

## **FINANCIAL STATEMENT YEAR END REVIEW JUNE 30, 2024**

### **Overview**

NECO's fiscal year 2024 financial statements demonstrate our persistent financial strength and strong fiscal management, along with positive returns on our investment portfolio. NECO's operating performance after depreciation and interest expense (\$3.6M, 11%), combined with \$5.9M in net investment income, evidence our continued resilience as a private single-profession institution of graduate medical education, despite the cumulative impact of rising labor costs and other inflationary pressures.

The June 30, 2024, audited financial statements were reviewed and accepted by the Finance, Audit and Business Affairs Committee of the Board of Trustees on October 22, 2024; NECO received an unmodified ("clean") audit opinion with no significant deficiencies or material weaknesses in controls from CBIZ CPAs P.C.

### **Statement of Financial Position**

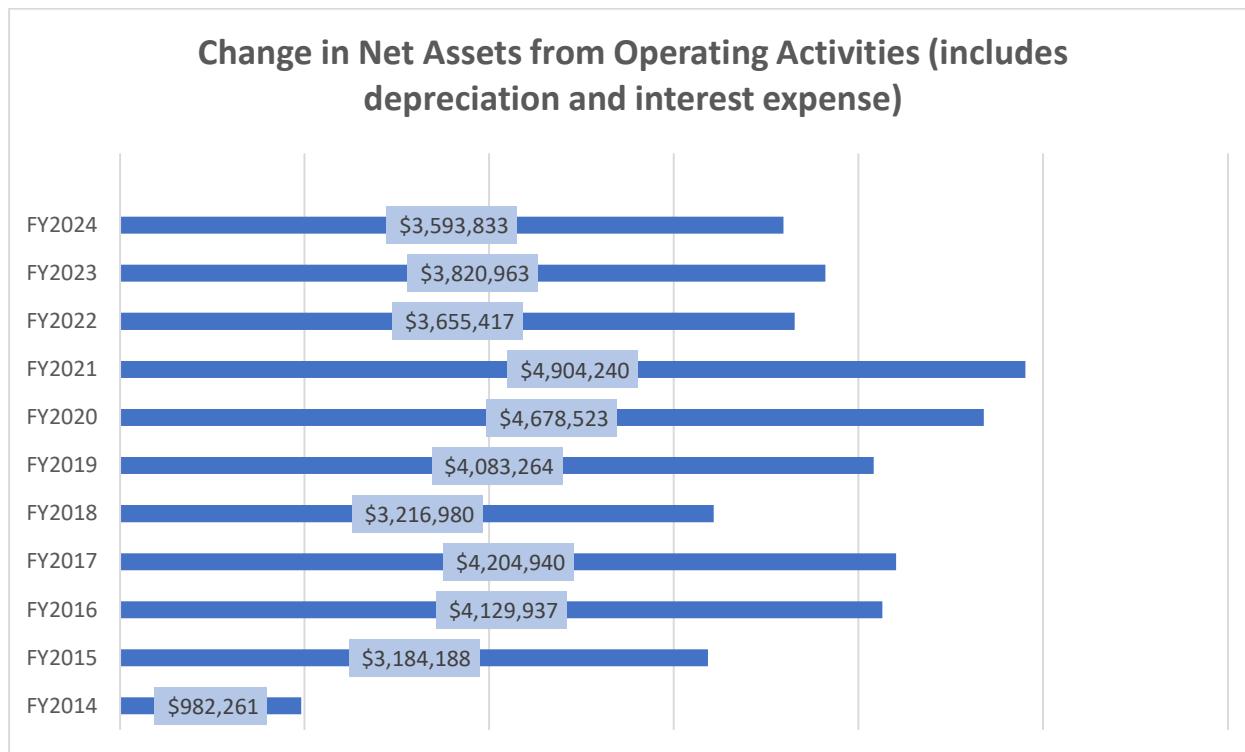
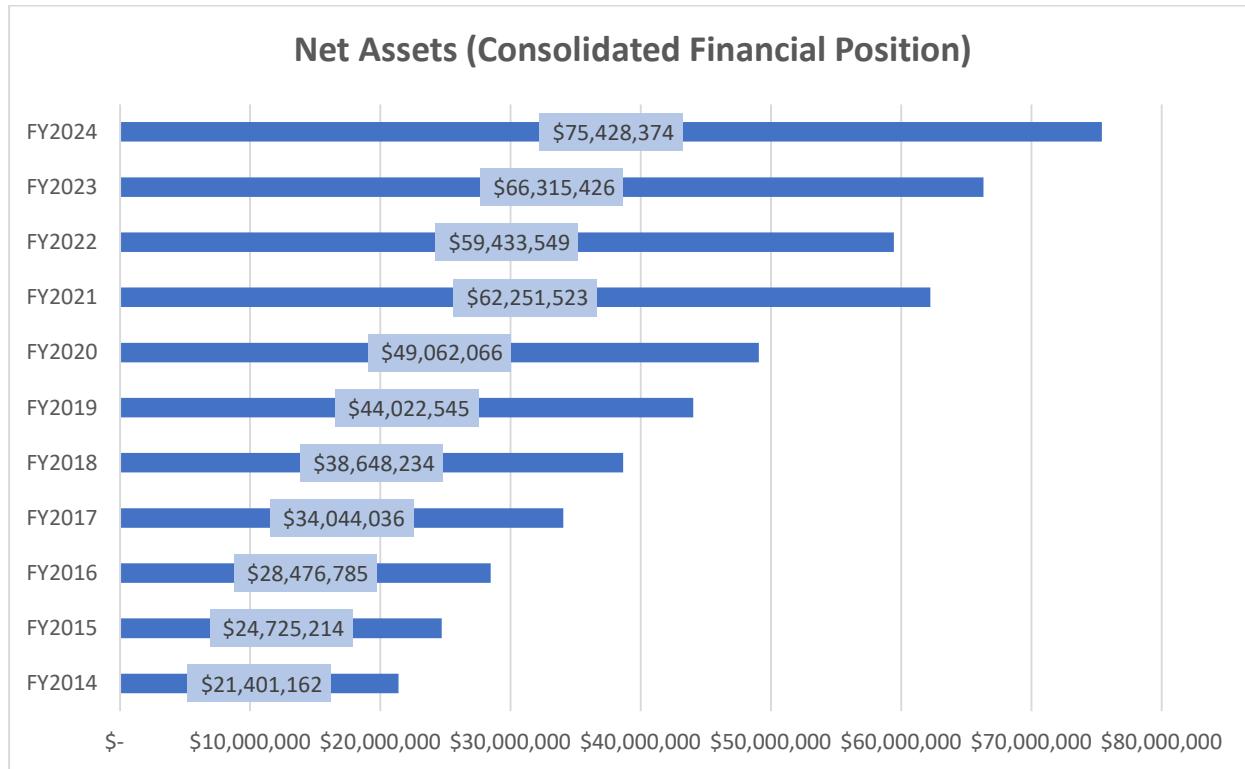
NECO's total assets on June 30, 2024, were \$89.8M, up from \$81.8M the previous year. Net student loans decreased \$361K from the previous year, largely attributable to the continued winding down of the Perkins loan program. The \$943K decrease in property, plant and equipment is attributable to depreciation expense exceeding current year additions. Total liabilities decreased during the fiscal year, from \$15.5M in 2023 to \$14.4M in 2024.

Total net assets on June 30, 2024, were \$75.4M; a \$9.1M increase over the previous year (\$66.3M).

### **Statement of Activities**

Total operating revenues remained steady from FY2023 (\$31.94M) to FY2024 (\$31.97M); increases in net tuition, contributions, and interest income were offset by decreases in revenue from patient care and research grants and contracts. Operating expenses increased slightly (up 0.9%) from FY2023 to FY2024; increases in labor costs (salaries and employee benefits) were partially offset by a decrease in the cost of professional services due to the termination of our agreement with Noodle Partners in FY2023.

## **Net Assets and Net Operating Trends**

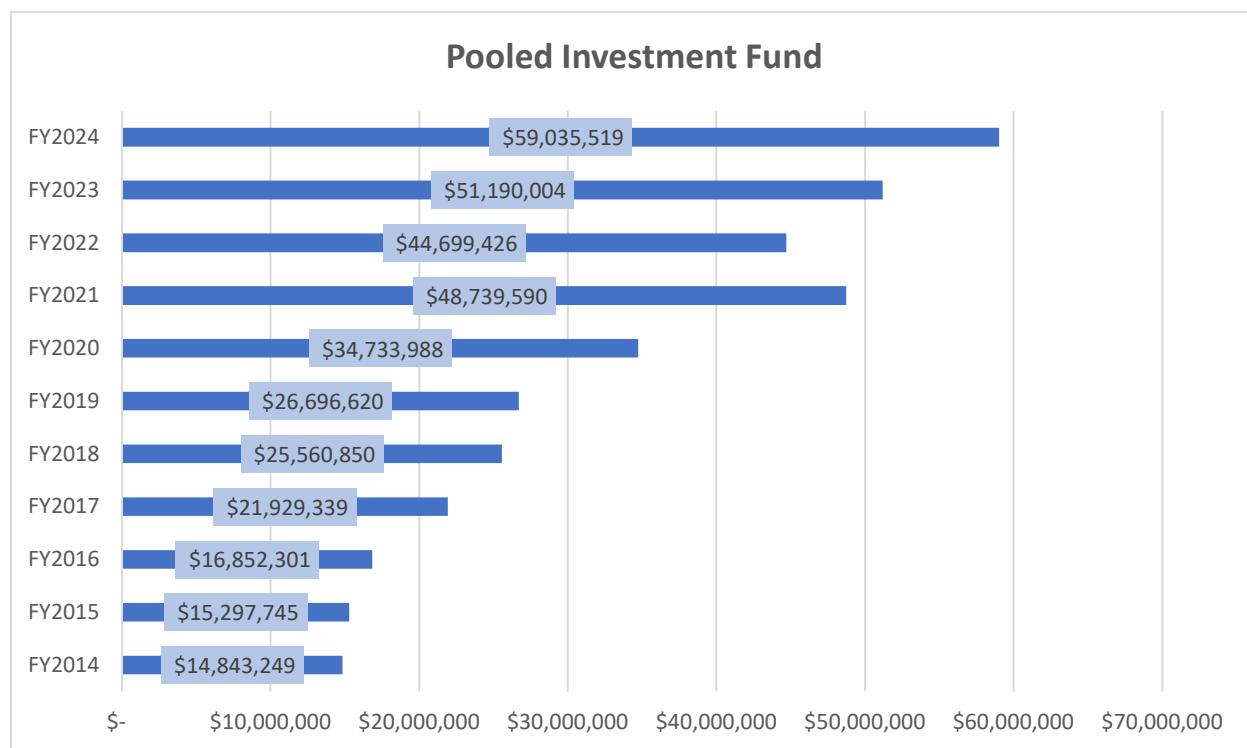


## **Cash Flows**

NECO's cash balance on June 30, 2024, was \$9.3M, an increase of \$1.9M from the previous year. NECO generates sufficient cash flows from operations to support annual capital expenditures and build the pooled investment fund.

## **Pooled Investment Fund**

The value of NECO's pooled investment fund on June 30, 2024, was \$59.0M (of which \$47.3M is unrestricted and \$11.7M is restricted). Investments at June 30, 2024, also includes \$2.2M in short-term investments that were added to the pooled investment fund in FY2025. Net investment income was \$5.95M for FY2024 and \$3.56M for FY2023.



Traci Logan  
Executive Vice President, COO, CFO