

NEW ENGLAND CONSERVATORY

Statement of Financial Position

Year ended June 30, 2004 (with summarized financial information as of June 30, 2003)

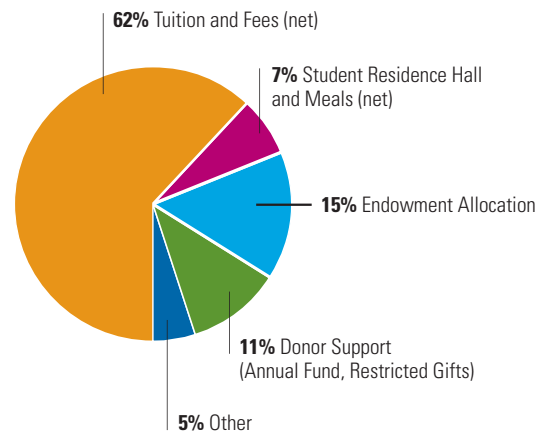
ASSETS

	2004	2003
Cash and equivalents	\$3,999,197	1,582,896
Receivables and other assets	1,266,657	684,060
Student accounts, notes, and loans receivable, net	2,448,484	2,631,474
Contributions receivable, net	14,240,292	1,540,176
Planned giving assets	2,787,455	2,752,849
Endowment investments, at fair value	49,975,445	47,455,274
Property and equipment, net	18,731,615	19,781,497
Total assets	\$93,449,145	76,428,226

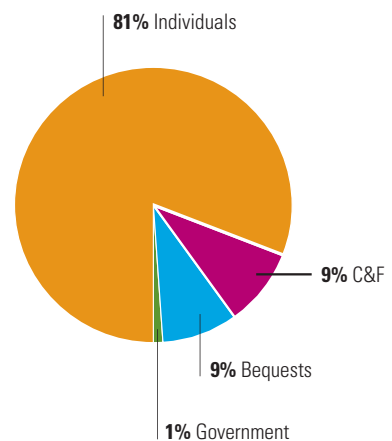
LIABILITIES AND NET ASSETS

Accounts payable and accrued expenses	\$1,058,543	979,806
Deposits and advance payments	385,259	346,785
Government advances for student loans	3,151,644	2,989,858
Total liabilities	4,595,446	4,316,449
Net assets		
Unrestricted	22,219,114	23,134,882
Temporarily restricted	29,284,953	23,022,263
Permanently restricted	37,349,632	25,954,632
Total net assets	88,853,699	72,111,777
Total liabilities and net assets	\$93,449,145	76,428,226

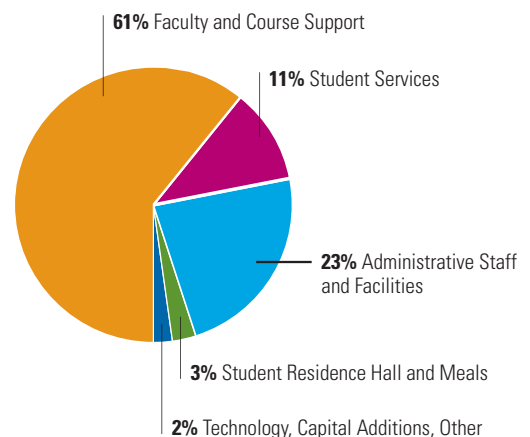
Sources of Funds



Annual Support



Uses of Funds



The accounting firm of KPMG LLP has audited the financial statements that appear on these pages, and in a letter dated September 2, 2004, 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, 2004 (with summarized financial information for the year ended June 30, 2003)

	Unrestricted				Temporarily Restricted	Permanently Restricted	2004 Total	2003 Total
	Operating	Plant	Internally Designated	Total Unrestricted				
REVENUES								
Tuition and fees	\$21,474,489	—	—	21,474,489	—	—	21,474,489	20,425,082
Less student aid	(6,506,287)	—	—	(6,506,287)	—	—	(6,506,287)	(6,262,074)
Net tuition and fees	14,968,202	—	—	14,968,202	—	—	14,968,202	14,163,008
Dormitory and dining service	1,719,858	—	—	1,719,858	—	—	1,719,858	1,662,621
Less student aid	(6,725)	—	—	(6,725)	—	—	(6,725)	(16,250)
Net dormitory and dining service	1,713,133	—	—	1,713,133	—	—	1,713,133	1,646,371
Investment activities								
Endowment income	853,485	—	—	853,485	—	—	853,485	1,235,246
Net realized and unrealized investment gains	—	—	1,249,383	1,249,383	2,762,239	—	4,011,622	773,440
Total endowment return	853,485	—	1,249,383	2,102,868	2,762,239	—	4,865,107	2,008,686
Allocated endowment spending	2,787,799	—	(807,022)	1,980,777	(1,980,777)	—	—	—
Total endowment return and allocated endowment spending	3,641,284	—	442,361	4,083,645	781,462	—	4,865,107	2,008,686
SUPPORT								
Private gifts	3,220,333	50,997	—	3,271,330	6,259,661	11,280,035	20,811,026	4,728,854
Government grants	362,293	—	—	362,293	—	—	362,293	415,538
Increase (decrease) in value of planned giving net assets	—	—	—	—	(61,859)	96,465	34,606	(586,965)
Other sources	780,803	1,163	—	781,966	945	—	782,911	1,178,586
Net assets released from time and purpose restrictions	715,019	—	—	715,019	(715,019)	—	—	—
Net assets reclassified	(16,000)	—	—	(16,000)	(2,500)	18,500	—	—
Total revenues and other support	25,385,067	52,160	442,361	25,879,588	6,262,690	11,395,000	43,537,278	23,554,078
EXPENSES								
Instruction	13,597,496	735,895	—	14,333,391	—	—	14,333,391	13,904,566
Academic support	2,285,841	174,945	—	2,460,786	—	—	2,460,786	2,382,238
Student services	2,694,431	108,907	—	2,803,338	—	—	2,803,338	2,636,052
Institutional support	5,990,401	284,735	—	6,275,136	—	—	6,275,136	5,402,963
Dormitory and dining service	811,432	111,273	—	922,705	—	—	922,705	1,002,654
Total expenses	25,379,601	1,415,755	—	26,795,356	—	—	26,795,356	25,328,473
Increase (decrease) in net assets	5,466	(1,363,595)	442,361	(915,768)	6,262,690	11,395,000	16,741,922	(1,774,395)
Net assets at beginning of year	756,395	14,810,034	7,568,453	23,134,882	23,022,263	25,954,632	72,111,777	73,886,172
Net assets at end of year	\$761,861	13,446,439	8,010,814	22,219,114	29,284,953	37,349,632	88,853,699	72,111,777