Lewis University

Independent Auditor’s Report and Financial Statements

June 30, 2024 and 2023

Contents

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Independent Auditor's Report

Board of Trustees
Lewis University
Romeoville, Illinois

Opinion

We have audited the financial statements of Lewis University (University), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lewis University, as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

Fort Wayne, Indiana
October 24, 2024

Lewis University
Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	$ 8,907,539	$ 16,778,355
Receivables		
Student accounts and grants, net of allowance of $15,825,411 and $13,541,768 for 2024 and 2023, respectively	23,727,878	11,689,716
Contributions, net	1,663,964	2,109,368
Student loans	74,395	87,765
Investments	122,300,669	113,106,594
Prepaid expenses and other assets	2,949,850	1,691,641
Right-of-use assets - operating leases	4,332,862	3,104,471
Right-of-use assets - finance leases	339,387	562,944
Property and equipment, net	161,350,169	137,544,578
Total assets	$ 325,646,713	$ 286,675,432
LIABILITIES		
Accounts payable	$ 4,061,814	$ 4,109,812
Outstanding checks in excess of bank balance	655,519	408,678
Accrued expenses	5,810,714	4,856,814
Accrued interest	692,744	708,306
Student tuition and other deposits	11,594,020	4,778,470
Unearned revenue	1,723,077	2,153,845
Operating lease liabilities	4,788,888	3,631,279
Finance lease liabilities	365,138	566,900
Long-term debt	73,716,872	70,520,247
Total liabilities	103,408,786	91,734,351
NET ASSETS		
Without donor restriction	181,176,334	157,704,832
With donor restriction	41,061,593	37,236,249
Total net assets	222,237,927	194,941,081
Total liabilities and net assets	$ 325,646,713	$ 286,675,432

Lewis University
Statement of Activities
Year Ended June 30, 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Income, and Other Support			
Tuition and fees, net	$ 114,987,687	$ -	$ 114,987,687
Contributions	1,893,541	3,950,938	5,844,479
Government grants and contracts	2,415,998	6,343,028	8,759,026
Investment return designated for operations	2,327,332	1,198,078	3,525,410
Other income	2,123,651	231,730	2,355,381
Auxiliary enteprises	11,730,550	-	11,730,550
Net assets released from restrictions, operating	9,609,640	(9,609,640)	-
Total revenue, income, and other support	145,088,399	2,114,134	147,202,533
Expenses			
Instruction	67,652,756	-	67,652,756
Academic support	1,450,316	-	1,450,316
Student services	24,499,103	-	24,499,103
Auxiliary enterprises	6,535,495	-	6,535,495
Institutional support	41,411,764	-	41,411,764
Fundraising	2,579,636	-	2,579,636
Total expenses	144,129,070	-	144,129,070
Change in Net Assets Before Other Activities	959,329	2,114,134	3,073,463
Other Activities			
Investment return less amounts designated for operations	4,641,825	2,450,269	7,092,094
Net assets released from restrictions, non-operating (capital)	888,354	(888,354)	-
Inherent contribution - St. Augustine College	17,137,463	149,295	17,286,758
Change in accumulated post retirement benefit obligation	(197,417)	-	(197,417)
Other gain	41,948	-	41,948
Total other activities	22,512,173	1,711,210	24,223,383
Change in Net Assets	23,471,502	3,825,344	27,296,846
Net Assets, Beginning of Year	157,704,832	37,236,249	194,941,081
Net Assets, End of Year	$ 181,176,334	$ 41,061,593	$ 222,237,927

Lewis University
Statement of Activities
Year Ended June 30, 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Income, and Other Support			
Tuition and fees, net	$ 103,910,414	$ -	$ 103,910,414
Contributions	641,252	5,265,931	5,907,183
Government grants and contracts	980,644	5,124,605	6,105,249
Investment return designated for operations	519,168	964,646	1,483,814
Other income	1,350,049	221,872	1,571,921
Auxiliary enteprises	10,571,397	-	10,571,397
Net assets released from restrictions, operating	8,541,376	(8,541,376)	-
Total revenue, income, and other support	126,514,300	3,035,678	129,549,978
Expenses			
Instruction	61,295,111	-	61,295,111
Academic support	910,721	-	910,721
Student services	21,377,468	-	21,377,468
Auxiliary enterprises	6,116,567	-	6,116,567
Institutional support	31,019,520	-	31,019,520
Fundraising	2,565,254	-	2,565,254
Total expenses	123,284,641	-	123,284,641
Change in Net Assets Before Other Activities	3,229,659	3,035,678	6,265,337
Other Activities			
Investment return less amounts designated for operations	7,772,415	2,379,768	10,152,183
Net assets released from restrictions, non-operating (capital)	504,163	(504,163)	-
Change in accumulated post retirement benefit obligation	(1,305,000)	-	(1,305,000)
Other loss	(19,904)	-	(19,904)
Total other activities	6,951,674	1,875,605	8,827,279
Change in Net Assets	10,181,333	4,911,283	15,092,616
Net Assets, Beginning of Year	147,523,499	32,324,966	179,848,465
Net Assets, End of Year	$ 157,704,832	$ 37,236,249	$ 194,941,081

Lewis University
Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

	Program Services					Supporting Services		Total	
	Instruction	Academic Support	Student Services	Auxiliary Enterprises	Total Program Services	Institutional Support	Fundraising	Supporting Services	Total
2024									
Salaries	$ 41,564,542	$ 809,025	$ 9,523,228	$ 352,402	$ 52,249,197	$ 12,797,875	$ 1,273,434	$ 14,071,309	$ 66,320,506
Benefits	13,244,290	257,827	3,034,753	112,007	16,648,877	4,078,742	405,761	4,484,503	21,133,380
Contracted services	2,390,737	126,777	3,032,375	4,798,250	10,348,139	4,146,730	472,933	4,619,663	14,967,802
Depreciation	4,119,383	90,404	1,621,830	485,787	6,317,404	4,410,202	164,470	4,574,672	10,892,076
Interest	1,252,170	27,480	492,988	147,665	1,920,303	1,340,570	49,994	1,390,564	3,310,867
Other	5,081,634	138,803	6,793,929	639,384	12,653,750	14,637,645	213,044	14,850,689	27,504,439
	$ 67,652,756	$ 1,450,316	$ 24,499,103	$ 6,535,495	$ 100,137,670	$ 41,411,764	$ 2,579,636	$ 43,991,400	$ 144,129,070

	Program Services					Supporting Services		Total	
	Instruction	Academic Support	Student Services	Auxiliary Enterprises	Total Program Services	Institutional Support	Fundraising	Supporting Services	Total
2023									
Salaries	$ 37,305,456	$ 560,036	$ 7,959,175	$ 297,654	$ 46,122,321	$ 10,240,455	$ 1,247,789	$ 11,488,244	$ 57,610,565
Benefits	12,316,015	184,890	2,627,641	98,268	15,226,814	3,380,782	411,945	3,792,727	19,019,541
Contracted services	2,038,411	41,869	2,243,015	4,380,148	8,703,443	2,866,918	541,485	3,408,403	12,111,846
Depreciation	3,982,082	59,350	1,488,777	489,316	6,019,525	3,792,340	175,074	3,967,414	9,986,939
Interest	1,236,815	18,434	462,407	151,979	1,869,635	1,177,882	54,377	1,232,259	3,101,894
Other	4,416,332	46,142	6,157,700	699,202	11,319,376	9,561,143	134,584	9,695,727	21,015,103
Student relief	-	-	438,753	-	438,753	-	-	-	438,753
	$ 61,295,111	$ 910,721	$ 21,377,468	$ 6,116,567	$ 89,699,867	$ 31,019,520	$ 2,565,254	$ 33,584,774	$ 123,284,641

Lewis University
Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	$ 27,296,846	$ 15,092,616
Items not requiring (providing) operating activities cash flows		
Depreciation	11,118,736	9,986,933
Amortization of debt issuance costs	56,079	56,079
Accretion of bond premium	(159,191)	(177,980)
Provision for losses on receivables	503,911	400,754
Loss on disposal of property and equipment	-	319,289
Inherent contribution from SAC acquisition	(17,286,758)	-
Noncash operating lease expense	781,338	767,997
Net realized and unrealized gain on investments	(10,428,655)	(11,600,812)
Contributions restricted for long-term investment	(327,381)	(1,402,795)
Changes in		
Accounts receivable	(8,078,030)	(3,123,860)
Contributions, grants, notes, and other receivables	458,774	(681,262)
Prepaid and other expenses	(846,799)	150,932
Accounts payable and accrued expenses	(634,658)	(1,616,620)
Student tuition and other deposits and unearned income	5,718,694	1,487,969
Operating lease liability	(852,120)	(625,400)
Net cash provided by operating activities	7,320,786	9,033,840
Investing Activities		
Purchase of property and equipment	(18,103,845)	(12,225,349)
Purchase of investments	(18,086,918)	(10,555,659)
Proceeds from sale of investments	20,957,926	14,099,849
Cash received with SAC meger	1,516,655	-
Net cash used in investing activities	(13,716,182)	(8,681,159)
Financing Activities		
Contributions restricted for long-term investment	327,381	1,402,795
Principal payments on long-term debt and finance leases	(2,599,642)	(1,726,046)
Proceeds from issuance of long-term debt	550,000	-
Increase (decrease) in outstanding checks in excess of bank balance	246,841	(1,009,775)
Net cash used in financing activities	(1,475,420)	(1,333,026)
Net Decrease in Cash and Cash Equivalents	(7,870,816)	(980,345)
Cash and Cash Equivalents, Beginning of Year	16,778,355	17,758,700
Cash and Cash Equivalents, End of Year	$ 8,907,539	$ 16,778,355
Supplemental Cash Flows Information		
Interest paid	$ 3,326,429	$ 3,116,768
Increase of property and equipment included in accounts payable	97,203	276,413
ROU assets obtained in exchange for new operating lease liabilities	2,009,729	379,543

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Lewis University (University) is organized as a not-for-profit corporation in the State of Illinois. The University, sponsored by the De LaSalle Christian Brothers, has its main campus in Romeoville, Illinois, two off-campus sites throughout Chicagoland, and one in Albuquerque, New Mexico, and is dedicated to the service of its immediate community, the nation, and the world at large. The University, guided by its Catholic and Lasallian heritage, provides to a diverse student population programs for a liberal and professional education grounded in the interaction of knowledge and fidelity in the search for truth. The University promotes the development of the complete person through the pursuit of wisdom and justice. Fundamental to its mission is a spirit of association which develops community in all teaching, learning, and service.

St. Augustine College (SAC) is a bilingual institution of higher education in Chicago, Illinois and Aurora, Illinois serving a student population principally of Hispanic descent. SAC is accredited by The Higher Leaming Commission (HLC). SAC is authorized to operate and award degrees by the Illinois Board of Higher Education. SAC operates a program called The Institute for Workforce Education, which provides training for corporate and public sector employees as well as individuals transitioning to new careers.

On December 1, 2023, St. Augustine College (SAC) was merged into Lewis University pursuant to an agreement and plan of merger arrangement. All the rights, privileges, and powers of SAC, all assets and liabilities shall be vested in Lewis University and shall thereafter be the property of the University.

St. Augustine College ceases to exist after the merger and Lewis University shall continue as the surviving corporation. The financial statement are comprised of the University's operations and the assets and liabilities of what was formerly St. Augustine College.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The University considers all short term fixed income investments (highly liquid debt instruments with a maturity of three months or less at purchase), to represent cash equivalents, except for certain cash equivalents included in the investment portfolio that are intended to be invested on a long term basis.

At June 30, 2024, the University's cash accounts exceeded federally insured limits in FDIC insured accounts by approximately $8,148,000.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at fair value. Investment return includes dividend, interest and other investment income; and realized and unrealized gains and losses on investments carried at fair value less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is initially included in net assets with donor restrictions, but then shown as net assets released from restrictions in the same year. Other investment returns are reflected in the statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The University maintains pooled investment accounts for its endowments. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated to the individual endowments based on the relationship of the fair value of the interest of each endowment to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Accounts and Notes Receivable

Accounts receivable are stated at the amount of consideration from students or other third-party funded resources, of which the University has an unconditional right to receive. The University provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions adjusted for reasonable and supportable forecasts. Accounts receivable are ordinarily due by the first day of class. Accounts past due more than 90 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

Student loans receivable consist primarily of amounts due under the Nursing Federal Loan Program and to a lessor extent Federal Perkins Loan Program and are stated at their outstanding principal amount, net of an allowance for credit losses. Loans are made to students based on demonstrated financial need and satisfaction of federal eligibility requirements for the Federal Perkins Loan Program. Principal and interest payments on loans generally do not commence until after the borrower graduates or otherwise ceases enrollment. The University provides an allowance for credit losses which is based upon a review of outstanding loans, historical collection information and existing conditions, adjusted for reasonable and supportable forecasts. Loans that are delinquent continue to accrue interest. Loans that are past due for at least one payment are considered delinquent. Delinquent loans are written off based on individual credit evaluation and specific circumstances of the student.

Tuition and Auxiliary Services Revenue

Tuition revenue is recognized over the term of the semester as the University provides services to students. Revenue is reported at the amount of consideration which the University expects to be entitled in exchange for providing tuition and auxiliary services. The University determines the transaction price based on standard charges for goods and services provided, reduced by discounts provided for scholarships and other price concessions provided to students.

Contributions

Contributions are provided to the University either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the University overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.,* the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment, and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Property and Equipment

The University's plant facilities are stated at cost or fair value at the date of donation (in the case of gifts), less accumulated depreciation. All plant assets, other than land, are depreciated over their estimated useful lives using the straight-line method. Estimated useful lives used to calculate depreciation are as follows:

	Years
Buildings	10 - 40
Land, building improvements, and leasehold improvements	3 - 20
Automobiles and trucks	3 - 10
Equipment	3 - 10

Unamortized Financing Costs

Financing costs and any associated premium related to the University's long-term debt are amortized over the term of the related debt.

Long-lived Asset Impairment

The University evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds it fair value. No asset impairment was recognized during the years ended June 30, 2024 and 2023.

Right-of-Use (ROU) Assets and Lease Liabilities

The University determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the statements of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The University determines lease classification as operating or finance at the lease commencement date.

The University has elected not to combine lease and nonlease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office buildings and equipment. The University allocates the consideration in the contract on a relative standalone price basis to the separate lease and nonlease components. In estimating the standalone prices for the nonlease component, the University uses market rates for similar arrangements that are comparable and allocates accordingly.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent and lease incentives. The University uses the implicit rate when readily determinable. As most leases do not have an implicit rate, the University uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The incremental borrowing rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the University is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The University has elected not to record leases with an initial term of 12 months or less on the statements of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Deferred Revenue

Deferred revenue consists primarily of prepayments of tuition and fees related to future academic semesters and is recognized over the periods to which the fees relate.

Net Assets – Basis of Presentation

Net assets, revenue, expenses, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. The definitions used to clarify and report net assets are as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations and are available for use in general operations or are part of what's invested in property, plant, and equipment (net of related debt). The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations (1) that will be met either by actions of the University or the passage of time or (2) that are to be perpetually maintained by the University. Generally, the donors of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among program services, institutional support and fund raising categories based on total operating costs or square footage or time and effort.

Income Taxes

The University is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in Section 501(c)(3) of the IRC, except to the extent of unrelated business income tax under Sections 511 through 515 of the IRC. Unrelated business income tax is insignificant or nonexistent, and therefore, no tax provision has been made.

The University files tax returns in the U.S. federal jurisdiction. With few exceptions, the University is no longer subject to U.S. federal, state, or local non-U.S. income tax examinations by tax authorities for years before 2020.

Note 2. St. Augustine College Acquisition

On December 1, 2023, the University acquired the net assets and programs of St. Augustine College (SAC) pursuant to an Agreement and Plan of Merger signed on December 1, 2023. The University evaluated this acquisition as an opportunity centered around a shared mission to expand access and opportunity for students who are often underrepresented and underserved in traditional higher education. SAC was founded in 1980 and is a Hispanic Serving Institution (HSI) with approximately 700 students. SAC will add a unique market niche to the University's student enrollment portfolio of over 6,500 students. The goal will be to leverage the University's expanded range of academic programs and support with the largest projected growth demographic in Chicago. In connection with the transaction, the University paid no consideration for the net assets and programs of SAC and received an inherent contribution of approximately $17,287,000 the details of which are listed below.

The following table summarizes the amounts of the assets acquired and liabilities assumed recognized at the acquisition date:

	2024
Cash	$ 1,516,655
Investments	1,636,428
Accounts receivable	4,464,043
Prepaid and other assets	411,410
Land, building and equipment, net	16,499,722
Accounts payable and accrued expenses	(1,546,099)
Unearned revenue	(547,784)
Long-term debt	(5,147,617)
Total net identifiable assets - contributions received	$ 17,286,758

Acquired assets include accounts receivable recorded at their fair value of $4,464,043. The gross amount due of $7,015,882 and the portion uncollectible was $2,551,839 at acquisition date.

The acquisition resulted in an inherent contribution received of $17,286,758, which represents the net recognized amount of the identifiable assets over the liabilities assumed.

Note 3. Contributions Receivable

Contributions receivable at June 30 consisted of the following:

	2024	2023
Due within one year	$ 639,731	$ 615,275
Due in one to five years	785,748	1,295,569
Greater than five years	3,221	4,000
	1,428,700	1,914,844
Less		
Unamortized discount (2.50% - 2024; 2.50% - 2023)	(73,629)	(89,300)
Allowance for doubtful pledges	-	-
	$ 1,355,071	$ 1,825,544

The University is also the beneficiary of a trust administered by a nonrelated party. The assets of this trust are included in contributions receivable on the statements of financial position of the University. Contributions receivable from this charitable trust totaled $308,893 and $283,824 as of June 30, 2024 and 2023, respectively.

Note 4. Investments

Investments at June 30 consisted of the following:

	2024	2023
Money market funds	$ 6,926,724	$ 1,168,872
Common stocks	940,109	248,420
Mutual funds		
Domestic	59,387,772	58,758,732
International	19,089,264	17,047,064
CUIT equity funds*	88,492	-
Cash surrender of life insurance	448,020	375,384
MEP fund*	9,430,288	8,973,122
Land held as an investment	25,990,000	26,535,000
Total investments	$ 122,300,669	$ 113,106,594

* These categories include investments in private fund trusts or partnerships that invest primarily in publicly traded U.S. Common stocks and bonds and international common stocks. The University does not have any unfunded commitments to fund these trusts and partnerships and the investments can either be redeemed at any time, monthly or quarterly, per the respective investment agreements.

Total investment return is comprised of the following:

	2024	2023
Interest and dividend income	$ 49,352	$ 35,185
Net realized and unrealized gains on investments reported at fair value	10,568,152	11,600,812
	$ 10,617,504	$ 11,635,997

	2024	2023
Investment return designated for operations	$ 3,525,410	$ 1,483,814
Nonoperating investment return	7,092,094	10,152,183
	$ 10,617,504	$ 11,635,997

Alternative Investments

The fair value of the alternative investments that are not publicly traded have been estimated using the net asset value per share of the investment. The alternative investments that are not publicly traded, held at June 30 consists of the following:

	June 30, 2024			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
MEP fund	$ 9,430,288	N/A	Yearly	Quarterly, but in some cases up to a year

	June 30, 2023			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
MEP fund	$ 8,973,122	N/A	Yearly	Quarterly, but in some cases up to a year

The above amounts reflect an investment in a hedge fund of funds that pursues multiple strategies to diversify risks and reduce volatility. The fund's composite portfolio includes investments in various private investment funds that employ various long/short, macro, activist, and absolute return strategies.

Note 5. Property and Equipment

Property and equipment at June 30, 2024 and 2023, consists of the following:

	2024	**2023**
Land	$ 14,164,960	$ 3,506,539
Land improvements	27,927,687	22,853,581
Buildings	203,583,778	196,555,326
Equipment	69,867,842	65,775,166
Automobiles and trucks	985,543	848,614
Leasehold improvements	1,408,868	-
Assets held for sale	1,525,000	-
Construction in progress	11,942,482	7,576,694
	331,406,160	297,115,920
Less accumulated depreciation	(170,055,991)	(159,571,342)
	$ 161,350,169	$ 137,544,578

At June 30, 2024, the University had one building that was held for sale. The asset held for sale is recorded at the lower of carrying value or fair value less costs to sale.

Note 6. Line of Credit

The University has a $10,000,000 revolving line of credit expiring on July 11, 2025. At June 30, 2024 and 2023, there were no amounts borrowed against this line. Interest varies with the prime rate or SOFR plus 1.20% and is payable monthly. At June 30, 2024 and 2023, the SOFR based rate is in effect.

The University also had a $3,500,000 revolving line of credit which matured on February 5, 2024.

Note 7. Long-Term Debt

At June 30, 2024 and 2023, long-term debt consisted of the following:

	2024	2023
2015 Village of Romeoville Revenue Bonds (Lewis University Project) (A)	$ 29,535,000	$ 30,780,000
2018 Series A Village of Romeoville Revenue Bonds (Lewis University) (B)	8,645,000	9,040,000
2018 Series B Village of Romeoville Revenue Bonds (Lewis University) (C)	30,125,000	30,125,000
2008 Series B Illinois Finance Authority Bonds (D)	4,654,893	-
Araca, Inc. Payable (Lewis University) (E)	440,000	
	73,399,893	69,945,000
Add unamortized bond premium	1,230,973	1,390,164
Less unamortized debt issuance costs	(913,994)	(814,917)
	$ 73,716,872	$ 70,520,247

(A) Revenue Bonds, Lewis University, Series 2015 in the amount of $38,995,000 were issued on March 1, 2015, through the Village of Romeoville. The proceeds were used to refund $18,520,000 of the Series 2006 bonds, pay a fee of $707,000 relating to the amendment, restructuring and partial termination of the interest rate swap agreement associated with a portion of the Series 2006 bonds, refinance the St. Charles Borromeo Center term loan totaling $11,750,000, and to finance, refinance, or reimburse the University for the costs of acquiring, constructing, renovating, and equipping certain educational facilities. Principal is payable annually on October 1, commencing October 1, 2015, with payments ranging from $885,000 to $4,385,000 through October 1, 2043, and coupon rates ranging from 4.00% to 5.00%. The amount of unamortized debt issuance costs associated with these bonds is $247,775 and $271,979 at June 30, 2024 and 2023, respectively.

(B) Revenue Refunding Bonds, Lewis University, Series 2018A in the amount of $11,400,000 were issued on July 1, 2018, through the Village of Romeoville. The proceeds were used to refund $11,137,658 of the Series 2011 bonds, and to pay a fee of $262,342 relating to the amendment. Principal is payable on October 1, 2034, the maturity date of the bonds. Variable rate interest not to exceed 5.00% on the bonds shall be payable on April 1 and October 1 of each year (effective rate of 5.00% at June 30, 2024), commencing on October 1, 2018. The amount of unamortized debt issuance costs associated with these bonds is $172,519 and $187,951 at June 30, 2024 and 2023, respectively.

(C) Revenue Refunding Bonds, Lewis University, Series 2018B in the amount of $30,125,000 were issued on July 1, 2018, through the Village of Romeoville. The proceeds were used to refund $16,590,000 of the Series 2006 bonds, refund $12,763,000 of the Series 2011 bonds, restructure and terminate the interest rate swap agreements associated with the Series 2006 and Series 2011 bonds. The Series 2018B Bonds are comprised of four Term bonds as follows:

a. Term bond of $3,075,000 with a coupon rate of 5.00%. Principal is payable annually on October 1, commencing October 1, 2034, with payments ranging from $600,000 to $1,275,000 through maturity on October 1, 2036.

b. Term bond of $7,830,000 with a coupon rate of 5.00%. Principal is payable annually on October 1, commencing October 1, 2037, with payments ranging from $2,475,000 to $2,745,000 through maturity on October 1, 2039.

c. Term bond of $5,890,000 with a coupon rate of 4.125%. Principal is payable annually on October 1, commencing October 1, 2040, with payments ranging from $2,880,000 to $3,010,000 through maturity on October 1, 2041.

d. Term bond of $13,330,000 with a coupon rate of 4.125%. Principal is payable annually on October 1, commencing October 1, 2044, with payments ranging from $4,260,000 to $4,630,000 through maturity on October 1, 2046.

The amount of unamortized debt issuance costs associated with these bonds is $340,191 and $354,987 at June 30, 2024 and 2023, respectively.

The bonds are each subject to mandatory sinking fund redemption prior to maturity. Interest on the bonds shall be payable on April 1 and October 1 of each year, commencing on October 1, 2018. Interest on the bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(D) Bonds Payable, Series 2008B in the amount of $7,307,000 were issued on June 1, 2008, through Illinois Finance Authority. The proceeds used to refund $4,945,000 of the Series 2002 bonds. Principal is payable on November 1, 2037, the maturity date of the bonds. The amount of unamortized debt issuance costs associated with the bonds is $153,509 at June 30, 2024.

(E) Araca Inc. Payable, long term agreement payable over 5 years with a 0% interest rate, and yearly principal payments of $110,000.

The future maturities of bonds payable excluding any amortization of bond issuance costs or discount/premium are as follows:

Year ending June 30	
2025	$ 2,418,288
2026	2,070,216
2027	2,162,684
2028	2,265,284
2029	2,364,525
Thereafter	62,118,896
	$ 73,399,893

Note 8. Net Assets

Net assets with donor restrictions are available for the following purposes at June 30:

	2024	2023
Subject to expenditure for specified purpose		
Instruction and academic support	$ 2,346,491	$ 1,808,626
Student services and institutional support	2,958,639	2,696,702
Other restricted activities	1,761,392	1,669,855
	7,066,522	6,175,183
Subject to the passage of time	308,893	283,824
Endowments		
Subject to appropriation and expenditure when specified event ocurs		
Restricted by donors for scholarships and educational programs	8,865,858	8,337,778
Subject to University spending policy and appropriation	24,820,320	22,439,464
Total endowments	33,686,178	30,777,242
Total net assets with donor restrictions	$ 41,061,593	$ 37,236,249

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows at June 30:

	2024	2023
Purpose restrictions accomplished		
Instruction, academic support, and student services	$ 5,907,940	$ 3,589,894
Scholarships and grants	3,424,422	4,114,158
Other	277,278	837,324
Total net assets released from restrictions	$ 9,609,640	$ 8,541,376

Note 9. Endowment

The University's endowment consists of approximately 235 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University's governing body has interpreted the State of Illinois Prudent Management of Institutional Funds Act (Illinois UPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as donor restricted net assets (a) the original value of gifts donated to the donor restricted endowment, (b) the original value of subsequent gifts to the donor restricted endowment and (c) accumulations to the donor restricted endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds is classified as donor restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by Illinois UPMIFA. In accordance with Illinois UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the University and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the University
7. Investment policies of the University

The composition of net assets by type of endowment fund at June 30, 2024 and 2023, were:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ 33,686,178	$ 33,686,178
Board-designated endowment funds	85,640,395	-	85,640,395
Total endowment funds	$ 85,640,395	$ 33,686,178	$ 119,326,573

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Donor restricted endowment funds	$ -	$ 30,777,242	$ 30,777,242
Board-designated endowment funds	81,483,643	-	81,483,643.0
Total endowment funds	$ 81,483,643	$ 30,777,242	$ 112,260,885

Changes in endowment net assets were as follows for the fiscal years ended June 30, 2024 and 2023:

	2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$ 81,483,643	$ 30,777,242	$ 112,260,885
Investment return	4,986,850	3,767,657	8,754,507
Contributions	-	338,694	338,694
Others transfers/designations	(278,421)	-	(278,421)
Appropriation of endowment assets for expenditure	(551,677)	(1,197,415)	(1,749,092)
Endowment net assets, end of year	$ 85,640,395	$ 33,686,178	$ 119,326,573

	2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment net assets, beginning of year	$ 73,614,789	$ 27,140,822	$ 100,755,611
Investment return	8,268,431	3,296,300	11,564,731
Contributions	-	1,402,795	1,402,795
Other transfers	(399,577)	-	(399,577)
Appropriation of endowment assets for expenditure	-	(1,062,675)	(1,062,675)
Endowment net assets, end of year	$ 81,483,643	$ 30,777,242	$ 112,260,885

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the University is required to retain as a fund of perpetual duration pursuant to donor stipulation or Illinois UPMIFA. The amount of deficiencies of individual donor-restricted endowment funds was insignificant at June 30, 2024 and 2023. These deficiencies resulted from unfavorable market fluctuations that occurred after investment of contributions with donor restrictions and continued appropriation for certain purposes that was deemed prudent by the governing body.

Investment and Spending Policies

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the University must hold in perpetuity or for donor-specified periods, as well as those of board-designated endowment funds. Under the University's policies, as approved by the board of trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a benchmark based on a diverse set of standard industry investment indices. Actual returns in a given year may vary depending on the fluctuations in the market.

To satisfy its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The University targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The University has a policy of using a discretionary formula for distribution based on certain initiatives or budget needs of its board-designated (quasi) endowment funds, while still attempting to grow the balance of such funds. With respect to donor-restricted funds, the University has historically used a spending policy based on the endowment fund's average fair value over the prior year. During fiscal years 2024 and 2023, the University utilized a spend rate of 4.5% from the donor-restricted funds. This is consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Note 10. Disclosures About Fair Value of Assets

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets

Recurring Measurements

The following tables present the fair value measurements of assets recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2024 and 2023:

	2024			
		Fair Value Measurements Using		
	Total Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market funds	$ 6,926,724	$ 6,926,724	$ -	$ -
Common stocks	940,109	940,109	-	-
Domestic mutual funds				
Large cap mutual funds	30,159,896	30,159,896	-	-
Small cap mutual funds	13,608,674	13,608,674	-	-
Fixed income	15,619,202	15,619,202	-	-
International equity mutual funds	19,089,264	19,089,264	-	-
Multi-Asset Fund	88,492	88,492	-	-
Cash surrender value of life insurance	448,020	448,020	-	-
MEP fund (A)	9,430,288	-	-	-
Land held for investment	25,990,000	-	-	25,990,000

	2023			
		Fair Value Measurements Using		
	Total Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Investments				
Money market funds	$ 1,168,872	$ 1,168,872	$ -	$ -
Common stocks	248,420	248,420	-	-
Domestic mutual funds				
Large cap mutual funds	24,934,765	24,934,765	-	-
Small cap mutual funds	12,169,181	12,169,181	-	-
Fixed income	21,654,786	21,654,786	-	-
International equity mutual funds	17,047,064	17,047,064	-	-
Cash surrender value of life insurance	375,384	375,384	-	-
MEP fund (A)	8,973,122	-	-	-
Land held for investment	26,535,000	-	-	26,535,000

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2024. For assets classified within Level 3 of the fair value hierarchy, the process used to develop the reported fair value is described below. The University has no assets or liabilities measured at fair value on a nonrecurring basis.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Land Held for Investment

Fair value is estimated at the appraised value of the property. Due to the nature of the valuation inputs, the interest is classified within Level 3 of the hierarchy.

Unobservable (Level 3) Inputs

The following tables present quantitative information about unobservable inputs used in recurring Level 3 fair value measurements:

	Fair Value At June 30, 2024	Valuation Technique	Unobservable Inputs	Range
Land held for investment	$ 25,990,000	Discounted cash flows	Discount rates Market comparables	3% - 10%

	Fair Value At June 30, 2023	Valuation Technique	Unobservable Inputs	Range
Land held for investment	$ 26,535,000	Discounted cash flows	Discount rates Market comparables	3% - 10%

The change in value of the land held for investment relates to an increase/(decrease) in appraised value which is included in unrealized gains/(losses) on investments.

Uncertainty of Fair Value Measurements

The following is a discussion of the uncertainty of the fair value measurement at the reporting date from the use of significant unobservable inputs, if these inputs reasonably could have been different at the reporting date, the interrelationships between those inputs and other unobservable inputs used in recurring fair value measurement and of how those inputs might magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement:

Land Held for Investment
The significant unobservable inputs used in the fair value measurements are discount rates and comparable real estate transactions. The discount rate used often represents the return market participants would experience on comparable transactions. Therefore, an increase in the discount rate would result in a decrease in the fair value of the investment.

Note 11. Leases

Nature of Leases

The University has entered into the following lease arrangements:

Finance Leases
These leases mainly consist of equipment. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases
The University has leases for various facilities that expire at various dates through 2029. Certain building leases contain renewal options for 5-year increments and require the University to pay all executory costs (property taxes, maintenance, and insurance). Lease payments have an escalating fee schedule. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

All Leases
The University has no material related-party leases.

The University's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended June 30, 2024 and 2023, is:

	2024	2023
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	$ 223,557	$ 160,300
Interest cost on lease liabilities	18,336	33,893
Operating lease cost	1,029,072	985,339
Total lease cost	$ 1,270,965	$ 1,179,532

	2024	2023
Other information		
Cash paid for amounts included in the measurements of lease liabilities		
Operating cash flows from finance leases	$ 18,336	$ 33,893
Financing cash flows from finance leases	205,221	161,046
Operating cash flows from operating leases	1,029,454	924,428
Weighted-average-remaining lease term		
Finance leases	2.9	2.4
Operating leases	4.9	5.4
Weighted-average-discount rate		
Finance leases	4%	4%
Operating leases	1.5%	1.5%

Future minimum lease payments and reconciliation to the statements of financial position at June 30, 2024, are as follows:

	Finance Leases	Operating Leases
2025	$ 216,118	$ 1,062,118
2026	167,928	1,087,076
2027	-	886,858
2028	-	910,765
2029	-	880,293
Thereafter	-	143,613
Total future undiscounted lease payments	384,046	4,970,723
Less interest	(18,908)	(181,835)
Lease liabilities	$ 365,138	$ 4,788,888

Note 12. Employee Retirement Benefits

Defined Benefit Plan

The University is a participant in the Christian Brothers Retirement Plan – Plan 333 (EIN #36-2671613) (Plan), a multi-employer religious defined benefit plan, which covers all regular full-time employees. The University contributes 6.5% of earnings for eligible employees. During fiscal 2021, the University changed its contribution to 3.5% of earnings for eligible employees. During fiscal 2022, the University changed its contribution back to 6.5% of earnings for eligible employees. Total retirement expense for all plans for the years ended June 30, 2024 and 2023, was $3,835,897 and $3,410,061, respectively.

Based on the most recent actuarial annual review of the Christian Brothers Employee Retirement Plan, the Plan was funded as follows utilizing the actuarial value of Plan assets at June 30:

	2024	2023
Net assets available for Plan benefits	$ 1,481,319,000	$ 1,465,821,000
Actuarial present value of accumulated Plan benefits	$ 2,263,207,000	$ 2,239,569,000
Total contributions received by the Plan	$ 59,864,000	$ 62,473,000
Funded ratio	65%	65%

The actuarial value of assets approach utilizes the actuarial value of assets which is calculated by blending 100% of the expected actuarial value of the assets with 40% of the difference between the market value of assets and the preliminary value. This method is intended to smooth asset gains and losses for purposes of calculating the Plan's contribution. The Plan's assumed rate of return is 7.50%.

Effective July 1, 2015, the Plan was amended to include a withdrawal liability provision. If the University withdraws its participation in the Plan, the University is subject to a withdrawal liability. The University currently has no intention of terminating its participation in the Plan. The Plan's independent board periodically reviews the Plan's funded status and may increase or decrease the participating institutions' contributions to the Plan and/or may increase or decrease future retirement benefits of the Plan's participants.

The University's contributions were less than 5% of the Plan's net member contributions based on audited financial statements for the Plan years ended June 30, 2024 and 2023. There were no surcharges imposed and no funding improvement or rehabilitation plans were required.

The Plan is a church plan within the meaning of Section 414(c) of the Internal Revenue Code and has elected its option of not complying with the provisions of ERISA.

Defined Contribution Plan

The University has established six University 403(b) defined contribution retirement plans, which cover all employees. The plans, operated under section 403(b) of the Internal Revenue Code, are funded by voluntary employee contributions up to the annual limit established by the Internal Revenue Service and are immediately vested. The University incurred no costs related to the plans for the years ended June 30, 2024 and 2023.

Deferred Compensation Plan

The University has established a Section 457(b) deferred compensation plan, organized as a church affiliated plan, covering all employees. The deferred compensation plan allows employees to defer a percentage of their pre-tax compensation up to the annual limit established by the Internal Revenue Service. The assets of the plan are maintained in a brokerage account and are subject to the claims of the University's creditors. The University's liability for benefits under this plan is limited to the balance of assets in the plan.

Accordingly, the University has recorded the plan's assets with a corresponding liability included in accrued expenses on the statements of financial position totaling $1,254,556 and $1,146,539 at June 30, 2024 and 2023, respectively.

Postretirement Healthcare Benefits

The University has a noncontributory defined benefit postretirement health care plan covering certain employees who meet the eligibility requirements. The University's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the University may determine to be appropriate from time to time. The University expects to contribute $150,000 to the plan in 2025.

The University uses a June 30 measurement date for the plan. Information about the plan's funded status and pension cost follows:

	2024	2023
End of year - benefit obligation	$ (1,778,417)	$ (1,443,000)
Funded status at end of year	$ (1,778,417)	$ (1,443,000)

Liabilities recognized in accrued expenses in the statements of financial position:

	2024	2023
Accrued benefit liability	$ (1,778,417)	$ (1,443,000)

Weighted-average assumptions used to determine benefit obligations and benefit costs:

	2024	2023
Discount rate	5.05%	5.05%
Rate of compensation increase	N/A	N/A
Health care cost trend	6.80%	6.80%

Note 13. Revenue From Contracts With Students

Tuition, Residential Services, and Meal Plan Services Revenue

Revenue from contracts with students for tuition, residential services, and meal plan services is reported at the amount that reflects the consideration to which the University expects to be entitled in exchange for providing instruction and housing, food, and other services. These amounts are due from students, third-party payers, and others and are net of scholarships and institutional aid of $61,366,813 and $49,588,948 for the years ended June 30, 2024 and 2023, respectively.

Revenue is recognized as performance obligations are satisfied, which is primarily ratably over the academic term with the exception of certain meal plans that are recognized at a point in time. Generally, the University bills students prior to the beginning of the semester or academic term, and student accounts receivable are due in full before classes begin.

If a student withdraws within the first week of the beginning of the academic term, the student is entitled to a full refund. If a student withdraws during the second week of the academic term, the student is entitled to a 50% refund. No refunds are awarded after the end of the third week of the academic term. The University determines the refund liability at year-end based on actual experience subsequent to year-end. The amounts of refunds given are approximately 0.3% of gross tuition and fees, annually.

Tuition, residential services, and meal plan services revenue are considered to be separate contracts.

Transaction Price and Recognition

The University determines the transaction price based on standard charges for goods and services provided, reduced by certain institutional scholarships and aid in accordance with the University's policies for granting certain merit based aid. The University determines its estimates of explicit price concessions based on its discount policies and merit awards.

From time to time the University will incur student credit balances and student deposits which represent the excess of tuition and fees and other student payments received as compared to amounts recognized as revenue. These amounts are excluded from revenues and are recorded as liabilities until they are refunded. The University has no liability for refunds or deposits from students recorded as of June 30, 2024 and 2023, respectively.

The University has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the various payers that have different payment strategies.

Performance Obligations and Transaction Price Allocated to Remaining Performance Obligations

Because all of its performance obligations relate to contracts with a duration of less than one year, the University has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing instruction to students. The performance obligations for these contracts are generally completed when the academic term is completed.

Disaggregation of Revenue

The composition of net student fees revenue by segment for the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
Net tuition and fees	$ 114,987,687	$ 103,910,414
Room	7,307,113	6,705,422
Board	4,423,437	3,865,975
	$ 126,718,237	$ 114,481,811

The composition of net student fees revenue by segment for the years ended June 30, 2024 and 2023, is as follows:

	2024	2023
Services transferred over time	$ 122,294,800	$ 110,615,836
Sales at point in time	4,423,437	3,865,975
	$ 126,718,237	$ 114,481,811

Contract Balances

The following table provides information about the University's receivables and contract liabilities:

	2024	2023
Accounts receivable, beginning of the year	$ 11,689,716	$ 8,966,610
Accounts receivable, end of the year	23,727,878	11,689,716

	July 1, 2023	Revenue Recognized	Additions	Balance at June 30, 2024
Student tuition and other	$ 4,778,470	$ (4,778,470)	$ 11,594,020	$ 11,594,020

	July 1, 2022	Revenue Recognized	Additions	Balance at June 30, 2023
Student tuition and other	$ 2,859,731	$ (2,859,731)	$ 4,778,470	$ 4,778,470

Note 14. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2024	2023
Cash	$ 3,137,700	$ 12,391,170
Accounts receivable	23,802,273	11,689,716
Investments	4,074,096	1,946,009
Financial assets available to meet cash needs for general expenditures within one year	$ 31,014,069	$ 26,026,895

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the University considers all expenditures related to its ongoing mission-related activities, as well as the conduct of service undertaken to support those activities, to be general expenditures.

The University's endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The University has a board-designated endowment of $85,640,394 as of June 30, 2024. Although the University does not intend to spend from board-designated endowments (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available, if necessary, for liquidity needs.

The University has a $10 million line of credit at its disposal, of which $10,000,000 was available to be drawn on at June 30, 2024.

Note 15. Commitments and Contingencies

The University receives and expends money under federal grant programs and is subject to audits by cognizant governmental agencies. Management believes that any liabilities arising from such audits will not have a material effect on the University.

The University and the Bishop of the Roman Catholic Diocese of Joliet, Illinois, (Diocese) have an agreement that if the University ceases to operate as a Roman Catholic school, it will pay the Diocese the lower of the 1971 appraised value of certain parcels of its land, or the appraised value of the land at the time of such discontinuance. The 1971 appraised value of such parcels totaled $537,500. In the event of involuntary dissolution or liquidation of the University, the Diocese has subordinated its claim to all other creditors.

The University is contingently liable to provide compensation in the amount of $700,000 to the Christian Brothers Community serving the University for the period January 1, 1960 to September 1, 1972. Such compensation becomes payable upon the University's termination of its Catholic affiliation, or upon the sale or dissolution of the University. Any amount that would become due under this agreement would be payable in 40 quarterly installments commencing two years after the events. In the event of either dissolution or sale of the University, the Christian Brothers have subordinated their claim to all other creditors.

There is no present intention on the part of either Lewis University or the Christian Brothers to terminate the University's Catholic affiliation and, accordingly, no provision has been made in the accompanying financial statements for amounts which may become due under this agreement.

General Litigation

The University is subject to claims and lawsuits that arise primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the University. Events could occur that would change this estimate materially in the near term.

Contributions

Approximately 42% of contribution revenue resulted from one donor in 2024 and 2023.

Note 16. U.S. Department of Education Financial Responsibility Ratio Information

The following information is required by the U.S. Department of Education for the year ended June 30, 2024:

	2024
Property, plant and equipment, net of accumulated depreciation pre-implementation	$ 88,532,588
Property, plant and equipment, net of accumulated depreciation post-implementation without outstanding debt for purchase	60,875,099
Construction in progress	11,942,482
Total property and equipment	161,350,169
Long-term debt obtained for long-term purposes - pre-implementation	73,276,872
Long-term debt obtained for long-term purposes - post-implementation for capital acquisition	440,000

Note 17. Subsequent Events

Subsequent events have been evaluated through October 24, 2024, which is the date the financial statements were issued.