



WORCESTER
POLYTECHNIC
INSTITUTE

Worcester
Massachusetts 01609
(617) 753-1411

September 27, 1979

United States Nuclear Regulatory Commission
Attention: Mr. Steve Ramos
Division of Operating Reactors
Washington, DC 20555

Re: Docket #50-134
License #R-61

Dear Mr. Ramos:

Enclosed are nine copies of our fiscal statement including three signed and notarized originals as requested in the "License Renewal Review Items" list you sent me. Nineteen copies of our Environmental Appraisal and Safety Analysis Report are being forwarded to you under separate cover to satisfy our letter of July 16, 1979, which specified that supporting documents for our Facility License renewal would be forwarded by the end of September.

We have attempted to follow NRC recommended format in our compilation of data although some GE material furnished with the reactor has been included intact. A number of changes have been made from our original report to incorporate additional or clarifying information and to reflect our experience with 10 kw operation of the reactor over the past years. Naturally I will be happy to discuss any aspect of these documents with you.

Our security plan is still undergoing revision and we would appreciate an opportunity to discuss implementation of the new requirements of 10 CFR Part 73 with the NRC before we finalize our plan. Confirming our telephone conversation of September 6, 1979, we will delay submission of our security plan until we hear further from you on the matter of a consultation.

If there is anything we can do to facilitate your review of our license renewal request, please contact us.

Sincerely,

L. C. Wilbur

L. C. Wilbur, Professor of
Mechanical Engineering
and
Director, Nuclear Reactor Facility

LCW/ns

cc: R. E. Bolz
D. N. Zwiap
R. Goloskie
Gerald Parker
Director, Radiation Control Program
Commonwealth of Massachusetts

*A020
5/13*

Enclosures

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September 12, 1979

Memorandum

To: Professor Wilbur

This memorandum is in regard to the Nuclear License Renewal Review Items - Contents of Application - which we recently discussed.

Following is the information requested under the referenced sections of the above document:

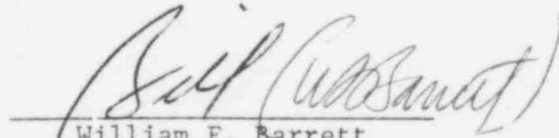
Section A.1. (f)(1)

- (a) Enclosed is a copy of the WPI published Annual Report for Fiscal Year 1978.
- (b) Budgeted WPI funds for your Nuclear Facility operations during Fiscal Year 1980 amount to \$44,460.00.

Section A.1. (f)(2)

The estimated cumulative annual costs to operate the reactor for the additional license renewal period of 20 years total \$2,035,000.00.

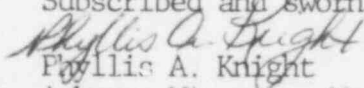
If you should need any further information, please contact me.



William F. Barrett
Controller

WFB/ml
Enclosure
CC: Mr. Lloyd

Subscribed and sworn before me September 24, 1979


Phyllis A. Knight
Auburn, MA

My Commission Expires: May 9, 1986

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FINANCIAL HIGHLIGHTS FOR FISCAL 1978 AND 1977

POOR ORIGINAL

GENERAL

	1978	1977
Enrollment, fall term (full and part-time for all programs)	3,205	3,031
Tuition and Fees Revenues	\$ 8,963,760	\$ 7,973,531
Endowment and Similar Funds (Yield)	\$ 1,717,750	\$ 1,591,118
Gifts and Bequests Received	\$ 2,350,856	\$ 3,673,984
Instruction and Library Expenditures	\$ 5,557,935	\$ 5,082,001
Staff Benefits Expenditures	\$ 1,375,208	\$ 1,199,082
Academic and General Administration, Student Services, Maintenance, and Other Expenditures	\$ 4,035,284	\$ 3,381,359
Student Aid	\$ 2,337,387	\$ 2,056,663
Endowment and Similar Funds Market Value as of June 30	\$31,571,647	\$28,342,668

ASSETS AND FUND BALANCES

The increase of \$6,157,923 over Fiscal 1977 assets is represented mostly by the \$2,816,683 increase in the Book Value of Endowment and Similar Funds and Plant Fund increase of \$2,782,444 (Sanford Riley Hall and Boynton Hall renovations) and an increase of \$505,147 in Student Loan Funds.

CURRENT FUND OPERATIONS

An operating surplus of \$53,612 increases the Current Fund Balance (equivalent to retained earnings in industry) to a total of \$320,398.

The following table of Current Fund Operating Results for the last eight years indicates that surpluses are needed to maintain Current Operating Fund liquidity to offset possible deficits.

Fiscal 1971	Deficit	\$ 63,776
Fiscal 1972	Surplus	223,180
Fiscal 1973	Deficit	124,420
Fiscal 1974	Deficit	42,361
Fiscal 1975	Deficit	11,110
Fiscal 1976	Deficit	52,501
Fiscal 1977	Surplus	288,245
Fiscal 1978	Surplus	53,612
	NET SURPLUS	\$270,469

ENDOWMENT AND SIMILAR FUNDS

The total return on all funds was plus 5.80% compared with the Standard and Poor's 500 stock average return of plus 0.1% and the Dow Jones Industrial Average return of minus 5.5%. The actual income from endowed funds was \$1,717,750, representing a quarterly weighted yield to market value of 6.02% compared with 5.7% last year.

The very successful \$4,150,000 Massachusetts Health and Educational Facilities Authority bond sale on March 29, 1978, was at an average coupon rate of 5.138%. This issue refinanced most of the physical plant renovations over the past several years and financed the purchase of a Univac 90/60 computer. By returning almost \$4,000,000 to Funds Functioning As Endowment, continued increased performance of the invested Endowed and Similar Funds is anticipated.

WPI's capital campaign, the WPI Plan to Restore the Balance, exceeded its goal as the 1977 calendar year ended. This five-year campaign provided funds for operations, plant, books and equipment, and endowment. Approximately \$4,200,000 was added to endowment over the five-year span of the campaign.

TAX INFORMATION

WPI is classified as a non-profit organization under Section 501(c)(3) of the IRS Codes of 1934 and 1954. WPI also is listed as a 170(c) organization allowing IRS tax deduction to those individuals or organizations contributing funds, services, or materials. WPI is listed also as not a private foundation under Section 509(a) of the IRS Code as revised in 1969.

INTRODUCTION TO FINANCIAL STATEMENTS

The American Institute of Certified Public Accountants, in cooperation with the National Association of College and University Business Officers, issued the first comprehensive "Audit Guide for Colleges and Universities" in 1972. WPI subscribes to this "Audit Guide" and accordingly presents the following financial report for the years ended June 30, 1978 and 1977.

David E. Lloyd
Vice President for Business Affairs
Treasurer of the Corporation

1079 078

Main Lafrentz & Co.
certified public accountants

McLintock Main Lafrentz
International

SUITE 600
120 FRONT STREET
WORCESTER, MASSACHUSETTS 01608
617 756 7111

To The Trustees
Worcester Polytechnic Institute

We have examined the balance sheet of Worcester Polytechnic Institute as of June 30, 1978 and the related statements of changes in fund balances and current funds revenues, expenditures, and transfers for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously examined and reported upon the financial statements for 1977.

In our opinion, such financial statements present fairly the financial position of Worcester Polytechnic Institute at June 30, 1978, and the changes in fund balances and the current funds revenues, expenditures, and transfers for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Main Lafrentz & Co.

Worcester, Massachusetts
September 1, 1978

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WORCESTER POLYTECHNIC INSTITUTE

BALANCE SHEET

JUNE 30, 1978 AND 1977

ASSETS

	<u>1978</u>	<u>1977</u>
Current funds		
Unrestricted		
Cash and savings deposits	\$ 210,923	\$ 548,230
Accounts and note receivable and due from other funds	924,619	688,305
Investments	252,506	-
Inventory	101,879	88,540
Deferred expenses	<u>139,330</u>	<u>274,570</u>
Total unrestricted	<u>1,629,257</u>	<u>1,599,645</u>
Restricted		
Cash and savings deposits	98,621	114,711
Accounts receivable	867,302	411,349
Investments	<u>1,977,505</u>	<u>2,399,767</u>
Total restricted	<u>2,943,428</u>	<u>2,925,827</u>
	<u>4,572,685</u>	<u>4,525,472</u>
Loan funds		
Cash and savings deposits	214,911	264,307
Investments	200,860	132,503
Student notes	<u>4,133,509</u>	<u>3,647,323</u>
	<u>4,549,280</u>	<u>4,044,133</u>
Endowment and similar funds		
Cash and investments	30,728,482	27,645,137
Due from other funds	<u>179,117</u>	<u>445,779</u>
	<u>30,907,599</u>	<u>28,090,916</u>
Trust and life income funds		
Cash	36,453	27,978
Investments	<u>389,224</u>	<u>391,263</u>
	<u>425,677</u>	<u>419,241</u>

LIABILITIES AND FUND BALANCES

	<u>1978</u>	<u>1977</u>
Current funds		
Unrestricted		
Accounts payable and due to other funds	\$ 805,557	\$ 744,843
Prepayments and deposits	419,907	387,874
Lease payable on equipment	-	114,315
Fund balances		
Unallocated	320,398	266,786
Allocated	<u>83,395</u>	<u>85,827</u>
Total unrestricted	<u>1,629,257</u>	<u>1,599,645</u>
Restricted		
Student organization funds	27,755	22,347
Accrued interest payable	19,828	20,315
Due to other funds	-	369,640
Fund balances	<u>2,895,845</u>	<u>2,513,525</u>
Total restricted	<u>2,943,428</u>	<u>2,925,827</u>
	<u>4,572,685</u>	<u>4,525,472</u>
Loan funds		
Due to other funds	83,212	2,861
Fund balances	<u>4,466,068</u>	<u>4,041,272</u>
	<u>4,549,280</u>	<u>4,044,133</u>
Endowment and similar funds		
Fund balances		
Endowments	13,720,094	13,559,341
Funds functioning as endowments	<u>17,187,505</u>	<u>14,531,575</u>
	<u>30,907,599</u>	<u>28,090,916</u>
Trust and life income funds		
Fund balances	<u>425,677</u>	<u>419,241</u>
	<u>425,677</u>	<u>419,241</u>

WORCESTER POLYTECHNIC INSTITUTE

BALANCE SHEET
(Continued)

JUNE 30, 1978 AND 1977

ASSETS

	<u>1978</u>	<u>1977</u>
Plant funds		
Cash	\$ 6,189	\$ 11,732
Investments	779,887	347,831
Construction in process	1,228,646	165,910
Land, buildings and equipment	28,046,849	26,754,032
Due from other funds	-	91,448
Deferred expense	91,826	-
	<hr/>	<hr/>
	30,153,397	27,370,953
 Total assets	 <u>\$70,608,638</u>	 <u>\$64,450,715</u>

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

LIABILITIES AND FUND BALANCES

	<u>1978</u>	<u>1977</u>
Plant funds		
Accounts payable	\$ 119,415	\$ 83,606
Mortgage payable	1,853,185	1,877,498
Bonds payable	6,701,612	2,678,000
Due to other funds	17,286	-
Fund balances		
Reserve for construction	282,296	170,975
Investment in plant	<u>21,179,603</u>	<u>22,560,874</u>
	<u>30,153,397</u>	<u>27,370,953</u>
Total liabilities and fund balances	<u>\$70,608,638</u>	<u>\$64,450,715</u>

WORCESTER POLYTECHNIC INSTITUTE
 STATEMENT OF CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 1978

	Current Funds	
	Unallocated	Allocated
Revenues and other additions		
Educational and general - unrestricted	\$14,159,831	\$
Auxiliary operations	2,451,489	
Gifts and bequests received - restricted		
Grants and contracts		
Investment income - restricted		
Interest on loans receivable		
U. S. Government advances - national direct student loans		
Net realized gains on investments		
Total	16,611,320	
Expenditures and other deductions		
Educational and general expenditures	13,853,277	4,241
Auxiliary operations expenditures	2,212,508	
Indirect costs recovered		
Loan cancellations		
Administrative expense reimbursement		
Payments to life income beneficiaries		
Net realized losses on investments		
Net deductions to other restricted funds		
Total	16,065,785	4,241
Transfers among funds - additions (deductions)		
Mandatory		
Retirement on indebtedness	(89,314)	
Unrestricted gifts allocated	(120,265)	
Unrestricted revenue allocated	(240,248)	
Additions to investment in plant	(40,287)	
Capital gifts allocated		
Other transfers	(1,809)	1,809
Total	(491,913)	1,809
Net increase (decrease) for the year	53,612	(2,432)
Fund balance at beginning of year	266,786	85,827
Fund balance at end of year	\$ 320,398	\$83,395

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

<u>Current Funds Restricted</u>	<u>Loan Funds</u>	<u>Endowment and Similar Funds</u>	<u>Trust and Life Income Funds</u>	<u>Plant Funds</u>	
				<u>Reserve for Construction</u>	<u>Investment in Plant</u>
\$	\$	\$	\$	\$	\$
1,517,635	5,500	343,767	1,000		
2,060,210					
422,673	87,120	2,970	47,173	647	
	48,785				
	324,884				
		137,678			
<u>4,000,518</u>	<u>466,289</u>	<u>484,415</u>	<u>48,173</u>	<u>647</u>	
2,760,333					
268,361					
	14,520				
	26,973				
5,800			39,147		
2,496			2,590		
9,651					
<u>3,046,641</u>	<u>41,493</u>		<u>41,737</u>		
					89,314
		120,265			
		240,248			
(798,413)				(660,972)	701,259
226,856		1,971,755		798,413	(2,171,844)
				(26,767)	
<u>(571,557)</u>		<u>2,332,268</u>		<u>110,674</u>	<u>(1,381,271)</u>
382,320	424,796	2,816,683	6,436	111,321	(1,381,271)
2,513,525	4,041,272	8,090,916	419,241	170,975	22,560,874
<u>\$2,895,845</u>	<u>\$4,466,068</u>	<u>\$30,907,599</u>	<u>\$425,677</u>	<u>\$282,296</u>	<u>\$21,179,603</u>

WORCESTER POLYTECHNIC INSTITUTE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

YEARS ENDED JUNE 30, 1978 AND 1977

	1978			Total	1977
	Unrestricted		Restricted		
	Unallocated	Allocated			
Revenues					
Educational and general					
Student tuition and fees	\$ 8,963,760	\$ -	\$ -	\$ 8,963,760	\$ 7,973,531
Endowment and similar funds	1,236,496	-	343,424	1,579,920	1,426,798
Gifts, grants and bequests	482,954	-	1,375,484	1,858,438	1,619,083
Alden Research Laboratories	1,688,441	-	20,742	1,709,183	1,718,848
Sponsored research	-	-	648,861	648,861	689,091
Other educational operations	968,624	-	130	968,754	707,344
Worcester Area College					
Computation Center	279,268	-	-	279,268	226,696
Sponsored programs	-	-	371,692	371,692	357,485
Other sources	540,288	-	-	540,288	529,180
Total	14,159,831	-	2,760,333	16,920,164	15,248,056
Auxiliary operations	2,451,489	-	-	2,451,489	2,240,148
Total revenues	16,611,320	-	2,760,333	19,371,653	17,488,204

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WORCESTER POLYTECHNIC INSTITUTE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS
(Continued)

YEARS ENDED JUNE 30, 1978 AND 1977

	1978				1977
	Unrestricted		Restricted	Total	
	Unallocated	Allocated			
Expenditures					
Educational and general					
Instruction and department research	\$ 4,496,486	\$ -	\$ 351,319	\$ 4,847,805	\$ 4,399,164
Library	449,303	-	11,195	460,498	455,885
Student services	701,774	-	5,675	707,449	612,234
Public services and information	476,760	-	-	476,760	421,256
Operation and maintenance of plant	1,563,473	-	-	1,563,473	1,280,712
General administrative and institutional - unallocated	932,284	-	11,148	943,432	738,699
Staff benefits - unallocated	1,103,555	-	-	1,103,555	953,879
Special projects	108,311	-	58,196	166,507	147,901
Student aid	1,056,012	-	1,281,375	2,337,387	2,054,788
Alden Research Laboratories	1,686,028	4,241	20,742	1,711,011	1,680,720
Sponsored research	32,634	-	648,861	681,495	722,582
Other educational operations	598,289	-	130	598,419	404,629
Worcester Area College					
Computation Center	634,994	-	-	634,994	604,721
Sponsored programs	13,374	-	371,692	385,066	378,205
Total	13,853,277	4,241	2,760,333	16,617,851	14,855,375
Auxiliary operations	2,212,508	-	-	2,212,508	2,020,932
Total expenditures	16,065,785	4,241	2,760,333	18,830,359	16,876,307

WORCESTER POLYTECHNIC INSTITUTE

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS
(Continued)

YEARS ENDED JUNE 30, 1978 AND 1977

	1978			Total	1977
	Unrestricted	Unrestricted	Restricted		
	Unallocated	Allocated	Restricted	Total	
Mandatory transfers					
Retirement on indebtedness	\$ (89,314)	\$ -	\$ -	\$ (89,314)	\$ (87,619)
Other transfers					
Unrestricted gifts allocated to other funds	(120,265)	-	-	(120,265)	(42,136)
Unrestricted revenues allocated to other funds	(240,248)	-	-	(240,248)	(165,948)
Additions to investment in plant	(40,287)	-	-	(40,287)	-
Net transfer to allocated fund balance	(1,809)	1,809	-	-	-
Total transfers	(491,923)	1,809	-	(490,114)	(295,703)
Excess of revenues over expenditures and transfers	<u>\$ 53,612</u>	<u>\$(2,432)</u>	<u>\$ -</u>	<u>\$ 51,180</u>	<u>\$ 316,194</u>

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

WORCESTER POLYTECHNIC INSTITUTE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1978

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Industry Audit Guide - The financial statements of Worcester Polytechnic Institute have been prepared substantially in accordance with the accounting policies and reporting requirements prescribed by the audit guide of the American Institute of Certified Public Accountants entitled "Audits of Colleges and Universities" dated May 1973.

Accrual basis - The financial statements of Worcester Polytechnic Institute have been prepared on the accrual basis except for depreciation accounting as explained in note 5 to the financial statements. The statement of current funds revenues, expenditures, and transfers is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that unrestricted current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment, interest charges on long-term debt, and charges for equipment renewal and replacement; and (2) mandatory transfers, in the case of required provisions for debt amortization.

Fund accounting - In order to ensure observance of limitations and restrictions placed on the use of the resources available to Worcester Polytechnic Institute the accounts of the College are maintained in accordance with the principles of "fund accounting". This is the procedure which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

Endowment funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested and the income only be utilized. While funds functioning as endowments have been established by the governing board for the same purposes as endowment funds, any portion of funds functioning as endowments may be expended.

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WORCESTER POLYTECHNIC INSTITUTE

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 1978

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting - All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables, and the like, is accounted for in the fund owning such assets, except for income derived from investments of endowment and similar funds, which income is accounted for in the fund to which it is restricted or, if unrestricted, as revenues in unrestricted current funds.

All other unrestricted revenue is accounted for in the unrestricted current fund. Restricted gifts, grants, appropriations, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

Other significant accounting policies - Other significant accounting policies are set forth in the notes to financial statements.

2. VALUATION OF INVESTMENTS

Investments are recorded at cost; investments received by gift are carried at market value at the date of acquisition. Quoted market values of investments of the funds (with real estate and mortgages at book value) were as follows:

	<u>1978</u>	<u>1977</u>
Current funds - unrestricted	\$ 252,210	\$ -
Current funds - restricted	1,975,188	2,479,098
Loan funds	200,860	132,503
Endowment and similar funds	31,571,647	27,896,889
Trust and life income funds	367,795	405,129
Plant funds	779,887	347,831

Assets of endowment and similar funds, except for five funds with a combined market value of \$2,025,233, are pooled on a market value basis, with each individual fund subscribing to or disposing of units on the basis of the value per unit at market value at the beginning of the calendar quarter within which the transaction takes place. Of the total units, each having a market value of \$1.61, 8,609,981 units were owned by endowment funds and 9,747,135 units were owned by funds functioning as endowments at June 30, 1978.

WORCESTER POLYTECHNIC INSTITUTE

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 1978

2. VALUATION OF INVESTMENTS (Continued)

The following tabulation summarizes changes in relationship between cost and market values of the pooled assets:

	<u>Pooled Assets</u>		<u>Net Gains (Losses)</u>	<u>Market Value Per Unit</u>
	<u>Market</u>	<u>Cost</u>		
June 30, 1978	\$29,725,532	\$29,732,342	\$ (6,810)	\$1.61
June 30, 1977	25,811,391	26,115,116	<u>(303,725)</u>	1.61
Unrealized net gain for year			296,915	
Realized net loss for year			<u>(337,806)</u>	
Total net loss for year			<u>\$(40,891)</u>	<u>\$</u>

The average annual earnings per unit, exclusive of net losses, amounted to \$0.094 for the year.

3. LEASES

Worcester Polytechnic Institute was committed to a long-term lease agreement with the National Shawmut Bank of Boston, covering data processing equipment manufactured by Digital Equipment Corporation and leased for use by the Worcester Area College Computation Center, a department of the College. The total lease of \$685,890 required monthly payments of \$9,526 for a period of seventy-two months terminating on June 5, 1978. The College has the option of purchasing the above equipment at a final payment of \$52,056 in July 1978, which option was exercised.

4. CONSTRUCTION IN PROCESS

A contract has been signed by the College for the renovation of Boynton Hall. The approximate cost of the project is \$1,300,000 with \$1,228,646 expended through June 30, 1978.

WORCESTER POLYTECHNIC INSTITUTE

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 1978

5. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment are stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Depreciation on buildings and equipment is not recorded.

6. LONG-TERM DEBT

Long-term debt includes the following:

- (a) Bonds payable in the amount of \$777,000, due in annual installments varying from \$25,000 to \$50,000 with interest at 2 3/4%, the final installment being due in 1997, collateralized by trust indenture covering land, building and equipment known as Morgan Hall carried in the accounts at \$1,640,973, and pledged net revenue from the operations of the dormitory, dining hall and snack bar located therein.
- (b) Bonds payable in the amount of \$764,000, due in annual installments varying from \$15,000 to \$45,000 with interest at 3 3/8%, the final installment being due in 2001, collateralized by trust indenture covering land, building and equipment known as Daniels Hall carried in the accounts at \$1,171,834, and pledged net revenue from the operations of the dormitory and book store located therein.
- (c) Bonds payable in the amount of \$1,072,000, due in annual installments varying from \$10,000 to \$45,000 with interest at 3%, the final installment being due in 2019, collateralized by trust indenture covering land, building and equipment known as Stoddard Residence Center carried in the accounts at \$1,583,344, and pledged net revenue from the operations of the dormitory and health service located therein.
- (d) Bonds payable in the amount of \$4,150,000, less the discount on the sale of bonds amounting to \$61,388, due in annual installments varying from \$110,000 to \$245,000 with interest at rates varying from 4.5% to 6%, the final installment being due in 2003. Securities with a market value equal to or hundred ten percent of the principal amount of the bonds outstanding are held by a trustee in the Debt Service Reserve Fund as collateral for the bonds, in addition to securities amounting to \$200,000 minimum in a Property Reserve Fund.
- (e) Mortgage payable in the amount of \$1,853,185 on Ellsworth - Fuller Student Residence Center, due in monthly installments of \$13,303 for principal and interest, the final installment being due in 2003. Interest is at 7 1/4%, of which 3% is paid by the College and the balance is paid by the U. S. Department of Housing and Urban Development.

WORCESTER POLYTECHNIC INSTITUTE

NOTES TO FINANCIAL STATEMENTS
(Continued)

JUNE 30, 1978

6. LONG-TERM DEBT (Continued)

In addition, Worcester Polytechnic Institute is required to deposit annually the sum of \$28,000 to the 1969 Repair and Replacement Reserve Account until said accounts has a balance of \$230,000. At June 30, 1978, the balance was \$200,852.

7. PENSION PLANS

The College has certain contributory pension plans for academic and nonacademic personnel. Contributions to the plans are based on a percentage of payroll and for fiscal 1978 the College's pension costs amounted to \$292,276. The College had no unfunded pension plans at June 30, 1978.

8. PLEDGES RECEIVABLE

Pledges to the plan to restore the balance amounting to approximately \$950,000 are not included in the financial statements since it is not practicable to estimate the net realizable value of a pledge.