

NEW ENGLAND CONSERVATORY

Statement of Financial Position

Year ended June 30, 2006 (with summarized financial information as of June 30, 2005)

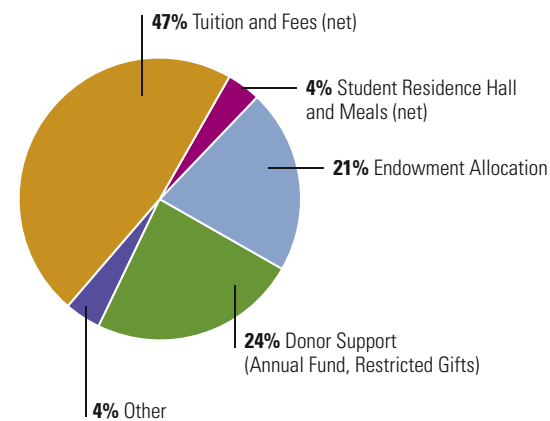
ASSETS

	2006	2005
Cash and equivalents	\$3,107,149	2,296,121
Receivables and other assets	641,868	576,767
Student accounts, notes, and loans receivable, net	2,568,849	2,687,724
Contributions receivable, net	9,370,055	10,369,940
Planned giving assets	3,345,421	2,686,495
Endowment investments, at fair value	71,952,451	65,565,843
Property and equipment, net	18,114,357	18,260,608
Total assets	\$109,100,150	102,443,498

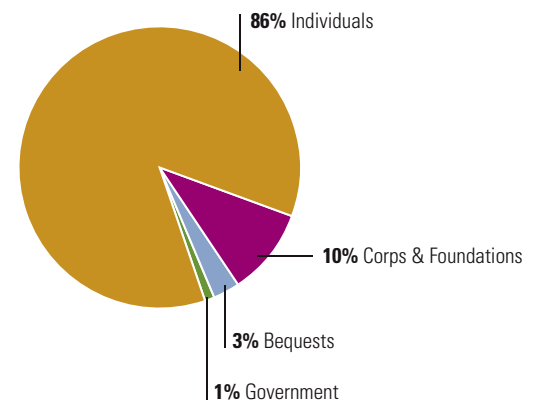
LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$1,154,580	1,351,478
Planned giving liabilities	466,298	137,598
Deposits and advance payments	384,310	395,178
Government advances for student loans	3,329,745	3,267,512
Short-term debt	1,100,000	
Total liabilities	6,434,933	5,151,766
Net assets:		
Unrestricted	26,194,837	28,231,871
Temporarily restricted	32,693,676	29,071,982
Permanently restricted	43,776,704	39,987,879
Total net assets	102,665,217	97,291,732
Total liabilities and net assets	\$109,100,150	102,443,498

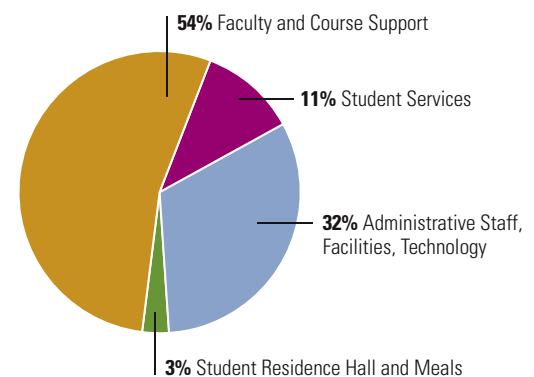
Sources of Funds



Annual Support



Uses of Funds



The accounting firm of Grant Thornton has audited the financial statements that appear on these pages, and in a letter dated September 15, 2006, has expressed its opinion that these statements fairly present, in all material respects, the financial position of New England Conservatory.

NEW ENGLAND CONSERVATORY

Statement of Activities

Year ended June 30, 2006 (with summarized financial information for the year ended June 30, 2005)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2006 Total	2005 Total
REVENUES & SUPPORT					
Tuition and fees	24,709,644	-	-	24,709,644	23,428,712
Less student aid	(7,754,317)	-	-	(7,754,317)	(7,309,553)
Net tuition and fees	16,955,327	-	-	16,955,327	16,119,159
Dormitory and dining service	1,489,035	-	-	1,489,035	1,769,751
Less student aid	-	-	-	-	-
Net dormitory and dining service	1,489,035	-	-	1,489,035	1,796,751
Investment activities					
Endowment income	741,564	-	-	741,564	803,175
Net realized and unrealized investment gains	2,149,947	4,969,378	-	7,199,325	3,296,047
Total Endowment spending	2,891,511	4,969,378	-	7,860,889	4,099,222
Allocated endowment spending	1,652,827	(1,652,827)	-	-	-
Total endowment return and allocated endowment spending	4,544,338	3,316,551	-	7,860,889	4,099,222
Private Gifts	2,573,730	986,788	4,377,371	7,937,889	13,134,597
Government grants	398,878	-	-	398,878	266,508
Change in value of planned giving net assets	-	270,228	59,997	330,225	(238,558)
Other sources	1,350,717	-	-	1,350,717	1,168,615
Net assets released from time and purpose restrictions	1,061,817	(1,061,817)	-	-	-
Net assets reclassified	(46,748)	-	46,748	-	-
Total revenues and other support	28,327,094	3,511,750	4,484,116	36,322,960	36,346,294

Statement of Activities, continued

	Unrestricted	Temporarily Restricted	Permanently Restricted	2006 Total	2005 Total
EXPENSES					
Instruction	15,629,056	-	-	15,629,056	14,887,279
Academic support	2,574,668	-	-	2,574,668	2,573,084
Student services	3,150,374	-	-	3,150,374	3,036,669
Institutional support	6,489,657	-	-	6,489,657	6,418,137
Dormitory and dining service	980,720	-	-	980,720	993,092
Total expenses	28,824,475	-	-	28,824,475	27,908,261
Change in net assets before cumulative effect of change in accounting principle	(497,381)	3,511,750	4,484,116	7,498,485	8,438,033
Cumulative effect of change in accounting principle	(115,000)	-	-	(115,000)	-
Change in net assets after cumulative effect in change in accounting principle	(612,381)	3,511,750	4,484,116	7,383,485	8,438,033
Net assets at beginning of year as previously reported	28,231,871	29,071,982	39,987,879	97,291,732	88,853,699
Restatement	(1,424,653)	109,944	(695,291)	(2,010,000)	-
Net assets at beginning of year as restated	26,807,218	29,181,926	39,292,588	95,281,732	88,853,699
Net assets at end of year	26,194,837	32,693,676	43,776,704	102,665,217	97,291,732