

Independent Auditor's Reports as  
Required by Title 2 *U.S. Code of  
Federal Regulations* Part 200, *Uniform  
Administrative Requirements, Cost  
Principles, and Audit Requirements for  
Federal Awards and Government  
Auditing Standards* and Related  
Information

**Worcester Polytechnic Institute**

June 30, 2025 and 2024

## Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements:	
Consolidated statements of financial position as of June 30, 2025 and 2024	6
Consolidated statement of activities for the year ended June 30, 2025	7
Consolidated statement of activities for the year ended June 30, 2024	8
Consolidated statements of cash flows for the years ended June 30, 2025 and 2024	9
Notes to consolidated financial statements	10
Uniform Guidance Supplementary Information:	
Schedule of expenditures of federal awards for the year ended June 30, 2025	34
Notes to schedule of expenditures of federal awards for the year ended June 30, 2025	42
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and other Matters Required by <i>Government Auditing Standards</i>	43
Report of Independent Certified Public Accountants on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	45
Schedule of findings and questioned costs for the year ended June 30, 2025	48

---

**GRANT THORNTON LLP**

53 State St., 16th Floor  
Boston, MA 02109

**D** +1 617 723 7900

**F** +1 617 723 6340

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
Worcester Polytechnic Institute

**Report on the audit of the financial statements****Opinion**

We have audited the consolidated financial statements of Worcester Polytechnic Institute (the "University"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for opinion**

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statements are issued.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, for the year ended June 30, 2025, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2025 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

*Grant Thornton LLP*

Boston, Massachusetts  
November 5, 2025

**Worcester Polytechnic Institute**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**June 30,**  
**(in thousands)**

	<b>2025</b>	<b>2024</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,758	\$ 2,351
Accounts receivable, net	16,008	14,175
Contributions receivable, net	18,989	28,483
Prepaid expenses and other assets	8,692	8,550
Student loans receivable, net	14,447	15,993
Beneficial interest in trusts	16,522	15,577
Investments - Endowment	726,314	670,651
Investments - Other	66,976	53,324
Land, buildings and equipment, net	563,902	539,074
	<hr/>	<hr/>
Total assets	<u>\$ 1,436,608</u>	<u>\$ 1,348,178</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 28,302	\$ 28,671
Deposits and deferred revenue	19,135	17,728
Lease and contract liabilities	63,382	60,914
Obligations under split-interest agreements	5,678	5,413
Funds held for others	4,724	5,142
Asset retirement obligations	1,194	1,160
Refundable government loan funds	1,221	1,815
Bonds and notes payable, net	409,309	375,750
Interest rate agreements	1,580	1,400
	<hr/>	<hr/>
Total liabilities	<u>534,525</u>	<u>497,993</u>
<b>Net assets</b>		
Without donor restrictions	390,305	364,825
With donor restrictions		
Time or purpose	243,870	224,009
Perpetual	267,908	261,351
	<hr/>	<hr/>
Total net assets	<u>902,083</u>	<u>850,185</u>
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 1,436,608</u>	<u>\$ 1,348,178</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Worcester Polytechnic Institute**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**Year ended June 30, 2025**  
*(in thousands)*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating revenues</b>			
Tuition and fees, net	\$ 214,386	\$ -	\$ 214,386
Other educational activities	3,194	-	3,194
Contributions	12,621	2,665	15,286
Contract and exchange transactions	63,771	-	63,771
Investment income on endowment and similar funds	9,507	62	9,569
Net realized and unrealized gains on endowment used for operations	9,351	9,777	19,128
Other investment income	2,721	566	3,287
Sales and services of auxiliary enterprises	55,335	-	55,335
Other	7,295	-	7,295
	<hr/>	<hr/>	<hr/>
Total revenues	378,181	13,070	391,251
<b>Net assets released from restriction</b>	15,821	(15,821)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	394,002	(2,751)	391,251
	<hr/>	<hr/>	<hr/>
<b>Operating expenses</b>			
Salaries and wages	170,226	-	170,226
Employee benefits	53,635	-	53,635
Supplies and other expenses	71,459	-	71,459
Professional services	26,990	-	26,990
Utilities	9,725	-	9,725
Rent	535	-	535
Depreciation	38,275	-	38,275
Interest expense	18,228	-	18,228
	<hr/>	<hr/>	<hr/>
Total operating expenses	389,073	-	389,073
	<hr/>	<hr/>	<hr/>
Change in net assets from operating activities	4,929	(2,751)	2,178
	<hr/>	<hr/>	<hr/>
<b>Nonoperating activities</b>			
Net realized and unrealized gains on investments	23,857	37,799	61,656
Net realized and unrealized losses on endowment used for operations	(9,351)	(9,777)	(19,128)
Net unrealized gains on beneficial interest in trusts	-	969	969
Change in value of split-interest agreements	-	(909)	(909)
Contributions restricted for long-term investment	-	7,501	7,501
Gain on disposal of assets	5	-	5
Net unrealized loss on interest rate agreements	(375)	-	(375)
	<hr/>	<hr/>	<hr/>
Change in net assets from nonoperating activities	14,136	35,583	49,719
	<hr/>	<hr/>	<hr/>
<b>Net assets released from restriction</b>	6,414	(6,414)	-
	<hr/>	<hr/>	<hr/>
Total change in net assets from nonoperating activities	20,550	29,169	49,719
	<hr/>	<hr/>	<hr/>
<b>TOTAL CHANGE IN NET ASSETS</b>	25,479	26,418	51,897
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>			
Beginning of year	364,825	485,360	850,185
	<hr/>	<hr/>	<hr/>
End of year	\$ 390,304	\$ 511,778	\$ 902,082
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this consolidated financial statement.

**Worcester Polytechnic Institute**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**

Year ended June 30, 2024  
*(in thousands)*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating revenues</b>			
Tuition and fees, net	\$ 207,858	\$ -	\$ 207,858
Other educational activities	3,035	-	3,035
Contributions	5,741	2,304	8,045
Contract and exchange transactions	56,850	-	56,850
Investment income on endowment and similar funds	8,135	61	8,196
Net realized and unrealized gains on endowment used for operations	9,419	9,647	19,066
Other investment income	2,465	624	3,089
Sales and services of auxiliary enterprises	44,098	-	44,098
Other	5,783	-	5,783
	<hr/>	<hr/>	<hr/>
Total revenues	343,384	12,636	356,020
<b>Net assets released from restriction</b>	14,326	(14,326)	-
	<hr/>	<hr/>	<hr/>
Total revenues and other support	357,710	(1,690)	356,020
	<hr/>	<hr/>	<hr/>
<b>Operating expenses</b>			
Salaries and wages	162,344	-	162,344
Employee benefits	54,926	-	54,926
Supplies and other expenses	65,672	-	65,672
Professional services	20,756	-	20,756
Utilities	8,200	-	8,200
Rent	2,040	-	2,040
Depreciation	36,640	-	36,640
Interest expense	10,564	-	10,564
	<hr/>	<hr/>	<hr/>
Total operating expenses	361,142	-	361,142
	<hr/>	<hr/>	<hr/>
Change in net assets from operating activities	(3,432)	(1,690)	(5,122)
	<hr/>	<hr/>	<hr/>
<b>Nonoperating activities</b>			
Net realized and unrealized gains on investments	24,504	39,376	63,880
Net realized gains on endowment used for operations	(9,419)	(9,647)	(19,066)
Net unrealized gains on beneficial interest in trusts	-	959	959
Change in value of split-interest agreements	30	(345)	(315)
Contributions restricted for long-term investment	-	10,635	10,635
Loss on disposal of assets	(480)	-	(480)
Net unrealized gains on interest rate agreements	407	-	407
	<hr/>	<hr/>	<hr/>
Change in net assets from nonoperating activities	15,042	40,978	56,020
	<hr/>	<hr/>	<hr/>
<b>Net assets released from restriction</b>	2,493	(2,493)	-
	<hr/>	<hr/>	<hr/>
Total change in net assets from nonoperating activities	17,535	38,485	56,020
	<hr/>	<hr/>	<hr/>
<b>TOTAL CHANGE IN NET ASSETS</b>	14,103	36,795	50,898
	<hr/>	<hr/>	<hr/>
<b>Net assets</b>			
Beginning of year	350,722	448,565	799,287
	<hr/>	<hr/>	<hr/>
End of year	\$ 364,825	\$ 485,360	\$ 850,185
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this consolidated financial statement.



**Worcester Polytechnic Institute**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended June 30,  
*(in thousands)*

	<b>2025</b>	<b>2024</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 51,897	\$ 50,898
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation, amortization, and accretion	37,368	30,373
Provision for uncollectible receivables	283	496
Gain on disposal of property and equipment	(5)	480
Net realized and unrealized gains on investments	(76,758)	(56,834)
Net unrealized losses (gains) on interest rate agreements	40	42
Contributions other than cash	(7)	(287)
Contributions restricted for long-term investment	(7,501)	(10,635)
Proceeds from sale of donated securities	(7,570)	(642)
Changes in assets and liabilities		
Accounts receivable	(2,401)	(27)
Contributions receivable	9,390	(101)
Prepaid expenses and other assets	(141)	1,454
Accounts payable and accrued liabilities	(7,527)	8,656
Deposits and deferred revenue	1,155	577
Lease liabilities	(1,086)	(9,824)
Split-interest agreements	265	(69)
Funds held for others	(418)	(239)
Asset retirement obligations	34	32
Refundable government loan funds	(593)	(712)
Total adjustments	(55,472)	(37,260)
Net cash (used in) provided by operating activities	(3,575)	13,638
<b>Cash flows from investing activities</b>		
Proceeds from sales and maturities of investments	130,230	91,810
Purchase of investments	(115,806)	(52,853)
Purchase of land, buildings, and equipment	(60,661)	(54,732)
Disbursement of loans to students	(1,334)	(2,291)
Repayment of loans from students	2,919	2,898
Net cash used in investing activities	(44,652)	(15,168)
<b>Cash flows from financing activities</b>		
Contributions restricted for long-term investment	7,500	10,635
Proceeds from deferred financing arrangement	5,502	-
Realized losses (gains) on interest rate agreements	140	(517)
Payment on / proceeds from long-term debt	46,510	21,332
Payment on / proceeds from short-term borrowing	(10,000)	500
Repayment of long-term debt	982	(38,960)
Net cash (used in) provided by financing activities	50,634	(7,010)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,407	(8,540)
<b>Cash and cash equivalents</b>		
Beginning of year	2,351	10,891
End of year	\$ 4,758	\$ 2,351
<b>Supplemental disclosures of cash flow information</b>		
Interest paid	\$ 16,310	\$ 17,269
Contributed securities	7,570	642
Gift in kind	204	143
Purchases of buildings and equipment included in accounts payable	1,257	45
Leased equipment	4,026	5,969

The accompanying notes are an integral part of these consolidated financial statements.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2025 and 2024**

**NOTE 1 - ORGANIZATION**

Worcester Polytechnic Institute (the "University"), founded in 1865, is the third-oldest private technological university in the United States. The University has an annual enrollment of over 8,400 undergraduate and graduate students. Located in Worcester, Massachusetts, the University serves a diverse student body representing nearly all U.S. states and over 95 foreign countries.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Financial Statement Presentation***

The accompanying consolidated financial statements are prepared using the accrual basis of accounting. Net assets, revenues, expenses, gains, and losses are classified based on whether donor-imposed restrictions exist. Accordingly, the University's net assets and any changes in them are categorized and reported as follows:

Net Assets With Donor Restrictions

These include net assets subject to donor-imposed stipulations, which may require the University to maintain the principal permanently. In most cases, donors allow the University to use all or part of the income generated by these investments for general or specific purposes. Also included are net assets restricted by state law or donor-imposed restrictions that can be fulfilled by University actions or the passage of time.

Net Assets Without Donor Restrictions

These are net assets that are not subject to any donor-imposed restrictions. However, net assets without restrictions can be designated for specific purposes by the Board of Trustees or restricted through contractual agreements with external parties.

Effective for the fiscal year ending June 30, 2024, the University changed the presentation of its Statement of Activities from a functional expense category format to a natural expense category format.

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no material effect on the consolidated financial position, changes in net assets, or cash flows of the University.

***Consolidation***

On September 12, 2024, Worcester Polytechnic Institute completed the purchase the Hampton Inn and the Courtyard Marriott hotels in the Gateway Park area of Worcester, for a total purchase price of \$46 million. The acquisition was financed through a combination of taxable and tax-exempt variable-rate debt, with interest rates tied to the Secured Overnight Financing Rate. The University plans to operate the hotels as commercial properties for a minimum of 18 months, after which the properties may be converted into student housing as deemed necessary by the University. Revenues associated with the hotel operations are reported as sales of auxiliary enterprises and the expenses are reported within the natural expense categories in the Statement of Activities.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The accompanying consolidated financial statements include the accounts of the University and its wholly-owned or controlled subsidiaries, as described below. Intercompany accounts and transactions have been eliminated.

Gateway Park LLC ("Gateway")

Gateway holds a ground lease for University-owned property in the Gateway Park area of Worcester.

Lancaster Island LLC ("Lancaster")

Lancaster owns land in the Gateway Park area of Worcester and is the lessee of a parcel of land currently used for student parking.

ASSISTments Foundation Inc. ("TAF")

TAF is a not-for-profit corporation and a Type 1 Supporting Organization of the University. It supports the University's ASSISTments program.

Grove Street Lodging LLC ("Grove Street")

Grove Street holds and manages the Courtyard Marriott ("Courtyard") in the Gateway Park area of Worcester.

Prescott Street Lodging LLC ("Prescott Street")

Prescott Street holds and manages the Hampton Inn ("Hampton") in the Gateway Park area of Worcester.

During the fiscal year ending June 30, 2024, Washburn Park Inc. ("Washburn"), previously consolidated in the University's financial statements, was merged into the University. As a result, no separate consolidation of this entity is presented in the current year. The dissolution had no impact on the University's consolidated net assets, results of operations, or cash flows.

***Classifications***

Revenues are reported as increases in net assets without donor restrictions unless the use of related inflows is limited by donor-imposed restrictions or legal requirements. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are also reported as increases or decreases in net assets without donor restrictions, unless restricted by explicit donor stipulation or legal requirements. When temporary restrictions on net assets expire (i.e., the donor's stipulation is fulfilled or the specified time period elapses), the amounts are reclassified as net assets released from restrictions.

***Operating and Nonoperating Activities***

In the consolidated statements of activities, the University distinguishes between operating and nonoperating activities. Operating activities are primarily those that support the University's educational mission and purpose and the operations of the acquired hotels. Nonoperating activities generally include unspent appreciation on endowment funds, gains or losses on beneficial interests in trusts, changes in the value of split-interest agreements, net contributions designated for endowment and capital use and related releases, and changes in the value of interest rate agreements.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Use of Estimates in the Preparation of Financial Statements***

The preparation of financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities at the financial statement date, as well as the reported revenues and expenses during the reporting period. Significant estimates made by the University include the valuation of investments, the estimated net realizable value of receivables (including contributions, gifts, pledges, student loans, student accounts, and other receivables), the estimated useful lives of buildings and equipment, and liabilities related to asset retirement obligations, self-insured medical claims, and split-interest agreements. Actual results may differ from these estimates.

***Cash and Cash Equivalents***

For purposes of reporting cash flows, the University defines cash equivalents as short-term, highly liquid investments. These consist of time deposits and other short-term investments with original maturities of ninety days or less at the time of purchase. Cash equivalents are recorded at cost, which approximates their fair value at the reporting date. Certain cash and cash equivalent balances are designated as separate from cash available for current operations, based on the University's intent to segregate these funds.

The University's banking activities, including cash and cash equivalents not classified as investments, are primarily held with one regional bank, and the balances exceed federal insurance limits. The University monitors the financial strength of the bank on an ongoing basis.

***Contributions***

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions subject to donor-imposed stipulations that are satisfied within the same reporting period are reported as unrestricted support. Promises to give that are scheduled to be received after the fiscal year-end are shown as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the purpose or time restrictions are met. Promises to give that require the corpus to be maintained permanently are recognized as increases in net assets with donor restrictions. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of non-cash assets are recorded at their estimated fair value at the time of the gift. Contributions expected to be collected after more than one year are recorded at the present value of estimated future cash flows, with discount rates ranging from 0.5% to 4.3%. The amortization of the discount is recorded as additional contribution revenue in the relevant net asset class.

The carrying amount of contributions receivable approximates fair value, as these amounts are recorded net of an allowance for uncollectible accounts and discounted to present value. Management determines the allowance for uncollectible contributions receivable based on judgment, considering factors such as prior collection history, the type of contribution, and the nature of the fundraising activity.

The University reports contributions of land, buildings, or equipment as support without donor restrictions unless the donor imposes specific restrictions on their use. Contributions of cash or other assets that must be used to acquire long-lived assets are reported as support without donor restrictions if the assets are placed in service within the same reporting period. Otherwise, these contributions are reported as support with donor restrictions until the assets are acquired and placed in service, at which point they are reclassified as net assets without donor restrictions.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Deferred Financing Costs***

Deferred financing costs related to bonds and notes payable are amortized over the life of the associated bonds.

As of June 30, 2025 and 2024, net deferred financing costs were \$2,318,000 and \$2,248,000, respectively. Amortization expense for the years ended June 30, 2025 and 2024, was \$87,000 and \$376,000, respectively.

***Beneficial Interest in Trusts***

The University is the beneficiary of certain perpetual and charitable remainder trusts, which are held and administered by third-party trustees. Under these agreements, the University has an irrevocable right to its share of the income generated by the trust assets. Donors may impose restrictions on the use of the income. The estimated fair value of the trust assets is recognized as an asset and as contribution revenue when the information is reported to the University.

***Investments***

Investments are reported at fair value, which is a market-based measurement determined by the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To determine fair value, the University prioritizes inputs based on the market in which the investments trade and the reliability of the data, using a three-level hierarchy:

- Level 1 - Valuation is based on quoted prices for identical assets in active markets. Market price data is typically obtained from relevant exchanges or dealer markets.
- Level 2 - Valuation is based on observable inputs other than Level 1 prices. This includes quoted prices for similar assets in active or inactive markets, or other observable data that can be corroborated by market data for substantially similar assets or liabilities.
- Level 3 - Valuation is based on unobservable inputs that are significant to the asset's fair value. This category includes investments where valuation is determined using pricing models, discounted cash flow methodologies, or other techniques that require significant judgment or estimation.

For certain investments, fair values are based on the net asset value ("NAV") provided by external investment managers, including general partners, when fair values are not readily available. These valuations rely on estimates, assumptions, and methodologies used by the investment managers.

In the absence of quoted market prices, fair values are determined using present value calculations or other valuation techniques. These techniques are significantly affected by assumptions, such as discount rates and estimates of future cash flows. As a result, the estimated fair values may differ from actual realized values in transactions.

Investments consist of assets held in the University's endowment and similar funds, as well as split-interest agreements. Endowment funds are subject to donor restrictions requiring the principal to be invested in perpetuity, with only the income available for use. Funds functioning as endowments, or quasi-endowments, have been established by the Board of Trustees to serve the same purposes. However, any portion of these quasi-endowments may be expended with Board approval.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Endowment and similar fund assets are pooled on a fair value basis, with each individual fund subscribing to or disposing of units based on the fair value per unit at the start of each quarter. Endowment income is distributed based on the number of units held at the end of each month. The University also maintains separately invested funds, as stipulated by specific donors.

Gains or losses on investments are reported in the consolidated statement of activities as increases or decreases in net assets without donor restrictions, unless restricted by explicit donor stipulations or legal requirements. Investment income is recorded in net assets without donor restrictions, unless donor stipulations require otherwise.

***Land, Buildings and Equipment***

Land, buildings, and equipment are recorded at their acquisition cost, or, if received as a gift, at their estimated fair value at the time of the gift. When assets are retired or otherwise disposed of, their cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. Expenditures for repairs and maintenance are expensed as incurred.

Finance leases are recorded at the present value of lease payments at the lease inception date. Property and equipment acquired under leases are amortized on a straight-line basis over the shorter of the lease term or the asset's estimated useful life. Amortization expense related to leased assets is included in depreciation expense in the consolidated statement of activities.

Depreciation expense is calculated on a straight-line basis over the estimated useful lives of the assets. The University periodically reviews these useful life estimates and, when necessary, makes prospective adjustments. If significant events or changes in operating conditions occur, asset lives may be reassessed, and impairment evaluations may be performed to determine if the carrying amounts are recoverable.

Useful lives are as follows:

Land improvements	10 to 20 years
Buildings and improvements	10 to 40 years
Equipment	3 to 10 years

***Deposits and Deferred Revenue***

Deposits and deferred revenue represent payments received in advance for services that have not yet been provided. These amounts primarily consist of revenue from student tuition, educational fees, and advance payments for sponsored research programs.

***Split-Interest Agreements***

The University's split-interest agreements with donors are included in investments and consist of charitable gift annuities, charitable lead trusts, charitable remainder trusts, and pooled income arrangements. These assets are either managed by the University or by third-party trustees, with payments made to beneficiaries according to the terms of the agreements. At the end of the agreement's term, remaining amounts are distributed to the University or other beneficiaries.

Annual distributions to beneficiaries may be a fixed dollar amount or a percentage of the trust's fair value. Upon receiving a gift that requires the University or trustee to make periodic payments to donors, the University records the gift at fair value and establishes a corresponding liability for the future payments owed to beneficiaries. This liability is adjusted throughout the term of the gift.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The University recognizes its beneficial interest in split-interest agreements when the amounts become estimable and probable. The present value of payments to beneficiaries is calculated using discount rates effective on the date of the gift, ranging from 0.4% to 11.2%.

***Asset Retirement Obligations***

An asset retirement obligation ("ARO") is a legal obligation associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. Subsequent to initial recognition, the University records period-to-period changes in the ARO liability resulting from the passage of time or revisions to either the timing or the amount of the original estimate of undiscounted cash flows. The University derecognizes ARO liabilities when the related obligations are settled.

***Tax-Exempt Status***

The University is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and is generally exempt from income taxes pursuant to Section 501(a) of the Code.

***Sponsored Research***

The University receives sponsored program funding from various governmental and corporate sources. The funding may represent a reciprocal transaction, in which the University provides an equivalent benefit in return, or a nonreciprocal transaction, in which the resources are provided for the benefit of the University, the funding organization's mission, or the public at large.

Revenues from exchange transactions are recognized as performance obligations are satisfied, which in most cases are as related costs are incurred.

Revenues from nonexchange transactions (contributions) may be subject to conditions, in the form of both a barrier to entitlement and a refund of amounts paid. Revenues from conditional nonexchange transactions are recognized when the barrier is satisfied.

In 2025 and 2024, sponsored programs revenue earned from governmental sources total \$47,282,000 and \$45,216,000, respectively. Indirect costs recovered on federally sponsored programs are based on predetermined reimbursement rates, which are stated as a percentage and distributed based on the modified total direct costs incurred. The University negotiates its federal indirect rate with its cognizant federal agency. Indirect costs recovered on all other grants and contracts are based on rates negotiated with the respective sponsors. Funds received for sponsored research activity are subject to audit. Based upon information currently available, management believes that any liability resulting from such audits will not materially affect the financial position or operations of the University.

***Tuition and Fee Revenue***

The University recognizes revenue from student tuition and fees within the fiscal year in which educational services are provided. Institutional aid, in the form of scholarships and grants-in-aid, includes amounts funded by the endowment, research funds, and gifts, and reduces the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Institutional aid provided to students was \$155,105,000 in 2025 and \$143,697,000 in 2024.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The University offers a summer term that spans two reporting periods. Payments of tuition and housing for the summer terms are recognized as performance obligations are met. Because the academic term spans two reporting periods, a portion of the revenues are deferred at June 30, 2025 and 2024.

***Auxiliary Services Revenue***

Auxiliary services exist to furnish goods or services to students, faculty, staff, or incidentally to the general public, and charge a fee that is directly related to, although not necessarily equal to, the cost of the goods or services provided. Auxiliary revenues primarily consist of student housing and dining services and hotel operations.

Undergraduate students are generally required to remit payments for housing and dining one week prior to the start of the academic term, while graduate student housing payments are due monthly on the first of each month. Dining plans are not offered during summer terms. Performance obligations for housing and dining services are satisfied over the academic terms, and revenue is recognized ratably over the period in which the services are provided.

The University has oversight over the daily operations of the hotels. Hotel operations include revenues from room rentals, food and beverage sales, and event services. Payments are generally due at the time of service, and performance obligations are satisfied and revenue recognized as lodging nights are provided and services rendered. The hotels support the University indirectly by hosting visiting scholars, prospective students, conference and event attendees, visiting athletic teams, and other University visitors.

***Recent Accounting Pronouncements***

There were no new accounting pronouncements issued and adopted during the year that had a material effect on the University's financial statements.

**NOTE 3 - ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net, consist of the following at June 30 (in thousands):

	<u>2025</u>	<u>2024</u>
Sponsored research	\$ 10,869	\$ 9,172
Student receivables	3,307	3,585
Other receivables	<u>3,597</u>	<u>2,965</u>
	17,773	15,722
Less: allowance for doubtful accounts	<u>(1,765)</u>	<u>(1,547)</u>
	<u>\$ 16,008</u>	<u>\$ 14,175</u>



**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 4 - CONTRIBUTIONS RECEIVABLE, NET**

Unconditional promises are expected to be received in the following periods at June 30 (in thousands):

	2025	2024
In one year or less	\$ 7,123	\$ 9,830
Between one and five years	16,551	23,234
	23,674	33,064
Less:		
Discount to present value	(1,402)	(1,916)
Allowance for doubtful contributions	(3,283)	(2,665)
	<u>\$ 18,989</u>	<u>\$ 28,483</u>

As of June 30, 2025 and 2024, the University has \$126,339,000 and \$132,614,000, respectively, of conditional promises to give that are not recognized as assets in the accompanying consolidated statements of financial position.

**NOTE 5 - STUDENT LOANS RECEIVABLE, NET**

The University makes uncollateralized loans to students based on financial need. Student loans are funded through Federal government loan programs or institutional resources.

Student loans receivable consists of the following at June 30 (in thousands):

	2025			2024		
	Federal	Institutional	Total	Federal	Institutional	Total
Student loans receivable	\$ 1,044	\$ 13,739	\$ 14,783	\$ 1,562	\$ 14,806	\$ 16,368
Less: allowance for doubtful accounts						
Beginning of year	-	(375)	(375)	-	(394)	(394)
Decrease (increase)	-	(194)	(194)	-	19	19
Writeoffs	-	233	233	-	-	-
End of year	-	(336)	(336)	-	(375)	(375)
Student loans receivable, net	<u>\$ 1,044</u>	<u>\$ 13,403</u>	<u>\$ 14,447</u>	<u>\$ 1,562</u>	<u>\$ 14,431</u>	<u>\$ 15,993</u>

Historically, the University participated in the Federal Perkins Loan Program revolving loan program. Congress did not renew the program after September 30, 2017, and no disbursements were permitted after June 30, 2018. The University has elected to continue to collect on the loans and return the federal portion collected on an annual basis. Funds advanced by the Federal government and their share of student loan activity totals \$1,221,000 and \$1,815,000 at June 30, 2025 and 2024, respectively.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following amounts were past due under student loan programs at June 30 (in thousands):

	<u>1-60 Days</u>		<u>60-90 Days</u>		<u>90+ Days</u>		<u>Total Past Due</u>
June 30, 2025	\$ 3	\$	5	\$	541	\$	549
June 30, 2024	\$ 5	\$	7	\$	631	\$	643

Allowances for credit losses are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms. Institutional loan balances are written off only when they are deemed to be permanently uncollectible.

**NOTE 6 - BENEFICIAL INTEREST IN TRUSTS**

Beneficial interest in trusts is carried at fair value using discounted present value and other similar methodologies. The following table summarizes the changes in these trusts during the years ended June 30 (in thousands):

	<u>2025</u>	<u>2024</u>
Fair value, beginning of year	\$ 15,577	\$ 16,474
Net realized (losses) and gains	945	941
Contributions	-	-
Distributions, net	-	(1,838)
Fair value, end of year	<u>\$ 16,522</u>	<u>\$ 15,577</u>

**NOTE 7 - INVESTMENTS**

Investments at June 30, 2025 are as follows (comparative totals are included for 2024) (in thousands):

	<u>2025</u>			<u>2024</u>
	<u>Endowment and Similar Funds</u>	<u>Split-Interest Agreements</u>	<u>Total</u>	<u>Total</u>
Cash and cash equivalents	\$ 8,386	\$ 156	\$ 8,542	\$ 1,614
Equity securities	82,042	12,002	94,044	77,087
Fixed income securities	89,536	2,921	92,457	54,444
Alternative investments				
Equity funds	403,081	-	403,081	383,941
Fixed income funds	72,407	-	72,407	63,453
Private equity funds	75,529	-	75,529	95,756
Total investments	8,994	-	8,994	-
Real assets	38,236	-	38,236	47,680
Total investments	<u>\$ 778,211</u>	<u>\$ 15,079</u>	<u>\$ 793,290</u>	<u>\$ 723,975</u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following table presents the fair value of investments by major category and fair value hierarchy level as of June 30, 2025 (in thousands):

	2025				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV Practical Expedient	Total
Cash and cash equivalents	\$ 8,542	\$ -	\$ -	\$ -	\$ 8,542
Equity securities	86,775	7,269	-	-	94,044
Fixed income securities	50,557	41,900	-	-	92,457
Alternative investments					
Equity funds	-	-	-	403,081	403,081
Fixed income funds	-	-	-	72,407	72,407
Private equity funds	-	-	-	75,529	75,529
Private credit	-	-	-	8,994	8,994
Real assets	-	-	-	38,236	38,236
Total investments	<u>\$ 145,874</u>	<u>\$ 49,169</u>	<u>\$ -</u>	<u>\$ 598,247</u>	<u>\$ 793,290</u>

The following table presents the fair value of investments by major category and fair value hierarchy as of June 30, 2024 (in thousands):

	2024				
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	NAV Practical Expedient	Total
Cash and cash equivalents	\$ 1,614	\$ -	\$ -	\$ -	\$ 1,614
Equity securities	70,776	6,311	-	-	77,087
Fixed income securities	21,792	31,396	-	1,256	54,444
Alternative investments					
Equity funds	-	-	-	383,941	383,941
Fixed income funds	-	-	-	63,453	63,453
Private equity funds	-	-	-	95,756	95,756
Real assets	-	-	-	47,680	47,680
Total investments	<u>\$ 94,182</u>	<u>\$ 37,707</u>	<u>\$ -</u>	<u>\$ 592,086</u>	<u>\$ 723,975</u>

For the year ended June 30, 2024, \$38 million of fixed income and equity securities were reclassified from Level 1 to Level 2.

As of June 30, 2025 and 2024, there were no investments to disclose as Level 3 in the fair value hierarchy.

Fair values of equity, fixed income and commodity securities are generally based on published fair values. The University invests in hedge funds, private equity, and real estate investments through various limited partnerships and similar vehicles. Hedge funds utilize a variety of investment strategies incorporating marketable securities and, in some cases, derivative instruments, all of which are reported at estimated fair value by the fund managers. Private equity funds consist of long-term private investments and have been valued based on estimates provided by the general partners of the investment vehicles. Investments in limited partnerships and limited liability companies (generally referred to as "limited partnerships") for which

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

readily ascertainable fair values are not available are reported at estimated fair value as determined by management or at the investment NAV as a practical expedient. Investments in limited partnerships are generally valued based upon the most recent NAV or capital account information available from the general partner of the investment limited partnership, taking into consideration, where applicable, other information determined to be a reliable indicator of fair value. These factors include rights and obligations, restrictions or illiquidity on such interest, potential claw backs, and the fair value of the limited partnership's investment portfolio or other assets and liabilities. The values assigned to investments in limited partnerships are based upon available information and do not necessarily represent amounts which might ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been realized had a ready market for the investments existed and those differences could be material.

Alternative investments consist of noncontrolling, limited marketability stock holdings and investments in limited partnerships. The fair values of investments in limited partnerships have been valued based on the NAV provided by the fund managers of these investment vehicles and reviewed by management.

The following table summarizes key provisions for the University's alternative investments valued at NAV (in thousands) as of June 30, 2025:

Asset Class	Strategy	Fair Value	2025		Redemption Terms	Redemption Restrictions
			Remaining Life	Unfunded Commitment		
Absolute return - market neutral	Global equity and fixed income funds in market neutral categories	\$ 66,765	Up to 19 years	\$ -	Redemption terms range from quarterly with 60 to 90 days notice to annually with 45 to 90 days notice.	Lock-up provisions range from none to redemptions limited to 1/3 of the value annually.
Private equity	Venture capital and buyout in the US and global markets	75,529	Up to 10 years	52,302	Private equity structure with no ability to redeem.	Not redeemable
Directional hedge	Global long/short equity funds	115,155	Up to 25 years	-	Redemption terms range from quarterly with 60 days notice to every five years with 90 days notice.	No lock-up provisions
Public equity	Primarily in long only equity, tracks performance or relevant index	275,666	No limit	10,374	Redemption terms range from 10 business days in advance of valuation date to monthly redemptions with 7 days notice.	Ranges from no additional restrictions to partial redemptions allowed but may require full redemption if capital is below \$1M.
Fixed income	Primarily in domestic bonds, tracks performance	17,902	No limit	-	Daily redemption with a notice period ranging from 0 to 2 business days	Daily redemption
Private credit	Primarily in illiquid distressed and opportunistic credit and lending funds	8,994	No limit	14,383	Redemption terms vary from daily to illiquid	Not redeemable
Real assets	US real estate	38,236	Up to 10 years	23,403	Private equity structure with no ability to redeem.	Not redeemable
		<u>\$ 598,247</u>		<u>\$ 100,462</u>		

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The following table summarizes key provisions for the University's alternative investments valued at NAV (in thousands) as of June 30, 2024:

Asset Class	Strategy	Fair Value	2024		Redemption Terms	Redemption Restrictions
			Remaining Life	Unfunded Commitment		
Absolute return - market neutral	Global equity and fixed income funds in market neutral categories	\$ 68,614	Up to 20 years	\$ -	Redemption terms range from quarterly with 60 to 90 days' notice to annually with 45 to 90 days' notice.	Lock-up provisions range from none to redemptions limited to 1/3 of the value annually.
Private equity	Venture capital and buyout in the US and global markets	87,684	Up to 7 years	41,300	Private equity structure with no ability to redeem.	Not redeemable
Directional hedge	Global long/short equity funds	114,625	Up to 7 years	-	Redemption terms range from quarterly with 60 days' notice to every five years with 90 days' notice.	No lock-up provisions
Public equity	Primarily in long only equity, tracks performance or relevant index	241,898	No limit	-	Redemption terms range from 10 business days in advance of valuation date to monthly redemptions with 7 days' notice.	Ranges from no additional restrictions to partial redemptions allowed but may require full redemption if capital is below \$1M.
Fixed income	Primarily in domestic bonds, tracks performance	22,257	No limit	-	Daily redemption with a notice period ranging from 0 to 2 business days.	Daily redemption
Private credit	Primarily in illiquid distressed and opportunistic credit and lending funds	8,072	No limit	8,037	Redemption terms vary from daily to illiquid.	Not redeemable
Real assets	US real estate	47,680	Up to 4 years	26,695	Private equity structure with no ability to redeem.	Not redeemable
		<u>\$ 590,830</u>		<u>\$ 76,032</u>		

**Endowment Income and Spending**

In addition to current yield (interest, dividends, and net rental income), the University has interpreted Massachusetts state law to allow for the utilization of capital appreciation on donor-restricted endowment funds unless explicit donor stipulations specify how net appreciation must be used. Accordingly, the University segregates capital appreciation between that which can be used for current operations and that which is attributable to donor-restricted endowment funds. For financial reporting purposes, current yield and capital appreciation attributed to donor-restricted endowment funds are considered restricted until appropriated for use, and the historic dollar value of such funds is considered restricted in perpetuity.

The University has adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") statute. UPMIFA provides guidance for investment management; enumerates guidelines for prudent investing; and eliminates the concept of "historic dollar value" for donor-restricted endowments. Accordingly, the University has not limited appropriation of underwater funds to current yield.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

The University has adopted investment and spending policies for its endowment and similar funds that attempt to provide a predictable stream of funding for its programs. To satisfy its long-term rate-of-return objectives, the University relies on a total return approach in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield.

To achieve its long-term objectives within prudent risk parameters, the University targets a diversified asset allocation as follows:

<u>Asset Allocation Policy</u>	<u>Target %</u>
Global equity	50
Private equity/venture capital	20
Private credit	5
Flexible capital	10
Fixed income	2.5
Real assets	12.5

The University observes a spending rule with respect to total return (interest, dividends, and appreciation) on investments of the endowment and similar funds. Under the spending rule, the University appropriated 4.6 % of its endowment and similar funds' average unit fair value for the previous twelve quarters, from the beginning of the fiscal year, for the years ended June 30, 2025 and 2024, respectively.

***Endowment and Similar Funds***

The endowment and similar funds' net asset composition as of June 30, 2025 and 2024 and the changes for the years then ended are as follows (in thousands):

	<u>2025</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor restricted	\$ -	\$ 454,416	\$ 454,416
Quasi-endowment	277,006	-	277,006
	<u>\$ 277,006</u>	<u>\$ 454,416</u>	<u>\$ 731,422</u>
Balance, June 30, 2024	\$ 261,163	\$ 418,836	\$ 679,999
Investment return	32,737	37,018	69,755
Contributions	2,026	8,339	10,365
Appropriated for expenditure	(18,920)	(9,777)	(28,697)
Balance, June 30, 2025	<u>\$ 277,006</u>	<u>\$ 454,416</u>	<u>\$ 731,422</u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment	\$ -	\$ 418,836	\$ 418,836
Quasi-endowment	261,163	-	261,163
	<u>\$ 261,163</u>	<u>\$ 418,836</u>	<u>\$ 679,999</u>
Balance, June 30, 2023	\$ 244,971	\$ 383,794	\$ 628,765
Investment return	32,975	38,667	71,642
Contributions	832	6,022	6,854
Appropriated for expenditure	<u>(17,615)</u>	<u>(9,647)</u>	<u>(27,262)</u>
Balance, June 30, 2024	<u>\$ 261,163</u>	<u>\$ 418,836</u>	<u>\$ 679,999</u>

***Split-Interest Agreements***

Investments include the following split-interest agreements at June 30 (in thousands):

	2025	2024
Charitable remainder trusts	\$ 7,003	\$ 6,500
Charitable gift annuities	7,198	6,595
Pooled income funds	<u>879</u>	<u>865</u>
	<u>\$ 15,080</u>	<u>\$ 13,960</u>

**NOTE 8 - LAND, BUILDINGS AND EQUIPMENT, NET**

Land, buildings and equipment, net, consist of the following at June 30 (in thousands):

	2025	2024
Land and land improvements	\$ 45,899	\$ 43,618
Buildings and improvements	794,253	723,977
Equipment	166,313	155,426
Long-term lease assets	<u>26,263</u>	<u>26,166</u>
	1,032,728	949,187
Less: accumulated depreciation	<u>(472,379)</u>	<u>(434,257)</u>
	560,349	514,930
Construction-in-progress	<u>3,552</u>	<u>24,144</u>
	<u>\$ 563,902</u>	<u>\$ 539,074</u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Depreciation expense charged to operations was \$38,275,000 and \$32,835,000 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 9 - LEASES AND CONTRACT LIABILITIES**

The University is a lessee or lessor of real estate and office space, as well as equipment. The University determines whether a contract is a lease at inception of the contract. When evaluating contracts for embedded leases, the University exercises judgement to determine if there is an explicit or implicit identified asset in the contract and if the University controls the use of that asset. Embedded leases are immaterial to the consolidated financial statements.

Certain real estate leases have renewal options and the lease term includes options to extend or terminate the lease when it is reasonably certain that the University will exercise that option.

Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Lease assets and liabilities are recognized based on the present value of lease payments over the lease term. The majority of the University's leases do not have a readily determinable implicit discount rate and in those cases the University uses its incremental borrowing rate to calculate the present value of lease payments. As a practical expedient, the University has made an accounting policy election for all asset classes not to separate lease components from nonlease components in the event that the agreement contains both. The University includes both lease and nonlease components for purposes of calculating the right-of-use asset and related lease liability. For finance leases, interest expense on the lease liability is recognized using the effective interest method and amortization of the right-to-use asset is recognized on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

During the year ended June 30, 2023, the University entered into a 40-year operating agreement with a third party to manage and upgrade the existing powerplant. This long-term utility agreement includes an upfront \$45 million payment and an exclusive right to sell to the University electricity, steam/hot water, and chilled water. Through this 40-year agreement, the University agreed to sell certain utility assets to a newly formed entity, WPI Utility P3, LLC at a price of \$14,103,600 and to grant them the right to operate the utility systems for the duration of the agreement at a price of \$30,896,400.

The University assessed the transaction as a sale leaseback transaction under Financial Accounting Standards Board Accounting Standards Codification ("FASB") 842 and concluded that ultimately the transaction did not meet the definition of a sale. Therefore, the University did not follow sale leaseback accounting and accounted for the liability as a contract liability under FASB 842. The University continued to recognize the fixed assets at their net book value of \$2.6 million and will continue to depreciate them over their useful lives. Separately, the University recognized the cash received of \$45 million as a contract liability discounted to present value based on the future payments to be made.

The table below presents certain information related to the lease costs for leases (in thousands):

	2025	2024
Finance lease expense		
Amortization of leased assets	\$ 334	\$ 334
Interest on lease liabilities and contract liabilities	2,509	752
Operating lease expense	2,101	3,416
Short-term and variable lease costs	213	81
	<hr/>	<hr/>
Total lease cost	\$ 5,157	\$ 4,583
	<hr/>	<hr/>



**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Supplemental financial position information related to operating leases, finance leases, and contract liabilities as of June 30, 2025 is as follows (in thousands):

	Classification on the Statement of Financial Position	2025	2024
<b>Assets</b>			
Operating lease assets	Land, buildings and equipment, net	\$ 6,470	\$ 8,746
Finance lease assets	Land, buildings and equipment, net	836	1,170
<b>Total lease assets</b>		<u>\$ 7,576</u>	<u>\$ 9,916</u>
<b>Liabilities</b>			
Operating lease liabilities	Lease and contract liabilities	\$ 7,111	\$ 9,042
Finance lease liabilities	Lease and contract liabilities	1,080	1,484
Contract liabilities	Lease and contract liabilities	55,191	50,388
<b>Total lease and contract liabilities</b>		<u>\$ 63,382</u>	<u>\$ 60,914</u>
<b>Weighted-average remaining lease term</b>			
Operating leases		3.7 years	4.6 years
Finance leases and contract liabilities		36.8 years	37.4 years
<b>Weighted-average discount rate</b>			
Operating leases		2.91%	2.92%
Finance leases and contract liabilities		4.88%	4.87%

The table below presents supplemental cash flow information related to leases (in thousands):

	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	\$ 2,263	\$ 4,390
Operating cash flows for finance leases and contract liabilities	3,047	2,454
	<u>\$ 5,310</u>	<u>\$ 6,844</u>

Future minimum lease payments under operating and finance leases (in thousands) at June 30, 2025 is as follows:

Year Ending June 30,	Amount Due
2026	\$ 5,370
2027	5,271
2028	4,981
2029	4,475
2030	3,083
Thereafter	<u>112,582</u>
	135,762
Less: imputed interest	<u>(72,380)</u>
<b>Total lease and contract liabilities</b>	<u><u>\$ 63,382</u></u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

**NOTE 10 - BONDS AND NOTES PAYABLE, NET**

Bonds, notes payable, and financing liabilities consist of the following (in thousands) at June 30:

Purpose and Definition	Maturity Date	Interest Rate %	Original Issue	Amount Due Within One Year	Balance, June 30, 2025	Balance, June 30, 2024
<b>Bonds payable</b>						
MDFA 2008 Series A <sup>(1)</sup>	9/1/2035	Variable	\$ 54,815	\$ 2,090	\$ 26,815	\$ 28,905
MDFA 2014 Series <sup>(1)</sup>	9/1/2029	2.5-3.1	2,782	225	2,659	2,877
MDFA 2016 Series <sup>(2)</sup>	9/1/2052	3.0-5.0	49,030	-	36,892	37,189
Worcester Polytechnic Institute 2016 Series <sup>(1)</sup>	9/1/2056	4.338	56,905	-	56,905	56,905
MDFA 2017A Series <sup>(3)</sup>	9/1/2047	3.0-5.0	14,435	395	13,834	13,297
MDFA 2017B Series <sup>(4)</sup>	9/1/2045	5.0	52,990	-	45,136	45,728
MDFA 2019 Series <sup>(5)</sup>	9/1/2059	4.0-5.0	113,640	-	106,682	107,689
MDFA 2022 Series <sup>(1)</sup>	6/30/2042	2.2	42,540	1,099	39,480	40,532
People's Bank Loan	6/30/2047	4.6	22,000	545	20,563	21,080
Term Loan - T.D. Bank <sup>(6)</sup>	9/12/27	Variable	26,053	-	26,053	-
MDFA 2024 Series <sup>(7)</sup>	9/12/54	Variable	20,400	-	20,400	-
<b>Uncollateralized notes</b>						
Capital lease obligations	Various	Various	N/A	89	206	258
Financing liability	9/30/2043			497	5,502	3,026
Other short term financing obligations	Various	Various	N/A	-	10,500	20,512
				4,940	411,627	377,998
Less: deferred financing costs, net of amortization				-	(2,318)	(2,248)
Total bonds and notes payable				\$ 4,940	\$ 409,309	\$ 375,750

- (1) The bonds, issued at par with no discount or premium, represent a general obligation of the University.
- (2) The bonds represent a general obligation of the University. The balances at June 30, 2025 and 2024 include a premium of \$3,432,000 and \$3,729,000, respectively.
- (3) The bonds represent a general obligation of the University. The balances at June 30, 2025 and 2024 include a premium of \$2,709,000 and \$1,812,000, respectively.
- (4) The bonds represent a general obligation of the University. The balances at June 30, 2025 and 2024 include a premium of \$4,711,000 and \$5,303,000, respectively.
- (5) The bonds represent a general obligation of the University. The balances at June 30, 2025 and 2024 include a premium of \$14,512,000 and \$15,519,000, respectively.
- (6) In fiscal year 2025, the University entered into a term loan agreement with T.D. Bank, N.A., with an original issue amount of \$26,100,000. Proceeds were used to finance the acquisition of the Courtyard Marriott hotel property. The loan matures in 2027, and requires interest-only payments through maturity, with the entire principal balance due at that date. The loan is variable-rate, with interest rates tied to the Secured Overnight Financing Rate.
- (7) In fiscal year 2025, the University issued \$20,400,000 of tax-exempt Massachusetts Development Finance Agency Revenue Bonds (Series 2024). Proceeds from the issuance were used to finance the acquisition of the Hampton Inn hotel property. The bonds mature in September 2054 and are subject to a mandatory purchase date in September 2027. The University expects to remarket the bonds at the mandatory purchase date. The bonds are variable rate, with interest rates tied to the Secured Overnight Financing Rate.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

There were no funds held under bond agreements at June 30, 2025 for construction and debt service reserves regarding the University's various bond indentures.

Scheduled aggregate principal repayments on bonds, notes payable, and financing liabilities for each of the next five fiscal years and thereafter are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Amount Due</u>
2026	\$ 15,415
2027	31,723
2028	6,761
2029	6,949
2030	7,731
Thereafter	<u>317,684</u>
Total cash payments	386,262
Premium	<u>25,364</u>
	<u>\$ 411,627</u>

The University also has a \$50,000,000 bank revolving line of credit. The line of credit bears interest at an adjusted SOFR rate plus 1.25% per month on outstanding amounts. The balance outstanding was \$10,500,000 and \$20,500,000 at June 30, 2025 and 2024, respectively. Related interest expense was \$492,000 and \$378,000 for the years ended June 30, 2025 and 2024, respectively.

**NOTE 11 - INTEREST RATE AGREEMENTS**

The University has entered into several interest rate swap agreements used to economically hedge the interest rate risk associated with certain of its variable rate debt obligations. The following summarizes the terms for each of these agreements as of June 30 (dollars in thousands):

	<u>Series 2008 A</u>	
	<u>Deutsche Bank AG</u>	<u>Barclays Bank PLC</u>
Trade/effective date	Nov. 3, 2008	Nov. 3, 2008
Initial notional amount	\$ 14,100	\$ 34,200
Termination date	Oct. 1, 2033	Sept. 1, 2035
Rate paid by University	4.65%	3.71%
Rate paid by Counterparty	71% of one-month LIBOR	SOFR + 11.448 bps

	<u>Series 2008 A</u>		
<u>Fair Value Liability</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
June 30, 2025	\$ 714	\$ 866	\$ 1,580
June 30, 2024	\$ 655	\$ 745	\$ 1,400

The interest rate swap agreements contain provisions requiring collateral postings should the fair value liability of the University exceed certain amounts based on the University's long-term credit ratings. For the

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

agreement with Deutsche Bank AG, the collateral posting provision is triggered should the fair value liability exceed \$40 million while the University's long-term credit rating remains at A1/A+. For the Barclays Bank PLC agreement, collateral would be required if the combined fair value liability exceeds \$40M and the University's long-term credit rating declines to A2/A. At the University's current rating of A2/A, a combined fair value liability in excess of \$40 million would trigger a posting requirement for the Barclays Bank PLC agreement. The combined debt and swap liability is \$28 million at June 30, 2025. The provisions with both counterparties provide that the liability threshold increases if the University's long-term credit ratings decline. At June 30, 2025, the University is not required to post collateral to its counterparties.

**NOTE 12 - RETIREMENT PLAN**

The University participates in a defined contribution retirement plan for substantially all of its employees. Through March 31, 2025, employees could elect to invest in various accounts with the Teachers' Insurance and Annuity Association of America ("TIAA"), Fidelity Investments, or a combination of both. Effective April 2025, the University transitioned to a single record keeper arrangement with TIAA. All new enrollments and contributions were directed solely to TIAA as of April 1, 2025 and April 22, 2025, respectively. Participants with Fidelity held their account balances in Fidelity through June 30, 2025, with the transfer of previously accumulated account balances scheduled for July 2025. Contributions were \$11,423,000 and \$11,224,000 for the years ended June 30, 2025 and 2024, respectively. Contributions are based upon a percentage of the employees' compensation.

**NOTE 13 - FUNCTIONAL EXPENSES**

Expenses are presented by functional classification in the following tables. Each functional classification includes all expenses related to the underlying operations by natural classification. The costs of operation and maintenance of plant, depreciation, and interest expense have been allocated across all functional expense categories to reflect the full cost of those activities.

Costs are allocated using the following methods: Expenses pertaining to depreciation, administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant are allocated based on square footage. Interest expense is allocated based on usage of debt-financed space.

The following summarizes the allocation of functional expenses as of June 30 (dollars in thousands):

	2025						
	Instruction and Research	Sponsored Research	Student Services	Auxiliary Enterprises	External Relations	Institution and Academic Support	Total
Wages and benefits	\$ 113,575	\$ 36,998	\$ 14,933	\$ 7,111	\$ 11,155	\$ 40,088	\$ 223,860
Operating expenses	21,206	26,159	7,529	29,246	2,065	22,504	108,709
Depreciation	11,939	5,610	5,180	8,611	230	6,705	38,275
Interest expense	5,500	1,194	2,877	6,395	39	2,222	18,227
Total operating expenses	<u>\$ 152,220</u>	<u>\$ 69,961</u>	<u>\$ 30,519</u>	<u>\$ 51,363</u>	<u>\$ 13,489</u>	<u>\$ 71,519</u>	<u>\$ 389,071</u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

	2024						
	Instruction and Research	Sponsored Research	Student Services	Auxiliary Enterprises	External Relations	Institution and Academic Support	Total
Wages and benefits	\$ 112,584	\$ 34,212	\$ 14,401	\$ 6,248	\$ 11,301	\$ 38,524	\$ 217,270
Operating expenses	19,707	24,145	7,503	21,855	2,118	21,340	96,668
Depreciation	10,789	5,341	5,387	8,392	174	6,557	36,640
Interest expense	3,670	647	1,773	3,854	30	590	10,564
Total operating expenses	<u>\$ 146,750</u>	<u>\$ 64,345</u>	<u>\$ 29,064</u>	<u>\$ 40,349</u>	<u>\$ 13,623</u>	<u>\$ 67,011</u>	<u>\$ 361,142</u>

External relations expenditures include \$8,595,000 and \$9,137,000 of fundraising expenses for the years ended June 30, 2025 and 2024, respectively.

**NOTE 14 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES**

The following summarizes the financial assets available to meet the University's general expenditures (dollars in thousands), as of June 30, 2025:

	Resources Available at June 30, 2025	Resources Appropriated by the Board and Available in FY 2026	Resources not Available Within 12 Months	Total
<b>Financial assets available within 12 months</b>				
Cash and cash equivalents	\$ 4,758	\$ -	\$ -	\$ 4,758
Accounts receivable, net	16,008	-	-	16,008
Forecasted payout on board designated endowments	-	18,775	-	18,775
Investments not subject to donor restrictions or board designations	-	11,175	-	11,175
	<u>20,766</u>	<u>29,950</u>	<u>-</u>	<u>50,716</u>
<b>Financial assets not available for expenditures within 12 months</b>				
Cash, cash equivalents and investments	-	-	793,290	793,290
Contributions not due within one year	18,989	-	-	18,989
Student loan receivables, net	-	-	14,447	14,447
<b>Liquidity resources</b>				
Bank line of credit (less balance outstanding as of June 30, 2025)	<u>19,500</u>	<u>-</u>	<u>-</u>	<u>19,500</u>
Total financial assets and other liquidity resources	<u>\$ 59,255</u>	<u>\$ 29,950</u>	<u>\$ 807,736</u>	<u>\$ 896,942</u>

The University regularly monitors liquidity required to meet its operating needs and other contractual commitments. When reviewing available resources required to meet its expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities.

In addition to the financial assets available to meet expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

Included in financial assets not available for expenditure at June 30, 2025, the University had \$277,006,000 of board-designated endowments that, with the Board's approval, could be made available for expenditures.

Of the University's investments, 59% are redeemable within 30 days, 22% may be redeemed either at future specified redemption dates or currently by incurring a penalty, and 19% are in real estate, private equities, and other private investments. Constraints that limit the University's ability to withdraw capital after such investments are made may limit the amount available for withdrawal at a given redemption date which could limit the University's ability to respond quickly to changes in market conditions.

**NOTE 15 - NET ASSETS**

Net assets consist of the following at June 30 (in thousands):

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds			
Long-term investment (quasi-endowment)	\$ 277,006	\$ -	\$ 277,006
Original principal	-	268,007	268,007
Unspent income and appreciation			
Scholarship support	-	130,473	130,473
Faculty support	-	28,076	28,076
Program support	-	27,860	27,860
Total endowment funds	277,006	454,416	731,422
Split-interest agreements and perpetual trusts	3,650	21,958	25,608
Student loan funds	14,832	4,546	19,378
Gifts and other unexpended revenues			
Acquisition of building and equipment	-	690	690
Instruction, research and institutional support	-	30,168	30,168
Undesignated	94,816	-	94,816
	<u>\$ 390,304</u>	<u>\$ 511,778</u>	<u>\$ 902,082</u>

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment funds			
Long-term investment (quasi-endowment)	\$ 261,163	\$ -	\$ 261,163
Original principal	-	257,101	257,101
Unspent income and appreciation			
Scholarship support	-	112,650	112,650
Faculty support	-	24,127	24,127
Program support	-	24,958	24,958
Total endowment funds	261,163	418,836	679,999
Split-interest agreements and perpetual trusts	2,218	21,602	23,820
Student loan funds	14,513	4,483	18,996
Gifts and other unexpended revenues			
Acquisition of building and equipment	-	3,411	3,411
Instruction, research and institutional support	-	37,028	37,028
Undesignated	86,931	-	86,931
	<u>\$ 364,825</u>	<u>\$ 485,360</u>	<u>\$ 850,185</u>

**NOTE 16 - RELATED PARTIES**

The Alumni Association of Worcester Polytechnic Institute ("Alumni Association"), a separate 501(c)(3) organization, invests the majority of its funds in the University's endowment. At June 30, 2025 and 2024, funds held for others in the consolidated statements of financial position include Alumni Association assets of \$3,943,000 and \$3,701,000, respectively. There are no other material related party transactions as of and for the years ended June 30, 2025 and 2024.

**NOTE 17 - COMMITMENTS AND CONTINGENCIES**

***Construction Contracts***

For years ended June 30, 2025 and 2024, the University had contracted for various renovations and construction projects across campus totaling \$475,000 and \$2,185,000, respectively.

***Investments***

The University is obligated under certain limited partnership agreements and other alternative investment arrangements to advance additional funding periodically up to specified levels. At June 30, 2025 and 2024, the University had unfunded commitments of \$100,462,000 and \$76,032,000, respectively, that can be called through fiscal year 2030. These commitments will be funded from the University's existing cash and investments.

***Guarantees***

The University has guaranteed commercial loans with an outstanding amount of \$2,914,000 to six fraternities. These loans are collateralized by real property owned by the fraternities.

**Worcester Polytechnic Institute**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2025 and 2024**

***Uncertain Tax Positions***

The University is generally exempt from federal and state income taxes. Management annually reviews for uncertain tax positions along with any related interest and penalties and believes that the University has no uncertain tax positions that would have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

***Sponsored Research***

The University's sponsored research program and indirect cost recovery are subject to audit by the respective sponsoring federal agency as provided for in federally sponsored research regulations. Management believes that any such audit will not have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

***Self-insured Medical Claims***

The University is self-insured for medical claims and is a member of a captive insurer providing stop-loss insurance to cover plan expenses in excess of certain limits. Management believes insurance claims that have occurred as of June 30, 2025 and 2024 but not yet reported or paid have been adequately reserved.

***Other Commitments and Contingencies***

In May 2009, the University entered into a payment in lieu of taxes ("PILOT") agreement with the City of Worcester. The 25-year agreement provides for the University to pay \$800,000 annually in voluntary payments, increasing 2.5% annually. The agreement calls for the City of Worcester to use these amounts to support the operations of the Worcester Public Library and for the implementation of the master plan to renovate Institute Park. In April 2015, the PILOT agreement was amended to increase the voluntary payment by an additional \$130,000 annually, also increasing 2.5% annually.

The University is also involved in various legal actions arising in the normal course of its activities. Although the ultimate outcome is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of these pending matters will not have a material adverse effect, individually or in the aggregate, upon the University's consolidated statement of financial position or the related consolidated statements of activities or cash flows.

**NOTE 18 - SUBSEQUENT EVENTS**

Management has assessed subsequent events for the period from June 30, 2025 to November 5, 2025, the date the financial statements were issued, and has determined that no subsequent events necessitate recognition in the consolidated financial statements or disclosure in the notes of the consolidated financial statements, except as outlined below.

On August 1, 2025, the University issued \$20,000,000 of tax-exempt revenue bonds (Series 2025) through the Massachusetts Development Finance Agency. Proceeds from the issuance are being held in a trustee-controlled project account, with draws permitted as eligible project costs are incurred. The proceeds will be used to finance capital improvements. The bonds are variable-rate, with interest rates indexed to the Secured Overnight Financing Rate, and mature in 2050.

On August 15, 2025, the University repaid in full its outstanding \$20,400,000 Massachusetts Development Finance Agency Revenue Bond (Series 2024), originally issued to finance acquisition of the Hampton Inn hotel in Worcester, MA. Following this repayment, the bond is no longer outstanding.



## UNIFORM GUIDANCE SUPPLEMENTARY INFORMATION

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>				
<u>Department of Education</u>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 622,800	\$ -
William D. Ford Federal Direct Stafford Loan Program	84.268		31,933,147	-
Work Study Program	84.033		613,790	-
Pell Grant Program	84.063		4,985,485	-
Perkins Loan Program				
Outstanding Loans as of July 1, 2024	84.038		1,562,365	-
Total Student Financial Assistance Cluster			<b>39,717,587</b>	<b>-</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>				
<u>Department of Agriculture</u>				
Research Joint Venture and Cost Reimbursable Agreements	10.707		118,520	-
Infrastructure Investment and Job Act Joint Fire Science Program (Research & Development)	10.714		186,269	-
Environmental Quality Incentives Program	10.912		301,461	131,851
Agricultural Statistics Reports	10.950		1,787	-
Pass-Through Programs From				
Agriculture and Food Research Initiative (from North Carolina Agricultural and Technical State University)	10.310	241112A / 2020-67021-39133	92,245	-
Total Department of Agriculture			<b>700,282</b>	<b>131,851</b>
<u>Department of Commerce</u>				
<b>National Institute for Standards and Technology</b>				
Measurement and Engineering Research and Standards	11.609		291,897	172,900
Total National Institute for Standards and Technology			<b>291,897</b>	<b>172,900</b>
<b>National Oceanic and Atmospheric Administration</b>				
Climate and Atmospheric Research	11.431		73,440	47,962
Pass-Through Programs From				
Public Wireless Supply Chain Innovation Fund Grant Program – Expanding Testing and Evaluation (from Virginia Polytechnic Institute & State University)	11.038	451881-19C98 / 51-60-IF007	109,981	-
Climate and Atmospheric Research (from University of Puerto Rico)	11.431	530907-WPI / NA22OAR4310545	111,854	-
Total National Oceanic and Atmospheric Administration			<b>295,275</b>	<b>47,962</b>
Total Department of Commerce			<b>587,172</b>	<b>220,862</b>
<u>Department of Defense</u>				
<b>Department of Defense</b>				
Pass-Through Programs From				
Research and Development (from North Carolina State University)	12.RD	PAM-P25-001257-SA16 / H98230-25-D-0005	48,966	-
<b>Defense Advanced Research Projects Agency</b>				
Research and Development	12.RD		1,156,840	767,089
Pass-Through Programs From				
Research and Technology Development (from University of California, Riverside)	12.910	S1726 / D24AC00011	700,679	-
Total Defense Advanced Research Projects Agency			<b>1,857,519</b>	<b>767,089</b>

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
<b>Department of the Air Force</b>				
Air Force Defense Research Sciences Program	12.800		\$ 507,506	\$ 219,161
Research and Technology Development	12.910		26,362	
Pass-Through Programs From				
Air Force Defense Research Sciences Program (from National Center for Defense Manufacturing and Machining)	12.800	FA8650-20-2-5700	419,763	299,827
Research and Development (from ALAE Solutions, LLC)	12.RD	AFX234-DCSO2 / FA8649-23-P-0482	275,309	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	7000602290 / FA8702-15-D-0001	140,138	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	7000625153 / FA8702-15-D-0001	14,334	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	PO: 7000632214 / FA8702-15-D-0001	54,548	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	PO: 7100524600 / FA8702-15-D-0001	79,266	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	7000591913 / FA8702-15-D-0001	91,170	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	7000637436 / FA8702-15-D-0001	30,980	-
Research and Development (from MIT Lincoln Laboratory)	12.RD	7000650883 / FA8702-15-D-0001	6,645	-
Research and Development (from Research Foundation of SUNY)	12.RD	FA8650-15-2-522	121,235	-
Total Department of the Air Force			<b>1,767,256</b>	<b>518,988</b>
<b>Department of the Army</b>				
Basic Scientific Research	12.431		6,796,478	3,481,624
Direct Programs	12.RD		568,151	268,167
Pass-Through Programs From				
Basic Scientific Research (from Northeastern University)	12.431	555080-78054 / W911NF2220001	127,988	-
Basic Scientific Research (from Northeastern University)	12.431	555092-78058 / W911NF2220001	135,106	-
Basic Scientific Research (from Northeastern University)	12.431	555093-78055 / W911QX23D0002	97,786	-
Basic Scientific Research (from Northeastern University)	12.431	555119-78052 / W911QX23D0002	39,166	-
Total Federal Assistance Listing Number 12.431			400,046	-
Research and Development (from River Otter Renewables, Inc.)	12.RD	ROR2024001 / W5170124C0111	18,824	-
Research and Development (from Solvus Global, LLC)	12.RD	092023-01 / W56HZV-23-C-0038	82,321	-
Research and Development (from SunRay Scientific Inc.)	12.RD	WPI-W5170124C0259 / W5170124C0259	65,516	-
Total Department of the Army			<b>7,931,336</b>	<b>3,749,791</b>
<b>Department of the Navy</b>				
Basic and Applied Scientific Research	12.300		472,087	-
Pass-Through Programs From				
Basic and Applied Scientific Research (from Pennsylvania State University)	12.300	S005303-ONR / N000142412291	3,991	-
Basic Scientific Research (from Spark Photonics Design, Inc.)	12.RD	NAWC01 / N6833523C0038	59,872	-
Total Department of the Navy			<b>535,950</b>	-
<b>Washington Headquarters Services</b>				
Information Security Grants	12.902		105,100	-
Pass-Through Program From				
Commercial Technologies for Maintenance Activities Program (from National Center for Manufacturing Sciences, Inc.)	12.225	2022140-142232 / HQ0034-20-2-0007	44,912	-
Commercial Technologies for Maintenance Activities Program (from National Center for Manufacturing Sciences, Inc.)	12.225	2023203-142386 / HQ0034-24-2-0001	165,244	-
Commercial Technologies for Maintenance Activities Program (from Solvus Global, LLC)	12.225	2023113-142326-05 / HQ0034-20-2-0007	143,927	-
Total Federal Assistance Listing Number 12.225			354,083	-
Total Washington Headquarters Services			<b>459,183</b>	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**For the year ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Amounts Passed Through to Subrecipients</b>
<b><u>National Security Agency</u></b>				
Information Security Grants	12.902		\$ 8,372	\$ -
Pass-Through Programs From				
CyberSecurity Core Curriculum (from Regents of the University of California, Davis)	12.905	A24-1457-S001 / H98230-23-1-0090	206,434	-
Total National Security Agency			<b>214,806</b>	<b>-</b>
Total Department of Defense			<b>12,815,016</b>	<b>5,035,868</b>
<b><u>Department of Education</u></b>				
Graduate Assistance in Areas of National Need	84.200		56,608	-
Education Research, Development and Dissemination	84.305		204,493	57,161
Transformative Research in the Education Sciences	84.305T		873,467	648,220
Investing in Innovation (i3) Fund	84.411		937,107	787,911
Pass-Through Programs From				
Education Research, Development and Dissemination (from Regents of University of Michigan)	84.305	SUBK00013829 / PO#: 3006594558 / R305D210031	43,172	-
Education Research, Development and Dissemination (from Regents of University of Michigan)	84.305	SUBK00013834 / PO#: 3006523870 / R305D210029	753	-
Education Research, Development and Dissemination (from University of Texas at Austin)	84.305	UTA21-000135, UTAUS-SUB00000935 / R305D210036	88,181	-
Education Research, Development and Dissemination (from WestEd)	84.305	S-00019408 / R305R220012	62,130	-
Total Federal Assistance Listing Number 84.305			194,236	-
Investing in Innovation (i3) Fund (from The Assistments Foundation)	84.411	22-003 / S411B210024	482,013	-
Total Department of Education			<b>2,747,924</b>	<b>1,493,292</b>
<b><u>Department of Energy</u></b>				
Conservation Research and Development	81.086		336,752	101,343
Renewable Energy Research and Development	81.087		237,528	51,468
Fossil Energy Research and Development	81.089		218,891	66,209
Advanced Research Projects Agency - Energy	81.135		438,258	93,844
Pass-Through Programs From				
Conservation Research and Development (from The United States Advanced Battery Consortium LLC (USABC))	81.086	21-2266-ABC / DE-EE0006250	58,915	53,868
Renewable Energy Research and Development (from American Institute of Chemical Engineers - AIChE)	81.087	32708-012 / DE-EE0011338	89,674	-
Renewable Energy Research and Development (from Chemtronergy, LLC.)	81.087	2024-01 / DE-EE0011325	143,088	-
Renewable Energy Research and Development (from Phinix LLC)	81.087	23-01-RR-6047 / DE-EE0007897	25,118	-
Total Federal Assistance Listing Number 81.087			257,880	-
Fossil Energy Research and Development (from Saint-Gobain Ceramics and Plastics, Inc.)	81.089	DE-FE0031972-001 / DE-FE0031972	87,296	-
Research and Development (from Argonne National Laboratory)	81.RD	4F-60173 / DE-AC02-06CH11357	142,686	-
Research and Development (from Argonne National Laboratory)	81.RD	9F-60039 / DE-AC02-06CH11357	1,694	-
Research and Development (from BWXT Pantex, LLC)	81.RD	0000103360 / 89233224CNA000004	101,810	-
Research and Development (from BWXT Pantex, LLC)	81.RD	PTX01-0000090910 / DE-NA0001942	138,258	-
Research and Development (from Honeywell Federal Manufacturing & Technologies, LLC)	81.RD	N000545599 / DE-NA0002839	8,490	-
Research and Development (from Honeywell International, Inc.)	81.RD	N000510678 / DE-NA0002839	130,011	-
Research and Development (from Leidos)	81.RD	P010255093 / 89243318CFE000003	15,873	-
Total Department of Energy			<b>2,174,342</b>	<b>366,732</b>

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**For the year ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Amounts Passed Through to Subrecipients</b>
<b>Department of Health and Human Services</b>				
<b>National Institutes of Health</b>				
Mental Health Research Grants	93.242		\$ 1,008,554	\$ 539,445
Drug Abuse and Addiction Research Programs	93.279		1,048,468	648,255
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		1,179,351	124,546
Trans-NIH Research Support	93.310		226,088	(2,292)
Cancer Detection and Diagnosis Research (B)	93.394		384,543	307,571
Cancer Biology Research	93.396		35,910	-
Cardiovascular Diseases Research	93.837		640,891	64,713
Lung Diseases Research	93.838		283,543	142,025
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		196,830	39,196
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		293,867	35,352
Allergy and Infectious Diseases Research	93.855		341,049	109,472
Biomedical Research and Research Training (B, M)	93.859		979,796	109,854
Child Health and Human Development Extramural Research	93.865		193,617	6,051
Aging Research	93.866		37,568	-
Medical Library Assistance	93.879		419,997	178,300
Pass-Through Programs From				
Research Related to Deafness and Communication Disorders (from Massachusetts Eye and Ear Infirmary)	93.173	531040 / R01DC016079	107,902	-
Research Related to Deafness and Communication Disorders (from Massachusetts General Hospital)	93.173	241254 / 1R01DC020891-01	59,267	-
Total Federal Assistance Listing Number 93.173			167,169	-
Mental Health Research Grants (from Equa Health, Inc.)				
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	34709-SUB-01 / 1R44MH134709-01A1	62,331	-
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	PO #: WA01055190 / 29391-00 / R01MH118220	12,440	-
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	SUB00000211 / PO#: WA01327515 / R34MH130934	92,523	-
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	SUB00000358 / 1P50MH129701	34,099	-
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	SUB00000424 / P50MH129701	80,647	-
Mental Health Research Grants (from University of Massachusetts Medical School)	93.242	SUB00000603 / P50MH129701	88,030	-
Total Federal Assistance Listing Number 93.242			370,070	-
Drug Abuse and Addiction Research Programs (from Q2i, LLC)				
Drug Abuse and Addiction Research Programs (from University of Illinois - Urbana-Champaign)	93.279	R42DA056255-WPI / R42DA056255	88,495	-
	93.279	115228-19909 / 1R01DA059422	40,261	-
Total Federal Assistance Listing Number 93.279			128,756	-
Discovery and Applied Research for Technological Innovations to Improve Human Health (from Brigham and Women's Hospital, Inc.)				
	93.286	GR0125787-S01 / R01EB030539	126,848	-
Discovery and Applied Research for Technological Innovations to Improve Human Health (from Michigan State University)	93.286	RC117112WPI / R21EB036329	63,244	-
Total Federal Assistance Listing Number 93.286			190,092	-
Nursing Research (from University of Massachusetts Medical School)				
Cancer Detection and Diagnosis Research (from University of Texas Southwestern Medical Center)	93.361	PO #WA01260134 / SUB00000144 / R21NR020231	41,649	-
Cancer Centers Support Grants (from Boston University)	93.394	GMO 250122 / PO 0000003684 / R01CA134675	71,908	-
	93.397	4500004703 / R01CA274743	71,038	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**For the year ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Amounts Passed Through to Subrecipients</b>
Cardiovascular Diseases Research (from Boston University)	93.837	4500004908 / R01HL159620	\$ 13,730	\$ -
Cardiovascular Diseases Research (from University of Kentucky)	93.837	3200006121-24-243 / PO#7800007514 / R01HL168085	174,062	-
Cardiovascular Diseases Research (from University of Massachusetts Medical School)	93.837	SUB00000632 / PO: WA01712727 / 5U54HL143541-07	37,394	-
Total Federal Assistance Listing Number 93.837			409,781	-
Lung Diseases Research (from Brigham and Women's Hospital, Inc.)	93.838	125860 / 2T32HL7427-42	27,144	-
Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Illinois - Urbana-Champaign)	93.847	118648-20140 / R01DK138866	15,912	-
Diabetes, Digestive, and Kidney Diseases Extramural Research (from University of Massachusetts Amherst)	93.847	017272-9073 / R01DK133717	118,920	-
Total Federal Assistance Listing Number 93.847			134,832	-
Allergy and Infectious Diseases Research (from Joan & Sanford I. Weill Medical College of Cornell University)	93.855	200543-4 / P01AI143575	103,896	-
Allergy and Infectious Diseases Research (from Pennsylvania State University)	93.855	S003042-DHHS / R21AI166006	2,554	-
Allergy and Infectious Diseases Research (from University of Pittsburgh)	93.855	AWD00008683 (139606-1) / 1R01AI176327-01A1	18,405	-
Allergy and Infectious Diseases Research (from West Virginia University)	93.855	22-348-WPI / PO: MM000556207 / 5R01AI174300	49,657	-
Total Federal Assistance Listing Number 93.855			174,512	-
Biomedical Research and Research Training (from Teachley, LLC)	93.859	1R44GM146483-01-WPI / R44GM146483	50,055	4,309
Biomedical Research and Research Training (from University of Vermont)	93.859	AWD00000494SUB00000237 / R35GM141743	38,489	-
Total Federal Assistance Listing Number 93.859			88,544	4,309
Total National Institutes of Health			<b>8,960,972</b>	<b>2,306,797</b>
Total Department of Health and Human Services			<b>8,960,972</b>	<b>2,306,797</b>
<b><u>Department of Homeland Security</u></b>				
<b>Federal Emergency Management Agency</b>				
Pass-Through Programs From				
Research and Development (from University of California Los Angeles - UCLA)	97.RD	162881586 / EMW-2021-FP-00199	96,269	-
Total Federal Emergency Management Agency			<b>96,269</b>	-
<b><u>Department of Justice</u></b>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		106,064	-
Total Department of Justice			<b>106,064</b>	-
<b><u>Environmental Protection Agency</u></b>				
Science To Achieve Results (STAR) Research Program	66.509		62,103	-
P3 Award: National Student Design Competition for Sustainability	66.516		57,225	-
Pass-Through Programs From				
Air Pollution Control Program Support (from River Otter Renewables, Inc)	66.001	ROR20230001 / 68HERC24C0012	29,704	-
Total Environmental Protection Agency			<b>149,032</b>	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**For the year ended June 30, 2025**

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Expenditures</b>	<b>Amounts Passed Through to Subrecipients</b>
<b><u>National Aeronautics and Space Administration</u></b>				
Science	43.001		\$ 718,009	\$ -
Space Technology	43.012		138,141	-
Pass-Through Programs From				
Science (from California Institute of Technology)	43.001	1670489 / 80NM0018D0004	29,457	-
Total National Aeronautics and Space Administration			<b>885,607</b>	<b>-</b>
<b><u>National Science Foundation</u></b>				
Engineering Grants	47.041		3,495,895	91,140
Mathematical and Physical Sciences	47.049		834,488	-
Computer and Information Science and Engineering	47.070		2,515,609	267,191
Biological Sciences	47.074		825,160	54,644
Social, Behavioral, and Economic Sciences	47.075		26,260	-
Education and Human Resources	47.076		3,788,683	126,671
Office of International Science and Engineering	47.079		112,811	-
NSF Technology, Innovation and Partnerships	47.084		493,718	115,844
Pass-Through Programs From				
Engineering Grants (from San Jose State University Research Foundation))	47.041	21-1505-6657-WPI / 2326499	8,965	-
Engineering Grants (from The Rector and Visitors of the University of Virginia)	47.041	GR012291.SUB00000370 / 2029359	75,150	-
Engineering Grants (from University of Delaware)	47.041	UDR0000666 / 2400302	85,244	-
Engineering Grants (from University of Illinois - Urbana-Champaign)	47.041	105663-19972 / 2113915	52,989	-
Engineering Grants (from University of Massachusetts Amherst)	47.041	017935-9146 / 2328044	128,783	-
Total Federal Assistance Listing Number 47.041			351,131	-
Computer and Information Science and Engineering (from Carnegie Mellon University)	47.070	1123493-439572 / 1952085	90,274	-
Computer and Information Science and Engineering (from Mississippi State University)	47.070	060700.362239.01 / 2120442	57,271	-
Computer and Information Science and Engineering (from University of Florida)	47.070	SUB00004055 / 2331379	52,059	-
Total Federal Assistance Listing Number 47.070			199,604	-
Biological Sciences (from Georgia Institute of Technology)	47.074	AWD-005146-G1 / 2319430	153,671	-
Biological Sciences (from San Jose State University Research Foundation)	47.074	2113931	28,145	-
Biological Sciences (from University of Massachusetts Lowell)	47.074	S52100000054997 / 2217246	99,877	-
Total Federal Assistance Listing Number 47.074			281,693	-
Social, Behavioral, and Economic Sciences (from HealthPartners Institute)	47.075	X2100900 / 2122232	130,476	-
Social, Behavioral, and Economic Sciences (from MIT)	47.075	s6112, PO# 953827 / 2329988	103,432	-
Social, Behavioral, and Economic Sciences (from University of Massachusetts Lowell)	47.075	PO L001694033 - Project # S52100000048202 / 2036917	6,828	-
Total Federal Assistance Listing Number 47.075			240,736	-
Education and Human Resources (from College of William and Mary)	47.076	715391-2 / 2102119	11,716	-
Education and Human Resources (from Iowa State University of Science and Technology)	47.076	019533F / 1834521	11,504	9,028
Education and Human Resources (from North Carolina Central University)	47.076	23-0121-A0001-SUB02 / 2306658	35,038	-
Education and Human Resources (from Rice University)	47.076	X03145681 / 2153481	385,973	196,569
Education and Human Resources (from Southern Methodist University)	47.076	G002239-7500 / 2341948	5,909	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

Worcester Polytechnic Institute  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
Education and Human Resources (from University of Colorado Boulder)	47.076	1559736 / PO #: 1001407658 / 2019805	\$ 142,312	\$ -
Education and Human Resources (from University of Connecticut)	47.076	KFS: 5666820 / PO: 467408 / Sub: 147087447 / 2110083	27,459	-
Education and Human Resources (from University of Houston)	47.076	R-21-0062 / 2100034	38,243	-
Total Federal Assistance Listing Number 47.076			658,154	205,597
Office of International Science and Engineering (from New York University)	47.079	F2565-03 / 2412593	9,736	-
Office of Integrative Activities (from Rutgers The State University)	47.083	SUB00002528 / 2140950	2,160	-
NSF Technology, Innovation and Partnerships (from University of Massachusetts Lowell)	47.084	LK1083; S52100000059918 / 2346069	47,566	-
NSF Technology, Innovation and Partnerships (from University of Massachusetts Lowell)	47.084	S52100000055432 / 2229577	5,684	-
Total Federal Assistance Listing Number 47.084			53,250	-
Total National Science Foundation			13,889,088	861,087
<b><u>Nuclear Regulatory Commission</u></b>				
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008		522,636	-
Total Nuclear Regulatory Commission			522,636	-
<b>Total Research and Development Cluster</b>			<b>43,634,404</b>	<b>10,416,489</b>
<b>OTHER PROGRAMS</b>				
<b><u>Department of Defense</u></b>				
<b>National Security Agency</b>				
Pass-Through Programs				
GenCyber Grants Program (from Oakland University)	12.903	24-2657-A0001-SUB01 / H98230-24-1-0112	24,654	-
GenCyber Grants Program (from University Enterprises, Inc.)	12.903	538931A / H982302210195	6,363	-
CyberSecurity Core Curriculum (from University Enterprises, Inc.)	12.905	539221B / H982302210309	178,556	-
CyberSecurity Core Curriculum (from University of Arkansas System)	12.905	253308-25WPI / H98230-24-1-0106	48,000	-
CyberSecurity Core Curriculum (from University of Arkansas System)	12.905	253315-24WPI / H982302110161	64,760	-
CyberSecurity Core Curriculum (from University of Arkansas System)	12.905	253317-25WPI / H98230-22-1-0310	81,000	-
Total Department of Defense			403,333	-
<b><u>Department of Education</u></b>				
Undergraduate International Studies and Foreign Language	84.016		62,871	-
Business and International Education Program	84.153		5,076	-
Total Department of Education			67,947	-
<b><u>Department of State</u></b>				
Academic Exchange Programs - Undergraduate Programs	19.009		12,920	-
Total Department of the State			12,920	-
<b><u>Department of the Treasury</u></b>				
Coronavirus State and Local Fiscal Recovery Funds	21.027		35,504	-
Total Department of the Treasury			35,504	-

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.



Worcester Polytechnic Institute  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED  
For the year ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures	Amounts Passed Through to Subrecipients
<b><u>Federal Emergency Management Agency</u></b>				
COVID-19 Disaster Grants	97.036		\$ 1,251,770	\$ -
Total Federal Emergency Management Agency			<u>1,251,770</u>	<u>-</u>
<b><u>US Agency for International Development</u></b>				
Foreign Assistance to American Schools and Hospitals Abroad (ASHA)	98.006		174,308	174,308
Total US Agency for International Development			<u>174,308</u>	<u>174,308</u>
<b>Total Other Programs</b>			<u>1,945,783</u>	<u>174,308</u>
Total Expenditures of Federal Awards			<u>\$ 85,297,774</u>	<u>\$ 10,590,797</u>

The accompanying notes to the schedule of expenditures of federal awards should be read in conjunction with this schedule.

**Worcester Polytechnic Institute**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2025**

**NOTE 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, 2025 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 select 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 Number are included in the total expenditure column of the respective awards and then additional detail provided in the column "Amounts passed through to the subrecipients."

**NOTE 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.

**NOTE 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, 2025. The balance of Perkins Loans outstanding at June 30, 2025 was \$1,044,361.

---

**GRANT THORNTON LLP**

53 State St., 16th Floor  
Boston, MA 02109

**D** +1 617 723 7900

**F** +1 617 723 6340

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT  
AUDITING STANDARDS***

Board of Trustees  
Worcester Polytechnic Institute

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of Worcester Polytechnic Institute (the "University"), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2025.

**Report on internal control over financial reporting**

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on compliance and other matters**

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Boston, Massachusetts  
November 5, 2025

---

**GRANT THORNTON LLP**

53 State St., 16th Floor  
Boston, MA 02109

**D** +1 617 723 7900

**F** +1 617 723 6340

## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Worcester Polytechnic Institute

### **Report on compliance for each major federal program**

#### **Opinion on each major federal program**

We have audited the compliance of Worcester Polytechnic Institute (the "University") with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

#### **Basis for opinion on each major federal program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

#### **Responsibilities of management for compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

**Auditor's responsibilities for the audit of compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on internal control over compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Boston, Massachusetts  
January 16, 2026

**Worcester Polytechnic Institute**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the year ended June 30, 2025**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	_____	yes	_____X_____	no
Significant deficiencies identified not considered to be material weaknesses?	_____	yes	_____X_____	none noted
Noncompliance material to the financial statements noted?	_____	yes	_____X_____	none noted

**Federal Awards**

Internal control over major programs:

Material weaknesses identified?	_____	yes	_____X_____	no
Significant deficiencies identified not considered to be material weaknesses?	_____	yes	_____X_____	none noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	yes	_____X_____	no
--	-------	-----	-------------	----

**Identification of major programs:**

Name of Federal Program	Assistance Listing Number
Research and development cluster	Cluster Program - Multiple Assistance Listing Numbers
Dollar threshold used to distinguish between type A and type B programs:	\$2,558,933
Auditee qualified as a low-risk auditee?	<div style="display: flex; justify-content: space-between; width: 100%;"> <span>_____X_____ yes</span> <span>_____ no</span> </div>



**Worcester Polytechnic Institute**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**

**For the year ended June 30, 2025**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

**SECTION IV - SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None noted.