

LEWIS UNIVERSITY
CONTINUING DISCLOSURE - ANNUAL REPORT
JUNE 30, 2024

Lewis University merged with St. Augustine College on December 1, 2023. The merger was approved by the Illinois Board of Higher Education and the Higher Learning Commission. The final step in the approval process will be completed upon formal approval by the U.S. Department of Education. In the meantime, Lewis University and St. Augustine College have combined financial activities while maintaining separate independent accreditations and degree-granting authority.

ANNUAL DEBT SERVICE REQUIREMENTS

The table below shows the University's debt service requirements for its outstanding funded indebtedness. On February 1, 2024, the University reissued the 2008 Bond as a fixed-rate bond following its merger with St. Augustine College. The University issued the 2018A and 2018B Bonds on July 12, 2018, to refinance the outstanding Series 2006 and 2011 Bonds. The 2018A Bonds were issued as variable-rate bonds, while the 2018B Bonds were issued as fixed-rate bonds. The table below reflects the University's estimated annual debt service requirements as of June 30, 2024.

Fiscal Year	Series 2018A Bonds (1)			Series 2018B Bonds			Series 2015 Bonds			Series 2008 Bond - Swap (2)			TOTAL
	Principal	Interest (2)	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Aggregate Debt Service
2025	420,000	418,250	838,250	-	1,338,075	1,338,075	1,300,000	1,400,400	2,700,400	258,288	204,780	463,068	5,339,793
2026	450,000	396,250	846,250	-	1,338,075	1,338,075	1,350,000	1,334,150	2,684,150	270,216	192,875	463,091	5,331,566
2027	475,000	372,917	847,917	-	1,338,075	1,338,075	1,405,000	1,265,275	2,670,275	282,684	180,420	463,104	5,319,371
2028	835,000	337,167	1,172,167	-	1,338,075	1,338,075	1,135,000	1,201,775	2,336,775	295,284	167,851	463,135	5,310,152
2029	890,000	293,583	1,183,583	-	1,338,075	1,338,075	1,165,000	1,144,275	2,309,275	309,525	153,835	463,360	5,294,293
2030	925,000	247,917	1,172,917	-	1,338,075	1,338,075	1,215,000	1,084,775	2,299,775	323,788	139,571	463,359	5,274,125
2031	970,000	200,167	1,170,167	-	1,338,075	1,338,075	1,265,000	1,022,775	2,287,775	338,711	124,649	463,360	5,259,377
2032	1,005,000	150,500	1,155,500	-	1,338,075	1,338,075	1,325,000	958,025	2,283,025	354,026	109,333	463,359	5,239,959
2033	1,045,000	98,917	1,143,917	-	1,338,075	1,338,075	1,385,000	890,275	2,275,275	370,635	92,725	463,360	5,220,627
2034	1,090,000	45,167	1,135,167	-	1,338,075	1,338,075	1,445,000	819,525	2,264,525	387,713	75,645	463,358	5,201,125
2035	540,000	9,000	549,000	600,000	1,323,075	1,923,075	1,510,000	745,650	2,255,650	405,583	57,778	463,361	5,191,086
2036	-	-	-	1,200,000	1,278,075	2,478,075	1,580,000	668,400	2,248,400	424,178	39,184	463,362	5,189,837
2037	-	-	-	1,275,000	1,216,200	2,491,200	1,645,000	587,775	2,232,775	443,822	19,539	463,361	5,187,336
2038	-	-	-	2,475,000	1,122,450	3,597,450	595,000	531,775	1,126,775	190,440	2,159	192,599	4,916,824
2039	-	-	-	2,610,000	995,325	3,605,325	615,000	501,525	1,116,525	-	-	-	4,721,850
2040	-	-	-	2,745,000	861,450	3,606,450	645,000	470,025	1,115,025	-	-	-	4,721,475
2041	-	-	-	2,880,000	733,425	3,613,425	675,000	437,025	1,112,025	-	-	-	4,725,450
2042	-	-	-	3,010,000	611,944	3,621,944	700,000	402,650	1,102,650	-	-	-	4,724,594
2043	-	-	-	-	549,863	549,863	4,195,000	280,275	4,475,275	-	-	-	5,025,138
2044	-	-	-	-	549,863	549,863	4,385,000	87,700	4,472,700	-	-	-	5,022,563
2045	-	-	-	4,260,000	462,000	4,722,000	-	-	-	-	-	-	4,722,000
2046	-	-	-	4,440,000	282,563	4,722,563	-	-	-	-	-	-	4,722,563
2047	-	-	-	4,630,000	95,494	4,725,494	-	-	-	-	-	-	4,725,494
TOTAL	\$8,645,000	\$2,569,833	\$11,214,833	\$30,125,000	\$23,462,475	\$53,587,475	\$29,535,000	\$15,834,050	\$45,369,050	\$4,654,893	\$1,560,344	\$6,215,237	\$116,386,596

- (1) The 2018A Bonds are variable rate bonds. The interest rate is set monthly, effective 7/1/2023 the interest is calculated based on the following calculation: Floating rate equal to 82% X (1M SOFR +11 bps). For the purposes of this presentation, the interest is based on an estimated rate of 5.0% through the final maturity of the bonds.
- (2) The 2008 Bond interest rate is 4.52%.

Source: The University.

Enrollment

The University has experienced a large increase in FTE over the past three years. This expansion is in part a result of the addition of St. Augustine's enrollment in fall 2024. The University believes that the strength of its academic programs, faculty and facilities location, near Chicago, indicate a stable demand for its educational programs. The following table, based on fall enrollments, shows actual enrollment by head count and on a full-time equivalent basis for the past five academic years. The University defines an undergraduate full time student ("FTE") as one who is enrolled for 15 semester credits in a given semester and an FTE graduate student as one who is enrolled for 12 semester credits.

Academic Year	Undergraduate	Graduate	Full Time	Part Time	FTE	% of FTE Growth
2020- 21	4,306	2,131	4,093	2,344	5,095	0.95%
2021-22	3,907	2,276	4,161	2,022	4,944	-2.96%
2022-23	3,933	2,580	4,543	1,970	5,219	5.56%
2023-24	3,948	2,688	4,664	1,972	5,284	1.25%
2024-25	5,135	2,685	5,433	2,387	6,177	16.90%

Student Admissions

The tables that follow set forth the total number of applications received and accepted, and the number of students enrolled at the University for the Fall semester of the academic years indicated:

Undergraduate Freshmen

Academic Year	Applications Received	Applications Accepted	% Accepted	Students Enrolled	% Enrolled/ Accepted
2020-21	6,458	4,266	66.06%	610	14.30%
2021-22	4,311	3,072	71.26%	567	18.50%
2022-23	4,746	3,515	74.06%	605	17.20%
2023-24	5,291	3,848	72.73%	620	16.11%
2024-25	6,713	4,631	68.99%	796	17.19%

Undergraduate Transfers

Academic Year	Applications Received	Applications Accepted	% Accepted	Students Enrolled	% Enrolled/ Accepted
2020 -21	1,837	954	51.93%	572	59.96%
2021-22	1,516	873	57.59%	477	54.64%
2022-23	1,771	882	49.80%	495	56.12%
2023-24	1,903	984	51.71%	527	53.56%
2024-25	2,436	1,434	58.87%	788	54.95%

Graduate Students

Academic Year	Applications Received	Applications Accepted	% Accepted	Students Enrolled	% Enrolled/ Accepted
2020-21	1,319	804	60.96%	572	71.14%
2021-22	3,171	2,530	79.79%	822	32.49%
2022-23	7,318	2,180	29.79%	573	26.28%
2023-24	7,626	4,470	58.62%	936	20.94%
2024-25	6,594	4,934	74.83%	688	13.94%

Tuition, Room and Board Fees

The University meets the cost of its educational programs through tuition and fees, investment income, gifts, grants, and other sources. The President of the University proposes, and the Board of Trustees of the University approves, all tuition and room and board increases. Annual tuition plus room and board for the past five years is as follows:

	2024-25	2023-24	2022-23	2021-22	2020-21
Tuition	\$ 38,800	\$ 37,592	\$ 36,320	\$ 35,262	\$34,268
Room and Board	12,383	12,140	11,956	11,222	11,050
Total	\$ 51,183	\$ 49,732	\$ 48,276	\$ 46,484	\$45,318
% total increase	2.90%	3.00%	3.90%	2.60%	2.80%

FINANCIAL INFORMATION

The following summaries and discussions of financial matters should be read in conjunction with the financial statements of the University, related notes, and the independent auditors' report. The University operates on a fiscal year basis, ending June 30. The financial statements of the University have been prepared on an accrual basis in accordance with generally accepted accounting principles. The information presented in the following tables has been extracted from the University's financial statements for the respective years.

Statement of Activities

The following table summarizes the Unrestricted Statement of Activities of the University for the years ended June 30, 2020, 2021, 2022, 2023 and 2024.

Unrestricted Statement of Activities					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Revenues:					
Tuition and fees, net	\$ 114,987,687	\$ 103,910,414	\$ 100,131,813	\$ 91,402,142	\$ 91,526,219
Contributions	1,893,541	641,252	622,413	1,740,575	2,122,687
Government grants and contracts	2,415,998	980,644	967,148	715,960	824,993
Investment return designated for operations	2,327,332	519,168	508,070	1,145,535	13,924
Other Income	2,123,651	1,350,049	865,335	572,576	861,431
Auxiliary enterprises	11,730,550	10,571,397	10,404,114	9,304,088	9,524,297
Net assets released from restriction, operating	9,609,640	8,541,376	15,717,028	10,332,392	6,859,227
Total revenues	145,088,399	126,514,300	129,215,921	115,213,268	111,732,778
Expenses:					
Instruction	67,652,756	61,295,111	57,927,481	55,399,234	57,247,357
Academic support	1,450,316	910,721	805,912	873,382	839,919
Student services	24,499,103	21,377,468	24,244,355	17,441,808	18,710,118
Auxiliary enterprises	6,535,495	6,116,567	5,676,886	6,129,542	5,614,616
Institutional support	41,411,764	31,019,520	29,034,462	27,931,295	26,800,306
Fundraising	2,579,636	2,565,254	2,199,382	2,488,313	2,647,765
Total expenses	144,129,070	123,284,641	119,888,478	110,263,574	111,860,081
Change in Net Assets Before Other Activities	959,329	3,229,659	9,327,443	4,949,694	(127,303)
Other Activities					
Investment return less amounts designated for operations	4,641,825	7,772,415	(2,038,951)	14,480,780	2,881,570
Loss on disposal of fixed assets	-	(19,904)	-	(5,481)	-
Net assets released from restrictions, non-operating	888,354	504,163	504,064	614,261	454,577
Change in accumulated post retirement benefit obligation	(197,417)	(1,305,000)	-	-	-
Inherent contribution - St. Augustine College	17,137,463	-	-	-	-
Other gain	41,948	-	-	-	-
Total Other Activities	22,512,173	6,951,674	(1,534,887)	15,089,560	3,336,147
Change in Net Assets	23,471,502	10,181,333	7,792,556	20,039,254	3,208,844
Net assets, beginning of Year, as Previously Reported	157,704,832	147,523,499	139,730,943	119,691,689	116,482,845
Reclassification related to adoption of ASU 2016-14	-	-	-	-	-
Net assets, beginning of Year, as Restated	157,704,832	147,523,499	139,730,943	119,691,689	116,482,845
Net assets, End of Year	\$ 181,176,334	\$ 157,704,832	\$ 147,523,499	\$ 139,730,943	\$ 119,691,689

The following table summarizes the Statement of Financial Position of the University for the years ended June 30, 2020, 2021, 2022, 2023 and 2024.

Statement of Financial Position					
Assets	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Cash and cash equivalents	\$ 8,907,539	\$ 16,778,355	\$ 17,758,700	\$ 7,216,116	\$ 549,369
Receivables					
Student Accounts	23,727,878	11,689,716	8,966,610	8,078,419	6,298,416
Contributions, net	1,663,964	2,109,368	1,423,758	1,778,034	1,936,781
Student Loans	74,395	87,765	92,113	97,563	98,132
Investments	122,300,669	113,106,594	105,049,972	109,612,840	86,993,381
Prepaid expenses and other assets	2,949,850	1,691,641	1,842,573	1,733,440	1,336,414
Right-of-use assets - operating leases	4,332,862	3,104,471	3,872,468	4,839,127	-
Right-of-use assets - finance leases	339,387	562,944	370,601	467,644	-
Property and equipment , net	161,350,169	137,544,578	134,885,425	138,204,243	144,398,731
Total assets	325,646,713	286,675,432	274,262,220	272,027,426	241,611,224
Liabilities					
Accounts payable	\$ 4,061,814	\$ 4,109,812	\$ 2,708,914	\$ 1,853,122	\$ 2,222,827
Outstanding checks in excess of bank balance	655,519	408,678	1,418,453	980,888	607,976
Accrued expenses	5,810,714	4,856,814	7,306,629	8,993,823	5,991,310
Line of credit	-	-	-	-	4,481,003
Accrued interest	692,744	708,306	723,181	737,119	749,869
Student tuition and other deposits	11,594,020	4,778,470	2,859,731	2,159,326	581,584
Unearned revenue	1,723,077	2,153,845	2,584,615	3,015,385	3,446,154
Operating lease liabilities	4,788,888	3,631,279	4,256,679	5,233,580	-
Finance lease liabilities	365,138	566,900	348,403	435,541	-
Long-term debt	73,716,871	70,520,247	72,207,148	73,846,705	76,085,382
Total liabilities	103,408,786	91,734,351	94,413,755	97,255,489	94,166,105
Net Assets					
Without donor restriction	181,176,334	157,704,832	147,523,499	139,730,943	119,691,689
With donor restriction	41,061,593	37,236,249	32,324,966	35,040,994	27,753,430
Total net assets	222,237,927	194,941,081	179,848,465	174,771,937	147,445,119
Total liabilities and net assets	\$ 325,646,713	\$ 286,675,432	\$ 274,262,220	\$ 272,027,426	\$ 241,611,224

Investments

The University's investment portfolio has grown significantly for the last five years due to annual operating surplus contributions, private donations, and net investment gains.

The following tables summarizes the allocation of investment by asset class for the years ended June 30, 2020, 2021, 2022, 2023 and 2024.

Investments by Asset Class					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Money market funds	\$ 6,926,724	\$ 1,168,872	\$ 1,037,219	\$ 1,630,925	\$ 2,905,108
Common stock	940,109	248,420	195,053	205,471	-
Mutual funds:					
Large Cap	30,159,896	24,934,765	22,579,094	12,555,894	9,360,224
Small/Mid Cap	13,608,674	12,169,181	11,132,561	12,795,761	9,258,263
International	19,089,264	17,047,064	14,740,425	17,938,434	15,333,163
Fixed Income	15,619,202	21,654,786	21,205,153	21,041,485	17,232,052
CUIT equity funds	88,492	-	-	16,359,883	11,905,703
Equities:					
International	-	-	-	-	-
United States	-	-	-	-	-
Fixed Income	-	-	-	-	-
U.S. Treasury Bills	-	-	-	-	-
U.S. Treasury strips	-	-	-	-	-
Cash surrender of life insurance	448,020	375,384	335,142	368,937	258,971
MEP fund	9,430,288	8,973,122	9,630,325	9,071,050	4,294,897
Land held as investment	25,990,000	26,535,000	24,195,000	17,645,000	16,445,000
Total investments	\$ 122,300,669	\$ 113,106,594	\$ 105,049,972	\$ 109,612,840	\$ 86,993,381

Endowment

The University's endowment consists of individual funds established to provide scholarships to University students and to support operations of the University. The University's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees. Donor-restricted endowment funds include funds in which the principal is to be held in perpetuity (permanently restricted), and other funds which do not restrict the use of principal but restrict annual expenditures from the fund, which are intended to approximate earnings, to allow for an extended life for the fund (temporarily restricted). As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Trustees, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University's Board of Trustees has adopted an investment and spending policy in relation to the University's investments and endowment. The investment policy was established to provide vision and direction in the investment of the University's investment portfolio. Its purpose is to define the supervising, management, and oversight required of the investment portfolio. The overall objective of the investment policy is to preserve, over time, the inflation-adjusted value of the investable assets of the University with the primary emphasis on capital growth with a secondary focus on income production. The current spending policy approved by the Board of Trustees allows a spending rate of 1% on the quasi-endowment without donor restrictions and a 4.5% of the prior year ending endowment fund balance for donor-restricted endowment funds.

The following table summarizes the University's endowment by net asset classification for the years ended June 30, 2020, 2021, 2022, 2023 and 2024.

University Endowment Funds by Net Asset Classification					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Donor-restricted endowment funds					
Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -
Temporarily restricted	8,865,858	8,337,778	6,556,116	15,478,034	9,349,080
Permanently restricted	24,820,320	22,439,464	20,584,706	15,356,753	14,066,686
Board-designated endowment funds					
Unrestricted	85,640,395	81,483,643	73,614,789	74,908,664	60,739,615
Total endowment funds	\$119,326,573	\$112,260,885	\$100,755,611	\$105,743,452	\$ 84,155,381

Gifts, Grants, and Bequests

The University's Advancement Office is responsible for campaigns, the annual fund, major gifts, donor relations, corporate/foundations relations, and alumni affairs.

The following table summarizes contributions received by the University for the years ended June 30, 2020, 2021, 2022, 2023 and 2024.

Gifts, Grants, and Bequests					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Unrestricted	\$ 1,893,541	\$ 641,252	\$ 622,413	\$ 1,740,575	\$ 2,122,687
Restricted					
Instructional	674,650	1,154,522	739,788	641,755	818,910
Organized activities	-	-	-	-	-
Academic Support/ Student Srv.	1,713,916	1,309,195	875,779	685,176	814,424
Scholarships and grants	776,112	1,074,838	870,419	735,038	867,546
Matching grants	-	-	-	-	-
In-kind donations	4,991	123,297	13,815.00	-	-
State of IL - Capital Grant	-	-	-	-	-
Endowment	781,269	1,604,080	1,700,574	1,289,167	668,566
Total Contributions	\$ 5,844,479	\$ 5,907,183	\$ 4,822,787	\$ 5,091,711	\$ 5,292,133