

1981 Financial Report

by Doug Carlone

As students in the uniquely tuition-free college that is The Cooper Union, we should be justly concerned with the school's financial position. That position, it turns out, is quite secure as evidenced by the as yet unpublished Financial Report.

The school's assets are divided into five funds. First is the *current fund*. It is out of this fund that most of the day-to-day expenses of The Cooper Union are paid. The *loan fund* provides the monies made available for student loans. The *endowment* is the fund created by Peter Cooper to support the school. It is the primary source of the college's income. The pension plan for Cooper Union employees is handled from the *an-*

nuity and life income fund. Finally, there is the *plant fund* whose major assets are the Foundation, Engineering, and Hewitt Buildings.

The vast majority of the Cooper Union's stock and bond holdings is pooled investments. This means that money was taken from several of the different funds and pooled together in order to buy securities. The amount of the pooled investments is \$30,723,586 (current market value: \$33,175,293). Of this figure, around \$650 thousand comes from the current, loan, and annuity funds while the rest comes from the endowment. Through the various pooled investment transactions that occurred during the year, The Cooper Union realized slightly over \$2 million (see pie graphs and notes). This \$2 million has been added to the en-

dowment and reinvested. Non-pooled investments are those which were financed by money from only one fund. The total amount of these investments is \$2,197,610, while their current market value is \$2,270,426.

(Note: This does not include the value of the land under the Chrysler Building, \$10.5 million, which is listed as a non-pooled investment of the endowment.)

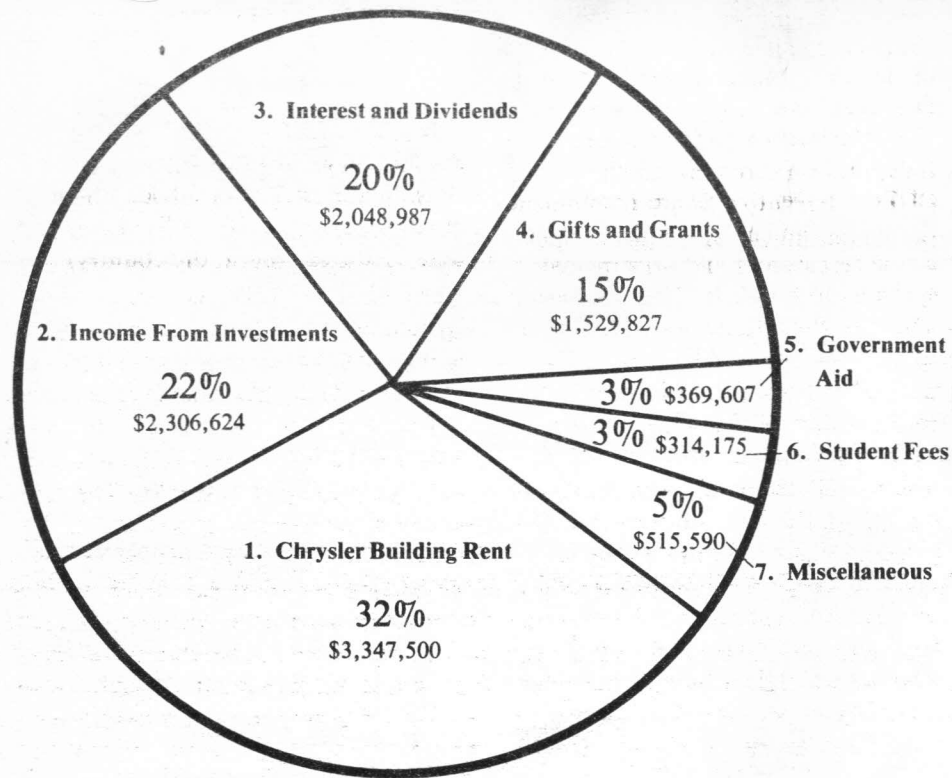
In an interview, Mr. Gerald Cahill, Vice President for Business Affairs, commented, "the health of the in-

stitution is pegged to the performance of the endowment." Since the endowment produced sizable revenues from investment dividends and the Chrysler Building income (see pie graphs and notes) and also grew by \$2 million, it is safe to assume that The Cooper Union is quite healthy. Or, as Mr. Cahill stated, the college is in "a reasonably sound financial position." Although he declined to make any predictions for the years ahead, Mr. Cahill did say that The Cooper Union is optimistic about the future.

	1981	1980
Chrysler Building	\$10,500,000	\$ 8,100,000
Common stocks	20,250,253	18,220,101
Bonds and promissory notes	14,233,021	13,755,902
Parking lot	947,567	987,016
Cash or overdraft	14,877	120,405
Preferred stock	1	62,001
Land, buildings, and equipment	21,265,116	20,465,063
Total Estimated Worth	\$67,210,835	\$61,469,678

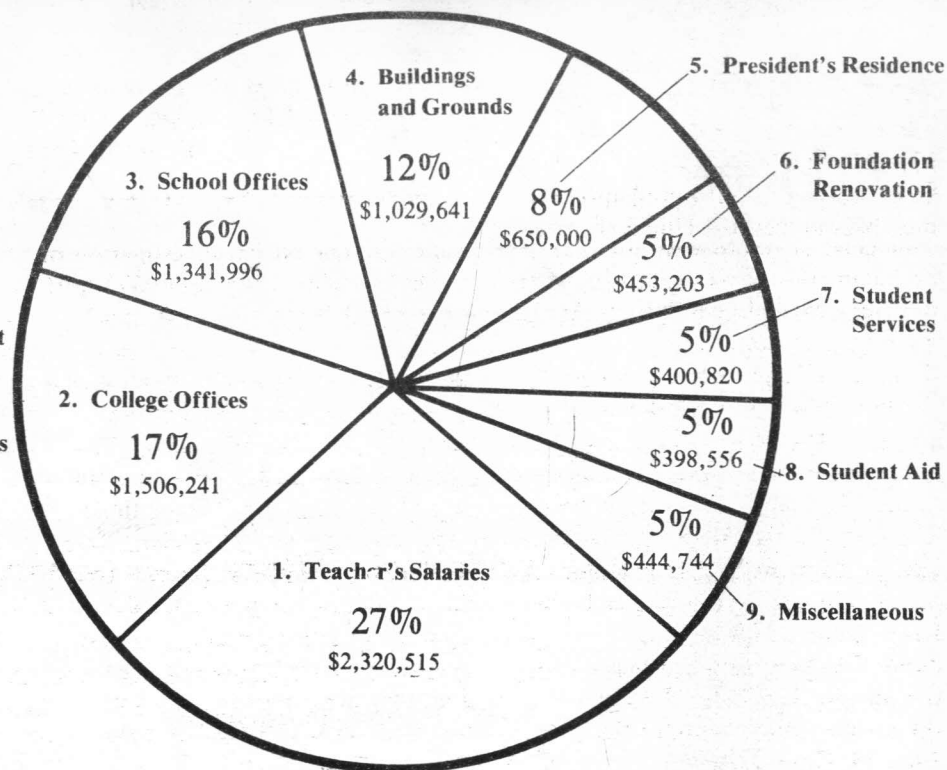
If The Cooper Union were to be put on the market today, how much would you get? The figures above indicate one way of estimating the "total worth" of the college, and show how it has changed since last year.

Revenues: + \$10,432,310



- 1. Chrysler Building Rent**—The most recent assessment has put the value of the land under the Chrysler Building at \$10.5 million (that's \$2 million over last year's assessed value!). As a result, Cooper's income from that land has increased by $\frac{1}{2}$ million compared to last year's income.
- 2. Income from Investments**—This money was earned primarily through shrewd securities transactions.
- 3. Interests and Dividends**—This figure represents a 6% yield on securities owned by Cooper.
- 4. Gifts, and Grants**—The Alumni Office has collected over \$570 thousand worth of contributions. The rest of the money in this category was donated by wealthy philanthropists and several large corporations.
- 5. Government Aid**—Each year, The Cooper Union receives a grant of close to \$98 thousand from the Department of Health, Education and Welfare to pay interest charges on the Foundation Building renovation debt. In addition, Cooper received slightly over \$270 thousand in state aid.
- 6. Student Fees**—\$230 thousand of the money collected through the \$300 student fee is put into a reserve fund which serves as security against the debt Cooper incurred when the Foundation Building was renovated.
- 7. Miscellaneous**—Close to \$150 thousand was realized as a result of the sale of former President White's cooperative apartment. Additional revenues were obtained from various other sources.

Expenditures: - \$8,545,716



- 1. Teachers' Salaries**—This is money spent on teachers' salaries, fringe benefits, and class needs. This figure jumped up by \$288 thousand between this year and last.
- 2. College Offices**—This includes the President's Office, the Business Office, and all the other administrative offices of The Cooper Union.
- 3. School Offices**—This includes the three academic Deans' offices, all administrative assistants, lab and technician support, and the library.
- 4. Buildings and Grounds**—Maintenance costs rose by about \$140 thousand over the past year.
- 5. President's Residence**—A four story Greek Revival townhouse on West 12th St. was purchased for the President of The Cooper Union.
- 6. Foundation Renovation**—Renovation of the Foundation Building in 1974 costs Cooper between \$425,000 and \$450,000 per year in debt payments.
- 7. Student Services**—This includes the Dean of Students' Office, the Dean of Health, Recreation, and Safety's Office, the Admissions and Registrar's Office, and the Financial Aid Office. This figure also includes the JAC budget (\$13,000) and the *Pioneer* budget (\$10,000).
- 8. Student Aid**—Loans, grants, and other forms of financial aid administered by The Cooper Union are included in this figure.
- 9. Miscellaneous**—Expenses falling under this category include the operation of the Forum, money spent on research, the purchase of the new DEC VAX computer for the Computer Center, and other sundry items.