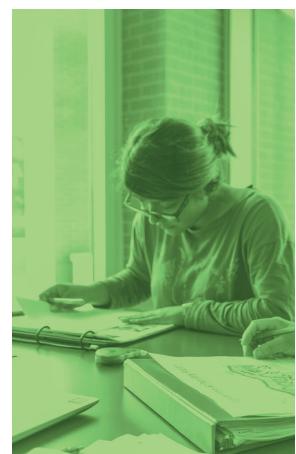
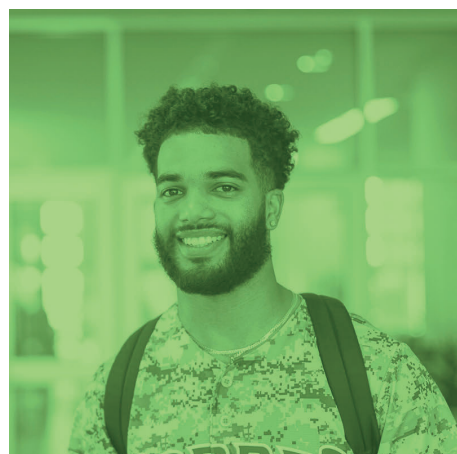


NORTHEAST LAKEVIEW COLLEGE SAN ANTONIO, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023



ALAMO COLLEGES DISTRICT
Northeast Lakeview College

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)
San Antonio, Texas

Annual Financial Report

**For the Years Ended
August 31, 2024 and 2023**

Prepared by:

Finance and Fiscal Services Department

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ALAMO COLLEGES DISTRICT
Northeast Lakeview College

Introductory Section



ALAMO COLLEGES DISTRICT
Northeast Lakeview College



January 10, 2025

To the Board of Trustees, the Residents of Bexar County and the Northeast Lakeview College Service Area of Comal and Guadalupe Counties:

We are proud to submit the following annual financial report (AFR) for Northeast Lakeview College (the College or NLC), a college of the Alamo Community College District (Alamo Colleges District or District) for the fiscal years ended August 31, 2024 and 2023. The AFR has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). The report complies, in all material aspects, with the requirements of Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

The purpose of an independent audit is to provide assurance, based on independent review and testing, that the basic financial statements and accompanying notes are fairly stated in all material respects. In April 2024, the District's Board of Trustees selected the independent accounting firm of CliftonLarsonAllen, LLP to perform an audit for the College. Assets, liabilities and net position attributable to and allocated to the operations of the College are reported in the 2024 and 2023 AFR for the College. This AFR is prepared primarily for submission to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) to provide information related to accreditation.

Management assumes full responsibility for the completeness and reliability of the information contained in this report based upon a comprehensive framework of internal control. The objective of internal control is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. The concept of reasonable assurance ensures that the cost of the controls does not exceed the benefits derived. The Independent Auditor's Report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it. The Notes to Financial Statements, also in the financial section, are considered integral to the basic financial statements and should be read in conjunction with them.

Profile

Northeast Lakeview College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award Associate Degrees. Questions about the accreditation of Northeast Lakeview College may be directed in writing to the Southern Association of Colleges and Schools Commission on Colleges at 1866 Southern Lane, Decatur, GA 30033-4097, by calling (404) 679-4500, or by using information available on SACSCOC's website (www.sacscoc.org).

Northeast Lakeview College offers Associate of Arts, Associate of Arts in Teaching, Associate of Science and Associate of Applied Science degrees and certificates taught by highly qualified faculty with Master's and Doctorate degrees who are committed to creating a learning centered environment. Students experience academic rigor inside the classroom and an enhanced learning environment through support services that include counseling, computer labs, tutoring services, financial services, services for the disabled, veterans' services and job placement and transfer services.

Established in January 2007, Northeast Lakeview College is one of the five colleges of the Alamo Community College District. It serves students in northeast San Antonio and the surrounding municipalities to include Bexar, Comal and Guadalupe counties. The College traces its beginnings back to 1996 as the Northeast Learning Center, an extension of St. Philip's College. Due to its growth, the Learning Center closed in 2001 and reopened as Northeast Campus in a larger location as a joint collaboration between St. Philip's College and San Antonio College. With continued enrollment growth and as a result of a 2005 bond election, a permanent \$125 million campus (named Northeast Lakeview College) was constructed at the corner of Loop 1604 and Kitty Hawk road and opened in Fall 2008. Northeast Lakeview College now serves more than 9,300 students in its ten buildings that sit on 267 acres. To provide enhanced service to its growing student population in the New Braunfels and Seguin areas, Northeast Lakeview College became the lead college for the Central Texas Technology Center (CTTC) building in April 2023 and offered its first set of classes at its New Braunfels location in Fall 2023.

The College, as a member of the Alamo Colleges District, manages its capital assets as well as administers and conducts its educational services under its own organizational structure. The District supports the College by managing debt and investments, acquiring capital assets, assessing and collecting property taxes and allocating State of Texas appropriations.



The College’s administration and staff direct their own budget, as approved by the Board of Trustees of the Alamo Colleges District, and make decisions regarding the funds provided to them or generated by them while conducting its educational activities. These educational activities include the development of curriculum, the hiring of faculty and staff within District guidelines and the delivery of educational and student support services.

The Alamo Community College District was established as a public community college through a public election in 1945. The District operates as a political subdivision under the laws of the State of Texas. The five-member community colleges of the District are Northeast Lakeview College, San Antonio College, St. Philip’s College, Palo Alto College and Northwest Vista College. A nine-member Board of Trustees and a Student Trustee is the governing body of the District. The Trustees are elected locally to six-year terms by Bexar County voters and the Student Trustee serves a one-year term as a non-voting student liaison to the Board and Chancellor, representing students’ interests at board meetings and other District meetings. The Chancellor, the District’s chief executive officer, guides and implements the programs and policies of the District. Each of the five colleges has a campus organization lead by a President who reports to the Chancellor.

Economic Conditions and Outlook

The College sits along the I-35 Corridor toward Austin, one of the fastest growing areas in the region. In addition to northeast San Antonio, the College serves the Metrocom area, comprised of eleven small cities with a combined population of over 155,000 according to the Northeast Partnership for Economic Development. Randolph Air Force Base, a stable presence in the area since opening in 1930, unites the cities and currently has over 17,000 personnel on its base. The area provides affordable housing, low tax rates, opportunities for growth, award-winning school districts, and a skilled work force and the College contributes convenient, affordable higher education. The College location, among growing suburban communities that share a common goal of economic development and quality of life for their citizens and businesses, enhances the College’s potential for success. Additionally, acquiring an off-site location in New Braunfels expands the College’s economic impact and coordinates course offerings and services with New Braunfels 4B Economic Development Board and Seguin 4A Economic Development Board to provide higher education and technical skills training in this region. Northeast Lakeview College has been recognized by the City of Live Oak Economic Development Corporation as an asset to the community and has been recognized multiple times for contributing to continued economic growth in the area.



The College supports several independent school districts (ISDs) in its service area by providing dual credit courses and early college high school programs. One of these, the Judson Early College Academy sits on the NLC campus, and is a unique partnership with the Judson Independent School District that allows students to complete an Associate’s Degree while earning their high school diploma at no cost to the student.

Because the College is a member of the Alamo Community College District, economic conditions that impact the District inherently impact the College. The three primary revenue streams to the District, other than federal grants used for scholarships, are ad valorem taxes, state appropriations, and tuition and fees.

The trend of rising ad valorem tax revenues continued in fiscal year 2024, as revenues from ad valorem taxes increased by 11.0% as net assessed property values within the District increased from approximately \$224.3 billion in 2023 to \$247.5 billion in 2024, providing funding for facilities’ repairs and maintenance. There was no increase in the District’s tax rate for fiscal year 2024. State appropriations for education and general support, which are critical to keeping student tuition rates low, increased by \$25.3 million or 39.5%, up from \$63.9 million in fiscal year 2023 to \$89.2 million in fiscal year 2024. The significant increase is attributable to a new funding model, House Bill 8 (HB8), passed by the 88th Texas Legislature in 2023. HB8 replaced the former funding model largely based on the number of courses and credit hours offered with a dynamic, performance-based model tied to specific outcomes.

Strategic Planning

The College utilizes an inclusive strategic planning process in which feedback from all constituent groups, both internal and external, was reviewed and combined into a document that supports NLC's continuous improvement process to advance the institutional mission and NLC's overarching goal of student success. The College's Strategic Plan reflects the direction provided by the community and the leadership of the District, and looks to meet the needs and interests of its local community through the development of specific core objectives, strategies and unit plans. Ongoing evaluation and assessment of the objectives, strategies and unit plans allows for continuous quality improvement to ensure that the community's higher education needs are met. The College has its own mission, vision and goals. The goals focus on the following: 1) quality teaching, learning, and student success, 2) respect, value and empowering people, and 3) enriching internal and external community engagement and communications. NLC embarked on a year-long strategic planning process during 2018-2019 to update its mission and vision statements and established three belief statements that are shared by the organization and that drive NLC's culture and its commitment to its overarching goal of student success. At the College's 2022 annual leadership retreat, the 2019-2022 strategic plan was reviewed and extended as the 2022-2025 strategic plan to continue advancing the goals and objectives hindered by the global pandemic.

Major Initiatives

Northeast Lakeview College continues to focus on achieving greater student success by utilizing 4DX and MyMap. The adoption of 4DX, the Four Disciplines of Execution, provides a simple, repeatable set of practices for organizations and individuals to focus on what is important to execute strategic priorities and to achieve superb results. MyMap (My Monitoring Academic Progress) was also implemented, which is a series of online, self-paced learning modules designed to help students transition to college, and monitors students' progress until they earn a certificate or degree.

Northeast Lakeview College continues to expand its services and programs to meet the needs of the community it serves, including Associate of Applied Science degrees and short-term certificates in high wage, high demand programs. Some of these include Network Administration Technology, Cyber Defense, Logistics & Supply Chain Management, Cloud Computing, Construction Management and is the first college within the Alamo Colleges District to offer the Digital Marketing & Social Media Program.



Committed to providing educational access to the communities that it serves, Northeast Lakeview College continues to provide support to students through the Alamo Colleges District AlamoPROMISE initiative, a last dollar scholarship program to assist students in paying for a college education. Student Success personnel at NLC provided support to students throughout the process and assisted with the ApplyTEXAS application, financial aid, advising, and registration. The College has adopted numerous strategies to help enrolled AlamoPROMISE students with progress and completion.

The Nighthawks Nest Advocacy Center at Northeast Lakeview College continues to enhance its integrated services and resources to students to address mental health, emotional and socio-economic need. Some of the services of the Nighthawks Nest Advocacy Center include a food pantry, financial literacy, clothes closet and counseling.

Northeast Lakeview College continues its commitment to graduation and completion rates and actively monitors degrees and certificates awarded. The college awarded 921 degrees and certificates in academic year 2023.

Northeast Lakeview College (NLC) celebrated the beginning of construction on its newest building, a 10,000 sq. foot Veterans Center. The new building is dedicated to providing services to active and retired military and their families, by providing a "one-stop" location offering a convenient central place for them to have direct access to academic and non-academic services. Construction on the building is expected to be completed in November 2025.





Following years of advocating for public transportation for NLC's college community, it was announced VIA will begin offering VIA Link service to Northeast Lakeview College in Fall 2024, expanding the on-demand transit option and making it fare-free to students and faculty at the Alamo Colleges District campus. VIA Metropolitan Transit's Board of Trustees unanimously approved the expansion and the City of Live Oak de-annexing portions of the Alamo Colleges property at Northeast Lakeview so VIA Link transit services could be offered to students, faculty and staff. Live Oak is not one of 14-member cities in the VIA service area. The de-annexation was necessary to open the campus to service. Northeast Lakeview was the only Alamo Colleges campus outside the service area.

In support of the growing region and student body and to meet the employee demand for a skilled workforce, Northeast Lakeview College expanded program and course offerings at its New Braunfels location and continues to work with business and industry partners to develop program and course offerings to best serve the region's economic and workforce demands.



Striving to serve its diverse student population, including parent learners, NLC partnered with Bezos Academy to open a tuition-free, Montessori-style preschool on NLC's campus. This is the first Bezos Academy preschool planned for northeast Bexar County and the greater San Antonio area. The Bezos Academy, is a tuition free preschool that will follow a full-day, year-round schedule, and will cover operating expenses for the preschool programs at no cost to the families being served. The Bezos site on the NLC campus will welcome students in October 2024.

Continuing its journey to create a compassionate campus focused on the overall well-being and health and wellness of its students and employees, NLC completed phase 1 of a Zen Garden on its campus. The Garden's phase 1 includes trails, benches, a lawn area for special events such as yoga, and various trees and shrubs. The project was partially funded with grant dollars from San Antonio on Alcohol & Drug Awareness (SACADA).



Awards and Acknowledgements



Northeast Lakeview College was selected as a 2024 Most Promising Places to Work in community colleges. The annual award recognizes community and technical colleges committed to diversity through best-in-class student and staff recruitment and retention practices, inclusive learning and working environments, and meaningful community service and engagement opportunities. NLC has received this award each year since 2019.

Northeast Lakeview College was also awarded the Gold 2024 Veterans Education Excellence Recognition Award (VEERA). The Texas State Legislature established the VEERA program to recognize public colleges and universities for their excellence in providing education and related services to veterans and the military-connected community. Northeast Lakeview College received the Silver Award in 2020 and the Gold Award in 2022 and 2023.



NLC's Cyber defense program was recognized by the National Security Agency (NSA) as the San Antonio area's newest Center of Academic Excellence in Cyber Defense Education. Additionally, students in this program demonstrate their proficiency and technical skills by outperforming graduates of other programs across the country. In Spring 2023, NLC students placed 23rd in the National Cyber League's OSINT Challenge among 3,593 teams.



The entire Northeast Lakeview College family thanks the members of the Board of Trustees for their support and guidance in conducting the financial operations of Northeast Lakeview College in a highly responsible manner. The timely preparation of this financial report was made possible by the continued dedication and service of the Alamo Colleges staff.

Thomas Cleary

Dr. Thomas S. Cleary
Interim Vice Chancellor
Finance and Administration
Alamo Community College District

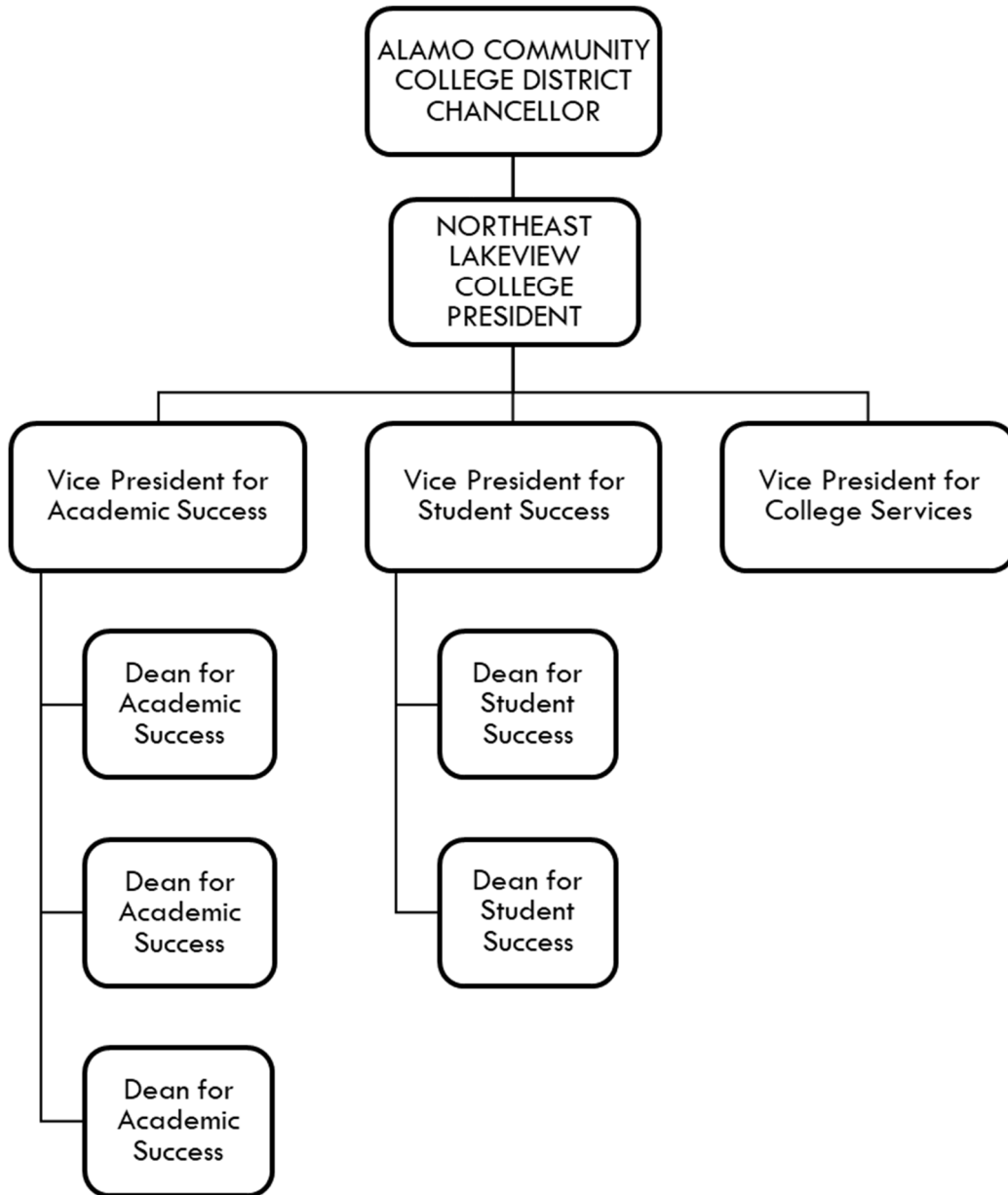
Lisa Mazure

Lisa Mazure, MSA, CPA
Associate Vice Chancellor
Finance and Fiscal Services
Alamo Community College District

NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

ORGANIZATIONAL CHART



NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

ALAMO COMMUNITY COLLEGE DISTRICT - ORGANIZATIONAL DATA

August 31, 2024

ELECTED OFFICIALS

Member	Position	City, State	District	Term Expires
Clint Kingsbery	Chairperson	San Antonio, Texas	8	2026
Joe Alderete, Jr.	Vice-Chairperson	San Antonio, Texas	1	2028
Anna Uriegas Bustamante	Secretary	San Antonio, Texas	3	2028
Gloria Ray	Assistant Secretary	San Antonio, Texas	2	2028
Dr. Gene Sprague	Member of the Board	Helotes, Texas	6	2030
Dr. Yvonne Katz	Member of the Board	San Antonio, Texas	7	2030
Dr. Lorena Pulido	Member of the Board	San Antonio, Texas	4	2026
Gerald Lopez	Member of the Board	San Antonio, Texas	5	2030
Leslie Sachanowicz	Member of the Board	San Antonio, Texas	9	2026
Logan Martinez	Student Trustee	San Antonio, Texas		2025

ADMINISTRATIVE OFFICIALS

Dr. Mike Flores	Chancellor
Dr. Thomas S. Cleary	Vice Chancellor for Finance and Administration (interim)
Xavier D. Urrutia	Interim Vice Chancellor of Economic and Workforce Development
Ross Laughhead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. George Railey Jr.	Vice Chancellor for Academic Success
Debi Gaitan	Vice Chancellor for Student Success (interim)
Barton T. Simpson, CFRE	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Dr. Amy Bosley	President, Northwest Vista College
Dr. Robert Garza	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Francisco Solis	President, San Antonio College (interim)
Lisa Mazure, MSA, CPA	Associate Vice Chancellor for Finance and Fiscal Services
Patrick F. Vrba, Jr., CPA	District Controller
Frank Cortez, CIA, CISA, CISSP	District Director of Internal Audit

NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

MISSION

Northeast Lakeview College empowers its students for success by offering educational programs and cultural enrichment opportunities. The College provides quality teaching, measurable learning, and public service that contribute to the earning of associate degrees and certificates to improve its community's future.

VISION

To be a transformative force in a culturally rich community, empowered by education, to meet the dynamic demands of the future.

VALUES

Northeast Lakeview College is committed to building individual and collective character through the following set of shared values in order to fulfill our vision and mission.



STUDENTS FIRST



RESPECT FOR ALL



COMMUNITY-ENGAGED



CAN-DO SPIRIT



COLLABORATION



DATA-INFORMED

Financial Section



ALAMO COLLEGES DISTRICT
Northeast Lakeview College



INDEPENDENT AUDITORS' REPORT

Board of Directors
Northeast Lakeview College
San Antonio, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Northeast Lakeview College, as of and for the years ended August 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Northeast Lakeview College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Northeast Lakeview College, as of August 31, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northeast Lakeview College 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 opinions.

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 Northeast Lakeview College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. 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 Northeast Lakeview College'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 Northeast Lakeview College'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northeast Lakeview College's basic financial statements. The schedule of operating revenues, schedule of operating expenses by object, schedule of non-operating revenues and expenses and schedule of net position by source and availability, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of operating revenues, schedule of operating expenses by object, schedule of non-operating revenues and expenses and schedule of net position by source and availability are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of the Northeast Lakeview College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the

Board of Directors
Northeast Lakeview College

scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northeast Lakeview College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Lakeview College's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 10, 2024



ALAMO COLLEGES DISTRICT
Northeast Lakeview College

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Management's Discussion and Analysis
(Unaudited)

Management's Discussion and Analysis is included to provide a narrative introduction, overview and analysis of the financial condition and operating results of Northeast Lakeview College (NLC or the College), a college of the Alamo Community College District (Alamo Colleges District or the District), for the fiscal years ended August 31, 2024 and 2023. This discussion is prepared by management and should be read in conjunction with the accompanying financial statements and notes.

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The notes to the financial statements are considered an integral part of the financial statements and should be read in conjunction with them. Management is responsible for both the accuracy of the data and the completeness and fairness of the presentation of the financial statements and notes.

The financial report includes three basic financial statements: The Statements of Net Position provide a summary of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of August 31, 2024 and 2023; the Statements of Revenues, Expenses and Changes in Net Position provide a summary of operations for the fiscal years; and the Statements of Cash Flows provide categorized information about cash inflows and outflows. Highlighted information from each basic financial statement is presented below.

FY 2024

- Total assets increased \$0.4 million and total liabilities decreased \$3.7 million.
- Total net position at August 31, 2024 was \$49.3 million, reflecting an increase of \$4.2 million for fiscal year 2024.
- Updated funding formula for allocating State funding to community colleges.
- Total revenues increased \$7.8 million to \$57.7 million.
- The College's operating loss was \$42.4 million.

FY 2023

- Total assets decreased approximately \$1,528,000 and total liabilities decreased approximately \$3,080,000.
- Total net position at August 31, 2023 was approximately \$45,143,000, reflecting an increase of approximately \$4,653,000 from fiscal year 2022.
- The College's operating loss was approximately \$38,554,000.

Statements of Net Position

The Statements of Net Position represent the College's financial position at the end of the fiscal year and include all assets, deferred outflows of resources, liabilities and deferred inflows of resources of the College. Net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources and serves as a general indicator of financial stability.

Current liabilities are generally those liabilities which are due within one year, and current assets are those assets which are available to satisfy current liabilities. Noncurrent assets include restricted cash and cash equivalents, leases receivable and capital assets. Noncurrent liabilities include bonds and tax notes payable based upon the direct spending by the College of bond and tax note proceeds as budgeted.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Management's Discussion and Analysis
(Unaudited)

A Condensed Statement of Net Position is presented on the following page. Total assets increased 0.2% or \$0.4 million during fiscal year 2024 and increased 0.9% or \$1.5 million during fiscal year 2023. The total assets increase in 2024 was primarily due to an increase in cash and cash equivalents of \$2.1 million mostly related to an internal financing agreement of \$2.5 million with the Alamo Colleges District for capital projects, an increase in capital assets of \$1.8 million offset by \$5.1 million depreciation expense added to accumulated depreciation as reported in Note 5. The total assets increase in 2023 was primarily due to an increase in cash and cash equivalents of \$1.6 million and an increase in net capital assets of approximately \$0.8 million, partially offset by a decrease in accounts receivable and other assets of approximately \$0.9 million. The increase to cash and cash equivalents was primarily from unspent construction fund revenues. Accounts receivable and other assets declined due to collections of outstanding grant receivables from concluding COVID-19 economic stimulus grants. The \$0.8 million increase to net capital assets was primarily the result of increases to construction in progress of \$0.8 million and buildings and other capital assets of \$4.4 million, offset by \$4.5 million of recorded depreciation as reported in Note 5.

Total liabilities decreased 3.1% or \$3.7 million and 2.5% or \$3.1 million, in 2024 and 2023, respectively.

Current liabilities increased \$0.6 million in 2024 primarily due to increases of \$0.5 million in unearned tuition and fees. Noncurrent liabilities decreased \$4.3 million in 2024 as a result of an increase of \$2.5 million from additional financing described above, offset by a \$6.9 million reduction due to scheduled debt service payments as reported in Notes 6, 7 and 8.

Current liabilities decreased by \$2.9 million in 2023 primarily due to decreases of \$2.4 million and \$1.3 million to construction retainage payable and accounts payable and accrued liabilities, respectively, due to timing and retainage related to construction projects. These increases were offset by increases to unearned income and current portion of long-term debt of \$0.3 and \$0.5 million, respectively. Increases in enrollment for Fall and increase in tuition rates contributed to the increase in unearned income, while additional debt allocated to NLC contributed to the increase in current portion of long-term debt. Noncurrent liabilities decreased \$0.2 million in 2023, primarily due to the \$7.4 million allocated to NLC from maintenance tax notes, offset by scheduled debt service payments of \$7.1 million. Further information is provided in Notes 6, 7 and 8.

The College's net position at August 31, 2024 was \$49.3 million compared to \$45.1 million at August 31, 2023.

The fiscal year 2024 increase to net position was due to increases to restricted capital assets of \$8.3 million, a decrease in the net investment in capital assets and unrestricted net position, of \$1.7 and \$2.3 million, respectively. These increases to restricted capital assets are due to state appropriations for capital projects, and the reduction is due to usage of reserved net position for operating and capital projects. The fiscal year 2023 increase to net position was due to increases to the net investment in capital assets, student aid and capital projects components of net position of \$1.5, \$0.1 and \$3.5 million, respectively, partially offset by a decrease to the unrestricted net assets component of net position of \$0.5 million. The fiscal year 2023 increases to net position are due to unspent capital state appropriations and tax revenues received for payment of debt that increases net assets, or equity in capital assets. The decrease in unrestricted net position is the result of encumbrances reserved in FY22 that were not able to be fulfilled due to vendor supply chain issues or materials and supplies shortages and were spent in FY23. This amounted to an increase of approximately \$4.2 million or 11.5%.

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(Unaudited)

Condensed Statements of Net Position
(in thousands)

	Fiscal Year			Change	
	2024	2023	2022	2023 to 2024	2022 to 2023
Assets					
Cash and cash equivalents	\$ 31,924	\$ 29,818	\$ 28,191	\$ 2,106	\$ 1,627
Accounts receivable, net and other assets	2,721	1,178	2,113	1,543	(935)
Capital assets	189,220	187,390	182,171	1,830	5,219
Accumulated depreciation	(55,758)	(50,672)	(46,289)	(5,086)	(4,383)
Total assets	<u>168,106</u>	<u>167,714</u>	<u>166,186</u>	<u>392</u>	<u>1,528</u>
Liabilities					
Current liabilities	13,335	12,773	15,671	562	(2,898)
Noncurrent liabilities	105,234	109,542	109,724	(4,308)	(182)
Total liabilities	<u>118,569</u>	<u>122,315</u>	<u>125,395</u>	<u>(3,746)</u>	<u>(3,080)</u>
Deferred Inflows of Resources					
Deferred inflows related to leases	244	256	301	(12)	(45)
Total deferred inflows of resources	<u>244</u>	<u>256</u>	<u>301</u>	<u>(12)</u>	<u>(45)</u>
Net Position					
Net investment in capital assets	34,562	36,300	34,790	(1,738)	1,510
Restricted, expendable for					
Student aid	829	964	820	(135)	144
Instructional programs	10	11	10	(1)	1
Capital projects	11,772	3,478	7	8,294	3,471
Unrestricted	2,120	4,390	4,863	(2,270)	(473)
Total net position	<u>\$ 49,293</u>	<u>\$ 45,143</u>	<u>\$ 40,490</u>	<u>\$ 4,150</u>	<u>\$ 4,653</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Statements of Revenues, Expenses and Changes in Net Position

The Statements of Revenues, Expenses and Changes in Net Position present the results of operations for the College for the fiscal year. Operating revenues are generated from the services provided to students and other customers of the College. Operating expenses include those costs incurred in the production of goods and services which result in operating revenues, as well as depreciation. All other activity is classified as non-operating revenues and expenses. Since a large portion of the revenue stream including ad valorem property taxes, state appropriations and all federal financial aid grants are classified as non-operating revenues, Texas public community colleges will generally reflect an operating loss with the increase or decrease in net position reflective of all activity.

Total revenues and total expenses should be considered in assessing the change in the financial position of the College. When total revenues exceed total expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. Further detail is presented in the Statements of Revenues, Expenses and Changes in Net Position and notes to the financial statements. A summarized comparison of the College's revenues, expenses and changes in net position for the years ended August 31, 2024, 2023 and 2022 is presented below in table form.

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Condensed Statements of Revenues, Expenses and Changes in Net Position
(in thousands)

	Fiscal Year			Change	Change
	2024	2023	2022	2023 to 2024	2022 to 2023
Operating revenues	\$ 7,511	\$ 6,630	\$ 6,122	\$ 880	\$ 508
Operating expenses	49,916	45,184	42,474	4,732	2,710
Operating loss	(42,405)	(38,554)	(36,352)	(3,852)	(2,202)
Non-operating revenues (expenses):					
State appropriations	9,014	7,014	6,970	2,000	44
Ad valorem taxes	23,827	25,185	22,706	(1,358)	2,479
Federal and State grants, non-operating	12,851	11,431	14,387	1,420	(2,956)
Interest on capital-related debt	(3,587)	(4,345)	(3,557)	758	(788)
Other net non-operating revenues	595	67	9	528	58
Total non-operating revenues, net	42,700	39,352	40,515	3,348	(1,163)
Other revenues					
Other income	3,855	3,855	7	-	3,848
Total other revenues	3,855	3,855	7	-	3,848
Increase in net position	4,150	4,653	4,170	(504)	483
Net position - beginning of year	45,143	40,490	36,320	4,653	4,170
Net position - end of year	\$ 49,293	\$ 45,143	\$ 40,490	\$ 4,150	\$ 4,653

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Operating Revenues
(in thousands)

	2024		2023		2022		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2023 to 2024	2022 to 2023
Net tuition and fees	\$ 6,319	84.1%	\$ 5,500	83.0%	\$ 5,483	89.6%	\$ 819	\$ 17
Grants and contracts	502	6.7%	474	7.1%	40	0.7%	29	434
Auxiliary enterprises	278	3.7%	238	3.6%	250	4.1%	40	(12)
Other operating revenues	412	5.5%	418	6.3%	349	5.7%	(6)	69
Total operating revenues	\$ 7,511	100.0%	\$ 6,630	100.0%	\$ 6,122	100.0%	\$ 880	\$ 508

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

As shown in the operating table above, total operating revenues increased by \$0.9 million or 13.3% and \$0.5 million or 8.3% for the years ended August 31, 2024 and 2023, respectively.

The \$0.9 million increase in fiscal year 2024 resulted from increases to net tuition and fees, federal grants and contracts and auxiliary enterprises of \$0.8 million, \$29,000, and \$40,000, respectively, offset by decrease to other operating revenues of \$7,400. The \$0.5 million increase in fiscal year 2023 resulted from increases to net tuition and fees of \$17,000, grants and other operating revenues of \$0.4 million and other operating revenues or \$0.1 million, offset by a reduction in auxiliary enterprises revenues of \$12,000.

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The primary component of operating revenue is net tuition and fees. A table showing the components of net tuition and fees is presented below. Total tuition and fees are presented net of waivers.

In 2024, gross tuition and fees increased \$3.6 million or 22.7% from 2023. Discounts grew \$2.8 million as a result of additional federal Title IV aid and state funding. A 16.6% increase in semester credit hours, in addition to a 10% increase to in-District tuition rates is reflected in the increase. In 2023, gross tuition and fees rebounded after the pandemic decrease, increasing \$2.6 million from 2022. Discounts grew \$2.5 million as a result of continuing support to mitigate the pandemic effects from federal and state grants, growth in dual credit enrollment exemptions, and additional institutional TPEG grants to students.

Net Tuition and Fees
(in thousands)

	2024		2023		2022	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Tuition	\$ 19,452	307.8%	\$ 15,608	283.8%	\$ 13,301	242.6%
Fees	298	4.7%	493	9.0%	240	4.4%
Discounts	(13,431)	-212.5%	(10,601)	-192.7%	(8,058)	-147.0%
Total net tuition and fees	\$ 6,319	100.0%	\$ 5,500	100.0%	\$ 5,483	100.0%

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Following are charts of the major sources of revenue for fiscal years 2024 and 2023, comparing operating and non-operating revenues. Non-operating revenues comprise the largest portion of total revenues at 86.0% for fiscal year 2024 and 86.8% for fiscal year 2023.

Non-operating revenues increased by \$3.3 million for fiscal year 2024 compared to fiscal year 2023. State appropriations increased by \$2.0 million, which is partly due to the transition to a new state funding model under House Bill 8 (HB 8), passed by the 88th Texas Legislature in May 2023. This new model shifts funding from student contact hours to a performance-based approach focused on student success metrics, such as credential attainment and transfer rates. Ad valorem taxes showed a net decrease of \$1.4 million. Federal grants, non-operating, increased by \$0.9 million, reflecting continued federal support for various programs. State grants, non-operating, increased by \$0.5 million, driven by additional state funding. Gifts decreased by \$9,950, and investment income increased by \$17,003. Interest on capital-related debt decreased by \$0.8 million due to lower debt service costs. Other non-operating revenues, which were negative in FY23, showed a positive variance of \$6,006 in FY24. Overall, net non-operating revenues in FY24 totaled \$42.7 million, an increase of \$3.3 million from FY23.

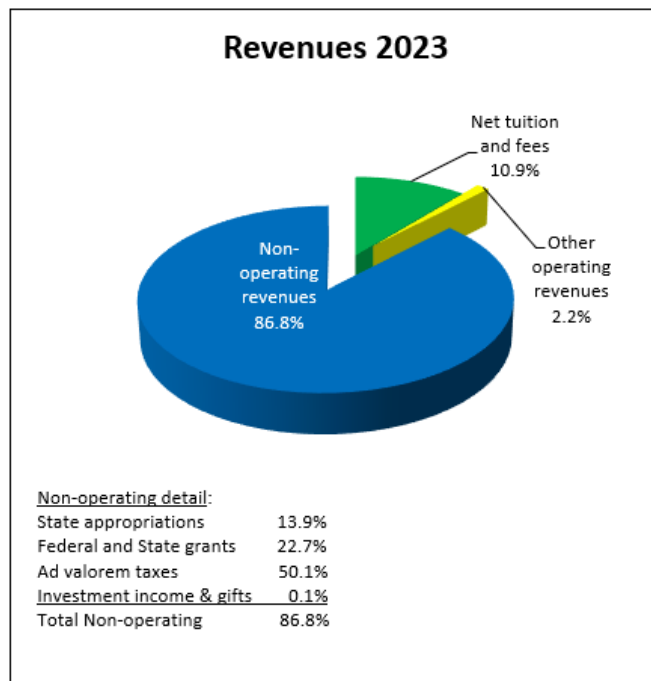
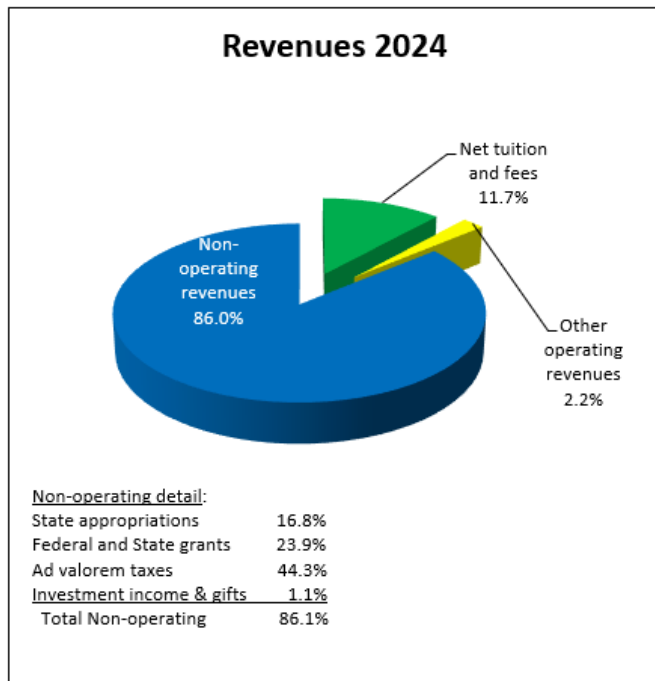
Net non-operating revenues decreased by \$1.2 million for fiscal year 2023 compared to fiscal year 2022. The increase in state appropriations of approximately \$45,000 was primarily driven by increases in state paid benefit contributions. Federal and state grants, non-operating, decreased by \$3.0 million, reflecting the conclusion of funding from the Higher Education Emergency Relief Fund (HEERF) under the CARES Act, which provided additional support during the pandemic and reductions in State student aid. Ad valorem taxes increased by \$2.5 million. Interest on capital-related debt decreased by \$0.8 million, mainly due to reduced debt service costs. Other non-operating revenues, improved by \$58,000 in FY23. Overall, net non-operating revenues in FY23 totaled \$39.4 million, a decrease of \$1.2 million from FY22.

Other revenues received in both 2024 and 2023 each include \$3,855,480 in state appropriations allocated for construction projects.

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Revenue Components – Operating and Non-operating



Operating expenses are presented in the following charts in both a natural and functional classification. Following is a three-year comparison of operating expenses by natural classification.

Total operating expenses increased by \$4.7 million in fiscal year 2024. Salaries and wages increased by \$3.6 million, or 20.6%, due to an approved general wage increase for full-time benefit faculty and staff. In addition, the College added 12 new positions. The increase in salary and wages is mainly due to strengthening core operations, implementing enhancements and innovations and planning for student success in current market conditions. To successfully launch and manage these enhancements and innovations, maintaining and retaining qualified employees is crucial. One of the Board's Charges to the Chancellor is to lead an organizational push to develop a competitive employee compensation program, aiming to position Alamo Colleges among nationally recognized, high-performing community colleges. These compensation adjustments directly support the recruitment and retention of talent, which in turn helps fulfill our mission of student success. Alamo Colleges' continued commitment to faculty and staff compensation is evident in the FY24 talent strategies. The employees impacted by these changes include those receiving a 6.5% flat market adjustment, which affects 213 employees across the College. Additionally, there are high wage/high demand faculty stipend adjustments, impacting faculty members, as well as the completion of staff equity pay adjustments, which will benefit employees in College Services, Academic Support, and other remaining job families. Full-time employees will receive a minimum market increase of \$2,000 per year, while part-time employees will receive an increase of \$0.96 per hour. The 6.5% market rate adjustment will affect every Alamo Colleges employee, including full-time, part-time, revenue-funded, and grant-funded employees. To keep pace with the market, the Board of Trustees approved increases in high-wage/high-demand stipends for faculty. The staff equity pay project, developed in collaboration with the Staff Senate, focuses on providing fair and equitable pay increases for staff that align with current economic trends. FY24 marks the third and final year of this project, supporting college services, academic support, and other job families. Additionally, the Executive Faculty Senate, in collaboration with TOSI (Talent, Organization, and Strategic Innovation), continues their efforts to achieve a 1:1 lab loading ratio, with FY24 increasing the effort from 0.75 to 0.8. Alamo Colleges ensures that all employees and student workers receive a pay increase of at least \$0.96 per hour for part-time employees or \$2,000 per year for full-time employees.

Scholarships and fellowships increased by \$2.1 million in FY24, reflecting the increased eligibility of students for federal

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title IV aid. The increase is due to an increase in enrollment (more eligible Pell students) from academic year to academic year and a formula change by the Department of Education change from using Expected Family Contribution (EFC) to the Student Aid Index (SAI) which presumably created more students who are Pell/SEOG eligible. EFC was used to determine a student's eligibility for federal financial aid by estimating how much a family could contribute toward education costs. The EFC was based on factors like income, assets, and household size. However, it was criticized for its complexity and not always reflecting a family's true ability to pay. Starting with the 2024-2025 academic year, the Student Aid Index (SAI) replaced the EFC. The SAI simplifies the calculation and aims to offer a more accurate and equitable assessment of financial need. While both the EFC and SAI serve similar purposes, the SAI is expected to provide a clearer and more consistent approach to determining financial aid eligibility.

Supplies expenses increased by \$0.9 million in fiscal year 2024, primarily due to additional employees, a 16.6% increase in enrollment and focusing on the enhancements and innovations outlined in the college plans.

Depreciation expense increased by \$0.6 million in 2024, reflecting normal wear and tear and asset depreciation.

Total operating expenses increased by \$2.7 million in fiscal year 2023. All natural classifications of operating expenses increased in fiscal year 2023, except for scholarships and fellowships, which declined. Salaries and benefits increased by \$2.2 million, or 10.6%, primarily due to the payment and accrual of a retirement incentive program, a general 4.5% salary increase, increases to high-wage earners, and adjunct faculty salary increases as enrollment rebounded from pandemic levels. The total duplicated count of students grew from 15,457 in 2022 to 17,531 in 2023 across the Fall, Spring, and Summer semesters.

Scholarships and fellowships declined by \$1.8 million in fiscal year 2023, primarily due to reduced funding from economic and financial aid scholarship programs as the impact of COVID-19 waned. Supplies increased by \$1.4 million, with a significant portion of the increase related to instructional supplies for AlamoBOOKS+. AlamoBOOKS+ is a program that allows students to rent academic materials at reduced prices rather than purchasing expensive textbooks.

Depreciation expense increased by \$948,000 in fiscal year 2023 due to the completion of projects related to the Northeast Lakeview College (NLC) campus from the \$450 million voter-approved general obligation bond program.

Operating Expenses in Natural Classification
(in thousands)

	Fiscal Year			Change	Change
	2024	2023	2022	2022 to 2023	2021 to 2022
Salaries	\$ 21,064	\$ 17,472	\$ 15,684	\$ 3,592	\$ 1,788
Benefits	6,028	5,329	4,923	699	406
Scholarships and fellowships	8,007	5,928	7,762	2,079	(1,834)
Supplies and services	9,673	11,956	10,554	(2,283)	1,402
Depreciation	5,144	4,499	3,551	645	948
Total operating expenses	<u>\$ 49,916</u>	<u>\$ 45,184</u>	<u>\$ 42,474</u>	<u>\$ 4,732</u>	<u>\$ 2,710</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

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Operating Expenses in Functional Classification
(in thousands)

	Fiscal Year			Change	
	2024	2023	2022	2022 to 2023	2021 to 2022
Instruction	\$ 15,531	\$ 13,948	\$ 10,441	\$ 1,583	\$ 3,507
Academic support	5,029	4,127	3,560	902	567
Student services	7,594	6,432	5,635	1,162	797
Institutional support	4,890	4,970	5,441	(80)	(471)
Operation and maintenance of plant	3,721	5,280	6,084	(1,559)	(804)
Depreciation	5,144	4,499	3,551	645	948
Scholarships and fellowships	8,007	5,928	7,762	2,079	(1,834)
Total educational and general	49,916	45,184	42,474	4,732	2,710
Auxiliary enterprises	-	-	-	-	-
Total operating expenses	<u>\$ 49,916</u>	<u>\$ 45,184</u>	<u>\$ 42,474</u>	<u>\$ 4,732</u>	<u>\$ 2,710</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

Factors influencing operating expenses grouped by functional classification include the following:

In 2024, operation and maintenance costs decreased \$1.6 million, and salaries and benefits increased \$1.2 million as a result of a salary increase and 6 new full-time budgeted positions.

- Instruction includes expenses for all activities that are a part of the instructional programs, such as faculty salaries and benefits. In fiscal year 2024, instructional expenses increased \$1.6 million. Salaries and benefits increased \$1.5 million due to approved salary increases and enrollment increase. Supplies and operating expenses increased \$0.5 million, offset by a reduction of \$0.4 million in non-capitalized equipment expenses. Instructional expenses increased by \$3.5 million, or 33.6%, in fiscal year 2023 primarily related to a generally approved average salary increase of 4.5% plus related benefits, and a retirement incentive program allocated by functional category. These two items contributed mostly to the \$1.0 million increase in salary and benefits. Other operating expenses increased \$2.5 million primarily due to the expansion of the AlamoBOOKS+ program, where Alamo purchases books and supplies for all students. These textbooks and materials which were previously bought by students, are now rented back to students at a much more economical rate and ensure that all students are prepared on day one of classes with all the resources needed for class. This results in a significant decrease in the cost of attendance for students.
- Academic support includes expenses related to providing support services for the College's primary mission of instruction, including libraries, computing support, audio visual services, curriculum development and academic program administration. In fiscal year 2024, academic support costs increased \$0.9 million. Approved salary and benefit increases of \$1.1 million were offset by a reduction of operating expenses of \$0.2 million. Academic support costs increased by \$0.6 million in fiscal year 2023, primarily attributable to the general salary increase, and allocated costs for the retirement incentive program, resulting in a salary and benefit increase of \$.02 million. Other academic support expenses increased \$0.4 million related to increased enrollment and providing additional learning resources.
- Student services includes expenses of various departments serving students such as student newspapers, intramural athletics, student organizations, counseling and career guidance, student aid administration, student health services, counseling and student success centers. In 2024, salaries and benefits for student services employees increased \$1.2 million from salary increases and 6 new fulltime budgeted positions. Student services costs increased \$0.8 million in 2023. Of the \$0.8 million increase in 2023, \$0.6 million was due to a general salary

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increase of 4.5%, the allocated retirement incentive program, federal work study program, and related employee benefits. All other expenses increased \$0.2 million, spurred by additional grant activity, coupled by unrestricted increases in support of student programs.

- The institutional support category is primarily comprised of salaries and other operating expenses for central executive-level management that engage in long-range planning for the College. This category decreased \$80,000 in 2024. There was a \$0.5 million increase to institutional support salaries due to reasons detailed before, and by a budgeted addition of 6 new institutional support positions. Operating expenses and non-capitalized furniture and equipment decreased \$0.5 million offsetting the salary and benefit increases in FY24. In fiscal year 2023, institutional support costs decreased \$0.5 million. The \$0.5 million increase primarily resulted from the following: \$0.2 million in increased salaries, wages and associated fringe benefits for institutional support employees partially attributable to the general salary increase of 4.5% and allocated retirement incentive program, and a \$682,000 decrease in operating expenses related to decreases in expenditures from the winding down of HEERF funding in support of the college, offset by \$0.5 million in exterior college signage.
- Operation and maintenance of plant includes expenses for custodial, grounds, and building maintenance, as well as utilities. In 2024, operation and maintenance costs decreased \$1.6 million. In 2023 operation and maintenance decreased \$0.8 million. Salaries and related benefits increased \$0.2 million due to the general salary increase of 4.5% and allocated retirement incentive program. All other expenditures decreased approximately \$1 million mainly due to reduction of non-capitalized bond expenditures.
- Scholarships and fellowships increased by \$2.1 million in FY24 as described above in the natural classification section. Scholarships recorded a significant decrease of \$1.8 million in 2023 with the conclusion of COVID-19 economic and financial aid scholarship funding.

Statements of Cash Flows

The Statements of Cash Flows provide information about the sources of cash and the uses of cash in the operations of the College. The Statements of Cash Flows help users determine the entity's ability to meet its obligations as they become due and the impact of external financing.

The Statements summarize cash inflows and outflows by operating activities, non-capital financing activities, capital financing activities and investing activities. The Statements of Cash Flows reflected increases in cash of approximately \$2.1 and \$1.6 million for the years ended August 31, 2024 and 2023, respectively. The 2024 increase is attributed to additional financing for the internal financial agreement described previously intended for capital projects. The increase in 2023 of \$1.6 million can be attributed to the receipt of state appropriations for construction yet to be spent. The primary uses of cash in operations are for payment of salaries and benefits followed by payments to suppliers for goods and services. Sources of cash from operations are primarily from tuition receipts from students and receipts from other customers. Sources of cash from non-capital financing activities are primarily from ad valorem taxes, state appropriations and nonoperating federal and state revenues. Cash inflows from capital and related financing activities include proceeds from the issuance of capital debt and receipts from ad valorem taxes to be used for debt service, while outflows consist of cash payments of debt, both principal and interest, as well as capital assets acquisition and construction. For additional detailed information, see Exhibit 3.

Capital Assets

Changes in net capital assets are the result of acquisitions, improvements, deletions and changes in accumulated depreciation. The College had \$189.2 and \$187.4 million in capital assets at August 31, 2024 and 2023, respectively, and accumulated depreciation of \$55.8 and \$50.7 million at the same dates, respectively. Depreciation expense totaled \$5.1 million in fiscal year 2024 and \$4.5 million in fiscal year 2023. (See Note 4, Capital Assets, included in the financial statements.) A summary of net capital assets is presented below.

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Net Capital Assets at Fiscal Year End
(in thousands)

	Fiscal Year			Change	
	2024	2023	2022	2023 to 2024	2022 to 2023
Land	\$ 4,953	\$ 4,953	\$ 4,953	\$ -	\$ -
Buildings and other real estate improvements	124,390	128,939	129,306	(4,549)	(367)
Works of art	132	125	125	7	-
Construction in progress	2,660	1,027	228	1,633	799
Furniture, machinery and equipment	907	1,379	930	(472)	449
Library materials	422	295	340	127	(45)
Total net capital assets	<u>\$ 133,464</u>	<u>\$ 136,718</u>	<u>\$ 135,882</u>	<u>\$ (3,254)</u>	<u>\$ 836</u>

Due to rounding, certain totals in this schedule may not add exactly to their constituent amounts.

One method of evaluating the continued life of capital assets is to compare the accumulated depreciation to the original cost of the assets as a percentage. The following table lists assets subject to depreciation and the percentage depreciated at August 31, 2024 and 2023. The accumulated depreciation rate for buildings and other real estate improvements is low, as is expected of a campus comprised of relatively new buildings.

Depreciable Capital Assets and Accumulated Depreciation Percentages
(in thousands)

	Fiscal Year 2024			Fiscal Year 2023		
	Capitalized	Accumulated Depreciation	% Depreciated	Capitalized	Accumulated Depreciation	% Depreciated
Buildings and other real estate improvements	\$ 178,246	\$ 53,856	30.2%	\$ 178,243	\$ 49,304	27.7%
Furniture, machinery and equipment	2,141	\$ 1,235	57.7%	2,071	692	33.4%
Library materials	1,088	\$ 666	61.2%	971	676	69.6%

In fiscal year 2024, the College recorded increases to construction in progress, buildings, furniture, machinery and equipment, works of art, and library materials of \$1.6 million, \$3,000, \$70,000, \$6,500 and \$118,000, respectively. In fiscal year 2023, the College recorded net increases to construction in progress, buildings and building improvements, and furniture, machinery and equipment of approximately \$799,000, \$384,000 and \$449,000, respectively. Library materials reflected a net decrease of \$46,000.

Schedule of Major Capital Assets

	Square footage (in thousands)
Academic space	263,090
Library	82,620
Student support and administration	64,191
Dining facility	-
Athletic facility	47,607
Includes gymnasium, fitness center, putting green and rock climbing wall	
Plant facility	10,763
Parking lots (accommodate 2,234 vehicles)	

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The District, on behalf of the College, has entered into several contracts for construction and various other renovation projects financed by bond proceeds. As of fiscal year 2024, there were \$10.9 million of those commitments.

Debt

The College reports a portion of the general obligation bonds, revenue bonds, and tax notes issued by the District. This portion is based on the original capital project budgets for the bonds, which were developed before the bonds were issued. The reported amount is determined by the debt allocated to the College from the District's total debt, reduced by the proportional amortization of debt service established at the issuance of the bonds. In fiscal year 2024, an additional \$2.5 million was allocated to the College for capital projects on campus from an internal financial agreement with the District, and scheduled payments of \$6.9 million, resulted in outstanding debt of \$112.0 million. In fiscal year 2023 debt outstanding was \$116.4 million, or 16% of District debt issues with allocations to the College. In 2023 NLC received an allocation of \$7.4 million from the issuance of 2023 maintenance tax notes. For additional information, see Note 6, 7 and 8.

The District had \$755.8 million and \$829.1 million in outstanding bonds and maintenance tax note debt at August 31, 2024 and 2023, respectively, before premiums and discounts. This amounts to a decrease of \$73.3 million in fiscal year 2024 and an increase of \$237.2 million in fiscal year 2023. The \$73.3 million decrease in 2024 was the result of regularly scheduled debt service payments and other debt transactions including redemptions and defeasances. The \$237.2 million increase in 2023 was the result of new debt issued. Of the new debt, \$49.8 million of the increase in 2023 was the result of issuing the third and last tranche of general obligation bonds related to the \$450 million voter approved bond package in 2017, and \$247.6 million was the result of issuing 2023 maintenance tax notes to renovate and furnish and equip multiple facilities, plus the related premium on those issuances, offset by scheduled payments and maintenance tax note refunding.

The District's general obligation debt is payable from the proceeds of a continuing, direct ad valorem tax levied against all taxable property within the taxing district. Revenue bonds are special obligations of the District that are payable solely from and will be equally and ratably secured by an irrevocable first lien on pledged revenues. The pledged revenue is all revenue from tuition pursuant to applicable Texas law.

The District has received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and S&P Global Ratings, respectively. These are the highest ratings available from these rating agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 6, 7, and 8 to its financial statements.

Factors Having Probable Future Financial Significance

In May 2023, the 88th Texas Legislature approved a historic change in the state funding methodology for public community colleges in Texas with the passing of House Bill 8 (HB 8). Beginning with fiscal year 2024, HB 8 transitions state funding from the traditional model largely based on student contact hours and, to a lesser degree, student success points, to a model with a primary focus on student performance. The updated funding formula will focus on four key areas of student success: obtaining credentials of value, obtaining credentials in high demand areas, transfer to four-year universities and completing sequences of courses in high school programs. Student success has always been a top institutional priority and the College is optimistic that it will be well positioned for favorable results under the new model.

While the new funding model for funding state community colleges has the potential to positively impact both students and community colleges, some experts suggest the first few years will be a period of adjustment. Lawmakers may need to refine the formula as its long-term effects become clearer. Overall, Texas is shifting its community college finance system to ensure that funding is more directly linked to outcomes that contribute to both individual student success and the state's economic goals.

The economic landscape of the College is significantly shaped by the broader economic conditions of the State of Texas, Bexar County, surrounding counties, and the City of San Antonio. As the seventh-largest city in the United States and the second-largest in Texas, San Antonio plays a pivotal role in regional economic dynamics. After navigating through the

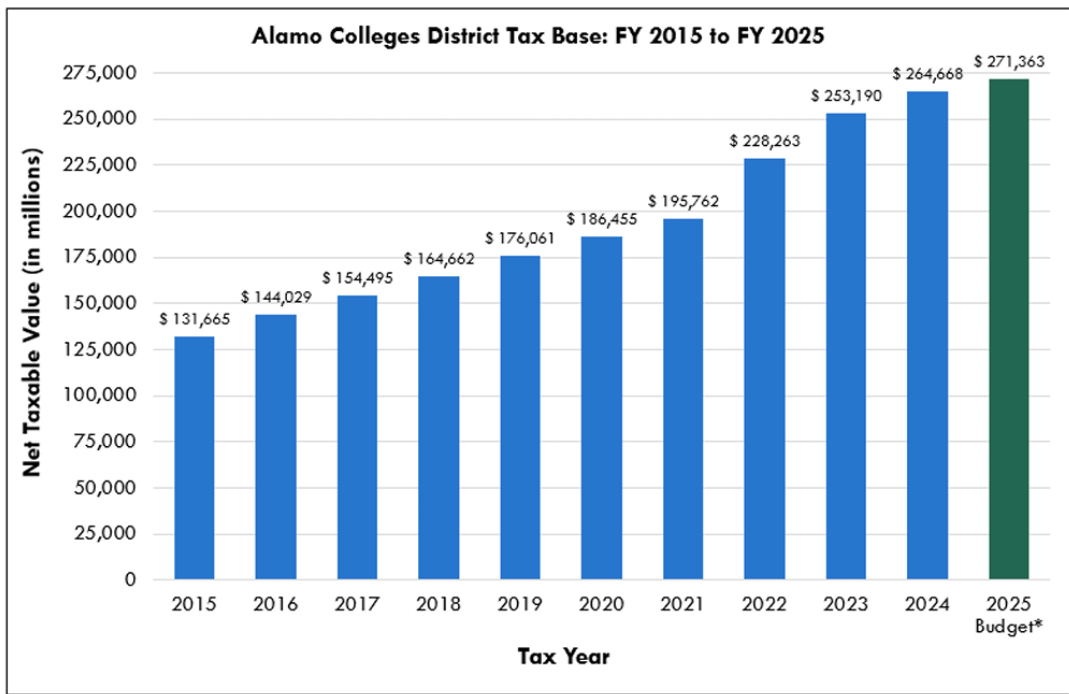
NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Management's Discussion and Analysis
(Unaudited)

COVID-19 pandemic era, the state, county, and city are navigating a complex array of challenges and opportunities. Key factors such as return of inflation, higher relative interest rates, a potential economic slow-down, political disunity, climate change, and advancements in artificial intelligence, among others, shifting state funding formula, are influencing the economic outlook.

As of August 2024, the national unemployment rate is 4.2%, with Texas slightly lower at 4.1%. In the San Antonio area, the unemployment rate stands at 3.8%, reflecting a significant recovery from the pandemic peak of 13.6% in April 2020. In response to the pandemic's lasting impact, San Antonio is focused on revitalizing its job market and enhancing workforce capabilities. Local governments have implemented targeted economic incentives and fostered strategic regional partnerships. A key initiative is the SA Ready to Work program, financed through a 1/8 cent sales tax until December 2025. This program aims to equip residents with the skills needed for in-demand jobs, thereby strengthening both the local economy and workforce.

The San Antonio metropolitan area, including Bexar County, is an attractive hub for business expansion, driven by several key advantages: affordability, abundant power resources, and a continuously evolving education system. The region boasts a robust and diverse economy that spans multiple industries, including bioscience, healthcare, aerospace, aviation, military, tourism, financial services, manufacturing, and information technology, with a particular emphasis on cybersecurity. The area is characterized by a strong history of collaboration among government entities, nonprofit organizations, industry stakeholders, and educational institutions. This partnership-focused approach underscores the region's commitment to creating a thriving environment for businesses and consumers alike. The accompanying chart illustrates the strength of the property tax base, which contributes significantly to the College's revenues.



*Due to difference in time of reporting, the certified tax year is one year behind the reported fiscal year.

This financial report is designed to provide the District's citizens, taxpayers, students, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance and Fiscal Services Department at 2222 N. Alamo Street, San Antonio, Texas 78215 or visit our Financial Transparency website at: <https://www.alamo.edu/about-us/compliance/financial-information/>.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)
EXHIBIT 1

Statements of Net Position
August 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,698,936	\$ 8,417,165
Restricted cash and cash equivalents	1,475,098	1,282,988
Accounts receivable and notes receivable, net of allowance	2,475,013	918,487
Total current assets	10,649,047	10,618,640
Noncurrent assets:		
Restricted cash and cash equivalents	23,749,532	20,118,324
Leases receivable	246,056	259,496
Capital assets (net)	133,461,894	136,717,658
Total noncurrent assets	157,457,482	157,095,478
TOTAL ASSETS	168,106,529	167,714,118
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	1,728,382	1,648,491
Funds held for others	75,282	73,008
Unearned revenues	4,723,483	4,188,394
Current portion of noncurrent liabilities	6,807,503	6,863,389
Total current liabilities	13,334,650	12,773,282
Noncurrent liabilities	105,234,016	109,541,518
TOTAL LIABILITIES	118,568,666	122,314,800
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to leases	244,473	256,581
TOTAL DEFERRED INFLOWS OF RESOURCES	244,473	256,581
NET POSITION		
Net investment in capital assets	34,561,943	36,299,566
Restricted for:		
Expendable		
Student aid	828,759	964,108
Instructional programs	10,545	10,545
Capital projects	11,772,055	3,478,280
Unrestricted	2,120,088	4,390,238
TOTAL NET POSITION	\$ 49,293,390	\$ 45,142,737

The accompanying notes are an integral part of these financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)
EXHIBIT 2

Statements of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2024 and 2023

	2024	2023
OPERATING REVENUES:		
Tuition and fees (net of discounts of \$13,430,341 and \$10,601,005, respectively)	\$ 6,319,048	\$ 5,499,660
Grants and contracts	502,444	473,579
Auxiliary enterprises	277,871	238,317
Other operating revenues	411,530	418,885
Total operating revenues (Schedule A)	7,510,893	6,630,441
OPERATING EXPENSES:		
Instruction	15,531,327	13,948,082
Academic support	5,028,965	4,126,964
Student services	7,593,415	6,432,653
Institutional support	4,890,065	4,969,685
Operation and maintenance of plant	3,720,964	5,280,650
Scholarships and fellowships	8,007,177	5,927,584
Depreciation	5,144,309	4,498,617
Total operating expenses (Schedule B)	49,916,222	45,184,235
Operating loss	(42,405,329)	(38,553,794)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	9,014,288	7,014,412
Ad valorem taxes		
Taxes for maintenance and operations	17,204,673	18,567,621
Taxes for maintenance notes	2,731,944	3,461,068
Taxes for general obligation bonds	3,890,418	3,156,142
Federal grants, non-operating	11,745,841	10,867,324
State grants, non-operating	1,105,226	563,255
Gifts	16,550	26,500
Investment income	63,090	46,087
Other non-operating state funds-FAST	515,570	-
Interest on capital-related debt	(3,587,098)	(4,345,455)
Other non-operating expenses	-	(6,006)
Net non-operating revenues (Schedule C)	42,700,502	39,350,948
Income before other revenues	295,173	797,154
OTHER REVENUES:		
Other income	3,855,480	3,855,480
Total other revenues	3,855,480	3,855,480
Increase in net position	4,150,653	4,652,634
NET POSITION:		
Net position - beginning of year	45,142,737	40,490,103
Net position - end of year (Schedule D)	\$ 49,293,390	\$ 45,142,737

The accompanying notes are an integral part of these financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)
EXHIBIT 3

Statements of Cash Flows
Years Ended August 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	\$ 7,314,403	\$ 5,984,640
Receipts from grants and contracts	276,218	376,635
Other receipts	412,226	414,183
Payments to or on behalf of employees	(24,729,224)	(21,174,445)
Payments to suppliers for goods and services	(9,760,951)	(11,817,663)
Payments for scholarships and fellowships	(8,007,177)	(5,927,584)
Payment for Federal loans issued to students	1,695,575	(1,540,246)
Receipts for Federal loans for students	(1,685,998)	1,519,232
Net cash used by operating activities	(34,484,928)	(32,165,248)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations (non-capital projects)	7,144,749	5,410,238
Receipts from ad valorem taxes	17,204,673	18,567,621
Receipts from non-operating federal and state revenue	11,342,424	12,502,540
Receipts from gifts and grants (other than capital)	16,000	16,000
Receipts from student organizations and other agency transactions	2,274	11,845
Net cash provided by non-capital financing activities	35,710,120	36,508,244
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds on issuance of capital debt	2,500,000	7,409,053
Receipts from ad valorem taxes for debt service	6,622,362	6,617,210
Receipts from state appropriations for capital projects	3,855,480	3,855,480
Payments for capital assets acquisition and construction of capital assets	(1,710,548)	(9,172,068)
Payments on capital debt - principal	(6,863,389)	(7,126,076)
Payments on capital debt - interest	(3,587,098)	(4,345,455)
Net cash provided (used) by capital and related financing activities	816,807	(2,761,856)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	63,090	46,087
Net cash provided by investing activities	63,090	46,087
INCREASE IN CASH AND CASH EQUIVALENTS	2,105,089	1,627,227
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	29,818,477	28,191,250
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 31,923,566	\$ 29,818,477

The accompanying notes are an integral part of these financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)
EXHIBIT 3

Statements of Cash Flows
Years Ended August 31, 2024 and 2023 (continued)

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH		
USED BY OPERATING ACTIVITIES:		
Operating loss	\$ (42,405,329)	\$ (38,553,794)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	5,144,309	4,498,617
Allowance for doubtful accounts	373,427	520,318
Non-cash state appropriations - on-behalf payments	2,385,109	1,604,174
Changes in assets and liabilities:		
Receivables (net)	(407,870)	(657,456)
Accounts payable	(97,555)	148,643
Unearned income	535,089	319,164
Deferred inflows related to leases	(12,108)	(44,914)
Net cash used by operating activities	\$ (34,484,928)	\$ (32,165,248)
 SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
 State on-behalf payments	 \$ 2,385,109	 \$ 1,604,174
 Gifts of depreciable and non-depreciable assets	 \$ 550	 \$ 10,500

The accompanying notes are an integral part of these financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

1. REPORTING ENTITY

Northeast Lakeview College (the College), established in 2007, is one of the five colleges of the Alamo Community College District (Alamo Colleges District or the District) serving the educational needs of Bexar County and surrounding communities.

The College, as a member of the Alamo Colleges District, administers and provides educational services using the funds provided to or generated by it. The College directs its own budget allocation, as approved by the Board of Trustees of the Alamo Colleges District, and makes decisions regarding educational activities including the development of curriculum, the delivery of educational support services and the hiring of faculty and staff under the Alamo Colleges District's guidelines. Certain assets, liabilities and net position attributable to the College's operations are designated separately in the District's books or are allocated for the basis of reporting at the College level. The College has no separate legal authority to enter into debt, make investments, acquire capital assets, assess or collect taxes or otherwise engage in activities as a separate legal entity. These activities are conducted and reported at the District level on behalf of the entire District and are under the direction of the Chancellor, the administration and/or Board of Trustees of the Alamo Colleges District. The accompanying financial statements present the net position and changes in net position and cash flows of the College. These financial statements are not intended to present the financial position or the change in financial position or cash flows of the District.

The Alamo Colleges District is considered to be a special purpose, primary government. While the Alamo Colleges District receives funding from local, state and federal sources and must comply with the spending, reporting and recordkeeping requirements of these entities, it is not a component unit of any other governmental entity. The Alamo Colleges District issues an Annual Comprehensive Financial Report that includes the District operations, as well as the operations of its five-member colleges. The Alamo Community College District was established in 1945 in accordance with the laws of the State of Texas. It serves the educational needs of Bexar County and surrounding communities through its colleges and educational centers. The District supports five colleges, including San Antonio College, St. Philip's College, Palo Alto College, Northwest Vista College and Northeast Lakeview College.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Guidelines

The significant accounting policies followed in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's Annual Financial Reporting Requirements for Texas Public Community Colleges* for fiscal year 2024. For financial reporting purposes Northeast Lakeview College is part of the District, which is considered a special purpose, primary government engaged in business-type activities. The primary purpose for the preparation of the separately issued financial statements of the College is to satisfy requirements for the College's accreditation body, the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).

Basis of Accounting

The financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with reporting requirements as set by the Texas Higher Education Coordinating Board (THECB). The financial statements of the College have been prepared on the accrual basis, whereby all revenues are recorded when earned, and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

Each community college district in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenses for the fiscal year beginning September 1. The District's Board of Trustees adopts the annual budget, which is prepared on the accrual basis of accounting for operating funds and available resources for construction and renewal funds. Copies of the District's approved budget and subsequent amendments must be filed with the THECB, Legislative Budget Board, Legislative Reference Library and Governor's Office of Budget and Planning by December 1. The budget documents include the College's information for tuition and other revenue, student contact hours, state appropriation allocation distribution, expenses and personnel, as well as other information.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of operating cash on hand, demand deposits and short-term investments with original maturities of less than three months from the date of acquisition.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents that can be used to pay current liabilities (in keeping with restrictions) are classified as current assets.

Cash and cash equivalents that are externally restricted (except as discussed in the preceding paragraph) as to their use are classified as noncurrent assets in the Statements of Net Position. This category includes unexpended cash balances restricted by donors or other outside agencies for specific purposes; gifts whose donors have placed limitations on their use; grants from private or governmental sources; bond proceeds; and other sponsored funds.

Accounts and Notes Receivable

Accounts receivable are recorded at the invoiced amounts. Notes receivable represent short-term student loans. The allowance for doubtful accounts is management's best estimate of the amount of probable credit losses and is determined based on historical collectability. Account balances are written-off against the allowance when it is probable the receivable will not be recovered.

Leases Receivable

The College is a lessor for noncancelable leases of property. The College recognizes a lease receivable and a deferred inflow of resources in the Statements of Net Position.

At the commencement of a lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, if any. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses the Treasury rate with the maturity that most closely matches the length of the lease term, as of the date of the beginning of the lease term, obtained from the treasury.gov website, as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The College monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Assets meeting the applicable capitalization threshold with useful lives extending beyond one year are recorded at cost on the date of acquisition. In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, donated capital assets are stated at acquisition value, defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Infrastructure and land improvements which significantly add value or extend the useful life of the structure are capitalized. The costs of normal maintenance and repairs are charged to operating expense in the year the expense is incurred.

The straight-line method is used for depreciating assets over their useful lives. Depreciation begins in the following year after capitalization except for equipment, which is prorated in the first year the asset was placed in service. The table below lists the capitalization thresholds and useful lives for each asset category:

Class of Asset	Capitalization Threshold	Useful Life (Years)	Salvage Value
Non-depreciable assets:			
Land	\$ 5,000	Not depreciated	-
Works of art/historical treasures	5,000	Not depreciated	-
Buildings:			
Buildings	100,000	40	10%
Portable buildings	10,000	10	10%
Other real estate improvements:			
Building improvements	100,000	20	-
Infrastructure	100,000	20	10%
Land improvements (except tennis courts)	100,000	20	-
Leasehold improvements	10,000	Shorter of lease or useful life	-
Tennis courts	10,000	7	-
Furniture, machinery and equipment:			
Furniture, machinery and equipment	5,000	5-10	-
Technology systems	5,000	5	-
Software	5,000	5	-
Library materials	All	15	-
Subscription-based information technology arrangements	100,000	Shorter of contract or useful life	-

Compensable Absences

The College is not a separate legal entity and therefore all College personnel are employees of the District. As such, employee benefits are administered and recorded at the District level and are considered the obligations of the District and are not allocated to the College. Employee annual leave is accrued by the District as earned and sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave.

Self-Insurance

The District is self-insured for a portion of workers' compensation losses. A liability representing the self-insured portion of workers' compensation losses is recorded at the District level for the estimated amount of eventual loss which will be incurred on claims arising prior to the end of the fiscal year including incurred but not reported claims.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net Investment in Capital Assets

This category represents the total investment in capital assets used primarily by the College, net of related outstanding debt used to acquire or construct those assets and accumulated depreciation related to those capital assets.

Restricted Net Position, Expendable

Legal or contractual obligations require this portion to be spent in accordance with external restrictions.

Unrestricted Net Position

These are resources that are not subject to external restrictions and may be used at the discretion of the governing board for any lawful purpose of the College.

Operating and Non-operating Revenues

The College distinguishes operating and non-operating revenues and follows the District's method of reporting as a Business-Type Activity (BTA) and as a single, proprietary fund. Operating revenues generally result from providing services in connection with the principal ongoing operations. The principal operating revenues are student tuition and fees net of scholarship discounts and allowances, federal and private grants and contracts, auxiliary enterprises revenue (such as campus access fees and bookstore commissions) and other revenues of a similar nature.

The major non-operating revenues are state appropriations, ad valorem property tax collections and federal financial aid through Title IV Higher Education Act grants. The amount of state appropriations allocated to the College is based on student contact hours generated. This is similar to the method the State of Texas uses to allocate appropriations to the District on a biennium basis. State appropriations may not be used for construction of facilities or for repairs and renovation of those facilities. The amount of ad valorem taxes allocated to the College is based on two variables - debt service requirements by the College on allocated debt and District support determined by the budget process for College operations. Any uncollectible assessed taxes are covered by the District.

Revenue Recognition and Unearned Income

Tuition and fee revenues are recorded when earned. Unrestricted tuition and fees and other revenues related to the upcoming fall semester that are received prior to year end are recorded as unearned revenues. Revenue from federal and state grants and entitlements is recognized as allowable costs are incurred, provided all eligibility requirements, if any, have been met and qualifying expenditures, if required, have been incurred. Unrestricted unearned charges have been netted against unearned income. Restricted charges where all obligations have been fulfilled are treated as expenses in the period incurred.

Tuition Discounting

Texas Public Education Grants

Certain tuition amounts are required to be set aside for use as scholarships by qualifying students. These amounts, called the Texas Public Education Grant (TPEG), are shown with tuition and fee revenue as a separate set aside amount (Texas Education Code §56.033). When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. The portion of the award disbursed directly to students is reported as a scholarship expense.

Title IV Higher Education Act (HEA) Program Funds

Certain Title IV HEA Program funds are received by the College to pass through to students. These funds are received by the College and recorded as revenue. When a student uses the award for tuition and fees, the amount is recorded as a tuition discount. The portion of the award disbursed directly to students is reported as a scholarship expense.

Other Tuition Discounts

The College awards tuition and fee scholarships from institutional funds to students who qualify. When these funds are used for tuition and fees, the awards are recorded as a tuition discount. The portion of the award disbursed directly to students is reported as a scholarship expense.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating and Non-operating Expenses

Operating expenses include the cost of providing instruction, academic support, student services, operation and maintenance of plant and depreciation on capital assets. Expenses related to non-operating federal revenues are reported as operating expenses, either as tuition discounts (if applied to tuition) or as scholarship expenses. The major non-operating expenses are interest on capital-related debt and capital expenses associated with bond proceeds which fall below the capitalization thresholds.

Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources, the expense is first applied against restricted resources and then against unrestricted resources.

Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

Total cash and cash equivalents at August 31, 2024 and 2023 were \$31,923,566 and \$29,818,47, respectively. The FDIC insures all of the noninterest-bearing demand deposits. Interest-bearing deposits in excess of \$250,000 are collateralized at a level of at least 100% in U.S. Treasuries and Government Securities held in the District's name.

4. LEASES RECEIVABLE

The College, as lessor, has entered into a lease agreement with New Cingular Wireless PCS, LLC to lease 2,500 square feet of rooftop space at Northeast Lakeview College for the installation of communications equipment. The lease term began August 28, 2013 for a five-year term. The lease is automatically renewed for four additional five-year terms unless the lessee terminates by written notice, making it possible for this lease to extend through August 27, 2038. In exchange for the space the College will receive \$12,000 annually, subject to a 3% per annum increase on the anniversary of the commencement date. Accordingly, the College recorded a lease receivable asset in the amount of \$307,897 at inception. In FY24 lease revenue and interest revenue for this lease was \$17,462 and \$3,196, respectively. In FY23 lease revenue and interest revenue for this lease was \$17,105 and \$3,349, respectively.

Leases receivable at August 31, 2024 and 2023 were as follows:

	Interest Rate(s)	Receivable At Commencement	Lease Term In Years	Balance 8/31/2024	Balance 8/31/2023
<u>Business-type Activities</u>					
Cell phone tower space with AT&T	1.20%	\$ 307,897	18.0	\$ 259,626	\$ 272,430
Leases receivable				<u>\$ 259,626</u>	<u>\$ 272,430</u>

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

5. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2024 was as follows:

	Balance 9/1/2023	Increases	Decreases	Balance 8/31/2024
<u>Not Depreciated:</u>				
Land	\$ 4,953,478		\$ -	\$ 4,953,478
Works of art	125,000	6,500	-	131,500
Construction in progress	1,026,779	1,632,918	-	2,659,697
Subtotal	<u>6,105,257</u>	<u>1,639,418</u>	<u>-</u>	<u>7,744,675</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	161,712,153	2,697	-	161,714,850
Other real estate improvements	16,530,898	-	-	16,530,898
Total buildings and other real estate improvements	<u>178,243,051</u>	<u>2,697</u>	<u>-</u>	<u>178,245,748</u>
Furniture, machinery and equipment	2,070,738	156,394	86,354	2,140,778
Library materials	970,686	171,354	53,713	1,088,327
Total buildings and other capital assets	<u>181,284,475</u>	<u>330,446</u>	<u>140,067</u>	<u>181,474,853</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	39,236,224	3,802,027	-	43,038,251
Other real estate improvements	10,067,407	750,370	-	10,817,777
Total buildings and other real estate improvements	<u>49,303,631</u>	<u>4,552,396</u>	<u>-</u>	<u>53,856,027</u>
Furniture, machinery and equipment	692,348	547,823	5,035	1,235,135
Library materials	676,095	44,090	53,713	666,472
Total accumulated depreciation	<u>50,672,073</u>	<u>5,144,309</u>	<u>58,748</u>	<u>55,757,635</u>
Net capital assets	<u>\$ 136,717,658</u>	<u>\$ (3,174,446)</u>	<u>\$ 81,319</u>	<u>\$ 133,461,894</u>

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

5. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2023 was as follows:

	9/1/2022	Increases	Decreases	8/31/2023
<u>Not Depreciated:</u>				
Land	\$ 4,953,478	\$ -	\$ -	\$ 4,953,478
Works of art	125,000	-	-	125,000
Construction in progress	228,024	1,026,779	228,024	1,026,779
Subtotal	<u>5,306,502</u>	<u>1,026,779</u>	<u>228,024</u>	<u>6,105,257</u>
<u>Subject to Depreciation:</u>				
Buildings and building improvements	157,710,465	4,001,688	-	161,712,153
Other real estate improvements	16,530,898	-	-	16,530,898
Total buildings and other real estate improvements	<u>174,241,363</u>	<u>4,001,688</u>	<u>-</u>	<u>178,243,051</u>
Furniture, machinery and equipment	1,627,795	536,012	93,069	2,070,738
Library materials	995,063	-	24,377	970,686
Total buildings and other capital assets	<u>176,864,221</u>	<u>4,537,700</u>	<u>117,446</u>	<u>181,284,475</u>
<u>Accumulated Depreciation:</u>				
Buildings and building improvements	35,618,216	3,618,008	-	39,236,224
Other real estate improvements	9,317,037	750,370	-	10,067,407
Total buildings and other real estate improvements	<u>44,935,253</u>	<u>4,368,378</u>	<u>-</u>	<u>49,303,631</u>
Furniture, machinery and equipment	698,324	84,720	90,696	692,348
Library materials	654,954	45,518	24,377	676,095
Total accumulated depreciation	<u>46,288,531</u>	<u>4,498,616</u>	<u>115,073</u>	<u>50,672,073</u>
Net capital assets	<u>\$ 135,882,192</u>	<u>\$ 1,065,863</u>	<u>\$ 230,397</u>	<u>\$ 136,717,658</u>

6. NONCURRENT LIABILITIES

Noncurrent liabilities include the College's allocated portion of the District's general obligation bonds, maintenance tax notes and combined fee revenue bonds reported below, based on the Board-approved construction projects for the College. The District is the financial obligor for repayment of these obligations from College tuition and fee revenues, and allocated assessed property taxes. Because all employees of the College are District employees and the District has the legal obligation to fund the long-term pension and OPEB benefits of its employees, the net pension liability and net OPEB liability for all of the College's employees are recorded in the District's financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

6. NONCURRENT LIABILITIES (continued)

At August 31, 2024, noncurrent liabilities are \$105,234,015 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance	Additions	Reductions	Balance	Current Portion
	9/1/2023			8/31/2024	
Bonds and tax notes payable					
General obligation bonds	\$ 104,261	\$ -	\$ 4,367	\$ 99,894	\$ 4,573
Revenue bonds	1,359	-	651	\$ 708	292
Maintenance tax notes	10,785	-	1,846	8,939	1,942
Total	\$ 116,405	\$ -	\$ 6,864	\$ 109,541	\$ 6,807

At August 31, 2023, noncurrent liabilities are \$109,541,518 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance	Additions	Reductions	Balance	Current Portion
	9/1/2022			8/31/2023	
Bonds and tax notes payable					
General obligation bonds	\$ 108,431	\$ -	\$ 4,170	\$ 104,261	\$ 4,367
Revenue bonds	1,980	-	621	1,359	651
Maintenance tax notes	5,711	7,409	2,335	10,785	1,845
Total	\$ 116,122	\$ 7,409	\$ 7,126	\$ 116,405	\$ 6,863

7. DEBT

The College is not a separate legal entity and therefore cannot issue debt. Debt is issued by the District, who is the financial obligor and ultimately responsible for repayment of these obligations from tuition and fee revenues and assessed property taxes. In order to satisfy accreditation requirements from the College's accreditation body, the SACSCOC, the College reports an allocation of noncurrent liabilities, the current portion of long-term debt and debt service based on the level of expenses included in the budget documents prepared before the funding of each bond or note, which averages 17% of the applicable current outstanding bonds and tax notes.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

7. DEBT (continued)

Debt service requirements (in thousands) at August 31, 2024 were as follows:

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 4,573	\$ 4,201	\$ 292	\$ 26	\$ 1,942	\$ 376	\$ 6,807	\$ 4,603
2026	4,792	3,984	197	15	2,040	281	7,029	4,280
2027	5,018	3,756	51	10	1,805	189	6,874	3,955
2028	5,255	3,518	53	7	998	123	6,306	3,648
2029	5,503	3,272	56	4	1,050	75	6,609	3,351
2030-2034	34,112	12,124	59	1	1,104	26	35,275	12,151
2035-2039	25,210	4,492	-	-	-	-	25,210	4,492
2040-2044	10,749	1,373	-	-	-	-	10,749	1,373
2045-2049	4,682	167	-	-	-	-	4,682	167
TOTAL	\$ 99,894	\$ 36,887	\$ 708	\$ 63	\$ 8,939	\$ 1,070	\$ 109,541	\$ 38,020

Debt service requirements (in thousands) at August 31, 2023 were as follows:

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS AND NOTES	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,367	\$ 4,406	\$ 651	\$ 48	\$ 1,845	\$ 468	\$ 6,863	\$ 4,922
2025	4,573	4,201	292	26	1,942	376	6,807	4,603
2026	4,792	3,984	197	15	2,040	281	7,029	4,280
2027	5,018	3,756	51	10	1,805	189	6,874	3,955
2028	5,255	3,518	53	7	998	123	6,306	3,648
2029-2033	32,641	13,596	115	5	2,155	101	34,911	13,702
2034-2038	30,230	5,822	-	-	-	-	30,230	5,822
2039-2043	10,443	1,678	-	-	-	-	10,443	1,678
2044-2048	6,942	332	-	-	-	-	6,942	332
TOTAL	\$ 104,261	\$ 41,293	\$ 1,359	\$ 111	\$ 10,785	\$ 1,538	\$ 116,405	\$ 42,942

8. BOND AND TAX NOTES PAYABLE

The College is not a separate legal entity and therefore cannot issue debt. Debt is issued by the District, who is the financial obligor and ultimately responsible for repayment of these obligations. In order to satisfy requirements from its accreditation body, the SACSCOC, the College reports its allocated portion of bonds and tax notes payable that are used to fund construction and other capital projects of the College in order to carry out its mission.

Bond issuances are supported by planned construction and/or renovation projects. These planned projects become capital budgeted expenses and are approved by the Board and form the basis of the allocation of capital funding and debt to Northeast Lakeview College. The portion of project expenses for each listed bond issuance that have been budgeted by the Board for the College are disclosed in the table below. As bond issuances are paid off, the layer of budget related to that bond issuance is removed from the budgeted expenses for the College by the Board.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

8. BOND AND TAX NOTES PAYABLE (continued)

Bonds and tax notes payable associated with the College at August 31, 2024 and 2023 were as follows:

Series	Instrument Type and Purpose	Amount Issued and Authorized	Current Interest Rates	District Balances	
				Balance August 31, 2024	Balance August 31, 2023
General Obligation Bonds (Repayment source - Ad valorem taxes)					
2007	Construct, renovate, acquire and equip new and existing facilities. Dated March 15, 2007.	\$ 271,085,000	4.5%	\$ 15,760,000	\$ 15,760,000
2012	Refund certain of the District's outstanding Limited Tax Bonds Series 2007 and 2007A. Dated June 15, 2012.	74,110,000	3.5% - 5.0%	50,285,000	65,630,000
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Dated May 15, 2016.	72,065,000	3.5% - 5.0%	42,715,000	45,280,000
2017	Refund the District's outstanding Limited Tax Bonds Series 2007 and 2007A and construct, renovate, acquire and equip new and existing facilities. Dated September 15, 2017.****	258,940,000	4.0% - 5.0%	153,250,000	166,820,000
2021	Construct, renovate, acquire and equip new and existing facilities. Dated May 15, 2021.*****	195,980,000	2.375% - 5.0%	184,540,000	188,980,000
Maintenance Tax Notes (Repayment source - Ad valorem taxes)					
2022	Renovate and repair existing District facilities. Dated August 1, 2022.*****	247,570,000	5.0%	195,935,000	223,250,000
Combined Fee Revenue Bonds (Repayment source Pledged revenues*)					
2012A	Refund certain of the District's outstanding Combined Fee Revenue bonds and to construct a parking facility. Dated March 1, 2012.**	\$ 55,800,000	3.0% - 5.25%	\$ 17,220,000	\$ 23,240,000
Total Bonds for which the College has an Allocation		\$ 1,175,550,000		\$ 659,705,000	\$ 728,960,000
Allocation Percentage				17%	16%
Balance Allocated to the College at August 31, 2024 and 2023				\$ 109,541,518	\$ 116,404,907
*Pledged revenue is all revenue to the extent it may be pledged as security for debt obligations pursuant to applicable Texas law.					
** Bond series 2012A included \$15,875,000 in new funding for projects, \$1,200,000 related to NLC.					
**** Bond series Limited Tax Bonds 2017 with bond premiums netted \$173,000,000 in new funding for projects, with approximately \$18,000,000 allocated to NLC.					
***** Bond series Limited Tax Bonds 2021 with bond premiums netted \$225,000,000 in new funding for projects, with approximately \$24,000,000 allocated to NLC.					
***** Bond series Tax Notes 2022 with bond premiums netted \$270,000,000 in new funding for projects, with approximately \$7,400,000 allocated to NLC. This was reflected in the District August 31, 2023 balance above.					
Debt service requirements at August 31, 2024 and 2023 are based on the percentage allocation as discussed above, applied to the debt service of the District.					

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

9. EMPLOYEES' RETIREMENT PLANS

The State of Texas has joint contributory retirement plans for almost all of its employees. All employees of the College must participate in either the Teacher Retirement System of Texas (TRS) or in the Optional Retirement Plan (ORP). Faculty, administrators, counselors and librarians may enroll in either TRS or ORP. Secretarial, clerical and professional employees are limited to participation in the TRS. Employees who are eligible to participate in the ORP have ninety days from the date of their employment to select the optional retirement program. Employees who previously had the opportunity to participate in ORP but declined must remain with TRS for the duration of their employment in the Texas education system.

In fiscal year 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which was subsequently amended by the release of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The GASB does not require the provisions of this Statement to be applied down to the organizational level and as such, the net pension liability recorded at the District level as required by GASB 68 is not allocated or recorded in the financial statements of the College. In addition, because all College employees are employees of the District and the District has the legal obligation to fund the long-term pension benefits of its employees, the net pension liability is recorded in the District's financial statements. For further information, see Note 11 included in the District's fiscal year 2024 financial statements.

Teacher Retirement System of Texas (TRS) – Defined Benefit Plan

Plan Description: The District contributes to the TRS, a cost-sharing, multiple-employer defined benefit pension plan that has a special funding situation. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems, colleges, universities and the State. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.texas.gov, under the TRS Publications heading.

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas legislature. The state funding policy is as follows: (1) The State constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10.0% of the aggregate annual compensation of all members of the system; and (2) a state statute prohibits benefit improvements or contribution reductions if, as a result of a particular action, the time required to amortize TRS's unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or if the amortization period already exceeds 31 years, the period would be increased by such action. Senate Bill 1812, effective September 1, 2013, limits the amount of the state's contribution to 50% of eligible employees in the reporting district.

State law provides for a member contribution rate of 8.25% for fiscal years 2024 and 8.0% for 2023 and 2022 and a State contribution rate of 8.25% for fiscal year 2024, 8.0% for fiscal year 2023, and 7.75% for the fiscal year ended August 31, 2022. In certain instances, the District was required to make all or a portion of the State's contribution.

Optional Retirement Plan (ORP) – Defined Contribution Plan

Plan Description: The State of Texas has also established an optional retirement program for institutions of higher education. Participation in ORP is in lieu of participation in TRS. The optional retirement program is a defined contribution plan that provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. Since individual annuity contracts are purchased, the State has no additional or unfunded liability for this program. The combined percentage of salaries currently contributed by the College and State of Texas was 8.25% for fiscal year 2024, 8.0% for fiscal year 2023 and 7.75% for fiscal year 2022. Each participant contributed 6.65% for the fiscal years ended August 31, 2024, 2023 and 2022. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

9. EMPLOYEES' RETIREMENT PLANS (continued)

The retirement expense for both plans to the State of Texas for the College was \$1,096,204, \$486,718, and \$454,747, for the fiscal years ended August 31, 2024, 2023 and 2022, respectively. This amount represents the portion of expended appropriations that should have been made by the State legislature on behalf of the College. The retirement expense for the College was \$1,311,372, \$1,185,294, and \$1,066,343 for the fiscal years ended August 31, 2024, 2023 and 2022, respectively, and represents the total required contributions for each year.

The total payroll for all College employees was \$21,064,445, \$17,471,657, and \$15,684,132 for fiscal years 2024, 2023 and 2022, respectively. The total payroll of College employees covered by the TRS was \$13,897,333, \$12,893,733, and \$11,925,509 and the total payroll of College employees covered by ORP was \$1,994,215, \$1,913,082, and \$1,906,528 for fiscal years 2024, 2023 and 2022, respectively.

10. DEFERRED COMPENSATION PROGRAM

College employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in the Texas Government Code 609.001.

A total of \$225,625 was contributed by 26 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 15 participants contributed a total of \$165,109 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2024.

A total of \$176,613 was contributed by 23 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 12 participants contributed a total of \$135,534 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2023.

Neither the District nor the College contributes to either plan. The deferred compensation program is not included in the basic financial statements because the program assets are assets of the plan participants and not of the College.

11. RECEIVABLES, ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Receivables at August 31, 2024 and 2023 primarily consist of tuition and fee receivables, contract and grant receivables and other receivables. The District is responsible for collection of all receivables as well as the allowance for doubtful accounts. Accounts payable and accrued liabilities at August 31, 2024 and 2023 are primarily related to operating accounts payable and construction.

12. FUNDS HELD FOR OTHERS

The College holds funds for certain students as well as student and staff organizations. These amounts are reflected in the Statements of Net Position as funds held for others in the amount of \$75,282 and \$73,008 at August 31, 2024 and 2023, respectively.

13. SELF-INSURED AND RISK MANAGEMENT PLANS

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The buildings, structures, contents and equipment are fully insured through the purchase of commercial insurance at the District level.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

13. SELF-INSURED AND RISK MANAGEMENT PLANS (continued)

The District's Workers' Compensation Self-Insurance Fund (the Fund) is administered by a third party. Through the Fund, the District self-insures workers' compensation claims up to \$450,000 per occurrence. Individual losses of over \$450,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, for the years ended August 31, 2024 and August 31, 2023, approximately \$3,278,495 and \$3,278,495, respectively, of unrestricted net position has been designated by the District to cover losses in excess of those covered by insurance and the Fund. The Fund pays the premium for the specific excess insurance policy and assumes all workers' compensation claims and expenses not covered by the policy. The District transfers the workers' compensation standard premium calculated for the District into the Fund.

Claims and administrative expenses are paid from the Fund and the balance is reserved toward future claims. The accrued liability representing a provision for unpaid expected claims is carried at the District level. These liabilities are generally based on an actuarial valuation and the present value of unpaid expected claims.

14. HEALTH CARE AND LIFE INSURANCE BENEFITS

The State of Texas pays certain health care and life insurance benefits for active employees. These benefits are provided through an insurance company whose premiums are based on benefits paid during the previous year.

The State recognizes the cost of providing these benefits for active employees and retirees by expending the annual insurance premiums. The State's contribution per eligible full-time employee or retiree was between approximately \$625 and \$1,223 per month for the year ended August 31, 2024 and between \$623 and \$1,220 per month for the year ended August 31, 2023. The cost of providing those benefits for all employees, paid by the State of Texas on behalf of the College, totaled \$1,354,302 and \$1,180,114 for the years ended August 31, 2024 and 2023, respectively. Payments of these benefits by the State were recognized as restricted state appropriations with an equal amount recognized as restricted benefit expenses. These payments do not flow through the cash accounts.

15. OTHER POSTEMPLOYMENT BENEFIT PLAN

Through the District, the College participates in a cost-sharing, multiple employer, other postemployment benefit (OPEB) plan with a special funding situation. The Texas Employees Group Benefits Program (GBP), also referred to as the State Retiree Health Plan (SRHP), is administered by the Employees Retirement System of Texas (ERS or System). The GBP provides certain postemployment health care, life and dental insurance benefits to retired employees of participating universities, community colleges, and State agencies in accordance with Chapter 1551, Texas Insurance Code. Almost all employees may become eligible for those benefits if they reach normal retirement age while working for the College and retire with at least 10 years of service to eligible entities. Surviving spouses and dependents of these retirees are also covered. Benefit and contribution provisions of the GBP are authorized by State law and may be amended by the Texas Legislature.

In fiscal year 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The GASB does not require the provisions of this Statement to be applied down to the organizational level and as such, the net OPEB liability recorded at the District level as required by GASB 75 is not allocated or recorded in the financial statements of the College. In addition, because all College employees are employees of the District and the District has the legal obligation to fund the long-term OPEB benefits of its employees, the net OPEB liability is recorded in the District's financial statements. For further information, see Note 19 included in the District's fiscal year 2024 financial statements.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Notes to Financial Statements

16. AD VALOREM TAX

Ad valorem property tax is levied each October 1 by the District on the assessed value as of the prior January 1 for all real and business personal property located in Bexar County. The total ad valorem tax levied by the District for August 31, 2024 and 2023 was approximately \$344,263,311 and 308,255,579, respectively. Ad valorem property tax is allocated to the College based upon the amount required for maintenance and operations, the College's portion of debt service and depreciation and a proportionate share of overall results based on the College's allocated operating budget.

Taxes are due on October 1 of each year and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to the property to secure payment of all taxes, penalties, and interest for the previous tax year. Tax collections for the years ended August 31, 2024 and 2023 were 98.3% and 98.5%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are estimated and recorded at the District level.

17. INCOME TAXES

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511(a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc. Organizations*. The College had no unrelated business income tax liability for the years ended August 31, 2024 and 2023.

18. OTHER OPERATING REVENUES

Other operating revenues (Exhibit 2 and Schedule A) include rental income, paper recycling revenue, revenue from various fundraising activities, and other revenues not applicable to any other revenue category.

19. COMMITMENTS AND CONTINGENCIES

As of August 31, 2024 and 2023, various lawsuits and claims involving the District were pending. While the ultimate liability with respect to litigation and other claims asserted against the District cannot be reasonably estimated at this time, this liability, to the extent not provided for by insurance or otherwise, is not likely to have a material effect on the College.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The District's management believes disallowances, if any, will not have a significant financial impact on the District's financial position.

The District has entered into several contracts for construction and various other renovation projects related to the College. Since the College is not a separate legal entity, the related commitments are made by the District.

20. SUBSEQUENT EVENTS

The College's management has evaluated subsequent events through the date the financial statements were available to be issued and no changes were necessary to be made to the financial statements as a result of this evaluation.



ALAMO COLLEGES DISTRICT
Northeast Lakeview College

Supplementary Information

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2024
With Memorandum Totals for the Year Ended August 31, 2023

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY24 Total	FY23 Total
OPERATING REVENUES:						
Tuition						
State-funded courses						
In-District resident tuition	\$ 9,480,190	\$ -	\$ 9,480,190	\$ -	\$ 9,480,190	\$ 6,549,400
Out-of-District resident tuition	7,551,079	-	7,551,079	-	7,551,079	7,119,627
Non-resident tuition	1,653,022	-	1,653,022	-	1,653,022	1,300,372
TPEG - credit set aside *	767,519	-	767,519	-	767,519	638,198
Total tuition	<u>19,451,810</u>	<u>-</u>	<u>19,451,810</u>	<u>-</u>	<u>19,451,810</u>	<u>15,607,597</u>
Fees						
Other	297,579	-	297,579	-	297,579	493,068
Total fees	<u>297,579</u>	<u>-</u>	<u>297,579</u>	<u>-</u>	<u>297,579</u>	<u>493,068</u>
Total tuition and fees	<u>19,749,389</u>	<u>-</u>	<u>19,749,389</u>	<u>-</u>	<u>19,749,389</u>	<u>16,100,665</u>
Scholarship allowances and discounts						
Institutional allowances and scholarships	(1,086,322)	-	(1,086,322)	-	(1,086,322)	(1,101,931)
Remissions and exemptions - state	(776,336)	-	(776,336)	-	(776,336)	(624,702)
Remissions and exemptions - local	(5,875,138)	-	(5,875,138)	-	(5,875,138)	(4,352,688)
Federal grants to students	-	(4,864,521)	(4,864,521)	-	(4,864,521)	(3,984,695)
TPEG awards	-	(313,417)	(313,417)	-	(313,417)	(291,500)
State grants to students	-	(490,283)	(490,283)	-	(490,283)	(245,489)
Other local awards	-	(24,324)	(24,324)	-	(24,324)	-
Total scholarship allowances and discounts	<u>(7,737,796)</u>	<u>(5,692,545)</u>	<u>(13,430,341)</u>	<u>-</u>	<u>(13,430,341)</u>	<u>(10,601,005)</u>
Total net tuition and fees	<u>12,011,593</u>	<u>(5,692,545)</u>	<u>6,319,048</u>	<u>-</u>	<u>6,319,048</u>	<u>5,499,660</u>
Other operating revenues						
Federal grants and contracts	-	386,592	386,592	-	386,592	225,646
State grants and contracts	-	73,137	73,137	-	73,137	195,866
Non-governmental grants and contracts	-	42,715	42,715	-	42,715	52,067
Other operating revenues	411,530	-	411,530	-	411,530	418,885
Total other operating revenues	<u>411,530</u>	<u>502,444</u>	<u>913,974</u>	<u>-</u>	<u>913,974</u>	<u>892,464</u>
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	2,014	2,014	(13,221)
Vending machines and copiers	-	-	-	6,950	6,950	9,700
Auxiliary-restricted	-	-	-	-	-	241,186
Campus access fees and fines	-	-	-	267,825	267,825	-
Other	-	-	-	1,082	1,082	652
Total sales and services of auxiliary enterprises	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,871</u>	<u>277,871</u>	<u>238,317</u>
Total operating revenues	<u>\$12,423,123</u>	<u>\$ (5,190,101)</u>	<u>\$ 7,233,022</u>	<u>\$ 277,871</u>	<u>\$ 7,510,893</u>	<u>\$ 6,630,441</u>
				(Exhibit 2)	(Exhibit 2)	

*In accordance with Education Code 56.033, \$767,519 and \$638,198 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2024 and 2023.

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Schedule B
Schedule of Operating Expenses by Object
For the Year Ended August 31, 2024
With Memorandum Totals for the Year Ended August 31, 2023

	Salaries	Benefits		Other	FY24	FY23
	and Wages	State	Local			
OPERATING EXPENSES:						
Unrestricted - educational activities						
Instruction	\$9,601,774	\$ -	\$1,160,076	\$3,349,272	\$ 14,111,122	\$ 12,591,605
Academic support	3,092,764	-	574,573	857,533	4,524,870	3,830,648
Student services	4,738,748	-	972,359	1,010,773	6,721,880	5,607,698
Institutional support	2,534,963	-	714,345	1,353,907	4,603,215	3,757,877
Operation and maintenance of plant	684,894	-	128,703	1,634,480	2,448,077	4,128,827
Scholarships and fellowships	-	-	-	153,654	153,654	239,406
Total unrestricted educational activities	20,653,143	-	3,550,056	8,359,619	32,562,818	30,156,061
Restricted - educational activities						
Instruction	100,984	1,166,969	18,205	134,047	1,420,205	1,356,477
Academic support	49,551	378,037	9,178	67,329	504,095	296,316
Student services	261,750	533,447	(59)	76,397	871,535	824,955
Institutional support	(984)	232,553	(79)	55,360	286,850	1,211,808
Operation and maintenance of plant	-	139,500	-	1,133,387	1,272,887	1,151,823
Scholarships and fellowships	-	-	-	7,853,523	7,853,523	5,688,178
Total restricted educational activities	411,301	2,450,506	27,245	9,320,043	12,209,095	10,529,557
Total educational activities	21,064,444	2,450,506	3,577,301	17,679,662	44,771,913	40,685,618
Depreciation expense - buildings	-	-	-	4,552,396	4,552,396	4,368,379
Depreciation expense - equipment	-	-	-	591,913	591,913	130,238
Total operating expenses	\$ 21,064,444	\$ 2,450,506	\$ 3,577,301	\$ 22,823,971	\$ 49,916,222	\$ 45,184,235
					(Exhibit 2)	(Exhibit 2)

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Schedule C
Schedule of Non-Operating Revenues and Expenses
For the Year Ended August 31, 2024
With Memorandum Totals for the Year Ended August 31, 2023

	Unrestricted	Restricted	Total Educational Activities	FY24 Total	FY23 Total
NON-OPERATING REVENUES:					
State appropriations					
Education and general state support	\$ 6,563,782	\$ -	\$ 6,563,782	\$ 6,563,782	\$ 5,347,580
State group insurance	-	1,354,302	1,354,302	1,354,302	1,180,114
State retirement match	-	1,096,204	1,096,204	1,096,204	486,718
Ad valorem taxes					
Taxes for maintenance and operations	17,204,673	-	17,204,673	17,204,673	18,567,621
Taxes for maintenance notes	-	2,731,944	2,731,944	2,731,944	3,461,068
Taxes for general obligation bonds	-	3,890,418	3,890,418	3,890,418	3,156,142
Federal revenue, non-operating	-	11,745,841	11,745,841	11,745,841	10,867,324
State revenue, non-operating	-	1,105,226	1,105,226	1,105,226	563,255
Gifts	550	16,000	16,550	16,550	26,500
Investment income	3,196	59,894	63,090	63,090	46,087
Other state funding - FAST Funds	515,570	-	515,570	515,570	-
Total non-operating revenues	<u>24,287,771</u>	<u>21,999,829</u>	<u>46,287,600</u>	<u>46,287,600</u>	<u>43,702,409</u>
NON-OPERATING EXPENSES:					
Interest on capital related debt	-	(2,148,503)	(2,148,503)	(2,148,503)	(2,567,440)
Interest on capital related debt-MTN	-	(1,438,595)	(1,438,595)	(1,438,595)	(1,778,015)
Loss on disposal of capital assets	-	-	-	-	(6,006)
Total non-operating expenses	<u>-</u>	<u>(3,587,098)</u>	<u>(3,587,098)</u>	<u>(3,587,098)</u>	<u>(4,351,461)</u>
Net non-operating revenues	<u>\$ 24,287,771</u>	<u>\$ 18,412,731</u>	<u>\$ 42,700,502</u>	<u>\$ 42,700,502</u> (Exhibit 2)	<u>\$ 39,350,948</u> (Exhibit 2)

NORTHEAST LAKEVIEW COLLEGE
(A college of the Alamo Community College District)

Schedule D
Schedule of Net Position by Source and Availability
For the Year Ended August 31, 2024
With Memorandum Totals for the Year Ended August 31, 2023

	Detail by Source				Available for Current Operations	
	Unrestricted	Restricted Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:						
Unrestricted	\$ 2,120,088	\$ -	\$ -	\$ 2,120,088	\$ 2,120,088	\$ -
Restricted	-	12,611,359	-	12,611,359	-	12,611,359
Net investment in capital assets	-	-	34,561,943	34,561,943	-	34,561,943
Total net position, August 31, 2024	2,120,088	12,611,359	34,561,943	49,293,390	2,120,088	47,173,302
				(Exhibit 1)		
Total net position, August 31, 2023	4,390,238	4,452,933	36,299,566	45,142,737	4,390,238	40,752,499
				(Exhibit 1)		
Net (decrease) increase in net position	<u>\$ (2,270,150)</u>	<u>\$ 8,158,426</u>	<u>\$ (1,737,623)</u>	<u>\$ 4,150,653</u>	<u>\$ (2,270,150)</u>	<u>\$ 6,420,803</u>
				(Exhibit 2)		



ALAMO COLLEGES DISTRICT
Northeast Lakeview College

Internal Control Over Financial Reporting



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Northeast Lakeview College
San Antonio, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Northeast Lakeview College, as of and for the year ended August 31, 2024, and the related notes to the financial statements, which collectively comprise the Northeast Lakeview College's basic financial statements, and have issued our report thereon dated January 10, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Lakeview College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeast Lakeview College's internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast Lakeview College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northeast Lakeview College’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

San Antonio, Texas
January 10, 2024



ALAMO COLLEGES DISTRICT
Northeast Lakeview College

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