), includes the federal grant activity of Worcester Polytechnic Institute (the "University") for the year ended June 30, 2022 and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards (Uniform Guidance). As the Schedule presents only a selected portion of the expenditures of the University, it is not intended to, and does not present the financial position, changes in net assets, or cash flows of the University. Direct awards are listed in total and pass-through awards are listed individually (with pass-through numbers when available) on the Schedule. Negative amounts represent adjustments or credits to amounts reported as expenditures in prior years in the normal course of business. Federal Assistance Listing numbers are presented where available. Amounts passed through to each subrecipient by Federal Assistance Listing are included in the total expenditure column of the respective awards.

2. Indirect Costs

The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimus cost rate as described in Section 200.414 of the Uniform Guidance.

3. Federal Perkins Loan Program

The University did not process any new loans under the Federal Perkins Loan Program (Federal Assistance Listing # 84.038) for the year ended June 30, 2022. The balance of Perkins Loans outstanding at June 30, 2022 was \$3,360,000.

4. Federal Emergency Management Agency (FEMA) Disaster Grants

The University applied for reimbursement of certain expenses related to the COVID-19 pandemic under Assistance Listing #97.036, FEMA Public Assistance. Expenditures are and will be reflected in the Schedule in the year in which a project application is obligated. The Schedule thus includes \$6,665,844 of expenditures incurred in fiscal years 2021 and 2022, which were obligated in fiscal year 2022.

5. Revision

The Schedule initially excluded \$6.7 million of expenditures from program 97.036 FEMA – Public Assistance. The Schedule has been revised to include this amount.

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