ALAMO COLLEGES DISTRICT

Northeast Lakeview College

ANNUAL FINANCIAL REPORT

FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018

SAN ANTONIO, TEXAS

NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

San Antonio, Texas

Annual Financial Report

For the Years Ended
August 31, 2019 and 2018

Prepared by:

Finance and Fiscal Services Department

NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

ANNUAL FINANCIAL REPORT
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ALAMO COLLEGES DISTRICT
Northeast Lakeview College

Introductory Section

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

December 10, 2019

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, 2019 and 2018. 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 2019, the District's Board of Trustees affirmed the selection of the independent accounting firm of Grant Thornton 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 2019 and 2018 AFR for the College. This AFR is prepared primarily for submission to the Southern Association of Colleges and Schools Commission on Colleges 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 Report of Independent Certified Public Accountants 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. Contact the Southern Association of Colleges and Schools Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of Northeast Lakeview College.

Northeast Lakeview College offers Associate of Arts, Associate of Arts in Teaching, Associate of Science and Associate of Applied Science degrees 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 and one of the youngest community colleges in the nation. 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. St. Philip's College discontinued offering classes at the College in 2009. 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 6,000 students in its nine-building facility that sits on 257 acres.

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 is the governing body of the District. The Trustees are elected locally to six-year terms by Bexar County voters. 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. 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 the local independent school districts (ISDs) by providing dual credit courses and is home to the Judson Early College Academy, 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 2019, as revenues from ad valorem taxes increased by 7.0% as net assessed property values within the District increased from approximately $151.8 billion in 2018 to $162.5 billion in 2019, providing funding for facilities' repairs and maintenance. The pattern of predictable and increasing property values and ad valorem tax collections relieves pressure to increase the tax rate for the District's constituents. There was no increase in the District's tax rate for fiscal year 2019.

State appropriations, which are critical to keeping student tuition rates low, decreased in 2019 but are expected to increase in 2020 due to actions by the 86th Texas Legislature. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement, core operations funding and student success outcomes. For fiscal

year 2019, the State only provided 24% of instructional costs, down from 75% in fiscal years 2008-2009 and provided no funding for growth.

Tuition and fee rates increased $13 per semester credit hour, effective Spring 2019. This was the first tuition rate increase since Spring 2016 and only the second increase since 2011. The student activity fee increased from $1 per credit hour to $3 per credit hour in Fall 2018. Student activity fees are used to support various student initiatives including leadership, clubs, organizations, sports, fitness and other events.

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) student success and learning, 2) valuing and empowering people, and 3) communications and community engagement. 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.

Major Initiatives

Northeast Lakeview College, in conjunction with the District and its partners, are committed to ending poverty, enhancing economic and social mobility and meeting workforce demands in San Antonio by joining forces to help more students complete college and obtain the necessary skills to hold high-wage, high-demand jobs. The AlamoPROMISE program, which will be available to high school seniors graduating in 2020, ensures that tuition and mandatory fees are covered for students who graduate from participating high schools. Over 5,000 high school seniors have already completed a "Save Your Seat" pledge and enrollments at the Alamo Colleges District are expected to achieve double-digit growth within the first five years of the program. As a last-dollar funding source, AlamoPROMISE covers the gap between financial aid and the cost of tuition for up to three years. The AlamoPROMISE eliminates financial barriers to higher education, making a college degree a reality.

The Alamo Way is a theoretical framework for improvement adopted by the Board of Trustees and used at the College and throughout the Alamo Colleges District. This policy describes three dynamic models that drive increased employee and student performance as well as greater organizational efficiency, effectiveness and leadership. These models are fully integrated into the culture of the College, its students and employees. The Board holds that the Baldrige Criteria for Performance Excellence, the principles of Achieving the Dream and the Principle-Centered Leadership concepts from the Seven Habits of Highly Effective People (AlamoLEADS) provide the foundation for *The Alamo Way* (Always Inspire, Always Improve). By integrating leadership competencies and experiences into the core curriculum and in organizational learning opportunities for employees, the College empowers all students and employees to explore and realize their learning, professional and civic potential. The result is the organization achieving its full potential and our diverse communities achieving theirs.

The College continues to focus on achieving greater student success and has adopted the following initiatives. *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. *NLC's Pathways Project* partners with local ISDs to bring the college experience to students (pre-K through grade 12) and jumpstart their college experience. Once enrolled, NLC uses the AlamoINSTITUTES to help students identify their career path early in their college journey,

streamlining course work and guiding students to completion or to employment more rapidly. In 2019, Northeast Lakeview College exceeded its goal in number of graduates, demonstrating a 24% increase in completion rates from 2018.
Committed to student success, Northeast Lakeview College continues to enhance its support services. In 2018-2019, NLC expanded veteran services to include the opening of a Veteran's Center that provides a space where veterans attending Northeast Lakeview College can come together for coffee and camaraderie and exchange experiences. The lounge also provides opportunities for military-connected students to interact with subject matter experts on veteran benefits, academic institutes and off-campus resources. NLC also increased support of advocacy programs by opening the Nighthawk's Nest that includes services for students such as a food pantry, budget counseling and financial support information.
Most recently, NLC completed its first cohort of students in the Texas A&M – Chevron Engineering Academy at Alamo Colleges District – Northeast Lakeview College. Offered in partnership with Texas A&M University's College of Engineering, this unique program offers students an opportunity to pursue an engineering degree while co-enrolled at Texas A&M and the Alamo Colleges District. Students enrolled in this program take engineering courses taught by Texas A&M faculty at Northeast Lakeview College before transitioning to the Texas A&M campus in College Station.

In addition to its Engineering Academy, Northeast Lakeview College expanded its educational offerings to include two associate of applied science degrees: Information Technology – Cybersecurity and Information Technology - Network Administrator.

Northeast Lakeview College is committed to changing lives outside of the classroom and received the Pacesetter Award from the United Way for an 82% employee participation rate in the Employee Giving Campaign, the highest participation rate amongst the Alamo Colleges District. Additionally, NLC was awarded the 2018 Platinum Level Healthy Workplace Recognition from the City of San Antonio Mayor's Fitness Council. The program recognizes local employers for their worksite wellness efforts.

Awards and Acknowledgements

Northeast Lakeview College was named one of the *2019 Most Promising Places to Work in Community Colleges (PPWCC)*. Nineteen community colleges made the list recognized by the National Institute for Staff and Organizational Development (NISOD) and Diverse. The PPWCC award ranks institutions annually based on workplace diversity, staffing practices and overall work environment. Other factors include family-friendliness and professional development opportunities. It also recognizes commitments 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.

Northeast Lakeview College also contributed to the Alamo Colleges District Malcolm Baldrige Quality Award recognition. The award recognizes sustainable excellence through visionary leadership, organizational alignment, systemic improvement and innovation. The award is the most prestigious honor a higher education institution can achieve for performance excellence in innovation, efficiency and leadership. The Alamo Colleges District was one of only five organizations to receive the award this year and is the first community college system to achieve this level of recognition in the history of the program.

NLC Named one of 50 Best Community Colleges in the U.S.

Northeast Lakeview College Ranked #12 by Learn.Org as a Recognized School

Northeast Lakeview College was named one of the top 50 community colleges in the nation. Ranked #12 by Learn.org as a Recognized School, Study.com selected the 50 best community colleges in the nation based on several factors including school data reported by the U.S. Department of Education, the school's program offerings, student services and campus activities.

Additionally, Northeast Lakeview College completed the requirements for recognition at the Commitment Level by the Quality Texas Foundation (QTF). The Commitment Level is for those organizations that have begun using quality principles to build a sound management system. Such organizations have identified areas that are most important to the organization's long-term success and have begun developing systematic approaches for key processes. The Quality Texas Foundation assists organizations with continuous improvement efforts by utilizing the Baldrige Framework and since 1993, QTF has administered the Texas Award for Performance Excellence (TAPE) as an independent non-profit corporation. Winning TAPE symbolizes that the organization is one of the best in the state of Texas based upon a very rigorous and robust process. QTF has had many organizations win the Malcolm Baldrige

National Quality Award and lead all the other states in this area. The next step for Northeast Lakeview College is to submit for recognition at the Progress Level.

Dedicated to student success and creating the next generation of leaders, a Northeast Lakeview College student was selected as one of 207 Phi Theta Kappa members named as a 2019 Coca-Cola Leaders of Promise Scholar. Scholars are selected based on their leadership roles at the associate degree level, their participation in Society programs, scholastic achievement and community service. More than 900 applications were received. Selected students receive a scholarship to help defray educational expenses while enrolled in associate degree programs. NLC also had a student receive a Coca-Cola Leader of Promise scholarship in 2018.

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 District staff.

Dr. Diane Snyder Digitally signed by Dr. Diane Snyder Date: 2019.12.11 19:07:46 -06'00'

Diane E. Snyder, CPA, Ph.D.
Vice Chancellor
Finance and Administration
Alamo Community College District

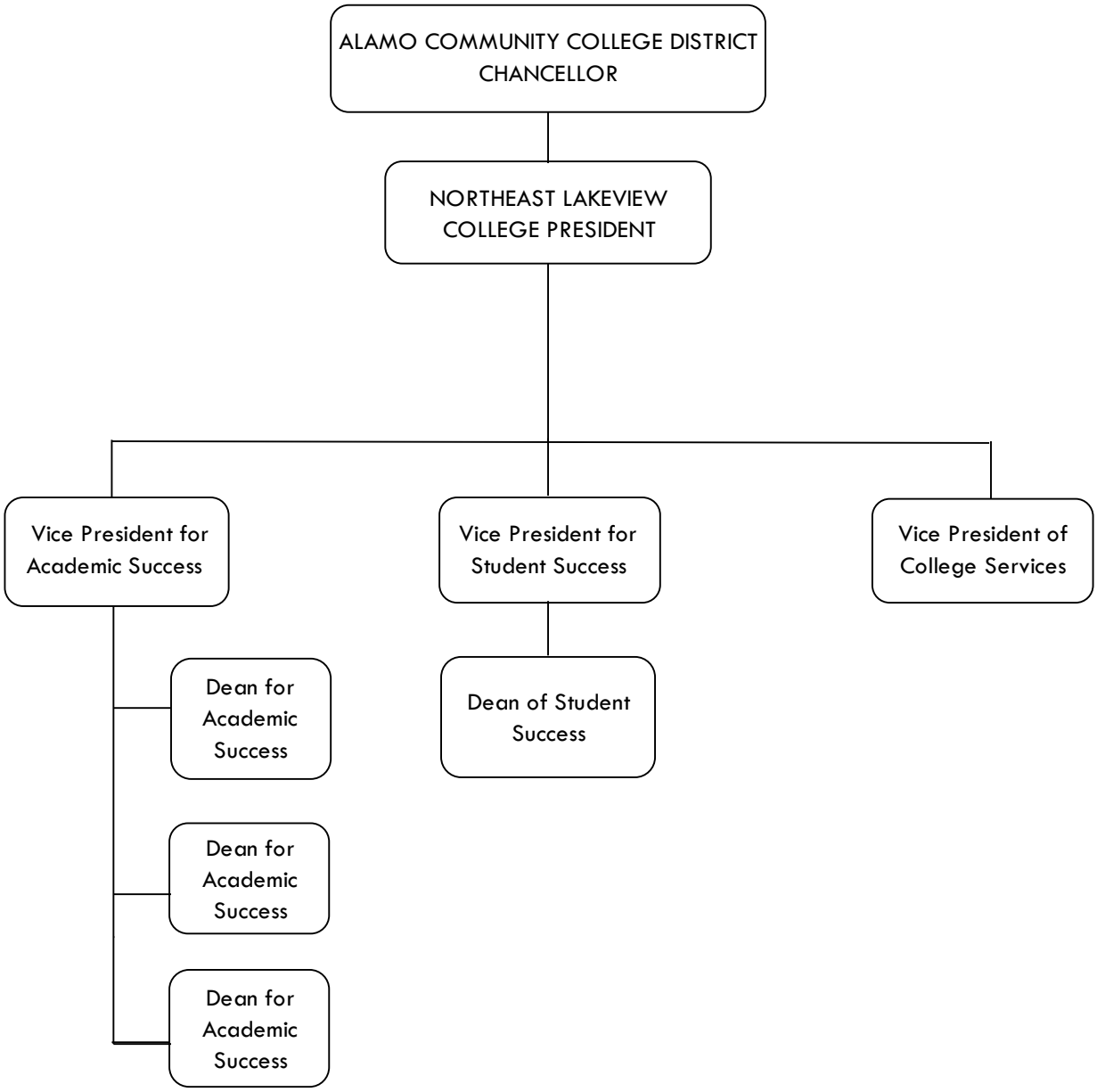
Pamela K. Ansboury Digitally signed by Pamela K. Ansboury Date: 2019.12.12 08:23:56 -06'00'

Pamela K. Ansboury, CPA, M.Ed.
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, 2019

ELECTED OFFICIALS

Member	Position	City, State	Term Expires
Marcelo Casillas	Chairperson	San Antonio, Texas	2020
Joe Alderete, Jr.	Vice-Chairperson	San Antonio, Texas	2022
Anna Uriegas Bustamante	Secretary	San Antonio, Texas	2022
Joe Jesse Sanchez	Assistant Secretary	San Antonio, Texas	2020
Dr. Gene Sprague	Member of the Board	Helotes, Texas	2024
Jose A. Macias, Jr.	Member of the Board	Converse, Texas	2020
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
Dr. Yvonne Katz	Member of the Board	San Antonio, Texas	2024
Roberto Zarate	Member of the Board	San Antonio, Texas	2024
Alejandra Gomez	Student Trustee	San Antonio, Texas	*

*Appointed by Board for 1 year term; Non-voting member

ADMINISTRATIVE OFFICIALS

Dr. Mike Flores	Chancellor
Dr. Diane E. Snyder, CPA	Vice Chancellor for Finance and Administration
Robert McKinley	Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. George Railey Jr.	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Sheila Marlow Due	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Dr. Ric Neal Baser	President, Northwest Vista College
Dr. Robert Garza	President, Palo Alto College
Dr. Adena Loston	President, St. Philip's College
Dr. Robert Vela	President, San Antonio College
Pamela Ansboury, CPA, M.Ed.	Associate Vice Chancellor for Finance and Fiscal Services
Patrick F. Vrba, Jr., CPA	District Controller
William G. Wullenjohn, Sr.	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.

Financial Section

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

GRANT THORNTON LLP
1717 Main Street, Suite 1800
Dallas, TX 75201-4667

D +1 214 561 2300
F +1 214 561 2370

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Management and Board of Trustees
Alamo Community College District

Report on the financial statements

We have audited the accompanying financial statements of Northeast Lakeview College (the "College"), a college of the Alamo Community College District, as of and for the years ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Grant Thornton

Opinion
In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of matter
As discussed in Note 1 to the financial statements, the financial statements present only the College and do not purport to, and do not, present fairly the financial position of the Alamo Community College District as of August 31, 2019 and 2018, and the changes in its financial position or its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required supplementary information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a required 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. This required supplementary information is the responsibility of management. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Operating Revenues, the Schedule of Operating Expenses by Object, the Schedule of Non-Operating Revenues and Expenses, and the Schedule of Net Position by Source and Availability, as required by the Texas Higher Education Coordinating Board ("THECB"), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary 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. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information
The introductory section, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 10, 2019, on our consideration of the 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 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 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 the College's internal control over financial reporting and compliance.

Grant Thornton LLP

Dallas, Texas
December 10, 2019

GRANT THORNTON LLP
1717 Main Street, Suite 1800
Dallas, Texas 75201-4667

D +1 214 561 2300
F +1 214 561 2370

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Management and Board of Trustees
Alamo Community College District

We have audited, in accordance with 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 Northeast Lakeview College (the "College"), a college of the Alamo Community College District, as of and for the years ended August 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 10, 2019.

Internal control over financial reporting
In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting ("internal control") to design audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 College'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 the College's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and other matters
As part of obtaining reasonable assurance about whether the 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

determination of financial statement amounts. 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*.

Intended purpose

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 College'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 College's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Dallas, Texas
December 10, 2019

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 (the College), a college of the Alamo Community College District (Alamo Colleges District or the District), for the fiscal years ended August 31, 2019 and 2018. 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, liabilities and net position as of August 31, 2019 and 2018; 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.

- Total assets decreased approximately $146,000 and total liabilities decreased approximately $2,962,000.
- Total net position at August 31, 2019 was approximately $24,434,000, reflecting an increase of approximately $2,816,000 from fiscal year 2018.
- The College's operating loss was approximately $22,880,000.

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 and liabilities recorded on behalf of, or allocated to, the College. Net position is the difference between assets and liabilities 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 primarily include restricted cash and cash equivalents 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.

A Condensed Schedule of Net Position is presented on the following page. Total assets decreased 0.1% or $146,000 during fiscal year 2019 and 1.3% or $1,579,000 during fiscal year 2018. The decreases in 2019 and 2018 are primarily related to decreases in net capital assets of approximately $2.5 million and $3.2 million, respectively, related to depreciation taken on existing capital assets.

Total liabilities decreased 3.1% or $2,962,000 in 2019 and by 2.9% or $2,829,000 during fiscal year 2018. Current liabilities increased by approximately $1,242,000 in 2019 due to a $168,000 increase to the current portion of long-term liabilities; a $1,266,000 increase to unearned income related to Fall 2020 tuition revenues collected; partially offset by decreases of $183,000 to accounts payable and $9,000 in funds held for others. Current liabilities increased by approximately $1,207,000 in 2018 due to a $193,000 increase to the current portion of long-term liabilities, a $762,000 increase to unearned income related to Fall 2019 tuition revenues collected, a $236,000 increase to accounts payable and $16,000 increase to funds held for others. Noncurrent liabilities decreased $4,204,000 and $4,036,000 in fiscal years 2019 and 2018, respectively, due to scheduled debt service payments as illustrated in Note 5.

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

Management's Discussion and Analysis
(Unaudited)

The College's net position at August 31, 2019 was $24,434,000 compared to $21,618,000 at August 31, 2018. This amounted to an increase of approximately $2,816,000 or 13.0%. The fiscal year 2019 increase to net position resulted from a $2.3 million increase to the net investment in capital assets component of net position in addition to increases of $435,000 and $17,000 to the student aid and instructional program components of net position, respectively. The fiscal year 2018 increase to net position resulted from a $2.2 million increase to the net investment in capital assets component of net position partially offset by decreases of $930,000 and $9,000 to the student aid and instructional program components of net position.

Condensed Schedules of Net Position
(in thousands)

	Fiscal Year			Change	
Assets	**2019**	**2018**	**2017**	**2018 to 2019**	**2017 to 2018**
Cash and cash equivalents	$ 9,760	$ 7,601	$ 5,867	$ 2,159	$ 1,734
Accounts receivable, net and other assets	526	349	474	177	(125)
Capital assets	141,942	140,916	140,592	1,026	324
Accumulated depreciation	(35,837)	(32,328)	(28,816)	(3,509)	(3,512)
Total assets	116,391	116,538	118,117	(146)	(1,579)
Liabilities					
Current liabilities	8,828	7,587	6,380	1,242	1,207
Noncurrent liabilities	83,129	87,333	91,369	(4,204)	(4,036)
Total liabilities	91,957	94,920	97,749	(2,962)	(2,829)
Net Position					
Net investment in capital assets	21,003	18,752	16,565	2,251	2,188
Restricted, expendable for					
Student aid	782	347	1,277	435	(930)
Instructional programs	20	3	12	17	(9)
Unrestricted	2,628	2,515	2,514	113	1
Total net position	$ 24,434	$ 21,618	$ 20,368	$ 2,816	$ 1,250

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. Reduction of debt also results in an increase 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, 2019, 2018 and 2017 is presented below in table form.

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

Management's Discussion and Analysis
(Unaudited)

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

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Operating revenues	$ 8,008	$ 7,688	$ 9,308	$ 320	$ (1,620)
Operating expenses	30,888	29,552	24,913	1,336	4,639
Operating loss	(22,880)	(21,864)	(15,605)	(1,016)	(6,259)
Non-operating revenues (expenses):					
State appropriations	6,161	6,002	6,381	159	(379)
Ad valorem taxes	15,824	16,336	14,449	(512)	1,887
Federal and State grants, non-operating	6,867	4,256	-	2,611	4,256
Interest on capital-related debt	(3,184)	(3,484)	(4,621)	300	1,137
Other net non-operating revenues	29	4	17	25	(13)
Total non-operating revenues, net	25,697	23,114	16,226	2,583	6,888
Increase in net position	2,816	1,250	621	1,567	629
Net position - beginning of year	21,618	20,368	19,747	1,250	621
Net position - end of year	$ 24,434	$ 21,618	$ 20,368	$ 2,816	$ 1,250

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

Operating Revenues
(in thousands)

	2019		2018		2017		Change	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	2018 to 2019	2017 to 2018
Net tuition and fees	$ 7,354	91.8%	$ 7,192	93.5%	$ 8,821	94.8%	$ 161	$ (1,628)
Grants and contracts	94	1.2%	74	1.0%	113	1.2%	20	(39)
Auxiliary enterprises	344	4.3%	345	4.5%	289	3.1%	(2)	56
Other operating revenues	217	2.7%	76	1.0%	85	0.9%	140	(9)
Total operating revenues	$ 8,008	100.0%	$ 7,688	100.0%	$ 9,308	100.0%	$ 320	$ (1,620)

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 $320,000 and decreased $1,620,000 for the years ended August 31, 2019 and 2018, respectively. The increase in fiscal year 2019 relates to an increase in net tuition revenues of $161,000, an increase to grants and contracts income of $20,000 and an increase in other operating income of $140,000. The $1,620,000 decrease in fiscal year 2018 is attributable to a $1,628,000 decrease in net tuition and fees related to increased tuition scholarships and discounts awarded because the College achieved accreditation status and is now eligible to disburse federal financial aid on its own; a combined $48,000 decrease to operating grants and contracts and other operating revenues related to the winding down of spending on a multi-year National Science Foundation grant supporting excellence in STEM education; partially offset by an increase of $56,000 in auxiliary enterprise revenue collections.

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 is presented net of waivers. In December 2017, the College earned accreditation from the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC). As such, the College is able to accept federal financial aid from its students in fiscal years 2018 and 2019, and certain operating scholarship allowances and discounts are now recorded at the College level. The table below reflects the significant increases to tuition discounts since fiscal year 2017. In addition, the College can apply for financial aid as separate institution, and receive separate award letters for federal and state funds.

Net tuition for fiscal year 2019 increased approximately $161,000. Gross tuition increased $3,052,000, fees increased $157,000, and discounts grew $3,049,000. In fiscal year 2019, a tuition increase of $13 per hour for all residency types was approved by the Board beginning January 1, 2019. This is the first tuition increase by the College since Spring 2016. Student activity fees were also raised from $1 to $3 per hour. Discounts grew 91% from $3,350,000 to $6,399,000 as all categories of federal aid, Pell, FSEOG, and Federal Work-Study received increased allocations totaling $2.6 million more than in fiscal year 2018. The additional aid is attributable to an increase in headcount of students of 1,254 in 2019. In fiscal year 2018, net tuition and fees decreased by $1,628,000. The 2018 decrease was primarily related to a 184.9% or $2,174,000 increase in tuition discounts related to the College obtaining its accreditation status allowing for the recording of federal and state grant discounts at the College as discussed previously. Gross tuition collections increased by approximately $555,000 or 5.6% in fiscal year 2018.

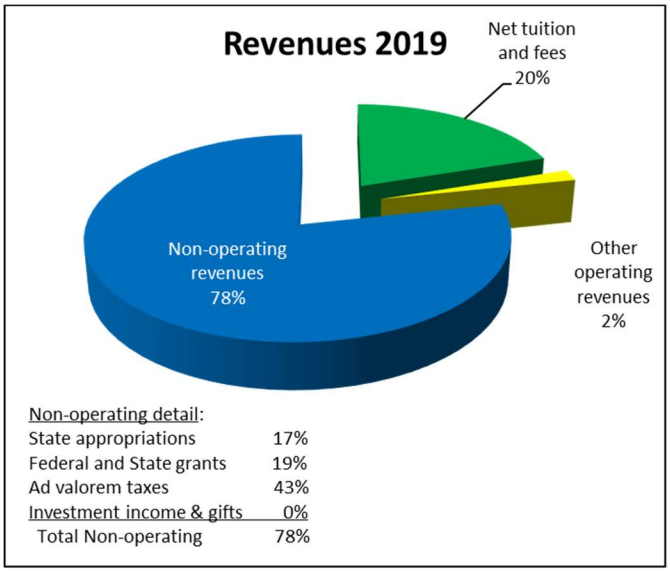
Net Tuition and Fees
(in thousands)

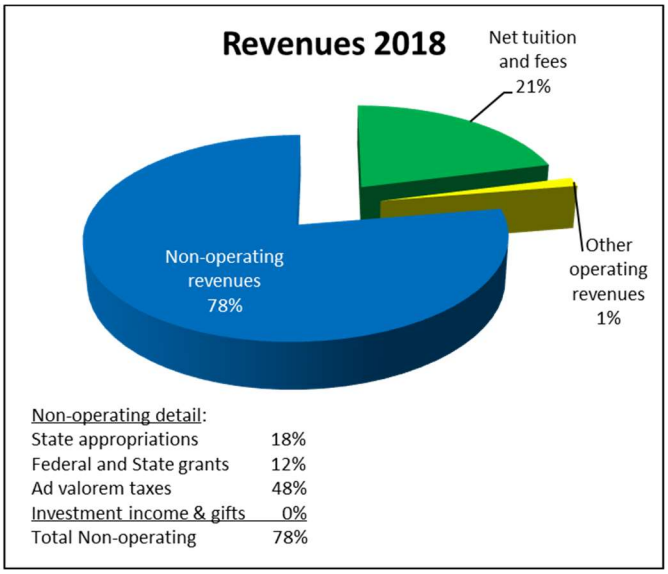
	2019		2018		2017	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Tuition	$ 13,433	182.7%	$ 10,381	144.3%	$ 9,826	111.4%
Fees	319	4.3%	162	2.3%	171	1.9%
Discounts	(6,399)	-87.0%	(3,350)	-46.6%	(1,176)	-13.3%
Total net tuition and fees	$ 7,354	100.0%	$ 7,192	100.0%	$ 8,821	100.0%

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 2019 and 2018, comparing operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 78% for both fiscal years 2019 and 2018. The significant increase to non-operating revenues in 2019 and 2018 is due to the College accepting federal financial aid as a result of achieving accreditation status, as discussed previously. Ad valorem taxes remain as the primary component of non-operating revenues, comprising 43% of the total. In 2019, federal and state grants surpassed state appropriations as the second largest component of non-operating revenues, as the College is now able to receive federal financial aid as a result of achieving accreditation status.

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. In fiscal year 2019, salaries and benefits increased $739,000 having a full year of salary increases approved for January 1, 2018 of the prior fiscal year. Scholarship expense increased $1,188,000, benefitting significantly from the increased allocations in federal financial aid grant revenues. In 2018, salaries and benefits increased $697,000 or 5.6% due to budgeted salary increases that averaged 4.15%, 3.0% and 3.0% for full-time faculty, staff and administrators, respectively, along with corresponding increases to benefit costs. As a key strategic priority, the College has invested in its faculty, staff and administrators by aligning faculty pay with salaries for the top three peer community colleges in Texas and by conducting market studies to determine compensation adjustments for staff and administrative positions.

Operating Expenses in Natural Classification
(in thousands)

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Salaries	$ 13,555	$ 13,098	$ 12,539	$ 456	$ 559
Benefits	4,388	4,105	3,967	283	138
Scholarships and fellowships	3,636	2,448	-	1,188	2,448
Supplies and services	5,791	6,371	4,862	(580)	1,509
Depreciation	3,519	3,529	3,545	(10)	(16)
Total operating expenses	$ 30,888	$ 29,552	$ 24,913	$ 1,336	$ 4,640

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

The largest increase to operating expenses in fiscal years 2019 and 2018 was to scholarships, with increases of $1,188,000 and $2,448,000, respectively. The increase is due to Northeast Lakeview earning accreditation status in December 2017, which allowed the College to begin accepting federal financial aid for its students for the first time. Increased federal allocations for Pell, FSEOG, and Federal Work-Study continued in fiscal year 2019. Expenses for

supplies and services decreased $580,000 in 2019 and increased by $1,509,000 in 2018. The increase in 2018 was primarily attributable to a $0.6 million increase in instructional supplies and services along with increased costs for the operation of maintenance and plant of approximately $0.8 million related to items such as structural maintenance, pavement and grounds, mechanical/electrical/plumbing costs and contracted services, as the College reached its 11th year of existence. These supplies and services costs were not repeated in fiscal year 2019, accounting for the decrease. Depreciation expense remained virtually flat in 2019 and 2018, reflecting minimal additions or disposals to capital assets during the year, resulting in a consistent and comparable amount for depreciation expense.

Operating Expenses in Functional Classification
(in thousands)

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Instruction	$ 10,229	$ 9,985	$ 9,194	$ 245	$ 791
Academic support	3,083	3,183	3,291	(100)	(108)
Student services	3,870	3,656	3,173	214	483
Institutional support	2,826	2,762	2,510	64	252
Operation and maintenance of plant	3,724	3,966	3,191	(243)	775
Depreciation	3,519	3,529	3,545	(10)	(16)
Scholarships and fellowships	3,636	2,448	-	1,188	2,448
Total educational and general	30,887	29,529	24,905	1,359	4,626
Auxiliary enterprises	1	23	8	(22)	15
Total operating expenses	$ 30,888	$ 29,552	$ 24,913	$ 1,336	$ 4,640

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:

- Instruction includes expenses for all activities that are a part of the instructional program, such as faculty salaries and benefits. In fiscal year 2019, instruction expenses increased $245,000. This is attributable to a $603,000 increase in salaries and benefits related to a salary increase passed on January 1, 2018 of the prior year, offset by reductions in non-capitalized equipment and furnishings of $358,000. In fiscal year 2018, instruction expenses increased by $791,000 due to a $574,000 increase for instructional supplies and services coupled with increases to instructional salaries and benefits of approximately $217,000 resulting from compensation adjustments discussed previously.

- 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. Academic support costs decreased slightly in both 2019 and 2018. In 2019, the decrease was primarily due to vacancies in academic support positions. In 2018 expenses decreased approximately $108,000 related to decreased costs of approximately $56,000 for supplies and services related to academic support along with vacant academic support positions that saved the College approximately $52,000 in salaries and benefits.

- 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. This category increased $214,000 and $483,000 in

2019 and 2018, respectively. In fiscal year 2019, salary and benefit expenses increased $326,000, offset by reductions in supplies, equipment and furnishings of $112,000. The increase in salaries were significantly impacted by an increase in the federal work-study program allocation of $208,000. Of the $483,000 increase in 2018, approximately $300,000 was attributable to increased salaries and benefits for student services personnel. The remaining $183,000 increase was related to additional costs for supplies and services within student services departments across the College.

- 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. In fiscal year 2019, institutional support expenses were relatively flat, with a slight increase of $64,000. Expenses in the institutional support category increased by $252,000 in fiscal year 2018, attributable to increased salaries and benefits for institutional support employees of approximately $259,000; slightly offset by a $7,000 decrease to institutional support supplies and services.

- Operation and maintenance of plant includes expenses for custodial, grounds, and building maintenance, as well as utilities. In fiscal year 2019, expenses decreased $243,000 as one-time renovations completed in 2018 were not repeated. In fiscal year 2018, expenses for operation and maintenance of plant increased by $775,000 or 24.3%. This increase was primarily due to increased costs for structural maintenance, pavement and grounds, mechanical/electrical/plumbing costs, and contracted services as the College continued to age and reached its 11th year in existence.

- As discussed previously, Northeast Lakeview earned accreditation status in December 2017, which allowed the College to begin accepting federal financial aid for its students and to award scholarships and fellowships. As such, the College recorded approximately $3,636,000 in scholarships in fiscal year 2019 compared to $2,448,000 in fiscal year 2018.

As financial pressures continue from declining State of Texas appropriations and the Board of Trustees' intent to limit tax rate and tuition increases, expense controls are in place as developed by the Board of Trustees, administrators, faculty, staff and students across the institution. College administration and all employees continue to strategically plan to identify cost-savings that can have a significant and on-going impact on the budget.

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 indicated increases in cash of approximately $2,159,000 and $1,734,000 for the years ended August 31, 2019 and 2018, respectively. 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 non-capital financing activities are primarily from ad valorem taxes and state appropriations. Financing activities include use of cash for payment 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 approximately $141,942,000 and $140,916,000 in capital assets at August 31, 2019 and 2018, respectively, and accumulated depreciation of $35,837,000 and $32,328,000 for the same periods,

respectively. Depreciation expense totaled approximately $3,519,000 in fiscal year 2019 and $3,529,000 in fiscal year 2018. (See Note 4, Capital Assets, included in the financial statements.) A summary of net capital assets is presented below:

Net Capital Assets at Fiscal Year End
(in thousands)

	Fiscal Year			Change	
	2019	2018	2017	2018 to 2019	2017 to 2018
Land	$ 5,259	$ 5,259	$ 5,259	$ -	$ -
Buildings and other real estate improvements	99,204	102,627	106,050	(3,423)	(3,423)
Construction in progress	1,222	263	-	959	263
Furniture, machinery and equipment	46	70	98	(24)	(28)
Library materials	375	370	369	5	-
Total net capital assets	$ 106,105	$ 108,588	$ 111,777	$ (2,483)	$ (3,189)

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 to August 31, 2019 and 2018. 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 2019			Fiscal Year 2018		
	Capitalized	Accumulated Depreciation	% Depreciated	Capitalized	Accumulated Depreciation	% Depreciated
Buildings and other real estate improvements	$ 133,805	$ 34,601	25.9%	$ 133,805	$ 31,178	23.3%
Furniture, machinery and equipment	779	733	94.1%	778	708	91.0%
Library materials	877	502	57.2%	811	442	54.5%

In fiscal year 2019, the College recorded additions to construction in progress of approximately $959,000 and additions to library materials of $66,000. The College recorded additions to construction in progress, furniture machinery and equipment, and library materials of approximately $263,000, $13,000 and $65,000, respectively, for the year ended August 31, 2018.

The College does not record the cost of capital assets as an expense at the time of acquisition or completion of the asset, but rather shows the expense systematically over the expected life of the asset as depreciation expense. The amount shown in the accounting records for the value of the asset will decrease each year until the asset is fully depreciated or removed from service. As a result, the amount of capital assets shown in the Statements of Net Position may decrease from one year to another, even though new assets have been acquired during the year.

Capital assets subject to depreciation include improvements to land (such as parking lots and signage), buildings, library materials, furniture and equipment. Land and construction in progress are not depreciated. Below is a schedule of the major capital assets at the College.

Schedule of Major Capital Assets

	Square footage (in thousands)
Academic space	180,967
Library	35,782
Student support and administration	95,587
Dining facility	9,258
Athletic facility Includes gymnasium, fitness center, putting green and rock climbing wall	37,294
Plant facility	10,763
Parking lots (accommodate 2,234 vehicles)	

The District, on behalf of the College, has entered into several contracts for construction and various other renovation projects financed by bond proceeds.

Debt

The College assumes its portion of general obligation bonds, revenue bonds and tax notes issued by the District based upon the original budget for the bond or tax note developed by the College before issuance. The current allocation rate for the College is approximately 37% of the outstanding balance which amounts to $87.3 million and $91.4 million at August 31, 2019 and 2018, respectively. No new debt was allocated to the College in fiscal year 2019. For additional information, see Note 6 and Note 7.

The District had $531.5 million and $579.3 million in outstanding bonds and maintenance tax note debt at August 31, 2019 and 2018, respectively, before premiums and discounts. This amounts to a decrease of $47.8 million in fiscal year 2019 and an increase of $87.6 million in fiscal year 2018. The $47.8 million decrease in bonds and tax notes payable at the District level in 2019 resulted from scheduled principal payments on bonds. The $87.6 million increase in bonds and tax notes payable at the District level in 2018 resulted from the issuance of $258.9 million of Series 2017 Limited Tax and Refunding Bonds partially offset by refundings of $25.8 million and $123.2 million of Limited Tax Series 2007A and Limited Tax Series 2007 bonds, respectively; and scheduled debt service payments totaling approximately $22.3 million.

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 as part of the general tuition, and fees from the students for the occupancy or use of the property of the Alamo Colleges District.

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 and the District is one of only three community college districts in Texas and one of only 11 community colleges in the United States to receive the highest rating from both agencies. More detailed information about the District's noncurrent liabilities is presented in Notes 5, 6, and 7 to its financial statements.

Factors Having Probable Future Financial Significance

The economic condition of the College and the District is influenced by the economic position of the State of Texas, the County of Bexar and surrounding counties and the City of San Antonio. San Antonio is the seventh largest city in the United States and the second largest city in Texas. The Bureau of Labor and Statistics reported that the August 2019 unemployment rate for San Antonio, the State of Texas and the United States was 3.1%, 3.4% and 3.7%, respectively, with San Antonio's unemployment rate being less than that of the state and national rates. The Texas economy continues to fare better than that of many other states, with the San Antonio economy being one of the strongest in the state.

The San Antonio metropolitan area is considered one of the most attractive locations in the nation for business growth due to affordable land, abundant power and an education system that continues to evolve and improve. In a November 2019 publication, the Federal Reserve Bank of Dallas cited that San Antonio's business-cycle index, a broad measure of economic activity, expanded at its fastest rate since 2014 and nearly doubled its long term trend rate. The article cited San Antonio's job growth, low unemployment rate and increased retail sales as indicators of the continued strength of the San Antonio economy. San Antonio again made the *Forbes* magazine 2019 list of the *Best Places For Business and Careers,* ranking San Antonio #48 out of 200 major metro areas and #44 in job growth.

The level of state appropriations Texas community colleges have historically received enabled the low tuition rates community colleges provided. The State has continued to decrease appropriations and employee benefit coverage and has drastically changed the revenue mix. In the past, the State paid a significant portion of health benefits and all of the retirement contribution matches and provided an allocation adequate to cover instructional costs and growth. The Texas Legislature now has taken a different approach for community college appropriations. The State has reduced its portion of retirement and health benefit coverage to 50% of eligible employee's retirement and health benefit costs while retirement and health care costs continue to increase. Overall, fiscal year 2019 state appropriations for the District are 1% less than in fiscal year 2002, while enrollment and inflation have increased by 43% and 42%, respectively, during the same time period. For 2019, tuition revenue from students and tax revenue from local property owners now comprise over 75% of the primary revenue streams used for operations, as state allocations are now only sufficient to cover 24% of THECB formula funding. In the long term, without the State's full support, Texas community colleges will be forced to adjust the level of services to students and possibly significantly raise tuition and ad valorem tax rates.

In the future, the College and the District will continue to face a growing challenge to fund increasing demand for state education services. The College continues to strategically analyze and reduce targeted expenses and make the most of favorable economic conditions by aggressively identifying the demand for workforce development programs and providing them. With the adoption of the FY2020 budget, the College and the District has implemented a Smart Growth approach to the future. Smart Growth addresses many of the challenges and opportunities that lie ahead for the College by focusing on enrollment management, student success, obtaining and retaining talent, and innovation. Knowing that 65% of living wage jobs will require education beyond high school, the College and the District see an opportunity to provide that education and plan to grow high demand programs, pace dual credit programs, grow the online education presence, reduce barriers to entry, implement the enrollment coach model and expand experiential learning opportunities. The outlook of Northeast Lakeview College remains positive as a result of its strategic leadership, fiscal management and stable local economy.

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

Statements of Net Position
August 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,954,061	$ 5,760,720
Accounts receivable, net of allowance for doubtful accounts	396,701	210,757
Other assets	8,622	8,622
Total current assets	7,359,384	5,980,099
Noncurrent assets:		
Restricted cash and cash equivalents	2,806,062	1,840,177
Other assets	120,715	129,338
Capital assets (net)	106,105,072	108,588,057
Total noncurrent assets	109,031,849	110,557,572
TOTAL ASSETS	116,391,233	116,537,671
LIABILITIES		
Current liabilities:		
Accounts payable	311,598	494,880
Funds held for others	36,781	45,804
Unearned income	4,275,847	3,009,933
Current portion of noncurrent liabilities	4,204,000	4,036,000
Total current liabilities	8,828,226	7,586,617
Noncurrent liabilities	83,129,131	87,333,452
TOTAL LIABILITIES	91,957,357	94,920,069
NET POSITION		
Net investment in capital assets	21,003,024	18,752,323
Restricted for:		
Expendable		
Student aid	781,925	347,041
Instructional programs	20,236	3,008
Capital projects	215	215
Unrestricted	2,628,476	2,515,015
TOTAL NET POSITION	$ 24,433,876	$ 21,617,602

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
August 31, 2019 and 2018

	2019	2018
OPERATING REVENUES:		
Tuition and fees (net of discounts of $6,398,705 and $3,349,831, respectively)	$ 7,353,759	$ 7,192,438
Grants and contracts	93,623	73,916
Auxiliary enterprises	343,806	345,307
Other operating revenues	216,695	76,266
Total operating revenues (Schedule A)	8,007,883	7,687,927
OPERATING EXPENSES:		
Instruction	10,229,298	9,984,707
Academic support	3,082,976	3,182,593
Student services	3,870,324	3,656,229
Institutional support	2,826,386	2,762,236
Operation and maintenance of plant	3,723,830	3,966,338
Scholarships and fellowships	3,635,618	2,447,978
Auxiliary enterprises	1,069	22,881
Depreciation	3,518,815	3,528,985
Total operating expenses (Schedule B)	30,888,316	29,551,947
Operating loss	(22,880,433)	(21,864,020)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	6,160,732	6,002,046
Ad valorem taxes		
Taxes for maintenance and operations	11,425,968	11,796,386
Taxes for maintenance notes	618,960	719,857
Taxes for general obligation bonds	3,779,068	3,819,545
Federal grants, non-operating	6,859,561	4,229,655
State grants, non-operating	7,374	26,385
Gifts	20,319	-
Investment income	8,763	3,889
Interest on capital-related debt	(3,183,870)	(3,484,182)
Other non-operating revenues/(expenses)	(168)	-
Net non-operating revenues (Schedule C)	25,696,707	23,113,581
Increase in net position	2,816,274	1,249,561
NET POSITION:		
Net position - beginning of year	21,617,602	20,368,041
Net position - end of year (Schedule D)	$ 24,433,876	$ 21,617,602

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
August 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	$ 8,951,356	$ 8,408,471
Receipts from grants and contracts	97,747	51,919
Other receipts	216,195	76,266
Payments to or on behalf of employees	(16,467,216)	(15,890,738)
Payments to suppliers for goods and services	(6,012,867)	(6,096,964)
Payments for scholarships and fellowships	(3,635,618)	(2,447,978)
Net cash used by operating activities	(16,850,403)	(15,899,024)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	4,684,643	4,688,821
Receipts from ad valorem taxes	11,425,968	11,796,386
Receipts from non-operating federal and state revenue	6,749,924	4,256,040
Receipts from gifts and grants (other than capital)	20,319	-
Receipts from Federal loans for students	1,475,758	550,062
Payment for Federal loans issued to students	(1,488,562)	(550,062)
Receipts (payments) from/(to) student organizations and other agency transactions	(9,023)	15,816
Net cash provided by noncapital financing activities	22,859,027	20,757,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from ad valorem taxes for debt service	4,398,028	4,539,402
Payments for capital assets acquisition and construction of capital assets	(1,035,998)	(340,479)
Payments on capital debt - principal	(4,036,321)	(3,842,611)
Payments on capital debt - interest	(3,183,870)	(3,484,182)
Net cash used by capital and related financing activities	(3,858,161)	(3,127,870)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	8,763	3,889
Net cash provided by investing activities	8,763	3,889
INCREASE IN CASH AND CASH EQUIVALENTS	2,159,226	1,734,058
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,600,897	5,866,839
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,760,123	$ 7,600,897

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
August 31, 2019 and 2018 (continued)

RECONCILIATION OF OPERATING LOSS TO NET CASH	2019	2018
USED BY OPERATING ACTIVITIES:		
Operating loss	$ (22,880,433)	$ (21,864,020)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	3,518,815	3,528,985
Allowance for doubtful accounts	17,234	14,107
Non-cash state appropriations - on-behalf payments	1,476,089	1,313,225
Changes in assets and liabilities:		
Accounts receivable	(73,363)	32,500
Other assets	8,623	78,227
Accounts payable	(183,282)	236,046
Unearned income	1,265,914	761,906
Net cash used by operating activities	$ (16,850,403)	$ (15,899,024)
SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
State on-behalf payments	$ 1,476,089	$ 1,313,225
Gifts of depreciable and non-depreciable assets	$ 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 a Comprehensive Annual 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 and Junior Colleges* for fiscal year 2019. 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents
Cash and cash equivalents consist of demand deposits related to operations and agency accounts or amounts held for others with original maturities of less than three months.

Restricted Cash and Cash Equivalents
Cash and cash equivalents that are externally restricted 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 Receivable
Accounts receivable are recorded at the invoiced amounts. 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.

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
Land	$ 5,000	Not depreciated	-
Land improvements (except tennis courts)	100,000	20	-
Tennis courts	10,000	7	-
Buildings	100,000	40	10%
Building improvements	100,000	20	-
Portable buildings	10,000	10	10%
Furniture, machinery and equipment	5,000	5-10	-
Infrastructure	100,000	20	10%
Software	5,000	5	-
Library materials	All	15	-
Works of art/historical treasures	5,000	Not depreciated	-
Leasehold improvements	10,000	Shorter of lease or useful life	-
Technology systems	50,000	5	-

Compensable Absences
Employee benefits are administered and recorded at the District level and are not allocated to the College. Employee annual leave is accrued as earned and sick leave is not accrued, as a terminated employee is not paid for accumulated sick leave.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 fall tuition, fees and other revenues received related to the period after each fiscal year are recorded as unearned. Restricted revenues for the fall are recognized in the year when the expenses have occurred and all obligations have been fulfilled for the recording of those expenses. 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, 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. When the award is used for purposes other than tuition and fees, the amount is recorded 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. When the award is used for purposes other than tuition and fees, the amount is recorded as a scholarship expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. When these awards are used for purposes other than tuition and fees, the amounts are recorded as scholarship expense.

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.

New Pronouncements
In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of certain tangible capital assets. The objective of this Statement is to enhance the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs, including obligations that may not have been previously reported. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The College evaluated the requirements of GASB 83 in fiscal year 2019 and determined it did not have any material asset retirement obligations.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* (GASB 88). The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB 88 clarifies which liabilities governments should include when disclosing information related to debt and requires additional disclosures related to debt including unused lines of credit, assets pledged as collateral for debt and terms specified in debt agreements related to significant events of default with finance-related consequences and significant subjective acceleration clauses. Because the College has no separate legal authority to enter into debt, the provisions of this Statement were implemented at the District level.

Pending Pronouncements
The following GASB pronouncements have been issued but not yet implemented by the College:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria is generally on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model and requires notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged and the requirements of this Statement should be applied prospectively.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The requirements of this statement are effective for periods beginning after December 15, 2020. Earlier application is encouraged.

The College has not yet completed the process of evaluating the impact of GASB Statements Nos. 84, 87, 89, 90 and 91 on its future financial statements.

3. CASH AND CASH EQUIVALENTS

Total cash and cash equivalents at August 31, 2019 and 2018 were $9,760,123 and $7,600,897, respectively. The FDIC insures all of the noninterest-bearing demand deposits. Interest-bearing deposits in excess of $250,000 are collateralized at a level between 105% and 115% in U.S. Treasuries and Government Securities held in the District's name.

4. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2019 was as follows:

	Balance 9/1/2018	Increases	Decreases	Balance 8/31/2019
Not Depreciated:				
Land	$ 5,259,089	$ -	$ -	$ 5,259,089
Construction in progress	262,702	959,349	-	1,222,051
Subtotal	5,521,791	959,349	-	6,481,140
Subject to Depreciation:				
Buildings and building improvements	117,273,693	-	-	117,273,693
Other real estate improvements	16,530,898	-	-	16,530,898
Total buildings and other real estate improvements	133,804,591	-	-	133,804,591
Furniture, machinery and equipment	778,092	10,950	10,070	778,972
Library materials	811,283	65,699	-	876,982
Total buildings and other capital assets	135,393,966	76,649	10,070	135,460,545
Accumulated Depreciation:				
Buildings and building improvements	24,862,027	2,673,102	-	27,535,129
Other real estate improvements	6,315,558	750,369	-	7,065,927
Total buildings and other real estate improvements	31,177,585	3,423,471	-	34,601,056
Furniture, machinery and equipment	708,401	34,711	9,902	733,210
Library materials	441,714	60,633	-	502,347
Total accumulated depreciation	32,327,700	3,518,815	9,902	35,836,613
Net capital assets	$ 108,588,057	$ (2,482,817)	$ 168	$ 106,105,072

4. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2018 was as follows:

	Balance 9/1/2017	Increases	Decreases	Balance 8/31/2018
Not Depreciated:				
Land	$ 5,259,089	$ -	$ -	$ 5,259,089
Construction in progress	-	262,702	-	262,702
Subtotal	5,259,089	262,702	-	5,521,791
Subject to Depreciation:				
Buildings and building improvements	117,273,693	-	-	117,273,693
Other real estate improvements	16,530,898	-	-	16,530,898
Total buildings and other real estate improvements	133,804,591	-	-	133,804,591
Furniture, machinery and equipment	782,202	12,881	16,991	778,092
Library materials	746,387	64,896	-	811,283
Total buildings and other capital assets	135,333,180	77,777	16,991	135,393,966
Accumulated Depreciation:				
Buildings and building improvements	22,188,925	2,673,102	-	24,862,027
Other real estate improvements	5,565,188	750,370	-	6,315,558
Total buildings and other real estate improvements	27,754,113	3,423,472	-	31,177,585
Furniture, machinery and equipment	684,604	40,788	16,991	708,401
Library materials	376,989	64,725	-	441,714
Total accumulated depreciation	28,815,706	3,528,985	16,991	32,327,700
Net capital assets	$ 111,776,563	$ (3,188,506)	$ -	$ 108,588,057

5. NONCURRENT LIABILITIES

As of August 31, 2019, noncurrent liabilities are $83,129,131 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance 9/1/2018	Additions	Reductions	Balance 8/31/2019	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 78,618	$ -	$ 2,691	$ 75,927	$ 2,827
Revenue bonds	4,231	-	550	3,681	541
Maintenance tax notes	8,520	-	795	7,725	836
Total	$ 91,369	$ -	$ 4,036	$ 87,333	$ 4,204

As of August 31, 2018, noncurrent liabilities are $87,333,452 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance 9/1/2017	Additions	Reductions	Balance 8/31/2018	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 81,182	$ -	$ 2,564	$ 78,618	$ 2,691
Revenue bonds	4,751	-	520	4,231	550
Maintenance tax notes	9,279	-	759	8,520	795
Total	$ 95,212	$ -	$ 3,843	$ 91,369	$ 4,036

Noncurrent liabilities include the College's allocated portion of the District's general obligation bonds, maintenance tax notes and combined fee revenue bonds. The District is responsible for repayment of these obligations from tuition and fee revenues and 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, net pension expense, net OPEB expense, the net pension liability and the net OPEB liability for all of the College's employees are recorded in the District's financial statements.

6. DEBT

Debt service requirements (in thousands) at August 31, 2019 were as follows:

For the Year Ending	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
August 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	$ 2,827	$ 3,525	$ 541	$ 158	$ 836	$ 371	$ 4,204	$ 4,054
2021	2,965	3,384	567	132	881	326	4,413	3,842
2022	3,111	3,238	593	106	927	280	4,631	3,624
2023	3,264	3,085	621	78	977	230	4,862	3,393
2024	3,415	2,934	651	48	1,028	178	5,094	3,160
2025-2029	19,617	12,131	649	62	3,076	216	23,342	12,409
2030-2034	24,565	7,181	59	1	-	-	24,624	7,182
2035-2037	16,163	1,417	-	-	-	-	16,163	1,417
TOTAL	$ 75,927	$ 36,895	$ 3,681	$ 585	$ 7,725	$ 1,601	$ 87,333	$ 39,081

6. DEBT (continued)

Debt service requirements (in thousands) at August 31, 2018 were as follows:

For the Year Ending August 31,	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 2,691	$ 3,658	$ 550	$ 182	$ 795	$ 412	$ 4,036	$ 4,252
2020	2,826	3,525	541	158	836	371	4,203	4,054
2021	2,965	3,384	567	132	881	326	4,413	3,842
2022	3,111	3,238	593	106	927	280	4,631	3,624
2023	3,264	3,085	621	78	977	230	4,862	3,393
2024-2028	18,744	13,002	1,244	106	4,104	394	24,092	13,502
2029-2033	23,486	8,262	115	5	-	-	23,601	8,267
2034-2037	21,531	2,399	-	-	-	-	21,531	2,399
TOTAL	$ 78,618	$ 40,553	$ 4,231	$ 767	$ 8,520	$ 2,013	$ 91,369	$ 43,333

The allocations to the College of noncurrent liabilities, the current portion of long-term debt and debt service are based on the level of expenses included in the budget documents prepared before the funding of each bond or note, and averages 37% of the applicable current outstanding bonds and tax notes.

7. BOND AND TAX NOTES PAYABLE

Bonds and tax notes payable associated with the College to be paid from District accounts for the years ended August 31, 2019 and 2018 were as follows:

				District Balances		
Series	**Instrument Type and Purpose**	**Amount Issued and Authorized**	**Current Interest Rates**	**Balance August 31, 2019**	**Balance August 31, 2018**	**Budgeted Expenses for College by Board**
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%	$ 37,410,000	$ 37,410,000	$ 85,730,315
2007A	Construct, renovate, acquire and equip new and existing facilities. Dated July 15, 2007.	63,490,000	4.75%	5,600,000	5,600,000	37,708,222
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%	74,110,000	74,110,000	-
2016	Refund the District's outstanding Limited Tax Bonds Series 2006 and 2006A. Dated May 15, 2016.	72,065,000	3.5% - 5.0%	54,535,000	56,630,000	10,500,564
Maintenance Tax Notes (Repayment source - Ad valorem taxes)						
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Dated January 15, 2014.	$ 40,665,000	5.0% - 5.5%	$ 19,445,000	$ 24,085,000	$ 1,919,574
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%	$ 44,545,000	$ 49,605,000	$ 5,720,570
	Total Bonds that the College has an Allocation	$ 599,510,000		$ 235,645,000	$ 247,440,000	$ 141,579,245
	Allocation Percentage			37%	37%	
Balance Allocated to the College at August 31, 2019 and 2018				**$ 87,333,131**	**$ 91,369,452**	

*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. This was reflected in the District August 31, 2019 balance above.

Debt service requirements at August 31, 2019 and 2018 are based on the percentage allocation as discussed above, applied to the debt service of the District.

7. BOND AND TAX NOTES PAYABLE (continued)

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 above. As bond issuances have been paid off the layer of budget related to that bond issuance has been removed from the budgeted expenses for College by Board.

8. 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. For further information, see Note 10 included in the District's fiscal year 2019 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.state.tx.us, 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 7.7%, 7.7%, and 7.7% for fiscal years 2019, 2018 and 2017 and a State contribution rate of 6.8% for each of the fiscal years ended August 31, 2019, 2018 and 2017. In certain instances, the District was required to make all or a portion of the State's contribution.

8. EMPLOYEES' RETIREMENT PLANS (continued)

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 6.8% for fiscal years 2019, 2018, and 2017. Each participant contributed 6.65% for the fiscal years ended August 31, 2019, 2018 and 2017. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

The retirement expense for both plans to the State of Texas for the College was $385,232, $311,176 and $278,502 for the fiscal years ended August 31, 2019, 2018 and 2017, 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 $851,352, $718,756, and $769,698 for the years ended August 31, 2019, 2018 and 2017, respectively, and represents the total required contributions for each year.

The total payroll for all College employees was $13,554,870, $13,098,475 and $12,539,130 for fiscal years 2019, 2018 and 2017, respectively. The total payroll of College employees covered by the TRS was $10,607,451, $8,542,797 and $9,365,277, and the total payroll of College employees covered by ORP was $1,912,429, $2,027,144 and $1,953,809 for fiscal years 2019, 2018 and 2017, respectively.

9. 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 $92,980 was contributed by 25 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 7 participants contributed a total of $52,646 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2019.

A total of $99,768 was contributed by 20 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 7 participants contributed a total of $49,008 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2018.

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.

10. RECEIVABLES, ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Receivables at August 31, 2019 and 2018 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, 2019 and 2018 are primarily related to operating accounts payable and construction.

11. 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 $36,781 and $45,804 as of August 31, 2019 and 2018, respectively.

12. 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.

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 $400,000 per occurrence. Individual losses of over $400,000 are covered by a specific excess insurance policy up to the maximum statutory benefit per occurrence. Additionally, approximately $3,171,169 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.

13. 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, 2019 and between $622 and $1,217 per month for the year ended August 31, 2018. The cost of providing those benefits for all employees, paid by the State of Texas on behalf of the College, totaled $1,154,196 and $1,069,463 for the years ended August 31, 2019 and 2018, 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.

14. 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.

14. OTHER POSTEMPLOYMENT BENEFIT PLAN (continued)

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. For further information, see Note 18 included in the District's fiscal year 2019 financial statements.

15. 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, 2019 and 2018 was approximately $235,124,000 and $221,000,000, 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, 2019 and 2018 were 97.72% and 97.56%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are estimated and recorded at the District level.

16. INCOME TAXES

The College 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, 2019 and 2018.

17. 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.

18. COMMITMENTS AND CONTINGENCIES

As of August 31, 2019, various lawsuits and claims involving the College were pending. While the ultimate liability with respect to litigation and other claims asserted against the College 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.

The College has entered into several contracts for construction and various other renovation projects. As of August 31, 2019 and 2018, the College was committed for approximately $32,000 and $280,000, respectively.

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, 2019
With Memorandum Totals for the Year Ended August 31, 2018

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY19 Total	FY18 Total
OPERATING REVENUES:						
Tuition						
State-funded courses						
In-District resident tuition	$ 6,165,778	$ -	$ 6,165,778	$ -	$ 6,165,778	$ 5,550,995
Out-of-District resident tuition	5,801,108	-	5,801,108	-	5,801,108	4,114,097
Non-resident tuition	839,103	-	839,103	-	839,103	284,565
TPEG - credit set aside *	627,079	-	627,079	-	627,079	430,896
Total tuition	13,433,068	-	13,433,068	-	13,433,068	10,380,553
Fees						
Other	319,396	-	319,396	-	319,396	161,716
Total fees	319,396	-	319,396	-	319,396	161,716
Total tuition and fees	13,752,464	-	13,752,464	-	13,752,464	10,542,269
Scholarship allowances and discounts						
Institutional allowances and scholarships	(427,559)	-	(427,559)	-	(427,559)	(254,959)
Remissions and exemptions - state	(777,452)	-	(777,452)	-	(777,452)	(394,753)
Remissions and exemptions - local	(1,979,405)	-	(1,979,405)	-	(1,979,405)	(864,818)
Federal grants to students		(3,016,443)	(3,016,443)	-	(3,016,443)	(1,623,952)
TPEG awards		(66,356)	(66,356)	-	(66,356)	(138,853)
State grants to students		(131,490)	(131,490)	-	(131,490)	(72,496)
Total scholarship allowances and discounts	(3,184,416)	(3,214,289)	(6,398,705)	-	(6,398,705)	(3,349,831)
Total net tuition and fees	10,568,048	(3,214,289)	7,353,759	-	7,353,759	7,192,438
Other operating revenues						
Federal grants and contracts	-	93,623	93,623	-	93,623	73,916
Non-governmental grants and contracts	-	2,010	2,010	-	2,010	-
Other operating revenues	214,685	-	214,685	-	214,685	76,266
Total other operating revenues	214,685	95,633	310,318	-	310,318	150,182
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	73,088	73,088	117,448
Vending machines and copiers	-	-	-	15,364	15,364	10,828
Campus access fees and fines	-	-	-	237,554	237,554	203,322
Other	-	-	-	17,800	17,800	13,709
Total sales and services of auxiliary enterprises	-	-	-	343,806	343,806	345,307
Total operating revenues	$10,782,733	$ (3,118,656)	$ 7,664,077	$343,806	$ 8,007,883	$ 7,687,927
					(Exhibit 2)	(Exhibit 2)

*In accordance with Education Code 56.033, $627,079 and $430,896 of tuition was set aside for the Texas Public Education Grant for the years ended August 31, 2019 and 2018.

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, 2019
With Memorandum Totals for the Year Ended August 31, 2018

	Salaries and Wages	Benefits State	Benefits Local	Other Expenses	FY19 Total	FY18 Total
OPERATING EXPENSES:						
Unrestricted - educational activities						
Instruction	$ 6,745,085	$ -	$ 1,412,173	$ 1,322,576	$ 9,479,834	$ 9,328,914
Academic support	1,841,691	-	432,464	489,070	2,763,225	2,877,784
Student services	2,343,633	-	589,500	403,795	3,336,928	3,262,143
Institutional support	1,866,672	-	170,742	537,795	2,575,209	2,547,174
Operation and maintenance of plant	505,503	-	235,844	2,586,525	3,327,872	3,646,134
Total unrestricted educational activities	13,302,584	-	2,840,723	5,339,761	21,483,068	21,662,149
Restricted - educational activities						
Instruction	-	749,464	-	-	749,464	655,793
Academic support	42,102	226,128	8,027	43,494	319,751	304,809
Student services	209,027	313,398	-	10,971	533,396	394,086
Institutional support	677	250,438	54	8	251,177	215,062
Operation and maintenance of plant	-	-	-	395,958	395,958	320,204
Scholarships and fellowships	-	-	-	3,635,618	3,635,618	2,447,978
Total restricted educational activities	251,806	1,539,428	8,081	4,086,049	5,885,364	4,337,932
Total educational activities	13,554,390	1,539,428	2,848,804	9,425,810	27,368,432	26,000,081
Auxiliary enterprises	480	-	204	385	1,069	22,881
Depreciation expense - buildings	-	-	-	3,423,471	3,423,471	3,423,472
Depreciation expense - equipment	-	-	-	95,344	95,344	105,513
Total operating expenses	$ 13,554,870	$ 1,539,428	$ 2,849,008	$ 12,945,010	$ 30,888,316	$ 29,551,947
					(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, 2019
With Memorandum Totals for the Year Ended August 31, 2018

	Unrestricted	Restricted	Total Educational Activities	FY19 Total	FY18 Total
NON-OPERATING REVENUES:					
State appropriations					
Education and general State support	$ 4,621,304	$ -	$ 4,621,304	$ 4,621,304	$ 4,621,407
State group insurance	-	1,154,196	1,154,196	1,154,196	1,069,463
State retirement match	-	385,232	385,232	385,232	311,176
Ad valorem taxes					
Taxes for maintenance and operations	11,425,968	-	11,425,968	11,425,968	11,796,386
Taxes for maintenance notes	618,960	-	618,960	618,960	719,857
Taxes for general obligation bonds	-	3,779,068	3,779,068	3,779,068	3,819,545
Federal revenue, non-operating		6,859,561	6,859,561	6,859,561	4,229,655
State revenue, non-operating		7,374	7,374	7,374	26,385
Gifts	500	19,819	20,319	20,319	-
Investment income	-	8,763	8,763	8,763	3,889
Total non-operating revenues	16,666,732	12,214,013	28,880,745	28,880,745	26,597,763
NON-OPERATING EXPENSES:					
Interest on capital related debt	-	(2,810,394)	(2,810,394)	(2,810,394)	(2,950,056)
Interest on capital related debt-MTN	(373,476)	-	(373,476)	(373,476)	(534,126)
Loss on disposal of capital assets	-	(168)	(168)	(168)	-
Total non-operating expenses	(373,476)	(2,810,562)	(3,184,038)	(3,184,038)	(3,484,182)
Net non-operating revenues	$ 16,293,256	$9,403,451	$ 25,696,707	$ 25,696,707	$ 23,113,581
				(Exhibit 2)	(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, 2019
With Memorandum Totals for the Year Ended August 31, 2018

	Detail by Source				Available for Current Operations	
	Unrestricted	Restricted Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:						
Unrestricted	$ 2,628,476	$ -	$ -	$ 2,628,476	$ 2,628,476	$ -
Restricted	-	802,376	-	802,376	-	802,376
Net investment in capital assets	-	-	21,003,024	21,003,024	-	21,003,024
Total net position, August 31, 2019	2,628,476	802,376	21,003,024	24,433,876	2,628,476	21,805,400
				(Exhibit 1)		
Total net position, August 31, 2018	2,515,015	350,264	18,752,323	21,617,602	2,515,015	19,102,587
				(Exhibit 1)		
Net increase in net position	$ 113,461	$ 452,112	$ 2,250,701	$ 2,816,274	$ 113,461	$ 2,702,813
				(Exhibit 2)		

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

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Northeast Lakeview College

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