



New England Conservatory of Music
FY25 Audited Financial Statements
Summary

This document provides a summary of the New England Conservatory of Music's audited financial statements for fiscal year 2025. As in prior years, our external auditors have issued an unmodified opinion on the financial statements.

The Conservatory, similar to many higher education institutions, continues to face financial operating challenges. The FY25 financial statements, however, show consistent improvement, with the operating deficit decreasing to \$1.3 million in FY25 from \$7.6 million in FY24 to \$8.5 million in FY23. Total net assets increased by \$25.4 million to a total of \$272.5 million, benefiting from strong investment returns and continued donor support.

Highlights of the Statement of Financial Position are as follows:

- Assets totaled \$316.5 million, an increase of 9% from the prior year.
 - The unrestricted cash balance increased from \$1 million at the end of FY24 to \$4.7 million at the end of FY25, largely the result of a one-time government grant.
 - Receivables increased by \$10 million, reflecting the sale of a Stradivarius violin. The proceeds from the sale will be used to establish an endowed fund for student scholarships.
 - The investments at year-end had a fair market value of 195.2 million, a 19% increase, driven by strong performance (14.7% net return) and additional contributions to the endowment.
- Liabilities totaled \$44.0 million, a small increase of 2% from the prior year, reflecting timing differences related to accounts payable and accrued expenses.
- Total net assets equaled \$272.5 million, an increase of 10%.
 - Net assets without donor restrictions increased by 9%, and includes the sale of the violin.
 - Net assets with donor restrictions increased by 11%, aided by the positive return on investments and new contributions for use in future years.

Highlights of the Statements of Activities are as follows:

- Operating performance improved considerably, ending with a deficit of \$1.3 million compared to significantly higher deficits in prior years.
 - Operating revenues showed a 20% increase over the prior year, driven by strong investment returns and a one-time government grant.
 - Operating expenses were up 6.5%, reflecting increases in salaries and benefits.

The Statement of Cash Flows reflects an overall increase in cash and cash equivalents of \$2.5 million. This increase is primarily the result of positive cash provided in operating activities and additional contributions restricted for long-term purposes.

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 to further improve operating results over the next several years.