Northeast Lakeview College

San Antonio, Texas

Annual Financial Report

For the Years Ended August 31, 2017 and 2016

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

NORTHEAST LAKEVIEW COLLEGE

(A college of the Alamo Community College District)

San Antonio, Texas

Annual Financial Report

For the Years Ended
August 31, 2017 and 2016

Prepared by:

Finance and Fiscal Services Department

NORTHEAST LAKEVIEW COLLEGE

(a college of the Alamo Community College District)

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ALAMO COLLEGES DISTRICT
Northeast Lakeview College

December 12, 2017

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), a college of the Alamo Community College District (Alamo Colleges District or District) for the fiscal years ended August 31, 2017 and 2016. 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 2017, the District's Board of Trustees affirmed the selection of the independent accounting firm of Grant Thornton 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 2017 and 2016 AFR for the College. This AFR is prepared primarily for submission to the Southern Association of Colleges and Schools Commission on College 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 the 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 one of the youngest community colleges in the nation. It was established in January 2007 and is one of the five colleges of the Alamo Community College District. It serves students from the eleven Metrocom Communities and northeast San Antonio, 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. Due to continued enrollment growth and as a result of the 2005 Bond election, a permanent $125 million campus was constructed and opened in fall 2008. The campus can accommodate over 15,000 students in approximately 370,000 square feet of academic space on 257 acres. The College has stable enrollment, averaging more than 5,500 students since fiscal year 2013.

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 these 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.

Northeast Lakeview College, a comprehensive two-year college, is dedicated to providing quality education to the people of Bexar and surrounding counties. In addition to offering three degrees: Associate of Arts, Associate of Arts in Teaching and Associate of Science, the College also provides:

- University transfer programs,
- Corporate training programs,
- Developmental education, and
- Continuing education.

Students are taught by highly qualified faculty with Master's and Doctorate degrees committed to creating a learning centered environment. Student services include counseling, computer labs, tutoring services, financial services, services for the disabled, veterans' services, and job placement.

The College is an applicant institution seeking membership to the Southern Association of Colleges and Schools Commission on College. Students of the College completing the core curriculum approved by the Texas Higher Education Coordinating Board are guaranteed their credits will transfer to public colleges and universities in Texas. Over forty Texas colleges and universities have agreed to accept the College's credits, and credits to all other institutions are handled on a case-by-case basis as it undergoes the accreditation process.

Economic Conditions and Outlook

The College serves the northeast part of San Antonio and Bexar County, and the smaller communities located along the I-35 Corridor toward Austin known as the Metrocom. The Metrocom is comprised of eleven small cities with a combined population of over 155,000 according to the Northeast Partnership for Economic Development. The Metrocom area has grown over the last few years and the growth pattern is expected to continue. Randolph Air Force Base, a stable presence in this 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, a skilled work force and the College contributes convenient, affordable higher education. The College location, among growing suburban communities who share a common goal of economic development and quality of life for their citizens and businesses, enhances the College's potential for success.

The College supports the local independent school districts and provides the home for the Judson Early College Academy, a unique partnership with 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 2017, with revenues from ad valorem taxes increasing by 9.2% as net assessed property values within the taxing area increased from approximately $129.6 billion in 2016 to $142.1 billion in 2017. Since fiscal year 2007, revenues from ad valorem taxes have increased by over 98%. 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 2017.

• State appropriations, which are critical to keeping student tuition rates low, remained flat in 2017 when ignoring the effects of the $4.45 million special item funding for the construction of a veteran's assistance center. However, the State has decreased appropriations by approximately $14.2 million or 15.8% since fiscal year 2010, as well as shifting 50% of the eligible employees in the employee health and retirement benefit cost to the District. State appropriations are distributed based on a cost-based formula for student contact hour reimbursement and student success outcomes. For fiscal year 2017, the State only provided 27% of the formula funding, down from 75% in 2008/2009.

• In October 2016, the Board of Trustees approved a new tuition and fee schedule, effective Spring 2017, which included a single tuition rate and the new Summer Momentum Plan. The tuition and fee schedule is designed to result in tuition equity, increased student success outcomes focused on completion, annual tuition savings and increased student persistence made possible by free summer courses. The change to a single tuition rate on a per credit hour basis unbundled the banded rate for students taking 6 hours or less, resulting in a more equitable rate that further promotes student success while generating the same amount of revenue. The Summer Momentum Plan provides students that complete 24 combined credit hours in the Fall and Spring semesters with 6 free credit hours during the Summer semester, which amounts to a savings of $516 ($86 per semester credit hour times 6 hours). Students that complete 18 combined credit hours in the Fall and Spring semesters under the plan receive 3 free credit hours during the Summer semester, which amounts to a savings of $258 ($86 per semester credit hour times 3 hours).

The District strives to avoid tuition increases and ad valorem tax rate increases in the midst of declining state appropriations and other revenue pressures. Since fiscal year 2013, the District has absorbed approximately $75.5 million in budget pressure resulting from declines in state appropriations and increased tuition waivers and exemptions, while simultaneously increasing student support services and faculty and staff compensation adjustments. Therefore, given the revenue positioning by the Alamo Colleges District and the State, strategic planning to manage costs and improve efficiencies is paramount.

Strategic Planning

The College's Strategic Plan reflects the direction provided by the community and the leadership of the District. The inaugural Strategic Plan was developed as a three-year plan for fiscal years 2017-2019. The College's Strategic Plan 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 ensuring that the community's higher education needs are met. The College has its own mission, vision and goals. The goals include: 1) student success and learning; 2) valuing and empowering people; and 3) communications and community engagement. The College will: 1) enhance learning and student support by creating opportunities for innovative methods, processes and resources to enhance student success; 2) develop a culture of inclusion and create opportunities for employee development and recognition; and 3) increase community engagement and facilitate formal partnerships to support our industry and workforce community.

Major Initiatives

The Alamo Way is a theoretical framework for improvement adopted by the Board of Trustees and used 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 District, 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 District 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 two major initiatives. The adoption of *4DX, the Four Disciplines of Execution,* provides a simple, repeatable set of practices for organizations and individuals to focus on what is important, to execute strategic priorities and to achieve superb results. MyMap (My Monitoring Academic Progress) was also implemented, which is a series of online, self-paced learning modules designed to help students transition to college, and monitors students' progress until they earn a certificate or degree.

In fiscal year 2017, Northeast Lakeview College students were awarded over $140,000 in academic and/or sports scholarships and grants with four-year universities. Additionally, NLC faculty were awarded grant funding through the Alamo Colleges District Foundation Innovation Grant Program, totaling $10,000.

In fiscal year 2017, Northeast Lakeview College partnered with two local elementary schools, Camelot (Northeast ISD) and Miller's Point (Judson ISD) as part of its continued pathways approach to college. Through targeted programming including campus visits, career presentations, leadership programs and parent discussions – more than 550 students were impacted. Additionally, through presentations, more than 100 parents learned more about the importance of college.

In February 2017, Northeast Lakeview College and the Navy partnered to host the first Regional Underwater Robotics Competition in San Antonio. The competition featured 38 teams comprising over 130 middle school and high school students of diverse backgrounds from the San Antonio area, ranging in age from 12 to 18. Teams worked together to build underwater robots using components from the SeaPerch Program and competed in three challenges. The top two teams went on to the National Competition at Georgia Tech University in May 2017.

In March 2017, Northeast Lakeview College welcomed Dr. Veronica Garcia as its President. Dr. Garcia has a distinguished 20-year career in community college administration, and most recently held the position of Vice President of Student Affairs at Maricopa County Community College District: Paradise Valley Community College (PVCC) where she oversaw all student affairs operations.

Beginning with the Fall 2017 semester, Northeast Lakeview College began offering federal financial aid to its students as a result of receiving candidacy status from its accrediting body, the Southern Association of Colleges and Schools Commission on College, in the preceding fiscal year.

Northeast Lakeview College continues to participate in the South Texas Excellence Partnership (STEP), which consists of Schertz Cibolo Universal City ISD, the City of Schertz, the City of Cibolo, Northeast Lakeview College, and Education Service Center Region 20 (ESC-20). STEP is a group of organizations within a community that come together to utilize the beliefs and behaviors of high performance organizations for performance excellence to ensure quality for common stakeholders. Fiscal year 2017 was the second year for the STEP partnership and focused on the internal customer.

Awards and Acknowledgements

The Public Relations Office received recognition from the *National Council for Marketing and Public Relations* (NCMPR). They received three awards from the organization for design and publicity. NCMPR is a professional organization that represents the fields of marketing and public relations for community and technical colleges. Since 2008, the NLC Public Relations Office has received more than 10 recognitions and awards from this organization.

The staff 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.

Diane E. Snyder
Digitally signed by Diane E. Snyder
DN: cn=Diane E. Snyder, o=Alamo Colleges, ou=VCFA, email=dsnyder12@alamo.edu, c=US
Date: 2017.12.13 15:30:01 -06'00'

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

Pamela K. Ansboury
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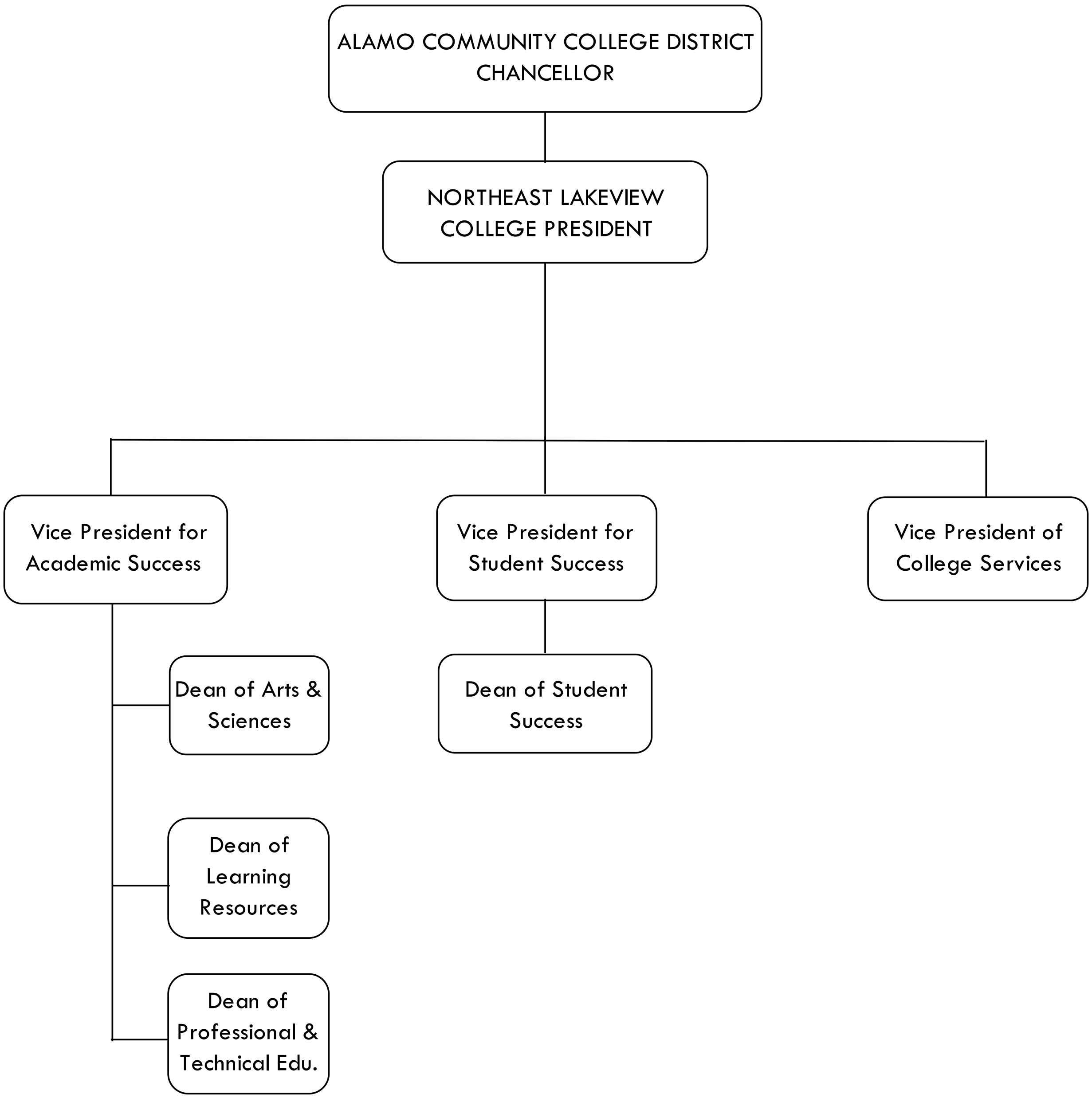
Pamela K. Ansboury, CPA, M.Ed.
Associate Vice Chancellor
Finance and Fiscal Services
Alamo Community College District

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, 2017

ELECTED OFFICIALS*

Member	Position	City, State	Term Expires
Dr. Yvonne Katz	Chairperson	San Antonio, Texas	2018
Marcelo Casillas	Vice-Chairperson	San Antonio, Texas	2020
Dr. Gene Sprague	Secretary	Helotes, Texas	2018
Denver McClendon	Assistant Secretary	San Antonio, Texas	2022
Anna U. Bustamante	Member of the Board	San Antonio, Texas	2022
Joe Alderete, Jr.	Member of the Board	San Antonio, Texas	2022
Clint Kingsbery	Member of the Board	San Antonio, Texas	2020
Roberto Zárate	Member of the Board	San Antonio, Texas	2018

*At a special meeting of the Alamo Colleges District Board of Trustees on November 8, 2017, Joe Jesse Sanchez was sworn in as the District 9 Trustee, filling the seat previously occupied by James A. Rindfuss, who passed away on August 15, 2017. Sanchez will serve until May 2018 when elections for several positions on the Board, including District 9, will be held.

ADMINISTRATIVE OFFICIALS

Dr. Bruce H. Leslie	Chancellor
Dr. Diane E. Snyder, CPA	Vice Chancellor for Finance and Administration
Dr. Federico Zaragoza	Vice Chancellor of Economic and Workforce Development
Ross Laughead	General Counsel
Dr. Thomas S. Cleary	Vice Chancellor for Planning, Performance & Information Systems
Dr. Jo Carol Fabianke	Vice Chancellor for Academic Success
Dr. Adelina Silva	Vice Chancellor for Student Success
Jim Eskin	Executive Director of Institutional Advancement
Dr. Veronica Garcia	President, Northeast Lakeview College
Dr. Ric Neal Baser	President, Northwest Vista College
Dr. Michael Flores	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
Gertrud Moreno, CPA, MBA	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 is a public community college within the system of the Alamo Colleges District, established in partnership with its communities, that is focused on student success through the offering of Associate degrees and continuing education, promoting engagement in civic activities and organizations, and encouraging participation in cultural and enrichment programs.

VISION

The first choice for higher education in the communities we serve.

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

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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, 2017 and 2016 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 audits 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.

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, 2017 and 2016, 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 Northeast Lakeview College and do not purport to, and do not, present fairly the financial position of the Alamo Community College District as of August 31, 2017 and 2016, 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 on pages 17 through 26 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 audits 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 for the year ended August 31, 2017, the Schedule of Operating Expenses by Object for the year ended August 31, 2017, the Schedule of Non-Operating Revenues and Expenses for the year ended August 31, 2017, and the Schedule of Net Position by Source and Availability for the year ended August 31, 2017, as required by the Texas Higher Education Coordinating Board (THECB), (collectively, the "Supplementary Information") 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 12, 2017, 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

San Antonio, Texas
December 12, 2017

Grant Thornton

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

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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 the Northeast Lakeview College (the "College"), a college of the Alamo Community College District, as of and for the year ended August 31, 2017, 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 12, 2017.

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

San Antonio, Texas
December 12, 2017

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, 2017 and 2016. 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, 2017 and 2016; 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 $2,391,000 and total liabilities decreased approximately $3,012,000.
- Total net position at August 31, 2017 was approximately $20,368,000, reflecting an increase of approximately $621,000 from fiscal year 2016.
- The College's operating loss was approximately $15,605,000.

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 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 2.0% or $2,391,000 during fiscal year 2017 and 2.4% or $2,968.000 during fiscal year 2016. The decreases in 2017 and 2016 are primarily related to decreases in net capital assets of approximately $3.5 million for both years, related to depreciation taken on existing capital assets.

During fiscal year 2017 total liabilities decreased 3.0% or $3,012,000 and by 3.3% or $3,405,000 during fiscal year 2016. Current liabilities increased by approximately $832,000 in 2017 due to a $131,000 increase to the current portion of long-term liabilities; a $478,000 increase to unearned income related to Fall 2018 tuition revenues collected; as well as a $221,000 increase to accounts payable. Current liabilities increased by approximately $307,000 in 2016 due to a $178,000 increase to the current portion of long-term liabilities and a $294,000 increase to unearned income related to Fall 2017 tuition revenues collected, partially offset by a decrease in operating accounts payable of $169,000. Noncurrent liabilities decreased $3,844,000 and $3,712,000 in fiscal years 2017 and 2016, respectively, due to scheduled debt service payments.

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, 2017 was $20,368,000 compared to $19,747,000 at August 31, 2016. The fiscal year 2017 increase of $621,000 was the result of a $318,000 increase to the net investment in capital assets category; a $115,000 increase in TPEG set-aside balances within the expendable student aid component of net position; and a $184,000 increase to unrestricted net position resulting from unused funds rolled over for equipment replacements and renovations. In 2016, the $437,000 increase was the result of an increase in TPEG set-aside balances within the expendable student aid component of net position.

Condensed Schedule of Net Position
(in thousands)

	Fiscal Year			Change	
Assets	**2017**	**2016**	**2015**	**2016 to 2017**	**2015 to 2016**
Cash and cash equivalents	$ 5,867	$ 4,768	$ 4,301	$ 1,099	$ 467
Accounts receivable, net and other assets	474	494	469	(20)	25
Capital assets	140,592	140,550	140,502	42	48
Accumulated depreciation	(28,816)	(25,305)	(21,796)	(3,511)	(3,509)
Total assets	118,117	120,508	123,476	(2,391)	(2,968)
Liabilities					
Current liabilities	6,380	5,548	5,241	832	307
Noncurrent liabilities	91,369	95,213	98,925	(3,844)	(3,712)
Total liabilities	97,749	100,761	104,166	(3,012)	(3,405)
Net Position					
Net investment in capital assets	16,565	16,247	16,246	318	1
Restricted, expendable for					
Student aid	1,277	1,163	824	114	339
Instructional programs	12	8	1	4	7
Unrestricted	2,514	2,330	2,239	184	90
Total net position	$ 20,368	$ 19,747	$ 19,310	$ 621	$ 437

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

Statements of Revenues, Expenses and Changes in Net Position

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

Total revenues and total expenses should be considered in assessing the change in the financial position of the College. When total revenues exceed total expenses, the result is an increase in net position. When the reverse occurs, the result is a decrease in net position. Further detail is presented in the Statement 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, 2017, 2016 and 2015 is presented below in table form.

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

	Fiscal Year			Change	
	2017	**2016**	**2015**	**2016 to 2017**	**2015 to 2016**
Operating revenues	$ 9,308	$ 8,417	$ 9,249	$ 891	$ (832)
Operating expenses	24,913	24,009	24,045	904	(36)
Operating loss	(15,605)	(15,592)	(14,796)	(13)	(796)
Non-operating revenues (expenses):					
State appropriations	6,381	6,190	6,209	191	(19)
Ad valorem taxes	14,449	14,618	14,556	(169)	62
Interest on capital-related debt	(4,621)	(4,799)	(4,958)	178	159
Other net non-operating revenues	17	20	8	(3)	12
Total non-operating revenues, net	16,226	16,029	15,816	197	214
Increase in net position	621	437	1,019	184	(582)
Net position - beginning of year	19,747	19,310	18,291	437	1,019
Net position - end of year	$ 20,368	$ 19,747	$ 19,310	$ 621	$ 437

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

Operating Revenues
(in thousands)

	2017		2016		2015		Change	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**2016 to 2017**	**2015 to 2016**
Net tuition and fees	$ 8,821	94.8%	$ 7,953	94.5%	$ 8,867	95.9%	$ 868	$ (914)
Grants and contracts	113	1.2%	82	1.0%	78	0.8%	31	4
Auxiliary enterprises	289	3.1%	303	3.6%	267	2.9%	(14)	36
Other operating revenues	85	0.9%	78	0.9%	37	0.4%	7	41
Total operating revenues	$ 9,308	100.0%	$ 8,417	100.0%	$ 9,249	100.0%	$ 891	$ (832)

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 $891,000 and decreased $832,000 for the years ended August 31, 2017 and 2016, respectively. The increase in fiscal year 2017 is related to an $868,000 increase to net tuition and fees resulting from a slight uptick in enrollment at the College along with gross tuition and fee revenues increasing at a slightly faster rate than tuition scholarships and discounts (waivers), along with a $31,000 increase in operating grants and contracts, primarily due to an increase in grant funds received from the National Science Foundation. The decrease in fiscal year 2016 is primarily related to the consolidation and transferring of all continuing education (CE) revenues from each of the five member colleges to the District Support Operations (DSO). The 2016 decrease was partially offset by increases to auxiliary and other operating revenues of $36,000 and $41,000, respectively.

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

Management's Discussion and Analysis
(Unaudited)

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. Beginning with the Fall 2017 semester, Northeast Lakeview College began offering federal financial aid to its students as a result of receiving candidacy status from its accrediting body, the Southern Association of Colleges and Schools Commission on College, in the preceding fiscal year. Prior to Fall 2017, students who qualified and needed federal financial aid to attend, registered at San Antonio College (SAC), another member college of the District. The federal financial aid was then attributed to SAC, however, the student's tuition was recorded at the college of attendance, Northeast Lakeview College. All tuition and fees for credit hours earned at the College were recorded as revenue of the College. The discounts represented by financial aid earned through association with San Antonio College, (primarily Title IV federal PELL and federal SEOG) were recorded at the awarding college.

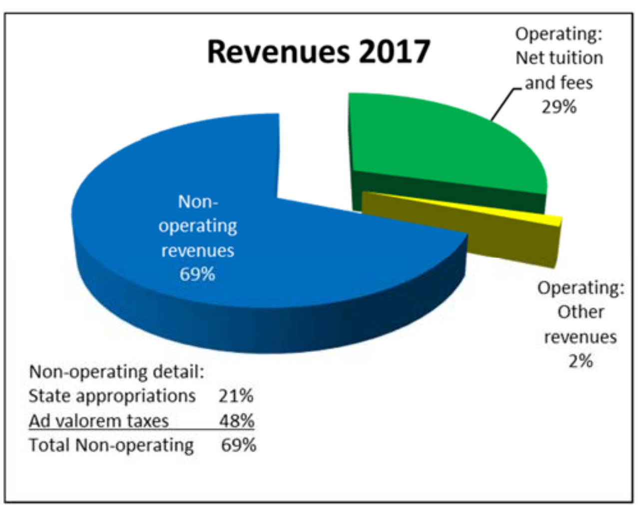
Net tuition and fees increased by $868,000 in fiscal year 2017 and decreased by $914,000 in fiscal year 2016. The 2017 increase is primarily related to a $1.0 million increase in gross tuition revenues due to a slight increase in total enrollment while tuition discounts increased by a smaller percentage. The 2016 decrease is primarily related to a reduction in CE and contract training revenues, as CE revenues were recorded at the District instead of at the College, as discussed previously.

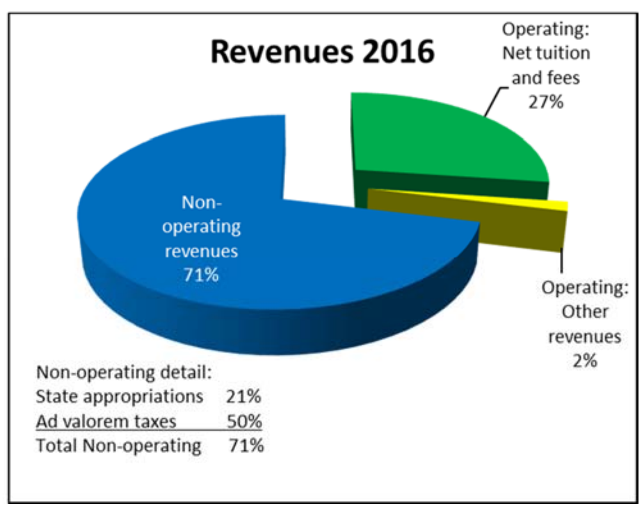
Net Tuition and Fees
(in thousands)

	2017		2016		2015	
	Amount	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**
Tuition	$ 9,826	111.4%	$ 8,810	110.8%	$ 8,590	96.9%
CE and contract training	-	0.0%	5	0.1%	587	6.6%
Fees	171	1.9%	205	2.6%	716	8.1%
Discounts	(1,176)	-13.3%	(1,067)	-13.4%	(1,026)	-11.6%
Total net tuition and fees	$ 8,821	100.0%	$ 7,953	100.0%	$ 8,867	100.0%

Following are charts of the major sources of revenue for fiscal years 2017 and 2016, comparing operating and non-operating revenues. The non-operating revenues comprise the largest portion of total revenues at 69% for fiscal year 2017 and 71% for fiscal year 2016. The primary components of non-operating revenues remain as state appropriations and ad valorem taxes.

Revenue Components – Operating and Non-operating





Operating expenses are presented below in both a natural and functional classification. Following is a three-year comparison of operating expenses by natural classification. Salaries and benefits increased $987,000 or 6.4% from fiscal year 2016 to 2017 and increased $525,000 or 3.5% from fiscal year 2015 to 2016. The $987,000 increase to salaries and benefits in fiscal year 2017 is directly related to budgeted compensation adjustments which included average salary increases of 7.1%, 4.9% and 4.8% for faculty, staff and administration, respectively, along with a corresponding increase to benefits related to the compensation increases in addition to rising health insurance costs. Salaries increased by $204,000 in 2016 primarily due to additional advisor positions filled in support of the "high-touch" advisor model, which enables all students access to a certified advisor to guide them through their educational pathway. Expenses for benefits increased in 2016 by $321,000 due to increased health care premiums paid to the Employees Retirement System of Texas (ERS) along with the corresponding increase due to increased salaries discussed previously.

Operating Expenses in Natural Classification
(in thousands)

	Fiscal Year			Change	
	2017	2016	2015	2016 to 2017	2015 to 2016
Salaries	$ 12,539	$ 11,913	$ 11,709	$ 626	$ 204
Benefits	3,967	3,606	3,285	361	321
Supplies and services	4,862	4,949	5,499	(87)	(550)
Depreciation	3,545	3,542	3,552	3	(10)
Total operating expenses	$ 24,913	$ 24,009	$ 24,045	$ 904	$ (36)

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

Expenses for supplies and services decreased in 2017 and 2016 by $87,000 and $550,000, respectively. While supplies and services decreased by less than 2% in fiscal year 2017, the decrease in 2016 was primarily due to computer and other technology upgrades purchased in 2015 and not repeated during the year. In addition, the College saw a decrease in expenses for independent contractor instructors in fiscal year 2016. Depreciation expense remained virtually flat in 2017 and 2016, 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	
	2017	2016	2015	2016 to 2017	2015 to 2016
Instruction	$ 9,194	$ 9,119	$ 9,994	$ 75	$ (875)
Academic support	3,291	2,866	2,654	425	212
Student services	3,173	2,677	2,413	496	264
Institutional support	2,510	2,585	2,643	(75)	(58)
Operation and maintenance of plant	3,191	3,216	2,718	(25)	498
Depreciation	3,545	3,542	3,552	3	(10)
Total educational and general	24,905	24,005	23,974	900	31
Auxiliary enterprises	8	3	71	5	(68)
Total operating expenses	$ 24,913	$ 24,009	$ 24,045	$ 904	$ (36)

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 2017, instruction expenses remained flat, with an increase of approximately \$75,000. The \$875,000 or 8.8% decrease in instruction expenses in 2016 is related to the transferring of costs for continuing education instruction from the College to the District.

- Academic support includes expenses related to providing support services for the College's primary mission of instruction, including libraries, computing support, audio visual services, curriculum development and academic program administration. In 2017, academic support expenses increased by \$425,000 or 14.8%. This increase was primarily due to approximately \$111,000 of increased costs for staffing for a Dean of Continuing Education and Workforce Development; approximately \$94,000 and \$61,000 for community programs and the Learning Resource Center, respectively; along with salary and benefit increases resulting from compensation adjustments discussed previously and increase to other various academic support categories. Academic support increased by \$212,000 in 2016 due to increased costs for information technology in the amount of \$118,000, increased salaries for academic support personnel of \$41,000 and an increase in institutional research costs of \$37,000.

- 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 \$496,000 and \$264,000 in 2017 and 2016, respectively. The increase in fiscal year 2017 includes average compensation and related benefit increases for student services staff and administration of 4.9% and 4.8% respectively; approximately \$185,000 in additional investments to maintain an advisor-to-student ratio of 350:1; and other expenses for student financial services, assessments and testing, recruiting and retention, and for the early-college high school program. The increase in 2016 was primarily due to increased salaries for additional advisor positions filled in support of the "high-touch" advisor model, as discussed previously.

- 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. Expenses in the institutional support category decreased by \$75,000 and \$58,000 in fiscal years 2017 and 2016, respectively. In fiscal year 2017, institutional support decreased primarily due to position vacancies in the college services department and reductions in costs for travel and computer chargebacks, partially offset by increases for institutional support staff and administration of 4.9% and 4.8%, respectively. The 2016 decrease was primarily due to vacancies in key administrative positions during the year totaling \$154,000, offset by increased expense for public safety and professional development of \$75,000 and \$31,000, respectively.

- Operation and maintenance of plant includes expenses for custodial, grounds, and building maintenance, as well as utilities. This category remained flat in fiscal year 2017, with a decrease of approximately \$25,000 or 0.7%. In 2016, this category increased by \$498,000 primarily due to increased preventative maintenance costs for buildings and grounds. The \$369,000 decrease in 2015 was primarily attributable to nonrecurring renovations completed in fiscal year 2014 that were not repeated in 2015.

- Auxiliary expenses increased by approximately \$5,000 or 167% between fiscal year 2016 and 2017 and decreased by approximately \$68,000 in 2016. The increase in 2017 was primarily due to purchases for wellness center equipment and various repair and maintenance expenses. In 2016, the decrease was primarily due to renovations, repair and maintenance costs for food service operations incurred in the prior year and not repeated in 2016.

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 $1,100,000 and $466,000 for the years ended August 31, 2017 and 2016, 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 $140,592,000 and $140,550,000 in capital assets at August 31, 2017 and 2016, respectively, and accumulated depreciation of $28,816,000 and $25,305,000 for the same periods, respectively. Depreciation expense totaled approximately $3,545,000 in fiscal year 2017 and $3,542,000 in fiscal year 2016. (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	
	2017	**2016**	**2015**	**2016 to 2017**	**2015 to 2016**
Land	$ 5,259	$ 5,259	$ 5,259	$ -	$ -
Buildings and other real estate improvements	106,050	109,473	112,897	(3,423)	(3,424)
Furniture, machinery and equipment	98	145	167	(47)	(22)
Library materials	369	368	382	1	(14)
Total net capital assets	$ 111,777	$ 115,246	$ 118,705	$ (3,469)	$ (3,459)

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 table below lists assets subject to depreciation and the percentage depreciated to August 31, 2017 and 2016. 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 2017			Fiscal Year 2016		
	Capitalized	Accumulated Depreciation	% Depreciated	Capitalized	Accumulated Depreciation	% Depreciated
Buildings and other real estate improvements	$ 133,805	$ 27,754	20.7%	$ 133,805	$ 24,332	18.2%
Furniture, machinery and equipment	782	685	87.6%	810	665	82.1%
Library materials	746	377	50.5%	676	308	45.6%

The College recorded approximately $70,000 in additions to library materials in 2017. In 2016, the College recorded additions to furniture, machinery and equipment as well as library books.

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 is 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	37,294
Includes gymnasium, fitness center, putting green and rock climbing wall	
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 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 23.4% of the outstanding balance or $95.2 million at August 31, 2017 and $98.9 million at August 31, 2016. The District had $491.7 million and $482.2 million in outstanding bond and maintenance tax note debt at August 31, 2017 and 2016, respectively, before premiums and discounts. This amounts to an increase of $9.5 million in fiscal year 2017 and a decrease of $45.9 million in fiscal year 2016. See also Note 6 to the College's financial statements for additional information.

The $9.5 million increase in bonds and tax notes payable at the District level in 2017 is due the issuance of approximately $50.6 million of revenue bonds for the construction of a new District Support Operations headquarters, partially offset by scheduled debt payments of $33.6 million, and a $7.4 million cash defeasance of the then-outstanding Series 2007 Maintenance Tax Notes. The $45.9 million reduction in bonds and tax notes payable at the District level in 2016 is due to scheduled debt payments of $24.4 million, a cash defeasance of $12.8 million of Series 2006 and 2007 Maintenance Tax Notes and an $8.7 million reduction of principal due to the refunding of the Limited Tax Bonds Series 2006 and 2006A.

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 received bond ratings for its general obligation bonds of Aaa and AAA from Moody's Investors Service and Standard & Poor's, respectively. These are the highest ratings available from these rating agencies and the Alamo Colleges District is one of only three community college systems 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 the basic 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 2017 unemployment rate for San Antonio, the State of Texas and the United States was 3.7%, 4.2% and 4.5%, 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. According to the *Federal Reserve Bank of Dallas,* San Antonio jobs increased at a healthy 3.6% annualized rate over the three months ended in August 2017. Job growth was broad across most industries, with mining and financial services employment leading overall growth among major industries. *Forbes* magazine ranked San Antonio #42 out of 200 major metro areas in its annual list of the *Best Places For Business and Careers,* and ranked San Antonio #27 in job growth and #45 for the cost of doing business.

The level of state appropriations Texas community colleges 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. Tuition revenue from students and tax revenue from local property owners now comprise approximately 70% of the primary revenue streams used for operations. 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. In fiscal year 2017, the District's expenses for overall benefits increased by approximately $4 million or 7.6% while the state's contribution for benefits decreased by $0.2 million or 0.1%. 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 a growing demand for state education services. The College's leadership 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. It will continue to bring the message to the Texas Legislature that budget cuts to community colleges harm students and the workforce needs of the state. The leadership of the Alamo Colleges District will also continue to preserve its primary mission of empowering its diverse communities for success. The outlook of Northeast Lakeview College for the foreseeable future is 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, 2017 and 2016

	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,580,901	$ 3,686,355
Accounts receivable, net of allowance for doubtful accounts	257,364	197,510
Other assets	8,622	8,622
Total current assets	4,846,887	3,892,487
Noncurrent assets:		
Restricted cash and cash equivalents	1,285,938	1,081,710
Other assets	207,565	288,064
Capital assets (net)	111,776,563	115,245,613
Total noncurrent assets	113,270,066	116,615,387
TOTAL ASSETS	118,116,953	120,507,874
LIABILITIES		
Current liabilities:		
Accounts payable	258,834	37,522
Funds held for others	29,988	28,078
Unearned income	2,248,027	1,770,450
Current portion of long-term liabilities	3,843,000	3,712,000
Total current liabilities	6,379,849	5,548,050
Noncurrent liabilities	91,369,063	95,212,738
TOTAL LIABILITIES	97,748,912	100,760,788
NET POSITION		
Net investment in capital assets	16,564,500	16,246,876
Restricted for:		
Expendable		
Student aid	1,277,347	1,162,687
Instructional programs	11,874	7,635
Capital projects	215	215
Unrestricted	2,514,105	2,329,673
TOTAL NET POSITION	$ 20,368,041	$ 19,747,086

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, 2017 and 2016

	2017	2016
OPERATING REVENUES:		
Tuition and fees (net of discounts of $1,176,419 and $1,067,289, respectively)	$ 8,820,613	$ 7,953,389
Grants and contracts	113,129	82,058
Auxiliary enterprises	289,124	303,118
Other operating revenues	85,397	78,415
Total operating revenues (Schedule A)	9,308,263	8,416,980
OPERATING EXPENSES:		
Instruction	9,193,721	9,119,427
Academic support	3,291,487	2,866,177
Student services	3,173,270	2,676,687
Institutional support	2,510,239	2,585,307
Operation and maintenance of plant	3,191,425	3,215,509
Auxiliary enterprises	7,712	3,430
Depreciation	3,545,249	3,542,071
Total operating expenses (Schedule B)	24,913,103	24,008,608
Operating loss	(15,604,840)	(15,591,628)
NON-OPERATING REVENUES/(EXPENSES):		
State appropriations	6,381,384	6,189,730
Ad valorem taxes		
Taxes for maintenance and operations	10,315,298	10,338,136
Taxes for general obligation bonds	4,133,827	4,280,315
Gifts	11,075	10,554
Investment income	5,448	11,168
Interest on capital related debt	(4,621,237)	(4,799,184)
Other non-operating (expenses)	-	(2,027)
Net non-operating revenues (Schedule C)	16,225,795	16,028,692
Increase in net position	620,955	437,064
NET POSITION:		
Net position - beginning of year	19,747,086	19,310,022
Net position - end of year (Schedule D)	$ 20,368,041	$ 19,747,086

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, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from students and other customers	$ 9,556,790	$ 8,470,135
Receipts from grants and contracts	122,139	72,490
Other receipts	85,397	78,415
Payments to or on behalf of employees	(15,387,631)	(14,572,960)
Payments to suppliers for goods and services	(4,603,761)	(5,055,231)
Net cash used by operating activities	(10,227,066)	(11,007,151)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Receipts from state appropriations	5,262,742	5,244,661
Receipts from ad valorem taxes	10,315,298	10,338,136
Receipts from gifts and grants (other than capital)	11,075	10,554
Receipts from student organizations and other agency transactions	1,910	3,797
Net cash provided by noncapital financing activities	15,591,025	15,597,148
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Receipts from ad valorem taxes for debt service	4,133,827	4,280,315
Payments for capital assets acquisition and construction of capital assets	(76,199)	(84,933)
Payments on capital debt - principal	(3,712,675)	(3,534,126)
Payments on capital debt - interest	(4,621,237)	(4,799,184)
Net cash used by capital and related financing activities	(4,276,284)	(4,137,928)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	11,099	14,034
Net cash provided by investing activities	11,099	14,034
INCREASE IN CASH AND CASH EQUIVALENTS	1,098,774	466,103
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,768,065	4,301,962
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,866,839	$ 4,768,065

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, 2017 and 2016 (continued)

RECONCILIATION OF NET OPERATING LOSS TO NET CASH	2017	2016
USED BY OPERATING ACTIVITIES:		
Operating loss	$ (15,604,840)	$ (15,591,628)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	3,545,249	3,542,071
Allowance for doubtful accounts	8,519	-
Non-cash state appropriations - on-behalf payments	1,118,642	945,069
Changes in assets and liabilities:		
Accounts receivable	(74,024)	(77,917)
Other assets	80,499	50,265
Accounts payable	221,312	(169,410)
Unearned income	477,577	294,399
Net cash used by operating activities	$ (10,227,066)	$ (11,007,151)

SCHEDULE OF NON-CASH INVESTING AND FINANCING TRANSACTIONS:

State on-behalf payments	1,118,642	945,069
Gifts of depreciable and non-depreciable assets	75	800

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 2017. 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 and ad valorem property tax collections. 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 debt allocated 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 amounts 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating and Non-operating Expenses
Operating expenses include the cost of providing instruction, academic support, student services, administrative expenses, 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 June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement also includes requirements to address financial reporting for assets accumulated for purposes of providing defined benefit OPEB through OPEB plans that are not administered through trusts that meet the specified criteria. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The provisions of this Statement address the reporting requirements for state and local governmental OPEB plans themselves, and therefore are not applicable since the College and the District are participants under these OPEB plans.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77). GASB 77 requires state and local governments for the first time to disclose information about tax abatement agreements. GASB 77 requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and that reduce the reporting government's tax revenues. GASB 77 is effective for financial statements for periods beginning after December 15, 2015. The application of GASB 77 did not have a material impact on the College's financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* (GASB 78). This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Because the College participates in TRS, which is a statewide public retirement system, the provisions of GASB 78 are not applicable. For more information about the District's retirement plans, see Note 10 of the District's fiscal year 2017 CAFR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The College does not include any component units in its reporting entity and therefore this Statement is not applicable to its financial statements. The District considered the revised blending criteria under GASB 80 and determined it to have no effect on the financial statement presentation of its component units. For more information on the District's component units, see Note 1 to the District's fiscal year 2017 CAFR.

In March 2016, GASB issued Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding: the presentation of payroll-related measures in required supplementary information; the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes; and the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This Statement had no impact on the College's financial statements. Because the College has no separate legal authority from the District, who has the legal obligation to fund the long-term benefits of its employees, information about employees' retirement plans, including required supplementary information schedules, are included in the District's fiscal year 2017 CAFR.

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

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. This Statement is effective for fiscal years beginning after June 15, 2017.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance when a government is a beneficiary of the agreement. The Statement requires a government that receives resources pursuant to an irrevocable split-interest agreement to recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement also requires governments to recognize revenue when resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In November 2016, GASB issued Statement No. 83, C*ertain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs), which are legally enforceable liabilities associated with the retirement of 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.

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.

In March 2017, GASB issued Statement No. 85, Omnibus 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending of component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

In May 2017, GASB issued Statement No. 86, Certain Debt Extinguishment Issues. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

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.

The College has not yet completed the process of evaluating the impact of GASB Statements Nos. 75, 81, 83, 84, 85, 86 and 87 on its future financial statements.

3. CASH AND CASH EQUIVALENTS

Total cash and cash equivalents at August 31, 2017 and 2016 were $5,866,839 and $4,768,065, 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.

Notes to Financial Statements

4. CAPITAL ASSETS

Capital assets activity for the year ended August 31, 2017 was as follows:

	Balance 9/1/2016	Increases	Decreases	Balance 8/31/2017
Not Depreciated:				
Land	$ 5,259,089	$ -	$ -	$ 5,259,089
Total land	5,259,089	-	-	5,259,089
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	810,460	6,119	34,377	782,202
Library materials	676,307	70,080	-	746,387
Total buildings and other capital assets	135,291,358	76,199	34,377	135,333,180
Accumulated Depreciation:				
Buildings and building improvements	19,516,754	2,672,171	-	22,188,925
Other real estate improvements	4,814,818	750,370	-	5,565,188
Total buildings and other real estate improvements	24,331,572	3,422,541	-	27,754,113
Furniture, machinery and equipment	665,177	53,804	34,377	684,604
Library materials	308,085	68,904		376,989
Total accumulated depreciation	25,304,834	3,545,249	34,377	28,815,706
Net capital assets	$ 115,245,613	$ (3,469,050)	$ -	$ 111,776,563

4. CAPITAL ASSETS (continued)

Capital assets activity for the year ended August 31, 2016 was as follows:

	Balance 9/1/2015	Increases	Decreases	Balance 8/31/2016
Not Depreciated:				
Land	$ 5,259,089	$ -	$ -	$ 5,259,089
Total land	5,259,089	-	-	5,259,089
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	813,552	33,418	36,510	810,460
Library materials	624,827	51,480	-	676,307
Total buildings and other capital assets	135,242,970	84,898	36,510	135,291,358
Accumulated Depreciation:				
Buildings and building improvements	16,843,555	2,673,199	-	19,516,754
Other real estate improvements	4,064,449	750,369	-	4,814,818
Total buildings and other real estate improvements	20,908,004	3,423,568	-	24,331,572
Furniture, machinery and equipment	646,628	53,031	34,482	665,177
Library materials	242,613	65,472	-	308,085
Total accumulated depreciation	21,797,245	3,542,071	34,482	25,304,834
Net capital assets	$ 118,704,814	$ (3,457,173)	$ 2,028	$ 115,245,613

5. NONCURRENT LIABILITIES

As of August 31, 2017, noncurrent liabilities are $91,369,000 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance 9/1/2016	Additions	Reductions	Balance 8/31/2017	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 83,627	$ -	$ 2,445	$ 81,182	$ 2,564
Revenue bonds	5,247	-	496	4,751	520
Maintenance tax notes	10,051	-	772	9,279	759
Total	$ 98,925	$ -	$ 3,713	$ 95,212	$ 3,843

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

Notes to Financial Statements

5. NONCURRENT LIABILITIES (continued)

As of August 31, 2016, noncurrent liabilities are $95,213,000 with activity for the fiscal year as follows:

	Bonds and Tax Notes Payable (in thousands)				
	Balance 9/1/2015	Additions	Reductions	Balance 8/31/2016	Current Portion
Bonds and tax notes payable					
General obligation bonds	$ 85,948	$ -	$ 2,321	$ 83,627	$ 2,445
Revenue bonds	5,721	-	474	5,247	496
Maintenance tax notes	10,790	-	739	10,051	771
Total	$ 102,459	$ -	$ 3,534	$ 98,925	$ 3,712

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 benefits of its employees, net pension expense and the net pension 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, 2017 were as follows:

For the Year Ended	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
August 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	$ 2,564	$ 3,786	$ 520	$ 206	$ 759	$ 452	$ 3,843	$ 4,444
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
2022-2026	17,105	15,417	2,354	390	5,152	1,139	24,611	16,946
2027-2031	21,470	11,223	219	37	856	91	22,545	11,351
2032-2036	26,894	6,045	-	-	-	-	26,894	6,045
2037	4,667	214	-	-	-	-	4,667	214
TOTAL	$ 81,182	$ 47,252	$ 4,751	$ 1,105	$ 9,279	$ 2,791	$ 95,212	$ 51,148

Debt service requirements (in thousands) at August 31, 2016 were as follows:

For the Year Ended	General Obligation Bonds		Revenue Bonds		Maintenance Tax Notes		TOTAL BONDS	
August 31,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 2,445	$ 3,904	$ 496	$ 230	$ 771	$ 487	$ 3,712	$ 4,621
2018	2,564	3,786	520	206	759	452	3,843	4,444
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
2021-2025	16,329	15,417	2,724	390	4,896	1,139	23,949	16,946
2026-2030	20,525	11,223	416	37	1,994	91	22,935	11,351
2031-2035	25,700	6,045	-	-	-	-	25,700	6,045
2036-2037	10,547	685	-	-	-	-	10,547	685
TOTAL	$ 83,627	$ 48,243	$ 5,247	$ 1,203	$ 10,051	$ 2,952	$ 98,925	$ 52,398

6. DEBT (continued)

The allocations to the College of noncurrent liabilities, 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 23% of the applicable current outstanding bonds and tax notes.

7. BOND AND TAX NOTES PAYABLE

Bonds and tax notes payable by the College for the years ended August 31, 2017 and 2016 were as follows:

				District Balances		
Series	**Instrument Type and Purpose**	**Amount Issued and Authorized**	**Current Interest Rates**	**Balance August 31, 2017**	**Balance August 31, 2016**	**Budgeted Expenses for College by Board**
General Obligation Bonds (Repayment source - Ad valorem taxes)						
2007	Construct, renovate, acquire and equip new and existing facilities. Issued April 5, 2007.	$ 271,085,000	4.5% - 5.0%	$ 160,570,000	$ 167,170,000	$ 85,730,315
2007A	Construct, renovate, acquire and equip new and existing facilities. Issued August 21, 2007.	63,490,000	4.75% - 5.0%	31,425,000	32,820,000	37,708,222
2012	Refund certain of the District's outstanding Limited Bonds Series 2007 and 2007A. Issued July 12, 2012.	74,110,000	3.5% - 5.0%	74,110,000	74,110,000	-
2016	Refund the District's outstanding Limited Tax Bond Series 2006 and 2006A. Issued June 22, 2016.	72,065,000	3.5% - 5.0%	58,640,000	72,065,000	10,500,564
Maintenance Tax Notes (Repayment source - Ad valorem taxes)						
2006	Purchase equipment, vehicles and renovate various facilities. Issued April 20, 2006.	$ 30,435,000	4.0%	$ -	$ 8,960,000	$ 2,267,147
2014	Refunding of certain maturities of the 2007 Maintenance Tax Notes. Issued February, 27 2014.	40,665,000	5.0% - 5.5%	28,500,000	32,720,000	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. Issued March 22, 2012.**	$ 55,800,000	2.0% - 5.25%	$ 54,145,000	$ 54,575,000	$ 5,720,570
2012B	Refund remainder of the District's outstanding Combined Fee Revenue bonds (taxable issue). Issued March 22, 2012.	22,295,000	1.844%	330,000	4,680,000	-
	Total Bonds that the College has an Allocation	$ 629,945,000		$ 407,720,000	$ 447,100,000	$ 143,846,392
	Allocation Percentage			23%	22%	
	Balance Allocated to the College at August 31, 2017 and 2016			**$ 95,212,063**	**$ 98,924,738**	

*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, 2017 balance above.

Debt service requirements at August 31, 2017 and 2016 are based on the percentage allocation as discussed above, applied to the debt service of the District.

In February 2017, the District cash defeased the then-outstanding Alamo Community College District Maintenance Tax Notes, Series 2007 in the amount of $7,440,000. The purpose of the defeasance was to reduce the outstanding debt service payments and obtain economic benefits. The net present value savings were $1,058,190.

Arbitrage rebate and related annual compliance requirements are handled at the District level and any related liabilities are recorded at the District level.

Notes to Financial Statements

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.

The District has 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 2017 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%, 7.2%, and 6.7% for fiscal years 2017, 2016 and 2015 and a state contribution rate of 6.8%, 6.8%, and 6.8% for fiscal years 2017, 2016 and 2015. In certain instances, the District was required to make all or a portion of the State's contribution.

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

Funding Policy: Contribution requirements are not actuarially determined, but are established and amended by the Texas State Legislature. Since individual annuity contracts are purchased, the State has no additional or unfunded liability for this program. The combined percentage of salaries currently contributed by the College and State of Texas was 6.8% for fiscal years 2017, 2016, and 2015. Each participant contributed 6.65% for the fiscal years ended August 31, 2017, 2016 and 2015. Senate Bill 1812, effective September 1, 2013, limits the amount of the State's contribution to 50% of eligible employees in the reporting district.

8. EMPLOYEES' RETIREMENT PLANS (continued)

The retirement expense for both plans to the State of Texas for the College was $278,502, $171,628 and $160,922 for the fiscal years ended August 31, 2017, 2016 and 2015, 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 $769,698, $702,817, and $667,261 for the years ended August 31, 2017, 2016 and 2015, respectively, and represents the total required contributions for each year.

The total payroll for all College employees was $12,539,130, $11,912,508, and $11,709,099 for fiscal years 2017, 2016 and 2015, respectively. The total payroll of College employees covered by the TRS was $9,365,277, $8,699,341 and $8,349,436, and the total payroll of College employees covered by ORP was $1,953,809, $1,685,779 and $1,463,219 for fiscal years 2017, 2016 and 2015, 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 $95,920 was contributed by 21 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 6 participants contributed a total of $45,795 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2017.

A total of $89,185 was contributed by 20 College employees under the Internal Revenue Code Section 403(b) Tax Sheltered Annuity (TSA) program and 3 participants contributed a total of $44,819 to a Section 457 Deferred Compensation Plan (DCP) in the fiscal year ended August 31, 2016.

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, 2017 and 2016 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, 2017 and 2016 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 $29,988 and $28,078 as of August 31, 2017 and 2016, 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 $3,149,000 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 certain retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working at the College. The College also provides some additional life insurance for retirees. Those and similar benefits for active employees 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 $617 and $1,208 per month for the year ended August 31, 2017 and between $577 and $1,128 per month for the year ended August 31, 2016. The cost of providing those benefits for all employees, paid by the State of Texas on behalf of the College, totaled $901,371 and $824,881 for the years ended August 31, 2017 and 2016, 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.

Plan Description: The College contributes to the State Retiree Health Plan (SRHP), a cost-sharing, multiple-employer, defined benefit postemployment health care plan administered by the Employees Retirement System of Texas (ERS). SRHP provides medical benefits to retired employees of participating universities, community colleges and state agencies in accordance with Chapter 1551, Texas Insurance Code. Benefit and contribution provisions of the SRHP are authorized by state law and may be amended by the Texas Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplementary information for SRHP. That report may be obtained from ERS via its website at www.ers.state.tx.us.

Funding Policy: Section 1551.055 of Chapter 1551, Texas Insurance Code provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. Plan members or beneficiaries receiving benefits pay any premium over and above the employer contribution.

The employer's share of the cost of retiree health care coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS Board of Trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined.

13. HEALTH CARE AND LIFE INSURANCE BENEFITS (continued)

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. Beginning September 1, 2013, SB 1812 limited the State's contribution to 50% of eligible employees for community colleges. Contributions to SRHP for the years ended August 31, 2017 and 2016 were paid by the District and not allocated to the College. The District's contributions equaled the required contributions each year.

14. 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, 2017 and 2016 was approximately $206,482,000 and $189,391,000, respectively. Ad valorem property tax is allocated to the College based upon the amount required for maintenance and operations and the College's portion of debt service on general obligation bonds.

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, 2017 and 2016 were 98.16% and 97.97%, respectively, of the current year's original unadjusted tax levy. Allowances for uncollectible taxes are estimated and recorded at the District level.

15. 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, 2017 and 2016.

16. 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.

17. COMMITMENTS AND CONTINGENCIES

As of August 31, 2017, 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 not entered into contracts for construction or renovation projects and thus has no other commitments.

Supplementary Information

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

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

Schedule A
Schedule of Operating Revenues
For the Year Ended August 31, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Unrestricted	Restricted	Total Educational Activities	Auxiliary Enterprises	FY17 Total	FY16 Total
OPERATING REVENUES:						
Tuition						
State-funded courses						
In-District resident tuition	$ 5,346,225	$ -	$ 5,346,225	$ -	$ 5,346,225	$ 4,625,385
Out-of-District resident tuition	3,935,815	-	3,935,815	-	3,935,815	3,396,860
Non-resident tuition	432,244	-	432,244	-	432,244	450,513
TPEG - credit set aside *	112,049	-	112,049	-	112,049	337,341
State-funded continuing education	-	-	-	-	-	2,775
TPEG - non-credit set aside *	-	-	-	-	-	9
Non-State-funded continuing education	-	-	-	-	-	2,555
Total tuition	9,826,333	-	9,826,333	-	9,826,333	8,815,438
Fees						
Other	170,699	-	170,699	-	170,699	205,240
Total fees	170,699	-	170,699	-	170,699	205,240
Total tuition and fees	9,997,032	-	9,997,032	-	9,997,032	9,020,678
Scholarship allowances and discounts						
Institutional scholarships	(89,440)	-	(89,440)	-	(89,440)	(40,820)
Remissions and exemptions - state	(312,560)	-	(312,560)	-	(312,560)	(232,014)
Remissions and exemptions - local	(765,986)	-	(765,986)	-	(765,986)	(794,455)
Other local awards	(8,433)	-	(8,433)	-	(8,433)	-
Total scholarship allowances and discounts	(1,176,419)	-	(1,176,419)	-	(1,176,419)	(1,067,289)
Total net tuition and fees	8,820,613	-	8,820,613	-	8,820,613	7,953,389
Other operating revenues						
Federal grants and contracts	519	109,142	109,661	-	109,661	76,132
Local grants	-	-	-	-	-	1,276
Non-governmental grants and contracts	-	3,468	3,468	-	3,468	4,650
Other operating revenues	85,397	-	85,397	-	85,397	78,415
Total other operating revenues	85,916	112,610	198,526	-	198,526	160,473
Sales and services of auxiliary enterprises						
Bookstore commission	-	-	-	96,496	96,496	97,450
Vending machines and copiers	-	-	-	18,529	18,529	17,956
Parking access and fines	-	-	-	160,211	160,211	173,190
Other	-	-	-	13,888	13,888	14,522
Total sales and services of auxiliary enterprises	-	-	-	289,124	289,124	303,118
Total operating revenues	$ 8,906,529	$ 112,610	$ 9,019,139	$289,124	$ 9,308,263	$ 8,416,980
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code 56.033, $112,049 and $337,350 for the years August 31, 2017 and 2016, respectively, of tuition was set aside for the Texas Public Education Grant.

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, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Salaries and Wages	Benefits State	Benefits Local	Other Expenses	FY17 Total	FY16 Total
OPERATING EXPENSES:						
Unrestricted - educational activities						
Instruction	$ 6,254,585	$ -	$ 1,261,121	$ 1,105,656	$ 8,621,362	$ 8,634,642
Academic support	2,099,283	-	448,868	473,022	3,021,173	2,654,646
Student services	2,118,059	-	485,257	341,017	2,944,333	2,496,639
Institutional support	1,507,348	-	358,045	422,972	2,288,365	2,378,778
Operation and maintenance of plant	529,700	-	228,617	2,433,108	3,191,425	3,215,509
Total unrestricted educational activities	12,508,975	-	2,781,908	4,775,775	20,066,658	19,380,214
Restricted - educational activities						
Instruction	-	571,155	-	1,204	572,359	484,785
Academic support	18,609	215,498	3,610	32,597	270,314	211,531
Student services	-	225,469	-	3,468	228,937	180,048
Institutional support	11,546	167,751	1,752	40,825	221,874	206,529
Total restricted educational activities	30,155	1,179,873	5,362	78,094	1,293,484	1,082,893
Total educational activities	12,539,130	1,179,873	2,787,270	4,853,869	21,360,142	20,463,107
Auxiliary enterprises - unrestricted	-	-	-	1,951	1,951	918
Auxiliary enterprises - restricted	-	-	-	5,761	5,761	2,512
Depreciation expense - buildings	-	-	-	3,422,541	3,422,541	3,423,568
Depreciation expense - equipment	-	-	-	122,708	122,708	118,503
Total operating expenses	$ 12,539,130	$ 1,179,873	$ 2,787,270	$ 8,406,830	$ 24,913,103	$ 24,008,608
					(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, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Unrestricted	Restricted	Total Educational Activities	FY17 Total	FY16 Total
NON-OPERATING REVENUES:					
State appropriations					
Education and general State support	$ 5,201,511	$ -	$ 5,201,511	$ 5,201,511	$ 5,193,221
State group insurance	-	901,371	901,371	901,371	824,881
State retirement match	-	278,502	278,502	278,502	171,628
Ad valorem taxes					
Taxes for maintenance and operations	10,315,298	-	10,315,298	10,315,298	10,338,136
Taxes for debt service	-	4,133,827	4,133,827	4,133,827	4,280,315
Gifts	75	11,000	11,075	11,075	10,554
Investment income	2,837	2,611	5,448	5,448	11,168
Total non-operating revenues	15,519,721	5,327,311	20,847,032	20,847,032	20,829,903
NON-OPERATING EXPENSES:					
Interest on capital related debt	(487,410)	(4,133,827)	(4,621,237)	(4,621,237)	(4,799,184)
Loss on disposal of capital assets	-	-	-	-	(2,027)
Total non-operating expenses	(487,410)	(4,133,827)	(4,621,237)	(4,621,237)	(4,801,211)
Net non-operating revenues	$ 15,032,311	$1,193,484	$ 16,225,795	$ 16,225,795	$ 16,028,692
				(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, 2017
With Memorandum Totals for the Year Ended August 31, 2016

	Detail by Source				Available for Current Operations	
	Unrestricted	Restricted Expendable	Capital Assets Net of Depreciation & Related Debt	Total	Yes	No
Current:						
Unrestricted	$ 2,514,105	$ -	$ -	$ 2,514,105	$ 2,514,105	$ -
Restricted	-	1,289,436	-	1,289,436	-	1,289,436
Net investment in capital assets	-	-	16,564,500	16,564,500	-	16,564,500
Total net position, August 31, 2017	2,514,105	1,289,436	16,564,500	20,368,041	2,514,105	17,853,936
				(Exhibit 1)		
Total net position, August 31, 2016	2,329,673	1,170,537	16,246,876	19,747,086	2,329,673	17,417,413
				(Exhibit 1)		
Net increase in net position	$ 184,432	$ 118,899	$ 317,624	$ 620,955	$ 184,432	$ 436,523
				(Exhibit 2)		

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

ALAMO COLLEGES DISTRICT
Northeast Lakeview College

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