



New England Conservatory of Music
FY24 Audited Financial Statements
Summary

This document provides a summary of the New England Conservatory of Music's audited fiscal year 2024 financial statements. As in prior years, our external auditors have given an unqualified opinion on the financial statements.

The post-COVID impact on the economy continued to present financial challenges in fiscal year 2024. That said, improvements in investment returns and donor contributions resulted in an overall 6% increase in net assets of \$14.1 million. The change in net assets from operations reflected a decrease of \$10.9 million, a 3% improvement over the prior year.

Highlights on the Statements of Financial Position are as follows:

- Total assets increased by \$13.8 million (5%), driven by increases in contribution receivables related to new gifts and investment increases related to endowment gifts and investment performance, offset by the College's endowment spending policy.
- Total liabilities decreased by \$359,000 (1%), driven by the repayment of long-term debt and timing differences related to accounts payable and accrued expenses.
- As noted above, net assets increased \$14.1 million:
 - Net assets without donor restrictions decreased by \$6.1 million, driven by operating losses.
 - Net assets with donor restrictions increased by \$20.0 million driven, by non-current gifts and endowment contributions.

Highlights on the Statements of Activities are as follows:

- Investment performance, net of endowment draw, resulted in a positive return of \$16.4 million versus \$5.1 million in the prior year.
- Operating performance improved by 3% over the prior year, ending with a deficit of \$10.9 million compared to a deficit of \$11.2 million in FY23.
 - Operating revenues showed a 5% increase over the prior year, driven by strong donor support
 - Operating expenses were up 4%, driven primarily by an increase in salaries, as positions held open from COVID were beginning to be filled.

The Statement of Cash Flows reflects an overall \$3.9 million decrease in cash and restricted cash due mainly to negative operating cash flows and cash outlays for capital expenditures. This reduction in operating cash flows is offset by positive cash flows from non-operating contributions, which are reflected in financing activities portion of the statement.

The Conservatory is supported by a strong endowment for an institution of its size, and by a proven ability to fundraise for its programs. Management is continuing to implement strategic changes in an effort to improve operating results over the next several years.