



Rensselaer Polytechnic Institute Troy, New York 12181

November 18, 1983

Mr. Robert Carter
Division of Licensing
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Reference: Docket No. 79-225

Dear Mr. Carter:

The enclosed most recently available financial report is in response to our November 16, 1983 phone conversation on your need for additional financial information.

Sincerely,

Dr. Frank Wicks
Facility Supervisor

Dr. Donald R. Harris
Facility Director

FW:mb

Enclosure: Rensselaer Polytechnic Institute report on Examination of
Financial Statements for years ended June 30, 1983 and 1982

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RENSSELAER POLYTECHNIC INSTITUTE

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

For the Years Ended June 30, 1983 and 1982

Coopers
& Lybrand

Certified Public Accountants

Board of Trustees
Rensselaer Polytechnic Institute
Troy, New York

We have examined the balance sheet of RENSSELAER POLYTECHNIC INSTITUTE as of June 30, 1983 and 1982, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the years then ended. Our examinations were 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. Other auditors previously examined and reported upon the financial statements of the Institute for the year ended June 30, 1981, which condensed statements are presented for comparative purposes only.

In our opinion, the financial statements referred to above present fairly the financial position of RENSSELAER POLYTECHNIC INSTITUTE at June 30, 1983 and 1982, and the changes in fund balances and the current funds revenues, expenditures, and other changes for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Coopers & Lybrand

Albany, New York
August 18, 1983

RENSSELAER POLYTECHNIC INSTITUTE - Balance Sheet at June 30, 1983 (in thousands), with comp

	Total of All Funds			Current Fun
	<u>1982</u>	<u>1983</u>	<u>Unrestricted</u>	<u>Designated</u>
ASSETS				
Cash	\$ 388	\$ 129	\$ 96	
Investments, at cost	106,273	112,775	3,232	\$ 73
Accounts receivable and loans to students	21,093	22,054	1,507	
Inventories	598	668	668	
Prepaid expenses and other assets	338	332	332	
Deposits with bond trustees	9,547	38,145		
Land, buildings and equipment	126,419	141,429		
Due from (to) other funds			1,730	3,718
Total Assets	<u>\$264,656</u>	<u>\$315,532</u>	<u>\$ 7,565</u>	<u>\$ 3,791</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,951	\$ 3,483	\$ 3,477	
Deposits	768	804	804	
Deferred revenues	1,857	2,167	2,167	
Long-term debt	44,101	46,341		
Total Liabilities	<u>50,677</u>	<u>52,795</u>	<u>6,448</u>	
FUND BALANCES				
Current funds	7,584	10,707	1,117	\$ 3,791
Federal loan programs	15,530	16,661		
Other loan programs	645	938		
Endowment	51,053	58,227		
Quasi-endowment	40,922	43,838		
Life income	4,115	4,941		
Plant funds:				
Unexpended	3,758	1,224		
Renewals and replacements	3,495	2,010		
Retirement of indebtedness	6,473	6,611		
Investment in plant	80,404	117,580		
Total Fund Balances	<u>213,979</u>	<u>262,737</u>	<u>1,117</u>	<u>3,791</u>
Total Liabilities and Fund Balances	<u>\$264,656</u>	<u>\$315,532</u>	<u>\$ 7,565</u>	<u>\$ 3,791</u>

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

Comparative 1982 totals

Funds	Restricted	Loan Funds	Endowment and Life Income Funds	Plant Funds	
				Unexpended	Expended
	\$ 1	\$ 32			
	1,818	258	\$107,106	\$ 288	
	2,942	17,062		543	
				8,099	\$ 30,046
					141,429
	1,038	247	(94)	915	(7,554)
	<u>\$ 5,799</u>	<u>\$ 17,599</u>	<u>\$107,012</u>	<u>\$ 9,845</u>	<u>\$163,921</u>
			\$ 6		
					<u>\$ 46,341</u>
			6		<u>46,341</u>
	\$ 5,799	\$ 16,661 938	58,227 43,838 4,941		
				\$ 1,224 2,010 6,611	
					<u>117,580</u>
	<u>5,799</u>	<u>17,599</u>	<u>107,006</u>	<u>9,845</u>	<u>117,580</u>
	<u>\$ 5,799</u>	<u>\$ 17,599</u>	<u>\$107,012</u>	<u>\$ 9,845</u>	<u>\$163,921</u>

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RENSSELAER POLYTECHNIC INSTITUTE - Statement of Changes in Fund Balances for the year ended

	Total of All Funds		Current Fund	
	1982	1983	Unrestricted	Designated
REVENUES AND OTHER ADDITIONS				
Student tuition and fees	\$ 35,527	\$ 42,271	\$ 41,672	\$ 415
Auxiliary enterprises	10,965	12,552	12,552	
Gifts, grants and contracts	34,425	62,809	11,356	23
Income from investments	11,425	11,505	8,094	10
Realized gain on investments	3,019	9,829		
Interest on loans	242	287		
Other	2,009	3,214	1,382	732
TOTAL REVENUES AND OTHER ADDITIONS	97,612	142,467	75,056	1,180
EXPENDITURES, MANDATORY TRANSFERS AND OTHER DEDUCTIONS				
Educational and general	66,289	77,191	57,517	697
Auxiliary enterprises	9,511	11,407	11,300	166
Principal (\$2,267 in 1983 and \$2,137 in 1982) and interest	2,530	2,303		
Plant improvements	1,101	1,723		
Life income distributions	537	546		
Disposals	893	383		
Other	1,921	156		
Mandatory transfers:				
Debt service			3,806	
Matching grants			606	
TOTAL EXPENDITURES, MANDATORY TRANSFERS AND OTHER DEDUCTIONS	82,782	93,709	73,229	863
OTHER TRANSFERS				
To unexpended plant			(934)	
To renewals and replacements			(457)	
Other			(423)	3,474
TOTAL OTHER TRANSFERS			(1,814)	3,474
NET INCREASE (DECREASE)	14,830	48,758	13	3,791
FUND BALANCE AT BEGINNING OF YEAR	199,149	213,979	1,104	
FUND BALANCE AT END OF YEAR	\$213,979	\$262,737	\$ 1,117	\$ 3,791

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

June 30, 1983 (in thousands), with comparative 1982 totals

<u>Restricted</u>	<u>Loan Funds</u>	<u>Endowment and Life Income Funds</u>	<u>Plant Funds</u>	
			<u>Unexpended</u>	<u>Expended</u>
\$ 184				
18,414	\$ 1,176	\$ 1,648	\$ 1,693	\$ 28,499
1,795	8	688	801	109
	287	9,829		
<u>513</u>	<u> </u>	<u>334</u>	<u>253</u>	<u> </u>
<u>20,906</u>	<u>1,471</u>	<u>12,499</u>	<u>2,747</u>	<u>28,608</u>
21,257				(2,280)
				(59)
			4,570	(2,267)
			6,068	(4,345)
		546		383
	156			
(497)	(109)	<u> </u>	(3,806)	<u> </u>
<u>20,760</u>	<u>47</u>	<u>546</u>	<u>6,832</u>	(8,568)
			934	
(827)	<u> </u>	(1,037)	457	<u> </u>
(827)	<u> </u>	(1,037)	<u>204</u>	<u> </u>
(681)	1,424	10,916	(3,881)	37,176
<u>6,480</u>	<u>16,175</u>	<u>96,090</u>	<u>13,726</u>	<u>80,404</u>
<u>\$ 5,799</u>	<u>\$ 17,599</u>	<u>\$107,006</u>	<u>\$ 9,845</u>	<u>\$117,580</u>

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RENSSELAER POLYTECHNIC INSTITUTE - Statement of Current Funds Revenues,
Expenditures, and Other Changes for the Year Ended June 30, 1983 (in thousands),
with comparative 1982 totals

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>
REVENUES			
Educational and general:			
Student tuition and fees	\$41,672	\$ 415	\$ 184
State appropriations	2,234		
Federal and State grants and contracts	5,706		9,446
Private gifts, grants and contracts	3,416	23	8,968
Endowment income	6,371		1,795
Current fund investment income	1,723	10	
Sales and services of educational activities	524	122	206
Expired life income contracts			
Other sources	858	610	307
	<u>62,504</u>	<u>1,180</u>	<u>20,906</u>
Receipts less than (in excess of) amounts recognized as revenue			681
Total educational and general	<u>62,504</u>	<u>1,180</u>	<u>21,587</u>
Auxiliary enterprises:			
Housing and food service	7,634		
Fieldhouse	270		
Rensselaer Union	3,503		
Athletics	404		
Health service	741		
Total auxiliary enterprises	<u>12,552</u>		
TOTAL REVENUES	<u>75,056</u>	<u>1,180</u>	<u>21,587</u>
EXPENDITURES AND MANDATORY TRANSFERS			
Educational and general			
Expenditures:			
Instruction	27,415	119	564
Sponsored research			11,599
Departmental and interdepartmental research	364	318	4,841
Academic support	5,407	55	474
Student services	2,289		
Institutional support	10,661	81	24
Operation and maintenance of plant	5,792		
Scholarships and fellowships	<u>5,589</u>	<u>124</u>	<u>3,755</u>
Total educational and general expenditures	57,517	697	21,257

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

Total	
<u>1983</u>	<u>1982</u>
\$42,271	\$35,527
2,234	2,154
15,152	14,647
12,407	9,524
8,166	8,566
1,733	1,326
852	758
	10
1,775	707
<u>84,590</u>	<u>73,219</u>
681	(355)
<u>85,271</u>	<u>72,864</u>
7,634	6,703
270	236
3,503	3,122
404	388
<u>741</u>	<u>516</u>
<u>12,552</u>	<u>10,965</u>
<u>97,823</u>	<u>83,829</u>
28,098	24,574
11,599	11,036
5,523	3,520
5,936	5,195
2,289	1,929
10,766	8,515
5,792	5,318
<u>9,468</u>	<u>8,268</u>
79,471	68,355

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RENSSELAER POLYTECHNIC INSTITUTE - Statement of Current Funds Revenues,
Expenditures, and Other Charges for the Year Ended June 30, 1983 (in thousands),
with comparative 1982 totals (Continued)

	<u>Unrestricted</u>	<u>Designated</u>	<u>Restricted</u>
EXPENDITURES AND MANDATORY TRANSFERS (continued)			
Mandatory transfers:			
Debt service	2,846		
Current restricted fund matching grants	497		(497)
Loan fund matching grant	109		
Total educational and general	<u>60,969</u>	<u>697</u>	<u>20,760</u>
Auxiliary enterprises			
Expenditures:			
Housing and food service	6,487	92	
Fieldhouse	414		
Rensselaer Union	3,314	59	
Athletics	386	5	
Health service	699	10	
Total auxiliary enterprise expenditures	<u>11,300</u>	<u>166</u>	
Mandatory transfers:			
Debt service	<u>960</u>		
Total auxiliary enterprises	<u>12,260</u>	<u>166</u>	
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>73,229</u>	<u>863</u>	<u>20,760</u>
OTHER TRANSFERS			
To unexpended plant	934		
To renewals and replacements	457		
Other	423	(3,474)	827
TOTAL OTHER TRANSFERS	<u>1,814</u>	<u>(3,474)</u>	<u>827</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>75,043</u>	<u>(2,611)</u>	<u>21,587</u>
Receipts (less than) in excess of amounts recognized as revenue			(681)
NET INCREASE (DECREASE) IN FUND BALANCES	<u>\$ 13</u>	<u>\$ 3,791</u>	<u>(\$ 681)</u>

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

Total	
<u>1983</u>	<u>1982</u>

2,846	2,810
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<u>109</u>	<u>62</u>
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<u>82,426</u>	<u>71,227</u>
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6,579	5,334
414	404
3,373	2,872
391	386
<u>709</u>	<u>577</u>

11,466	9,573
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<u>960</u>	<u>945</u>
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<u>12,426</u>	<u>10,518</u>
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<u>94,852</u>	<u>81,745</u>
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934	2,000
457	1,688
(<u>2,224</u>)	(<u>1,663</u>)

(<u>833</u>)	<u>2,061</u>
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<u>94,019</u>	<u>83,806</u>
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(<u>681</u>)	<u>355</u>
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<u>\$ 3,123</u>	<u>\$ 378</u>
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RENSSELAER POLYTECHNIC INSTITUTE - Balance Sheet at June 30, 1982 (in thousands),

	Total of All Funds		Current F
	1981	1982	Unrestricted R
ASSETS			
Cash	\$ 273	\$ 388	\$ 254
Investments, at cost	97,678	106,273	7,652
Accounts receivable and loans to students	20,123	21,093	1,327
Inventories	743	598	598
Prepaid expenses and other assets	515	338	338
Deposits with bond trustees	9,358	9,547	
Land, buildings and equipment	122,134	126,419	
Due from (to) other funds			(2,526)
Total Assets	<u>\$250,824</u>	<u>\$264,656</u>	<u>\$ 7,643</u>
LIABILITIES AND FUND BALANCES			
Accounts payable and accrued expenses	\$ 2,603	\$ 3,951	\$ 3,914
Deposits	398	768	768
Deferred revenues	3,148	1,857	1,857
Long-term debt	45,526	44,101	
Total Liabilities	<u>51,675</u>	<u>50,677</u>	<u>6,539</u>
FUND BALANCES			
Current funds	7,206	7,584	1,104
Federal loan programs	15,243	15,530	
Other loan programs	807	645	
Endowment	45,878	51,053	
Quasi-endowment	41,298	40,922	
Life income	3,786	4,115	
Plant funds:			
Unexpended	1,463	3,758	
Renewals and replacements	2,183	3,495	
Retirement of indebtedness	6,605	6,473	
Investment in plant	74,680	80,404	
Total Fund Balances	<u>199,149</u>	<u>213,979</u>	<u>1,104</u>
Total Liabilities and Fund Balances	<u>\$250,824</u>	<u>\$264,656</u>	<u>\$ 7,643</u>

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

with comparative 1981 totals

Funds Restricted	Loan Funds	Endowment and Life Income Funds	Plant Funds	
			Unexpended	Expended
\$ 13	\$ 23	\$ 98		
1,426	55	96,759	\$ 381	
3,826	15,889		51	
			0,464	\$ 1,083
				126,419
1,215	208	(730)	4,922	(3,089)
\$ 6,480	\$ 16,175	\$ 96,127	\$ 13,818	\$124,413
		\$ 37		
			\$ 92	\$ 44,009
		37	92	44,009
\$ 6,480	\$ 15,530 645	51,053 40,922 4,115		
			3,758 3,495 6,473	
				80,404
6,480	16,175	96,090	13,726	80,404
\$ 6,480	\$ 16,175	\$ 96,127	\$ 13,818	\$124,413

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RENSSELAER POLYTECHNIC INSTITUTE - Statement of Changes in Fund Balances for the year

	Total of All Funds		Current
	<u>1981</u>	<u>1982</u>	<u>Unrestricted</u>
REVENUES AND OTHER ADDITIONS			
Student tuition and fees	\$ 29,486	\$ 35,527	\$ 34,989
Auxiliary enterprises	9,727	10,965	10,965
Gifts, grants and contracts	31,798	34,425	9,912
Income from investments	8,582	11,425	8,545
Realized gain on investments	7,743	3,019	
Interest on loans	237	242	
Other	<u>1,873</u>	<u>2,009</u>	<u>963</u>
TOTAL REVENUES AND OTHER ADDITIONS	<u>89,446</u>	<u>97,612</u>	<u>65,374</u>
EXPENDITURES, MANDATORY TRANSFERS AND OTHER DEDUCTIONS			
Educational and general	57,919	66,289	49,061
Auxiliary enterprises	8,695	9,511	9,573
Principal (\$2,137 in 1982 and \$1,966 in 1981) and interest	2,615	2,530	
Plant improvements	119	1,101	
Life income distributions	294	537	
Disposals		893	
Other	299	1,921	
Mandatory transfers:			
Debt services			3,755
Matching grants			<u>922</u>
TOTAL EXPENDITURES, MANDATORY TRANSFERS AND OTHER DEDUCTIONS	<u>69,941</u>	<u>82,782</u>	<u>63,311</u>
OTHER TRANSFERS			
To unexpended plant			(1,924)
To renewals and replacements			(1,688)
Other			<u>1,572</u>
TOTAL OTHER TRANSFERS			<u>(2,040)</u>
NET INCREASE	19,505	14,830	23
FUND BALANCE AT BEGINNING OF YEAR	<u>179,644</u>	<u>199,149</u>	<u>1,081</u>
FUND BALANCE AT END OF YEAR	<u>\$199,149</u>	<u>\$213,979</u>	<u>\$ 1,104</u>

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

ar ended June 30, 1982 (in thousands), with comparative 1981 totals

Funds	Loan Funds	Endowment and Life Income Funds	Plant Funds	
			Unexpended	Expended
<u>Restricted</u>				
\$ 538				
16,413	\$ 554	\$ 2,845	\$ 1,536	\$ 3,165
1,347	4	846	537	146
	242	3,019		
512			534	
18,810	800	6,710	2,607	3,311
19,294				(2,066)
				(62)
			4,667	(2,137)
			1,775	(674)
		537		893
	785	105		1,031
(860)	(62)		(3,755)	
18,434	723	642	2,687	(3,015)
(112)			2,036	
(43)			1,731	
134	48	(940)	(212)	(602)
(21)	48	(940)	3,555	(602)
355	125	5,128	3,475	5,724
6,125	16,050	90,962	10,251	74,680
\$ 6,480	\$ 16,175	\$ 96,090	\$ 13,726	\$ 80,404

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RENSSELAER POLYTECHNIC INSTITUTE - Statement of Current Funds Revenues,
Expenditures, and Other Changes for the Year Ended June 30, 1982 (in thousands),
with comparative 1981 totals

	Unrestricted	Restricted	Total	
			1982	1981
REVENUES				
Educational and general:				
Student tuition and fees	\$34,989	\$ 538	\$35,527	\$29,486
State appropriations	2,154		2,154	2,061
Federal and State grants and contracts	5,232	9,415	14,647	13,874
Private gifts, grants and contracts	2,526	6,998	9,524	9,626
Endowment income	7,219	1,347	8,566	6,234
Current fund investment income	1,326		1,326	1,169
Sales and services of educational activities	401	357	758	284
Expired life income contracts		10	10	8
Other sources	562	145	707	907
	<u>54,409</u>	<u>18,810</u>	<u>73,219</u>	<u>63,849</u>
Less receipts in excess of amounts recognized as revenues		(355)	(355)	(1,584)
Total educational and general	<u>54,409</u>	<u>18,455</u>	<u>72,864</u>	<u>62,265</u>
Auxiliary enterprises:				
Housing and food service	6,703		6,703	5,919
Fieldhouse	236		236	262
Rensselaer Union	3,122		3,122	2,678
Athletics	388		388	354
Health service	516		516	514
Total auxiliary enterprises	<u>10,965</u>		<u>10,965</u>	<u>9,727</u>
TOTAL REVENUES	<u>65,374</u>	<u>18,455</u>	<u>83,829</u>	<u>71,992</u>
EXPENDITURES AND MANDATORY TRANSFERS				
Educational and general				
Expenditures:				
Instruction	23,594	980	24,574	20,182
Sponsored research		11,036	11,036	10,324
Departmental and interdepartmental research		3,520	3,520	3,190
Academic support	4,944	251	5,195	4,436
Student services	1,929		1,929	1,582
Institutional support	8,509	6	8,515	7,702
Operation and maintenance of plant	5,318		5,318	4,322
Scholarships and fellowships	4,767	3,501	8,268	7,660
Other				359
Total educational and general expenditures	<u>49,061</u>	<u>19,294</u>	<u>68,355</u>	<u>59,757</u>

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

RENSSELAER POLYTECHNIC INSTITUTE - Statement of Current Funds Revenues,
Expenditures, and Other Changes for the Year Ended June 30, 1982 (in thousands),
with comparative 1981 totals (Continued)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	
			<u>1982</u>	<u>1981</u>
EXPENDITURES AND MANDATORY TRANSFERS (continued)				
Mandatory transfers:				
Debt service	2,810		2,810	2,794
Current restricted fund matching grants	860	(860)		
Loan fund matching grant	<u>62</u>	<u> </u>	<u>62</u>	<u>116</u>
Total educational and general	<u>52,793</u>	<u>18,434</u>	<u>71,227</u>	<u>62,667</u>
Auxiliary enterprises				
Expenditures:				
Housing and food service	5,334		5,334	4,831
Fieldhouse	404		404	363
Rensselaer Union	2,872		2,872	2,682
Athletics	386		386	384
Health service	<u>577</u>	<u> </u>	<u>577</u>	<u>510</u>
Total auxiliary enterprise expenditures	9,573		9,573	8,770
Mandatory transfers:				
Debt service	<u>945</u>	<u> </u>	<u>945</u>	<u>945</u>
Total auxiliary enterprises	<u>10,518</u>	<u> </u>	<u>10,518</u>	<u>9,715</u>
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	<u>63,311</u>	<u>18,434</u>	<u>81,745</u>	<u>72,382</u>
OTHER TRANSFERS				
To unexpended plant	1,924	112	2,036	500
To renewals and replacements	1,688		1,688	628
Other	(1,572)	(91)	(1,663)	(1,535)
TOTAL OTHER TRANSFERS	<u>2,040</u>	<u>21</u>	<u>2,061</u>	<u>(407)</u>
TOTAL EXPENDITURES AND TRANSFERS	<u>65,351</u>	<u>18,455</u>	<u>83,806</u>	<u>71,975</u>
Receipts in excess of amounts recognized as revenues	<u> </u>	<u>355</u>	<u>355</u>	<u>1,584</u>
NET INCREASE IN FUND BALANCES	<u>\$ 23</u>	<u>\$ 355</u>	<u>\$ 378</u>	<u>\$ 1,601</u>

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

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with fund accounting principles applicable to colleges and universities. Fund accounting is the procedure by which resources are classified for accounting purposes into separate funds in accordance with, and in observance of, limitations and restrictions placed on the use of the resources by donors and Trustees of the Institute. Separate accounts are maintained for each fund. In the accompanying financial statements, funds that have similar characteristics have been combined into fund groups.

Service, rather than profit, is the objective of an educational institution. Thus, the primary reporting obligation of colleges and universities is one of accounting for resources received and used rather than for the determination of net income. Accordingly, the accompanying statements of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the 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.

Depreciation is not recorded on buildings or equipment. To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as: expenditures, in the case of normal replacement of movable equipment and library books; mandatory transfers, in the case of required provisions for debt amortization, interest, renewals and replacements; and transfers of a nonmandatory nature in all other cases. Expenditures for new construction and major renewals and replacements are charged to the appropriate plant fund balance where the applicable resources are held.

All capital expenditures for, and gifts of, land, buildings and equipment are recorded as additions of the expended plant fund.

FUND BALANCES

Current designated fund balances include funds which have been restricted by the Institute for internal budget and control purposes. These funds were established at the beginning of the 1983 fiscal year by transfers of such designated funds previously classified in current restricted funds, \$903,000, and unexpended plant funds, \$1,675,000.

Current restricted fund balances represent resources where the principal may only be expended for the purposes restricted by the source of such funds.

Loan fund balances may only be utilized for the applicable loan program as specified by the sponsor or the Institute.

Endowment fund balances require, in perpetuity, that the principal be invested and only the income from these investments be expended. Life income fund balances require that the principal be invested and, for a period of time, the income from such investments be distributed to the donor. Upon expiration of the contract, the fund balance will be credited to the appropriate fund in accordance with the purposes specified by the donor.

FUND BALANCES (continued)

Plant fund balances include resources which may be expended only for specific plant facility improvements, as specified by the Institute or the source of such resources, or debt service requirements.

OTHER INFORMATION

Accounts receivable and loans to students are presented net of collectability allowances of \$120,000 and \$900,000, respectively, in 1983 and 1982.

Inventories are stated at the lower of cost or current market value, based upon the first-in, first-out method.

Interfund balances of the expended plant fund represent internal borrowings for capital additions to be liquidated through future outside debt financing. All other interfund balances are comprised of short-term transactions and are liquidated throughout the year on a regular basis.

All revenues and expenditures in connection with the current summer school program are deferred at June 30 as this program is principally an activity of the succeeding fiscal year.

Outstanding pledges of private support approximating \$10,795,000 and \$10,887,000 at June 30, 1983 and 1982, respectively, are recorded as revenues and other additions to fund balances upon receipt of the actual gift in future years.

The Institute has been awarded approximately \$11,418,000 and \$10,045,000 as of June 30, 1983 and 1982, respectively, of restricted grants and contracts which, as of those dates, have neither been advanced or expended.

INVESTMENTS

Investments are carried at cost or, in the case of noncash gifts, at the fair market value on the date of donation. The carrying value of investments, and their current fair market value, held by the Institute on June 30 is comprised of the following:

	1983		1982	
	Carrying Value	Market Value	Carrying Value	Market Value
Short-term investments	\$ 20,447,000	\$ 20,591,000	\$ 23,809,000	\$ 24,483,000
Bonds and notes	28,891,000	30,050,000	30,785,000	28,676,000
Equity securities	59,483,000	84,085,000	48,996,000	53,002,000
Real estate	3,770,000	3,770,000	2,495,000	2,295,000
Other	184,000	184,000	188,000	188,000
	<u>\$112,775,000</u>	<u>\$138,680,000</u>	<u>\$106,273,000</u>	<u>\$108,644,000</u>

RENSSELAER POLYTECHNIC INSTITUTE - Notes to the Financial Statements
(Continued)

INVESTMENTS (continued)

The distribution of these investments among funds is as follows:

	<u>1983</u>		<u>1982</u>	
	<u>Carrying Value</u>	<u>Market Value</u>	<u>Carrying Value</u>	<u>Market Value</u>
Current Funds	\$ 5,123,000	\$ 5,175,000	\$ 9,078,000	\$ 9,032,000
Loan Funds	258,000	258,000	55,000	55,000
Endowment and Life Income Funds	107,106,000	132,959,000	96,759,000	99,176,000
Unexpended Plant Funds	<u>288,000</u>	<u>288,000</u>	<u>381,000</u>	<u>381,000</u>
	<u>\$112,775,000</u>	<u>\$138,680,000</u>	<u>\$106,273,000</u>	<u>\$108,644,000</u>

LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment of the Institute are carried in the expended plant funds at cost, or at the fair market value on the date of donation in the case of gifts, and consist of the following at June 30:

	<u>1983</u>	<u>1982</u>
Land	\$ 3,119,000	\$ 3,119,000
Buildings	82,064,000	81,728,000
Equipment	42,635,000	37,804,000
Construction in progress	<u>13,611,000</u>	<u>3,768,000</u>
	<u>\$141,429,000</u>	<u>\$126,419,000</u>

LONG-TERM DEBT

Debt and Debt Service

Long-term debt of the Institute is comprised of the following:

	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 1983</u>	<u>Outstanding at June 30, 1982</u>
United States Department of Housing and Urban Development (HUD)				
Dormitory Bonds:				
Of 1952	\$ 2,880,000	1992	\$ 960,000	\$ 1,050,000
Of 1956	<u>1,350,000</u>	1996	<u>531,000</u>	<u>570,000</u>
	<u>4,230,000</u>		<u>1,491,000</u>	<u>1,620,000</u>

RENSSELAER POLYTECHNIC INSTITUTE - Notes to the Financial Statements
(Continued)

LONG-TERM DEBT (continued)

Debt and Debt Service (continued)

	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 1983</u>	<u>Outstanding at June 30, 1982</u>
Dormitory Authority of the State of New York:				
Series A	\$ 5,600,000	1995	\$ 2,990,000	\$ 3,185,000
Series B	3,520,000	1998	2,265,000	2,380,000
Series C	6,000,000	2001	4,805,000	4,945,000
Series D	10,600,000	2005	9,405,000	9,615,000
Series E	18,550,000	2007	16,953,000	17,336,000
Series F	7,000,000	1985	3,325,000	4,320,000
	<u>51,270,000</u>		<u>39,743,000</u>	<u>41,781,000</u>
Industrial Development Authority Bonds (IDA)	<u>700,000</u>	1991	<u>600,000</u>	<u>700,000</u>
New York State Urban Devel- opment Corporation (UDC):				
High Technology Incubators, Inc.	200,000	1997	200,000	
UDC mortgage loan	<u>4,307,000</u>	2025	<u>4,307,000</u>	
	<u>4,507,000</u>		<u>4,507,000</u>	
Total long term debt	<u>\$60,707,000</u>		<u>\$46,341,000</u>	<u>\$44,101,000</u>

All HUD and Dormitory Authority Series A through D and F debt matures serially.

Dormitory Authority Series E consists of \$3,820,000 bonds maturing serially through 1991, and term bonds of \$2,300,000 and \$11,340,000 maturing in 1995 and 2007 respectively. Sinking fund installments are required to provide for the retirement of the term bonds in amounts ranging from \$520,000 in 1992 to \$1,300,000 in 2007.

Principal payments on the IDA Bonds are \$60,000 annually beginning in 1986, with a final \$300,000 payment due in 1991.

The interest rate on HUD debt is at 2-3/4%. Interest rates on Dormitory Authority debt range from 3-1/2% to 7%. The IDA bonds bear interest rates ranging from 8% to 14%.

Funding provided by High Technology Incubators, Inc., a subsidiary of the UDC, was made available to the Institute on a repayable basis. The repayment schedule begins in the 1987 fiscal year with varying amounts due through the 1997 fiscal year. Amounts due during the repayment period are contingent upon the amount of net project receipts, as defined in the agreement, in each year. In any event, the minimum amount of total repayments due by June 30, 1997 is \$200,000, with a maximum amount due by that date of \$260,000.

LONG-TERM DEBT (continued)

Debt and Debt Service (continued)

The UDC mortgage loan bears a face amount of \$30,000,000 without interest and results from the provision of assistance by New York State, through the UDC, towards the construction of the Center for Industrial Innovation. It is recorded at the net present value of the future repayment schedule as of the date of the receipt of this assistance, December 1982, using a discount rate of 11-1/8%. Approximately \$25,693,000, the difference between the total of all payments and the net present value of the liability, has been recorded as an addition to the expended plant fund balance during the 1983 fiscal year. The facility will be leased to the State of New York and, in turn, subleased to the Institute. The repayment schedule for this loan is represented by the payments due to the State by the Institute under this sublease and calls for the total of \$30,000,000 in repayments to begin in the 1987 fiscal year at \$600,000 per year, with increasing annual payments due through the 2025 fiscal year.

The aggregate debt service requirements on all long-term debt as of June 30, 1983 for each of the next five fiscal years is: 1984 and 1985, \$4,400,000; 1986, \$4,600,000; 1987 and 1988, \$4,000,000. Debt service and sinking fund requirements will be funded through mandatory transfers from current funds to unexpended plant funds, to the extent such requirements are not funded by gifts and grants restricted for such purposes or funds available for such purposes held in the unexpended plant funds.

Subsequent to June 30, 1983 the Institute issued through the Dormitory Authority \$7,400,000 of 6-3/4% revenue notes due July 1, 1986. Interest is due semiannually through maturity and, upon maturity, the principal amount of the notes is expected to be refinanced through the issuance of long-term obligations. The proceeds of this issue will be applied toward the renovation of an athletic facility and the installation of a new telecommunications network.

Collateralization

HUD bonds are collateralized by first mortgages on real property having a carrying value of \$4,417,000, a pledge of net revenues from the operations of these dormitories, and deposits with bond trustees having a carrying value of \$556,000 at June 30, 1983.

Dormitory Authority bonds Series A through E represent debt outstanding under capitalized lease-purchase arrangements. Revenues from property having a carrying value of \$48,796,000 at June 30, 1983 is pledged to meet annual lease payments under these agreements.

Dormitory Authority Series F and the IDA Bonds are collateralized by first mortgages on real property and security interests in equipment having a total carrying value of \$9,538,000 at June 30, 1983.

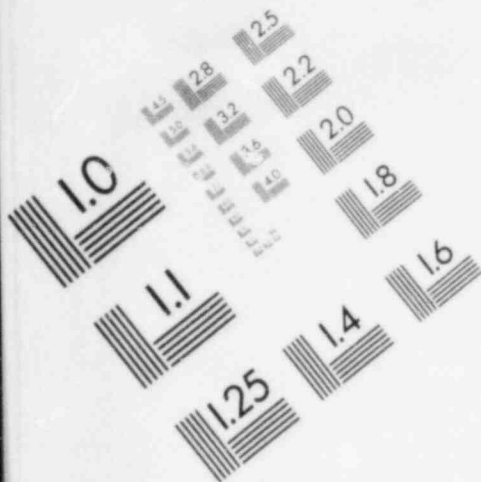


IMAGE EVALUATION TEST TARGET (MT-3)

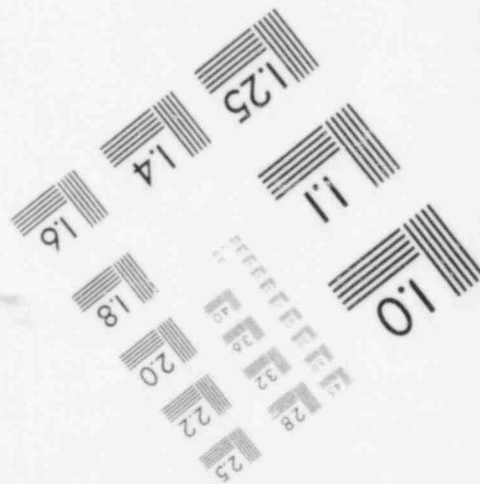
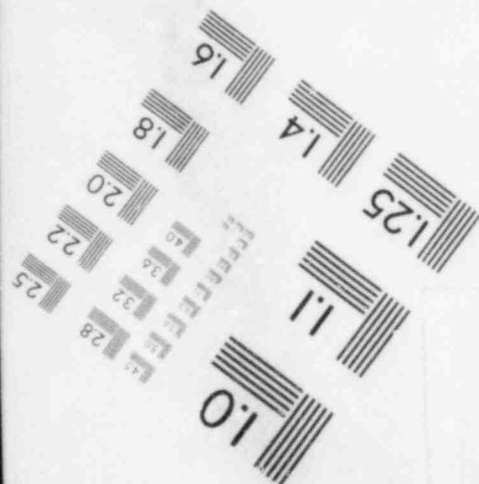
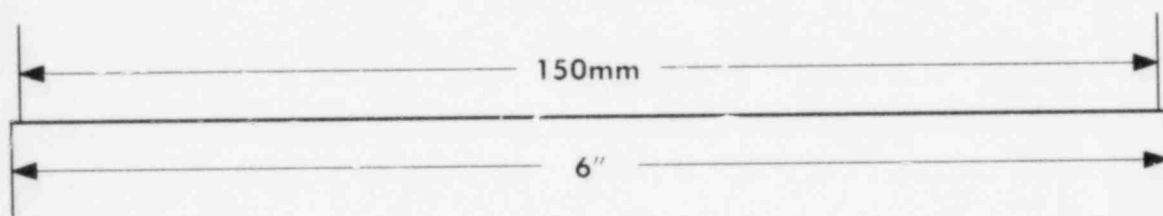
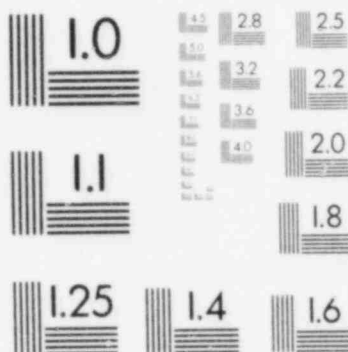
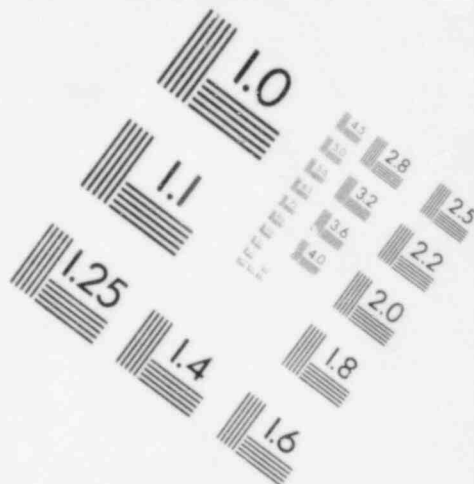
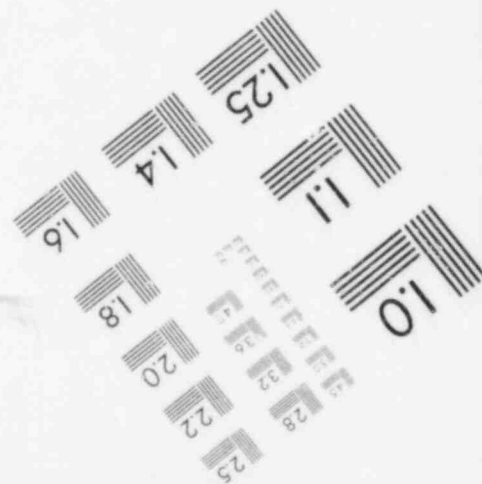
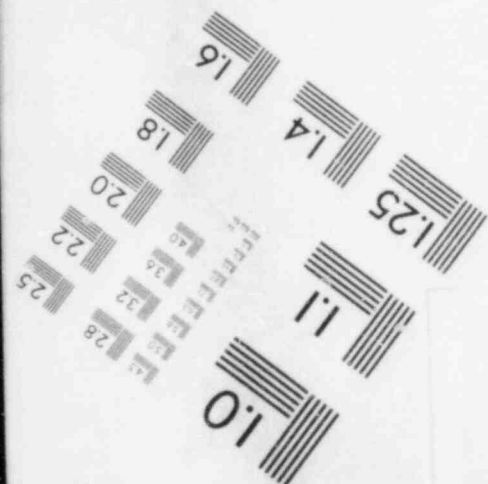
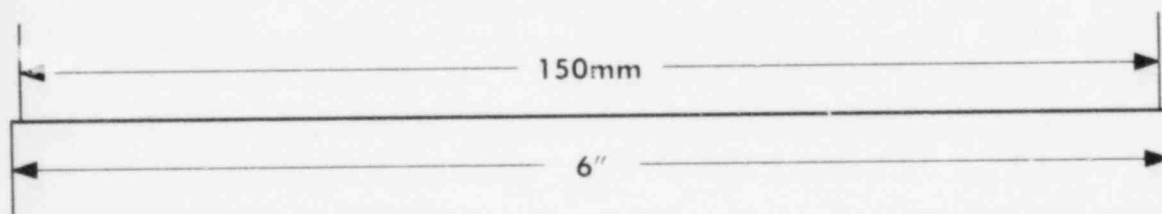
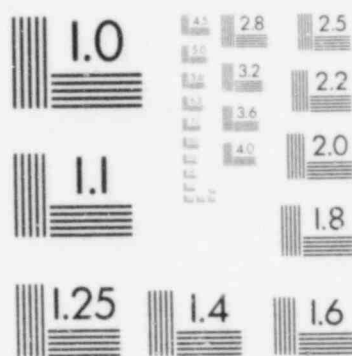
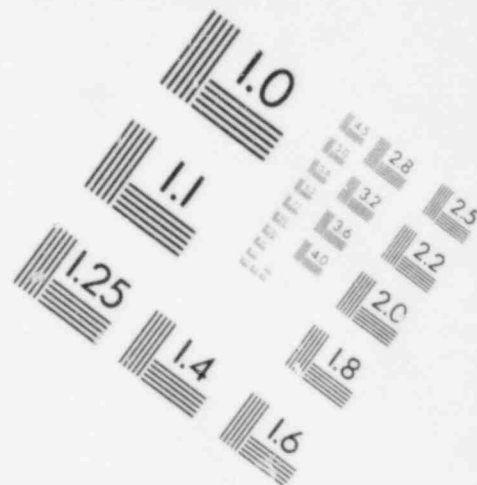
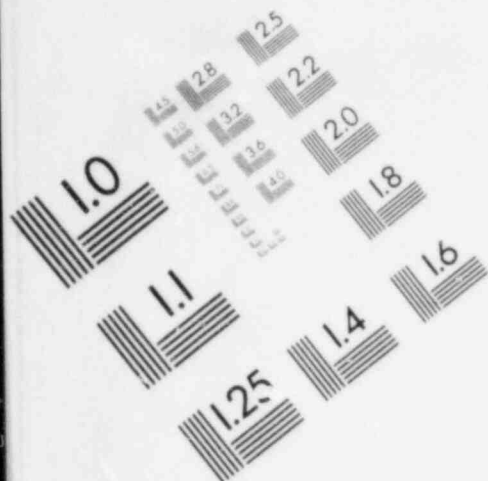


IMAGE EVALUATION
TEST TARGET (MT-3)



LONG-TERM DEBT (continued)

Collateralization (continued)

All Dormitory Authority bonds are further collateralized by a pledge of deposits with bond trustees having a carrying value of \$8,002,000 at June 30, 1983, and specified portions of general Institute tuition revenues.

The Institute has further collateralized Dormitory Authority Series E and F bonds through pledges of investments and defined revenues of the endowment funds. At June 30, 1983, the carrying amount of pledged investments is \$19,376,000 having a current market value of \$22,191,000.

The debt due High Technology Incubators, Inc. is a general obligation of the Institute and is collateralized by a pledge of net project receipts, as defined.

The UDC mortgage loan is collateralized by a pledge of deposits held with trustees at June 30, 1983 totaling \$29,587,000 and a first mortgage lien on the Center for Industrial Innovation. In accordance with the agreement, the Institute has delivered an irrevocable letter of credit in the amount of \$1,000,000 as a further pledge of performance during the construction period. The Center for Industrial innovation is scheduled for occupancy during the 1987 fiscal year and is expected to have a total construction and equipping cost at occupancy of approximately \$48,000,000. An additional \$12,000,000 of equipment is expected to be placed in the Center through the 2025 fiscal year. All construction and equipping costs of the Center in excess of the \$30,000,000 New York State assistance will be met through contributions of funds and equipment from governmental, private and Institutional resources.

The Dormitory Authority revenue notes issued in August 1983 will be collateralized by pledges of specified portions of general Institute tuition revenues and investments of the endowment fund having a market value of at least 110% of the outstanding principal amount of the notes.

COMPENSATED ABSENCES

Financial Accounting Standard No. 43, Accounting for Compensated Absences, effective for fiscal years beginning July 1, 1981, states that compensated absences be recorded on an accrual basis. The cumulative amount of compensated absences at June 30, 1983 is \$1,673,000 and the increase for 1983, included therein, was \$226,000. A portion of this amount will be recovered from sponsored research and restricted funds. The Institute consistently records and reports compensated absences on a cash basis since the impact is not material with respect to total current funds expenditures or total unrestricted fund balances of the Institute.

PENSION PLANS

The Institute has two defined benefit pension plans which, in total, cover substantially all employees. It is the policy to fund costs as accrued, including an amortization of past-service costs over a period not exceeding 25 years. Total provisions for pension costs were \$2,219,000 and \$1,840,000 for the years ended June 30, 1983 and 1982, respectively. Using an assumed rate of return of approximately 6-1/4%, the actuarial present value of accumulated plan benefits was calculated as of July 1, 1982 at \$27,414,000 and \$2,288,000; and as of July 1, 1981 at \$25,768,000 and \$1,876,000 for vested and nonvested participants, respectively. At those respective dates, plan net assets exceeded these benefits by approximately 32% and 41%.