The Cooper Institute
Healthy Living: The Science. The Application.

Annual Report 2006
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I look at the societal, technological, and institutional changes that have occurred during just my lifetime, and it is enough to set my head spinning. In the last 60 years, the only consistent thing has been the tremendous changes we have had to adapt to in some shape or form – and the pace at which they continue to come.

In our specialty niche of preventive medicine, change was originally slow in coming; now that the science-based data on physical activity and its proven role in enhancing quality of life and longevity is getting out to the masses, changes in the way people are thinking about their health are happening even faster. Simply, the research and education initiatives of The Cooper Institute must keep pace with these changes in order to continue providing the road map of life prescriptions to better health.

Seventy percent of our individual health issues are within our control if we choose to make it so with healthier lifestyle behaviors. The Cooper Institute is a source of knowledge for you, and knowledge is empowering.

In keeping with technological advancements and the changes they provide, you will notice we have kept our annual report to a minimum this year, with the request you go to our web site to get our complete history, current initiatives, and detailed financial profile. In the past, our annual report has been as large as 58 pages in the interest of thoroughly communicating our achievements and future plans. The web site in due course will be a secure, dynamic, and interactive resource for you dealing in ‘real time’ with all aspects of the Institute’s science, studies, course offerings, certifications, events, and on-line donating and gifting opportunities. It will be our health promotion “superhighway” into your home.

I congratulate The Cooper Institute leaders and staff, past and present, who have been instrumental in bringing us to and through so many crossroads of change. I am appreciative of their contributions and personal commitments to a mutually shared vision, mission and deeply embedded core value system. I share with all an excitement and anticipation for what is yet to come as we go about the science and education of making a healthier world.

Kenneth H. Cooper, MD, Chairman and CEO

First, I would like to express how gratifying it is to be in my new position at The Cooper Institute. It is a pleasure to work for and with Dr. Cooper and continually witness his vision and leadership. The successful execution of Dr. Cooper's vision is dependent upon the remarkable staff at the Institute.

At a time when The Cooper Institute faces the new opportunities and challenges that come with change, there is no better time to revisit who we are and assess what we want the Institute to be in the future. Both scenarios are expressed best by our mission statement and core values. I remind all who read this annual report that the Institute is dedicated to fulfilling the mission and living by our core values. These are not just words at the Institute but truly a way of life.

Dr. Cooper's vision and the role of the Institute continue to expand as evidenced by the presence the Institute plans to have in 2007 at the Craig Ranch complex in McKinney, Texas. Dr. Conrad Earnest, Vice President of Human Performance, will direct The Cooper Institute of Sports Medicine Research at Craig Ranch.

The Institute will continue to expand research studies, both clinical and epidemiological. It is also a goal of the Institute for the Oak Cliff Center to thrive and to not only support our research but to be an important health information resource in the community.

The 36-year-old Aerobics Center Longitudinal Study is maturing, which allows us access to richer data than ever before. To provide a perspective regarding the importance of this database, one only needs to know the database contains over 210,000 records from more than 80,000 patients, representing over 1,000,000 person-years of observation. There is no other database like it in the world.

For science to have the greatest positive impact, it must be applied for the improvement of human life. Since 1979, our Education Division has been teaching people how to apply science using a “train the trainers” model. Our FITNESSGRAM physical fitness and activity assessment software for schools has set a standard of excellence in providing a computer-based tool for educators and administrators – and the students themselves. Our Education Division is developing an e-learning delivery system for our courses which will extend the availability of existing and new courses offered by the Institute giving us another channel by which to disseminate health information and classes in a web-based format world-wide, reaching students that otherwise would never have the opportunity to experience our classes.

I believe the Institute has a future that holds great promise for life-changing discoveries as we further explore the relationships between physical activity, diet, healthy lifestyles, and improved health. I take this opportunity to invite you to be a part of the exciting future at The Cooper Institute.

Terry Rives, DrPH, President and Chief Operating Officer

Terry Rives, DrPH, President and Chief Operating Officer
Our Mission:
The Cooper Institute is dedicated to advancing the understanding of the relationship between living habits and health, and to providing leadership in implementing these concepts to enhance the physical and emotional well-being of individuals.

Our Values:
Integrity
Respect
Teamwork
Leadership
Knowledge
Excellence

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Respect
Teamwork
Leadership
Knowledge
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Scientific Advisory Board

Members of the Scientific Advisory Board serve as an objective and external validation for The Cooper Institute’s ideas, study designs, and published reports and articles. They provide expertise in clinical medicine, epidemiology, biostatistics, exercise physiology, genetics, and health education. All are accomplished investigators with multiple years experience in conducting studies similar to those conducted at the Institute.

The Scientific Advisory Board members are contacted throughout the year for their feedback on grant applications, research articles, and ongoing projects. These volunteer Board members improve the quality of the Institute’s work, and we are grateful for their many contributions.

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The success of The Cooper Institute begins – and ends – with our donors.

You supplement our continuing needs, growth, and future. You are our partners and goodwill ambassadors – not only do you give of yourselves financially, but you are also the source of many of the ideas and recommendations we have implemented. We consider our donors our ambassadors whom we honor on our Circle of Friends wall display in the main hallway of the Institute.

The Institute is in turn committed to be careful stewards of the money you entrust to us. Although our development strategies and activities have increased substantially in the past few years, our costs have remained low with only 4.3% of our revenue going toward fundraising.

Look to our secure website (www.cooperinstitute.org) for many exciting ways to get involved:

❖ Register for our popular quarterly Preventive Medicine and Wellness Lecture Series to hear prominent local and national expert speakers on today’s health issues. Individual and corporate subscriptions and sponsorships are available.

❖ Look for dates and come to an Inside the Institute luncheon and tour. Find out what happens “behind the scenes.”

❖ Interested in helping us raise friends, funds, and awareness? Our newly-formed Development Advisory Board is the place for you!

❖ We are happy to come to you and talk to your business, school, or social group. Our Speakers Bureau topics include nutrition, fitness, coping with stress, preventive healthcare, weight management, diversity, and steps to a healthier way of life.

❖ Get on our mailing list to receive our quarterly “Update” newsletter, chock full of the most up-to-the-minute health and fitness information as well as Institute news and happenings.

❖ Most importantly, consider making a donation or memorial gift – to our general operating fund or an Institute “essential need” of your choice.

These are just some of the ways The Cooper Institute raises money and awareness as we continue to translate our life-saving research into programs for the community that positively impact the health and wellness of people from all walks of life. Join us in our efforts to make a healthier world through the needed science and education. You can reach us at 972.341.3200 and ask for the Development office.
Mission of the Oak Cliff Center

To actively connect, create partnerships, and build trust with diverse populations across the lifespan to develop a greater understanding of the relationship between healthy living, quality of life, and disease in our research, education, and training programs; thereby better addressing knowledge, prevention, survivorship, mortality, and health disparities in diverse, underserved, and underrepresented communities.

The Cooper Institute Oak Cliff Center continues to be a proactive member of Oak Cliff and its surrounding communities. The center and its staff are involved in numerous events, community initiatives, and the recruitment and exercise supervision of study participants for our clinical trials. During the past year, the center's most notable contributions included:

❖ Successfully recruited 35% minority study participation
❖ Assessed body fat composition and took blood pressure measurements for a 16-week south Dallas youth camp
❖ Collaborated and hosted Texas on the Move’s “Day of Action” community walk and workshop, “Taking Steps for a Healthier Community”
❖ Assisted The Charles Rice Learning Center in south Dallas with their 16-week employee wellness program by assessing pre- and post-program height, weight, blood pressure, and body fat measurements
❖ Hosted “Approaching Diversity: Tools for Creating a Healthy Community” workshop in May

From study participant to employee of the year!

After the telecom mergers and associated downsizing, B. Mukidah Wiggins found herself without a job and in need of something to do. Over lunch one day, a friend mentioned a research study called DREW (a post menopausal women's health study) at The Cooper Institute in which she thought Mukidah might be interested. Mukidah completed the prescreening process of the DREW study and then got a case of cold feet. A call from the study project director convinced her she could do it and she did! During her time as a DREW participant, she caught the exercise bug and even had to be warned to slow down while on the treadmill on a few occasions. Talking with study staff, she learned there was a fitness center on campus, so she decided to investigate. She landed a part-time job working at the front desk and in 10 months was named ‘Employee of the Year’ and today is the director of member services. Mukidah continues to exercise – preferring to cross-train, strength train, and play golf. She says, “I feel like I’m cheating myself if I don’t work out.”

RESPECT—Diverse people and ideas are respected.
CARDIORESPIRATORY FITNESS


Blair SN, LaMonte MJ. How much and what type of physical activity is enough?: What physicians should tell their patients. Arch Intern Med 2005;165:2324-2325.


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The Division of Education staff developed three new courses, Circuit Training, Promoting Healthy Behaviors in Children, and Military Exercise Leadership in the past year. We offered courses all over the world to a variety of audiences and expect to bring in new customers of our contract courses in the next year such as Homeland Security. Staff members currently serve on key industry committees that seek to improve quality standards in health and fitness instruction.

Our credentialing certification efforts have advanced significantly this past year. Credentialing certification is now a stand-alone department. The Cooper Institute Certification Board was formally established through an amendment to The Cooper Institute bylaws during the 2005 Annual Board of Trustees meeting, and provides governance of policies and procedures of the credentialing certification and credentialing certification renewal processes. The credentialing certification department is seeking independent third-party accreditation for The Cooper Institute Personal Trainer Certification (CI-PTr) and plans to submit its application, demonstrating compliance with the rigorous accreditation standards, in September 2006. During the compliance process, psychometric experts have worked with the certification leadership to advance test development methods and measurements leading up to and during certification testing.

We received funding from the Centers for Disease Control and Prevention to revise and update a guide to planning, promoting, implementing, and evaluating a healthy eating and physical activity promotion program in a worksite setting. CI staff also provided training, curriculum materials, and ongoing support to 29 Illinois organizations (health departments, YMCAs, etc.) to implement a 12-week community-based program, Heart Smart for Women, designed to improve healthy eating and physical activity behaviors, and ultimately reduce risk for cardiovascular disease among Illinois women.

LEADERSHIP—We lead by example. We promote healthful lifestyles for ourselves and others. We encourage creative and visionary thinking.
The Cooper Institute has accumulated 36 years of invaluable knowledge assets. This wealth of information along with changes in technology made it imperative that we tap and distribute these knowledge resources in new ways. That is why we are building the infrastructure to deliver our assets through new channels and provide new products and services.

Our content management initiative will provide a foundation on which we can build these new channels. The content management system will provide organization to electronic files in the research, education, and administration divisions, implement efficient search capabilities of past projects, inventory and list histories of similar projects, suggest proven workflow and collaboration tools, and develop communities of practice to draw on others’ experiences.

With the explosive growth of the Internet and e-commerce, we have responded with the development of our e-learning initiative. E-learning will move our instruction efforts into cyberspace - giving individuals the option to learn from us wherever in the world they are.

In a few short years, e-business has changed the face of business. Customers now expect information, products, and services to be online and available at the touch of a button. Customers become frustrated if the information or products they want are not easy to find and purchase. Companies risk losing customers to competitors that are only a click away. Our redesigned website will provide improved access to our products and services, such as our newly developed DVDs entitled 21st Century Medicine and Interactive Functional Anatomy. 21st Century Medicine captures Dr. Kenneth Cooper's lecture on health promotion and preventive medicine. Through medical imaging and computer graphics, Interactive Functional Anatomy provides a view of the entire skeleton with muscles, ligaments, bones, arteries and nerves. You can take the skeleton through an exercise and, because the muscles change colors, you can see at what point the muscles are generating maximal force.
From the initial idea of a student’s “physical fitness report card,” FITNESSGRAM has grown into a national educational, physical fitness assessment, and reporting software application. The Cooper Institute staff envisioned a way to improve the effectiveness of physical education curricula by providing tools and resources to teachers. Their vision was the nexus for the development of the FITNESSGRAM program. Twenty-five years later, FITNESSGRAM continues to build from its strong scientific foundation evolving as new research dictates. Our FITNESSGRAM Scientific Advisory Board provides the interpretation and translation of this new research into new versions of the software. The newest enhancement available in the software application is called ACTIVITYGRAM. This assessment tool collects information about a student’s physical activity level and provides teachers a method to teach behavioral skills so that students can maintain or attain their recommended physical activity level.

In the past year…

❖ New York City program—FITNESSGRAM was licensed to them by the New York City public schools. We worked closely with them to make local modifications that met their needs, and yet maintained the fidelity of the basic FITNESSGRAM program. Eric Pliner, Assistant Director, Office of Fitness and Physical Education, New York City Department of Education, said recently, “As you know, this has been a tremendous year for fitness and physical education in New York City, due in no small part to the rollout of NYC FITNESSGRAM. Twelve weeks since the application has gone live, nearly 75,000 students have completed NYC FITNESSGRAM records in our database, and over 100,000 have some scores already entered. We are amazed at the success of the program to date, and are thrilled with the support that we have gotten both internally and out in the field.”

❖ We are working with Human Kinetics, a publisher of physical activity information products, to expand FITNESSGRAM into the U.K. and Australia. The New York City project may help us with non-English speaking Europe, because the New York City project involved translating the FITNESSGRAM reports into eight languages. A collaboration with a group of individuals in Sao Paulo, Brazil to enhance physical activity and fitness programs in that country has allowed FITNESSGRAM to be translated into Portuguese.
The Cooper Institute
Statement of Financial Position
(Unaudited)
June 30, 2006

<table>
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<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
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<td>$ 208,870</td>
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<td>Total assets</td>
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<td>$ 2,094,591</td>
<td>$ 4,506,154</td>
<td>$ 20,488,773</td>
</tr>
</tbody>
</table>

| Liabilities and Net Assets |              |                        |                        |             |
| Current liabilities:      |              |                        |                        |             |
| Accounts payable and accrued liabilities | $ 708,966 | $                      | $                      | $ 708,966   |
| Deferred contract revenue | 368,287      |                        |                        | 368,287     |
| Seminar deposits          | 94,718       |                        |                        | 94,718      |
| Total current liabilities | 1,171,971    |                        |                        | 1,171,971   |

| Commitments and contingencies |              |                        |                        |             |
| Net assets:                 |              |                        |                        |             |
| Unrestricted – unappropriated| 5,832,476    |                        |                        | 5,832,476   |
| Unrestricted – board appropriated | 6,883,581 |                        |                        | 6,883,581   |
| Temporarily restricted      | 2,094,591    |                        |                        | 2,094,591   |
| Permanently restricted      |              |                        |                        |              |
| Total net assets            | 12,716,057   | 2,094,591              | 4,506,154              | 19,316,802  |

| Total liabilities and net assets |              |                        |                        |             |
|                                | $ 13,888,028 | $ 2,094,591            | $ 4,506,154            | $ 20,488,773 |

Comparative Totals at June 30, 2005

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 673,514</td>
<td></td>
<td></td>
<td>$ 673,514</td>
</tr>
<tr>
<td>Investments</td>
<td>11,597,335</td>
<td></td>
<td></td>
<td>11,597,335</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>805,666</td>
<td></td>
<td></td>
<td>805,666</td>
</tr>
<tr>
<td>Prepaids and deposits</td>
<td>159,032</td>
<td></td>
<td></td>
<td>159,032</td>
</tr>
<tr>
<td>Total current assets</td>
<td>13,235,547</td>
<td></td>
<td></td>
<td>13,235,547</td>
</tr>
<tr>
<td>Property and equipment:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>1,909,350</td>
<td></td>
<td></td>
<td>1,909,350</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>5,364,987</td>
<td></td>
<td></td>
<td>5,364,987</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>915,886</td>
<td></td>
<td></td>
<td>915,886</td>
</tr>
<tr>
<td>Laboratory equipment</td>
<td>237,740</td>
<td></td>
<td></td>
<td>237,740</td>
</tr>
<tr>
<td>Office equipment</td>
<td>819,335</td>
<td></td>
<td></td>
<td>819,335</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(3,377,346)</td>
<td></td>
<td></td>
<td>(3,377,346)</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>5,869,952</td>
<td></td>
<td></td>
<td>5,869,952</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 19,105,499</td>
<td>$ 2,094,591</td>
<td>$ 4,506,154</td>
<td>$ 19,105,499</td>
</tr>
</tbody>
</table>

For full audit report, log onto our website at www.cooperinst.org.
### The Cooper Institute
**Statement of Activities**
(Unaudited)

**Year ended June 30, 2006**

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants, net</td>
<td>$4,128,453</td>
<td>$555,500</td>
<td>$563,000</td>
</tr>
<tr>
<td>Epidemiology and clinical application</td>
<td>731,911</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computer services and youth fitness</td>
<td>327,489</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Continuing education and certification</td>
<td>2,695,614</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tenant</td>
<td>210,163</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>8,093,330</td>
<td>555,500</td>
<td>563,000</td>
</tr>
</tbody>
</table>

| Expenses: | | | |
| Salaries, wages, and benefits | 5,549,200 | - | - | 5,549,200 |
| Facilities rental and maintenance | 604,905 | - | - | 604,905 |
| Depreciation | 389,572 | - | - | 389,572 |
| General and administrative | 1,952,269 | - | - | 1,952,269 |
| **Total expenses** | 8,495,946 | - | - | 8,495,946 |

| Increase (decrease) in net assets from continuing operations | | | |
| (402,616) | 555,500 | 563,000 | 715,884 |
| **Nonoperating activities:** | | | |
| Net realized and unrealized gains on investments | 600,420 | 205,402 | - | 805,822 |
| Interest and investment income, net | 297,587 | 101,758 | - | 399,345 |
| **Increase in net assets from nonoperating activities** | 898,007 | 307,160 | - | 1,205,167 |

| Net assets released from restrictions | 420,689 | (420,689) | - | |
| **Increase in net assets before discontinued operations** | 916,080 | 441,971 | 563,000 | 1,921,051 |
| **Increase (decrease) in net assets from discontinued operations – Denver office, net** | 71,546 | - | - | 71,546 |
| **Increase in net assets** | 987,626 | 441,971 | 563,000 | 1,992,597 |

| Net assets at beginning of year | 11,728,431 | 1,652,620 | 3,943,154 | 17,324,205 |
| **Net assets at end of year** | $12,716,057 | $2,094,591 | $4,506,154 | $19,316,802 |

| Comparative Totals for the Year ended June 30, 2005 | | | |
| | | | |

## The Cooper Institute

**Statement of Cash Flows**

(Unaudited)

**Year ended June 30**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Increase in net assets</strong></td>
<td>$1,992,597</td>
<td>$890,857</td>
</tr>
<tr>
<td><strong>Adjustments to reconcile change in net assets to net cash provided by operating activities, including discontinued operations:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>389,572</td>
<td>404,287</td>
</tr>
<tr>
<td>Net realized and unrealized gains on investments</td>
<td>(805,822)</td>
<td>(517,254)</td>
</tr>
<tr>
<td>Interest and investment income, net</td>
<td>(399,345)</td>
<td>(172,771)</td>
</tr>
<tr>
<td><strong>Changes in operating assets and liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(137,447)</td>
<td>1,133,170</td>
</tr>
<tr>
<td>Prepaids and deposits</td>
<td>17,520</td>
<td>(48,370)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(487,802)</td>
<td>360,327</td>
</tr>
<tr>
<td>Deferred contract revenue</td>
<td>(118,062)</td>
<td>90,146</td>
</tr>
<tr>
<td>Seminar deposits</td>
<td>(3,459)</td>
<td>11,735</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>447,752</td>
<td>2,152,127</td>
</tr>
<tr>
<td><strong>Investing Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchases of property and equipment</td>
<td>(28,100)</td>
<td>(154,196)</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(9,853,665)</td>
<td>(2,136,178)</td>
</tr>
<tr>
<td>Proceeds from sales or maturities of investments</td>
<td>8,969,369</td>
<td>624,102</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>(912,396)</td>
<td>(1,666,272)</td>
</tr>
<tr>
<td><strong>Net (decrease) increase in cash and cash equivalents</strong></td>
<td>(464,644)</td>
<td>485,855</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>673,514</td>
<td>187,659</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of year</strong></td>
<td>$208,870</td>
<td>$673,514</td>
</tr>
</tbody>
</table>

This chart shows the sources of funds (in percentages) during fiscal year 2006 from operations (endowment earnings not included). There is no significant change in total support when compared to the previous year.

The Institute increased fundraising efforts three years ago to build its endowment. While the fundraising costs have increased during the past three years, so have fundraising results. The median fundraising efficiency for all nonprofit entities is $10, according to Charity Navigator.

Total net assets have steadily increased. Gifts to the Permanent Endowment Fund have modestly increased during the same time period.

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...and ends with our donors.