

Longy School of Music of Bard College

FY24 - FY22 Financial Results

FY24 Financials - Narrative

Enrollments reached an all-time high at 292 student FTEs which was an increase of 6 students from FY23. The additional students plus a 4.5% increase in the tuition price produced an additional \$753k in Tuition revenues year-over-year from a base of \$13.9 million in FY23 to \$14.6 million in FY24. Financial Aid rose \$837k from \$7.4 million in FY23 to \$8.3 million in FY24, with the Discount Rate increasing from 53.5% in FY23 to 56.4% in FY24. The average scholarship was \$28k and reflects Longy's continuing commitment to making a Longy education accessible to all. Gifts held steady year-over-year at \$937k in FY24 vs. \$964k in FY23. In total, operating revenues for FY24 were \$7.9 million which is slightly lower than FY23 by \$56k.

Operating expenses of \$7.8 million are slightly lower than the prior year of \$7.9 million by \$83k or 1%. The year-over-year favorable variance was primarily due to lower Professional Fees \$104k (reduced marketing collateral & videos) and Compensation \$88k (Development team vacancy). Year-over-year savings was partially offset by higher recruiting costs \$81k and higher Insurance \$59k. Combining these expense results with the total revenues, Longy had a surplus of \$121k for FY24. The Balance Sheet is strong with the school ended the year with \$1 million in Cash and the Endowment at \$9.1 million. The Endowment gained \$774k due to strong equity markets.

FY23 Financials - Narrative

Enrollments continued to trend upward year-over-year from 267 students in FY22 to 286 students in FY23, an increase of 19 students or 7%. This enrollment increase produced an additional \$1.4 million in Tuition revenues year-over-year from a base of \$12.5 million in FY22 to \$13.9 million in FY23. Financial Aid rose \$809 thousand from \$6.6 million in FY22 to \$7.4 million in FY23. In terms of the Discount Rate, this represented an increase from 53.1% in FY22 to 53.5% in FY23. As noted in previous years, the financial wherewithal of the typical conservatory student has been declining since the beginning of the pandemic. This trend has continued with the average FY23 scholarship at \$26k, which is \$8k higher than the FY20 average of \$18k. Gifts for FY23 totaled \$964k which is lower than FY22 results by \$316k. This year-over-year decline reflects the ending of the "Stability Fund" campaign (see the FY21 Financials below). The final revenue item worth noting is the Net Assets Released from Restriction. The year-over-year comparison for this line item is skewed due to the release of the \$800k Covid reserve in FY22 (\$465K in FY23 vs. \$1.3 million in FY22). Normalizing FY22, the year-over-year variance is a favorable \$47k (\$465k in FY23 vs. \$418k in FY22).

Operating expenses of \$7.9 million are slightly unfavorable compared to the prior year of \$7.8 million by \$148k or 2%. The year-over-year increase was primarily due to higher compensation and partially offset by savings in multiple expense categories such as legal and professional fees. Longy Balance Sheet is strong with the school ended the year with \$1.1 million in Cash and the Endowment at \$8.3 million. Endowments gained \$647k due to improving equity markets returns.

FY22 Financials - Narrative

As Longy exited the pandemic, Enrollments bounced back year-over-year from 222 students in FY21 to 267 students in FY22, an increase of 45 students or 20%. This enrollment increase produced an additional \$2.5 million in Tuition revenues year-over-year from a base of \$10 million in FY21 to \$12.5 million in FY22. Financial Aid rose \$1.5 million from \$5.1 million in FY21 to \$6.6 million in FY22. In terms of the Discount Rate, this represented an increase from 50.9% in FY21 to 53% in FY22. The financial wherewithal of the typical conservatory student declined substantially during the pandemic and unfortunately, this trend has continued as we exit the pandemic. Both the Discount Rate and the average scholarship amount both reflect this trend. The average FY22 scholarship at Longy is approximately \$24k which is \$6k higher than the FY20 average of \$18k. Gifts for FY22 totaled \$1.2 million, slightly lower than FY21 results by \$208k. Primary driver of the lower donations was the weak equity market. The final revenue item worth noting is the Net Assets Released from Restriction. This revenue line is comprised on 2 separate revenues: \$418k in Endowment draws and the release of a \$800k Covid reserve.

Operating expenses of \$7.8 million are higher than the previous year by \$973k or 14%. The year-over-year increase was due to 1) the resumption of pre-pandemic academic programming, recruiting and administrative activities \$368k. 2) Higher student account write-offs of \$193k. Again this reflects the diminishing financial wherewithal of the student population. 3) Higher instruction costs of \$174k which is the result of the additional enrollments. 4) Additional staff costs \$117k. Longy Balance Sheet remained strong with the school ended the year with \$1 million in Cash. Also of note on the Balance Sheet was the Endowment Balance of \$8.2 million. This represented a decline of \$1.3 million from the prior year again due to the weak equity markets.