

Johnson & Wales University
Summary of Fiscal Year 2024

This summary has been prepared by management and should be read in conjunction with the university's audited financial statements and accompanying footnotes for the respective fiscal year.

Statement of Financial Position

The university's cash position, which provides liquidity to meet its day-to-day operating expenses, totaled \$14.5 million at June 30, 2024. Excess cash of \$3.5 million was invested in highly liquid short-term investments to maximize earnings on cash balances. Investments, which totaled \$365 million at year-end, were over 87% unrestricted. The statement of financial position reflects leased assets of \$2.4 million, offset by a \$2.8 million lease liability. Due to regular principal payments, the university's long-term debt fell by \$4.3 million to \$37.1 million at June 30, 2024.

The strength of the university's financial position is demonstrated in the value of cash and investments of \$383 million, which is over ten times the long-term debt balance of \$37.1 million. As of June 30, 2024, total assets of \$784.7 million exceed total liabilities of \$89 million by \$695.7 million.

Statement of Activities

The university ended fiscal 2024 with a decrease in net assets from operations of \$34.9 million. Non-operating activities of \$15.9 million, resulted in an overall decrease in net assets of \$19 million. Enrollment, which continues to recover from the declines experienced during COVID, combined with inflationary pressures and operating investments required to launch new, high-demand programs, contributed to the financial loss.

Net tuition and fee revenue, after accounting for financial aid and scholarships, totaled \$128.5 million. Residence and dining revenue reached \$45.9 million, reflecting a \$3.9 million increase due to higher occupancy rates. Investment returns appropriated for operations totaled \$14.7 million, based on a 5% policy withdrawal of the average endowment value over the prior twelve quarters.

Operating expenses of \$244.6 million are comprised of the following functional categories: instructional at 35.1%, student services at 25.3%, auxiliary enterprises at 17.8%, academic support at 9.3%, institutional support at 12.2%, and research and development at 0.3%.

Total operating revenue, gains and other support of \$209.7 million, offset by operating expenses of \$244.6 million, resulted in a decrease in net assets from operations of \$34.9 million. Non-operating long-term investment earnings of \$31.3 million less \$14.7 million in investment returns appropriated for operations account for a majority of the \$15.9 million increase in net assets from nonoperating activities.