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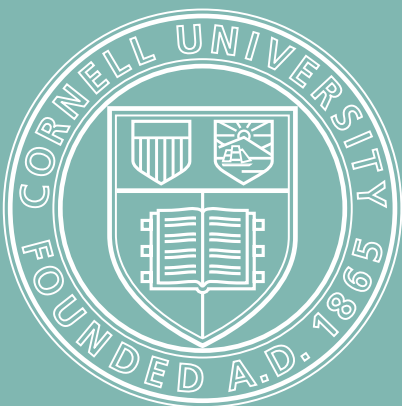
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Financial Plan

In-Year Forecast

January 2005



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FROM THE PROVOST

To the Cornell University Board of Trustees:

This document provides an in-year forecast of the 2004-05 financial plan for Cornell University that was approved by the Board of Trustees in May 2004. We would like to report that midway through the fiscal year we expect the university's overall operating plan to remain on target. Revenues are forecast to increase 0.6 percent over planned levels while expenditures are expected to decrease 0.5 percent. These changes combined with various transfers to and from endowment and physical plant funds will yield a net of \$18.3 million, about two-thirds of which will be added to the reserves of the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences.

The university is making good progress on its approved capital plan for 2004-05. The renovation of the Africana Studies and Research Center is almost complete, and faculty and staff will move back into the facility in mid-January. The second West Campus Residential Initiative house is also nearing completion, allowing occupancy of this new living and learning facility in the fall 2005 semester. Groundbreaking for the third house is scheduled for this coming summer. The renovation of Mann Library is proceeding as is the upgrade of Schoellkopf Hall, which will provide much improved space for our football program. The design phases of the Life Sciences Technology Facility and the East Campus Research Facility are almost finished, and we expect groundbreaking for both to occur this spring.

As the national economy begins to pick up speed, Cornell continues to experience a mixed set of financial signals. New York State's budget condition for 2004-05 has improved, and we have every hope of receiving an in-year \$4.5 million appropriation to pay for faculty and staff salary improvements that have already been implemented by the contract colleges. Unfortunately, New York State faces a budget shortfall for 2005-06 of about \$6 billion, and this figure does not reflect the potential impact of the State Supreme Court's decision that New York must provide an additional \$14.8 billion in operating and capital funding over the next four years to address New York City's primary and secondary education needs. These fiscal realities present significant challenges for the entire state, Cornell included. Our endowment's investment performance has rebounded—we experienced a 10.9 percent return for the calendar year 2004 through No-

vember, and December appears to have been a strong month. Even with this good news we had to reduce our endowment payout rate for 2004-05, and plan for only a modest increase the coming year in order to realign the payout with the current size of the endowment. In the grant and contract arena, all three divisions of the university are demonstrating remarkable resilience in enhancing research support, competing very successfully among peer institutions for federal funding. The university receives strong support from our many donors, who contribute not only financial resources but of themselves. Finally, we attract some of the best and brightest scholars to our academic programs, reaffirming a fundamental tenant that the key to our success lays in the quality of our faculty, students, and staff.

It is our intent to continue our strategic investments in programs at both the Ithaca campus and the Medical College. Among these are plans to increase faculty and staff compensation; to invest in faculty research and scholarship in a variety of disciplines; to improve the learning and living environment of our students; and to provide facilities that support and encourage the very best from the Cornell community.

We have included reports in this booklet on six issues—tuition, enrollment, undergraduate financial aid, faculty salaries, workforce, and gifts—that play important roles in our financial planning. A second forecast of this year's operating plan will be made in May, as part of the 2005-06 financial plan presentation. We will begin the formal budget approval process for 2005-06 with the presentation of budget policies at the January 2005 Board of Trustees meeting. These policies are informed by the results summarized in this report. We appreciate your thoughts and comments on this document and stand ready to answer your questions about Cornell's finances.



C. Biddy Martin
Provost

OPERATING PLAN FORECAST – HIGHLIGHTS

2004-05 OPERATING PLAN

The university's 2004-05 operating plan was predicated on a resource inflow of \$2.351 billion, of which \$2.333 billion would be utilized, leaving a net from operations of \$17.8 million. The current forecast of that plan, which is shown in the tables on pages 6 and 7 and is highlighted below, calls for a 0.6 percent increase in operating resources and a 0.6 percent increase in the use of those resources, increasing the net from operations to \$18.3 million. This forecast is discussed in detail, by division, beginning on page 8.

Endowed Ithaca

The endowed Ithaca operating plan was based on a total of \$1.011 billion in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are expected to total \$1.038 billion, an increase of \$26.5 million, or 2.6 percent, from the plan, as growth will occur in tuition and fee revenues, investment distributions, and gift income, offset only partially by decreases in sponsored programs activity.
- **Expenditures and transfers out** are forecast to increase \$27.8 million, to \$1.032 billion, due primarily to growth in faculty, student financial-aid, and external-relations costs and transfers to endowment funds.
- This combination of revenues, expenditures, and transfers is currently forecast to produce a \$6 million **net from operations**—\$1.2 million less than planned.

Contract Colleges

The operating plan for the contract colleges was based on a total of \$535.8 million in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are projected to total \$535.7 million, a decrease of \$123 thousand from the plan. The projection includes decreases in tuition revenues and sponsored programs funding that will be offset only partially by an anticipated increase in state appropriations.
- **Expenditures and transfers out** are forecast to increase \$599 thousand, to \$535.7 million, due to a combination of cost containment programs and

shifts in capital expenditures from the operating budget to physical plant funds.

- This combination of revenues, expenditures, and transfers is currently forecast to produce a very slight positive **net from operations** of \$45 thousand.

Medical College

The operating plan for the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences was based on a total of \$803.6 million in resources being available for expenditure and transfer out to other funds.

- **Revenues and transfers in** are projected to total \$791.6 million, a decrease of \$12 million, or 1.5 percent, from the plan, as a shift in gift receipts to fund capital initiatives (rather than general operations) will be offset only partially by growth in sponsored programs, Physician Organization activities, and enterprise and hospital services.
- **Expenditures and transfers out** are forecast to decrease \$14.5 million, to \$779.3 million. Most of this change will occur in academic, clinical, and support service departments of the Medical College, reflecting the revenue changes mentioned above, and a slight realignment of costs for the Medical College in Qatar.
- This combination of revenues, expenditures, and transfers is currently forecast to produce a \$12.3 million **net from operations**—\$2.5 million more than planned.

Overall, the university is projecting a \$18.3 million **net from operations**, which will be added to current fund balances. This will be \$561 thousand more than planned, and more than the 2003-04 net of \$16.1 million. Sixty-seven percent of the projected 2004-05 net from operations will be added to fund balances in the Medical College; most of the remaining third will go to endowed Ithaca fund balances. The net impact of these fund-balance changes will be to increase designated funds.

OPERATING PLAN FORECAST – HIGHLIGHTS

University Operating Plan – Summary						
(dollars in thousands)						
	02-03	03-04	04-05	04-05	Change from	
	Actual	Actual	Plan	Forecast	Plan to Forecast	Dollars Percent
Revenues & Transfers In						
1. Tuition & Fees	\$491,006	\$531,259	\$561,311	\$563,463	\$2,152	0.4%
2. Investment Distributions	184,666	200,469	183,771	194,069	10,298	5.6%
3. Unrestricted Gifts	52,133	54,828	37,063	60,010	22,947	61.9%
4. Restricted Gifts	131,046	132,291	161,911	129,967	(31,944)	(19.7%)
5. Sponsored Programs (direct costs)	354,504	357,927	379,856	369,678	(10,178)	(2.7%)
6. Sponsored Programs (indirect costs)	102,654	110,163	111,563	114,791	3,228	2.9%
7. Institutional Allowances	17,680	19,154	19,937	20,478	541	2.7%
8. State Appropriations	145,885	140,350	134,924	139,387	4,463	3.3%
9. Federal Appropriations	18,770	17,048	18,899	18,899		
10. Physician Organization (PO)	281,356	323,968	334,975	336,205	1,230	0.4%
11. NYPH (purchased services)	60,475	63,106	71,600	73,817	2,217	3.1%
12. Sales & Services of Enterprises	120,556	121,280	127,607	126,843	(764)	(0.6%)
13. Other Sources	<u>133,614</u>	<u>152,469</u>	<u>170,524</u>	<u>179,813</u>	<u>9,289</u>	5.4%
14. Total Revenues	2,094,345	2,224,312	2,313,941	2,327,420	13,479	0.6%
15. Transfers In from Endowment	19,883	34,674	24,825	28,743	3,918	
16. Transfers In from Plant Funds	<u>2,632</u>	<u>4,620</u>	<u>11,830</u>	<u>8,809</u>	<u>(3,021)</u>	
17. Total Resources Available	2,116,860	2,263,606	2,350,596	2,364,972	14,376	0.6%
Expenditures & Transfers Out						
18. Agriculture & Life Sciences	203,741	208,245	215,733	216,154	421	0.2%
19. Architecture, Art & Planning	15,445	14,802	15,974	16,300	326	2.0%
20. Arts & Sciences	146,492	150,969	153,307	158,706	5,399	3.5%
21. Engineering	104,711	112,927	119,028	115,521	(3,507)	(2.9%)
22. Hotel Administration	39,751	41,415	42,753	43,400	647	1.5%
23. Human Ecology	44,546	41,202	45,818	41,546	(4,272)	(9.3%)
24. Industrial & Labor Relations	37,609	37,887	39,278	40,335	1,057	2.7%
25. Johnson School	34,628	34,476	35,741	36,750	1,009	2.8%
26. Law School	19,418	18,557	20,802	18,950	(1,852)	(8.9%)
27. Medical College (academic/clinical)	548,780	595,616	623,824	609,316	(14,508)	(2.3%)
28. Veterinary Medicine	<u>82,221</u>	<u>83,737</u>	<u>93,828</u>	<u>93,588</u>	<u>(240)</u>	(0.3%)
29. Subtotal Colleges	1,277,342	1,339,833	1,406,086	1,390,566	(15,520)	(1.1%)
30. Research Centers	86,103	90,206	80,156	80,455	299	0.4%
31. Other Academic Programs	101,998	110,065	117,733	117,347	(386)	(0.3%)
32. Centrally Recorded Financial Aid	124,777	140,654	149,756	150,565	809	0.5%
33. Student Services	94,882	100,829	106,356	105,600	(756)	(0.7%)
34. Administrative & Support	164,341	194,707	234,651	234,398	(253)	(0.1%)
35. Physical Plant	132,379	148,310	162,136	163,976	1,840	1.1%
36. All Other	<u>5,417</u>	<u>8,117</u>	<u>7,025</u>	<u>9,058</u>	<u>2,033</u>	28.9%
37. Total Expenditures	1,987,239	2,132,721	2,263,899	2,251,965	(11,934)	(0.5%)
38. Transfers Out to Endowment	41,655	59,137	6,121	33,945	27,824	
39. Transfers Out to Plant Funds	<u>51,757</u>	<u>55,675</u>	<u>62,809</u>	<u>60,734</u>	<u>(2,075)</u>	
40. Total Resources Used	2,080,651	2,247,533	2,332,829	2,346,644	13,815	0.6%
41. Net from Operations	36,209	16,073	17,767	18,328	561	
42. Change in Current Fund Balances	36,209	16,073	17,767	18,328	561	

University Operating Plan – Divisional Detail						
(dollars in thousands)						
	Endowed	Contract	Medical	04-05	04-05	Change
	Ithaca	Colleges	College	Forecast	Plan	from
Revenues & Transfers In						Plan
1. Tuition & Fees	\$410,539	\$136,687	\$16,237	\$563,463	\$561,311	0.4%
2. Investment Distributions	145,648	18,491	29,930	194,069	183,771	5.6%
3. Unrestricted Gifts	48,336	8,759	2,915	60,010	37,063	61.9%
4. Restricted Gifts	52,703	12,014	65,250	129,967	161,911	(19.7%)
5. Sponsored Programs (direct costs)	146,552	113,500	109,626	369,678	379,856	(2.7%)
6. Sponsored Programs (indirect costs)	46,495	24,785	43,511	114,791	111,563	2.9%
7. Institutional Allowances		72	20,406	20,478	19,937	2.7%
8. State Appropriations	1,578	137,634	175	139,387	134,924	3.3%
9. Federal Appropriations		18,899		18,899	18,899	
10. Physician Organization (PO)			336,205	336,205	334,975	0.4%
11. NYPH (purchased services)			73,817	73,817	71,600	3.1%
12. Sales & Services of Enterprises	113,100		13,743	126,843	127,607	(0.6%)
13. Other Sources	55,762	44,300	79,751	179,813	170,524	5.4%
14. Inter-Unit Transfers	(12,824)	12,824				
15. Total Revenues	1,007,889	527,965	791,566	2,327,420	2,313,941	0.6%
16. Transfers In from Endowment	28,359	384		28,743	24,825	
17. Transfers In from Plant Funds	1,459	7,350		8,809	11,830	
18. Total Resources Available	1,037,707	535,699	791,566	2,364,972	2,350,596	0.6%
Expenditures & Transfers Out						
19. Agriculture & Life Sciences		216,154		216,154	215,733	0.2%
20. Architecture, Art & Planning	16,300			16,300	15,974	2.0%
21. Arts & Sciences	158,706			158,706	153,307	3.5%
22. Engineering	115,521			115,521	119,028	(2.9%)
23. Hotel Administration	43,400			43,400	42,753	1.5%
24. Human Ecology		41,546		41,546	45,818	(9.3%)
25. Industrial & Labor Relations		40,335		40,335	39,278	2.7%
26. Johnson School	36,750			36,750	35,741	2.8%
27. Law School	18,950			18,950	20,802	(8.9%)
28. Medical College (academic/clinical)			609,316	609,316	623,824	(2.3%)
29. Veterinary Medicine		93,588		93,588	93,828	(0.3%)
30. Research Centers	80,455			80,455	80,156	0.4%
31. Other Academic Programs	109,723	7,624		117,347	117,733	(0.3%)
32. Centrally Recorded Financial Aid	138,424	2,000	10,141	150,565	149,756	0.5%
33. Student Services	105,600			105,600	106,356	(0.7%)
34. Administrative & Support	115,600	5,085	113,713	234,398	234,651	(0.1%)
35. Physical Plant	91,500	30,442	42,034	163,976	162,136	1.1%
36. All Other	5,156	3,902		9,058	7,025	28.9%
37. Intra-University Cost Distribution	(87,522)	85,946	1,576			
38. Total Expenditures	948,563	526,622	776,780	2,251,965	2,263,899	(0.5%)
39. Transfers Out to Endowment	29,989	3,956		33,945	6,121	
40. Transfers Out to Plant Funds	53,158	5,076	2,500	60,734	62,809	
41. Total Resources Used	1,031,710	535,654	779,280	2,346,644	2,332,829	0.6%
42. Net from Operations	5,997	45	12,286	18,328	17,767	
43. Change in Current Fund Balances	5,997	45	12,286	18,328	17,767	

OPERATING PLAN FORECAST – DETAILS

ENDOWED ITHACA

Revenues and Transfers In

Revenues for 2004-05 are currently forecast at \$1.008 billion, an increase of \$22.7 million, or 2.3 percent, from the plan and 1.8 percent over the amount recorded in 2003-04.

- **Tuition and fee** revenues are projected to be \$4.5 million more than planned due to higher undergraduate and graduate enrollments in the College of Engineering and the School of Hotel Administration and higher graduate enrollments in the Colleges of Architecture, Art and Planning and Arts and Sciences and the Johnson School. (See page 19.)
- **Investment distributions** are projected to total \$145.6 million, an increase of \$10.5 million over the plan, due to higher than anticipated invested fund balances and changes related to short and intermediate-term investing.
- **Unrestricted and restricted gift** revenues for current operations are forecast to total \$101 million, an increase of \$19.2 million over the plan, reflecting a one-time bequest in unrestricted gifts.
- **Direct cost funding of sponsored programs** is projected to total \$146.6 million, a decrease of 7 percent from the plan, as lower than expected grant and contract activity in the College of Engineering combines with timing variations in the receipt of some sponsored programs revenues. **Indirect costs** associated with sponsored programs are projected to total \$46.5 million, an increase of 3.3 percent from the plan.

Transfers in from funds functioning as endowment are projected at \$28.4 million, while **transfers from plant funds** are expected to total \$1.5 million.

Expenditures and Transfers Out

Gross expenditures are currently forecast at \$1.036 billion, an increase of \$5.4 million, or 0.5 percent, from the plan[†], and 4.6 percent more than recorded in 2003-04.

- **College** expenditures are projected to total \$389.6 million, or \$2 million more than expected, as greater than planned faculty hires in the College of Arts and Sciences will be offset partially by a

projected decrease from plan in sponsored programs activity in the College of Engineering.

- **Centrally recorded financial-aid** costs are projected to exceed planned levels by \$671 thousand, or 0.5 percent, in response to the growth in graduate enrollment. Overall, centrally recorded financial-aid expenditures are forecast to be 8.7 percent greater than recorded in 2003-04.
- **Student services** costs are expected to total \$105.6 million, or 0.7 percent less than planned, due to workforce and debt service cost reductions that will be offset only partially by general expense increases in enterprise operations.
- **Administrative and support** expenditures are projected to be \$2.2 million, or 1.9 percent, more than budgeted due to an increase in external relations costs.
- **Physical plant** expenditures are projected at \$91.5 million, a 0.7 percent decrease from the plan, as the cost of some facility improvements that were planned as current fund expenditures will occur in physical plant funds and will be recorded as transfers out to those funds. (See below.)

Transfers out to funds functioning as endowment of \$30 million will exceed the plan by \$23.9 million, reflecting primarily the investment of gifts and other funds. **Transfers out to plant funds** are projected at \$53.2 million, a \$2.2 million decrease.

Net from Operations

The combination of these factors is currently projected to yield a **net from operations** of \$6 million, a decrease of \$1.2 million from the plan, which will be recorded primarily in designated fund balances.

[†] The 2004-05 plan for endowed Ithaca has been corrected to realign \$8.2 million of planned expenditures associated with the Computer Graphics and Theory Centers from the category of *research centers* (line 21) to *other academic programs* (line 22) and to include \$7.9 million of centrally recorded financial-aid costs (line 23) that were incorrectly budgeted in non-current funds in the original plan.

OPERATING PLAN FORECAST – DETAILS

Endowed Ithaca				Change from		
(dollars in thousands)				Plan to Forecast		
	02-03	03-04	04-05	04-05	Dollars	Percent
	Actual	Actual	Plan	Forecast		
Revenues & Transfers In						
1. Tuition & Fees	\$370,209	\$388,854	\$406,023	\$410,539	\$4,516	1.1%
2. Investment Distributions	131,228	151,984	135,152	145,648	10,496	7.8%
3. Unrestricted Gifts	40,311	43,911	25,842	48,336	22,494	87.0%
4. Restricted Gifts	50,344	66,500	55,980	52,703	(3,277)	(5.9%)
5. Sponsored Programs (direct costs)	140,076	142,221	157,569	146,552	(11,017)	(7.0%)
6. Sponsored Programs (indirect costs)	39,840	43,684	45,000	46,495	1,495	3.3%
7. State Appropriations	1,696	1,740	1,749	1,578	(171)	(9.8%)
8. Sales & Services of Enterprises	109,798	109,432	115,982	113,100	(2,882)	(2.5%)
9. Other Sources	49,234	53,919	52,931	55,762	2,831	5.3%
10. Inter-Unit Transfers	<u>(11,287)</u>	<u>(12,268)</u>	<u>(11,059)</u>	<u>(12,824)</u>	<u>(1,765)</u>	16.0%
11. Total Revenues	921,449	989,977	985,169	1,007,889	22,720	2.3%
12. Transfers In from Endowment	19,308	34,302	24,637	28,359	3,722	
13. Transfers In from Plant Funds	<u>1,935</u>	<u>3,446</u>	<u>1,380</u>	<u>1,459</u>	<u>79</u>	
14. Total Resources Available	942,692	1,027,725	1,011,186	1,037,707	26,521	2.6%
Expenditures & Transfers Out						
15. Architecture, Art & Planning	15,445	14,802	15,974	16,300	326	2.0%
16. Arts & Sciences	146,492	150,969	153,307	158,706	5,399	3.5%
17. Engineering	104,711	112,927	119,028	115,521	(3,507)	(2.9%)
18. Hotel Administration	39,751	41,415	42,753	43,400	647	1.5%
19. Johnson School	34,628	34,476	35,741	36,750	1,009	2.8%
20. Law School	19,418	18,557	20,802	18,950	(1,852)	(8.9%)
21. Research Centers †	86,103	90,206	80,156	80,455	299	0.4%
22. Other Academic Programs †	95,351	102,276	109,916	109,723	(193)	(0.2%)
23. Centrally Recorded Financial Aid †	113,667	127,291	137,753	138,424	671	0.5%
24. Student Services	94,882	100,829	106,356	105,600	(756)	(0.7%)
25. Administrative & Support	95,945	109,435	113,433	115,600	2,167	1.9%
26. Physical Plant	70,772	83,020	92,161	91,500	(661)	(0.7%)
27. Endowed Ithaca All Other	<u>2,788</u>	<u>4,254</u>	<u>3,305</u>	<u>5,156</u>	<u>1,851</u>	56.0%
28. Gross Expenditures	919,953	990,457	1,030,685	1,036,085	5,400	0.5%
Intra-University Cost Distribution						
29. Accessory Instruction	(17,221)	(17,830)	(18,328)	(18,328)		
30. Administrative & Support	(42,207)	(44,333)	(52,683)	(52,064)	619	(1.2%)
31. Financial Aid	<u>(12,308)</u>	<u>(14,089)</u>	<u>(17,078)</u>	<u>(17,130)</u>	<u>(52)</u>	0.3%
32. Net Expenditures	848,217	914,205	942,596	948,563	5,967	0.6%
33. Transfers Out to Endowment	36,728	55,245	6,054	29,989	23,935	
34. Transfers Out to Plant Funds	<u>42,816</u>	<u>44,734</u>	<u>55,308</u>	<u>53,158</u>	<u>(2,150)</u>	
35. Total Resources Used	927,761	1,014,184	1,003,958	1,031,710	27,752	2.8%
36. Net from Operations	14,931	13,541	7,228	5,997	(1,231)	
Additions to/(Withdrawals from) Current Fund Balances						
37. General Purpose	41	53		36	36	
38. Designated	17,076	21,873	10,639	13,554	2,915	
39. Enterprise/Service	162	(1,623)	(99)	(149)	(50)	
40. Restricted	<u>(2,348)</u>	<u>(6,762)</u>	<u>(3,312)</u>	<u>(7,444)</u>	<u>(4,132)</u>	
41. Net Current Fund Changes	14,931	13,541	7,228	5,997	(1,231)	

GENERAL PURPOSE BUDGET

The endowed Ithaca general purpose budget is the university's central unrestricted operating fund, supporting the general purpose colleges, central administrative and support services, and most unrestricted financial aid. While shown separately on these two pages, this budget is part of the endowed Ithaca financial plan (displayed on pages 8 and 9). The general purpose budget is used to aggregate revenues and redistribute costs within the endowed Ithaca division. This budget also distributes costs to the contract colleges (displayed on page 13, lines 26 to 28) and the Medical College (displayed on page 15, line 25).

Revenues and Transfers In

Revenues for 2004-05 are currently forecast at \$424.6 million, an increase of \$11.4 million, or 2.8 percent, from the plan and 3.9 percent more than recorded in 2003-04.

- **Tuition and fee** revenues, which account for 71.7 percent of general purpose income, are forecast to be \$1.5 million more than planned. This is due to higher undergraduate enrollment in the College of Engineering and larger graduate enrollments in the Colleges of Architecture, Art and Planning and Arts and Sciences. (See page 19.)
- **Investment distributions** (including the recovery of investment management expense) are forecast at \$62.3 million, or \$7.9 million greater than planned, reflecting the inclusion of the payout from short-term and intermediate-term investments that will be used to support academic initiatives.
- **Unrestricted gift** income is forecast at \$5.7 million, a \$500 thousand increase from the plan and a 24.3 percent increase over that received in 2003-04. Growth is projected based on an enhanced fund-raising effort to secure unrestricted gifts.
- **Indirect cost** recoveries for **sponsored programs** are projected to total \$46.5 million, an increase of \$1.5 million, or 3.3 percent, from the plan.
- **State appropriations** for Bundy Aid, which is based on the number of degrees granted by the university, is expected to be 10.3 percent less than planned.

Allocations for Expenditure

Operating expenditure allocations totaling \$522.6 million were planned for 2004-05. This level is expected to grow by \$8.3 million, to a total of \$530.9 million, a 1.6 percent increase from plan and 5.6 percent greater than in 2003-04.

- Allocations to **colleges, research centers, and other academic programs** will increase \$6.6 million, as planned limited-term support for program initiatives, faculty recruitment, and research infrastructure and cost sharing will be funded from university contingency and initiative funds (budgeted on line 23).
- **Student service** allocations will increase \$1.5 million, or 6.7 percent, from the original plan due to the allocation of centrally planned additional funding for health services for students (budgeted on line 23).
- **Administrative and support** allocations will increase \$8.3 million, reflecting incremental investments in network infrastructure and other information technology initiatives and research administration and compliance activities. These items were budgeted on line 23 and are normally transferred during the fiscal year.
- The category of **all other** contains both the university's contingency and certain one-time or limited-term allocations that are budgeted centrally and transferred during the year to programs and units. This line item will decrease by \$10.1 million from the amount planned, reflecting the above-described allocations made to operating units.

Net from Operations

The general purpose budget **net from operations** is currently forecast at \$36 thousand. This amount will be added to the general purpose fund balance.

OPERATING PLAN FORECAST – DETAILS

General Purpose Budget						Change from			
(dollars in thousands)				02-03	03-04	04-05	04-05	Plan to Forecast	
	Actual	Actual	Plan	Forecast	Dollars	Percent			
Revenues & Transfers In									
1. Tuition & Fees	\$277,845	\$292,551	\$302,893	\$304,440	\$1,547	0.5%			
2. Investment Distributions	61,209	61,741	54,323	62,268	7,945	14.6%			
3. Unrestricted Gifts	4,343	4,560	5,168	5,668	500	9.7%			
4. Sponsored Programs (indirect costs)	39,840	43,563	45,000	46,495	1,495	3.3%			
5. State Appropriations	1,417	1,446	1,481	1,328	(153)	(10.3%)			
6. Other Sources	<u>5,427</u>	<u>4,849</u>	<u>4,340</u>	<u>4,421</u>	<u>81</u>	<u>1.9%</u>			
7. Total Revenues	390,081	408,710	413,205	424,620	11,415	2.8%			
8. Transfers In from Endowment									
9. Transfers In from Plant Funds									
10. Total Resources Available	<u>390,081</u>	<u>408,710</u>	<u>413,205</u>	<u>424,620</u>	<u>11,415</u>	<u>2.8%</u>			
Allocations for Expenditure									
11. Architecture, Art & Planning	11,014	10,923	11,180	11,454	274	2.5%			
12. Arts & Sciences	102,102	105,742	111,330	112,690	1,360	1.2%			
13. Engineering	41,209	41,605	43,973	44,297	324	0.7%			
14. Johnson School	234	241	200	200					
15. Law School	750	750	700	700					
16. Research Centers	7,674	6,857	5,453	5,980	527	9.7%			
17. Other Academic Programs	51,077	53,831	51,166	55,239	4,073	8.0%			
18. Undergraduate Financial Aid	45,180	52,441	55,422	55,422					
19. Graduate Financial Aid	27,485	30,190	31,482	31,549	67	0.2%			
20. Student Services	23,666	24,317	23,135	24,683	1,548	6.7%			
21. Administrative & Support	93,543	96,980	98,417	106,766	8,349	8.5%			
22. Physical Plant	55,401	54,905	56,410	58,284	1,874	3.3%			
23. All Other	<u>19,049</u>	<u>23,953</u>	<u>33,732</u>	<u>23,631</u>	<u>(10,101)</u>	<u>(29.9%)</u>			
24. Gross Expense Allocation	478,384	502,735	522,600	530,895	8,295	1.6%			
Intra-University Cost Distribution									
25. Accessory Instruction	(12,780)	(13,279)	(13,817)	(13,817)					
26. Administrative & Support	(63,256)	(66,710)	(78,500)	(75,364)	3,136	(4.0%)			
27. Financial Aid	<u>(12,308)</u>	<u>(14,089)</u>	<u>(17,078)</u>	<u>(17,130)</u>	<u>(52)</u>	<u>0.3%</u>			
28. Net Cost Distribution	(88,344)	(94,078)	(109,395)	(106,311)	3,084	(2.8%)			
29. Transfers Out to Endowment									
30. Transfers Out to Plant Funds									
31. Total Resources Used	<u>390,040</u>	<u>408,657</u>	<u>413,205</u>	<u>424,584</u>	<u>11,379</u>	<u>2.8%</u>			
32. Net from Operations	41	53		36	36				
Additions to/(Withdrawals from) Current Fund Balances									
33. General Purpose	41	53		36	36				
34. Designated									
35. Net Current Fund Changes	<u>41</u>	<u>53</u>		<u>36</u>	<u>36</u>				

CONTRACT COLLEGES

Revenues and Transfers In

Revenues for 2004-05 are forecast at \$528 million, an increase of \$2.8 million, or 0.5 percent, from the plan.

- **Tuition and fees** are projected to be 1.2 percent less than planned due to a decrease in enrollment in the College of Human Ecology (CHE) that will be offset only partially by enrollment increases in the College of Agriculture and Life Sciences (CALs) and the School of Industrial and Labor Relations (ILR).
- **Investment distributions** are forecast to be 0.9 percent less than planned due to a reduction in the level of invested fund balances.
- The combination of **unrestricted** and **restricted gift** revenues for general operations is forecast to be \$277 thousand more than planned.
- **Direct funding for sponsored programs** is projected to decrease \$1.8 million due to a change in the handling of \$3 million of activity that will be recorded in a future fiscal year and the recording of a portion of Supplemental Education Opportunity Grant (SEOG), a form of student aid. This decrease will be offset partially by an increase in ILR grant activity. **Indirect cost** recoveries are projected to exceed the plan by 1.3 percent, reflecting an expansion in the number of grants and contracts that cover a higher portion of indirect costs.
- **State appropriations** are forecast to be \$4.6 million more than planned due to the anticipated receipt of one-time and continuing salary program funding from the State University of New York (SUNY).
- **Other sources** of income, which include sales and services of academic departments, are forecast to be \$533 thousand less than planned.
- The \$1.8 million increase in **inter-unit transfers** reflects primarily a change in the recording of a portion of SEOG.

Transfers from plant funds will decrease \$3.1 million due to a shift of planned capital expenditures from current funds for general operations to plant funds.

Expenditures and Transfers Out

Expenditures are currently forecast at \$440.7 million, a decrease of \$2.8 million, or 0.6 percent, from the plan but a 5.2 percent growth over the expenditure level for 2003-04.

- The combined expenditures of the four **contract colleges** (including the Geneva Experiment Station under CALs) are projected at \$391.6 million, or \$3 million less than planned, as college-based cost containment measures and a shift of planned capital expenditures from current funds for general operations to plant funds will be offset partially by new grant activity expenditures.
- The category of **administrative and support** expenditures is forecast to be 10 percent greater than planned due to the inclusion of salary and general expense costs resulting from the reorganization of communications and media services. These costs were previously recorded in CALs and CHE.

Transfers out to funds functioning as endowment are expected to increase \$3.9 million, as operational savings that are being realized in CALs and ILR are invested in the Long Term Investment Pool.

Net from Operations

The combination of these changes will yield a **net from operations** of \$45 thousand, which will be added to current fund balances.

OPERATING PLAN FORECAST – DETAILS

Contract Colleges						
(dollars in thousands)						
	02-03	03-04	04-05	04-05	Change from	
	Actual	Actual	Plan	Forecast	Plan to Forecast	Dollars Percent
Revenues & Transfers In						
1. Tuition & Fees	\$105,033	\$126,093	\$138,315	\$136,687	(\$1,628)	(1.2%)
2. Investment Distributions	21,488	20,125	18,667	18,491	(176)	(0.9%)
3. Unrestricted Gifts	9,583	8,852	8,412	8,759	347	4.1%
4. Restricted Gifts	11,024	10,201	12,084	12,014	(70)	(0.6%)
5. Sponsored Programs (direct costs)	113,615	111,270	115,336	113,500	(1,836)	(1.6%)
6. Sponsored Programs (indirect costs)	23,807	25,587	24,475	24,785	310	1.3%
7. Institutional Allowances	149	73	72	72		
8. State Appropriations	144,051	138,387	133,032	137,634	4,602	3.5%
9. Federal Appropriations	18,770	17,048	18,899	18,899		
10. Other Sources	38,023	38,987	44,833	44,300	(533)	(1.2%)
11. Inter-Unit Transfers	<u>11,287</u>	<u>12,268</u>	<u>11,059</u>	<u>12,824</u>	<u>1,765</u>	<u>16.0%</u>
12. Total Revenues	496,830	508,891	525,184	527,965	2,781	0.5%
13. Transfers In from Endowment	575	372	188	384	196	
14. Transfers In from Plant Funds	<u>697</u>	<u>1,174</u>	<u>10,450</u>	<u>7,350</u>	<u>(3,100)</u>	
15. Total Resources Available	498,102	510,437	535,822	535,699	(123)	(0.0%)
Expenditures & Transfers Out						
16. Agriculture & Life Sciences	203,741	208,245	215,733	216,154	421	0.2%
17. Human Ecology	44,546	41,202	45,818	41,546	(4,272)	(9.3%)
18. Industrial & Labor Relations	37,609	37,887	39,278	40,335	1,057	2.7%
19. Veterinary Medicine	82,221	83,737	93,828	93,588	(240)	(0.3%)
20. Other Academic Programs	6,647	7,789	7,817	7,624	(193)	(2.5%)
21. Centrally Recorded Financial Aid	1,099	1,643	2,000	2,000		
22. Administrative & Support	3,679	4,326	4,621	5,085	464	10.0%
23. Physical Plant	28,350	30,246	30,659	30,442	(217)	(0.7%)
24. Contract College All Other	<u>2,628</u>	<u>3,863</u>	<u>3,720</u>	<u>3,902</u>	<u>182</u>	<u>4.9%</u>
25. Gross Expenditures	410,520	418,938	443,474	440,676	(2,798)	(0.6%)
Intra-University Cost Distribution						
26. Accessory Instruction	17,221	17,830	18,328	18,328		
27. Administrative & Support	40,708	42,788	51,107	50,488	(619)	(1.2%)
28. Financial Aid	<u>12,308</u>	<u>14,089</u>	<u>17,078</u>	<u>17,130</u>	<u>52</u>	<u>0.3%</u>
29. Net Expenditures	480,757	493,645	529,987	526,622	(3,365)	(0.6%)
30. Transfers Out to Endowment	4,927	3,892	67	3,956	3,889	
31. Transfers Out to Plant Funds	<u>4,565</u>	<u>10,671</u>	<u>5,001</u>	<u>5,076</u>	<u>75</u>	
32. Total Resources Used	490,249	508,208	535,055	535,654	599	0.1%
33. Net from Operations	7,853	2,229	767	45	(722)	
Additions to/(Withdrawals from) Current Fund Balances						
34. General Purpose	366	(1,757)	(1,863)	(4,891)	(3,028)	
35. Designated	7,541	9,106	1,952	8,440	6,488	
36. Restricted	<u>(54)</u>	<u>(5,120)</u>	<u>678</u>	<u>(3,504)</u>	<u>(4,182)</u>	
37. Net Current Fund Changes	7,853	2,229	767	45	(722)	

MEDICAL COLLEGE

Revenues and Transfers In

Revenues for the Joan and Sanford I. Weill Medical College and Graduate School of Medical Sciences for 2004-05 are currently forecast at \$791.6 million, a decrease of \$12 million, or 1.5 percent, from the plan.

- **Gifts from restricted sources** are expected to total \$65.2 million, a decrease of \$28.6 million, or 30.5 percent, from the planned level of \$93.8 million. This change is attributable largely to a shift of gifts to fund capital initiatives (rather than general operations) in Phase II of the Strategic Plan.
- **Direct sponsored program support** is expected to increase to \$109.6 million, \$2.7 million more than the planned amount of \$106.9 million. This growth is predicated on higher government grant support (mostly from Strategic Plan faculty) and no change in the level of nongovernmental grant funding. **Indirect cost recoveries** from sponsored programs are expected to increase \$1.4 million, or 3.4 percent, to \$43.5 million.
- Revenues from the **Physician Organization** are projected at \$336.2 million, a slight increase of \$1.2 million, or 0.4 percent, from the plan. This forecast, which includes current and new clinical practices, is expected to attain a level of receipt volume that is consistent with the plan. The share of Physician Organization activities related to managed care agreements will decrease from the planned level of 53 percent to 51.8 percent.
- Revenues for services purchased by the **New York Presbyterian Hospital (NYPH)** are forecast to increase 3.1 percent from the planned amount of \$71.6 million, to a total of \$73.8 million. These revenues are primarily payments for professional services related to hospital activities, such as supervision and training of NYPH residents, and other hospital-related functions.
- Funding from the **Qatar Foundation** to operate the Weill Cornell Medical School in Qatar will decrease slightly to \$57.9 million.

No transfers in from funds functioning as endowment or plant funds are anticipated in this forecast.

Expenditures and Transfers Out

Net expenditures are currently forecast at \$776.8 million, a decline of \$14.5 million, or 1.8 percent, from the level planned for 2004-05.

- **Academic and clinical departments**, including the Physician Organization, are forecast to expend a total of \$606.3 million, a decrease of \$17.5 million, or 2.8 percent, compared to the plan. This decline is the net result of changes centered primarily in three areas: a) lower Physician Organization-related expenses due to the deferral of certain Strategic Plan clinical programs pending the completion of recruitment and renovations, b) increased sponsored program costs related to government grant funding, and c) greater support in training and supervision-related expenses.
- **Administrative and support** costs are forecast to increase \$685 thousand, or 1.2 percent, from the plan, to \$58.8 million. These costs include operating expenses for student services, academic, and administrative support units. **Administrative and support** costs for the **Medical College in Qatar** are expected to decrease \$3.6 million from the plan, to \$54.9 million. Unexpended funds of \$3 million are expected to be **returned to the Qatar Foundation** at the end of 2004-05 (line 19).
- **Physical plant** expenditures are projected to total \$42 million, a \$2.7 million, or 6.9 percent, increase over the planned level of \$39.3 million—a change attributable mainly to greater debt service payments.

Transfers out to plant funds are forecast to remain as planned at \$2.5 million.

Net from Operations

The **net from operations** that will be added to **current fund balances** is now projected to total \$12.3 million. This operating surplus includes anticipated increases in general purpose and restricted fund balances offset partially by decreases in designated and enterprise fund balances.

Medical College				Change from		
(dollars in thousands)				Plan to Forecast		
	02-03	03-04	04-05	04-05	Dollars	Percent
	Actual	Actual	Plan	Forecast		
Revenues & Transfers In						
1. Tuition & Fees	\$15,764	\$16,312	\$16,973	\$16,237	(\$736)	(4.3%)
2. Investment Distributions †	31,950	28,360	29,952	29,930	(22)	(0.1%)
3. Unrestricted Gifts	2,239	2,065	2,809	2,915	106	3.8%
4. Restricted Gifts	69,678	55,590	93,847	65,250	(28,597)	(30.5%)
5. Sponsored Programs (direct costs)	100,813	104,436	106,951	109,626	2,675	2.5%
6. Sponsored Programs (indirect costs)	39,007	40,892	42,088	43,511	1,423	3.4%
7. Institutional Allowances *	17,531	19,081	19,865	20,406	541	2.7%
8. State Appropriations	138	223	143	175	32	22.4%
9. Physician Organization (PO)	281,356	323,968	334,975	336,205	1,230	0.4%
10. NYPH (purchased services)	60,475	63,106	71,600	73,817	2,217	3.1%
11. Sales & Services of Enterprises	10,758	11,848	11,625	13,743	2,118	18.2%
12. Qatar †	29,358	32,451	58,477	57,908	(569)	(1.0%)
13. Other Sources †	<u>16,999</u>	<u>27,112</u>	<u>14,283</u>	<u>21,843</u>	<u>7,560</u>	<u>52.9%</u>
14. Total Revenues	<u>676,066</u>	<u>725,444</u>	<u>803,588</u>	<u>791,566</u>	<u>(12,022)</u>	<u>(1.5%)</u>
15. Transfers In from Endowment						
16. Transfers In from Plant Funds						
17. Total Resources Available	<u>676,066</u>	<u>725,444</u>	<u>803,588</u>	<u>791,566</u>	<u>(12,022)</u>	<u>(1.5%)</u>
Expenditures & Transfers Out						
18. Medical College (academic/clinical)	531,823	586,098	623,824	606,316	(17,508)	(2.8%)
19. Return to Qatar Foundation	16,957	9,518		3,000	3,000	
20. Centrally Recorded Financial Aid	10,011	11,720	10,003	10,141	138	1.4%
21. Administrative & Support	52,316	58,013	58,120	58,805	685	1.2%
22. Administrative & Support (Qatar) †	12,401	22,933	58,477	54,908	(3,569)	(6.1%)
23. Physical Plant	<u>33,257</u>	<u>35,044</u>	<u>39,316</u>	<u>42,034</u>	<u>2,718</u>	<u>6.9%</u>
24. Gross Expenditures	<u>656,765</u>	<u>723,326</u>	<u>789,740</u>	<u>775,204</u>	<u>(14,536)</u>	<u>(1.8%)</u>
Intra-University Cost Distribution						
25. Administrative & Support	<u>1,500</u>	<u>1,545</u>	<u>1,576</u>	<u>1,576</u>		
26. Net Expenditures	<u>658,265</u>	<u>724,871</u>	<u>791,316</u>	<u>776,780</u>	<u>(14,536)</u>	<u>(1.8%)</u>
27. Transfers Out to Endowment						
28. Transfers Out to Plant Funds	<u>4,376</u>	<u>270</u>	<u>2,500</u>	<u>2,500</u>		
29. Total Resources Used	<u>662,641</u>	<u>725,141</u>	<u>793,816</u>	<u>779,280</u>	<u>(14,536)</u>	<u>(1.8%)</u>
30. Net from Operations	13,425	303	9,772	12,286	2,514	
Additions to/(Withdrawals from) Current Fund Balances						
31. General Purpose	4,610	2,959		2	2	
32. Designated	(1,321)	(10,869)	1,599	1,400	(199)	
33. Enterprise/Service	(284)	(1,754)	(484)	(709)	(225)	
34. Restricted	<u>10,420</u>	<u>9,967</u>	<u>8,657</u>	<u>11,593</u>	<u>2,936</u>	
35. Net Current Fund Changes	<u>13,425</u>	<u>303</u>	<u>9,772</u>	<u>12,286</u>	<u>2,514</u>	

Notes: * Beginning in 2004-05, all administrative cost recoveries related to the Physician Organization as well as the Physician Organization institutional development fund are being negotiated and calculated as a single value, and are show in this schedule as an *institutional allowance* (line 7).

† This schedule has been restated to show as Qatar income (line 12) certain revenues formerly included in *investment distributions* (line 2) and *other sources* (line 13) and certain costs that were formerly included as expenditure reductions of *administrative and support* costs (line 22).

TUITION

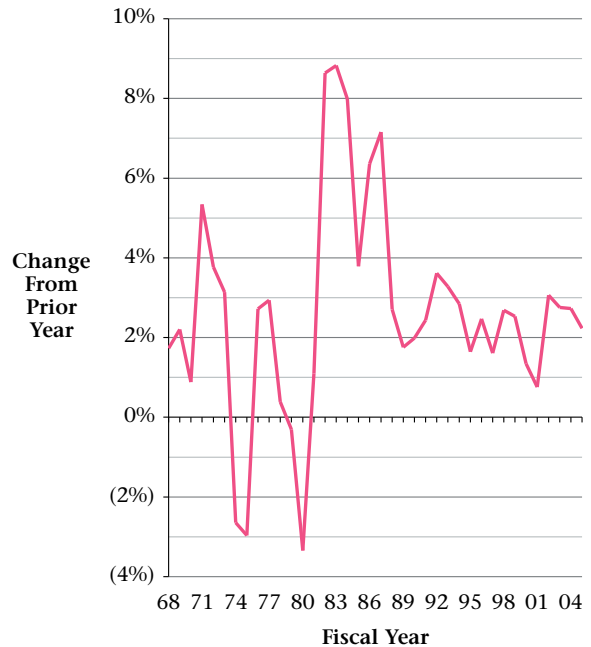
Changes in Tuition Rates

Since 1966-67, Cornell's undergraduate tuitions rates have grown irregularly (in inflation-adjusted terms).

- Endowed Ithaca tuition increased moderately, in inflation-adjusted terms, through 1980-81. (See graph below.) In the 1980's, tuition was raised significantly. Since then, tuition growth has slowed to two or three percentage points above the change in inflation. (See graph at right.)
- Contract college tuition experienced wider swings, especially in the 1970's. During the 1980's, the growth pattern paralleled that of endowed Ithaca tuition. In the 1990's, contract college tuition grew more rapidly than endowed Ithaca's, as stepped increases in State University of New York (SUNY) tuition triggered increases in the portion of contract college tuition remitted to SUNY. More recently, contract college tuition has been increased significantly to offset state budget cuts.
- It is Cornell's goal to keep the annual growth in endowed Ithaca tuition, when adjusted for inflation, at 2 percent or less. For 2004-05, endowed Ithaca tuition was increased 4.8 percent, 2 percentage

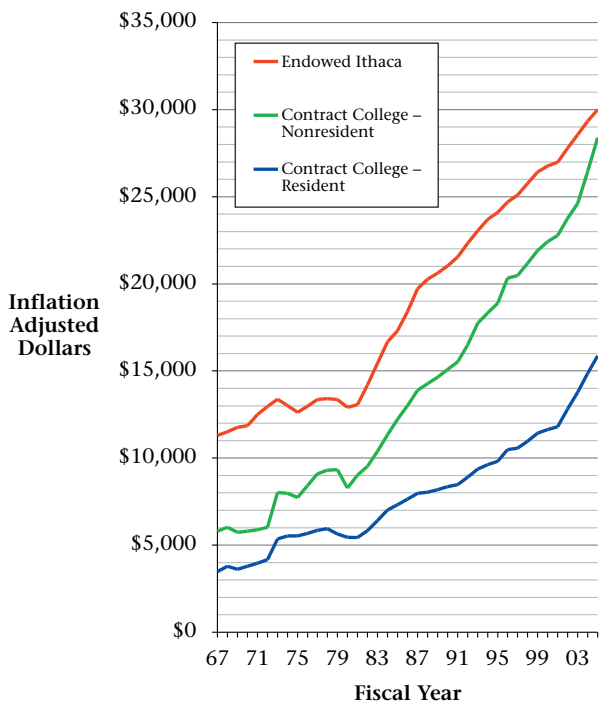
Change in Endowed Ithaca Tuition from the Prior Year

(in inflation-adjusted, 2004-05 dollars)



Undergraduate Tuition Rates

(in inflation-adjusted, 2004-05 dollars)



points above the assumed rate of inflation. Inflation is now forecast at 2.5 percent for 2004-05 (based on the recent growth in the Consumer Price Index).

- The university approaches the setting of contract college tuitions similarly. However, actions by the state and SUNY to reduce funding for the contract colleges and the need to support local costs that are not funded through state appropriations will affect future tuition growth.

Comparisons with Peer Institutions

Cornell's undergraduate tuitions are in the midrange of peer research universities. (See table on page 17.)

- For 2004-05, Cornell's increase in endowed Ithaca undergraduate tuition kept it among the lowest of the Ivy League but in the midrange of institutions with which Cornell competes for students.
- Cornell's contract college tuition remains at the top of comparable land-grant and state institutions.
- The total cost of tuition, fees, room, and board for endowed Ithaca undergraduates is in the upper tier among Ivy League and peer institutions.

Undergraduate Tuition, Fees, Room, and Board

(Ivy League, peer, and common acceptance institutions)

Tuition & Mandatory Fees				Tuition, Fees, Room & Board			
Institution	03-04	04-05	%	Institution	03-04	04-05	%
Columbia University	29,788	31,472	5.7	New York University	39,406	41,484	5.3
Brown University	29,846	31,334	5.0	Washington University	38,909	40,838	5.0
Carnegie Mellon University	29,410	31,036	5.5	Columbia University	38,590	40,538	5.0
Tufts University	29,630	30,969	4.5	University of Chicago	38,403	40,353	5.1
University of Pennsylvania	29,318	30,900	5.4	Georgetown	38,242	40,317	5.4
MIT	29,600	30,800	4.1	Cornell (Endowed)	38,334	40,099	4.6
University of Chicago	29,238	30,729	5.1	Boston University	38,194	40,082	4.9
Duke University	29,345	30,720	4.7	Tufts University	38,270	39,999	4.5
Harvard University	29,060	30,620	5.4	MIT	38,310	39,900	4.2
Washington University	29,053	30,546	5.1	Harvard University	37,928	39,880	5.1
Princeton University	29,040	30,495	5.0	University of Pennsylvania	37,960	39,818	4.9
Dartmouth College	29,145	30,465	4.5	Brown University	37,942	39,808	4.9
Boston University	28,906	30,402	5.2	Johns Hopkins University	37,872	39,656	4.7
Cornell (Endowed)	28,754	30,167	4.9	Stanford University	37,905	39,603	4.5
Georgetown	28,209	30,163	6.9	Carnegie Mellon University	37,565	39,590	5.4
Johns Hopkins University	28,730	30,140	4.9	Northwestern University	37,491	39,478	5.3
Stanford University	28,832	30,103	4.4	Dartmouth College	37,770	39,465	4.5
New York University	28,496	30,094	5.6	Duke University	37,555	39,240	4.5
Northwestern University	28,524	30,085	5.5	Princeton University	37,149	38,882	4.7
Yale University	28,400	29,820	5.0	RPI	37,579	38,869	3.4
RPI	28,496	29,786	4.5	Yale University	37,000	38,850	5.0
University of Rochester	27,573	28,982	5.1	Cornell (Contract-nonres.)	35,504	38,499	8.4
Cornell (Contract-nonres.)	25,924	28,567	10.2	University of Rochester	36,343	38,047	4.7
U. Michigan (nonres.)	24,777	26,027	5.0	U. Cal.-Berkeley (nonres.)	31,280	34,542	10.4
U. Cal.-Berkeley (nonres.)	20,068	22,912	14.2	U. Michigan (nonres.)	31,481	33,057	5.0
U. Virginia (nonres.)	22,169	22,890	3.3	U. Virginia (nonres.)	27,760	28,850	3.9
Penn. State Univ. (nonres.)	19,328	20,784	7.5	Penn. State Univ. (nonres.)	24,998	27,014	8.1
Michigan State (nonres.)	16,663	18,192	9.2	Cornell (Contract-res.)	24,204	25,969	7.3
Cornell (Contract-res.)	14,624	16,037	9.7	Rutgers (nonres.)	22,152	24,011	8.4
Rutgers (nonres.)	14,441	15,904	10.1	Michigan State (nonres.)	21,935	23,694	8.0
SUNY-Buffalo (nonres.)	11,811	12,226	3.5	SUNY-Buffalo (nonres.)	18,547	19,452	4.9
SUNY-Binghamton (nonres.)	11,637	11,680	0.4	SUNY-Binghamton (nonres.)	18,737	19,390	3.5
SUNY-Buffalo (res.)	5,861	5,966	1.8	SUNY-Binghamton (res.)	12,787	13,440	5.1
SUNY-Binghamton (res.)	5,687	5,730	0.8	SUNY-Buffalo (res.)	12,597	13,192	4.7

- Notes:
- Institutions are ranked in descending order of rates for 2004-05.
 - Institutions with different resident and nonresident tuitions are indicated *res.* and *nonres.* respectively.
 - *Common acceptance* refers to an institution that had a significant overlap with Cornell in the common acceptance of students who eventually matriculated at Cornell rather than that other institution.

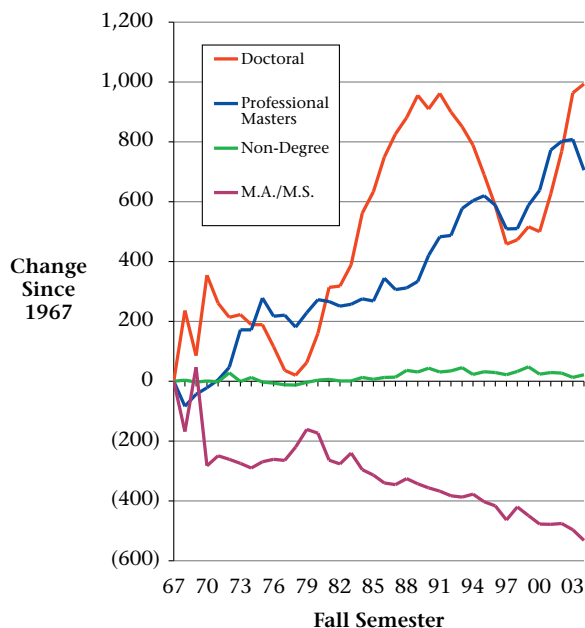
ENROLLMENT

Ithaca Campus Enrollment Growth

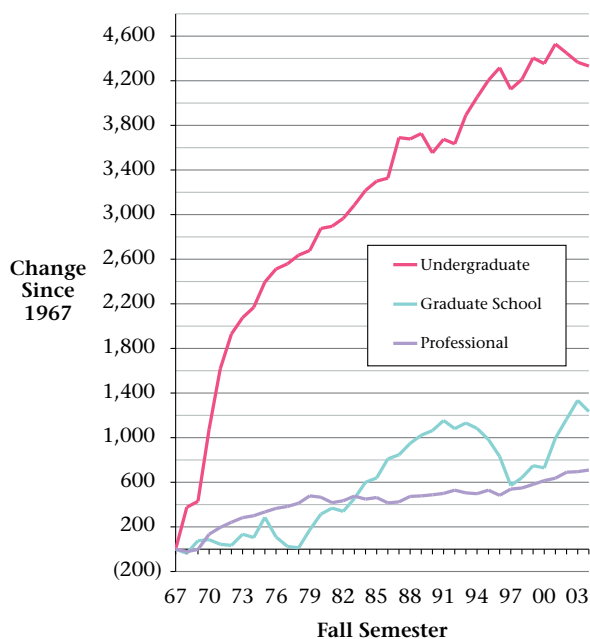
From the fall of 1967 through the fall of 2004, overall Ithaca campus enrollment (including students registered *in absentia*) increased by 6,274, or 46 percent, from 13,637 to 19,911. (See graph below.)

- Undergraduate enrollment increased 46 percent, to 13,718, accounting for most of this change. Contract college enrollment grew more rapidly than endowed Ithaca's during this period.
- Enrollment of professional students in professional schools increased by 709, or 80 percent, to 1,591.
- Graduate School enrollment increased 37 percent, to 4,602. Graduate School enrollment grew quickly in the 1980's and declined in the 1990's, as funding for doctoral students expanded and contracted. Beginning in 1997-98, the Graduate School undertook several actions to increase doctoral enrollment that have reversed the downward trend, producing a 20 percent enrollment growth since the fall of 1997. (See graph at right.)
- Professional masters enrollment in the Graduate School has increased significantly (191 percent). Partially offsetting this growth has been a steady decline in research masters degrees (M.A./M.S.).

Cumulative Change in Ithaca Campus Graduate School Enrollments Since 1967



Cumulative Change in Ithaca Campus Full-Time Enrollments Since 1967



2004-05 Enrollment Forecast

The 2004-05 operating plan was predicated on an overall full-time equivalent (FTE) paying enrollment of 20,072. That enrollment plan has been revised to 19,987, based on fall 2004 enrollments. (See page 19.)

- Overall, FTE undergraduate enrollment is projected to be 16 more than planned, with increases in Agriculture and Life Sciences and Engineering being offset by decreases in other colleges.
- FTE graduate enrollment is projected to be 81 less than budgeted, due mainly to lower than planned enrollments in several colleges.

Beginning with the admission of freshmen in the fall of 2001, Cornell instituted an enrollment management process in order to meet the goal of having no more than 3,050 first-time freshmen on the North Campus. The process combined the implementation of a conservative admit and yield model coupled with the use of a waitlist to bring admissions to target levels in a controlled fashion. The effort was successful for 2004-05 as the enrollment of first-time freshmen was limited to 3,054 for the fall of 2004, only four over target. Continued refinements of the process should allow the 3,050 target to be held in the coming years.

Full-Time Student Enrollments	04-05 Plan		04-05 Forecast		Change from Plan	
	Fall Registrar	FTE Paying	Fall Registrar	FTE Paying	Fall Registrar	FTE Paying
Undergraduate—On-Campus						
1. Agriculture & Life Sciences	3,026	2,927	3,049	2,997	23	70
2. Architecture, Art & Planning	530	500	494	488	(36)	(12)
3. Arts & Sciences	4,242	4,150	4,246	4,137	4	(13)
4. Engineering	2,613	2,600	2,696	2,688	83	88
5. Hotel Administration	802	772	812	780	10	8
6. Human Ecology	1,253	1,310	1,205	1,230	(48)	(80)
7. Industrial & Labor Relations	753	756	769	735	16	(21)
8. Internal Transfer Division	43	50	40	52	(3)	2
9. Subtotal	13,262	13,065	13,311	13,107	49	42
Undergraduate—Off-Campus						
10. Cornell Abroad	163	250	148	255	(15)	5
11. Cornell-in-Washington	48	49	41	47	(7)	(2)
12. Field Study/Sea Semester	81	91	53	63	(28)	(28)
13. Rome Program	52	58	50	57	(2)	(1)
14. Subtotal	344	448	292	422	(52)	(26)
15. Total Undergraduate	13,606	13,513	13,603	13,529	(3)	16
Professional						
16. Johnson School	639	634	649	637	10	3
17. Law	588	588	592	587	4	(1)
18. Medical College	410	410	399	388	(11)	(22)
19. Veterinary Medicine	330	330	333	330	3	—
20. Total Professional	1,967	1,962	1,973	1,942	6	(20)
Graduate						
21. Agriculture & Life Sciences	980	970	928	909	(52)	(61)
22. Architecture, Art & Planning	229	229	266	265	37	36
23. Arts & Sciences	1,220	1,220	1,264	1,254	44	34
24. Engineering	1,182	1,182	1,112	1,084	(70)	(98)
25. Hotel Administration	90	90	101	98	11	8
26. Human Ecology	220	215	199	219	(21)	4
27. Industrial & Labor Relations	213	213	212	204	(1)	(9)
28. Johnson School	40	40	41	39	1	(1)
29. Law	60	60	67	68	7	8
30. Graduate School of Medical Sciences	288	288	320	276	32	(12)
31. Veterinary Medicine	90	90	102	100	12	10
32. Total Graduate	4,612	4,597	4,612	4,516		(81)
33. Total Enrollment	20,185	20,072	20,188	19,987	3	(85)

Notes:

- Planned fall registrar enrollments were based on tenth-week projections; forecast fall registrar enrollments are based on semester-end actuals.
- Tuition revenues are based on full-time equivalent enrollments, which account for any tuition prorations.
- The contract colleges charge lower undergraduate and professional tuitions to residents of New York State; endowed Ithaca colleges do not.

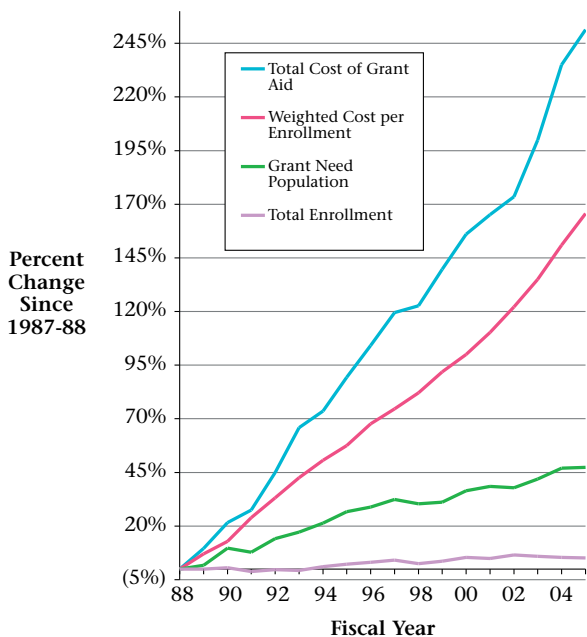
UNDERGRADUATE FINANCIAL AID

Financial-Aid Trends

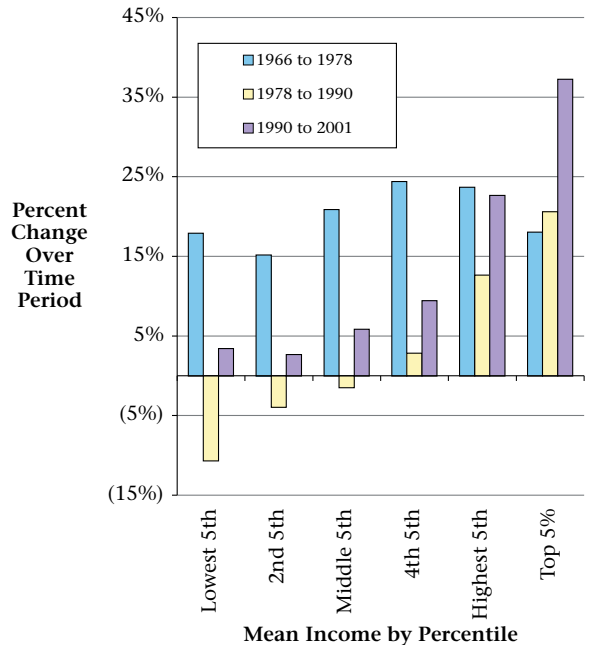
The total cost of federal, state, and institutional grant-aid for undergraduates has experienced a 251 percent increase from 1987-88 through 2004-05 (projected). (See graph below.) This change is attributable to several factors:

- There has been a slight increase (5.1 percent) in the overall undergraduate student population, while the weighted cost of attendance (tuition, fees, room, and board) for endowed Ithaca and contract college students has grown 166 percent.
- The number of students eligible for grant aid increased 47 percent, from 3,815 to 5,621. This change was due in part to the overall growth in the student population and in part to a 38 percent expansion in underrepresented minority enrollment. Underrepresented minority students have, historically, demonstrated greater levels of grant need than other students.
- There has been uneven growth in U. S. family income. (See graph at right.) As the richest families have enjoyed significant inflation-adjusted increases, middle-income Americans have experienced more modest growth, and the poorest

Factors Affecting Grant-Aid Costs
(Cumulative percent change since 1987-88)



Change in Average U.S. Family Income
(in inflation-adjusted terms)



families have seen little growth. Cornell's success in creating a more diverse socioeconomic student body over the past thirty years occurred as a segment of society lost purchasing power, causing the grant-aid population to rise faster than the increase in overall undergraduate enrollment.

2004-05 Financial-Aid Forecast

The following changes have occurred in the undergraduate financial-aid budget for 2004-05:

- Both the number of students with demonstrated financial need and the subset of these students who required grant aid are more than planned. (See table on page 21.)
- The average grant per student with such aid, which was budgeted at \$21,621, is forecast currently at \$20,771, a 3.9 percent decrease.
- The combination of an increase in the number of grant recipients and a decline in the cost of grant-aid per recipient will yield a 2.1 percent decrease in total grant-aid expenditures, from \$119.2 million to \$116.8 million.
- General purpose expenditures for grant aid are expected to remain as budgeted at \$55.4 million.

Sources of Funding for Undergraduate Financial Aid

(dollars in thousands)

	87-88	02-03	03-04	04-05	04-05	Percent	Average
	Actual	Actual	Actual	Plan	Forecast	Change	Annual
						from	Growth
						Plan to	Rate from
						Forecast	87-88
Family Contribution							
1. Parental	\$22,189	\$63,749	\$68,712	\$71,460	\$72,379	1.3%	7.7%
2. Student	<u>7,819</u>	<u>17,773</u>	<u>17,846</u>	<u>18,738</u>	<u>17,725</u>	(5.4%)	5.2%
3. Subtotal	30,008	81,522	86,558	90,198	90,104	(0.1%)	7.1%
Federal Government							
4. Grants	5,143	9,421	9,749	9,770	9,170	(6.1%)	3.7%
5. Loans	11,192	32,059	32,781	33,468	31,095	(7.1%)	6.6%
6. Work/Study	<u>2,769</u>	<u>4,907</u>	<u>4,891</u>	<u>5,000</u>	<u>4,739</u>	(5.2%)	3.4%
7. Subtotal	19,104	46,387	47,421	48,238	45,004	(6.7%)	5.5%
State Government							
8. Grants	4,903	5,572	5,709	5,760	5,697	(1.1%)	0.9%
9. Work/Study	<u>692</u>						
10. Subtotal	5,595	5,572	5,709	5,760	5,697	(1.1%)	0.1%
Other External							
11. Grants	<u>2,663</u>	<u>7,001</u>	<u>7,978</u>	<u>8,258</u>	<u>7,661</u>	(7.2%)	6.8%
12. Subtotal	2,663	7,001	7,978	8,258	7,661	(7.2%)	6.8%
Cornell							
13. General Purpose Grants	12,157	45,180	52,441	55,422	55,422		9.9%
14. Designated Grants	594	2,393	2,745	2,444	2,784	13.9%	10.1%
15. Gifts/Endowment Grants	7,770	30,106	32,723	37,544	36,020	(4.1%)	10.1%
16. Loans	130	1,364	1,842	1,800	3,533	96.3%	22.9%
17. Work/Study	<u>1,846</u>	<u>4,907</u>	<u>4,891</u>	<u>5,000</u>	<u>4,739</u>	(5.2%)	6.1%
18. Subtotal	22,497	83,950	94,642	102,210	102,498	0.3%	9.9%
19. Total	79,867	224,432	242,308	254,664	250,964	(1.5%)	7.4%

Financial-Aid Population

(on- and off-campus)

	Fall	Fall	Fall	Fall	Fall	Percent	Average
	1987	2002	2003	2004	2004	Change	Annual
	Actual	Actual	Actual	Plan	Actual	from	Growth
						Plan to	Rate from
						Actual	Fall 1987
All Undergraduates							
1. Total Enrollment	12,958	13,725	13,655	13,606	13,625	0.1%	0.3%
2. Number with Need	5,173	6,598	6,717	6,603	6,628	0.4%	1.6%
3. <i>Percent of Total Enrollment</i>	39.9%	48.1%	49.2%	48.5%	48.6%		
4. Number with Grant Aid	3,815	5,416	5,609	5,513	5,621	2.0%	2.5%
5. <i>Percent of Total Enrollment</i>	29.4%	39.5%	41.1%	40.5%	41.3%		
Minority Undergraduates							
6. Total Minority	2,436	3,746	3,698	3,674	3,768	2.6%	2.8%
7. <i>Percent of Total Enrollment</i>	18.8%	27.3%	27.1%	27.0%	27.7%		
8. Underrepresented Minority	1,124	1,467	1,471	1,473	1,554	5.5%	2.0%
9. <i>Percent of Total Enrollment</i>	8.7%	10.7%	10.8%	10.8%	11.4%		

Notes: • The sources of financial aid shown are for students who demonstrate a financial need according to Cornell's methodology. Financial-aid amounts are shown as computed and as awarded. Students sometimes elect to underutilize the loan and work study components of their financial-aid packages.
 • Enrollments exclude *in-absentia* and extramural students.

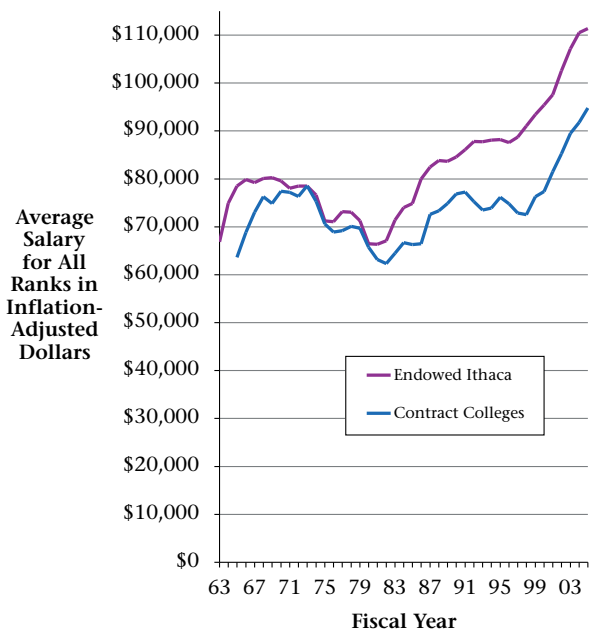
FACULTY SALARIES

Changes in Faculty Salaries

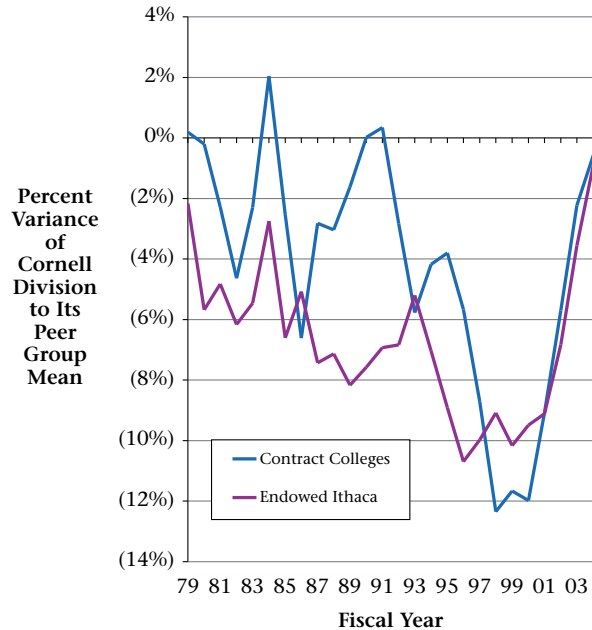
Ithaca campus faculty salaries have seen periods of decline and growth over the past four decades.

- Since 1962-63, endowed Ithaca faculty salaries have grown from \$66,887 to \$111,395, or 67 percent, in inflation-adjusted terms. (See graph below.)
- Nine-month faculty salaries in the contract colleges have grown from \$63,631 to \$94,786 in inflation-adjusted terms since 1964-65, an increase of 49 percent. (Sixty percent of contract college faculty are paid on a twelve-month basis. These salaries have been converted to a nine-month basis for comparison.)
- The gap between endowed Ithaca and contract college salaries can be attributed to relative levels of resources available for salary increases, changes in the mix of faculty by rank, and higher rates of senior faculty retirement in the contract colleges, among other factors. (An adjustment for the mix of faculty by rank has been made for the contract college averages to allow comparison with endowed Ithaca.)
- Average endowed Ithaca salaries of continuing faculty increased 5.2 percent from 2003-04 to 2004-05 while similar contract college salaries grew 5.9 percent. Overall, the growth in faculty salaries outpaced the change in consumer inflation.

Average Ithaca Campus Faculty Salaries
(contract college salaries converted to a 9-month basis)



Variance of Average Ithaca Campus Faculty Salaries to Peer Group Means
(contract college salaries converted to a 9-month basis)



Comparisons with Peer Institutions

The changing relative position of Cornell's faculty salaries within a large group of public and private research universities is shown in the table on page 23. In 1999, the Faculty Senate, the academic deans, and the university administration agreed to define the following subsets of these institutions to serve as peer reference groups for faculty salary purposes:

- **Endowed Ithaca:** Cal. Tech., Chicago, Columbia, U-Michigan, Penn., Princeton, Stanford, UCLA, UC-San Diego, and Yale.
- **Contract College:** Michigan State, Minnesota, U-N. Carolina, Ohio State, Penn. State, Penn., Texas A&M, UC-Berkeley, UC-Davis, and Wisconsin.

The graph above shows the change in Cornell's faculty salaries measured against the average of these reference groups. Endowed Ithaca faculty salary average is now 0.9 percent below its peer group mean while the contract college average is 0.6 percent below its respective mean. Cornell has established a goal to raise each division's average faculty salary level to the mean of its peer group within a five to six-year period, and began allocating incremental resources in 2001-02 to achieve this objective.

Average Nine-Month Faculty Salaries Among Research Universities

<u>Institution</u>	<u>83-84</u>	<u>Institution</u>	<u>93-94</u>	<u>Institution</u>	<u>03-04</u>
Harvard University	\$46,570	Cal Tech *	\$83,849	Harvard University	\$126,192
Stanford University *	45,513	Harvard University	80,443	Stanford University *	118,777
Cal Tech *	44,188	Stanford University *	79,939	Princeton University *	117,271
MIT	43,740	MIT	76,808	Univ. of Pennsylvania *†	115,941
Georgetown University	41,977	Princeton University *	76,752	University of Chicago *	114,481
Yale University *	41,698	Univ. of Pennsylvania *†	75,268	MIT	113,774
University of Chicago *	41,563	University of Chicago *	74,820	Cal Tech *	112,599
Univ. of Pennsylvania *†	41,349	New York University	74,391	Columbia University *	110,274
New York University	41,314	Yale University *	73,876	Northwestern Univ.	109,691
Princeton University *	41,254	Northwestern Univ.	72,764	New York University	109,577
Columbia University *	41,099	Columbia University *	72,176	Yale University *	109,373
Univ. Southern Calif.	40,482	Rutgers University	71,988	Cornell (Endowed) *	107,794
Carnegie Mellon Univ.	40,373	Duke University	71,434	Duke University	107,040
Johns Hopkins Univ.	39,825	Carnegie Mellon Univ.	70,330	UC–Berkeley †	101,041
Cornell (Endowed) *	39,515	Georgetown University	70,230	Univ. Southern Calif.	99,853
Rutgers University	39,269	Univ. Southern Calif.	68,701	UCLA *	99,319
Northwestern Univ.	39,010	Cornell (Endowed) *	67,518	Dartmouth College	98,791
University of Michigan *	38,567	University of Michigan *	66,894	University of Michigan *	98,305
Ohio State University †	38,492	Johns Hopkins Univ.	66,776	Georgetown University	98,088
Duke University	38,381	Dartmouth College	65,777	Carnegie Mellon Univ.	97,880
Dartmouth College	38,093	University of Virginia	64,882	Brown University	95,904
Brown University	37,733	UC–Berkeley †	64,101	Johns Hopkins Univ.	93,600
University of Virginia	37,483	Brown University	63,465	University of Virginia	92,983
University of Illinois	37,361	UCLA *	62,177	Rutgers University	92,347
UC–Berkeley †	37,327	University of Texas	61,365	University of Maryland	91,657
University of Texas	37,124	Penn. State University †	61,251	UC–San Diego *	91,539
Texas A&M †	36,937	Purdue University	60,785	Penn. State University †	90,016
Cornell (Contract) †	36,634	UC–San Diego *	60,532	Cornell (Contract) †	89,828
UCLA *	36,205	Univ. of North Carolina †	60,050	University of Illinois	89,804
Univ. of North Carolina †	36,188	Ohio State University †	59,753	Univ. of North Carolina †	89,308
Purdue University	36,027	University of Maryland	59,486	UC–Davis †	87,216
Penn. State University †	35,404	University of Illinois	58,717	Ohio State University †	86,722
Univ. of Minnesota †	35,352	Univ. of Washington	58,581	Univ. of Minnesota †	85,703
University of Maryland	35,053	Univ. of Wisconsin †	58,265	University of Texas	85,598
UC–San Diego *	34,895	UC–Davis †	58,091	Univ. of Wisconsin †	83,909
Univ. of Washington	34,894	Cornell (Contract) †	57,572	Michigan State Univ. †	83,851
UC–Davis †	33,848	Univ. of Minnesota †	56,917	Purdue University	82,766
Michigan State Univ. †	33,505	Michigan State Univ. †	56,798	Texas A&M †	81,104
Univ. of Wisconsin †	32,554	Texas A&M †	55,302	Univ. of Washington	80,652

- Notes:
- The average faculty salary for each institution (including contract college faculty at Cornell) was computed using the mean salary by academic rank (assistant, associate, full) and weighting those figures for the number of endowed Ithaca faculty for each rank. Twelve-month salaries were converted to a nine-month appointment basis; extra compensation and summer salaries were excluded.
 - Institutions defined as the peer comparison group for endowed Ithaca are marked with an asterisk (*) while institutions defined as the comparable group for the contract colleges are marked with a dagger (†).

WORKFORCE

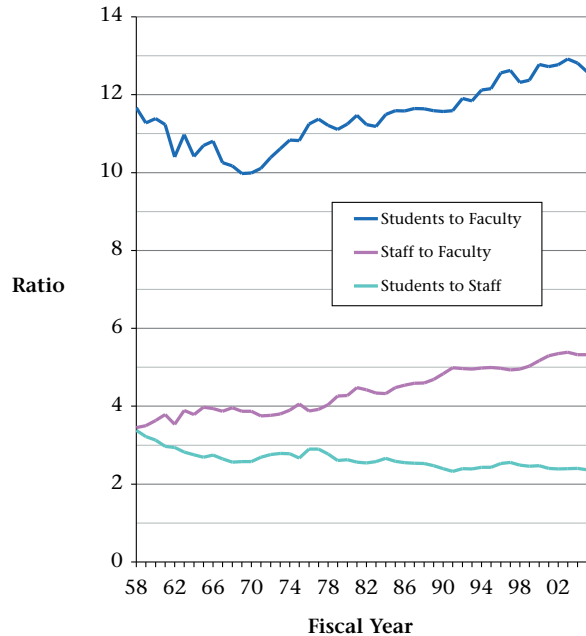
Ithaca Campus Workforce

The size of the Ithaca campus workforce changed significantly during the period 1972-73 to 2004-05.

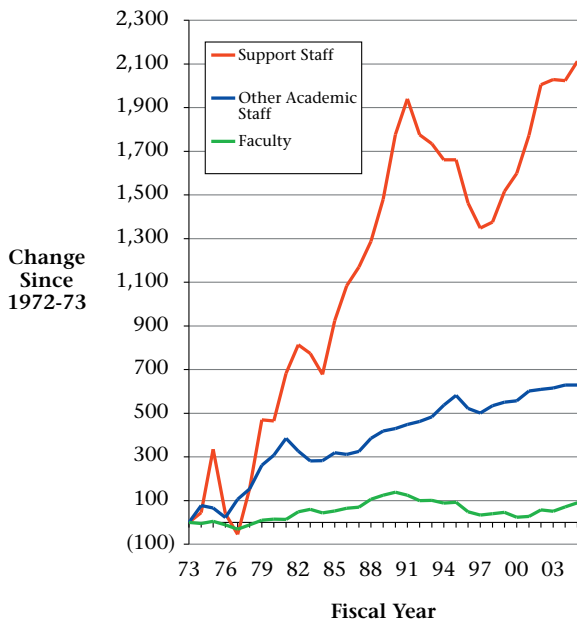
- The number of regular, full- and part-time employees increased 40 percent, from 7,171 to 10,001, as enrollment and academic programs expanded.
- There was a 6 percent increase in faculty. (See graph below.) Nonfaculty academics (lecturers, research associates, librarians, etc.) grew 109 percent, while nonacademic support staff increased 41 percent.

Recent changes in the university's workforce have reflected a longer-term pattern of growth as Cornell evolved into a modern research university. Following a brief reduction in the 1960's, the ratio of students to faculty rose as the university adapted to higher enrollments by adding nonfaculty instructional and student-service staff. (See graph at right.) The expansion of the research program also brought increases in nonfaculty staff. As a result, the ratio of all staff (academic and nonacademic) to faculty increased from 3.5 in 1957-58 to 5.3 by 2004-05. Even though student enrollments increased during this period, the ratio of students to all nonfaculty staff has gradually declined.

Change in Ithaca Campus Work Force Ratios Since 1957-58



Cumulative Change in the Number of Ithaca Campus Employees Since 1972-73
(regular full-time and part-time headcounts)



Changes in Support Staff

The table on page 25 illustrates the distribution of faculty and staff at the Ithaca campus, highlighting recent support staff changes in the colleges and other organizational groupings. The growth of 107 in overall support staff from 2001-02 to 2004-05 occurred in employee job families related to computing, academic program and library support, facilities, and student support. Much of this growth was supported by restricted and enterprise/service funding. There has been a decrease of 120 in the number of employees in general administrative support during this same period, due primarily to workforce planning reorganizations.

The 7 percent growth in support staff in operating units categorized as *administrative and support* (line 17) has been concentrated in a few areas: alumni affairs and development, information technologies, and the new offices of communications and media relations and government and community relations (which included the relocation of staff formerly associated with Human Ecology). Other staff were redeployed among organizational units during this period, resulting in category changes but no net increase or decrease in the total number of support staff.

2004-05 Ithaca Campus Work Force Distribution	Full-Time and Part-Time Headcounts				Ratio of Support to Academic
	Academic Staff		Support	Total	
	Faculty	Other	Staff		
1. Agriculture & Life Sciences	388	359	1,143	1,890	1.53
2. Architecture, Art & Planning	51	11	34	96	0.55
3. Arts & Sciences	525	221	339	1,085	0.45
4. Engineering	228	62	221	511	0.76
5. Hotel Administration	39	17	245	301	4.38
6. Human Ecology	90	83	191	364	1.10
7. Industrial & Labor Relations	47	73	171	291	1.43
8. Johnson School	51	11	96	158	1.55
9. Law School	37	10	65	112	1.38
10. Veterinary Medicine	<u>118</u>	<u>105</u>	<u>696</u>	<u>919</u>	3.12
11. Subtotal Colleges	1,574	952	3,201	5,727	1.27
12. Research Centers		131	328	459	2.50
13. Other Academic Programs	<u>8</u>	<u>105</u>	<u>570</u>	<u>683</u>	5.04
14. Subtotal Other Centers	8	236	898	1,142	3.68
15. Total Academic Units	1,582	1,188	4,099	6,869	1.48
16. Student Services		15	975	990	
17. Administrative & Support		1	1,410	1,411	
18. Physical Plant			<u>731</u>	<u>731</u>	
19. Subtotal Support		16	3,116	3,132	
20. Total Work Force	1,582	1,204	7,215	10,001	2.59

Changes in Support Staff					Change from 01-02	
	01-02	02-03	03-04	04-05	Number	Percent
1. Agriculture & Life Sciences	1,207	1,230	1,165	1,143	(64)	(5%)
2. Architecture Art, & Planning	41	41	35	34	(7)	(17%)
3. Arts & Sciences	329	343	340	339	10	3%
4. Engineering	222	220	225	221	(1)	(0%)
5. Hotel Administration	231	226	238	245	14	6%
6. Human Ecology	245	234	197	191	(54)	(22%)
7. Industrial & Labor Relations	170	172	170	171	1	1%
8. Johnson School	98	95	99	96	(2)	(2%)
9. Law School	70	72	68	65	(5)	(7%)
10. Veterinary Medicine	<u>645</u>	<u>663</u>	<u>674</u>	<u>696</u>	<u>51</u>	8%
11. Subtotal Colleges	3,258	3,296	3,211	3,201	(57)	(2%)
12. Research Centers	285	296	319	328	43	15%
13. Other Academic Programs	<u>594</u>	<u>587</u>	<u>574</u>	<u>570</u>	<u>(24)</u>	<u>(4%)</u>
14. Subtotal Other Centers	879	883	893	898	19	2%
15. Total Academic Units	4,137	4,179	4,104	4,099	(38)	(1%)
16. Student Services	965	918	911	975	10	1%
17. Administrative & Support	1,316	1,330	1,379	1,410	94	7%
18. Physical Plant	<u>690</u>	<u>704</u>	<u>732</u>	<u>731</u>	<u>41</u>	6%
19. Subtotal Support Units	2,971	2,952	3,022	3,116	145	5%
20. Total Support Staff	7,108	7,131	7,126	7,215	107	2%

Note: • Headcounts are limited to regular, full-time and part-time positions, excluding temporary appointments.

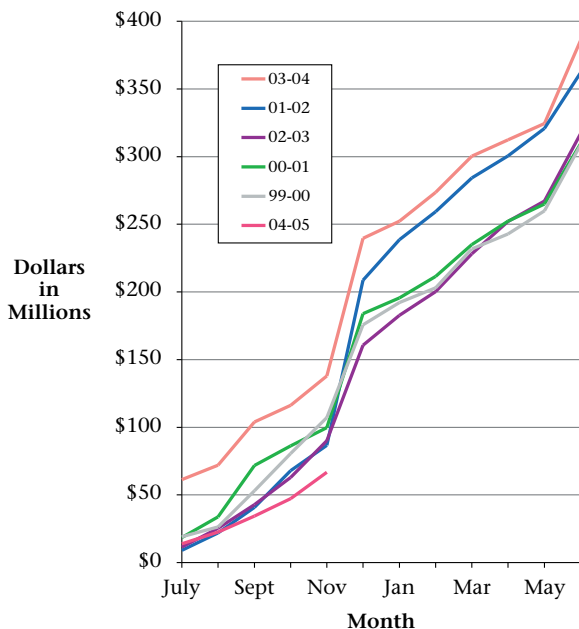
GIFTS/CONTRIBUTIONS

Gifts/Contributions

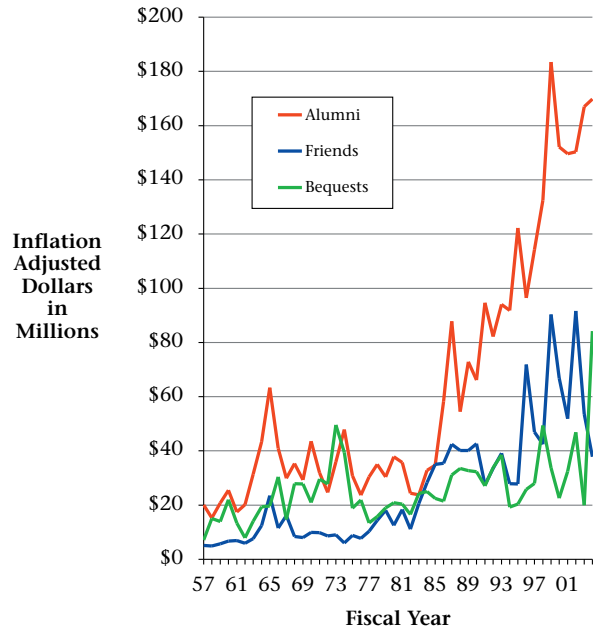
Cornell's financial statements report as *contributions* the sum of gifts, pledges deemed as unconditional promises to give, and income from irrevocable outside trusts. This differs from the definition of *cash gifts* as reported by Alumni Affairs and Development, which includes the principal of gifts to outside trusts and excludes pledges. The table on page 27 reconciles the differences between these two records.

- Through October 2004, Cornell recorded contributions of \$67.4 million in its accounting records, a decrease of 39 percent from the amount recorded through the same period of 2003-04. Receipts were down in almost all categories. A factor in the overall change was the receipt of \$40 million of a \$50 million bequest in 2003-04, an event that was not repeated in the first four months of 2004-05.
- Cash gifts logged in the contributor relations gift records system totaled \$45.8 million over the same period, 59 percent less than received from July through October of 2003, again due principally to the substantial bequest received in 2003-04.
- The \$21.6 million difference between the two systems in 2004-05 reflects primarily \$9.1 million of

Cumulative Cash Gift Receipts by Month
(as recorded by Alumni Affairs & Development)



Sources of Cash Gifts from Individuals
(in inflation-adjusted, 2003-04 dollars in millions)



pledges recognized in the accounting system and \$12.6 million in timing differences.

- The level of cash gifts as recorded in the gift records system through November 2004 was behind the results of recent years (see graph below). It is difficult to predict what the total level of giving for 2004-05 may be based on these early results as gift receipts for two months—December and June—traditionally account for 40 percent of all cash gifts recorded in a given year. Any prediction must be tempered with the knowledge that gift receipts are a function not only of recent solicitations but also payments on prior years's pledges and pecuniary bequests. As a result, donations from alumni, friends of the university, and bequests have all demonstrated largely unrelated patterns of episodic growth and change over the past forty-seven years. (See graph above.)
- A significant trend in Cornell's fundraising has been the substantial increase in alumni gifts, which have grown at an annually compounded rate of 4.8 percent in inflation-adjusted terms since 1956-57. In 2003-04, Cornell ranked number one among Ivy League and peer institutions in raising cash gifts from alumni.

Reconciliation of Contributions to Cash Gifts				04-05	03-04	Change
(dollars in thousands)				Year to	Year to	from
	Endowed	Contract	Medical	Date	Date	03-04
	Ithaca	Colleges	College			
General Operations						
1. Unrestricted	\$3,596	\$2,475	\$8,186	\$14,257	\$15,599	(9%)
2. Temporarily Restricted	9,374	1,919	7,924	19,217	24,132	(20%)
3. Subtotal	12,970	4,394	16,110	33,474	39,731	(16%)
Financial Capital						
4. True Endowment	14,267	7,646	4,381	26,294	21,047	25%
5. Funds Functioning as Endowment	2,331	270	100	2,701	41,394	(93%)
6. Life Income Funds	55	8	3	66	610	(89%)
7. Trusts Held by Others	28			28		
8. Loan Funds	25		82	107	104	3%
9. Subtotal	16,706	7,924	4,566	29,196	63,155	(54%)
Physical Capital						
10. Cash Gifts	3,570	132	85	3,787	8,080	(53%)
11. Gifts in Kind	50	10	908	968		
12. Subtotal	3,620	142	993	4,755	8,080	(41%)
13. Financial Statement Total	33,296	12,460	21,669	67,425	110,966	(39%)
Adjustments						
14. Gifts to Outside Trusts	(29)			(29)		
15. Gift Annuities	20	5	2	27	237	(89%)
16. Split-Interest Agreements	38	3		41	119	(66%)
17. Insurance Premiums Not Booked						
18. Pledges (net present value)	(5,565)	(518)	(2,998)	(9,081)	(11,570)	(22%)
19. Timing Differences	(2,438)	(5,173)	(4,960)	(12,571)	12,714	(199%)
20. Other	10			10		
21. Total Adjustments	(7,964)	(5,683)	(7,956)	(21,603)	1,500	(1,540%)
22. Gift Records Total	25,332	6,777	13,713	45,822	112,466	(59%)

Notes:

- This table reconciles *contributions* as displayed in the financial statements (line 13) to *cash gifts* as reported from Alumni Affairs and Development's contributor relations system (line 22). The reconciling adjustments between the two records are detailed on lines 14 through 20.
- Line 14 shows the net difference in valuation of gifts from outside trust agreements that are recorded in the contributor relations system at full value and may be reflected at present value in the financial statements. Lines 15 and 16 identify trusts in which the university shares an interest with the donors. While the gifts are reflected at full value in the contributor relations system, Cornell's financial statements recognize the liability owed to the beneficiaries of these trusts. Line 17 reflects insurance policy gifts and premiums that are not recorded in the financial statements until the policy matures. Line 18 reflects the net present value of unconditional promises to give (pledges) that were recorded in the financial statements but not treated as cash gifts in the contributor relations system. Lines 19 and 20 identify other periodic adjustments.
- Some of these exclusions—all of which are based on the application of reporting standards appropriate for each record—are entire (e.g., the inclusion of pledges in the financial statements and the exclusion of such promises from the cash gifts of the contributor relations system). Others are partial (e.g., the recognition in the financial statements of the interest that beneficiaries may have in split-interest agreements).

NOTES

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