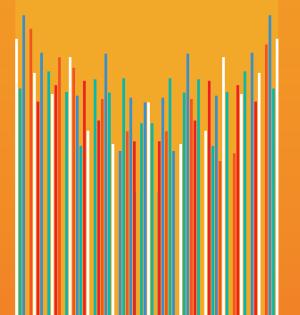
INVESTOR IMPACT REPORT

SUMMER 2020



INTRODUCTION

espite unprecedented circumstances due to the Covid-19 pandemic that encompassed the latter half of BKCM's 2019-2020 school year, we have made tremendous strides toward a fruitful and stable future. This progress is rooted in our recently completed five-year strategic plan, which identifies organizational goals and, most importantly, outlines a comprehensive investment strategy focusing on our people, our programs, our community, our DEI work and our infrastructure.

After the five-year strategic plan was completed last fall, we're pleased to report that we immediately began implementation and have accomplished many of our first-year benchmarks—further solidifying BKCM's overall health, impact and longevity. And along with your support, this strategic planning has bolstered our progress in the face of extraordinary challenges.

We're excited to share a snapshot of this remarkable growth, and reveal groundwork that's been laid for our continued investment in our future.



We have emphasized excellence and quality at every level of our operation



We have strengthened our commitment to diversity, equity and inclusion



We have invested in our people



We have deepened and broadened our program offerings



We have enhanced our infrastructure and capacity



We have built our brand and expanded our support base

HIGHLIGHTS

With your support, over the past year we:



Swiftly transitioned to a successful Covid-19 remote learning model. Provided 2,500+ hours of remote music instruction and therapy.



Invested \$40,000 in our concert hall renovation, complete with state-of-the-art technology and a Steinway Model B concert grand.



Strengthened and improved our financial health.



Expanded and deepened our core programs to be more engaging, inclusive and intensive.



Completed and begun implementing a new five-year strategic plan.



Achieved prestigious "All-Steinway School" designation after aquiring 19 new Steinway pianos.



INVESTING IN OUR PROGRAMS

In the 2019-2020 school year, BKCM provided high-quality music education and music therapy to 7,300 students across the five boroughs of NYC.

Our overarching programmatic goal: excellence in everything we do.



Our **Community Music School** (CMS) reached **975 students** between the ages of six months and 80 years old through private lessons, group classes and a flourishing ensemble scene led by world-class musicians and educators.

Our **Suzuki program** is one of New York City's premier destinations for this rigorous, nurturing and time-tested approach. The program immersed **241 students** ages 3-18 in violin, viola, cello, bass, guitar, flute and piano instruction.





Our **Music Partners program** provides high-caliber music education citywide, reaching **4,459 students** in primarily under-serviced public schools.

Our **Music Therapy program** continues to be a national leader in this growing field.

Our program served **1,600 clients**, from children with autism to homeless teens to adults with dementia, at 40 sites citywide and online.



INVESTING IN OUR COMMUNITY

BKCM hosted more than 150 events, supporting our mission to build community through music.

We brought thousands of New Yorkers together through our **community building concerts** and events such as the World Refugee Day Music Festival, Steinway Day and holiday celebrations.

We hosted vibrant, engaging **public and private fundraisers** both in person and online, including our signature House Party and 25 intimate virtual Living Room Live concerts in lieu of our traditional spring benefit.

We presented **free community information sessions and trainings** such as "Turning Five" talks, which attracted hundreds of parents whose preschoolaged children receive special education services or therapy.

We enabled our students to share their learning and achievements at **90 virtual performances and recitals**.

We curated and hosted **6 professional concert series** featuring a variety of Brooklyn-based musicians with a focus on accessibility, diversity and engagement.





INVESTING IN OUR PEOPLE



BKCM is thriving because of our commitment to attract and retain highly talented program directors, music educators and music therapists.

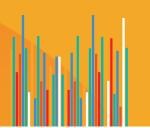
We **increased wages**, on average, by 5%, **for all 185 faculty and staff members**.

We invested \$50,000 in professional development for staff and faculty members.

We **expanded the administrative and support staff** for program teams and other business units.

We made **no COVID-related layoffs, furloughs or wage cuts** to any of our staff or faculty.

INVESTING IN DIVERSITY, EQUITY AND INCLUSION



Brooklyn Conservatory of Music

Adopting DEI measures requires ongoing commitment and learning. We continue to undergo our own process to ensure that tangible, sustainable change is made in our programs and curricula, the composition of our leadership, faculty and student body, the way people experience our building and the role we play in the community.



Our strategic plan identifies BKCM's need to transform itself into a more equitable and diverse organization as an essential, urgent and overarching goal.



We initiated a formal DEI process in October 2019 through facilitated workshops and a retreat.

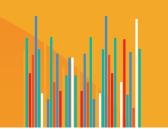


We hosted three DEI town halls in June for staff, faculty, BKCM students and families, and the broader community.



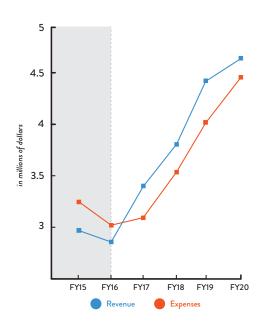
We engaged DEI facilitators to lead our efforts and formed a 40-person, cross-stakeholder working group. Since July, the group has devoted its monthly meetings to defining our aspirations for change.

INVESTING IN OUR FINANCIAL HEALTH: INCOME



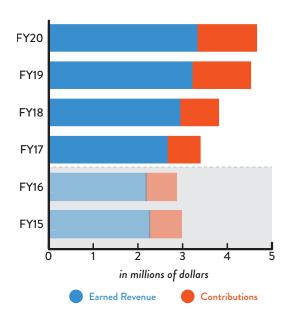
Brooklyn Conservatory of Music

REVENUE & EXPENSES



Our budget expanded to \$4.7 million in 2020, representing 62% growth in revenue over the last four years. We have produced four years of healthy surpluses while maintaining consistent operating margins.

EARNED & CONTRIBUTED REVENUE



Earned and contributed revenue have grown consistently and in proportion to one another. In FY20, earned revenue comprised 71% of total revenue. An overhaul in our fundraising and donor engagement has resulted in a 98% increase in donations since 2016.

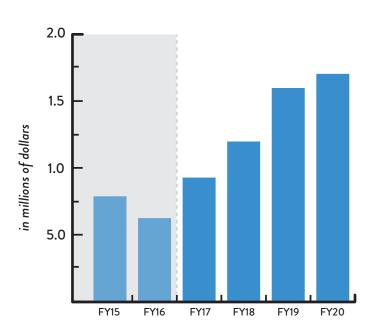
*FY20 financials are unaudited

INVESTING IN OUR FINANCIAL HEALTH: BALANCE SHEET



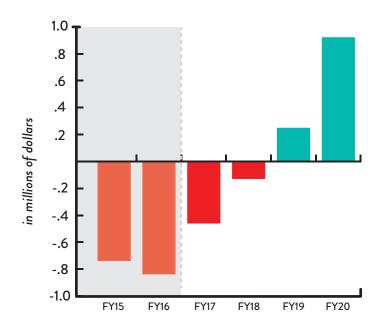
Brooklyn Conservatory of Music

NET ASSETS



Net assets have increased by 174% since 2016. Our balance sheet is stronger, more liquid and more flexible than it has been for many years.

LIQUID UNRESTRICTED NET ASSETS (LUNA)



Four years of healthy surpluses have enabled BKCM to build reserves of unrestricted capital. In doing so, **BKCM has increased its LUNA**, a measure of readily available liquidity, **from negative** \$835K in 2016 to positive \$920K in 2020.

INVESTING IN THE FUTURE: THE UPCOMING SCHOOL YEAR

Brooklyn Conservatory of Music

BKCM remains committed to ensuring the quality and continuity of music education and music therapy throughout the pandemic.

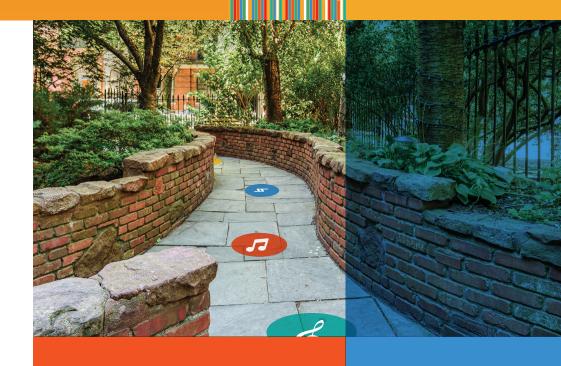
We are preparing for both remote and in-person instruction, and will have the ability to pivot as the situation develops. The health and safety of our community is our utmost priority and will guide our decision-making at every point.

We created a **20-person cross-divisional Facilities Task Force**, which is developing an operational plan for families, faculty and staff.

We received more than **400 survey responses** from families, faculty and staff in July addressing reopening preferences and concerns.

We allocated \$100K of the FY20 budget toward healthand safety-related equipment, supplies and staffing.

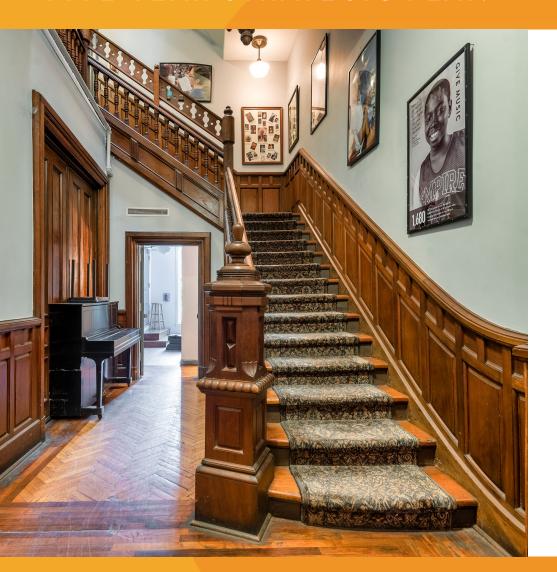
We invested in technology, tools and training that allow for high-level remote instruction and interaction.



INVESTING IN THE FUTURE: FIVE-YEAR STRATEGIC PLAN



Brooklyn Conservatory of Music



BKCM completed its five-year strategic plan after 16 months of planning by a 20-person team comprised of staff, faculty, students and parents representing each of our departments.

We've completed the first year of implementation, allocating over \$1 million towards strategic plan priorities.

We invested \$550,000 in across-the-board wage increases for staff and faculty.

We enhanced our liquidity by growing our cash reserves by 45.1%.

We invested \$125,000 in a **real estate feasibility analysis** to examine options for short- and long-term space needs.

We invested \$15,000 in our tech infrastructure, including **significant upgrade of building-wide telecommunications hardware**.

We replaced our legacy registration system with a **new**, **modern**, **efficient education administration enterprise system** in September 2019.





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BKCM partners with more than 100 schools, community-based organizations and other civic (and civic-minded) organizations, to engage thousands of New Yorkers from all backgrounds and of all ages in music education and music therapy across NYC's five boroughs. Thank you to our partners—we cannot do it without you!

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Our success in the face of uncertainty lies in your support and generosity.

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