

Blinn College District Annual Comprehensive Financial Report

For the fiscal years ended August 31, 2021 and August 31, 2020

Brenham, Texas



BLINN COLLEGE DISTRICT

Brenham, Texas

Annual Comprehensive Financial Report

For the Years Ended
August 31, 2021 and 2020

Prepared by:

Business and Finance Division

BLINN COLLEGE DISTRICT
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BLINN COLLEGE

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INTRODUCTORY SECTION



November 30, 2021

**Chancellor of the
Blinn College District**
Mary Hensley, Ed.D.

BOARD OF TRUSTEES

Chair

Jim Kolkhorst

Vice Chair

Dennis Crowson

Secretary

Charles Moser

Members

Randy Wells

Douglas R. Borchardt

Allison Bentke

Rebecca Ehlert

To the Board of Trustees and Citizens Who Support the Blinn College District,

This Annual Comprehensive Financial Report for the fiscal year ended August 31, 2021, has been developed to provide the public a complete financial picture of the Blinn College District. This document plays an important role in meeting the District's strategic objective to promote inclusive and transparent financial and budgeting processes. By sharing transparent financial information and data, we provide stakeholders a clear vision of the District's priorities and its vision for the future.

As this report demonstrates, Blinn has utilized a variety of funding strategies to minimize debt while developing the first-class facilities necessary to meet the growing and changing needs of the communities it serves. As part of its [Districtwide Facilities Master Plan](#) that was approved by the Blinn College District Board of Trustees in May 2020, Blinn recently completed construction of its new Science, Technology, Engineering, and Innovation Building on the Brenham Campus, providing students a state-of-the-art environment to obtain cutting-edge technical and scientific training. Additionally, construction is underway on a new administration building on the RELLIS Campus and a new 504-bed student housing complex on the Brenham Campus that will expand student capacity on both campuses.

In response to the COVID-19 pandemic, Blinn invested more than \$2 million in classroom technology, introducing video cameras and related equipment to allow students to participate remotely in the live classroom experience. This capability provides Blinn students flexibility in choosing the educational format that best fits their learning style and positions the College to adapt quickly to changing environments.

Through these and many other exciting developments, Blinn remains positioned to carry out its mission in an efficient and effective manner and to continue to provide affordable educational programs that meet the needs of citizens throughout its service area. Under the leadership of the Blinn Board of Trustees, we look forward to continuing to be a state leader in student achievement while operating in a fiscally responsible manner.

Sincerely,

Mary Hensley, Ed.D.
Chancellor of the Blinn College District

Office of the Chancellor, Blinn College District

902 College Avenue ♦ Brenham, Texas 77833 ♦ 979-830-4115 ♦ Fax 979-830-4116 ♦ chancellor@blinn.edu



November 30, 2021

To the Board of Trustees, Chancellor, and Citizens of the Blinn College District,

The following Annual Comprehensive Financial Report of the Blinn College District for the fiscal year ended August 31, 2021, is hereby submitted. Responsibility for the preparation and integrity of the financial information, and the completeness and fairness of the presentation, rests with the College District. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

The Notes to the Basic Financial Statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the College District and other necessary disclosures of important matters relating to the financial position of the College District. The notes are treated as an integral part of the financial statements and should be read in conjunction with those statements.

The Management's Discussion and Analysis (MD&A) is provided to supplement the basic financial statements, related notes, and this transmittal letter. The purpose of the MD&A is to provide an objective and readable analysis of the District's financial activities.

To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the College District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The College District is required to undergo an annual federal single audit in conformity with the provisions of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, and an annual state single audit in conformity with the Texas Governor's Office of Budget and Planning *Uniform Grant Management Standards Single Audit Circular*. Information related to these Single Audits, including the schedule of expenditures of federal awards, schedule of expenditures of state awards, and auditor's reports on compliance and on internal controls, is included in the federal and state single audit sections of this report.

Historical Statement

The Southern German Conference of the Methodist denomination under the name of Mission Institution founded the District in 1883. In 1889, the name was changed to Blinn Memorial College in honor of the Reverend Christian Blinn of New York, who donated a considerable sum of money to make the school possible. The institution was originally founded for the purpose of training young men for the ministry, but to meet the demands of the public, academic courses were added. After operating for five years as an institution for men only, Blinn College was made coeducational in 1888. In 1927, the Board of Trustees, under the leadership of President Philip Deschner, organized a junior college, and in 1930 the school was merged with Southwestern University (Georgetown, Texas). In 1934, a new charter was procured by the citizens of Brenham, and a private nonsectarian junior college, under the name of Blinn College, was organized with nine regents as the board of control. In February 1937, all connections with Southwestern University and the Methodist denominations were severed. An election held in Washington County on June 8, 1937, for the purposes of creating a public junior college district and for levying a small tax, was successful. Blinn thus became the first county-owned junior college district in Texas. The District continues to operate as one of the largest of the state's 50 public junior/community college districts.

Service Area

The College District presently operates five campuses throughout its 13-county service area; the original Blinn-Brenham Campus in Washington County, the Blinn-Bryan and RELLIS campuses in Brazos County, the Blinn-Schulenburg Campus in Fayette County, and the Blinn-Sealy Campus in Austin County. In addition to on-campus activities, the District offers dual credit classes at numerous high schools and provides educational opportunities at other facilities within its service area. Finally, the District continues to satisfy the growing demand for online courses.

The service area of the Blinn College District includes the territory within Brazos, Burleson, Grimes, Madison, Waller, and Washington counties; the Mumford, Hearne, and Franklin Independent School Districts located in Robertson County; Austin County, other than the territory within the Wallis-Orchard Independent School District; the Milano and Gause Independent School Districts located in Milam County; the area of the Richards Independent School District located in Walker and Montgomery counties; the area of the Bryan Independent School District located in Robertson County; Fayette County, other than the territory within the Smithville Independent School District; Lee County, other than the territory within the Elgin Independent School District; and the area of the Lexington Independent School District located in Bastrop, Milam, and Williamson counties.

Mission, Vision, and Values

Mission Statement: Blinn College District is building stronger communities by providing quality, comprehensive education, and empowering students to achieve excellence in their educational careers and personal goals.

Vision Statement: Shaping future academic, workforce, cultural, and economic leaders by providing excellent instruction, resources, services, and innovative partnerships, for students and the community.

Core Values:

- Access
- Collaboration
- Diversity
- Excellence
- Innovation
- Respect
- Service

Economic Condition and Outlook

In FY21, the Blinn College District received an economic impact study conducted by Economic Modeling Specialists International (EMSI), a leading provider of economic impact studies to educational institutions. According to the study, the Blinn College District provides a \$370.1 million economic impact on its local business community each year. The total includes \$242.1 million in added income for Blinn students who enter the workforce with newly acquired knowledge and skills. Blinn also generates a \$90.9 million operational spending impact each year and \$4.9 million in construction spending, which includes the creation of new facilities to meet the growing educational demands of the communities it serves and the maintenance of current facilities.

Student spending generates a \$32.2 million annual benefit to the community. Approximately 77% of Blinn students originate from outside the College’s service area and many relocate to the region, spending their money locally at regional businesses.

For context, the \$370.1 million impact was equal to approximately 0.7% of the total gross regional product (GRP) of the Blinn College Service Area and is larger than the entire utilities industry in the region.

The economic outlook for the District is somewhat tied to its centralized location in the demographically growing region of central Texas between Houston, Austin, and Dallas. This region of the state continues to incur population growth tied to the availability of jobs. The College District continues to extend its footprint by expanding its academic and service facilities to satisfy current and future student demand from the surge in the population.

At the end of FY21, Blinn reached a milestone with over \$126 million in unrestricted cash. The District’s five months Operating Reserve remains beyond the median of four months for A- rated community colleges. Due to its increased cash flow, the District replenished its \$15 million Capital and Deferred Maintenance Reserve at the end of the fiscal year. In spring 2021, Blinn created two more reserves: a \$2 million Technology Reserve and a \$700 thousand Auxiliary Reserve.

Blinn’s administration maintains its fiscal responsibility to the community and its students by researching and implementing best practices that decrease costs, increase efficiency, and maximize the use of its resources.

Financial Planning and Budgeting

The Business and Finance Division oversees the development and preparation of the District’s annual budget. The Division is responsible for coordinating all efforts relating to the compilation

of information used to develop the fiscal year budget. The Division collaborates with the administration to ensure that all budget requests are properly evaluated.

The budget is a major component of the College District's short- and long-run strategic financial plan: it includes an enrollment assessment and a forecast of state appropriations and property tax revenues. The budget also incorporates proposed increases for operational and strategic needs, capital projects, preventive facilities maintenance, debt management, and the development of cash reserves.

Major Initiatives

In May 2021, the Blinn College District Board of Trustees received its first Districtwide Facilities Master Plan. The plan is intended as a strategic and tactical guide for the physical development of the District's five college campuses over the next 20 years.

For the past two decades, Blinn College District has enjoyed a period of steady, successful growth, and its leadership recognized the need for a long-term strategic view of the District's current and future direction. The master plan for the Blinn College District over the next 5, 10, and 20 years reflects the school's vision, its current position of strength in the market, and the unique challenges facing each campus in the District. The master plan also serves a tactical purpose, providing the district with a road map for implementing its strategic plan with the phased development of prioritized capital improvements on campuses where continued growth is projected.

The master plan includes projects that are in their infancy, such as Blinn's second major building to be constructed on The Texas A&M University System's RELLIS Campus. In response to the projected enrollment growth and validated by the master plan, the Blinn College District Board of Trustees approved the construction of a second building on the RELLIS Campus. The three-story, 80,000-square-foot building will be located just north of the Walter C. Schwartz Building. The facility will include classrooms, engineering/computer science labs, faculty offices, student services spaces, student gathering spaces, a micro-market vending area, administrative spaces, and a large meeting room.

In September 2020, the Blinn College District Board of Trustees authorized the Administration to proceed with the issuance and sale of \$18 million in Revenue Bond Series 2020 and earmarked \$14.3 million in reserve funds to support the construction of this facility. Construction began in February 2021 and is expected to be completed in time for the College to offer classes in the new facility in the fall of 2022.

At The Texas A&M University System's RELLIS Campus, Blinn also celebrated the third academic year occupying the 83,000-square-foot Walter C. Schwartz Building to near capacity. At this facility, students learn cutting-edge, high-demand skills in an environment that encourages collaboration between public institutions and private companies. The RELLIS Campus establishes a new educational model, combining a major university system and a community college at a single physical location, and allows Blinn students to complete their freshman- and sophomore-level coursework prior to their seamless transfer to Texas A&M System regional universities located at the RELLIS Campus.

The Facilities Master Plan also included another major project that had already begun. The District opened the 55,000-square foot Science, Technology, Engineering, and Innovation Building on the Blinn-Brenham Campus in time for classes scheduled in the fall of 2021. The \$35.5 million project is primarily funded with Series 2016 and 2019 revenue bonds and will provide expanded laboratory space for Blinn's science, engineering, technology, and health science programs.

COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and currently is affecting many parts of the world, including the United States and Texas. On March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued several executive orders relating to COVID-19 preparedness and mitigation. In response to the Governor's orders described above, the College suspended operations for a week in the spring while it transitioned most of its traditional classroom offerings to online courses and implemented plans to safely resume activities.

In light of the Governor's orders to re-open the economy, the College began a phased return to campus operations during the summer of 2020. This extended into the academic year beginning in the fall of 2020 with a number of precautionary measures in place, including maintenance of social distancing, advanced cleaning protocols, and installation of plexiglass dividers at workstations and locations where employees/students were unable to socially distance.

Fall 2020 and spring 2021 classes, for the first time in Blinn's history, were offered entirely online and, similar to most of the schools around the country, experienced declines in enrollment. Most College personnel continued to work remotely or with staggered schedules throughout the year. During the year, all of the College's student housing facilities were available for students, but for social distancing purposes the College chose to limit occupancy and students were not allowed to share rooms. In addition, all external meetings and events were canceled and the College limited staff and student travel.

The U.S. Department of Education awarded three Higher Education Emergency Relief Fund grants during the outbreak totaling \$70.4 million. Approximately \$31.3 million were pass-through emergency grant funds available to Blinn students, \$14.1 million of the student awards were issued to Blinn students in FY21, and the remaining \$17.2 million will be issued in FY22.

In addition to the student grant funds, the federal government also provided \$39.1 million additional aid to the institution via "institutional" and "strengthening institutions" grants; \$22.3 million of the grants were expended in FY21 and the remaining \$16.8 million will be administered in FY22.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The College District's Board of Trustees selected the accounting firm of Lott, Vernon & Company, P.C. In addition to meeting the requirements set forth in state statutes, their audit was designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards* and the State of Texas *Single Audit Circular*.

Award

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Blinn College District for its FY20 Annual Comprehensive Financial Report (ACFR) for the year ended August 31, 2020. The College previously received the award for its FY19 submission. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a governmental entity and its management.

A Certificate of Achievement is valid for a period of one year only. The College plans to submit the FY21 ACFR upon acceptance of the Blinn Board of Trustees in December 2021. The District believes the FY21 ACFR will continue to meet the Certificate of Achievement program requirements and awaits the GFAO eligibility for another certificate.

Acknowledgements

The Blinn College District would like to extend its appreciation to the Board of Trustees and Administration for their continuous commitment to the responsible financial management and planning of the Blinn College District. We particularly would like to acknowledge the District's Business and Finance Service personnel as well as those throughout the District whose efforts contributed to the compilation of this report. Thanks also are extended to Lott, Vernon & Company, P.C., for completing a timely and productive audit.

Sincerely,



Richard Cervantes
Vice Chancellor, Business and Finance/CFO
Blinn College District

BLINN COLLEGE DISTRICT

Organizational Data
Year Ended August 31, 2021

Board of Trustees

Board Officers

Jim Kolkhorst, Board Chair
Dennis Crowson, Board Vice-Chair
Charles Moser, Board Secretary

Members

Term Expires

Jim Kolkhorst	Brenham, Texas	5/2025
Dennis Crowson	Brenham, Texas	5/2025
Charles Moser	Brenham, Texas	5/2025
Randy Wells	Brenham, Texas	5/2027
Douglas R. Borchardt	Brenham, Texas	5/2023
Allison Bentke	Brenham, Texas	5/2023
Rebecca Ehlert	Brenham, Texas	5/2027

Key Administrators

Dr. Mary Hensley, Chancellor
Leighton Schubert, Executive Vice Chancellor
Richard Cervantes, Vice Chancellor, Business and Finance/CFO
Dr. Marcelo Bussiki, Vice Chancellor, Academic Affairs
Marie Kirby, Vice Chancellor, Human Resources
Rebecca McBride, Vice Chancellor, Student Services
Jay Anderson, Vice Chancellor, Health Sciences, Technical Education and Community Programs
Ted Hajovsky, General Counsel
Dr. John Turner, Executive Dean, Brenham Campus
Chris Marrs, Executive Dean, RELLIS Campus
Dr. Jimmy Byrd, Executive Dean, Bryan Campus
Laurie Clark, Special Assistant, Board of Trustees and Chancellor



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Blinn College District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



LOTT, VERNON & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

20 SOUTH FOURTH STREET 254/778/4783
POST OFFICE BOX 160 800/460/4783
TEMPLE, TEXAS 76503 FAX 254/778/4792

KILLEEN • COPPERAS COVE • TEMPLE

*Member of
American Institute & Texas Society of
Certified Public Accountants*

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Board of Trustees
Blinn College District
Brenham, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of Blinn College District, (the District) as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District'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 opinions 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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION (CONTINUED)

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 entity'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 entity'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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Blinn College District as of August 31, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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, the Schedule of District's Proportionate Share of Net Pension Liability, the Schedule of District's Pensions Contributions, the Schedule of District's Proportionate Share of Net OPEB Liability, and the Schedule of District's OPEB Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTAL INFORMATION (CONTINUED)**

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplementary schedules (Schedules A through D), and statistical supplements, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (Schedule E) and schedule of expenditures of state awards (Schedule F) are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular, and are also not a required part of the basic financial statements.

The supplemental schedules, the schedule of expenditures of federal awards (Schedule E) and the schedule of expenditures of state awards (Schedule F) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules, the schedule of expenditures of federal awards (Schedule E) and the schedule of expenditures of state awards (Schedule F) are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical supplements (marked "unaudited") have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the District'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 District'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 District's internal control over financial reporting and compliance.


Temple, Texas
November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Blinn College District's (the District) annual financial statements provides an overview of the District's financial performance for the fiscal years ended August 31, 2021 and August 31, 2020. Management's discussion and analysis is based on management's knowledge of current activities, resultant changes and known facts; therefore, it should be read in conjunction with the accompanying basic financial statements and associated notes. The basic financial statements, notes and this discussion are the responsibility of management.

Financial Highlights and Significant Activities for 2021

The District's net position increased approximately \$22.8 million, or 21%. This increase is primarily attributable to an increase of \$46.9 million of Assets, decrease of \$2.9 million in Deferred Outflows, increase of \$20.5 million in Liabilities and an increase of \$0.7 million in Deferred Inflows.

Total operating expenses increased \$3.9 million, or 3%. This increase is primarily attributable to an increase in the Operation and Maintenance of Plant of \$5 million, Scholarships of \$0.5 million, Depreciation of \$0.6 million, and decreases in Institutional Support of \$1.6 million and Auxiliary Enterprises of \$0.6 million.

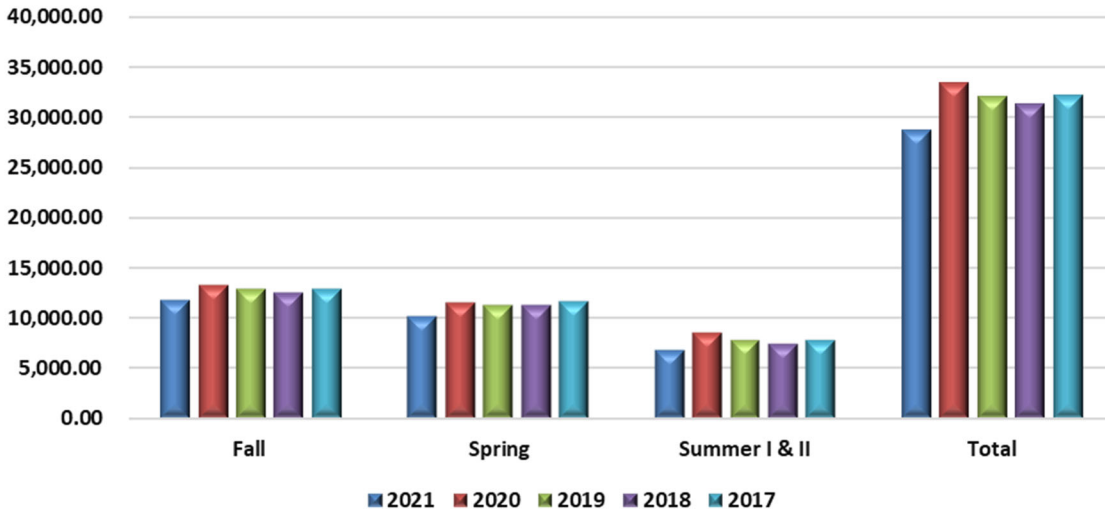
Financial Highlights and Significant Activities for 2020

The District's net position decreased approximately \$0.5 million, or 0.5%. This decrease is primarily attributable to a decrease of \$3.6 million of Assets, increase of \$1.9 million in Deferred Outflows and decrease of \$5.0 million in Deferred Inflows, and an increase of \$3.8 million in Liabilities.

Total operating expenses increased \$4.9 million, or 4%. This increase is primarily attributable to an increase in the cost of General Instruction of \$1.7 million, Institutional Support of \$1.9 million, Operation and Maintenance of Plant of \$2.1 million and a decrease in Auxiliary Enterprises of \$0.3 million, Depreciation of \$0.1 million and scholarships of \$0.4 million.

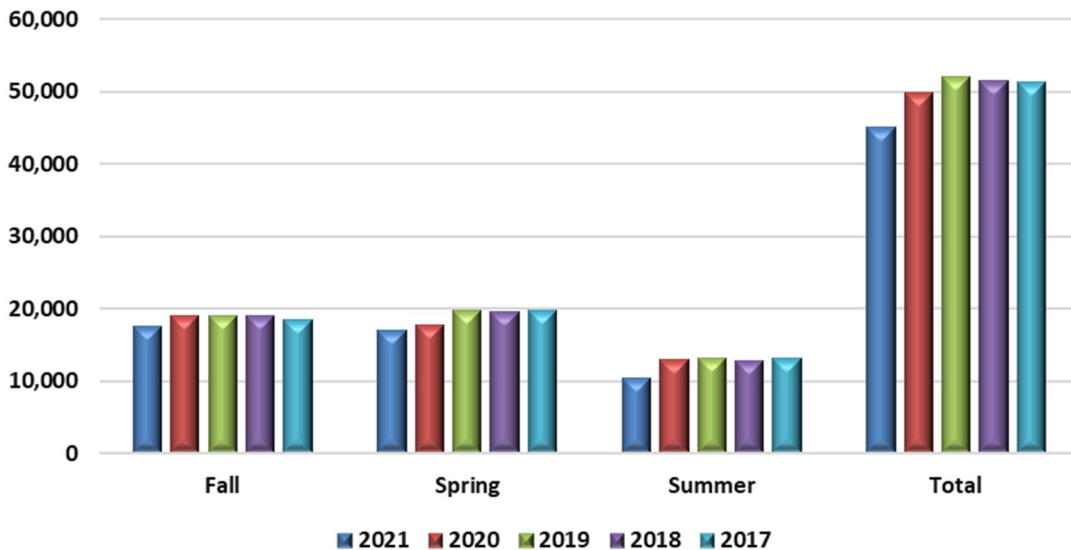
Below is a breakdown of the District's full time equivalency (FTE) enrollment (FTE is calculated based on 15 semester credit hours for Fall, 15 semester credit hours for Spring, and 6 semester credit hours for summer terms) by term for fiscal years 2021, 2020, 2019, 2018, and 2017:

**Blinn College District
Student FTE
Fiscal Years 2021, 2020, 2019, 2018, and 2017**



Below is a five-year comparison of student enrollment by semester:

**Blinn College District
Headcount Enrollment Trend
Fiscal Years 2021, 2020, 2019, 2018 and 2017**



Overview of the Basic Financial Statements

The District qualifies as a special purpose government entity, which is engaged in business-type activities. The basic financial statements are prepared on that basis and their form mirrors the statements utilized by organizations in the private sector of the economy. The basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the basic financial statements.

Financial statements for the District's component unit, Blinn College District Foundation, Inc. (the Foundation) are issued independent to those of the District but are presented with the District's basic financial statements.

The statement of net position's focus is to report the total net resources available to finance future services. The statement presents all assets and liabilities of the District, and the change in net position as of the end of the fiscal year. The statement is prepared under the accrual basis of accounting, in which revenues and assets are recognized when earned, and expenses and liabilities are recognized when incurred regardless of when cash is received or paid. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is net position, which is one indicator of the financial condition of the District when considered with other factors such as changes in enrollment, contact hours, student retention, and other non-financial information. The statement of net position is useful in determining the assets available to continue operations, as well as how much the District owes vendors, bondholders, and other entities at the end of the year.

The statement of revenues, expenses, and changes in net position denotes the results of business activities as revenues earned and expenses incurred over the course of the fiscal year. The statement also provides information regarding how the net position of the District changed during the year. The statement is divided into the operating results of the District as well as the non-operating revenues and expenses. Operating revenues are primarily those that result from instruction (tuition and fees), the operation of the District's auxiliary services (student housing, cafeteria, athletics, etc.) and Federal and State grants. State appropriations, property tax receipts, Federal revenues (Title IV funds), and interest income, while budgeted for operations, are considered to be non-operating revenues. Depreciation is shown as an operating expense in accordance with generally accepted accounting principles.

The statement of cash flows presents the information related to cash inflows and cash outflows summarized by operating, financing, and investing activities. This statement presents cash receipt and cash disbursement information without consideration of the earning event. This information is crucial to determining the District's fiscal viability and its ability to meet financial obligations as they mature, and helps users assess the District's ability to generate net cash flows, its ability to meet its obligations as they come due, and its need for external financing.

The notes to the basic financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes also present information about the District's accounting policies, significant account balances and activities, and contingencies.

Statement of Net Position

The following is prepared from the District's Statements of Net Position and provides a summary of its assets, deferred outflows, liabilities, deferred inflows, and net position for the years ended August 31: (in millions)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Assets:					
Current Assets	\$ 166.0	\$ 159.8	\$ 6.2	\$ 163.7	\$ (3.9)
Capital Assets, Net of					
Depreciation	201.8	167.4	34.4	154.6	12.8
Noncurrent Assets	<u>9.3</u>	<u>3.0</u>	<u>6.3</u>	<u>15.4</u>	<u>(12.4)</u>
Total Assets	377.1	330.2	46.9	333.7	(3.5)
Deferred Outflows of Resources:					
Net deferred outflows of resources related to pensions/OPEB	<u>27.5</u>	<u>30.4</u>	<u>(2.9)</u>	<u>28.5</u>	<u>1.9</u>
Total Deferred Outflow of Resources	27.5	30.4	(2.9)	28.5	1.9
Liabilities:					
Current Liabilities	60.2	54.3	5.9	54.3	-
Noncurrent Liabilities	<u>191.4</u>	<u>176.8</u>	<u>14.6</u>	<u>173.0</u>	<u>3.8</u>
Total Liabilities	251.6	231.1	20.5	227.3	3.8
Deferred Inflows of Resources:					
Net deferred inflows of resources related to pensions/OPEB	<u>20.4</u>	<u>19.7</u>	<u>0.7</u>	<u>24.6</u>	<u>(4.9)</u>
Total Deferred Inflows of Resources	20.4	19.7	0.7	24.6	(4.9)
Net Position:					
Net Investment in Capital Assets	101.2	94.3	6.9	91.3	3.0
Restricted	10.4	10.2	0.2	20.3	(10.1)
Unrestricted	<u>21.0</u>	<u>5.3</u>	<u>15.7</u>	<u>(1.3)</u>	<u>6.6</u>
Total Net Position	<u>\$ 132.6</u>	<u>\$ 109.8</u>	<u>\$ 22.8</u>	<u>\$ 110.3</u>	<u>\$ (0.5)</u>

At August 31, 2021, current assets included \$141.1 million of cash and cash equivalents and investments, and \$23.1 million in net student receivables related primarily to the Fall 2021 semester. The increase of \$6.2 million in current assets is due primarily to a \$11.6 million increase in investments, \$0.5 million increase in other assets offset by a decrease of \$5.4 million in cash and cash equivalents, \$0.2 million decrease in net account receivables, and \$0.3 million decrease in interest and dividends receivable.

At August 31, 2020, current assets included \$134.9 million of cash and cash equivalents and investments, and \$22.3 million in net student receivables related primarily to the Fall 2020 semester. The decrease of \$4.0 million in current assets is due primarily to a \$3.2 million decrease in account receivables, \$0.90 million in cash and cash equivalents and investments offset by an increase of \$0.1 million in other assets.

In Fiscal Year 2021, the District had capital asset additions of approximately \$40.2 million and the annual depreciation and amortization expense of \$5.9 million. There was a net increase of \$30.0 million in construction in progress. The significant construction in progress at year-end includes the RELLIS campus: RELLIS Phase II Building Construction; the Brenham Campus: Old Main Building Renovation, Leroy Dreyer Baseball Field, Science, Technology, Engineering, and Innovation Building. \$2.2 million of the Land increase is from a donation. The net increase of \$4.6 million in buildings is primarily from the completion of the Bryan Campus: Cast Stone Project and Theater Roof; the Brenham Campus: Classroom Building Renovation. The \$0.2 million increase in Land

Improvements is from the completion of the Bryan Parking Lot upgrade. The net increase in computer equipment, furniture, and other equipment totaled \$1.0 million. In Fiscal Year 2020, the District had capital asset additions of approximately \$15 million offset by the annual depreciation charge of \$5.1 million.

The District's noncurrent assets include funds restricted for debt service, net capital assets, and other investments. Noncurrent assets, excluding capital assets, increased \$6.3 million in Fiscal Year 2021 due primarily to the increase in bond debt service reserve. In Fiscal Year 2020, noncurrent assets decreased \$12.4 million due primarily to the transfer of all endowment funds to the Blinn College District Foundation. For detailed information of capital asset activity, see *Note 6. Capital Assets*.

Current liabilities increased \$5.9 million in total. Accounts Payable increased \$5.2 million, funds held for others increased \$0.2 million, current portion of bonds payable increased by \$0.7 million, net OPEB liability increased by \$0.6 million offset by a decrease of \$0.8 million in unearned revenues related to the Fall 2021 semester enrollment. Current liabilities remained constant in Fiscal Year 2020 compared to Fiscal Year 2019.

Noncurrent liabilities increased \$14.6 million in Fiscal Year 2021. The Bonds Payable increased \$13.1 million and the adjustment for the net pension/OPEB liability during Fiscal Year 2021 was an increase of \$1.6 million. For detailed information on long-term debt activity, see *Note 7 Noncurrent Liabilities*.

In Fiscal Year 2020, the District had an increase of \$3.8 million in total liabilities. This increase is mostly attributable to the increase of the adjustment of net pension and OPEB liability of \$8.0 million and a decrease in bonds payable of \$4.2 million as a result of annual debt service payment.

Statement of Revenues, Expenses and Changes in Net Position

The following summary is prepared from the District's Statements of Revenues, Expenses, and Changes in Net Position for the fiscal years ended August 31: (in millions)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Operating Revenues:					
Student Tuition and Fees, Net	\$ 60.7	\$ 62.0	\$ (1.3)	\$ 60.6	\$ 1.4
Federal Grants and Contracts	1.5	1.2	0.3	1.2	-
State Grants and Contracts	1.4	2.4	(1.0)	3.3	(0.9)
Auxiliary Enterprises, Net	7.6	10.7	(3.1)	14.2	(3.5)
Other	0.6	0.5	0.1	1.0	(0.5)
Total Operating Revenues	71.8	76.8	(5.0)	80.3	(3.5)
Less Operating Expenses	127.0	123.1	3.9	118.2	4.9
Operating Loss	(55.2)	(46.3)	(8.9)	(37.9)	(8.4)
Nonoperating Revenues(Expenses)					
State Appropriations	31.9	32.9	(1.0)	30.7	2.2
Property Taxes	2.3	2.2	0.1	1.9	0.3
Federal Revenue, Nonoperating	48.0	28.4	19.6	21.2	7.2
Gifts	0.8	0.2	0.6	1.9	(1.7)
Investment Income	0.8	2.3	(1.5)	2.9	(0.6)
Unrealized Gain(Loss) Investments	0.1	0.5	(0.4)	0.1	0.4
Interest on Capital Related Debt	(4.0)	(3.1)	(0.9)	(2.4)	(0.7)
Other	(4.1)	(7.2)	3.1	(0.2)	(7.0)
Total Nonoperating Revenues	75.8	56.2	19.6	56.1	0.1
Income Before Other Revenue	20.6	9.9	10.7	18.2	(8.3)
Transfer In from Foundation	2.2				
Additions (Deductions) to Endowments	-	(10.4)	10.4	0.0	(10.4)
Total Increase in Net Position	22.8	(0.5)	21.1	18.2	(18.7)
Net Position, Beginning of Year	109.8	110.3	(0.5)	92.1	18.2
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-
Net Position, Beginning of Year, as restated	109.8	110.3	(0.5)	92.1	18.2
Net Position, End of Year	<u>\$ 132.6</u>	<u>\$ 109.8</u>	<u>\$ 20.6</u>	<u>\$ 110.3</u>	<u>\$ (0.5)</u>

Total operating revenues decreased \$5 million from 2020. Auxiliary enterprises revenues decreased \$3.1 million, net student tuition and fees decreased \$1.3 million, federal and state grants decreased \$.7 million in total from 2020 offset by an increase in other miscellaneous revenues of \$0.1 million.

During Fiscal Year 2020, the total operating revenues decreased \$3.5 million from 2019. Auxiliary enterprises revenues decreased \$3.5 million, federal and state grants decreased \$0.9 million in total from 2019, other miscellaneous revenues decreased \$0.5 million offset by an increase of \$1.4 million in net student tuition and fees.

Below is a table of Operating Expenses and Non-Operating Revenue (Expense) for the fiscal years ended August 31: (in millions)

	<u>2021</u>	<u>2020</u>	Increase (Decrease) 2021-2020	<u>2019</u>	Increase (Decrease) 2020-2019
Instructional and General	\$ 64.1	\$ 64.1	\$ -	\$ 62.4	\$ 1.7
Institutional Support	15.8	17.4	(1.6)	15.5	1.9
Operation and Maintenance of Plant	19.2	14.2	5.0	12.1	2.1
Auxiliary Enterprises	9.2	9.8	(0.6)	10.1	(0.3)
Depreciation	5.8	5.2	0.6	5.3	(0.1)
Scholarships and Fellowships	12.9	12.4	0.5	12.8	(0.4)
Total Operating Expenses	<u>\$ 127.0</u>	<u>\$ 123.1</u>	<u>\$ 3.9</u>	<u>\$ 118.2</u>	<u>\$ 4.9</u>
Non-Operating Revenues (Expenses):					
State Appropriations	31.9	32.9	(1.0)	30.7	\$ 2.2
Property Taxes	2.3	2.2	0.1	1.9	0.3
Federal Revenue, Non-Operating	47.9	28.3	19.6	21.2	7.1
Gifts	0.8	0.2	0.6	1.9	(1.7)
Unrealized Gain (Loss) on Investments	0.1	0.5	(0.4)	0.1	0.4
Investment Income	0.7	2.3	(1.6)	2.9	(0.6)
Gain (Loss) on Disposal of Capital Assets	-	-	-	-	-
Interest on Capital Related Debt	(4.0)	(3.1)	(0.9)	(2.4)	(0.7)
Other Non-Operating Expenses	(3.9)	(7.1)	3.2	(0.2)	(6.9)
Net Non-Operating Revenues (Expenses)	<u>\$ 75.8</u>	<u>\$ 56.2</u>	<u>\$ 19.6</u>	<u>\$ 56.1</u>	<u>\$ 0.1</u>

In Fiscal year 2021, total operating expenses increased \$3.9 million from Fiscal Year 2020. This increase is primarily attributable to the increased cost of operation and maintenance of plant of \$5.0 million, \$0.6 million increase in depreciation, \$0.5 million increase in scholarships and fellowships offset by \$1.6 million decrease in institutional support and \$0.6 million decrease in auxiliary enterprises.

Fiscal Year 2021 net non-operating revenues (expenses) increased \$19.6 million from Fiscal Year 2020. This is primarily attributable to \$19.6 million increase in federal revenue (Title IV funds and HEERF funds), \$0.1 million increase in property tax revenue, \$0.6 million in gifts revenue, \$3.2 million decrease in other non-operating expenses offset by \$1.0 million decrease in state appropriation revenue, \$2 million decrease in unrealized gain on investments/investment income, and an increase of \$0.9 million in interest paid on capital related debt.

In Fiscal Year 2020, total operating expenses increased \$4.9 million from Fiscal Year 2019. This increase is primarily attributable to an increase in the cost of General Instruction of \$1.7 million, institutional support of \$1.9 million, operation and maintenance of plant of \$2.1 million, and a decrease in auxiliary enterprises of \$0.3 million, depreciation and amortization of \$0.1 million and a decrease in scholarships of \$0.4 million.

Fiscal Year 2020 net non-operating revenues (expenses) increased \$0.1 million from 2019 due to an increase of \$2.2 million in state appropriations, \$0.3 million property tax revenue, \$7.1 million in federal student revenue (Title IV funds and CARES ACT direct student awards), and \$0.4 million increase in unrealized gains on investments. These increases were offset with a decrease of \$1.7 million in gifts, \$0.6 million in investment income, an increase in interest on capital debt of \$0.7 million, and an increase of \$6.9 million in other non-operating expenses (CARES Act direct student awards).

Statement of Cash Flow

The following chart summarizes the statements of cash flows for the fiscal years ended August 31: (in millions)

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>	<u>2019</u>	<u>Increase (Decrease) 2020-2019</u>
Cash Provided by (Used in):					
Operating Activities	\$ (37.5)	\$ (31.0)	\$ (6.5)	\$ (27.6)	\$ (3.4)
Non-Capital Financing Activities	68.2	38.1	30.1	49.2	(11.1)
Capital and Related Financing Activities	(28.2)	(24.7)	(3.5)	13.7	(38.4)
Investing Activities	<u>(7.9)</u>	<u>18.7</u>	<u>(26.6)</u>	<u>(12.9)</u>	<u>31.6</u>
Net Increase (Decrease) in Cash and					
Cash Equivalents	(5.4)	1.1	(6.5)	22.4	(21.3)
Cash and Cash Equivalents - Beginning of Year	<u>98.0</u>	<u>96.9</u>	<u>1.1</u>	<u>74.5</u>	<u>22.4</u>
Cash and Cash Equivalents - End of Year	<u>\$ 92.6</u>	<u>\$ 98.0</u>	<u>\$ (5.4)</u>	<u>\$ 96.9</u>	<u>\$ 1.1</u>

The District's cash flow from operating activities normally will reflect a decrease as the District relies on State appropriations to fund operating activities. State appropriations are shown as non-capital financing activities in accordance with the Texas Higher Education Coordinating Board. Cash inflows consist primarily of cash receipts from tuition and fees while cash outflows primarily consist of cash disbursements for wages, benefits, supplies and scholarships.

Cash used in operations in Fiscal Year 2021 increased \$6.5 million from 2020 primarily due to \$5.1 million decrease in receipts from students, \$2.5 million increase in payments to or on behalf of employees, \$0.5 million increase in payments for scholarships, \$0.8 million decrease in payments to suppliers, and a \$0.8 million increase in receipts from grants and contracts.

Cash used in operations in Fiscal Year 2020 increased \$3.6 million from 2019 primarily due to \$3.1 million increase in payment to or on behalf of employees. Other changes in cash used in operations include the receipts from grants and contracts decreasing by \$3.2 million, decrease in payment for scholarships of \$0.4 million, decrease in other receipts of \$0.2 million, decrease in payments for goods and services of \$3.6 million, and a decrease in receipts from students by \$1.0 million.

In addition to state appropriations, non-capital financing activities include property tax receipts, non-operating Federal revenue (Title IV funds) and changes to permanent endowments. The \$30.0 million increase is primarily attributable to the increase of \$19.6 million in federal non-operating revenue and a \$10.4 million increase to the change in permanent endowments.

Variations in cash used for capital and related financing activities are dependent on the District's issuance and payment of long-term debt and capital acquisitions. The \$3.5 million increase is primarily attributable to a \$20 million increase in purchases of capital assets, \$0.5 million increase in payments on capital debt-principal, \$0.9 million increase on capital debt interest, and offset by a net \$18.0 million increase of proceeds from issuance of capital debt.

The variance in cash provided by investing activities in 2021 and 2020 is due primarily to the purchase, sales, and maturities of investments.

Capital Assets and Debt Administration

In Fiscal Year 2021, the District had capital asset additions of approximately \$40.2 million and the annual depreciation and amortization expense of \$5.9 million. There was a net increase of \$30.0 million in construction in progress. The construction in progress at year-end includes the RELLIS campus: RELLIS Phase II Building Construction; the Brenham Campus: Old Main Building Renovation, Leroy Dreyer Baseball Field, Science, Technology, Engineering, and Innovation Building. \$2.2 million of the Land increase is from a donation. The net increase of \$4.6 million in buildings is primarily from the completion of the Bryan Campus: Cast Stone Project and Theater Roof; the Brenham Campus: Classroom Building Renovation. The \$0.2 million increase in Land Improvements is from the completion of the Bryan Parking Lot upgrade. The net increase in computer equipment, furniture, and other equipment totaled \$1.0 million.

In Fiscal Year 2020, the District had capital asset additions of approximately \$15 million and the annual depreciation and amortization expense of \$5.2 million. There was a net increase of \$3.6 million in construction in progress. The construction in progress at year-end includes the Bryan Campus: Cast Stone Project, Theatre Roof, Parking Lots; the RELLIS campus: RELLIS Phase II Building Construction; the Brenham Campus: Monuments and Signage Project, Central Plant Renovations, and the Science Technology, Engineering, and Innovation Building. The net increase of \$6.4 million in buildings is primarily from the completion of the RELLIS Faculty Office Renovation, Brenham Moody Library Renovation, O'Donnell Performing Arts Roof, additions to the Brenham Agricultural Complex, and the Brenham Old Main Building Window Replacements. The \$3.0 million increase in Land Improvements is from the completion of the Bryan Landscaping and Irrigation Project, RELLIS Campus Grading and Irrigation Project, and the Brenham Campus Lighting and Security Project. The net increase in computer equipment, furniture, and other equipment totaled \$1.7 million. The \$3.0 million increase of Intangible Assets is due to the Cooperation and Use Agreement with Texas A&M University concerning the TAMU RELLIS Workforce Complex.

Future Considerations

Blinn College District's 45.9% academic transfer rate ranks as one of the highest in the country and No. 1 among the 50 community college districts in Texas, far exceeding the state-wide average of 24.1%. Blinn has established itself as a destination college for Texas students seeking an affordable pathway to a bachelor's degree.

The District's close partnerships with Texas A&M, Baylor, Sam Houston State and Texas State universities, and the universities of Texas and Houston, provide an attractive option for Texas students. Unique co-enrollment partnerships such as the TEAM and Texas A&M Engineering Academies at Blinn provide seamless transfer opportunities for students seeking degrees at Texas A&M University.

Blinn continues to expand its footprint in academic facilities and invest in strategic capital projects to encourage and accommodate enrollment growth. During FY21, the District completed a districtwide facilities master plan. The plan is intended as a strategic and tactical guide for the physical development of the district's five college campuses over the next 20 years. The plan reflects the school's vision, its current position of strength in the market and the unique challenges facing each campus in the district. The master plan also serves a tactical purpose; providing the District with a road map for implementing its strategic plan with the phased development of prioritized capital improvements on campuses where continued growth is projected.

In January 2021, the College broke ground for a new, 500-bed residential housing project on the Brenham Campus that will allow the College to expand on-campus housing options and to take older residence halls offline. This project is being funded through a public-private partnership and is on schedule to be completed in the summer of 2022.

In August 2021, the College opened the doors to a new 72,000-square-foot, state-of-the-art \$35.5 million science, technology, engineering, and innovation (STEI) building on the Brenham campus. The new facility includes 17,000 square feet of laboratory space (including anatomy and physiology, biology, chemistry, computer science, engineering, geology, microbiology, organic chemistry, and physic labs) and a 3,000-square-foot innovation lab that includes a robotics area, 3D printing lab, high-tech fabrication shop, and virtual reality space.

In the spring of 2021, in response to the enrollment growth on the RELLIS campus, the District began construction of a three-story, 75,000 square-foot building located just north of the Walter C. Schwartz Building. The facility is programmed for classrooms, engineering/computer science labs, faculty and administrative offices, student services space, a micro-market vending area, and a large meeting room. Construction is scheduled to be completed in time for the College to offer classes in the Fall of 2022.

Blinn's administration is confident that the College's financial position will remain strong and the District's investment in capital improvements will provide the greatest opportunity for continued increases to enrollment, increased cash flow, and growth to its cash reserves.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, students, investors, and creditors a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Business and Finance Division at 902 College Avenue, Brenham, Texas 77833.

BLINN COLLEGE DISTRICT
Statements of Net Position
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 77,697,268	\$ 70,507,125
Restricted cash and cash equivalents	14,907,677	27,496,359
Investments	48,521,016	29,869,945
Restricted investments	-	7,070,078
Accounts receivable (net)	23,855,022	24,085,106
Interest and dividends receivable	146,685	411,587
Inventories	15,386	17,103
Other assets	816,580	286,126
Total Current Assets	<u>165,959,634</u>	<u>159,743,429</u>
Noncurrent Assets:		
Restricted endowment cash and cash equivalents	-	-
Restricted investments	9,307,100	3,042,086
Capital Assets (net)	<u>201,767,326</u>	<u>167,373,999</u>
Total Noncurrent Assets	<u>211,074,426</u>	<u>170,416,085</u>
Total Assets	<u><u>377,034,060</u></u>	<u><u>330,159,514</u></u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	10,096,571	12,656,018
Deferred outflows of resources related to OPEB	17,448,279	17,744,959
Total Deferred Outflows of Resources	<u>27,544,850</u>	<u>30,400,977</u>
Liabilities		
Current Liabilities:		
Accounts payable	14,812,827	9,673,793
Funds held for others	861,783	675,108
Unearned revenues	37,551,417	38,406,680
Deposits	131,400	132,700
Bonds payable - current portion	4,790,000	4,075,000
Net OPEB liability-current portion	2,007,598	1,377,577
Total Current Liabilities	<u>60,155,025</u>	<u>54,340,858</u>
Noncurrent Liabilities:		
Bonds payable	110,430,208	97,339,489
Net pension liability	22,487,626	21,953,887
Net OPEB liability	58,552,701	57,483,261
Total Noncurrent Liabilities	<u>191,470,535</u>	<u>176,776,637</u>
Total Liabilities	<u>251,625,560</u>	<u>231,117,495</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	4,940,758	6,987,471
Deferred inflows of resources related to OPEB	15,416,794	12,688,134
Total Deferred Inflow of Resources	<u>20,357,552</u>	<u>19,675,605</u>
Net Position		
Net Investment in capital assets	101,200,224	94,245,516
Restricted for:		
Nonexpendable - endowments		
Expendable		
Endowments		
Student aid	2,160,632	2,174,692
Debt service	8,918,600	8,859,895
Star of the Republic Museum	(734,703)	(646,252)
Unrestricted	<u>21,051,045</u>	<u>5,133,540</u>
Total Net Position (Schedule D)	<u><u>\$ 132,595,798</u></u>	<u><u>\$ 109,767,391</u></u>

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

BLINN COLLEGE FOUNDATION, INC.
Statements of Financial Position
August 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash	\$ 248,817	\$ 488,610
Certificates of Deposit	257,259	107,138
Unconditional promises to give	107,604	14,504
Total Current Assets	<u>613,680</u>	<u>610,252</u>
Restricted Assets:		
Cash	581,931	110,251
Investments	31,188,611	26,212,250
Total Restricted Assets	<u>31,770,542</u>	<u>26,322,501</u>
Long-term Unconditional Promises to Give:		
Total face-value of promises	281,202	21,753
Less amount classified as current	(107,604)	(14,504)
Net long-term unconditional promises to give	<u>173,598</u>	<u>7,249</u>
Other Assets:		
Oil/Gas royalty interest	10,000	10,000
Total Assets	<u>32,567,820</u>	<u>26,950,002</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	133	31,033
Total Liabilities	<u>133</u>	<u>31,033</u>
Net Assets:		
Net Assets with Donor Restrictions	32,305,742	26,690,342
Net Assets without Donor Restrictions	261,945	228,627
Total Net Assets	<u>32,567,687</u>	<u>26,918,969</u>
Total Liabilities and Net Assets	<u>\$ 32,567,820</u>	<u>\$ 26,950,002</u>

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

BLINN COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2021 and August 31, 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Tuition and Fees (net of discounts of \$14,391,958 and \$17,554,654, respectively)	\$ 60,731,888	\$ 61,999,367
Federal Grants and Contracts	1,463,126	1,196,493
State Grants and Contracts	1,347,984	2,355,633
Sales and Services of Educational Activities	370,388	372,415
Auxiliary Enterprises (net of discounts of \$1,032,880 and \$840,011, respectively)	7,629,057	10,702,150
Other Operating Revenues	307,362	144,857
Total Operating Revenues (Schedule A)	<u>71,849,805</u>	<u>76,770,915</u>
Operating Expenses		
Instruction	45,090,580	44,721,783
Public Service	746,580	1,266,578
Academic Support	10,832,221	10,764,153
Student Services	7,277,698	7,328,606
Institutional Support	15,805,269	17,368,040
Operation and Maintenance of Plant	19,213,185	14,214,495
Scholarships and Fellowships	12,940,963	12,446,645
Auxiliary Enterprises	9,227,923	9,778,274
Depreciation	5,783,585	5,125,733
Amortization	100,000	100,000
Total Operating Expenses (Schedule B)	<u>127,018,004</u>	<u>123,114,307</u>
Operating Loss	<u>(55,168,199)</u>	<u>(46,343,392)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	31,891,453	32,890,482
Property Taxes	2,274,867	2,190,612
Federal Revenue, Non Operating	47,983,861	28,383,013
Gifts	769,766	154,769
Unrealized Gain (Loss) on Investments	66,590	493,109
Investment Income	748,628	2,274,703
Loss on Disposal of Capital Assets	(14,390)	404
Interest on Capital Related Debt	(4,020,115)	(3,116,339)
Bond Issuance Cost	(17,618)	(400)
Other Non-Operating Revenue (Expenses)	(3,843,666)	(7,070,956)
Net Non-Operating Revenues (Schedule C)	<u>75,839,376</u>	<u>56,199,397</u>
Income Before Other Revenues, Expenses, Gains/Losses, and Transfers	20,671,177	9,856,005
Other Revenues, Expenses, Gains/Losses, and Transfers		
Additions to Permanent Endowments	-	3,732
Transfer Out - Blinn College District Foundation	-	(10,386,803)
Transfer In - Property Donation from Blinn College District Foundation	2,157,230	-
Total Other Revenues, Expenses, Gains/Losses, and Transfers	<u>2,157,230</u>	<u>(10,383,071)</u>
Change in Net Position	22,828,407	(527,066)
Net Position		
Net Position, Beginning of Year	109,767,391	110,294,457
Adjustments to Net Position, Beginning of Year	-	-
Adjusted Net Position, Beginning of Year	<u>109,767,391</u>	<u>110,294,457</u>
Net Position, End of Year	<u>\$ 132,595,798</u>	<u>\$ 109,767,391</u>

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

BLINN COLLEGE FOUNDATION, INC.
Statement of Activities
For The Year Ended August 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues			
Donations	\$ 41,140	\$ 3,837,188	\$ 3,878,328
Fundraising	-		-
Investment income	52,877	4,654,820	4,707,697
Oil/Gas royalty	1,435	-	1,435
Net assets released from purpose restrictions	<u>2,876,608</u>	<u>(2,876,608)</u>	<u>-</u>
Total Public Support and Revenues	<u>2,972,060</u>	<u>5,615,400</u>	<u>8,587,460</u>
Expenses			
Program services:			
Expenditures for the benefit of Blinn College	2,275,847	-	2,275,847
Scholarships	601,567	-	601,567
Support services:			
Administrative expenses	<u>61,328</u>	<u>-</u>	<u>61,328</u>
Total Expenses	<u>2,938,742</u>	<u>-</u>	<u>2,938,742</u>
Change in Net Assets	33,318	5,615,400	5,648,718
Net Assets - Beginning of Year	<u>228,627</u>	<u>26,690,342</u>	<u>26,918,969</u>
Net Assets - End of Year	<u>\$ 261,945</u>	<u>\$ 32,305,742</u>	<u>\$ 32,567,687</u>

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

BLINN COLLEGE FOUNDATION, INC.
Statement of Activities
For The Year Ended August 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues			
Donations	\$ 53,970	\$ 84,515	\$ 138,485
Fundraising	-	1,270	1,270
Investment income	38,433	5,014,699	5,053,132
Oil/Gas royalty	1,044	-	1,044
Net assets released from purpose restrictions	352,753	(352,753)	-
Total Public Support and Revenues	<u>446,200</u>	<u>4,747,731</u>	<u>5,193,931</u>
Other Additions			
Transfer of endowed scholarships from the College		10,386,803	10,386,803
Total public support, revenues and other additions	<u>446,200</u>	<u>15,134,534</u>	<u>15,580,734</u>
Expenses			
Program services:			
Expenditures for the benefit of Blinn College	52,713	-	52,713
Scholarships	302,542	-	302,542
Support services:			
Administrative expenses	54,573	-	54,573
Total Expenses	<u>409,828</u>	<u>-</u>	<u>409,828</u>
Change in Net Assets	36,372	15,134,534	15,170,906
Net Assets - Beginning of Year	<u>192,255</u>	<u>11,555,808</u>	<u>11,748,063</u>
Net Assets - End of Year	<u>\$ 228,627</u>	<u>\$ 26,690,342</u>	<u>\$ 26,918,969</u>

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

BLINN COLLEGE DISTRICT
Statements of Cash Flows
Years Ended August 31, 2021 and August 31, 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Receipts from students and other customers	\$ 67,362,446	\$ 72,470,948
Receipts from grants and contracts	3,755,702	2,919,709
Payments to suppliers for goods and services	(22,595,181)	(23,420,639)
Payments to or on behalf of employees	(73,328,594)	(70,816,215)
Payments for scholarships	(12,960,572)	(12,466,254)
Other receipts	307,362	299,626
Net cash provided (used) by operating activities	<u>(37,458,837)</u>	<u>(31,012,825)</u>
Cash Flows From Non-Capital Financing Activities:		
Receipts from state appropriations	24,232,069	25,019,915
Receipts from property taxes	2,278,967	2,189,813
Receipts from non operating federal revenue	47,983,861	28,383,013
Receipts from gifts other than capital	769,766	-
Increase (decrease) in permanent endowments	-	(10,383,071)
Payments from Federal HEERF to Students	(7,076,956)	(7,070,956)
Net cash provided (used) by non-capital financing activities	<u>68,187,707</u>	<u>38,138,714</u>
Cash Flows From Capital Financing Activities:		
Purchases of capital assets	(38,134,175)	(18,025,343)
Proceeds from issuance of capital debt	18,014,200	-
Bond issue costs paid on capital debt issue	(17,618)	(400)
Payments on capital debt - principal	(4,075,000)	(3,545,000)
Payments on capital debt - interest	(4,020,115)	(3,116,339)
Net cash provided (used) by capital and related financing activities	<u>(28,232,708)</u>	<u>(24,687,082)</u>
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	18,145,974	24,753,049
Interest on investments	1,013,530	2,660,639
Purchases of investments	(27,054,205)	(8,767,065)
Net cash provided (used) by investing activities	<u>(7,894,701)</u>	<u>18,646,623</u>
Increase (Decrease) in Cash and Cash Equivalents	(5,398,539)	1,085,430
Cash and Cash Equivalents, Beginning of Year	<u>98,003,484</u>	<u>96,918,054</u>
Cash and Cash Equivalents, End of Year	<u>\$ 92,604,945</u>	<u>\$ 98,003,484</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$ (55,168,199)	\$ (46,343,392)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and Amortization expense	5,883,585	5,225,733
Noncash state appropriations for employee benefits	7,659,384	7,870,568
Changes in assets and liabilities:		
Receivables (net)	225,984	3,242,169
Inventories	1,717	(1,928)
Other assets	(530,454)	98,382
Accounts payable	5,139,034	3,392,822
Funds held for others	186,675	111,895
Unearned revenues	(855,263)	(4,741,774)
Deposits	(1,300)	132,700
Net cash used by operating activities	<u>\$ (37,458,837)</u>	<u>\$ (31,012,825)</u>

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

1. Reporting Entity

Blinn College District (the District) was established in 1883, in accordance with the laws of the State of Texas, to serve the educational needs of Washington County and the thirteen counties in the service area. The District operates campuses in the cities of Brenham, Bryan, Schulenburg and Sealy, Texas. The District is considered to be a special purpose, primary government according to the definition in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. While the District receives funding from local, State of Texas (the State), and Federal sources, and must comply with the spending, reporting, and record keeping requirements of these entities, it is not a component unit of any other governmental entity.

GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14*, gives guidance in determining whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. It requires reporting as a component unit if the organization raises and holds economic resources for the direct benefit of the governmental unit and the component unit is significant compared to the primary government. GASB Statement No. 39 has been applied as required in the preparation of these financial statements and Blinn College Foundation, Inc. financial statements are included as a discrete component unit (see Note 22).

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the District in preparing these financial statements are in accordance with the *Texas Higher Education Coordinating Board's (THECB) Annual Financial Reporting Requirements for Texas Public Community Colleges*. The District applies all applicable GASB pronouncements. The District is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants - Certain tuition amounts must be set aside for use as scholarships by qualifying students. This set aside, called the Texas Public Education Grant (TPEG) is shown with tuition and fee revenue amounts as a separate set aside amount (Texas Education Code §56.033). When the student uses the award for tuition and fees, the amount is recorded as tuition and a corresponding amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Title IV, Higher Education Act (HEA) Program Funds - Certain Title IV HEA Program funds are received by the District to pass through to the student. These funds are initially received by the District and recorded as restricted revenue. When the award is used by the student for tuition and fees, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Other Tuition Discounts - The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

2. Summary of Significant Accounting Policies continued

Basis of Accounting

The financial statements of the District 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 in Texas is required by law to prepare an annual operating budget of anticipated revenues and expenditures for the fiscal year beginning September 1. The District's Board of Trustees adopts the budget, which is prepared on the accrual basis of accounting. A copy of the approved budget and subsequent amendments must be filed with the Texas Higher Education Coordinating Board, Legislative Budget Board, Legislative Reference Library, and Governor's Office of Budget and Planning by December 1.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Board of Trustees has designated public funds investment pools to be cash equivalents as the investments are redeemable on demand.

Deferred Inflows

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Governments are only permitted to report deferred inflows in circumstances specifically authorized by the GASB.

Deferred Outflows

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Governments are only permitted to report deferred outflows in circumstances specifically authorized by the GASB.

Estimates

The preparation of the financial statements in conformity with 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.

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

2. Summary of Significant Accounting Policies continued

operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. The operation of the bookstore is not performed by the District.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Short-term investments have an original maturity greater than three months but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Inventories

Inventories consist of consumable office and physical plant supplies. Inventories are valued at cost under the first-in first-out method and are charged to expense as consumed.

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The District's capitalization policies include real or business personal property with a value equal to or greater than \$5,000 and an estimated useful life in excess of one year. Renovations of \$100,000 to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. The District reports depreciation and or amortization under a single-line item as a business-type unit. Depreciation and or amortization is computed using the straight-line method over the following estimated useful lives of the assets:

Buildings	50 years
Land improvements	20 years
Library books	15 years
Furniture, equipment and vehicles	5-10 years
Computer systems	5 years
Intangibles	Per Contract

Museum Collections

In accordance with guidance issued by the Texas Comptroller of Public Accounts, collections located at the Star of the Republic Museum held for public exhibition are capitalized but not depreciated. Collections are valued at their historical cost or estimated fair value at date of donation.

Unearned Revenue

Tuition, fees, housing and meal charges of \$37,403,722 and \$38,163,499 and federal, state and local grants of \$147,695 and \$243,181 have been reported as unearned revenue at August 31, 2021 and 2020, respectively.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

2. Summary of Significant Accounting Policies continued

Other Post-Employment Benefits (OPEB)

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

Pensions

The District participates in the Teacher Retirement System of Texas (TRS) pension plan, a multiple-employer cost sharing defined benefit pension plan with a special funding situation. The fiduciary net position of TRS has been determined on the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

3. Authorized Investments

The Board of Trustees of the District has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the District are in compliance with the Board of Trustees' investment policy and the Public Funds Investment Act. The District is authorized to invest in obligations and instruments as follows: (1) obligations of the United States and its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposits and (5) other instruments and obligations authorized by statute.

4. Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's investment policy requires pledging of collateral for all bank balances in excess of Federal Depository Insurance Corporation (FDIC) limits at a minimum of 102% of fair value. As of August 31, 2021 and 2020, the District's entire bank balances of \$8,571,515 and \$9,238,971 respectively, were insured, collateralized and not exposed to custodial credit risk.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

4. Deposits and Investments continued

The following table presents cash and deposits included in Exhibit 1, Statement of Net Position, as of August 31:

Cash and Deposits	2021	2020
Petty Cash	\$ 8,186	\$ 8,669
Demand Deposits	8,571,515	9,238,971
Money Market Accounts	29,519,166	39,854,539
Investment Pools		
Lone Star	26,543,509	10,692,431
TexPool	925,762	17,564,035
TexStar	281,901	7,277,417
LOGIC	26,754,906	13,367,422
Total Cash and Deposits	\$ 92,604,945	\$ 98,003,484

Investments

The District had the following investments as of August 31:

Investments	Maturities	Fair Value	
		2021	2020
Fixed Income	09/2021 - 09/2042	\$ 21,475,939	\$ 11,382,425
Certificate of Deposit	09/2021 - 07/2022	33,234,134	24,645,837
Mutual Funds		2,729,543	3,722,847
Equities		388,500	231,000
Total Investments		\$ 57,828,116	\$ 39,982,109

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

4. Deposits and Investments continued

Reconciliation of Cash, Deposits, and Investments to the Statement of Net Position (Exhibit 1)

	<u>Market Value</u> <u>August 31, 2021</u>	<u>Market Value</u> <u>August 31, 2020</u>
Total Investments	\$ 57,828,116	\$ 39,982,109
Total Cash and Deposits	92,604,945	98,003,484
Total Deposits and Investments	\$ 150,433,061	\$ 137,985,593

Statement of Net Position

Cash and Cash Equivalents	\$ 77,697,268	\$ 70,507,125
Restricted Cash and Cash Equivalents	14,907,677	27,496,359
Total Cash and Deposits (Exhibit 1)	\$ 92,604,945	\$ 98,003,484
Investments	\$ 48,521,016	\$ 29,869,945
Restricted Investments	-	7,070,078
Restricted Investments Noncurrent	9,307,100	3,042,086
Total Investments (Exhibit 1)	\$ 57,828,116	\$ 39,982,109
Total Deposits and Investments (Exhibit 1)	\$ 150,433,061	\$ 137,985,593

Interest Rate Risk

Interest risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods can be subjected to increased risk of adverse interest rate changes. In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring its portfolio to provide liquidity for operating funds and maximizing yields for funds not immediately needed. The investment policy limits the maximum maturity on any security to three years. The Board may specifically authorize a longer maturity for a given investment, within legal limits. To the extent possible, the District shall attempt to match its investments with anticipated future cash flow.

Credit Risk

Credit risks are the risk that the insurer of the debt security will not pay its par value upon maturity. In accordance with state law and the District's investment policy, investments in mutual funds and investment pools must be rated at least AAA; commercial paper must be rated at least A-1 or P-1; and investments in obligations from other states, municipalities, counties, etc., must be rated at A as well. U.S. Government obligations are not considered to have credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer. At August 31, 2021 and 2020, the District had approximately \$2.7 million and \$3.7 million of its

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

4. Deposits and Investments continued

investment portfolio in U.S. Government and Federal Agency securities, which mature through March 2023.

During fiscal year 2006, a donor remitted shares in a Company to the District to establish an endowed scholarship. The shares had a fair value of \$388,500 and \$231,000 at August 31, 2021 and 2020, respectively. Securities donated to an investing entity for a particular purpose or under terms of use specified by the donor, are not subject to the requirements of the Public Funds Investment Act. The District amended its investment policy to allow, at the Board of Trustees discretion, the District to hold donated equities for endowed scholarships.

5. Fair Value of Financial Instruments

The fair value hierarchy of investments at August 31, 2021, follows:

	FY 2021				FY 2020
	Level 1	Level 2	Level 3	Total	Total
Fixed Income	\$ 21,475,939			\$ 21,475,939	\$ 11,382,425
Certificate of Deposit	33,234,134			33,234,134	24,645,837
Mutual Funds	2,729,543			2,729,543	3,722,847
Equities	388,500			388,500	231,000
	<u>\$ 57,828,116</u>			<u>\$ 57,828,116</u>	<u>\$ 39,982,109</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

6. Capital Assets

Capital assets' activities for the years ended August 31:

	BALANCES				BALANCES
	September 1,	Increases	Decreases	Reclasses	August 31,
	2020				2021
Capital Assets not subject to Depreciation:					
Land	\$ 10,658,664	\$ 4,281,786	\$ -	\$ -	\$ 14,940,450
Collections	691,579				691,579
Construction in Progress	12,156,429	34,861,865		(5,000,464)	42,017,830
Total Non Depreciated Assets	<u>\$ 23,506,672</u>	<u>\$ 39,143,651</u>	<u>\$ -</u>	<u>\$ (5,000,464)</u>	<u>\$ 57,649,859</u>
Capital Assets subject to Depreciation:					
Buildings	\$ 174,672,328	\$ -	\$ (137,593)	\$ 4,774,036	\$ 179,308,771
Land Improvements	12,306,929			211,579	12,518,508
Furniture, Equipment, vehicles	10,223,589	846,005	(62,429)	(164,494)	10,842,671
Computer Equipment	10,863,032	179,611		179,343	11,221,986
Library Books	5,251,846	122,138			5,373,984
Total Depreciated Assets	<u>\$ 213,317,724</u>	<u>\$ 1,147,754</u>	<u>\$ (200,022)</u>	<u>\$ 5,000,464</u>	<u>\$ 219,265,920</u>
Less Accumulated Depreciation					
Buildings	\$ 48,692,088	\$ 4,273,174	\$ (123,834)	\$ -	\$ 52,841,428
Land Improvements	5,056,965	343,409			5,400,374
Furniture, Equipment, vehicles	6,214,463	654,828	(61,695)		6,807,596
Computer Equipment	8,773,640	490,021			9,263,661
Library Books	3,613,241	22,153			3,635,394
Total Accumulated Depreciation	<u>\$ 72,350,397</u>	<u>\$ 5,783,585</u>	<u>\$ (185,529)</u>	<u>\$ -</u>	<u>\$ 77,948,453</u>
Amortizable Assets - Intangible					
Land Use Rights - Term	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000
Total Intangible Assets	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>
Less Accumulated Amortization					
Land Use Rights - Term	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 200,000
Total Accumulated Amortization	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>
Total Net Capital Assets	<u>\$ 167,373,999</u>	<u>\$ 34,407,820</u>	<u>\$ (14,493)</u>	<u>\$ -</u>	<u>\$ 201,767,326</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

6. Capital Assets continued

	BALANCES				BALANCES
	September 1,	Increases	Decreases	Reclasses	August 31,
	2019				2020
Capital Assets not subject to Depreciation:					
Land	\$ 10,517,833	\$ 140,831	\$ -	\$ -	\$ 10,658,664
Collections	691,579	-	-	-	691,579
Construction in Progress	8,553,126	12,992,602		(9,389,299)	12,156,429
Total Non Depreciated Assets	<u>\$ 19,762,538</u>	<u>\$ 13,133,433</u>	<u>\$ -</u>	<u>\$ (9,389,299)</u>	<u>\$ 23,506,672</u>
Capital Assets subject to Depreciation:					
Buildings	\$ 168,300,040			\$ 6,372,288	\$ 174,672,328
Land Improvements	9,289,918			3,017,011	12,306,929
Furniture, Equipment, vehicles	9,040,033	1,203,379	(29,823)	10,000	10,223,589
Computer Equipment	10,345,713	527,319		(10,000)	10,863,032
Library Books	5,089,228	162,618			5,251,846
Total Depreciated Assets	<u>\$ 202,064,932</u>	<u>\$ 1,893,316</u>	<u>\$ (29,823)</u>	<u>\$ 9,389,299</u>	<u>\$ 213,317,724</u>
Less Accumulated Depreciation					
Buildings	\$ 44,932,696	\$ 3,759,392		\$ -	\$ 48,692,088
Land Improvements	4,738,476	318,489		-	5,056,965
Furniture, Equipment, vehicles	5,635,736	605,548	(26,821)	-	6,214,463
Computer Equipment	8,344,177	431,463	(2,000)	-	8,773,640
Library Books	3,602,400	10,841		-	3,613,241
Total Accumulated Depreciation	<u>\$ 67,253,485</u>	<u>\$ 5,125,733</u>	<u>\$ (28,821)</u>	<u>\$ -</u>	<u>\$ 72,350,397</u>
Amortizable Assets - Intangible					
Land Use Rights - Term		\$ 3,000,000			\$ 3,000,000
Total Intangible Assets	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>
Less Accumulated Amortization					
Land Use Rights - Term		\$ 100,000			\$ 100,000
Total Accumulated Amortization	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>
Total Net Capital Assets	<u>\$ 154,573,985</u>	<u>\$ 12,801,016</u>	<u>\$ (1,002)</u>	<u>\$ -</u>	<u>\$ 167,373,999</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

7. Noncurrent Liabilities

Noncurrent liability activity for the years ended August 31:

	2021				
	Balance September 1, 2020	Additions	Reductions	Balance August 31, 2021	Current Portion
Bonds Payable	\$ 98,755,000	\$ 27,525,000	\$ (17,015,000)	\$ 109,265,000	\$ 4,790,000
Unamortized Bond Premium	2,659,489	3,429,200	(133,481)	5,955,208	
Total Bond Liability	<u>\$ 101,414,489</u>	<u>\$ 30,954,200</u>	<u>\$ (17,148,481)</u>	<u>\$ 115,220,208</u>	<u>\$ 4,790,000</u>
Net Pension Liability	\$ 21,953,887	\$ 533,739	\$ -	\$ 22,487,626	\$ -
Net OPEB Liability	58,860,838	1,699,461	-	60,560,299	2,007,598
Total Other Liability	<u>\$ 80,814,725</u>	<u>\$ 2,233,200</u>	<u>\$ -</u>	<u>\$ 83,047,925</u>	<u>\$ 2,007,598</u>
Total Noncurrent Liabilities	<u>\$ 182,229,214</u>	<u>\$ 33,187,400</u>	<u>\$ (17,148,481)</u>	<u>\$ 198,268,133</u>	<u>\$ 6,797,598</u>

	2020				
	Balance September 1, 2019	Additions	Reductions	Balance August 31, 2020	Current Portion
Bonds Payable	\$ 102,300,000	\$ -	\$ (3,545,000)	\$ 98,755,000	\$ 4,075,000
Unamortized Bond Premium	2,815,188	-	(155,699)	2,659,489	
Total Bond Liability	<u>\$ 105,115,188</u>	<u>\$ -</u>	<u>\$ (3,700,699)</u>	<u>\$ 101,414,489</u>	<u>\$ 4,075,000</u>
Net Pension Liability	\$ 23,037,533	\$ -	\$ (1,083,646)	\$ 21,953,887	\$ -
Net OPEB Liability	49,150,997	9,709,841	-	58,860,838	1,377,577
Total Other Liability	<u>\$ 72,188,530</u>	<u>\$ 9,709,841</u>	<u>\$ (1,083,646)</u>	<u>\$ 80,814,725</u>	<u>\$ 1,377,577</u>
Total Noncurrent Liabilities	<u>\$ 177,303,718</u>	<u>\$ 9,709,841</u>	<u>\$ (4,784,345)</u>	<u>\$ 182,229,214</u>	<u>\$ 5,452,577</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

8. Debt and Lease Obligations

Debt service requirements of the bonds for the next five years and thereafter are as follows:

Fiscal Year	Principal	Interest	Total
2022	4,790,000	3,955,994	8,745,994
2023	5,010,000	3,733,119	8,743,119
2024	3,900,000	3,527,156	7,427,156
2025	4,065,000	3,339,294	7,404,294
2026	4,240,000	3,142,844	7,382,844
2027-2031	24,270,000	12,794,578	37,064,578
2032-2036	24,070,000	8,002,188	32,072,188
2037-2041	26,025,000	4,125,106	30,150,106
2042-2046	12,895,000	725,350	13,620,350
Total	<u>\$ 109,265,000</u>	<u>\$ 43,345,629</u>	<u>\$ 152,610,629</u>

The District leases facilities related to the Bryan and Sealy Campuses under non-cancelable leases expiring through July 2049. Estimated minimum Lease obligations for the next five years and thereafter are as follows:

Fiscal Year	
2022	\$ 1,369,877
2023	1,406,542
2024	1,439,042
2025	1,265,094
2026	1,293,344
2027-2049	31,913,048

Rental expense was approximately \$2,208,449 and \$1,792,315 for the years ended August 31, 2021 and 2020, respectively.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

9. Bonds Payable

Bonds payable consist of Combined Fee Revenue and Refunding Bonds. General information related to bonds payable is summarized below:

Combined Fee Revenue Bonds, Series 2020

- Washington County Junior College District Combined Fee Revenue and Refunding Bonds, Series 2020
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.
- Issued October 13, 2020
- \$27,525,000, all authorized bonds have been issued
- Interest rates range from 2.37% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 at \$27,525,000
- A premium of \$3,429,200 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2019

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2019
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.
- Issued May 15, 2019
- \$29,125,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 and 2020 of \$28,425,000 and \$29,125,000, respectively.
- A premium of \$881,880 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2016

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2016
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued March 23, 2016
- \$36,975,000, all authorized bonds have been issued
- Interest rates range from 2.125% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 and 2020 of \$34,715,000 and \$35,775,000, respectively.
- A premium of \$1,905,100 is being amortized over the life of the bonds

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

9. Bonds Payable (continued)

Combined Fee Revenue Bonds, Series 2015

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2015
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued December 15, 2015
- \$9,625,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 and 2020 of \$8,510,000 and \$8,800,000, respectively.
- A premium of \$94,033 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2014

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2014
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and the acquisition of sites therefor and (ii) pay the costs of issuance of the Bonds
- Issued December 18, 2014
- \$9,820,000, all authorized bonds have been issued
- Interest rates range from 2.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 and 2020 of \$8,560,000 and \$8,885,000, respectively.
- A premium of \$25,897 is being amortized over the life of the bonds

Combined Fee Revenue Refunding Bonds, Series 2011

- Washington County Junior College District Combined Fee Revenue Refunding Bonds, Series 2011
- To refund a portion of the District's Combination Fee Revenue Bonds, Series 2002 for a debt service savings and pay the costs of issuance of the Bonds
- Issued May 17, 2011
- \$6,925,000, all authorized bonds have been issued
- Interest rates range from 2.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2021 and 2020 of \$1,530,000 and \$2,255,000, respectively
- A premium of \$181,438 is being amortized over the life of the bonds

Under each bond issue, the District is to maintain a reserve account equal to the maximum annual principal and interest requirements on all bonds. The reserve account balance at August 31, 2021 and 2020 is \$8,918,600 and \$8,859,895, respectively. All premiums have been paid.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans

The State of Texas has joint contributory retirement plans for almost all its employees.

Defined Benefit Pension Plans

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). The TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_cafr.aspx, by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans (continued)

compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' 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.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402. The 85th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2021 and 2020.

Contribution Rates		
	2021	2020
Member	7.70%	7.70%
Non-Employer Contributing Entity (State)	7.50%	7.50%
Employers	7.50%	7.50%
2020 Member Contributions	\$ 3,071,018	
2020 State of Texas On-Behalf Contributions	1,295,637	
2020 Employer Contributions	1,732,414	

The District's contributions to the TRS pension plan in 2021 were \$1,813,200 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2021 were \$1,295,637.

- As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Public junior colleges or junior college districts are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

Employees' Retirement Plans (continued)

- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2019 rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-Term Expected Investment Rate of Return*	7.25%
Municipal Bond Rate as of August 2020	2.33% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-Year Municipal GO AA Index
Last Year Ending August 31 in Projection Period (100 Years)	2119
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019, which were primarily based on a study of actual experience for the three-year period ending August 31, 2017 that was adopted on July 27, 2018.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans (continued)

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation ¹ %	Long-Term Expected Geometric Real Rate of Return ²	Expected Contribution to Long- Term Portfolio Returns
Global Equity			
USA	18.0 %	3.9 %	0.99 %
Non-U.S. Developed	13.0	5.1	0.92
Emerging Markets	9.0	5.6	0.83
Private Equity	14.0	6.7	1.41
Stable Value			
Government Bonds	16.0 %	(0.7)%	(0.05)%
Absolute Return (Including Credit Sensitive Investments)	—	1.8	—
Stable Value Hedge Funds	5.0	1.9	0.11
Real Return			
Real Estate	15.0 %	4.6 %	1.02 %
Energy, Natural Resources, and Infrastructure	6.0	6.0	0.42
Commodities	—	0.8	—
Risk Parity			
Risk Parity	8.0 %	3.0 %	0.30 %
Asset Allocation Leverage			
Cash	2.0 %	(1.5)%	(0.03)%
Asset Allocation Leverage	(6.0)	(1.3)	0.08
Inflation Expectation			2.00 %
Volatility Drag ³			(0.67)%
Expected Return	100.0 %		7.33 %

¹ Target allocations are based on the FY2020 policy model.

² Capital Market Assumptions come from Aon Hewitt (as of 08/31/2020).

³ The volatility drag results from the conversion between arithmetic and geometric mean returns.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans continued

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the 2020 Net Pension Liability.

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability	\$34,675,517	\$22,487,626	\$12,585,232

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2021, the District reported a liability of \$22,487,626 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction of State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

College's Proportionate share of the collective net pension liability	\$ 22,487,626
State's proportionate share that is associated with College	<u>16,818,061</u>
Total	<u><u>\$ 39,305,687</u></u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the District's proportion of the net pension liability was 0.04199%, which was a decrease of 0.00024% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the District recognized pension expense of \$2,022,839 and revenue of \$2,022,839 for support provided by the State.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans (continued)

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 41,061	\$ 627,570
Changes in actuarial assumptions	5,217,929	2,218,627
Differences between projected and actual investment earnings	1,001,766	546,524
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,022,616	1,548,037
Contributions paid to TRS subsequent to the measurement date	1,813,199	
Total	\$ 10,096,571	\$ 4,940,758

The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended August 31	Pension Expense Amount
2022	257,624
2023	1,200,788
2024	1,646,099
2025	475,270
2026	(227,007)
Thereafter	(10,160)

Optional Retirement Plan

Plan Description. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

10. Employees' Retirement Plans (continued)

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. The percentages of participant salaries currently contributed by the state and District are 3.3%, respectively and 6.65% by each participant. In addition, the District contributes 1.9 percent for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

The retirement expense to the State for the District was \$342,205 and \$351,234 for the fiscal years ended August 31, 2021 and 2020, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll of employees covered by the Optional Retirement Program was \$10,441,010 and \$10,638,249 for fiscal years 2021 and 2020, respectively.

11. Deferred Compensation Program

The District's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. This plan is essentially an unfunded promise to pay by the employer to each of the plan participants. At August 31, 2021 and 2020, the District had no employees electing to defer compensation.

12. Compensated Absences

Non-faculty employees are entitled to compensation vacation days. The amount of days is determined annually, based on their length of employment, as stipulated with official policy adopted by the District. The current policy allows a maximum of six accrued unused vacation days to be carried over; however, the carry over days are not payable upon termination. Any accrued unused days in excess of the carry over days expire at the end of each year. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for these non-vesting rights.

Sick leave can be accumulated subject to certain limitations. It is paid to an employee who misses work because of illness. The District does not allow conversion of unpaid sick leave for terminated employees. The District's policy is to recognize the cost of sick leave when paid. The liability is not shown in the financial statements since experience indicates the expenditure for sick leave to be minimal.

13. Health Care and Life Insurance Benefits

Certain health care and life insurance 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 by expending the annual insurance premiums. The State's contribution per full-time employee was \$622 to \$1,222 and \$622 to \$1,223 per month for the years ended August 31, 2021 and 2020, depending on the coverage elected. The State's contribution totaled \$4,188,804 and \$4,188,808, for the years ended

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

13. Health Care and Life Insurance Benefits (continued)

August 31, 2021 and 2020, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

14. Other Post-Employment Benefits (OPEB)

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

OPEB Plan Fiduciary Net Position. Detailed information about the GBP's fiduciary net position is available in the separately issued ERS Comprehensive Annual Financial Report (CAFR) that includes financial statements, notes to the financial statements and required supplementary information. That report may be obtained on the Internet at <https://ers.texas.gov/About-ERS/Reports-and-Studies/Reports-on-Overall-ERS-Operations-and-Financial-Management>; or by writing to ERS at: 200 East 18th Street, Austin, TX 78701; or by calling (877) 275-4377.

Benefits Provided. Retiree health benefits offered through the GBP are available to most State of Texas retirees and their eligible dependents. Participants need at least ten years of service credit with an agency or institution that participates in the GBP to be eligible for GBP retiree insurance. The GBP provides self-funded group health (medical and prescription drug) benefits for eligible retirees under HealthSelect. The GBP also provides a fully insured medical benefit option for Medicare-primary participants under the HealthSelect Medicare Advantage Plan and life insurance benefits to eligible retirees via a minimum premium funding arrangement. The authority under which the obligations of the plan members and employers are established and/or may be amended is Chapter 1551, Texas Insurance Code.

Contributions. 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. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendation of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative cost with the revenue expected to be generated by the appropriated funds.

The following table summarized the maximum monthly employer contribution toward eligible retirees' health and basic life premium. Retirees pay any premium over and above the employer contribution. The employer does not contribute toward dental or optional life insurance. Surviving spouses and their dependents do not receive any employer contribution. As the non-employer contributing entity (NECE), the State of Texas pays part of the premiums for the junior and community colleges.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) (continued)

Maximum Monthly Employer Contribution
 Retiree Health and Basic Life Premium
 Fiscal Year 2020

Retiree only	\$ 624.82
Retiree & Spouse	1,340.82
Retiree & Children	1,104.22
Retiree & Family	1,820.22

Contributions of premiums to the GBP plan for the current and prior fiscal year by source is summarized in the following table.

Premium Contributions by Source
 Group Benefits Program Plan
 For the Years Ended August 31, 2021 and 2020

	FY 2020	FY 2019
Employers	\$ 748,369,212	\$ 401,284,833
Members (Employees)	230,151,101	209,836,664
Non-employer Contributing Entity (State of Texas)	37,736,903	20,182,872

Source: ERS FY2020 Comprehensive Annual Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2020 using the following actuarial assumptions, applied to all period included in the measurement, unless otherwise specified:

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) continued

Significant Methods and Assumptions

Valuation Date	August 31, 2020
Actuarial Cost Method	Entry Age
Last Experience Study	7-Year period from September 1, 2010 to August 31, 2017
Remaining Amortization Period	31 Years
Asset Valuation Method	Not applicable
<u>Actuarial Assumptions:</u>	
Discount Rate	2.20%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	<u>HealthSelect</u> 8.80% for FY2022, 5.25% for FY2023, 5.00% for FY2024, 4.75% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
	<u>HealthSelect Medicare Advantage</u> -53.30% for FY2022, 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.60% for FY2026, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2029 and later years
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	<u>State Agency Members</u> a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/ CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020. b. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes):; 2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP Projection Scale projected from the year 2020. c. Active Members: Pub-2010 General Employees Active Member Mortality table for non-VPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010.
	<u>Higher Education Members</u> a. Service Retirees, Survivors and other Inactive Members: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018. b. Disability Retirees: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members. c. Active Members: Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS and TRS retirement plan actuaries for the period (ex. September 1, 2010 to August 31, 2017) for higher education members.

Investment Policy. The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees adopted the amendment to the investment policy in August 2017 to require that all funds in the plan be invested in short-term fixed income securities and specify that the expected rate of return on these investments is 2.4%.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) continued

Discount Rate. Because the State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.97%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 2.20%, which amounted to a decrease of .26%.

The source of the municipal bond rate was the Bond Buyer Index of general obligation bonds with 20 years to maturity and mixed credit quality. The bonds average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp's AA rating. Projected cash flows into the plan are equal to projected benefit payments out of the plan. Because the plan operates on a pay-as-you-go (PAYGO) basis and is not intended to accumulate assets, there is no long-term expected rate of return on plan assets and therefore the years of the projected benefit payments to which the long-term expected rate of return on plan assets and therefore the years of projected benefit payments to which the long-term expected rate of return is applicable is zero years.

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the District's proportionate share of the collective OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.20%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.20%)	Discount Rate (2.20%)	1% Increase in Discount Rate (3.20%)
College's proportionate share of the net OPEB liability	\$71,980,185	\$60,560,299	\$51,613,841

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 8.80% and the ultimate rate is 4.3%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (8.8%) in measuring the net OPEB Liability.

	1% Decrease in HealthSelect Trend Rates (7.80% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 8.80% decreasing to 4.30%)	1% Increase in HealthSelect Trend Rates: (9.80% decreasing to 5.30%)
College's proportionate share of the net OPEB liability	\$50,684,986	\$60,560,299	\$73,505,801

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2021, the District reported a liability of \$60,560,299 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) continued

District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's Proportionate share of the collective net OPEB liability	\$ 60,560,299
State's proportionate share that is associated with District	<u>46,044,551</u>
Total	<u><u>\$ 106,604,850</u></u>

The net OPEB liability was measured as of August 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net OPEB liability was .18326819%, which is 0.01296645% higher than the measurement as of August 31, 2019.

For the year ended August 31, 2021, the District recognized a decrease of OPEB expense of \$543,267 and a decrease of revenue of \$540,026 for support provided by the State.

Factors that Significantly Affect Trends in Amounts Reported

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions (including rates of preretirement and post-disability, mortality, termination, salary, aggregate payroll increases, and assumed rate of general inflation)
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future female retirees assumed to be married and electing coverage for their spouse and the proportion of future retirees assumed to cover dependent children have been updated to reflect recent plan experience and expected trends.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) continued

- The discount rate assumption was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 to utilize the updated yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

The valuation reflects the minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for fiscal year 2021, are provided for in the fiscal year 2021 Assumed Per Capita Health Benefit Costs.

There were no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

At August 31, 2021, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 2,368,544
Changes in actuarial assumptions	3,506,020	13,048,250
Difference between projected and actual investment earnings	18,074	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	13,093,884	
Contributions paid to ERS subsequent to the measurement date	830,301	
Total	\$ 17,448,279	\$ 15,416,794

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

14. Other Post-Employment Benefits (OPEB) continued

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ended August 31:	OPEB Expense Amount
2022	\$ (1,217,024)
2023	519,763
2024	1,589,013
2025	435,098
2026	(125,666)
Thereafter	-
Total	\$ 1,201,184

15. Pending Lawsuits and Claims

Blinn College District is not involved in material litigation as of August 31, 2021.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

16. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Student Tuition and Fees	\$ 29,579,535	\$ 28,201,156
Ad Valorem Taxes	19,726	23,826
Federal Grants	307,853	168,995
State Grants	8,373	96,703
Other Receivables	434,249	1,472,318
	<u>\$ 30,349,736</u>	<u>\$ 29,962,998</u>
Allowance for Doubtful Accounts	(6,494,714)	(5,877,892)
Total Receivables	<u>\$ 23,855,022</u>	<u>\$ 24,085,106</u>

Payables consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Vendor Payables	\$ 10,030,119	\$ 4,942,178
Salaries and Benefits Payable	1,585,162	1,632,901
Student Payables	152,986	91,772
Accrued Interest	1,693,695	2,316,922
Other Payables	1,350,865	690,020
Total Payables	<u>\$ 14,812,827</u>	<u>\$ 9,673,793</u>

17. Funds Held in Trust by Others

As of August 31, 2021, there were no funds for the benefit of the District held in trust by others.

18. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accounts (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended but not collected are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that are not yet funded, and for which the institution has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years FY 2021 and FY 2020, for which monies have not been received nor funds expended totaled \$50,000 and \$41,329, respectively.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

19. Self Insurance

Effective September 1, 2003, the District began participating in a public entity risk pool for worker's compensation. The participants of the pool include several other public junior and community colleges. The plan provides coverage to each participant with the District's individual loss fund maximum of \$838,670 and \$713,041 at August 31, 2021 and 2020, respectively, which is based on estimated payroll.

The liability for claims incurred but not reported under the self-insured plan is \$53,209 and \$41,739 as of August 31, 2021 and 2020, respectively, and is included in the accompanying statement of net position. Future payments for the claims will be paid from the accrued liability.

Self-insurance activity for the years ended August 31, 2021 and 2020 was as follows:

Liability for the Year Ended August 31	Liability at Beginning of Fiscal Year	Adjustments	Additions	Reductions for Claims Paid	Balance of Liability at End of Fiscal Year
2021	\$ 713,041		\$ 248,160	\$ (122,531)	\$ 838,670
2020	\$ 541,733	\$ -	\$ 255,186	\$ (83,878)	\$ 713,041

20. Property Tax

The District's ad valorem property tax is levied each October 1, on the assessed value listed as of the prior January 1, for all real, business/land personal property located in the tax area of the District. Property taxes are recorded on an accrual basis of accounting. At August 31:

	2021	2020
Assessed valuation of the College	\$ 4,651,662,687	\$ 4,353,314,921
Less exemptions	(946,823,384)	(891,818,785)
Net assessed valuation of the College	<u>\$ 3,704,839,303</u>	<u>\$ 3,461,496,136</u>

	2021		
	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized	\$ 0.0513		\$ 0.0513
Tax rate per \$100 valuation for assessed	\$ 0.0513		\$ 0.0513

	2020		
	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized	\$ 0.0560	\$ -	\$ 0.0560
Tax rate per \$100 valuation for assessed	\$ 0.0560		\$ 0.0560

Tax levied for the years ended August 31, 2021 and 2020 is \$2,288,957 and \$2,221,183, respectively (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

20. Property Tax (continued)

Under GASB Statement No. 33, *Accounting and Financial Reporting for Non Exchange Transactions*, ad valorem taxes are imposed non-exchange revenue. Asset from imposed non-exchange transactions are recorded when the entity has an enforceable legal claim to the assets or when the entity receives resources, whichever comes first. The enforceable legal claim date for ad valorem taxes is the assessment date. The District has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

Taxes Collected at August 31,

	2021	2020
Current	\$ 2,266,995	\$ 2,181,577
Delinquent	31,080	32,011
Penalties and Interest	10,632	11,194
Total Gross Collections	\$ 2,308,707	\$ 2,224,782
Total Appraisal and Collection Fees	\$ (10,014)	\$ (11,144)
Total Net Collections	\$ 2,298,693	\$ 2,213,638

Tax collections for the year ended August 31, 2021 and 2020 were 99% and 98% of the respective tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or general obligation debt service.

21. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The District had no unrelated business income tax liability for the year ended August 31, 2021 and 2020.

22. Component Units

Blinn College District Foundation, Inc. – Discrete Component Unit

Blinn College District Foundation, Inc. (the Foundation) was established as a separate nonprofit organization in 1990, to raise funds to provide student scholarships and assistance in the development and growth of the District. Under GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, the Foundation is a component unit of the District because the District provides financial support to the Foundation and the economic resources received or held by the Foundation are entirely or almost entirely for the benefit of the District.

Accordingly, the Foundation financial statements are included in the District's annual report as a discrete component unit (see table of contents). As of the date the District's audit was released, the Foundation's 2021 audit was completed. Complete financial statements of Blinn College District Foundation, Inc. can be obtained from the administrative office of the Foundation.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2021

23. Related Parties

Blinn College District had no related party transactions as of August 31, 2021.

24. Prior Year Restatement

Blinn College District had no prior year restatements.

25. Subsequent Events

The 86th Texas Legislative session in 2019, Senate Bill 2309 transferred the “powers and duties” of the Star of the Republic Museum to the Texas Historical Commission on January 1, 2020.

During the 87th Texas Legislative session in 2021, Senate Bill 881 and companion House Bill 2660 addressed the remaining 3,196 objects owned outright by Blinn College District by amending jurisdiction of the Star of the Republic Museum and its contents, artifacts, structure, and land totaling to an estimated value of \$1,918,242 to the Texas Historical Commission. Blinn College District transferred ownership of the Star of the Republic Museum on October 11, 2021.

BLINN COLLEGE DISTRICT
Schedule of District's Proportionate Share of Net Pension Liability
Last Seven Fiscal Years **

Fiscal year ending August 31*,	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of collective net pension liability (%)	0.0419875%	0.0422327%	0.0418541%	0.0387386%	0.0293954%	0.0452052%	0.0467225%
District's proportionate share of collective net pension liability (\$)	\$ 22,487,626	\$ 21,953,887	\$ 23,037,533	\$ 12,386,505	\$ 11,108,069	\$ 15,979,437	\$ 12,480,226
State's proportionate share of net pension liability associated with District	16,818,061	15,776,296	15,059,655	9,982,550	15,412,959	9,193,423	7,104,883
Total	\$ 39,305,687	\$ 37,730,183	\$ 38,097,188	\$ 22,369,055	\$ 26,521,028	\$ 25,172,860	\$ 19,585,109
District's covered payroll	\$ 39,883,357	\$ 37,101,050	\$ 34,016,061	\$ 33,157,834	\$ 31,983,195	\$ 30,173,253	\$ 26,828,534
District's proportionate share of collective net pension liability as a percentage of covered payroll	56.38%	59.17%	67.73%	37.36%	34.73%	52.96%	46.51%
Plan Fiduciary net position as a percentage of the total pension liability	75.24%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

*The amounts presented above are as of the measurement date of the collective net pension liability for the respective fiscal year.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

BLINN COLLEGE DISTRICT
Schedule of District's Pension Contributions
Last Seven Fiscal Years**

Fiscal year ending August 31*,	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$1,813,200	\$1,741,257	\$1,485,890	\$1,308,142	\$1,277,307	\$1,236,765	\$1,338,546
Actual contributions	1,813,200	1,741,257	1,485,890	1,308,142	1,277,307	1,236,765	1,338,546
Contributions deficiency (excess)	-	-	-	-	-	-	-
District's covered-employee payroll amount	\$ 39,765,228	\$ 39,883,357	\$ 37,101,050	\$34,016,061	\$33,157,834	\$31,983,195	\$ 30,173,253
Contributions as a percentage of covered payroll	4.56%	4.37%	4.00%	3.85%	3.85%	3.87%	4.44%

*The amounts presented above are as of the District's respective fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

BLINN COLLEGE DISTRICT
Schedule of District's Proportionate Share of Net OPEB Liability
Implemented in Fiscal Year 2018*

Fiscal year ending August 31*,	2021	2020	2019	2018
District's proportionate share of collective net OPEB liability (%)	0.1832682%	0.1703017%	0.0165839%	0.0127383%
District's proportionate share of collective net OPEB liability (\$)	\$ 60,560,299	\$ 58,860,838	\$ 49,150,997	\$ 43,403,252
State's proportionate share of net OPEB liability associated with District	46,044,551	50,479,143	42,428,758	32,917,587
Total	\$ 106,604,850	\$ 109,339,981	\$ 91,579,755	\$ 76,320,839
District's covered payroll	\$ 46,709,565	\$ 44,158,765	\$ 41,519,643	\$ 41,192,021
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	129.65%	133.29%	118.38%	105.37%
Plan Fiduciary net position as a percentage of the total OPEB liability	0.32%	0.17%	1.27%	2.00%

*The amounts presented above are as of the measurement date of the collective net pension liability for the respective fiscal year.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

BLINN COLLEGE DISTRICT
Schedule of District's OPEB Contributions
Implemented in Fiscal Year 2018*

Fiscal year ending August 31*,	2021	2020	2019	2018
Legally required contributions	\$830,301	\$789,161	\$422,958	\$1,256,454
Actual contributions	830,301	789,161	422,958	1,256,454
Contributions deficiency (excess)	-	-	-	-
District's covered-employee payroll amount	\$46,441,221	\$46,709,564	\$44,158,765	\$41,519,643
Contributions as a percentage of covered payroll	1.79%	1.69%	0.96%	3.03%

*The amounts presented above are as of the College's respective fiscal year-end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

BLINN COLLEGE DISTRICT
Notes to Required Supplementary Information (RSI)
For Pensions
Year Ended August 31, 2021

1. Changes of Benefit Terms

The District implemented a 3 percent salary and wage increase effective September 1, 2020 for full time faculty/administrators and all staff.

2. Changes of Assumptions

Assumptions, methods, and plan changes which are specific to the Pension Trust Fund were updated from the prior year's report.

- The total pension liability as of August 31, 2020 was developed using a roll-forward method from the August 31, 2019 valuation.
- Demographic assumptions including postretirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2019.
- Economic assumptions including rates of salary increase for individual participants was updated based on the same experience study.
- The change in the long-term assumed rate of return combined with the change in the single discount rate was the primary reason for the increase in the net pension liability.
- For a detail discussion regarding the changes of assumptions, please refer to the August 31, 2020 TRS CAFR.

BLINN COLLEGE DISTRICT
Notes to Required Supplementary Information (RSI)
For OPEB
Year Ended August 31, 2021

1. Changes of Benefit Terms

The valuation reflects the minor benefit changes that will become effective January 1, 2021, since these changes were communicated to plan members in advance of the preparation of this report. These changes, which are not expected to have a significant impact on plan costs for fiscal year 2021, are provided for in the fiscal year 2021 Assumed Per Capita Health Benefit Costs. There were no benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

2. Changes of Assumptions

Changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period were as follows:

- Demographic assumptions (including rates of preretirement and post-disability, mortality, termination, salary, aggregate payroll increases, and assumed rate of general inflation)
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent experience and its effects on our short-term expectations.
- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- The percentage of future female retirees assumed to be married and electing coverage for their spouse and the proportion of future retirees assumed to cover dependent children have been updated to reflect recent plan experience and expected trends.
- The discount rate assumption was changed from 2.97% as of August 31, 2019 to 2.20% as of August 31, 2020 to utilize the updated yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.
- For a detail discussion regarding the changes of assumptions, please refer to the August 31, 2020 ERS CAFR.

BLINN COLLEGE DISTRICT
Schedule of Operating Revenues
Year Ended August 31, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)

	Educational Activities		Total Educational Activities	Auxiliary Enterprises	2021 Total	2020 Total
	Unrestricted	Restricted				
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 394,072	\$ -	\$ 394,072	\$ -	\$ 394,072	\$ 547,296
Out-of-district resident tuition	39,626,298	-	39,626,298	-	39,626,298	43,389,204
Non-resident tuition	2,472,434	-	2,472,434	-	2,472,434	2,737,525
TPEG - credit (set aside) *	1,196,513	-	1,196,513	-	1,196,513	1,367,261
State funded continuing education	494,727	-	494,727	-	494,727	421,168
Non-State funded continuing education	81,400	-	81,400	-	81,400	13,550
Total Tuition	<u>44,265,444</u>	<u>-</u>	<u>44,265,444</u>	<u>-</u>	<u>44,265,444</u>	<u>48,476,004</u>
Fees:						
General fee	25,155,602	-	25,155,602	-	25,155,602	27,220,186
Laboratory and course fees	5,163,632	-	5,163,632	-	5,163,632	3,598,710
Incidental fees	179,823	-	179,823	-	179,823	160,458
Other fees	-	-	-	359,345	359,345	98,663
Total fees	<u>30,499,057</u>	<u>-</u>	<u>30,499,057</u>	<u>359,345</u>	<u>30,858,402</u>	<u>31,078,017</u>
Allowances and discounts:						
Bad debt allowance	(637,984)	-	(637,984)	-	(637,984)	(549,166)
Scholarship allowances	(810,470)	-	(810,470)	-	(810,470)	(944,422)
Remissions and exemptions	(3,489,304)	-	(3,489,304)	-	(3,489,304)	(4,095,411)
TPEG allowances	(713,008)	-	(713,008)	-	(713,008)	(424,167)
Federal and State grants to students	(8,741,192)	-	(8,741,192)	-	(8,741,192)	(11,541,488)
Other	-	-	-	-	-	-
Total allowances and discounts	<u>(14,391,958)</u>	<u>-</u>	<u>(14,391,958)</u>	<u>-</u>	<u>(14,391,958)</u>	<u>(17,554,654)</u>
Total net tuition and fees	<u>60,372,543</u>	<u>-</u>	<u>60,372,543</u>	<u>359,345</u>	<u>60,731,888</u>	<u>61,999,367</u>
Additional operating revenues:						
Federal grants and contracts	-	1,463,126	1,463,126	-	1,463,126	1,196,493
State grants and contracts	-	1,347,984	1,347,984	-	1,347,984	2,355,633
Sales and services of educational activities	370,388	-	370,388	-	370,388	372,415
Other operating revenues	307,362	-	307,362	-	307,362	144,857
Total additional operating revenues	<u>677,750</u>	<u>2,811,110</u>	<u>3,488,860</u>	<u>-</u>	<u>3,488,860</u>	<u>4,069,398</u>
Auxiliary enterprises:						
Residential life	-	-	-	3,649,822	3,649,822	4,405,808
Scholarships allowances and discounts	-	-	-	(593,668)	(593,668)	(510,477)
Net residential life	-	-	-	3,056,154	3,056,154	3,895,331
Cafeteria	-	-	-	3,246,843	3,246,843	3,826,344
Scholarship allowances and discounts	-	-	-	(302,073)	(302,073)	(214,726)
Net cafeteria	-	-	-	2,944,770	2,944,770	3,611,618
Bookstore	-	-	-	481,979	481,979	925,231
Scholarship allowances and discounts	-	-	-	(137,139)	(137,139)	(114,808)
Net bookstore	-	-	-	344,840	344,840	810,423
Parking	-	-	-	893,489	893,489	1,937,272
Other auxiliary	-	-	-	389,804	389,804	447,506
Total net auxiliary enterprises	-	-	-	7,629,057	7,629,057	10,702,150
Total Operating Revenues	<u>\$ 61,050,293</u>	<u>\$ 2,811,110</u>	<u>\$ 63,861,403</u>	<u>\$ 7,988,402</u>	<u>\$ 71,849,805</u>	<u>\$ 76,770,915</u>

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code §56.033, \$1,196,513 and \$1,367,261 for the years ended August 31, 2021 and 2020, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

BLINN COLLEGE DISTRICT
Schedule of Operating Expenses By Object
Year Ended August 31, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)

	Operating Expenses			2021 Total	2020 Total	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
Unrestricted - Educational Activities:						
Instruction	\$ 30,836,088	\$ -	\$ 8,447,145	\$ 1,469,822	\$ 40,753,055	\$ 40,498,085
Public Service	61,887	-	363	20,545	82,795	149,492
Academic Support	6,202,826	-	1,818,775	1,974,801	9,996,402	9,928,334
Student Services	4,404,176	-	1,302,698	882,933	6,589,807	6,640,715
Institutional Support	6,349,445	-	2,337,273	4,591,597	13,278,315	14,722,927
Operation and Maintenance of Plant	3,509,925	-	1,671,473	14,031,787	19,213,185	14,214,495
Scholarships and Fellowships	-	-	-	968,437	968,437	1,128,497
Total Unrestricted - Educational Activities	<u>51,364,347</u>	<u>-</u>	<u>15,577,727</u>	<u>23,939,922</u>	<u>90,881,996</u>	<u>87,282,545</u>
Restricted - Educational Activities:						
Instruction	123,129	3,965,672	31,735	216,989	4,337,525	4,223,698
Public Service	206,288	5,654	95,397	356,446	663,785	1,117,086
Academic Support	-	835,819	-	-	835,819	835,819
Student Services	-	687,891	-	-	687,891	687,891
Institutional Support	461,736	1,897,230	95,398	72,590	2,526,954	2,645,113
Scholarships and Fellowships	-	-	-	11,972,526	11,972,526	11,318,148
Total Restricted - Educational Activities	<u>791,153</u>	<u>7,392,266</u>	<u>222,530</u>	<u>12,618,551</u>	<u>21,024,500</u>	<u>20,827,755</u>
Total Educational Activities	<u>52,155,500</u>	<u>7,392,266</u>	<u>15,800,257</u>	<u>36,558,473</u>	<u>111,906,496</u>	<u>108,110,300</u>
Auxiliary Enterprises	3,602,768	-	2,037,187	3,587,968	9,227,923	9,778,274
Amortization Expense - Intangibles				100,000	100,000	100,000
Depreciation Expense - Buildings and other real estate improvements	-	-	-	4,616,583	4,616,583	4,077,882
Depreciation Expense - Equipment, furniture and library books	-	-	-	1,167,002	1,167,002	1,047,851
Total Operating Expenses	<u>\$ 55,758,268</u>	<u>\$ 7,392,266</u>	<u>\$ 17,837,444</u>	<u>\$ 46,030,026</u>	<u>\$ 127,018,004</u>	<u>\$ 123,114,307</u>
				(Exhibit 2)	(Exhibit 2)	

BLINN COLLEGE DISTRICT
Schedule of Non-Operating Revenues and Expenses
Year Ended August 31, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)

	2021		Total	2020
	Unrestricted	Restricted		Total
Non-Operating Revenues:				
State appropriations:				
Education and General state support	\$ 24,471,031	\$ -	\$ 24,471,031	\$ 24,609,409
State group insurance	-	4,188,804	4,188,804	4,188,808
State retirement matching	-	3,231,618	3,231,618	4,092,265
Total state appropriations	<u>24,471,031</u>	<u>7,420,422</u>	<u>31,891,453</u>	<u>32,890,482</u>
Property taxes	2,274,867	-	2,274,867	2,190,612
Federal revenue, non operating	-	47,983,861	47,983,861	28,383,013
Gifts	-	769,766	769,766	154,769
Investment income	748,628	-	748,628	2,274,703
Gain on disposal of capital assets	-	-	-	404
Unrealized gain (loss) on investments	66,590	-	66,590	493,109
Other	-	3,233,290	3,233,290	-
Total non-operating revenues	<u>27,561,116</u>	<u>59,407,339</u>	<u>86,968,455</u>	<u>66,387,092</u>
Non-Operating Expenses:				
Interest on capital related debt	4,020,115	-	4,020,115	3,116,339
Bond issuance costs	17,618	-	17,618	400
Loss on disposal of capital assets	-	14,390	14,390	-
Other expenses	-	7,076,956	7,076,956	7,070,956
Total non-operating expenses	<u>4,037,733</u>	<u>7,091,346</u>	<u>11,129,079</u>	<u>10,187,695</u>
Net non-operating revenues	<u>\$ 23,523,383</u>	<u>\$ 52,315,993</u>	<u>\$ 75,839,376</u>	<u>\$ 56,199,397</u>
			(Exhibit 2)	(Exhibit 2)

BLINN COLLEGE DISTRICT
Schedule of Net Position by Source and Availability
Year Ended August 31, 2021
(With Memorandum Totals for the Year Ended August 31, 2020)

	Detail by Source					Total	Available for Current Operations		
	Unrestricted	Restricted		Non-Expendable	Capital Assets Net of Depreciation and Related Debt		Total	Available for Current Operations	
		Expendable	Non-Expendable					Yes	No
Current:									
Unrestricted	\$ (11,846,066)	\$ -	\$ -	-	-	\$ (11,846,066)	\$ (11,846,066)	\$ -	
Student aid		2,160,632	-	-	-	2,160,632	-	2,160,632	
Star of Republic Museum		(734,703)	-	-	-	(734,703)	-	(734,703)	
Auxiliary enterprises		-	-	-	-	-	-	-	
Endowment:									
Expendable		-	-	-	-	-	-	-	
Non-expendable		-	-	-	-	-	-	-	
Plant:									
Debt service		8,918,600	-	-	-	8,918,600	-	8,918,600	
Investment in plant		-	-	-	101,200,224	101,200,224	-	101,200,224	
Total Net Position, August 31, 2021	21,051,045	10,344,529	-	-	101,200,224	132,595,798 (Exhibit 1)	21,051,045	111,544,753	
Total Net Position, August 31, 2020	5,133,540	10,388,335	-	-	94,245,516	109,767,391 (Exhibit 2)	5,133,540	104,633,851	
Net Increase (Decrease) in Net Position	\$ 15,917,505	\$ (43,806)	\$ -	\$ -	\$ 6,954,708	\$ 22,828,407 (Exhibit 2)	\$ 15,917,505	\$ 6,910,902	

BLINN COLLEGE DISTRICT
Schedule of Expenditures of Federal Awards
For The Year Ended August 31, 2021

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Education Opportunity Grant	84.007	P007A193969	15,791
Federal Supplemental Education Opportunity Grant	84.007	P007A203969	388,758
			<u>404,549</u>
Federal Work Study Program	84.033	P033A203969	311,601
			<u>311,601</u>
Federal Pell Grant	84.063	P063P202262	18,042,712
			<u>18,042,712</u>
Federal Direct Student Loan Program	84.268	P268K192262	27,216,903
			<u>27,216,903</u>
Total Student Financial Assistance Cluster			<u>45,975,765</u>
HEERF Institutional Funds	84.425F	P425F204268	20,730,982
HEERF Strengthening Funds	84.425M	P425M200832	1,537,839
HEERF Emergency Aid to Students	84.425E	P425E201667	7,076,956
			<u>29,345,777</u>
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	214216	448,082
			<u>448,082</u>
Texas Workforce Commission			
Brazos Valley Council of Governments			
Federal Audit Education Literacy	84.002	1618ALA000-4	62,043
Federal Audit Education Literacy- IET	84.002	1618ALA000-4	5,224
Federal Audit Education Literacy- Professional Development	84.002	1618ALA000-4	1,050
Federal Audit Education Literacy- Intensive	84.002	1618ALA000-4	1,403
Federal Audit Education Literacy	84.002	1618ALA000	299,089
Federal Audit Education Literacy- Corrections	84.002	1618ALA000	136
Federal Audit Education Literacy- IET	84.002	1618ALA000	75,000
Federal Audit Education Literacy- Professional Development	84.002	1618ALA000	5,824
Federal Audit Education Literacy- EL Civics	84.002	1618ALA000	90,000
			<u>539,769</u>
Total U.S. Department of Education			<u>76,309,393</u>
<u>U.S. Department of Agriculture</u>			
Pass-Through from:			
Texas A and M Agrilife Research	10.226	M2001195	23,817
			<u>23,817</u>
<u>U.S. Small Business Administration</u>			
Pass-Through from:			
University of Houston:			
Small Business Development Center	59.037	R-21-0080-53803	102,133
Small Business Development Center	59.037	R-20-0052-53803	37,724
Total U.S. Small Business Administration			<u>139,857</u>
<u>U.S. Department of Education</u>			
Pass-Through from:			
Texas Higher Education Coordinating Board			
Education Stabilization Fund -Governor's Emergency Education Relief Fund			
Texas Educational Opportunity Grant Program (TEOG) from GEER Funding	84.425C		97,047
GEER Emergency Grant Funding	84.425C		93,776
Total U.S. Department of Education			<u>190,823</u>
Total Expenditures of Federal Awards			<u>\$ 76,663,890</u>
<u>Federal Direct Student Loan Program, CFDA 84.268, includes the following:</u>			
Direct Subsidized Loans			\$ 10,962,166
Direct Unsubsidized Loans			13,270,898
Direct PLUS Loans			2,983,839
			<u>\$ 27,216,903</u>

See accompanying notes to Schedules of Expenditures of Federal and State Awards.

BLINN COLLEGE DISTRICT
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2021

Grantor Agency Program Title	Grant Contract Number	Expenditures and Pass Through Disbursements
Texas Higher Education Coordinating Board:		
Texas Educational Opportunity Grant Program (TEOG)		959,415
Texas State Work Study		36,326
Nursing Shortage Reduction Program FY 19 Over 70	NSRPFY19O70	65,734
		<u>1,061,475</u>
Texas Workforce Commission		
Skills Development-Oak Grove Management Company LLC	1619SDF001	159,666
Skills Development-Covid 19 Special Initiative	1620COS001	125,536
Skills Development-Igloo 21	2821SDF004	1,307
		<u>286,509</u>
 Total Expenditures of State Awards		 <u>\$ 1,347,984</u>

See accompanying notes to Schedules of Expenditures of Federal and State Awards.

BLINN COLLEGE DISTRICT
Notes to Schedules of Expenditures of Federal and State Awards
Year Ended August 31, 2021

1. Relationship to Financial Statements

	Federal	State
Federal Grants and Contracts Revenue -Per Schedule A	\$ 1,463,126	\$ 1,347,984
Add Financial Aid Loans	27,216,903	
Add Non-operating Federal Revenue -Per Schedule C	47,983,861	
Total per Schedule of Expenditures of Federal and State Awards	\$ 76,663,890	\$ 1,347,984

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules present the activity of all Federal and State programs of the District for the year ended August 31, 2021. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedules. Since the District does not have an agency approved indirect recovery rate, it has elected to use the 10% de minimis cost rate as per permitted in the UG, section 200.414.

3. Relationship to Federal and State Financial Reports

Differences between amounts reflected in the financial reports filed with grantor agencies for the programs and in the schedules of expenditures of Federal and State awards are due to different program year ends and accruals that will be reflected in the next report filed with the agencies.

STATISTICAL SUPPLEMENTS (UNAUDITED)

Blinn College District

Net Position by Component
Fiscal Years 2012 to 2021
(Unaudited)

For the Fiscal Year Ended August 31,
(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Net Investment in capital assets	\$ 101,200	\$ 94,246	\$ 91,307	\$ 91,525	\$ 83,337	\$ 74,486	\$ 74,169	\$ 67,994	\$ 63,707	\$ 61,626
Restricted - expendable	10,345	10,388	10,966	7,710	7,283	7,540	5,836	5,588	5,525	5,397
Restricted - nonexpendable	-	-	9,376	9,776	9,737	9,618	9,622	9,599	9,537	9,333
Unrestricted	21,051	5,133	(1,355)	(16,893)	26,749	18,580	3,160	15,913	12,825	11,129
Total	\$ 132,596	\$ 109,767	\$ 110,294	\$ 92,118	\$ 127,106	\$ 110,224	\$ 92,787	\$ 99,094	\$ 91,594	\$ 87,485
Net position, beginning of year	109,767	110,294	92,118	127,106	110,224	92,787	99,094	91,594	87,485	82,823
Increase (decrease) in net position	\$ 22,829	\$ (527)	\$ 18,176	\$ (34,988)	\$ 16,882	\$ 17,437	\$ (6,307)	\$ 7,500	\$ 4,109	\$ 4,662

Blinn College District

Revenues by Source
Fiscal Years 2012 to 2021
(Unaudited)

For the Year Ended August 31,
(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and fees (net of discounts)	\$ 60,732	\$ 61,999	\$ 60,569	\$ 57,000	\$ 55,653	\$ 55,048	\$ 48,807	\$ 45,156	\$ 42,247	\$ 39,354
Governmental grants and contracts										
Federal Grants and Contracts	1,463	1,196	1,230	801	655	633	574	662	651	791
State and local grants and contracts	1,348	2,356	3,344	2,634	2,035	2,025	1,994	1,494	1,085	1,090
Sales and services of educational activities	370	372	605	513	565	692	386	441	310	288
Auxiliary enterprises (net of discounts)	7,629	10,702	14,161	13,526	11,925	11,908	7,986	8,372	7,528	7,962
Other operating revenues	307	145	378	651	459	581	277	249	143	118
Total Operating Revenues	71,849	76,771	80,287	75,125	71,292	70,887	60,024	56,374	51,964	49,603
State appropriations	31,891	32,890	30,709	30,832	30,815	30,198	27,873	26,928	24,480	24,814
Ad valorem taxes	2,275	2,191	1,939	1,966	1,831	1,823	1,671	1,638	1,504	1,471
Federal revenue, nonoperating	47,984	28,383	21,181	19,768	18,907	18,594	19,751	19,334	18,647	19,799
Federal grant related to capital dept	-	-	-	-	-	-	-	-	-	-
Unrealized gain on investments	67	493	133	4	-	205	-	318	-	171
Investment income	749	2,275	2,865	1,654	1,052	619	293	307	341	543
Other non-operating revenues	770	155	1,927	626	1,037	2,401	226	289	288	259
Total Non-Operating Revenues	83,736	66,387	58,754	54,850	53,642	53,840	49,814	48,814	45,260	47,057
Total Revenues	\$ 155,585	\$ 143,158	\$ 139,040	\$ 129,975	\$ 124,934	\$ 124,727	\$ 109,838	\$ 105,188	\$ 97,224	\$ 96,660

For the Year Ended August 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition and fees (net of discounts)	39.03%	43.31%	43.56%	43.85%	44.55%	44.13%	44.44%	42.93%	43.45%	40.71%
Governmental grants and contracts										
Federal grants and contracts	0.94%	0.84%	0.88%	0.62%	0.52%	0.51%	0.52%	0.63%	0.67%	0.82%
State grants and contracts	0.87%	1.65%	2.40%	2.03%	1.63%	1.62%	1.82%	1.42%	1.12%	1.13%
Sales and services of educational activities	0.24%	0.26%	0.44%	0.39%	0.45%	0.55%	0.35%	0.42%	0.32%	0.30%
Auxiliary enterprises	4.90%	7.48%	10.18%	10.41%	9.55%	9.55%	7.27%	7.96%	7.74%	8.24%
Other operating revenues	0.20%	0.10%	0.27%	0.50%	0.37%	0.47%	0.25%	0.23%	0.15%	0.12%
Total Operating Revenues	46.18%	53.63%	57.74%	57.80%	57.06%	56.83%	54.64%	53.59%	53.45%	51.32%
State appropriations	20.50%	22.97%	22.09%	23.72%	24.67%	24.21%	25.38%	25.60%	25.18%	25.67%
Ad valorem taxes	1.46%	1.53%	1.39%	1.51%	1.47%	1.46%	1.52%	1.56%	1.55%	1.52%
Federal revenue, nonoperating	30.84%	19.83%	15.23%	15.21%	15.13%	14.91%	17.98%	18.38%	19.18%	20.48%
Federal grant related to capital debt	-	-	-	-	-	-	-	-	0.00%	-
Unrealized gain on investments	0.04%	0.34%	0.10%	0.00%	-	0.16%	-	0.30%	0.00%	0.18%
Investment income	0.48%	1.59%	2.06%	1.27%	0.84%	0.50%	0.27%	0.29%	0.35%	0.56%
Other non-operating revenues	0.49%	0.11%	1.39%	0.48%	0.83%	1.93%	0.21%	0.27%	0.29%	0.27%
Total Non-Operating Revenues	53.82%	46.37%	42.26%	42.20%	42.94%	43.17%	45.36%	46.41%	46.55%	48.68%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Blinn College District

Program Expenses by Function

SS-3

Fiscal Years 2012 to 2021
(Unaudited)

For the Year Ended August 31,

(amounts expressed in thousands)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	\$ 45,091	\$ 44,722	\$ 43,573	\$ 39,706	\$ 41,675	\$ 41,288	\$ 41,774	\$ 39,598	\$ 38,820	\$ 38,398
Public service	747	1,267	2,819	1,883	1,702	1,653	1,315	970	805	856
Academic support	10,832	10,764	9,627	8,590	6,500	6,230	5,950	4,639	4,164	4,113
Student services	7,278	7,329	6,821	6,428	6,368	6,328	6,064	5,682	5,077	5,299
Institutional support	15,805	17,368	15,473	14,633	14,473	14,459	11,332	10,248	8,828	8,370
Operation and maintenance of plant	19,213	14,214	12,123	13,395	8,553	11,420	8,193	8,901	8,520	8,302
Scholarships and fellowships	12,941	12,447	12,791	14,170	12,412	11,172	13,025	14,071	13,753	13,830
Auxiliary enterprises	9,228	9,778	10,092	9,247	9,130	8,741	8,570	8,415	7,644	7,847
Amortization	100	100								
Depreciation	5,784	5,126	5,251	4,218	4,162	4,568	4,254	3,950	3,773	3,609
Total Operating Expenses	127,018	123,114	118,569	112,270	104,975	105,859	100,477	96,474	91,384	90,624
Interest on capital related debt	4,020	3,116	2,422	2,068	2,925	1,102	1,148	1,262	1,372	1,466
Other non-operating expenses	3,861	7,071	188	-	-	322	114	-	-	-
Loss on disposal of fixed assets	14	-	-	-	15	2	-	16	27	-
Unrealized loss on investments	-	-	-	-	173	-	289	-	538	-
Total Non-Operating Expenses	7,896	10,188	2,610	2,068	3,113	1,426	1,551	1,278	1,937	1,466
Total Expenses	\$ 134,914	\$ 133,302	\$ 121,180	\$ 114,338	\$ 108,088	\$ 107,285	\$ 102,028	\$ 97,752	\$ 93,321	\$ 92,090

For the Year Ended August 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	33.42%	33.55%	35.96%	34.73%	38.56%	38.48%	40.94%	40.51%	41.60%	41.70%
Public service	0.55%	0.95%	2.33%	1.65%	1.58%	1.54%	1.29%	0.99%	0.86%	0.93%
Academic support	8.03%	8.08%	7.94%	7.51%	6.01%	5.81%	5.83%	4.75%	4.46%	4.47%
Student services	5.39%	5.50%	5.63%	5.62%	5.89%	5.90%	5.94%	5.81%	5.44%	5.75%
Institutional support	11.72%	13.03%	12.77%	12.80%	13.39%	13.48%	11.11%	10.48%	9.46%	9.09%
Operation and maintenance of plant	14.24%	10.66%	10.00%	11.72%	7.91%	10.64%	8.03%	9.11%	9.13%	9.01%
Scholarships and fellowships	9.59%	9.34%	10.56%	12.39%	11.48%	10.41%	12.77%	14.39%	14.74%	15.02%
Auxiliary enterprises	6.84%	7.34%	8.33%	8.09%	8.45%	8.15%	8.40%	8.61%	8.19%	8.52%
Depreciation	4.36%	3.92%	4.33%	3.69%	3.85%	4.26%	4.17%	4.04%	4.04%	3.92%
Total Operating Expenses	94.15%	92.36%	97.85%	98.19%	97.12%	98.67%	98.48%	98.69%	97.92%	98.41%
Interest on capital related debt	2.98%	2.34%	2.00%	1.81%	2.71%	1.03%	1.13%	1.29%	1.47%	1.59%
Bond issuance costs	2.86%	5.30%	0.16%	0.00%	-	0.30%	0.11%	-	-	0.00%
Loss on disposal of fixed assets	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	-	0.02%	0.03%	-
Unrealized loss on investments	0.00%	0.00%	0.00%	0.00%	0.16%	-	0.28%	-	0.58%	-
Total Non-Operating Expenses	5.85%	7.64%	2.15%	1.81%	2.88%	1.33%	1.52%	1.31%	2.08%	1.59%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Blinn College District

Tuition and Fees
Last Ten Academic Years
(Unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	In-District Tuition	In-Service Area Tuition	Out-of-Service Area Tuition	Technology Fees	General Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2021	-	-	57		115	-	70	1,524	2,220	4.10%	3.35%
2020	-	-	55		112	-	67	1,464	2,148	3.39%	2.29%
2019	-	-	54		111	-	64	1,416	2,100	5.36%	3.55%
2018	-	-	52		109	-	60	1,344	2,028	10.89%	6.96%
2017	-	-	50		107	-	51	1,212	1,896	7.45%	-3.07%
2016	-	-	48	102	117	-	46	1,128	1,956	5.62%	19.85%
2015	-	-	45		92	-	44	1,068	1,632	0.00%	0.00%
2014	-	-	45		92	-	37	984	1,548	7.89%	4.88%
2013	-	-	42		89	-	34	912	1,476	5.56%	8.85%
2012	-	-	40		81	-	32	864	1,356	10.77%	15.31%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	General Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2021	-	-	274	274	-	70	4,128	4,128	1.47%	1.47%
2020	-	-	272	272	-	67	4,068	4,068	1.19%	1.19%
2019	-	-	271	271	-	64	4,020	4,020	2.45%	2.45%
2018	-	-	267	267	-	60	3,924	3,924	5.14%	5.14%
2017	-	-	260	260	-	51	3,732	3,732	26.42%	26.42%
2016	-	-	200	200	-	46	2,952	2,952	16.59%	16.59%
2015	-	-	167	167	-	44	2,532	2,532	3.43%	3.43%
2014	-	-	167	167	-	37	2,448	2,448	1.49%	1.49%
2013	-	-	167	167	-	34	2,412	2,412	5.24%	5.24%
2012	-	-	159	159	-	32	2,292	2,292	9.77%	9.77%

Note: Includes basic enrollment, tuition and fees, but excludes course based fees such as laboratory fees, testing fees, and certification fees.

Blinn College District

Assessed Value and Taxable Assessed Value of Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	(Amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2020-21	\$ 4,651,663	\$ (946,823)	3,704,840	79.65%	0.051300	-	0.051300
2019-20	4,353,315	(891,819)	3,461,496	79.51%	0.056000	-	0.056000
2018-19	4,239,094	(843,588)	3,395,506	80.10%	0.056000	-	0.056000
2017-18	3,662,571	(754,632)	2,907,939	79.40%	0.060100	-	0.060100
2016-17	3,231,517	(581,745)	2,649,772	82.00%	0.060100	-	0.060100
2015-16	3,188,948	(530,002)	2,658,946	83.38%	0.060100	-	0.060100
2014-15	2,972,792	(472,745)	2,500,047	84.10%	0.058400	-	0.058400
2013-14	2,847,226	(445,830)	2,401,396	84.34%	0.060000	-	0.060000
2012-13	2,720,993	(400,088)	2,320,905	85.30%	0.056700	-	0.056700
2011-12	2,670,752	(385,807)	2,284,945	85.55%	0.056600	-	0.056600

Notes: Property is assessed at full market value.
(a) per \$100 Taxable Assessed Valuation

Blinn College District

**State Appropriation per FTSE and Contact Hour
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour				State Appropriation per Contact Hour
	State Appropriation	FTSE ¹	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Continuing Education Contact Hours	Total Contact Hours	
2020-21	31,891,453	12,617	2,528	6,086,720	628,176	74,765	6,789,661	4.70
2019-20	32,890,482	13,479	2,440	6,799,248	637,776	50,505	7,487,529	4.39
2018-19	30,708,803	13,794	2,226	6,888,032	690,832	109,253	7,688,117	3.99
2017-18	30,832,306	13,446	2,293	6,738,448	703,136	115,464	7,557,048	4.08
2016-17	30,814,918	13,774	2,237	6,792,288	677,632	108,282	7,578,202	4.07
2015-16	30,198,162	14,092	2,143	6,902,944	694,464	105,461	7,702,869	3.92
2014-15	27,872,570	14,286	1,951	7,163,232	708,740	188,531	8,060,503	3.46
2013-14	26,928,177	13,830	1,947	6,923,216	812,944	132,628	7,868,788	3.42
2012-13	24,479,658	13,380	1,830	6,770,320	866,456	110,629	7,747,405	3.16
2011-12	24,813,874	13,570	1,829	6,928,224	790,760	161,112	7,880,096	3.15

Note:

FTSE as reported for Texas Higher Education Coordinating Board (<http://www.txhighereddata.org>)

Blinn College District

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Blue Bell Creameries	Manufacturing	84,317	69,105	64,602	66,007	68,553	67,693	73,986	56,281	50,509	40,673
Magnolia Oil & Gas Operating LLC	Oil and Gas	80,296	142,670	-	-	-	-	-	-	-	-
LCRA Transmission Services	Utilities	68,081	65,627	58,396	58,208	55,969	62,059	44,382	36,274	31,978	29,914
Aspen Midstream, LLC	Oil and Gas	62,824	-	-	-	-	-	-	-	-	-
Chesapeake Operating Inc	Oil and Gas	54,800	-	-	-	-	-	-	-	-	-
Valmont/ALS	Manufacturing	34,612	16,321	18,135	24,125	22,679	30,124	24,163	25,607	26,447	25,832
Geosouthern Operating II LLC	Oil and Gas	24,628	38,023	15,226	-	-	-	-	-	-	-
Sealy Texas Management, Inc.	Manufacturing	14,246	-	-	13,925	12,120	-	-	-	-	-
Germania Farm Mutual Aid	Insurance	13,672	-	-	13,326	11,834	11,844	11,743	11,652	11,972	11,981
Seminole Pipeline Company	Pipeline	13,066	-	-	-	-	-	-	-	-	-
Whitethorn Pipeline LLC	Pipeline	12,587	-	-	-	-	-	-	-	-	-
ETC Texas Pipeline, LTD	Pipeline	11,074	19,793	23,067	23,845	30,236	21,781	20,178	17,908	26,108	34,970
Lowe's Homecenters, Inc.	Retail	9,865	-	-	9,267	9,176	8,966	8,953	9,037	9,569	9,379
PFL Properties, LP	Oil and Gas	8,382	-	-	7,209	6,444	-	-	-	-	-
Moore Wallace North America	Manufacturing	8,344	-	-	-	6,796	7,556	8,258	7,564	11,921	14,778
ARI-Automotive Rentals, Inc.	Transportation	-	-	-	-	-	-	7,263	-	-	-
Brenham Wholesale Grocery	Groceries	-	-	-	7,196	7,660	8,055	8,215	8,082	7,134	7,264
DCP Austin Gathering LP	Oil and Gas	-	-	-	-	-	-	-	-	7,246	-
Del Sol Food Co Inc	Consumer Goods	-	-	-	7,555	-	-	-	-	-	-
Enervest Operating #397	Oil and Gas	-	-	13,918	-	-	8,920	13,089	8,841	-	-
Enervest Operating #399	Oil and Gas	-	-	26,023	24,918	23,802	44,369	70,188	69,593	-	-
Enervest Operating LLC	Oil and Gas	-	-	26,023	16,049	15,215	26,832	-	-	97,315	113,585
HD Development Properties, LP	Commercial	-	-	-	-	-	-	-	-	-	-
Hyperion Energy LP	Oil and Gas	-	-	-	-	-	9,447	8,718	7,760	8,456	6,819
Imus, John D ET UX	Private	-	-	-	-	6,427	-	-	-	-	-
Longwood Elastomers, Inc.	Manufacturing	-	-	-	10,889	11,040	10,836	10,145	9,015	8,031	6,772
MIC Group LLC (West)	Manufacturing	-	-	-	7,292	11,456	16,492	19,341	19,586	19,562	14,488
MIC LLC (East)	Manufacturing	-	-	-	7,666	9,771	11,036	11,005	11,487	11,801	15,400
Mount Vernon Mill, Inc.	Manufacturing	-	-	-	-	-	-	-	-	-	-
PI Components Corp.	Manufacturing	-	-	-	7,228	7,293	10,649	9,908	10,248	9,987	9,526
Sabra Texas Holdings, LP	Healthcare	-	-	-	8,000	-	-	-	-	-	-
Sealy Mattress	Manufacturing	-	-	-	-	-	11,366	-	7,027	6,769	6,237
Southern Bay Operating, LLC	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Southwestern Telephone Company	Telephone	-	-	-	-	-	-	-	-	6,487	8,244
Tarlton Supply Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-
Valmont/ALS - Abated	Manufacturing	-	-	-	-	-	8,531	8,874	8,814	-	-
Wal-Mart Properties #4109	Retail	-	-	-	-	-	-	-	-	-	6,124
Wal-Mart Real Estate Business	Retail	-	-	-	7,727	7,196	-	7,600	7,694	8,394	8,107
Bluebonnet Electric Coop.	Utilities	-	17,569	16,793	15,798	15,776	15,543	14,285	11,792	10,865	11,640
BNSF Railway Company	Transportation	-	18,413	17,662	15,630	15,185	13,930	13,975	13,917	12,902	11,327
Wildhorse Resources Mgmt Co/Chesapeake	Oil and Gas	-	45,216	-	-	-	-	-	-	-	-
Totals		\$ 500,794	\$ 432,737	\$ 279,845	\$ 351,860	\$ 354,628	\$ 406,029	\$ 394,269	\$ 358,179	\$ 383,453	\$ 393,060
Total Taxable Assessed Value		\$ 3,461,496	\$ 3,395,506	\$ 2,907,939	\$ 2,649,772	\$ 2,658,946	\$ 2,500,047	\$ 2,401,396	\$ 2,320,905	\$ 2,284,945	\$ 2,263,554

Blinn College District

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Blue Bell Creameries	Manufacturing	2.28%	2.41%	2.38%	2.44%	2.48%	2.74%	2.82%	3.19%	2.46%	2.23%
Magnolia Oil & Gas Operating LLC	Oil and Gas	2.17%	2.30%	4.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
LCRA Transmission Services	Utilities	1.84%	1.95%	2.26%	2.20%	2.19%	2.24%	2.58%	1.91%	1.59%	1.41%
Aspen Midstream, LLC	Oil and Gas	1.70%	1.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chesapeake Operating Inc	Oil and Gas	1.48%	1.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valmont/ALS	Manufacturing	0.93%	0.99%	0.56%	0.68%	0.91%	0.91%	1.25%	1.04%	1.12%	1.17%
Geosouthern Operating II LLC	Oil and Gas	0.66%	0.70%	1.31%	0.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sealy Texas Management, Inc.	Manufacturing	0.38%	0.41%	0.00%	0.00%	0.52%	0.48%	0.00%	0.00%	0.00%	0.00%
Germania Farm Mutual Aid	Insurance	0.37%	0.39%	0.00%	0.00%	0.50%	0.47%	0.49%	0.51%	0.51%	0.53%
Seminole Pipeline Company	Pipeline	0.35%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Whitethorn Pipeline LLC	Pipeline	0.34%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ETC Texas Pipeline, LTD	Pipeline	0.30%	0.32%	0.68%	0.87%	0.90%	1.21%	0.91%	0.87%	0.78%	1.15%
Lowe's Homecenters, Inc.	Retail	0.27%	0.28%	0.00%	0.00%	0.35%	0.37%	0.37%	0.39%	0.40%	0.42%
PFL Properties, LP	Oil and Gas	0.23%	0.24%	0.00%	0.00%	0.27%	0.26%	0.00%	0.00%	0.00%	0.00%
Moore Wallace North America	Manufacturing	0.23%	0.24%	0.00%	0.00%	0.00%	0.27%	0.31%	0.36%	0.33%	0.53%
ARI-Automotive Rentals, Inc.	Transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	0.00%	0.00%
Brenham Wholesale Grocery	Groceries	0.00%	0.00%	0.00%	0.00%	0.27%	0.31%	0.34%	0.35%	0.35%	0.32%
DCP Austin Gathering LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
Del Sol Food Co Inc	Consumer Goods	0.00%	0.00%	0.00%	0.00%	0.28%	0.00%	0.00%	0.00%	0.00%	0.00%
Enervest Operating #397	Oil and Gas	0.00%	0.00%	0.00%	0.53%	0.00%	0.00%	0.37%	0.56%	0.39%	0.00%
Enervest Operating #399	Oil and Gas	0.00%	0.00%	0.00%	0.98%	0.94%	0.95%	1.85%	3.02%	3.05%	0.00%
Enervest Operating LLC	Oil and Gas	0.00%	0.00%	0.00%	0.98%	0.60%	0.61%	1.12%	0.00%	0.00%	4.30%
HD Development Properties, LP	Commercial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hyperion Energy LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.39%	0.38%	0.34%	0.37%
Imus, John D ET UX	Private	0.00%	0.00%	0.00%	0.00%	0.00%	0.26%	0.00%	0.00%	0.00%	0.00%
Longwood Elastomers, Inc.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.41%	0.44%	0.45%	0.44%	0.39%	0.35%
MIC Group LLC (West)	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.27%	0.46%	0.69%	0.83%	0.86%	0.86%
MIC LLC (East)	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.29%	0.39%	0.46%	0.47%	0.50%	0.52%
Mount Vernon Mill, Inc.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PI Components Corp.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.27%	0.29%	0.44%	0.43%	0.45%	0.44%
Sabra Texas Holdings, LP	Healthcare	0.00%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
Sealy Mattress	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.31%	0.30%
Southern Bay Operating, LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Telephone Company	Telephone	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%
Tariton Supply Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valmont/ALS - Abated	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.38%	0.39%	0.00%
Wal-Mart Properties #4109	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Real Estate Business	Retail	0.00%	0.00%	0.00%	0.00%	0.29%	0.29%	0.00%	0.33%	0.34%	0.37%
Bluebonnet Electric Coop.	Utilities	0.00%	0.00%	0.60%	0.63%	0.59%	0.63%	0.65%	0.62%	0.52%	0.48%
BNSF Railway Company	Transportation	0.00%	0.00%	0.63%	0.67%	0.59%	0.61%	0.58%	0.60%	0.61%	0.57%
Wildhorse Resources Mgmt Co/Chesapeake	Oil and Gas	0.00%	0.00%	1.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		13.52%	12.38%	9.62%	13.28%	13.34%	16.24%	16.42%	15.43%	16.78%	17.36%

Source: Washington County Appraisal District

Blinn College District

Property Tax Levies and Collections
Last Ten Tax Years
(Unaudited)

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Current Collections of Prior Levies (b) (c)	Total Collections	Cumulative Collections of Adjusted Levy
2021	2,252,307	(47,426)	2,204,881	2,267,614	102.85%	31,080	2,298,694	104.25%
2020	2,221,183	(47,065)	2,174,118	2,181,577	100.34%	32,011	2,213,588	101.82%
2019	2,067,287	(23,398)	2,043,889	2,040,819	99.85%	30,941	2,071,760	101.36%
2018	1,981,872	(45,420)	1,936,452	1,894,260	97.82%	30,594	1,924,854	99.40%
2017	1,851,272	(38,570)	1,812,702	1,775,179	97.93%	27,305	1,802,484	99.44%
2016	1,838,348	(35,031)	1,803,317	1,767,777	98.03%	25,916	1,793,693	99.47%
2015	1,680,949	(26,917)	1,654,032	1,621,330	98.02%	29,302	1,650,632	99.79%
2014	1,649,667	(31,658)	1,618,009	1,582,334	97.80%	33,684	1,616,018	99.88%
2013	1,511,362	(26,486)	1,484,876	1,444,807	97.30%	34,592	1,479,399	99.63%
2012	1,479,882	(27,547)	1,452,335	1,414,185	97.37%	34,014	1,448,199	99.72%

Source: Washington County Tax Assessor/Collector

(a) As reported in notes to the financial statements for the year of the levy.

(b) As of August 31st of the current reporting year.

(c) Property tax only - does not include penalties and interest

Blinn College District

Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Other Debt										
Revenue bonds	\$ 109,265	\$ 98,755	\$ 102,300	\$ 76,635	\$ 80,140	\$ 83,805	\$ 40,730	\$ 34,315	\$ 37,575	\$ 40,375
Unamortized Bond Premiums										
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 109,265	\$ 98,755	\$ 102,300	\$ 76,635	\$ 80,140	\$ 83,805	\$ 40,730	\$ 34,315	\$ 37,575	\$ 40,375
Total Outstanding Debt Ratios										
Per Capita	2.98	2.75	2.91	2.18	2.29	2.41	1.17	1.00	1.10	1.19
Per FTSE	7.92	7.16	7.42	5.70	5.82	5.95	2.85	2.48	2.81	2.98
As a percentage of Taxable Assessed Value	3.13%	3.40%	3.52%	2.89%	3.01%	3.35%	1.70%	1.48%	1.64%	1.78%

Notes: Ratios calculated using population and TAV from current year. Debt per student calculated using full-time-student-equivalent enrollment.

Blinn College District
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amount expressed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Taxable Assessed Value	\$ 3,704,840	\$ 3,461,496	\$ 3,395,506	\$ 2,907,939	\$ 2,649,772	\$ 2,658,946	\$ 2,500,047	\$ 2,401,396	\$ 2,320,905	\$ 2,284,945
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	18,524	17,307	16,978	14,540	13,249	13,295	12,500	12,007	11,605	11,425
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	18,524	17,307	16,978	14,540	13,249	13,295	12,500	12,007	11,605	11,425
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 18,524	\$ 17,307	\$ 16,978	\$ 14,540	\$ 13,249	\$ 13,295	\$ 12,500	\$ 12,007	\$ 11,605	\$ 11,425
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: Texas Education Code Section 130.122 limits the debt service tax levy of community colleges to \$0.50 per hundred dollars taxable assessed valuation.

Blinn College District

Pledged Revenue Coverage - Revenue Bonds
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)							Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Fees, Activity and Building Use	Laboratory and Course Fees	Housing Income	Bookstore Income	Other Auxiliary	Total	Principal	Interest	Total	
2021	7,275	25,156	5,163	806	482	1,294	40,176	3,545	2,679	6,224	6.46
2020	7,618	27,220	3,599	1,392	810	2,847	43,486	3,545	2,679	6,224	6.99
2019	7,604	25,518	2,971	2,633	880	4,356	43,962	3,460	2,801	6,261	7.02
2018	7,656	23,051	1,939	2,410	926	3,922	39,904	3,505	2,921	6,426	6.21
2017	8,002	20,429	1,849	2,273	937	2,956	36,446	3,665	3,167	6,832	5.33
2016	8,377	18,157	1,918	2,409	1,149	2,356	34,366	3,525	1,530	5,055	6.80
2015	6,613	18,157	1,893	2,376	1,011	1,256	31,306	3,405	1,231	4,636	6.75
2014	6,814	14,771	1,704	1,650	1,374	-	26,313	3,260	1,346	4,606	5.71
2013	6,514	13,141	1,514	1,477	1,370	-	24,016	2,800	1,455	4,255	5.64
2012	5,917	12,545	1,975	1,731	1,187	-	23,355	3,295	1,705	5,000	4.67

Blinn College District

Demographic and Economic Statistics - Taxing District
Last Ten Fiscal Years
(Unaudited)

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Unemployment Rate
2021	Not available	Not available	Not available	5.1%
2020	36,654	Not available	Not available	5.7%
2019	35,882	Not available	Not available	8.1%
2018	35,108	1,834,903	52,265	3.7%
2017	35,043	1,673,002	47,741	4.2%
2016	34,821	1,679,690	48,238	5.1%
2015	34,869	1,716,523	49,228	4.8%
2014	34,411	1,738,494	50,521	4.6%
2013	34,191	1,657,332	48,473	5.5%
2012	33,911	1,577,037	46,505	5.6%

Sources:

Population from U.S. Bureau of the Census.

Personal Income Per Capita from U.S. Bureau of Economic Analysis.

Unemployment rate from Texas Workforce Commission.

Blinn College District
Principal Employers of Washington County
Current Year and Nine Years Ago
(Unaudited)

2021		2012	
Employer	Type of Business	Employer	Type of Business
Baylor Scott & White Hospital - Brenham	Hospital	Blinn College	Higher Education
Blinn College	Higher Education	Blue Bell Creameries	Ice Cream Manufacturer
Blue Bell Creameries	Ice Cream Manufacturer	Brenham I.S.D.	Independent School District
Brenham Clinic	Hospital	Brenham State Supported Living Center	Mental Health/Retardation Services
Brenham I.S.D.	Independent School District	City of Brenham	Government
Brenham Nursing & Rehabilitation	Nursing Home and Rehabilitation Services	Germania Insurance	Insurance Services
Brenham State Supported Living Center	Mental Health/Retardation Services	Scott & White Hospital	Hospital
Brenham Wholesale	Grocers-Wholesale	Sealy Mattress Company	Mattress Manufacturer
Germania Insurance	Insurance Services	Valmont Industries	Steel Lighting Standards Manufacturer
Wal-Mart Supercenter	Retail Department Store	Wal-Mart Supercenter	Retail Department Store

Notes:

- (1) Principal Employers as identified in a report issued by Washington County Chamber of Commerce
- (2) Employers listed in alphabetical order and do not reflect any ranking. The Texas Workforce Commission ranking and number of employees data is confidential.

Blinn College District

Faculty, Staff, and Administrators Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Faculty:										
Full-Time	387	406	407	386	400	398	393	367	336	353
Part-Time	299	284	337	335	225	250	295	318	395	347
Total	686	690	744	721	625	648	688	685	731	700
Percent										
Full-Time	56.4%	58.8%	54.7%	53.5%	64.0%	61.4%	57.1%	53.6%	46.0%	50.4%
Part-Time	43.6%	41.2%	45.3%	46.5%	36.0%	38.6%	42.9%	46.4%	54.0%	49.6%
Staff and Administrators:										
Full-Time	413	348	364	360	388	401	365	349	373	381
Part-Time	291	105	124	138	81	93	99	438	102	174
Total	704	453	488	498	469	494	464	787	475	555
Percent										
Full-Time	58.7%	76.8%	74.6%	72.3%	82.7%	81.2%	78.7%	44.3%	78.5%	68.6%
Part-Time	41.3%	23.2%	25.4%	27.7%	17.3%	18.8%	21.3%	55.7%	21.5%	31.4%
FTSE per Full-time Faculty	33	33	34	35	34	35	36	38	40	38
FTSE per Full-Time Staff Member	31	39	38	37	36	35	39	40	36	36
Average Annual Faculty Salary*	\$62,701	\$56,076	\$63,635	\$60,028	\$58,041	\$56,944	\$56,792	\$58,041	\$62,431	\$49,236

Source: Blinn College Institutional Research and Effectiveness

Blinn College District

Student Profile
Last Ten Fiscal Years
(Unaudited)

Gender	Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	9,533	53.09%	9,997	52.11%	9,805	51.30%	9,359	50.69%	9,781	51.71%	9,821	51.27%	9,728	51.83%	9,463	51.81%	9,348	52.30%	9,201	50.89%
Male	8,422	46.91%	9,186	47.89%	9,308	48.70%	9,106	49.31%	9,133	48.29%	9,336	48.73%	9,041	48.17%	8,803	48.19%	8,526	47.70%	8,879	49.11%
Total	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%	18,080	100.00%

Ethnic Origin	Fall 2019		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	10,692	59.55%	11,322	59.02%	11,137	58.27%	11,190	60.60%	11,689	61.80%	12,033	62.81%	11,988	63.87%	11,797	64.58%	11,608	64.94%	10,497	58.06%
Hispanic	4,274	23.80%	4,428	23.08%	4,459	23.33%	4,016	21.75%	3,898	20.61%	3,785	19.76%	3,610	19.23%	3,396	18.59%	3,343	18.70%	3,404	18.83%
African American	1,482	8.25%	1,811	9.44%	2,212	11.57%	1,990	10.78%	2,059	10.89%	1,980	10.34%	1,888	10.06%	1,916	10.49%	1,862	10.42%	1,619	8.95%
Asian	430	2.39%	459	2.39%	460	2.41%	456	2.47%	459	2.43%	498	2.60%	430	2.29%	368	2.01%	350	1.96%	243	1.34%
Foreign	55	0.31%	66	0.34%	91	0.48%	114	0.62%	135	0.71%	157	0.82%	171	0.91%	170	0.93%	158	0.88%	146	0.81%
Native American	93	0.52%	102	0.53%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Multi-Racial	654	3.64%	697	3.63%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Unknown	275	1.54%	298	1.55%	754	3.94%	699	3.79%	674	3.56%	704	3.67%	682	3.63%	619	3.39%	553	3.09%	2,171	12.01%
Total	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%	18,080	100.00%

Age	Fall 2019		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012		Fall 2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,499	8.35%	1,802	9.39%	1,921	10.05%	1,698	9.20%	1,693	8.95%	1,639	8.56%	1,466	7.81%	1,552	8.50%	1,763	9.86%	1,792	9.91%
18 - 21	13,121	73.08%	14,255	74.31%	14,009	73.30%	13,629	73.81%	13,838	73.16%	14,150	73.86%	13,796	73.50%	13,180	72.16%	12,300	68.82%	12,414	68.66%
22 - 24	1,631	9.08%	1,426	7.43%	1,434	7.50%	1,459	7.90%	1,596	8.44%	1,629	8.50%	1,656	8.82%	1,594	8.73%	1,677	9.38%	1,730	9.57%
25 - 29	842	4.69%	925	4.82%	860	4.50%	878	4.75%	907	4.80%	850	4.44%	1,277	6.80%	918	5.03%	959	5.37%	996	5.51%
30 - 34	375	2.09%	354	1.85%	419	2.19%	341	1.85%	387	2.05%	383	2.00%	467	2.49%	388	2.12%	452	2.53%	428	2.37%
35 & Over	487	2.71%	421	2.19%	470	2.46%	460	2.49%	493	2.61%	506	2.64%	107	0.57%	634	3.47%	723	4.04%	720	3.98%
Total	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%	18,080	100.00%

Average Age	21	21	21	22	23	24	26	27	28	29
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Sources:
Texas Higher Education Coordinating Board
Blinn College Office of Institutional Research and Effectiveness

Blinn College District

Transfers to Senior Institutions
2018-2019 Graduates, Completers, and Non-Returners
(Includes only public senior colleges in Texas)
(Unaudited)

		Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
		Academic	Technical		
1	Texas A&M University	6,768	130	6,898	74.42%
2	Sam Houston State University	663	31	694	7.49%
3	Texas State University	300	12	312	3.37%
4	Texas A&M University System Health Science Center	153	26	179	1.93%
5	University of Houston	126	6	132	1.42%
6	Texas Tech University	97	2	99	1.07%
7	University of North Texas	93	2	95	1.02%
8	The University of Texas at Austin	91	2	93	1.00%
9	Stephen F. Austin State University	70	6	76	0.82%
10	Texas A&M University - Corpus Christi	72	3	75	0.81%
11	The University of Texas at San Antonio	72	0	72	0.78%
12	The University of Texas at Arlington	42	20	62	0.67%
13	Tarleton State University	54	6	60	0.65%
14	Prairie View A&M University	40	1	41	0.44%
15	Lamar University	24	4	28	0.30%
16	University of Houston - Victoria	25	2	27	0.29%
17	The University of Texas at Dallas	25	0	25	0.27%
18	The University of Texas Medical Branch at Galveston	22	1	23	0.25%
19	Texas Woman's University	20	2	22	0.24%
20	Texas A&M University - Commerce	17	3	20	0.22%
21	West Texas A&M University	16	4	20	0.22%
22	University of Houston - Downtown	18	1	19	0.20%
23	The University of Texas at Tyler	15	4	19	0.20%
24	University of Houston - Clear Lake	18	0	18	0.19%
25	Texas A&M University at Galveston	17	0	17	0.18%
26	Texas A&M University - Kingsville	16	1	17	0.18%
27	Texas Southern University	14	1	15	0.16%
28	Angelo State University	13	1	14	0.15%
29	Texas A&M International University	11	1	12	0.13%
30	Midwestern State University	10	2	12	0.13%
31	The University of Texas - Rio Grande Valley	11	0	11	0.12%
32	The University of Texas Health Science Center at Houston	9	0	9	0.10%
33	Texas A&M University - Central Texas	8	1	9	0.10%
34	Texas Tech University Health Sciences Center	4	4	8	0.09%
35	Texas A&M University - San Antonio	7	0	7	0.08%
36	Sul Ross State University	6	1	7	0.08%
37	The University of Texas Health Science Center at San Antonio	6	0	6	0.06%
38	Texas A&M University - Texarkana	6	0	6	0.06%
39	The University of Texas at El Paso	3	1	4	0.04%
40	The University of Texas of the Permian Basin	3	0	3	0.03%
41	University of North Texas Health Science Center	2	0	2	0.02%
42	The University of Texas M.D. Anderson Cancer Center	1	0	1	0.01%
Totals		8,988	281	9,269	100.00%

Sources: Blinn College Institutional Research and Effectiveness
Texas Higher Education Coordinating Board
Automated Student and Adult Learner Follow-Up System

Blinn College District

Schedule of Capital Asset Information
Fiscal Years 2012 to 2021
(Unaudited)

	Fiscal Year									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Academic buildings	25	24	23	23	22	22	22	22	20	20
Square footage	670,338	597,338	587,273	587,273	502,675	502,675	502,675	502,675	496,403	496,403
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016
Number of Volumes	165,075	165,075	183,816	185,555	186,980	186,468	188,217	187,692	186,999	185,621
Administrative and support buildings	6	6	6	6	6	6	6	6	6	6
Square footage	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158
Dormitories	12	12	12	12	12	12	12	12	12	12
Square footage	209,985	209,985	209,985	209,985	209,985	209,985	209,985	209,985	209,985	209,985
Number of Beds	974	974	974	974	974	974	974	974	974	974
Apartments	8	8	8	8	8	8	8	8	8	8
Square footage	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211
Number of beds	338	338	338	338	338	338	338	338	338	338
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191
Average daily customers	1,000	1,000	1,000	1,000	900	900	900	900	900	900
Athletic Facilities	8	8	8	8	7	6	6	6	6	6
Square footage	130,727	130,727	130,727	130,727	93,054	81,870	81,870	81,870	81,870	81,870
Stadiums	2	2	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	5	5	5	5	5	5	5	5	5	5
Square footage	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687
Transportation										
Cars	3	3	5	5	11	14	12	14	16	16
Light Trucks/Vans	39	38	32	28	25	25	25	27	26	28
Buses	6	6	4	4	4	4	4	3	2	-

**AUDITOR'S REPORTS ON CONTROLS AND COMPLIANCE AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



LOTT, VERNON & COMPANY, P.C.
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Blinn College District
Brenham, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Blinn College District (the District), as of and for the years ended August 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the Public Funds Investment Act (Chapter 2256, Texas Government Code), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Temple, Texas
November 30, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Blinn College District
Brenham, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Blinn College District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and The State of Texas Single Audit Circular that could have a direct and material effect on each of the District's major federal and state programs for the year ended August 31, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas Single Audit Circular.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

Those standards, the Uniform Guidance and The State of Texas Single Audit Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District’s compliance.

Opinion on Each Major Federal and State Program

In our opinion, Blinn College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with The Uniform Guidance and The State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over compliance.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and The State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Jatt, Verman & Co., P.C.

Temple, Texas
November 30, 2021

BLINN COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
August 31, 2021

I. Summary of Audit Results

Financial Statements

1. Type of auditor’s report issued: unmodified

2. Internal control over financial reporting:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that
 are not considered to be material
 weakness(es)? _____ yes X none reported

3. Noncompliance material to financial
 statements noted? _____ yes X no

Federal and State Awards

4. Internal control over major programs:
 Material weakness(es) identified? _____ yes X no
 Significant deficiencies identified that
 are not considered to be material
 weakness(es)? _____ yes X none reported

5. Type of auditor’s report issued on
 compliance for major programs: unmodified

6. Any audit findings disclosed that are
 required to be reported in accordance with
 section 200.516a of the Uniform Guidance
 or the State of Texas Single Audit Circular
 and Uniform Grant Management Standards? _____ yes X no

7. Identification of major programs:

<u>Name of Federal Programs</u>	<u>Federal CFDA Number</u>	<u>Name of State Program</u>
<i>U.S. Department of Education</i>		<i>Texas Higher Education Coordinating Board Texas Educational Opportunity Grant (TEOG)</i>
Student Financial Aid Cluster		
Supplemental Educational Opportunity Grant	84.007	
Federal Work-Study Program	84.033	
Federal Pell Grant Program	84.063	
Federal Direct Student Loans	84.268	
 Higher Education Institutional Aid		
Emergency Aid to Students	84.425E	
Institutional Funds	84.425F	
Strengthening Funds	84.425M	
 Pass-Through From THECB		
GEER	84.425C	
GEER – TEOG	84.425C	

BLINN COLLEGE DISTRICT
Schedule of Findings and Questioned Costs (Continued)
August 31, 2021

8. Dollar threshold used to distinguish between type A and type B federal programs: \$750,000
9. Dollar threshold used to distinguish between type A and type B state programs: \$300,000
10. Auditee qualified as low-risk auditee for federal single audit? X yes no
11. Auditee qualified as low-risk auditee for state single audit? X yes no
- II. Financial Statement Findings
- None.
- III. Federal and State Awards Findings and Questioned Costs
- None.