

## Letter from the Chief Financial Officer – Fiscal Year 2020

I am pleased to present the audited financial statements for New England Conservatory for the fiscal year ending June 30, 2020. As in prior years, our external auditors have given their unqualified opinion that these materials fairly present the financial position of the conservatory and are free from material misstatement.

The fiscal year 2020 actual results are significantly more favorable than the originally budgeted and anticipated in consideration of the severity of COVID-19 impacts.

How did NEC achieve these results considering the challenges brought forth by COVID?

First, at the beginning of fiscal year 2020, new financial and budgetary controls were implemented, and senior leadership made a commitment to meeting budgetary results. These efforts were on track to be quite effective prior to COVID. Second, the timing of COVID was late enough in the fiscal year that NEC was able to retain most of the significant revenue sources (with some exceptions), while saving money on both year-end activities and through targeted cost-reduction measures, such as furloughs and the campus closure.

The Conservatory's endowment was valued at \$119.2 million on June 30, 2020.

NEC remains committed to exploring innovative and bold new initiatives that will ensure that NEC is well positioned in the future. We also hope to identify some additional savings but fully recognize the challenges of finding such savings while preserving and maintaining NEC's competitive position.

Elizabeth Dionne, Chief Financial Officer