

## **FINANCIAL STATEMENT YEAR END REVIEW JUNE 30, 2025**

### **Overview**

NECO's fiscal year 2025 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 (\$2.8M, 9%), combined with \$6.9M 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, 2025, audited financial statements were reviewed and accepted by the Finance, Audit and Business Affairs Committee of the Board of Trustees on October 14, 2025; 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**

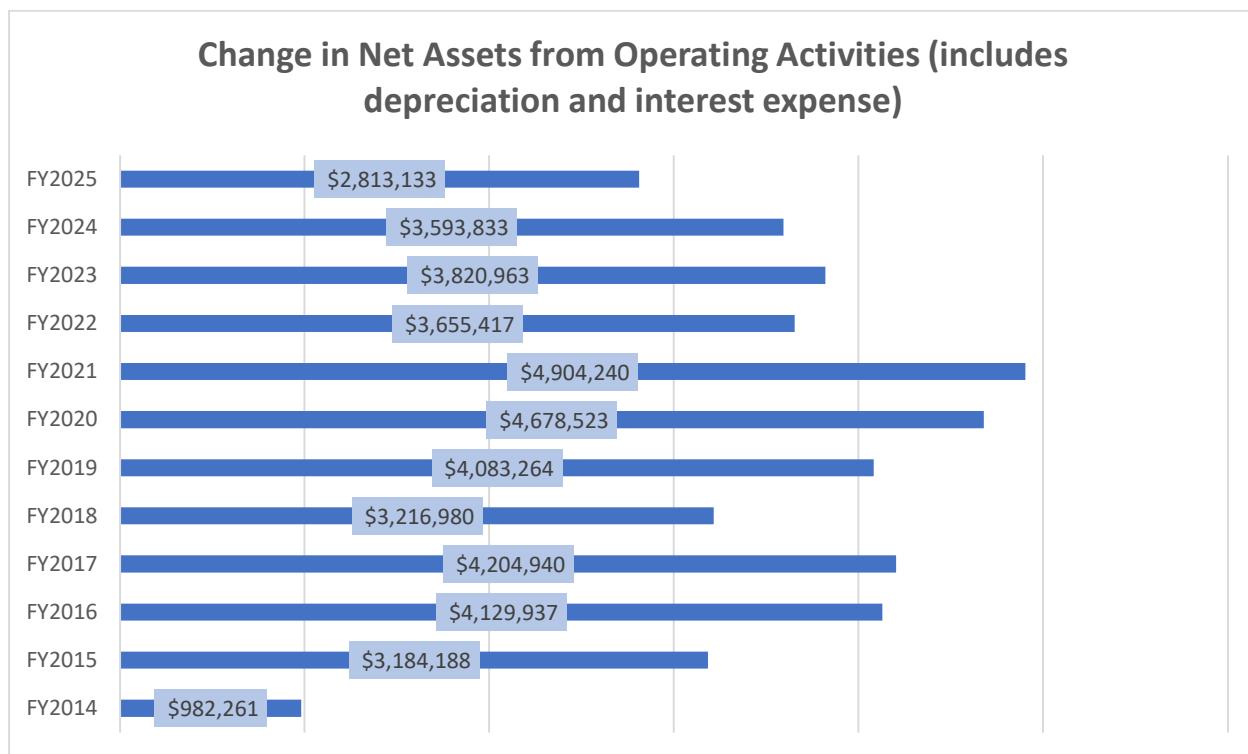
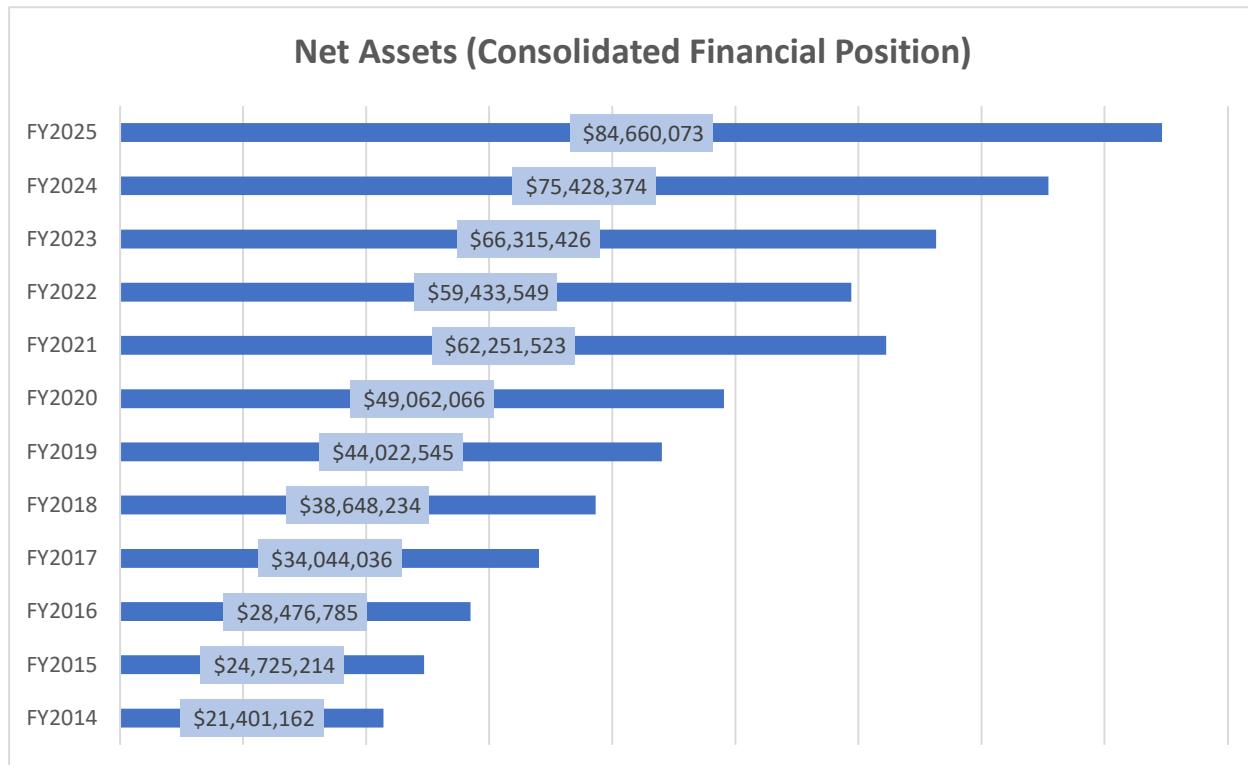
NECO's total assets on June 30, 2025, were \$98M, up from \$89.8M the previous year. Net student loans decreased \$82K from the previous year. The \$1.3M increase in property, plant and equipment is attributable to current year additions exceeding depreciation expense. Total liabilities decreased during the fiscal year, from \$14.4M in 2024 to \$13.3M in 2025.

Total net assets on June 30, 2025, were \$84.7M; a \$9.2M increase over the previous year (\$75.4M).

### **Statement of Activities**

Total operating revenues remained steady from FY2024 to FY2025 at approximately \$32M; increases in net tuition, patient care, and professional service agreements were offset by lower contributions, interest income, and research grants. Operating expenses increased slightly (up 1.9%) from FY2024 to FY2025 due to increases in labor costs (salaries and employee benefits) and economic inflation.

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

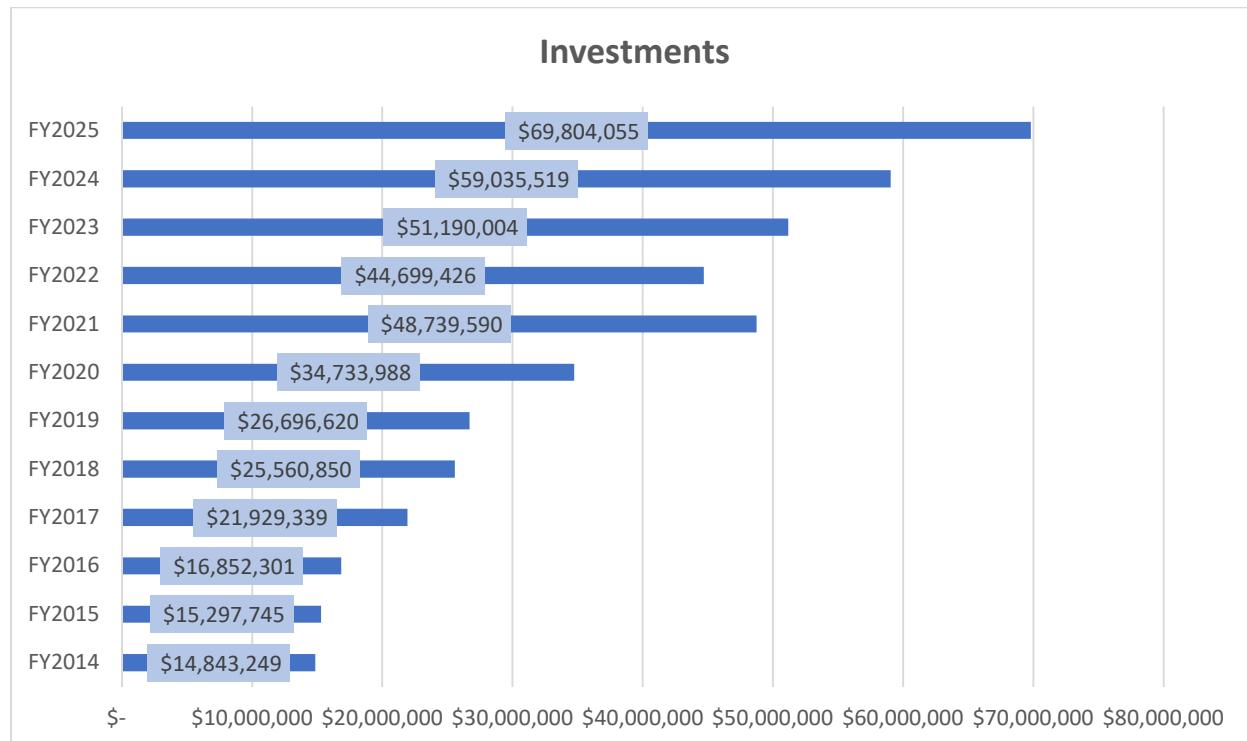


## **Cash Flows**

NECO's cash balance on June 30, 2025, was \$8.2M, a decrease of \$1.2M from the previous year. NECO generates sufficient cash flows from operations to support annual capital expenditures and build the pooled investment fund.

## **Investments**

The value of NECO's pooled investment fund on June 30, 2025, was \$69.8M (of which \$57M is unrestricted and \$12.8M is restricted). Net investment income was \$6.9M for FY2025 and \$5.95M for FY2024.



Rich Kelley, CFO