



BLINN COLLEGE

**ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended

August 31, 2009

BLINN COLLEGE

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BLINN COLLEGE

Organizational Data
Year Ended August 31, 2009

Board of Trustees

Officers

Atwood C. Kenjura, President
Leon B. Toubin, Vice President
Don Jones, Secretary

Members

Term Expires
May 31,

Henry J. Boehm, Jr. M.D.	Brenham, Texas	2010
Don Jones	Brenham, Texas	2010
Atwood C. Kenjura	Brenham, Texas	2012
L.J. Lacina, Jr.	Brenham, Texas	2012
Steve M. Westbrook	Brenham, Texas	2012
Norwood Lange	Brenham, Texas	2014
Leon B. Tobin	Brenham, Texas	2014

Key Administrators

Daniel J. Holt, Ph.D., President
Cathy Boeker, M.B.A., Executive Admin. of External Affairs
Van Miller, Ed.D., VP Business Services
Debra R. LaCour, Ph.D., VP Academic Affairs
Robert Brick, Ph.D., VP Applied Science/Workforce Education
John Harris, Ed.D., VP Student Services



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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
Brenham, Texas

We have audited the accompanying financial statements of Blinn College, as of and for the year ended August 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State of Texas Single Audit Circular. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Blinn College as of August 31, 2009, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2009, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

The accompanying management's discussion and analysis on pages 4 through 12 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements of Blinn College taken as a whole. The accompanying statistical supplements, as described in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and schedule of expenditures of state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State of Texas Single Audit Circular, and are also not a required part of the financial statements. Such information, except for that portion marked "unaudited" (the statistical supplements) on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Jett, Vernon & Co, P.C.

Temple, Texas
December 3, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The following discussion and analysis of Blinn College's (the College) annual financial statements provide an overview of the College's financial performance for the fiscal years ended August 31, 2009 and 2008. 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 2009

- Net assets increased by \$5 million
- Tuition and fee revenue (net of discounts) increased by \$1.8 million

The College's overall net assets increased approximately \$5 million, or 7%, which reflects the College's continued commitment to invest in capital improvements. Although the College's Board of Trustees did not raise tuition and fees in 2009, an increase in student enrollment led to an increase in total tuition and fee revenue of approximately \$1.8 million, or 6%.

Total operating revenues increased approximately \$1.4 million, or 4%. This increase is primarily attributable to the increase in tuition and fees as discussed above, an increase in Blinn College Foundation gifts, offset by a decrease in State grants and contracts of \$804,000. Operating expenses increased by \$3.3 million, or 5%, as a result of increases in salary and benefit costs and other operating expense increases.

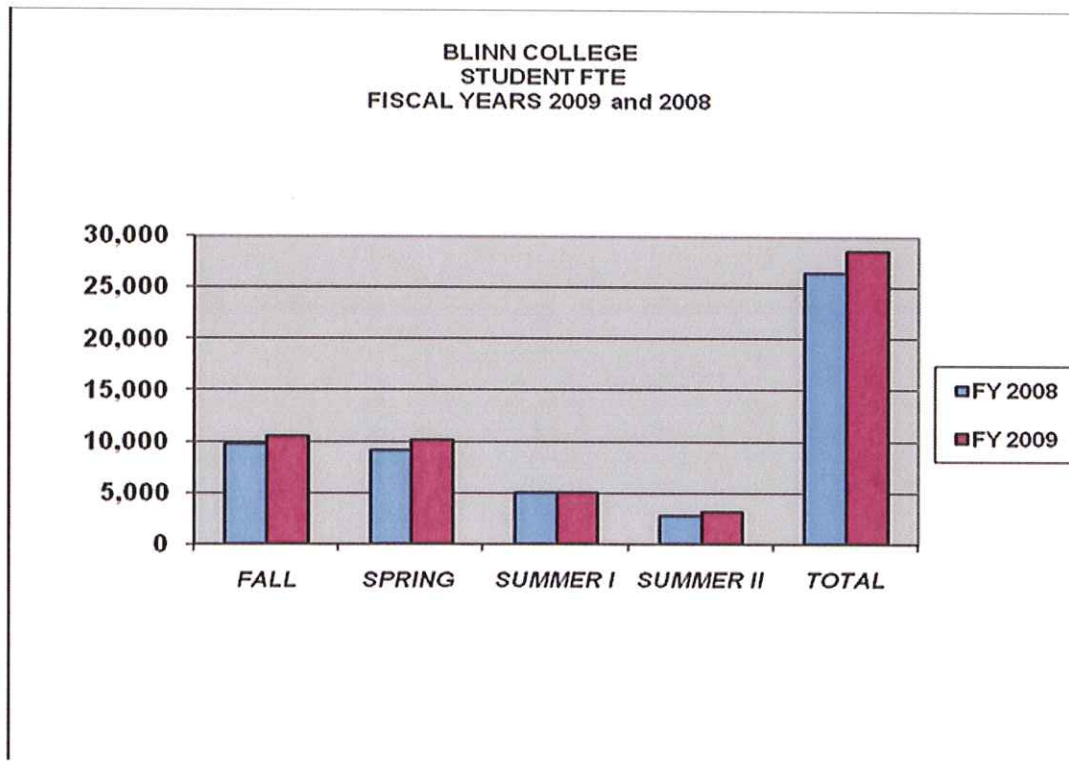
Financial Highlights and Significant Activities for 2008

- Net assets increased by \$5.9 million
- Tuition and fee revenue (net of discounts) increased by \$3.1 million

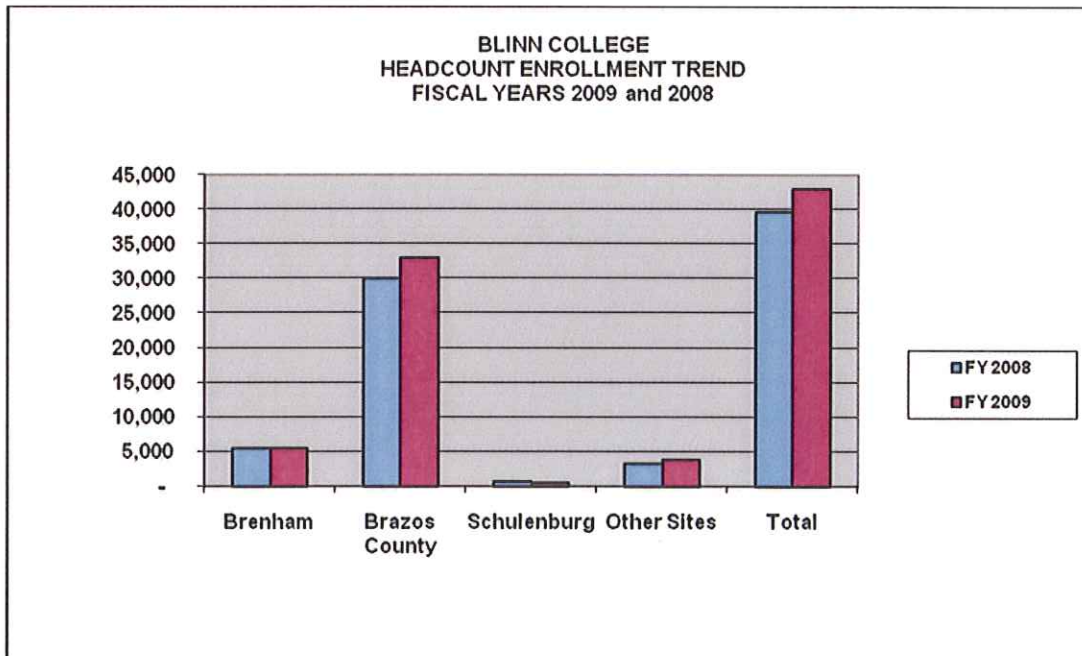
The College's overall net assets increased approximately \$5.9 million, or 9%, which reflects the continued commitment of the Board of Trustees to invest in capital improvements. To maintain the quality of education for the students that the College serves, the College's Board of Trustees raised tuition and fees accordingly. Students who are legal residents of Washington County (in-district) saw a \$5 per semester credit hour increase in their tuition rates. Students who live outside of Washington County (out-of-district) saw a \$5 per semester credit hour increase on their tuition rates. These actions led to an increase in total tuition and fee revenue of approximately \$3.1 million, or 12%.

Total operating revenues increased approximately \$5.3 million, or 13%. This increase is primarily attributable to the increase in tuition and fees as discussed above and an increase in State grants and contracts of \$1.1 million. Operating expenses increased by \$6.2 million, or 10%, as a result of increases in salary and benefit costs and other operating expense increases.

Below is a breakdown of the College's full time equivalency (FTE) enrollment by term for fiscal years 2009 and 2008:



Below is a two-year comparison for student enrollment by campus:



Overview of the basic Financial Statements

The College 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 assets, statement of revenues, expenses and changes in net assets, statement of cash flows and notes to the basic financial statements.

The statement of net assets' focus is to report the total net resources available to finance future services. The statement presents all assets and liabilities of the College, and the change in net assets 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 total assets and total liabilities is net assets, which is one indicator of the financial condition of the College when considered with other factors such as changes in enrollment, contact hours, student retention and other non-financial information. The statement of net assets is useful in determining the assets available to continue operations, as well as how much the College owes vendors, bondholders and other entities at the end of the year.

The statement of revenues, expenses and changes in net assets 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 assets of the College changed during the year. The statement is divided into the operating results of the College as well as the non-operating revenues and expenses. Operating revenues are primarily those that result from instruction, the operation of the College'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 College's fiscal viability and its ability to meet financial obligations as they mature and helps users assess the College'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 College's accounting policies, significant account balances and activities, and contingencies.

Statement of Net Assets

The following is prepared from the College's Statements of Net Assets and provides a summary of its assets, liabilities and net assets for the years ended August 31:

Statements of Net Assets

	2009	2008	Increase (Decrease) 2009-2008	2007	Increase (Decrease) 2008-2007
Assets:					
Current assets	\$ 33,833,000	\$ 32,948,000	\$ 885,000	\$ 28,045,000	\$ 4,903,000
Capital assets, net of depreciation	82,100,000	79,273,000	2,827,000	79,436,000	(163,000)
Noncurrent assets	15,292,000	14,074,000	1,218,000	14,024,000	50,000
Total Assets	131,225,000	126,295,000	4,930,000	121,505,000	4,790,000
Liabilities:					
Current liabilities	28,555,000	25,512,000	3,043,000	23,706,000	1,806,000
Noncurrent liabilities	26,759,000	29,906,000	(3,147,000)	32,834,000	(2,928,000)
Total liabilities	55,314,000	55,418,000	(104,000)	56,540,000	(1,122,000)
Net Assets:					
Investments in capital assets net of related debt	51,934,000	46,439,000	5,495,000	43,489,000	2,950,000
Restricted	15,499,000	15,560,000	(61,000)	15,225,000	335,000
Unrestricted	8,478,000	8,878,000	(400,000)	6,251,000	2,627,000
Total net assets	\$ 75,911,000	\$ 70,877,000	\$ 5,034,000	\$ 64,965,000	\$ 5,912,000

At August 31, 2009, current assets included \$22.2 million of cash and cash equivalents and \$10.8 million in student receivables related primarily to the fall 2009 semester. The net increase in current assets in 2009 and 2008 is due primarily to the increased tuition charges in 2008 discussed in the financial highlights and enrollment increases for both years.

During fiscal year 2009, the College had capital asset additions of approximately \$5 million, including \$1.2 million for the Brenham Technical Education Center Building, \$1.2 million for parking lot paving improvements on the Bryan Campus, \$1.1 million for Banner student services software and \$801,000 for classroom expansion and office remodeling on the Bryan Campus, offsetting this was the annual depreciation charge on completed projects. During fiscal year 2008, the College had capital asset additions of approximately \$2 million, including \$719,000 for renovations and repairs to the Schmidt Building on the Brenham Campus; offsetting this was the annual depreciation charge on completed projects.

The College's noncurrent assets include funds restricted for endowments and debt service and other investments. Noncurrent assets increased \$1.2 million in 2009 due to the investment of unrestricted cash in Federal Home Loan Bank notes, which bear a higher interest return. Offsetting this was decreased earnings on other invested funds and permanent endowment contributions. During fiscal 2009, the Board of the Blinn College Foundation, Inc. changed its endowed scholarship policy to retain all new permanent endowment contributions, rather than gifting the contributions to the College.

Current liabilities increased \$3 million and \$1.8 million in fiscal year 2009 and 2008, respectively, due to an increase in accounts payable of \$1.3 million and \$431,100, respectively and an increase in deferred tuition and fees of \$1.2 million and \$1.3 million, respectively. The fiscal 2009 accounts payable increase is primarily attributable to the increased capital asset addition activity discussed above. The increase in deferred tuition and fees is due to increased enrollment in 2009 and increases in tuition rates in 2008.

Noncurrent liabilities consist of future bond payments, which decreased \$3.1 million and \$2.9 million in fiscal year 2009 and 2008, respectively, due to scheduled debt repayments. During fiscal 2009, the College issued Combined Fee Revenue Refunding Bonds, Series 2009. The proceeds from the issue were used to refund a portion of existing bond issues and to pay the costs of the bonds issuance.

At August 31, 2009 and 2008, total net assets were \$76 million and \$71 million, respectively. Net assets have increased over the two-year period. The College has an unrestricted net asset balance of approximately \$8.5 million at August 31, 2009, which is maintained as a contingency reserve. Restricted net assets include endowment funds of approximately \$10 million and required debt service reserves of \$4.3 million. The investment in capital assets, net of related debt increased \$5.5 million in 2009, reflecting the capital addition activity discussed above. The College's financial position remains strong with adequate liquid assets and a reasonable level of unrestricted net assets.

Statement of Revenues, Expenses and Changes in Net Assets:

The following summary is prepared from the College's Statements of Revenues, Expenses and Changes in Net Assets for the fiscal years ended August 31:

Statements of Revenues, Expenses and Changes in Net Assets

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease) 2009-2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>
Operating revenues:					
Student tuition and fees, net	\$31,330,000	\$29,521,000	\$ 1,809,000	\$26,440,000	\$ 3,081,000
Federal grants and contracts	975,000	949,000	26,000	1,226,000	(277,000)
State grants and contracts	849,000	1,653,000	(804,000)	532,000	1,121,000
Auxiliary enterprises, net	5,737,000	5,858,000	(121,000)	5,591,000	267,000
Other	1,444,000	909,000	535,000	402,000	507,000
Total operating revenues	40,335,000	38,890,000	1,445,000	34,191,000	4,699,000
Less operating expenses	71,160,000	67,850,000	3,310,000	61,625,000	6,225,000
Operating loss	(30,825,000)	(28,960,000)	(1,865,000)	(27,434,000)	(1,526,000)
Nonoperating revenues (expenses):					
State appropriations	25,981,000	25,689,000	292,000	24,041,000	1,648,000
Property taxes	1,378,000	1,251,000	127,000	1,138,000	113,000
Federal revenue, nonoperating	9,205,000	7,784,000	1,421,000	7,151,000	633,000
Investment income	697,000	1,279,000	(582,000)	1,451,000	(172,000)
Interest on capital related debt	(1,446,000)	(1,467,000)	21,000	(1,572,000)	105,000
Other	(4,000)	39,000	(43,000)	(617,000)	656,000
Total nonoperating revenues	35,811,000	34,575,000	1,236,000	31,592,000	2,983,000
Income before other revenue	4,986,000	5,615,000	(629,000)	4,158,000	1,457,000
Additions to endowments	48,000	297,000	(249,000)	499,000	(202,000)
Total increase in net assets	5,034,000	5,912,000	(878,000)	4,657,000	1,255,000
Net assets, beginning of year	70,877,000	64,965,000	5,912,000	60,308,000	4,657,000
Net assets, end of year	\$75,911,000	\$70,877,000	\$5,034,000	\$64,965,000	\$5,912,000

Total operating revenues increased \$1.4 million from 2008 due primarily to an increase in net tuition and fees of \$1.8 million as a result of increased enrollment, increased Blinn College Foundation gifts of \$660,000 related to the Brenham Technical Education Center construction, decrease in State grants and contracts of \$804,000 due to the substantial completion of the State Power Plant Grant in fiscal 2008 and a \$322,000 decrease in commissions on bookstore sales due to the timing of book purchase at year end offset by the increase in other auxiliary revenues.

The \$4.7 million increase in total operating revenues in 2008 was due primarily to an increase in net tuition and fees of \$3.1 million resulting from increases in tuition rates discussed above, increased State grants and contracts of \$1.1 million from the State Power Plant Grant, increase in Foundation gifts of \$351,000 and increased commissions on bookstore sales of \$328,000 offset by the decrease in other auxiliary revenues.

Operating expenses consist mainly of personnel costs, which were 64% and 61% of total operating expenses in fiscal 2009 and 2008, respectively. Below is a table of operating expenses for the fiscal years ended August 31 (rounded to the nearest thousand):

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease) 2009-2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>
Instruction and general	\$40,828,000	\$38,572,000	\$ 2,256,000	\$35,666,000	\$ 2,906,000
Institutional support	7,563,000	7,679,000	\$ (116,000)	6,443,000	1,236,000
Operation and maintenance of plant	6,236,000	6,296,000	(60,000)	5,238,000	1,058,000
Auxiliary enterprises	6,974,000	6,545,000	429,000	6,070,000	475,000
Depreciation	2,243,000	2,135,000	108,000	2,381,000	(246,000)
Scholarships and fellowships	7,316,000	6,623,000	693,000	5,827,000	796,000
Total Operating Expenses	<u>\$71,160,000</u>	<u>\$67,850,000</u>	<u>\$ 3,310,000</u>	<u>\$61,625,000</u>	<u>\$ 6,225,000</u>

Total operating expenses increased \$3.3 million from 2008 due primarily to increased payroll and benefits of \$3.8 million, increase in scholarships and fellowships awarded of \$692,000, offset by a decrease in the costs and expenses associated with the State Power Plant Grant of \$763,000 and a reduction in bad debt expense of \$682,000.

Total operating expenses increased \$6.2 million from 2007 due primarily to increased payroll of \$1.9 million, costs and expenses associated with the State Power Plant Grant \$763,000, increase in scholarships and fellowships awarded \$756,000, increase in bad debt expense of \$480,000, increase in expenditures for computer equipment and academic technology related items of \$236,000 and other miscellaneous expense increases.

Total non-operating revenues increased \$1.4 million from 2008 due primarily to a \$1.4 million increase in Federal non-operating revenues (Title IV funds), \$160,000 increase in appropriations for the State retirement match offset by a \$582,000 decrease in investment income due to lower interest rates.

Total non-operating revenues increased \$2.2 million from 2007 due to a \$1.6 million increase in State appropriations (for the new biennium) and a \$632,000 increase in Federal non-operating revenues (Title IV Funds). The decrease of \$656,000 in other non-operating expense is due to the \$699,000 write off of furniture and equipment recognized in fiscal 2007.

Statement of Cash Flow

The following chart summarizes the statements of cash flows (rounded to the nearest thousand) for the fiscal years ended August 31:

	2009	2008	Increase (Decrease) 2009-2008	2007	Increase (Decrease) 2008-2007
Cash provided by (used in):					
Operating activities	\$ (23,762,000)	\$ (21,257,000)	\$ (2,505,000)	\$ (18,976,000)	\$ (2,281,000)
Non-capital financing activities	32,467,000	31,011,000	1,456,000	29,058,000	1,953,000
Capital and related financing activities	(9,307,000)	(6,541,000)	(2,766,000)	(6,458,000)	(83,000)
Investing activities	(1,355,000)	1,258,000	(2,613,000)	(717,000)	1,975,000
Net increase (decrease) in cash and cash equivalents	(1,957,000)	4,471,000	(6,428,000)	2,907,000	1,564,000
Cash and cash equivalents - beginning of year	28,836,000	24,365,000	4,471,000	21,458,000	2,907,000
Cash and cash equivalents - end of year	\$ 26,879,000	\$ 28,836,000	\$ (1,957,000)	\$ 24,365,000	\$ 4,471,000

The College's cash flow from operations will normally reflect a decrease as the College 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.

The increase in cash used in operations in 2009 is primarily due to an increase in salaries and benefits paid to employees of \$3.8 million, increase in the payments for scholarships of \$692,000 offset by a decrease in payments to suppliers for goods and services of \$2.1 million as reflected in the increase in accounts payable discussed above. The increase in cash used in operations in 2008 is primarily due to an increase in salaries and benefits paid to employees and payments to suppliers offset by increased tuition and fees paid by students.

In addition to State appropriations, non-capital financing activities include property tax receipts, non-operating Federal revenue (Title IV funds) and additions to permanent endowments. The increase in non-capital financing activities from 2008 is due to a \$1.4 million increase in non-operating Federal revenues offset by a \$275,000 decrease in additions to permanent endowments. As discussed above, the Board of the Blinn College Foundation, Inc. changed its endowed scholarship policy to retain all new permanent endowment contributions, rather than gifting the contributions to the College. The increase of \$2 million from 2007 is due to a decrease in receipts from State appropriations of \$1.5 million, increase in non-operating Federal revenues of \$632,000 offset by a decrease in additions to permanent endowments of \$264,000.

Variations in cash used for capital and related financing activities are dependent on the College's issuance and payment of long-term debt and capital acquisitions. In 2009 and 2008, the College spent \$5.0 million and \$2.0 million in capital acquisitions and \$4.1 million and \$4.6 million on scheduled debt service payments, respectively.

The decrease in cash provided by investing activities in 2009 is due primarily to an increase in the purchases of investments and decrease in earnings on invested funds due to lower interest rates.

Capital Assets and Debt Administration

During fiscal year 2009, the College had capital asset additions of approximately \$5 million, including \$1.2 million for the Brenham Technical Education Center Building, \$1.2 million for parking lot paving improvements on the Bryan Campus, \$1.1 million for Banner student services software and \$801,000 for classroom expansion and office remodeling on the Bryan Campus.

During fiscal year 2008, the College purchased \$2 million in capital assets, including \$719,000 for renovation and repairs to the Schmidt Building on the Brenham Campus, \$276,000 for computer and other technology equipment, \$243,000 for the replacement of a chiller on the Bryan campus and \$150,000 for the replacement of boilers on the Brenham campus.

During fiscal 2009, the College issued Combined Fee Revenue Refunding Bonds, Series 2009. The proceeds from the issue were used to refund a portion of existing bond issues and to pay the costs of the bond issuance.

Future Considerations

The 2009-2010 fiscal year has begun with another strong increase in enrollment. The current year's 11% increase comes on the heels of a 7% increase last year. While the greatest growth continues to be on the Bryan campus, the Brenham campus also had a healthy increase in enrollment this fall. This student growth will continue to provide increased revenues from tuition and fees. State reimbursement should remain static over the next two years due to biennium funding practices from the State of Texas. The increase in revenue will be critical as the college continues to fund capital improvement projects during the upcoming fiscal year. On the Brenham campus, the College expects to open its new Technical Education Center around the first of the year and instructional programming should begin immediately.

Contacting the College's Financial Management

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

FINANCIAL STATEMENTS

BLINN COLLEGE

Statements of Net Assets
August 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 22,202,367	\$ 23,270,304
Accounts receivable (net)	11,416,984	9,570,047
Interest and dividends receivable	105,749	85,810
Inventories	8,260	8,551
Other assets	98,939	12,939
Total Current Assets	<u>33,832,299</u>	<u>32,947,651</u>
Noncurrent Assets:		
Restricted endowment cash and cash equivalents	391,410	1,238,213
Restricted debt service cash and cash equivalents	4,285,121	4,327,163
Restricted endowment and other investments	10,616,529	8,508,852
Capital Assets (net) (See Note 6)	82,099,872	79,273,291
Total Noncurrent Assets	<u>97,392,932</u>	<u>93,347,519</u>
Total Assets	<u>131,225,231</u>	<u>126,295,170</u>
<u>Liabilities</u>		
Current Liabilities:		
Accounts payable	3,709,636	2,450,353
Funds held for others	854,790	837,783
Deferred revenues	20,101,476	18,867,651
Deposits	482,064	428,164
Bonds payable - current portion	3,407,004	2,927,604
Total Current Liabilities	<u>28,554,970</u>	<u>25,511,555</u>
Noncurrent Liabilities:		
Bonds payable	26,758,757	29,906,360
Total Liabilities	<u>55,313,727</u>	<u>55,417,915</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	51,934,112	46,439,328
Restricted for:		
Nonexpendable - endowments	9,030,083	8,985,030
Expendable		
Endowments	958,160	912,266
Student aid	1,050,756	1,160,144
Debt service	4,280,311	4,300,175
Star of the Republic Museum	180,372	202,415
Unrestricted	8,477,710	8,877,897
Total Net Assets (Schedule D)	<u>\$ 75,911,504</u>	<u>\$ 70,877,255</u>

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

BLINN COLLEGE

**Statements of Revenues, Expenses and Changes in Net Assets
Years Ended August 31, 2009 and August 31, 2008**

	<u>2009</u>	<u>2008</u>
Operating Revenues		
Tuition and Fees (net of discounts of \$5,254,540 and \$3,961,431, respectively)	\$31,330,490	\$29,520,858
Federal Grants and Contracts	975,463	948,820
State Grants and Contracts	848,495	1,652,908
Sales and Services of Educational Activities	254,094	226,338
Auxiliary Enterprises (net of discounts of \$642,815 and \$632,296, respectively)	5,736,930	5,858,105
Other Operating Revenues	1,189,528	682,523
Total Operating Revenues (Schedule A)	<u>40,335,000</u>	<u>38,889,552</u>
Operating Expenses		
Instruction	31,230,115	28,818,248
Public Service	1,023,197	2,041,480
Academic Support	3,774,683	3,451,208
Student Services	4,799,417	4,261,159
Institutional Support	7,563,108	7,678,760
Operation and Maintenance of Plant	6,236,253	6,295,868
Scholarships and Fellowships	7,315,765	6,623,339
Auxiliary Enterprises	6,973,697	6,544,728
Depreciation	2,243,424	2,134,805
Total Operating Expenses (Schedule B)	<u>71,159,659</u>	<u>67,849,595</u>
Operating Loss	<u>(30,824,659)</u>	<u>(28,960,043)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	25,980,520	25,688,998
Property Taxes	1,378,032	1,251,445
Federal Revenue, Non Operating	9,205,441	7,784,371
Federal Grant Related to Capital Debt	16,094	16,094
Unrealized Gain (Loss) on Investments	118,623	27,541
Investment Income	696,692	1,278,831
Gain (Loss) on Disposal of Capital Assets	3,334	(5,142)
Interest on Capital Related Debt	(1,446,029)	(1,467,233)
Other Non-Operating Expenses	<u>(141,902)</u>	<u>-</u>
Net Non-Operating Revenues (Schedule C)	<u>35,810,805</u>	<u>34,574,905</u>
Income Before Other Revenue	4,986,146	5,614,862
Other Revenue - Additions to Permanent Endowments	<u>48,103</u>	<u>296,932</u>
Increase in Net Assets	5,034,249	5,911,794
Net Assets, Beginning of Year	<u>70,877,255</u>	<u>64,965,461</u>
Net Assets, End of Year	<u>\$75,911,504</u>	<u>\$70,877,255</u>

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

BLINN COLLEGE

Statements of Cash Flows
Years Ended August 31, 2009 and August 31, 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities:		
Receipts from students and other customers	\$ 37,144,565	\$ 37,555,890
Receipts from grants and contracts	1,465,312	1,709,874
Payments to suppliers for goods and services	(15,219,931)	(17,272,613)
Payments to or on behalf of employees	(41,026,116)	(37,309,885)
Payments for scholarships	(7,315,765)	(6,623,339)
Other receipts	1,189,528	682,523
Net cash used by operating activities	<u>(23,762,407)</u>	<u>(21,257,550)</u>
Cash Flows From Non-Capital Financing Activities:		
Receipts from state appropriations	21,799,671	21,614,343
Receipts from property taxes	1,371,421	1,246,173
Receipts from non operating federal revenue	9,205,441	7,784,371
Additions to permanent endowments	90,947	366,117
Net cash provided by non-capital financing activities	<u>32,467,480</u>	<u>31,011,004</u>
Cash Flows From Capital Financing Activities:		
Purchases of capital assets	(5,050,577)	(1,961,122)
Payments on capital debt - principal	(2,668,202)	(3,112,605)
Payments on capital debt - interest	(1,446,029)	(1,467,233)
Bond issue costs paid on refunding debt issue	(141,902)	-
Net cash used by capital and related financing activities	<u>(9,306,710)</u>	<u>(6,540,960)</u>
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	12,118,623	12,027,541
Interest on investments	633,909	1,260,666
Purchases of investments	(14,107,677)	(12,030,285)
Net cash (used) by investing activities	<u>(1,355,145)</u>	<u>1,257,922</u>
Increase (Decrease) in Cash and Cash Equivalents	(1,956,782)	4,470,416
Cash and Cash Equivalents, Beginning of Year	<u>28,835,680</u>	<u>24,365,264</u>
Cash and Cash Equivalents, End of Year	<u>\$ 26,878,898</u>	<u>\$ 28,835,680</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$(30,824,659)	\$(28,960,043)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation expense	2,243,424	2,134,805
Noncash state appropriations for employee benefits	4,180,849	4,074,655
Changes in assets and liabilities:		
Receivables (net)	(1,840,326)	(500,497)
Inventories	291	376
Other assets	(86,000)	2,818
Accounts payable	1,259,283	431,105
Funds held for others	17,006	271,776
Deferred revenues	1,233,825	1,265,416
Deposits	53,900	22,039
Net cash used by operating activities	<u>\$ (23,762,407)</u>	<u>\$ (21,257,550)</u>

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

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

1. Reporting Entity

Blinn College (the College) 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 College operates campuses in the cities of Brenham, Bryan, Schulenburg and Sealy, Texas. The College 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 College 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 no component unit information is required to be included.

The Blinn College Foundation (the Foundation) is a legally separate not-for-profit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint any of the Foundation's Board members nor does it fund or is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The College furnished certain services, such as office space, supplies and staff assistance to the Foundation amounting to approximately \$514,000 and \$323,000 for the years ended August 31, 2009 and 2008, respectively. The costs of these services were not significant to the College. The financial position of the Foundation is not material to the College (as defined by the Texas Higher Education Coordinating Board); therefore, it is not included in the College's basic financial statement.

2. Summary of Significant Accounting Policies

Reporting Guidelines

The significant accounting policies followed by the College 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 and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB. The College is reported as a special-purpose government engaged in business-type activities.

Tuition Discounting

Texas Public Education Grants - Certain tuition amounts are required to 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

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

aside amount (Texas Education Code §56.033). When the award for tuition is used by the student, 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 College to pass through to the student. These funds are initially received by the College and recorded as restricted revenue. When the student is awarded and uses these funds for tuition and fees, the amount is recorded as revenue 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.

Other Tuition Discounts - The College 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 tuition and fee revenue 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.

Basis of Accounting

The financial statements of the College have been prepared on the accrual basis whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay.

Budgetary Data

Each community college 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 College'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 College'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.

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 and bookstore stock. Inventories are valued at cost under the first-in first-out method and are charged to expense as consumed.

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

Capital Assets

Capital assets are recorded at cost at the date of acquisition, or fair value at the date of donation. The College'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 College reports depreciation under a single-line item as a business-type unit. Depreciation 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

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.

Deferred Revenues

Tuition, fees and housing charges of \$19,353,500 and \$17,992,900 and federal, state and local grants of \$156,865 and \$131,387 have been reported as deferred revenues at August 31, 2009 and 2008, respectively.

Operating and Non-Operating Revenue and Expense Policy

The college distinguishes operating revenues and expenses from non-operating items. The college reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the college's principal ongoing 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 bookstores is not performed by the college.

Management 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.

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

Income Taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College had no unrelated business income tax liability for the year ended August 31, 2009 and 2008.

Reclassifications

Certain 2008 amounts have been reclassified to conform to current year presentation.

3. Authorized Investments

The Board of Trustees of the College 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 College are in compliance with the Board of Trustees' investment policy and the Public Funds Investment Act. The College 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 College's deposits may not be returned to it. The College'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 market value. As of August 31, 2009, all of the College's bank balances of \$10,867,851 were insured and collateralized and not exposed to custodial credit risk.

The following table presents cash and cash equivalents included in Exhibit 1, Statements of Net Assets, as of August 31:

	<u>2009</u>	<u>2008</u>
Cash and cash equivalents:		
Petty cash	\$ 10,914	\$ 7,841
Demand deposits	11,594,858	5,081,231
Investments pools:		
Lone Star Investment Pool	7,505,328	10,683,157
TexPool	7,174,858	6,512,696
TexSTAR	<u>592,940</u>	<u>6,550,755</u>
	<u>\$26,878,898</u>	<u>\$28,835,680</u>
Cash and cash equivalents		
	<u>\$26,878,898</u>	<u>\$28,835,680</u>
Cash and cash equivalents per Exhibit 1		
	<u>\$26,878,898</u>	<u>\$28,835,680</u>

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

Investments

The College had the following investments as of August 31:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	
		<u>2009</u>	<u>2008</u>
Federal Home Loan Bank	10/28/2011- 8/5/2014	\$8,118,691	\$8,003,352
Federal Farm Credit Bank	11/18/2014	1,992,338	-
Equities		<u>505,500</u>	<u>505,500</u>
Total Investments		<u>\$10,616,529</u>	<u>\$8,508,852</u>
Total Investments per Exhibit 1		<u>\$10,616,529</u>	<u>\$8,508,852</u>

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 College 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 seven years. To the extent possible, the College shall attempt to match its investments with anticipated future cash flow. Unless matched to a specific cash flow, the College shall not directly invest in securities maturing more than three years from the date of purchase.

Credit risks are the risk that the insurer of the debt security will not pay its par value upon maturity. The College's investment policy limits credit risk based on meeting requirements of State law.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The College places no limit on the amount the College may invest in any one issuer. At August 31, 2009 and 2008, the College had approximately \$10.1 and \$8 million of its investment portfolio in Federal Home Loan Bank and Federal Farm Credit Bank obligations, which mature through November 2014.

During fiscal year 2006, a donor remitted shares in a Company to the College to establish an endowment scholarship. The shares had a fair market value of \$505,500 at August 31, 2009. 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 College amended its investment policy to allow, at the Board of Trustees discretion, the College to hold donated equities for endowed scholarships.

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

5. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	<u>2009</u>	<u>2008</u>
Student tuition and fees	\$10,810,318	\$9,091,951
Ad valorem taxes	88,800	82,189
Federal grants	744,785	309,518
State grants	60,600	248,040
Other receivables	<u>828,876</u>	<u>718,058</u>
	12,533,379	10,449,756
Allowance for doubtful accounts	<u>(1,116,395)</u>	<u>(879,709)</u>
Total	<u>\$11,416,984</u>	<u>\$ 9,570,047</u>

Payables consist of the following at August 31:

	<u>2009</u>	<u>2008</u>
Vendors payable	\$3,148,106	\$1,894,706
Other payables	<u>561,530</u>	<u>555,647</u>
Total	<u>\$3,709,636</u>	<u>\$2,450,353</u>

6. Capital Assets

Capital assets' activities for the years ended August 31:

	Balance September 1, <u>2008</u>	<u>2009</u> Increase	Decrease	Balance August 31, <u>2009</u>
Capital assets not subject to depreciation:				
Land	\$ 5,389,540	\$ 70,133	\$ -	\$ 5,459,673
Collections	631,273	-	-	631,273
Construction in process	-	<u>3,151,260</u>	-	<u>3,151,260</u>
Total not depreciated	<u>6,020,813</u>	<u>3,221,393</u>	-	<u>9,242,206</u>
Capital assets subject to depreciation:				
Buildings	87,957,644	118,156	(8,902)	88,066,898
Land improvements	4,046,598	1,226,031	-	5,272,629
Furniture, equipment and vehicles	3,996,534	282,037	(82,868)	4,195,703
Computer equipment	3,004,169	84,658	(80,868)	3,007,959
Library books	<u>3,534,013</u>	<u>158,652</u>	<u>(48,839)</u>	<u>3,643,826</u>
Total depreciated	<u>102,538,958</u>	<u>1,869,534</u>	<u>(221,477)</u>	<u>104,187,015</u>
Less accumulated depreciation:				
Buildings	19,116,748	1,610,800	-	20,727,548
Land improvements	2,851,128	66,628	-	2,917,756
Furniture, equipment and vehicles	2,450,322	240,203	(70,951)	2,619,574
Computer equipment	2,383,862	199,170	(80,766)	2,502,266
Library books	<u>2,484,420</u>	<u>126,623</u>	<u>(48,838)</u>	<u>2,562,205</u>
Total accumulated depreciation	<u>29,286,480</u>	<u>2,243,424</u>	<u>(200,555)</u>	<u>31,329,349</u>
Net capital assets	<u>\$ 79,273,291</u>	<u>\$2,847,503</u>	<u>\$ (20,922)</u>	<u>\$82,099,872</u>

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

	Balance September 1, <u>2007</u>	<u>2008</u>		Balance August 31, <u>2008</u>
		<u>Increase</u>	<u>Decrease</u>	
Capital assets not subject to depreciation:				
Land	\$ 5,329,540	\$ 60,000	\$ -	\$ 5,389,540
Collections	<u>631,273</u>	<u>-</u>	<u>-</u>	<u>631,273</u>
Total not depreciated	<u>5,960,813</u>	<u>60,000</u>	<u>-</u>	<u>6,020,813</u>
Capital assets subject to depreciation:				
Buildings	87,230,018	727,626	-	87,957,644
Land improvements	4,046,598	-	-	4,046,598
Furniture, equipment and vehicles	3,334,319	755,504	(93,289)	3,996,534
Computer equipment	2,759,181	275,604	(30,616)	3,004,169
Library books	<u>3,414,839</u>	<u>172,364</u>	<u>(53,190)</u>	<u>3,534,013</u>
Total depreciated	<u>100,784,955</u>	<u>1,931,098</u>	<u>(177,095)</u>	<u>102,538,958</u>
Less accumulated depreciation:				
Buildings	17,550,772	1,565,976	-	19,116,748
Land improvements	2,784,862	66,266	-	2,851,128
Furniture, equipment and vehicles	2,314,383	210,204	(74,265)	2,450,322
Computer equipment	2,248,283	166,195	(30,616)	2,383,862
Library books	<u>2,411,446</u>	<u>126,164</u>	<u>(53,190)</u>	<u>2,484,420</u>
Total accumulated depreciation	<u>27,309,746</u>	<u>2,134,805</u>	<u>(158,071)</u>	<u>29,286,480</u>
Net capital assets	<u>\$79,436,022</u>	<u>\$ (143,707)</u>	<u>\$ (19,024)</u>	<u>\$79,273,291</u>

7. Long-Term Liabilities

Long-term liability activity for the years ended August 31:

	Balance September 1, <u>2008</u>	<u>2009</u>		Balance August 31, <u>2009</u>	Current Portion
		<u>Additions</u>	<u>Payments</u>		
Bonds payable	\$32,530,000	\$8,925,000	\$(11,800,000)	\$29,655,000	\$3,125,000
Unamortized bond premium	<u>303,964</u>	<u>244,401</u>	<u>(37,604)</u>	<u>510,761</u>	<u>282,004</u>
Total	<u>\$32,833,964</u>	<u>\$9,169,401</u>	<u>\$(11,837,604)</u>	<u>\$30,165,761</u>	<u>\$3,407,004</u>
	Balance September 1, <u>2007</u>	<u>2008</u>		Balance August 31, <u>2008</u>	Current Portion
		<u>Additions</u>	<u>Payments</u>		
Bonds payable	\$35,605,000	\$ -	\$(3,075,000)	\$32,530,000	\$2,890,000
Unamortized bond premium	<u>341,568</u>	<u>-</u>	<u>(37,604)</u>	<u>303,964</u>	<u>37,604</u>
Total	<u>\$35,946,568</u>	<u>\$ -</u>	<u>\$(3,112,604)</u>	<u>\$32,833,964</u>	<u>\$2,927,604</u>

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

8. Bonds Payable

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

Combined Fee Revenue Refunding Bonds, Series 2009

- Washington County Junior College District Combined Fee Revenue Refunding Bonds, Series 2009
- To refund a portion of the College's Combination Fee Revenue Bonds, Series 1998, Combination Fee Revenue Bonds, Series 1999 and pay the costs of issuance of the Bonds
- Issued April 15, 2009
- \$8,925,000, all authorized bonds have been issued
- Interest rates range from 1.10% 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, 2009 of \$8,925,000
- A premium of \$244,401 will be amortized in the year ended August 31, 2010

Combined Fee Revenue Refunding Bonds, Series 2005

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2005
- To pay the costs of acquisition, construction, improvement and equipment of College facilities and the acquisition of sites therefore, including payment of the College's obligation created by the College's exercise of its purchase option under the lease agreement between the College and the City of Bryan, Texas in connection with the City of Bryan Lease Revenue Bonds Series 1995; to fund the reserve funds and to pay the related costs of issuance
- Issued July 6, 2005
- \$11,815,000, all authorized bonds have been issued
- Interest rates range from 3.5% to 5.125%
- Source of revenue for debt service - designated portion of tuition and fees
- Outstanding bonds payable at August 31, 2009 and 2008 of \$8,375,000 and \$9,240,000, respectively
- A premium of \$416,775 is being amortized over the life of the bonds
- The College received \$1,268,465 from the City of Bryan, Texas. These funds represent the difference between the monthly capital lease payments made by College for the lease of the Bryan Campus and the debt service payments made by the City of Bryan, Texas.

Combined Fee Revenue Refunding Bonds, Series 2003

- Washington County Junior College District Combined Fee Revenue Refunding Bonds, Series 2003
- To refund \$4,300,000 of Combined Fee and Revenue Bonds, Series 1993
- Issued January 1, 2003
- \$4,475,000, all authorized bonds have been issued
- Interest rates range from 3% to 4.3%
- Source of revenue for debt service - designated portion of tuition and registration charges, other fee charges and designated revenues

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

- Outstanding bonds payable at August 31, 2009 and 2008 of \$1,670,000 and \$1,910,000, respectively
- Net proceeds from refunding bonds \$4,406,739; after payment of \$94,344 in underwriting fees, insurance, and other issuance costs
- The 1993 Series bond are considered fully defeased and the liability for those bonds has been removed from the financial statements
- Advanced refunding of the 1993 Series bonds reduced the Colleges debt service payments over the next 15 years by approximately \$230,000
- Economic gain of approximately \$170,000 is difference between the net present value of the old and new debt service payments

Combined Fee Revenue Bonds, Series 2002

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2002
- To construct and equip student apartment housing and construct, renovate and equip academic buildings and parking lots
- Issued May 1, 2002
- \$15,355,000, all authorized bonds have been issued
- Interest rates range from 2.5% to 5.125%
- Sources of revenue for debt service - designated portion of tuition and registration charges, other fee charges and designated revenues
- Outstanding bonds payable at August 31, 2009 and 2008 of \$9,805,000 and \$10,740,000, respectively

Combined Fee Revenue Bonds, Series 1999

- Washington County Junior College District Combined Fee Revenue Bonds, Series 1999
- To construct new academic and student service facilities and student apartment housing
- Issued December 1, 1998
- \$6,110,000, all authorized bonds have been issued
- Interest rates range from 4.2% to 4.85%
- Sources of revenue for debt service - designated portion of tuition and registration charges, building use fees, other fee charges and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2009 and 2008 of \$435,000 and \$3,330,000, respectively

Combined Fee Revenue Bonds, Series 1998

- Washington County Junior College District Combined Fee Revenue Bonds, Series 1998
- To construct new academic and student service facilities and student apartment housing
- Issued November 15, 1998
- \$9,870,000, all authorized bonds have been issued
- Interest rates range from 4% to 4.75%
- Sources of revenue for debt service - designated portion of tuition and registration charges, building use fees, other fee charges and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2009 and 2008 of \$445,000 and \$7,310,000, respectively

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

Under each bond issue, the College is to maintain a reserve account equal to the maximum annual principal and interest requirements on all bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2009 is \$4,280,311, which meets the full reserve requirement. The Series 2002 and 2003 bonds require the College to maintain adequate insurance coverage. All premiums have been paid.

Combined Bond Debt Service Requirements

Combined bond debt service requirements of the bonds for the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,125,000	\$ 1,143,079	\$ 4,268,079
2011	3,175,000	1,048,256	4,223,256
2012	3,295,000	935,314	4,230,314
2013	2,470,000	820,754	3,290,754
2014	2,475,000	717,229	3,192,229
2015-2019	11,305,000	2,009,625	13,314,625
2020-2023	<u>3,810,000</u>	<u>323,972</u>	<u>4,133,972</u>
Total	<u>\$29,655,000</u>	<u>\$6,998,229</u>	<u>\$36,653,229</u>

9. Advance Refunding Bonds

- Refunded \$6,435,000 of Combined Fee Revenue Refunding Bonds, Series 1998 and \$2,475,000 of Combined Fee Revenue Refunding Bonds, Series 1999.
- Issued refunding bonds on May 19, 2009.
- \$8,925,000, all authorized bonds have been issued.
- Combined Fee Revenue Refunding Bonds, Series 2009.
- Average interest rate of bonds refunded – 4.494%.
- Net proceeds from Refunding Series -- \$9,001,208; after payment of \$141,902 in underwriting fees and other issuance costs.
- The 1998 Series and the 1999 Series are considered fully defeased and the liability for for those bonds has been removed from the Investment in Plant Fund Group.
- Current refunding of the 1998 Series and the 1999 Series bonds reduced the College's debt service payments over the next 12 years by approximately \$848,054.
- Economic Gain - \$592,221 difference between the net present value of the old and new debt service payments.
- Accounting Gain – no accounting gain resulted from the advanced refunding.

10. Unrestricted Net Assets

The College designates a portion of unrestricted net assets to indicate management's tentative plans for future use of financial resources. At August 31, 2008, \$2,033,504 of unrestricted net assets was designated for future capital projects. During fiscal 2009, the designated unrestricted net assets were used for capital projects.

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

11. Employees' Retirement Plans

The State of Texas has joint contributory retirement plans for almost all its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas

Teacher Retirement System of Texas

Plan Description. The College contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan. TRS issues a publicly available financial report with required supplementary information which can be obtained from www.trs.state.tx.us, under the TRS Publications heading.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The state funding policy is as follows: (1) the state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system; (2) A state statute prohibits benefit improvements or contribution reductions if, as a result of a 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. State law provides for a member contribution rate of 6.4% for fiscal years 2009 and 2008 and a state contribution rate of 6.58% for fiscal year 2009 and 2008. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal year 2009 and 2008.

Optional Retirement Plan

Plan Description. The state has also established an optional retirement program for institutions of higher education. Participation in the Optional Retirement Program is in lieu of participation in the Teacher Retirement System. The optional retirement program provides for the purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and each participant are 6.58% and 6.65%, respectively. The College contributes 1.92 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.

The retirement expense to the State for the College was \$1,825,554 and \$1,665,464 for the fiscal years ended August 31, 2009 and 2008, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$35,707,164 and \$32,689,510 for fiscal years 2009 and 2008, respectively. The total payroll of employees covered by the Teacher Retirement System was \$19,609,333 and \$17,362,988, and the total payroll of employees

BLINN COLLEGE

Notes to Financial Statements August 31, 2009 and 2008

covered by the Optional Retirement Program was \$10,945,377 and \$10,457,687 for fiscal years 2009 and 2008, respectively.

12. Deferred Compensation Program

The College'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, 2009 and 2008, the College had no employees electing to defer compensation.

13. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during 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 \$361 to \$705 per month for the years ended August 31, 2009 and 2008, depending on the coverage elected. The State's contribution totaled \$3,068,038 and \$3,097,307, for the years ended August 31, 2009 and 2008, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees.

14. 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 College. 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 College does not allow conversion of unpaid sick leave for terminated employees. The College'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.

15. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the AICPA Industry Audit Guide, *Audits of Colleges and Universities*. Revenues are recognized on Exhibit 2 and Schedule A. 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 college has not yet performed services are not included in the financial statements.

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

16. Property Tax

The College'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 College. Property taxes are recorded on an accrual basis of accounting. At August 31:

	<u>2009</u>	<u>2008</u>
Assessed valuation of the College	\$2,686,362,957	\$2,362,964,878
Less exemptions	<u>(374,993,207)</u>	<u>(338,399,244)</u>
Net assessed valuation of the College	<u>\$2,311,369,750</u>	<u>\$2,024,565,634</u>

	<u>2009</u>		
	<u>Current</u>	<u>Debt</u>	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$0.0532	\$ -	\$0.0532
Tax rate per \$100 valuation assessed	0.0532	-	0.0532

	<u>2008</u>		
	<u>Current</u>	<u>Debt</u>	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$0.0548	\$ -	\$0.0548
Tax rate per \$100 valuation assessed	0.0548	-	0.0548

Tax levied for the years ended August 31, 2009 and 2008 is \$1,356,569 and \$1,231,174, 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.

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 College has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

<u>Taxes Collected at August 31</u>	<u>2009</u>	<u>2008</u>
Current	\$1,320,921	\$ 1,199,372
Delinquent	26,281	23,575
Penalties and interest	<u>19,715</u>	<u>16,028</u>
Total Collections	<u>\$1,366,917</u>	<u>\$1,238,975</u>

Tax collections for the year ended August 31, 2009 and 2008 were 97% of the current tax levy. 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 interest and sinking fund expenditures.

BLINN COLLEGE

Notes to Financial Statements
August 31, 2009 and 2008

17. Operating Leases

The College leases three facilities related to the Bryan Campus and one facility related to the Sealy Campus under non-cancelable leases expiring through June 2012, with future minimum payments as of August 31, 2009 as follows:

<u>Fiscal Year</u>	
2010	\$203,000
2011	128,000
2012	37,000

Rental expense was approximately \$167,000 and \$161,000 for the years ended August 31, 2009 and 2008, respectively.

The College leases retail space to various tenants expiring through December 2013, for property located on the Bryan Campus. Future minimum rental income, as of August 31, 2009, under the agreements are as follows:

<u>Fiscal Year</u>	
2010	12,000
2011	12,000
2012	12,000
2013	4,000

Rental income was approximately \$28,000 and \$58,000 for the years ended August 31, 2009 and 2008, respectively.

18. Contingent Liabilities

The College participates in a number of State and Federally assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the College's compliance with applicable grant requirements will be finally determined at some future date. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the College expects such amounts, if any, to be immaterial.

19. Self Insurance

Effective September 1, 2003, the College began participating in a public entity risk pool for workers compensation. The participants of the pool include several other public junior and community colleges. The plan provides coverage to each participant with the College's individual loss fund maximum of \$421,658 and \$424,301 at August 31, 2009 and 2008, respectively, which is based on estimated payroll.

The liability for claims incurred but not reported under the self-insured plan is \$123,044 and \$114,988 as of August 31, 2009 and 2008, respectively, and is included in the accompanying statements of net assets. Future payments for the claims will be paid from the accrued liability.

BLINN COLLEGE

**Notes to Financial Statements
August 31, 2009 and 2008**

Self-insurance activity for the years ended August 31, 2009 and 2008 was as follows:

<u>Accrued Liability for the Year ended August 31</u>	<u>Balance of Liability at Beginning of Fiscal Year</u>	<u>Additions</u>	<u>Reductions for Claims Paid</u>	<u>Cumulative Balance of Liability at End of Fiscal Year</u>
2008	\$405,194	\$79,048	\$(79,677)	\$404,565
2009	404,565	102,730	(99,582)	407,713

20. Postemployment Benefits Other than Pensions

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

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

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

The employer's share of the cost of retiree healthcare coverage for the current year is known as the implicit rate subsidy. It is the difference between the claims costs for the retirees and the amounts contributed by the retirees. The ERS board of trustees sets the employer contribution rate based on the implicit rate subsidy which is actuarially determined in accordance with the parameters of GASB statement 45.

The employer contribution rate represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The College's contributions to SRHP for State retirees for the years ended August 31, 2009, 2008 and 2007, were \$719,165, \$660,378 and \$604,102, respectively, which amounts were funded from the College's State group insurance appropriation. The College's contributions to SRHP for Local retirees for the years ended August 31, 2009, 2008 and 2007, were \$154,342, \$135,209 and \$137,956, respectively, which amounts were paid directly by the College.

SUPPLEMENTAL SCHEDULES

BLINN COLLEGE

Schedule of Operating Revenues
Year Ended August 31, 2009
 (With Memorandum Totals for the Year Ended August 31, 2008)

	Educational Activities		Total	Auxiliary Enterprises	2009 Total	2008 Total
	Unrestricted	Restricted	Educational Activities			
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 363,044	\$ -	\$ 363,044	\$ -	\$ 363,044	\$ 680,047
Out-of-district resident tuition	21,045,535	-	21,045,535	-	21,045,535	18,579,982
Non-resident tuition	1,504,227	-	1,504,227	-	1,504,227	1,405,856
TPEG - credit (set aside) *	758,033	-	758,033	-	758,033	1,212,415
State funded continuing education	529,792	-	529,792	-	529,792	456,875
Non-State funded continuing education	178,670	-	178,670	-	178,670	245,570
Total Tuition	24,379,301	-	24,379,301	-	24,379,301	22,580,745
Fees:						
General fee	8,329,612	-	8,329,612	1,469,931	9,799,543	8,965,724
Laboratory and course fees	991,690	-	991,690	-	991,690	740,408
Vehicle registration fees	665,935	-	665,935	-	665,935	664,745
Incidental fees	399,501	-	399,501	-	399,501	357,195
Other fees	-	-	-	349,060	349,060	173,472
Total fees	10,386,738	-	10,386,738	1,818,991	12,205,729	10,901,544
Scholarship allowances and discounts:						
Scholarship allowances	(427,497)	-	(427,497)	-	(427,497)	(352,210)
Remissions and exemptions	(548,694)	-	(548,694)	-	(548,694)	(412,251)
TPEG allowances	(374,368)	-	(374,368)	-	(374,368)	(320,762)
Federal and State grants to students	(3,557,669)	-	(3,557,669)	-	(3,557,669)	(2,523,489)
Other	(346,312)	-	(346,312)	-	(346,312)	(352,719)
Total scholarships allowances and discounts	(5,254,540)	-	(5,254,540)	-	(5,254,540)	(3,961,431)
Total net tuition and fees	29,511,499	-	29,511,499	1,818,991	31,330,490	29,520,858
Additional operating revenues:						
Federal grants and contracts	-	975,463	975,463	-	975,463	948,820
State grants and contracts	-	848,495	848,495	-	848,495	1,652,908
Sales and services of educational activities	254,094	-	254,094	-	254,094	226,338
Other operating revenues	1,189,528	-	1,189,528	-	1,189,528	682,523
Total additional operating revenues	1,443,622	1,823,958	3,267,580	-	3,267,580	3,510,589
Auxiliary enterprises:						
Residential life	-	-	-	2,783,347	2,783,347	2,692,639
Scholarships allowances and discounts	-	-	-	(279,675)	(279,675)	(255,179)
Net residential life	-	-	-	2,503,672	2,503,672	2,437,460
Cafeteria	-	-	-	2,177,873	2,177,873	2,071,185
Scholarship allowances and discounts	-	-	-	(223,736)	(223,736)	(257,099)
Net cafeteria	-	-	-	1,954,137	1,954,137	1,814,086
Bookstore	-	-	-	1,048,833	1,048,833	1,350,957
Scholarship allowances and discounts	-	-	-	(139,404)	(139,404)	(120,018)
Net bookstore	-	-	-	909,429	909,429	1,230,939
Other auxiliary	-	-	-	369,692	369,692	375,620
Total net auxiliary enterprises	-	-	-	5,736,930	5,736,930	5,858,105
Total Operating Revenues	\$ 30,955,121	\$ 1,823,958	\$ 32,779,079	\$ 7,555,921	\$ 40,335,000	\$ 38,889,552
					(Exhibit 2)	(Exhibit 2)

* In accordance with Education Code §56.033, \$758,033 and \$1,212,415 for the years ended August 31, 2009 and 2008, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

BLINN COLLEGE

Schedule of Operating Expenses By Object
Year Ended August 31, 2009
 (With Memorandum Totals for the Year Ended August 31, 2008)

	Operating Expenses				2009 Total	2008 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - Educational Activities:						
Instruction	\$22,312,826	\$ -	\$ 1,954,127	\$ 3,178,544	\$27,445,497	\$25,145,357
Public Service	263,562	-	25,903	160,387	449,852	477,974
Academic Support	2,533,468	-	225,943	595,688	3,355,099	3,077,938
Student Services	3,165,456	-	274,978	721,744	4,162,178	3,704,553
Institutional Support	3,523,488	-	144,074	2,564,779	6,232,341	6,456,617
Operation and Maintenance of Plant	1,374,920	-	510,053	4,351,280	6,236,253	6,295,868
Scholarships and Fellowships	-	-	-	510,820	510,820	420,858
Total Unrestricted - Educational Activities	<u>33,173,720</u>	<u>-</u>	<u>3,135,078</u>	<u>12,083,242</u>	<u>48,392,040</u>	<u>45,579,165</u>
Restricted - Educational Activities:						
Instruction	348,637	2,961,501	116,776	357,704	3,784,618	3,672,891
Public Service	313,328	42,323	75,724	141,970	573,345	1,563,506
Academic Support	-	419,584	-	-	419,584	373,270
Student Services	-	637,239	-	-	637,239	556,606
Institutional Support	-	1,328,432	-	2,335	1,330,767	1,222,143
Scholarships and Fellowships	-	-	-	6,804,945	6,804,945	6,202,481
Total Restricted - Educational Activities	<u>661,965</u>	<u>5,389,079</u>	<u>192,500</u>	<u>7,306,954</u>	<u>13,550,498</u>	<u>13,590,897</u>
Total Educational Activities	<u>33,835,685</u>	<u>5,389,079</u>	<u>3,327,578</u>	<u>19,390,196</u>	<u>61,942,538</u>	<u>59,170,062</u>
Auxiliary Enterprises	1,871,479	-	783,144	4,319,074	6,973,697	6,544,728
Depreciation Expense - Buildings and other real estate improvements	-	-	-	1,677,429	1,677,429	1,632,242
Depreciation Expense - Equipment, furniture and library books	-	-	-	565,995	565,995	502,563
Total Operating Expenses	<u>\$35,707,164</u>	<u>\$ 5,389,079</u>	<u>\$ 4,110,722</u>	<u>\$25,952,694</u>	<u>\$71,159,659</u> (Exhibit 2)	<u>\$67,849,595</u> (Exhibit 2)

BLINN COLLEGE

Schedule of Nonoperating Revenues and Expenses
Year Ended August 31, 2009
(With Memorandum Totals for the Year Ended August 31, 2008)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2009 Total</u>	<u>2008 Total</u>
Non-Operating Revenues:				
State appropriations:				
Education and General state support	\$ 21,086,928	\$ -	\$ 21,086,928	\$ 20,926,227
State group insurance	-	3,068,038	3,068,038	3,097,307
State retirement matching	-	1,825,554	1,825,554	1,665,464
Total state appropriations	<u>21,086,928</u>	<u>4,893,592</u>	<u>25,980,520</u>	<u>25,688,998</u>
Property taxes	1,378,032	-	1,378,032	1,251,445
Federal revenue, non operating	-	9,205,441	9,205,441	7,784,371
Investment income	696,692	-	696,692	1,278,831
Federal grant related to capital debt	16,094	-	16,094	16,094
Gain on disposal of capital assets	3,334	-	3,334	-
Unrealized gain on investments	118,623	-	118,623	27,541
Total non-operating revenues	<u>23,299,703</u>	<u>14,099,033</u>	<u>37,398,736</u>	<u>36,047,280</u>
Non-Operating Expenses:				
Interest on capital related debt	1,446,029	-	1,446,029	1,467,233
Loss on disposal of capital assets	-	-	-	5,142
Other expenses	141,902	-	141,902	-
Total non-operating expenses	<u>1,587,931</u>	<u>-</u>	<u>1,587,931</u>	<u>1,472,375</u>
Net non-operating revenues	<u>\$ 21,711,772</u>	<u>\$ 14,099,033</u>	<u>\$ 35,810,805</u>	<u>\$ 34,574,905</u>
			(Exhibit 2)	(Exhibit 2)

BLINN COLLEGE

Schedule of Net Assets by Source and Availability
 Year Ended August 31, 2009
 (With Memorandum Totals for the Year Ended August 31, 2008)

	Detail by Source				Capital Assets Net of Depreciation and Related Debt	Total	Available for Current Operations	
	Unrestricted	Restricted		Non- Expendable			Yes	No
		Expendable	Non- Expendable					
Current:								
Unrestricted	\$ 5,073,932	\$ -	\$ -	\$ -	\$ 5,073,932	\$ 5,073,932	\$ -	-
Student aid	-	1,050,756	-	-	1,050,756	1,050,756	-	1,050,756
Star of Republic Museum	-	180,372	-	-	180,372	180,372	-	180,372
Auxiliary enterprises	3,403,778	-	-	-	3,403,778	3,403,778	-	-
Endowment:								
Expendable	-	958,160	-	-	958,160	958,160	-	958,160
Non-expendable	-	-	9,030,083	-	9,030,083	9,030,083	-	9,030,083
Plant:								
Debt service	-	4,280,311	-	-	4,280,311	4,280,311	-	4,280,311
Investment in plant	-	-	-	51,934,112	51,934,112	51,934,112	-	51,934,112
Total Net Assets, August 31, 2009	8,477,710	6,469,599	9,030,083	51,934,112	75,911,504	75,911,504	8,477,710	67,433,794
Total Net Assets, August 31, 2008	8,877,897	6,575,000	8,985,030	46,439,328	70,877,255	70,877,255	8,877,897	61,999,358
Net Increase (Decrease) in Net Assets	\$ (400,187)	\$ (105,401)	\$ 45,053	\$ 5,494,784	\$ 5,034,249	\$ 5,034,249	\$ (400,187)	\$ 5,434,436

BLINN COLLEGE

**Schedule of Expenditures of Federal Awards
For The Year Ended August 31, 2009**

Federal Grantor/Pass Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Supplemental Education Opportunity Grant	84.007	P007A083969	\$ 164,135
Federal Family Education Loans	84.032		16,840,117
Federal Pell Grant	84.063	P063P082262	8,771,381
Federal Academic Competitive Grant	84.375	P375A082262	269,925
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	94206	380,646
Leveraging Educational Assistance (LEAP)	84.069A		12,160
Special Leveraging Educational Assistance (SLEAP)	84.069B		15,641
Byrd Scholarship	84.185		6,187
Carl Perkins Tech-Prep Education	84.243	91705	241,290
College Access Challenge Grant	84.378	1151-01	94,778
Total U.S. Department of Education			<u>26,796,260</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program -			
Federal Interest Subsidy	14.864		<u>16,094</u>
<u>U.S. National Science Foundation</u>			
Pass-Through from:			
Texas A&M University System			
Texas Engineering Experiment Station	47.076		<u>11,227</u>
Total U.S. National Science Foundation			<u>11,227</u>
<u>U.S. Small Business Administration</u>			
Pass-Through from:			
University of Houston:			
Small Business Development Center	59.037	8-603001-Z-0047-19	8,888
Small Business Development Center	59.037	9-603001-Z-0047-19	<u>75,055</u>
Total U.S. Small Business Administration			<u>83,943</u>
Total Federal Financial Assistance			<u>\$ 26,907,524</u>
<u>* Federal Family Education Loans, CFDA 84.032, includes the following:</u>			
Subsidized Loans			\$ 8,604,440
Unsubsidized Loans			4,504,278
PLUS Loans			1,674,717
Additional Unsubsidized Loans			<u>2,056,682</u>
			<u>\$ 16,840,117</u>

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

BLINN COLLEGE

**Schedule of Expenditures of State Awards
For the Year Ended August 31, 2009**

<u>Grantor Agency/Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
Texas Comptroller of Public Accounts - Law Enforcement Officer Standards & Education (LEOSE)	9P050538	\$ 2,334
Texas Higher Education Coordinating Board:		
Texas Grant Program		621,070
Summer Bridge Program - Brenham		1,926
Summer Bridge Program - Bryan		2,039
Summer Bridge Program 2008		55
College Connection		77,450
Texas Workforce Commission		
Skills Development-Tarlton/TFE	1607SDF001	2,778
Skills Development-Centara	1607SDF000	9,938
Skills Development-Power Plant Project	1607SDF002	(30,185)
Skills Development-Bluebonnet Cooperative FY08	1608SDF001	73,404
Skills Development-Bluebell Creameries	1609SDF000	42,269
Skills Development-RR Donnelley Company	1609SDF002	17,152
Skills Development-Igloo Products Corporation	1609SDF001	14,883
Total Skills Development		<u>130,239</u>
Chapter 133 Apprentice Training 2009	1609ATP001	<u>13,382</u>
Total State Financial Assistance		<u>\$ 848,495</u>

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

BLINN COLLEGE

Notes to Schedules of Expenditures of Federal and State Awards (continued) Year Ended August 31, 2009

1. Relationship to Financial Statements

	<u>Federal</u>	<u>State</u>
Total Revenue – Per Schedule A	\$ 975,463	\$ 848,495
Add Loans	16,840,117	-
Add Federal Interest Subsidy	16,094	-
Add Non Operating Federal Revenue from Schedule C	9,205,441	-
Less Procurement Contracts (Fee Based Contracts)	<u>(129,591)</u>	<u>-</u>
 Total per Schedules of Expenditures of Federal and State Awards	 <u>\$26,907,524</u>	 <u>\$ 848,495</u>

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules present the activity of all Federal and State programs of the College for the year ended August 31, 2009. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College 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 College has followed all applicable guidelines issued by various entities in the preparation of the schedules.

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.

4. Amounts Passed-Through by the College

The following amounts were passed-through to the listed subrecipients by the College. These amounts were from the Carl Perkins Tech-Prep Education program, CFDA 84.243, from the U.S. Department of Education through the Texas Higher Education Coordinating Board.

Anderson-Shiro ISD	\$ 2,200
Bremont ISD	2,200
Brenham ISD	11,933
Bryan ISD	20,292
Buffalo ISD	2,200
Burton ISD	6,700
Caldwell ISD	3,174
Calvert ISD	2,200
Centerville ISD	2,200
College Station ISD	11,319
Franklin ISD	6,700
Flatonia ISD	2,200
Hearne ISD	1,908
Iola ISD	2,100
Leon ISD	2,200
Madisonville ISD	4,328
Mumford ISD	2,200
Navasota ISD	3,631
Normangee ISD	2,200

BLINN COLLEGE

**Notes to Schedules of Expenditures of Federal and State Awards
Year Ended August 31, 2009**

North Zulch ISD	2,200
Oakwood ISD	2,200
Schulenburg ISD	2,189
Snook ISD	2,145
Somerville ISD	<u>2,172</u>
	<u>\$ 102,791</u>

SINGLE AUDIT REPORTS



LOTT, VERNON & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Certified Public Accountants

**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
Brenham, Texas

We have audited the financial statements of Blinn College, as of and for the year ended August 31, 2009, and have issued our report thereon dated December 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the College's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the College's financial statements that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the College's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any

**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)**

deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and the State of Texas Single Audit Circular.

We noted certain other matters that we reported to management of the College in a separate letter dated December 3, 2009.

This report is intended solely for the information of the Audit Committee, Board of Trustees, management, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Jett, Vernon & Co., P.C.

Temple, Texas
December 3, 2009



LOTT, VERNON & COMPANY, P.C.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR**

Board of Trustees
Blinn College
Brenham, Texas

Compliance

We have audited the compliance of Blinn College with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs and the State of Texas Single Audit Circular that are applicable to each of its major state programs for the year ended August 31, 2009. The College'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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133 and 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 College'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. Our audit does not provide a legal determination on the College's compliance with those requirements.

In our opinion, Blinn College complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended August 31, 2009.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
THE STATE OF TEXAS SINGLE AUDIT CIRCULAR (CONTINUED)**

Internal Control Over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 College's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the College's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the College's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Audit Committee, Board of Trustees, management, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Temple, Texas
December 3, 2009

Latt, Vernon & Co., P.C.

BLINN COLLEGE

**Schedule of Findings and Questioned Costs
August 31, 2009**

I. Summary of Audit Results

Financial Statements

- 1. Type of auditor's report issued: *unqualified*

- 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 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: *unqualified*

- 6. Any audit findings disclosed that are
 required to be reported in accordance
 with section 510(a) of Circular A-133? _____ yes X no

- 7. Identification of major programs:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>	<u>State Programs</u>
Student Financial Aid		Texas Grant
Cluster:		
- SEOG	84.007	
- Federal Family Education Loan Program	84.032	
- Pell Program	84.063	
- Academic Competitiveness	84.375	
- Carl Perkins Tech Prep	84.243	

BLINN COLLEGE

Schedule of Findings and Questioned Costs (Continued)
August 31, 2009

- | | | | |
|----|--|---------|------------------|
| 8. | Dollar threshold used to distinguish between type A and type B programs: | Federal | <u>\$807,226</u> |
| | | State | <u>\$300,000</u> |
9. Auditee qualified as low-risk auditee? X yes no
- II. Financial Statement Findings
 - None.
- III. Federal and State Award Findings and Questioned Costs
 - None.

STATISTICAL SECTION (UNAUDITED)

Blinn College

Net Assets by Component
Fiscal Years 2002 to 2009
(Unaudited)

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

	2009	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 51,934	\$ 46,439	\$ 43,489	\$ 41,668	\$ 39,725	\$ 40,318	\$ 40,513	\$ 38,334
Restricted - expendable	6,470	6,575	6,971	6,665	5,791	3,585	3,355	3,770
Restricted - nonexpendable	9,030	8,985	8,254	7,810	6,921	5,644	5,329	4,902
Unrestricted	8,478	8,878	6,251	4,165	4,156	4,181	2,891	4,459
Total primary government net assets	\$ 75,912	\$ 70,877	\$ 64,965	\$ 60,308	\$ 56,593	\$ 53,728	\$ 52,088	\$ 51,465

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Blinn College

Revenues by Source
Fiscal Years 2002 to 2009
(Unaudited)

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

	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	\$ 31,331	\$ 29,521	\$ 26,440	\$ 24,227	\$ 21,565	\$ 19,992	\$ 17,425	\$ 16,509
Governmental grants and contracts								
Federal Grants and Contracts	975	949	1,226	1,266	1,664	1,246	1,348	1,377
State and local grants and contracts	848	1,653	532	500	611	710	1,116	1,065
Sales and services of educational activities	254	226	190	342	199	159	309	365
Auxiliary enterprises (net of discounts)	5,737	5,858	5,591	5,104	5,395	5,346	5,175	4,894
Other operating revenues	1,190	683	211	244	29	144	311	196
Total Operating Revenues	40,335	38,890	34,190	31,683	29,463	27,597	25,684	24,406
State appropriations	25,981	25,689	24,041	23,689	22,348	22,097	22,544	23,695
Ad valorem taxes	1,378	1,251	1,138	1,026	1,029	990	934	881
Federal revenue, nonoperating	9,205	7,784	7,152	7,606	7,320	7,429	6,583	5,331
Federal grant related to capital debt	16	16	16	16	16	16	16	34
Unrealized gain on investments	119	28	66	-	-	-	-	-
Investment income	697	1,279	1,451	1,039	611	376	360	446
Other non-operating revenues	3	-	-	254	2,779	5	-	-
Total Non-Operating Revenues	37,399	36,047	33,864	33,630	34,103	30,913	30,437	30,387
Total Revenues	\$ 77,734	\$ 74,937	\$ 68,054	\$ 65,313	\$ 63,566	\$ 58,510	\$ 56,121	\$ 54,793

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

	2009	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	40.31%	39.39%	38.85%	37.09%	33.93%	34.17%	31.05%	30.13%
Governmental grants and contracts								
Federal grants and contracts	1.25%	1.27%	1.80%	1.95%	2.61%	2.13%	2.41%	2.51%
State grants and contracts	1.09%	2.21%	0.78%	0.77%	0.96%	1.21%	1.99%	1.94%
Sales and services of educational activities	0.33%	0.30%	0.28%	0.52%	0.31%	0.27%	0.55%	0.67%
Auxiliary enterprises	7.38%	7.82%	8.22%	7.81%	8.49%	9.14%	9.22%	8.93%
Other operating revenues	1.53%	0.91%	0.31%	0.37%	0.05%	0.25%	0.55%	0.36%
Total Operating Revenues	51.89%	51.90%	50.24%	48.51%	46.35%	47.17%	45.77%	44.54%
State appropriations	33.43%	34.28%	35.33%	36.27%	35.16%	37.77%	40.17%	43.24%
Ad valorem taxes	1.77%	1.67%	1.67%	1.57%	1.62%	1.69%	1.66%	1.61%
Federal revenue, nonoperating	11.84%	10.38%	10.51%	11.65%	11.51%	12.69%	11.73%	9.74%
Federal grant related to capital debt	0.02%	0.02%	0.02%	0.02%	0.03%	0.03%	0.03%	0.06%
Unrealized gain on investments	0.15%	0.04%	0.10%	-	-	-	-	-
Investment income	0.90%	1.71%	2.13%	1.59%	0.96%	0.64%	0.64%	0.51%
Other non-operating revenues	-	-	-	0.39%	4.37%	0.01%	-	-
Total Non-Operating Revenues	48.11%	48.10%	49.76%	51.49%	53.65%	52.83%	54.23%	55.46%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Blinn College

Program Expenses by Function
Fiscal Years 2002 to 2009
(Unaudited)

For the Year Ended August 31,								
	2009	2008	2007	2006	2005	2004	2003	2002
	(amounts expressed in thousands)							
Instruction	\$ 31,230	\$ 28,818	\$ 27,083	\$ 26,589	\$ 24,125	\$ 23,622	\$ 23,430	\$ 22,813
Public service	1,023	2,041	1,341	1,212	1,587	1,356	629	784
Academic support	3,775	3,451	3,198	3,382	3,824	2,930	4,098	3,036
Student services	4,799	4,261	4,044	4,023	3,645	3,412	3,320	3,016
Institutional support	7,563	7,679	6,442	6,079	5,351	5,622	4,984	5,896
Operation and maintenance of plant	6,236	6,296	5,238	4,615	4,815	4,249	3,894	4,284
Scholarships and fellowships	7,316	6,623	5,827	5,983	5,806	5,999	6,004	4,931
Auxiliary enterprises	6,974	6,545	6,070	6,528	6,035	5,358	4,956	5,512
Depreciation	2,244	2,135	2,381	2,499	2,432	2,421	2,266	1,617
Total Operating Expenses	71,160	67,849	61,624	60,910	57,620	54,969	53,581	51,889
Interest on capital related debt	1,446	1,467	1,572	1,548	2,083	2,081	2,166	1,589
Other non-operating expenses	142	-	-	-	194	-	152	266
Loss on disposal of fixed assets	-	5	699	-	-	23	69	39
Unrealized loss on investments	-	-	-	55	44	-	-	-
Total Non-Operating Expenses	1,588	1,472	2,271	1,603	2,321	2,104	2,387	1,894
Total Expenses	\$ 72,748	\$ 69,321	\$ 63,895	\$ 62,513	\$ 59,941	\$ 57,073	\$ 55,968	\$ 53,783

For the Year Ended August 31,								
	2009	2008	2007	2006	2005	2004	2003	2002
	(amounts expressed in thousands)							
Instruction	42.93%	41.57%	42.39%	42.53%	40.25%	41.39%	41.86%	42.42%
Public service	1.41%	2.94%	2.10%	1.94%	2.64%	2.38%	1.12%	1.46%
Academic support	5.19%	4.98%	5.00%	5.41%	6.38%	5.13%	7.32%	5.64%
Student services	6.59%	6.15%	6.33%	6.44%	6.08%	5.98%	5.93%	5.61%
Institutional support	10.40%	11.08%	10.08%	9.72%	8.93%	9.85%	8.91%	10.96%
Operation and maintenance of plant	8.57%	9.08%	8.20%	7.38%	8.03%	7.44%	6.96%	7.97%
Scholarships and fellowships	10.06%	9.55%	9.12%	9.57%	9.69%	10.51%	10.73%	9.17%
Auxiliary enterprises	9.59%	9.44%	9.50%	10.44%	10.07%	9.39%	8.86%	10.25%
Depreciation	3.08%	3.08%	3.73%	4.00%	4.06%	4.24%	4.05%	3.01%
Total Operating Expenses	97.82%	97.87%	96.45%	97.43%	96.13%	96.31%	95.74%	96.49%
Interest on capital related debt	1.99%	2.12%	2.46%	2.48%	3.48%	3.65%	3.87%	2.95%
Bond issuance costs	0.19%	-	-	-	0.32%	-	0.27%	0.49%
Loss on disposal of fixed assets	-	0.01%	1.09%	-	-	0.04%	0.12%	0.07%
Unrealized loss on investments	-	-	-	0.09%	0.07%	-	-	-
Total Non-Operating Expenses	2.18%	2.13%	3.55%	2.57%	3.87%	3.65%	4.26%	3.51%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2002-2009 are available.

Blinn College
Tuition and Fees
Last Ten Academic Years
(Unaudited)

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	Resident Fees per Semester Credit Hour (SCH)					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
			In-District Tuition	Out-of-District Tuition	Technology Fees	General Fees	General Fees				
2009	\$ -	\$ -	\$ 35	\$ 64	\$ -	\$ 28	\$ 756	\$ 1,104	0.00%	0.00%	
2008	-	-	35	64	-	28	756	1,104	8.62%	5.75%	
2007	-	-	30	59	-	28	696	1,044	3.57%	6.10%	
2006	-	-	28	54	-	28	672	984	9.80%	13.89%	
2005	-	-	23	44	-	28	612	864	0.00%	0.00%	
2004	-	-	23	44	-	28	612	864	8.51%	16.13%	
2003	-	-	19	34	-	28	564	744	4.44%	8.77%	
2002	-	-	19	31	-	26	540	684	6.30%	4.91%	
2001	40	-	19	31	-	20	508	652	0.00%	0.00%	
2000	40	-	19	31	-	20	508	652	25.12%	26.85%	

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	Non - Resident Fees per Semester Credit Hour (SCH)					Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
			Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	General Fees	General Fees				
2009	\$ -	\$ -	\$ 140	\$ 140	\$ -	\$ 28	\$ 2,016	\$ 2,016	0.00%	0.00%	
2008	-	-	140	140	-	28	2,016	2,016	3.07%	3.07%	
2007	-	-	135	135	-	28	1,956	1,956	0.00%	0.00%	
2006	-	-	135	135	-	28	1,956	1,956	0.00%	0.00%	
2005	-	-	135	135	-	28	1,956	1,956	0.00%	0.00%	
2004	-	-	135	135	-	28	1,956	1,956	6.54%	6.54%	
2003	-	-	125	125	-	28	1,836	1,836	10.87%	10.87%	
2002	-	-	112	112	-	26	1,656	1,656	1.97%	1.97%	
2001	40	-	112	112	-	20	1,624	1,624	0.00%	0.00%	
2000	40	-	112	112	-	20	1,624	1,624	17.85%	17.85%	

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

Blinn College

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)
2008-09	\$ 2,686,363	\$ (374,993)	\$ 2,311,370	86.04%	0.053200	-	0.053200
2007-08	2,362,965	(338,399)	2,024,566	85.68%	0.054800	-	0.054800
2006-07	2,255,901	(312,983)	1,942,918	86.13%	0.051300	-	0.051300
2005-06	2,060,334	(279,513)	1,780,818	86.43%	0.051000	-	0.051000
2004-05	1,919,446	(43,567)	1,875,879	97.73%	0.055200	-	0.055200
2003-04	1,784,754	(42,102)	1,742,652	97.64%	0.056700	-	0.056700
2002-03	1,743,971	(39,004)	1,704,967	97.76%	0.054440	-	0.054440
2001-02	1,674,212	(39,424)	1,634,788	97.65%	0.054440	-	0.054440
2000-01	1,497,360	(39,169)	1,458,191	97.38%	0.057600	-	0.057600
1999-00	1,368,647	(36,618)	1,332,029	97.32%	0.059800	-	0.059800

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

Blinn College

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

Fiscal Year	State Appropriation	Appropriation per FTSE		Appropriation per Contact Hour			State Appropriation per Contact Hour
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2008-09	\$ 25,980,520	28,604	908	6,108,128	661,536	6,769,664	3.84
2007-08	25,688,998	26,548	968	5,649,260	763,341	6,412,601	4.01
2006-07	24,040,703	26,204	917	5,419,803	664,496	6,084,299	3.95
2005-06	23,689,411	25,765	919	5,473,013	591,344	6,064,357	3.91
2004-05	22,347,845	25,886	863	5,396,623	557,312	5,953,935	3.75
2003-04	22,096,878	25,672	861	5,392,137	588,784	5,980,921	3.69
2002-03	22,543,586	25,795	874	5,354,443	612,816	5,967,259	3.78
2001-02	23,694,536	24,234	978	5,083,209	556,076	5,639,285	4.20
2000-01	21,592,146	23,461	920	4,950,487	532,224	5,482,711	3.94
1999-00	20,949,119	22,530	930	4,780,497	574,804	5,355,301	3.91

FTSE is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM00A

Blinn College

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Enervest/Anadarko E&P Co., LP	Oil and Gas	\$ 116,249	\$ 154,299	\$ 91,553	\$ 115,085	\$ 96,459	\$ 63,930	\$ 51,888	\$ -	\$ -	\$ -
Blue Bell Creamies, LP	Manufacturing	41,436	40,859	39,979	30,113	32,789	34,414	29,291	27,140	28,841	30,139
Valmont/ALS	Manufacturing	31,611	11,878	11,191	12,581	13,538	27,310	18,083	15,808	15,670	13,900
LCRA Transmission Services	Utilities	28,868	28,983	32,473	28,202	24,696	20,318	13,077	12,594	-	-
Chesapeake Operating Inc.	Oil and Gas	27,687	44,629	-	12,283	12,706	10,554	19,742	64,325	-	66,007
ETC Texas Pipeline, LTD	Pipeline	24,146	21,691	14,068	13,874	13,410	8,277	-	-	-	-
Moore Wallace North America	Manufacturing	15,580	13,559	9,205	9,162	9,343	13,720	11,632	12,472	8,800	-
MIC Group LLC	Manufacturing	13,855	-	-	-	-	-	-	-	-	-
Germania Farm Mutual Aid	Insurance	11,795	10,544	9,749	9,881	9,607	9,306	9,732	9,445	8,525	8,121
Mount Vernon Mill, Inc.	Manufacturing	11,777	15,184	14,948	17,586	16,456	19,797	26,278	29,240	32,290	32,279
Lowe's Homecenters, Inc.	Retail	11,407	11,663	11,279	11,577	10,111	-	-	-	-	-
PI Components Corp.	Manufacturing	11,210	7,931	8,482	7,757	7,177	9,362	8,084	6,894	7,819	-
SBC Telephone Company	Telephone	10,852	11,626	13,237	12,722	13,215	13,392	15,202	16,314	17,084	16,704
Bluebonnet Electric Coop.	Utilities	10,288	10,638	10,390	10,204	9,579	10,860	10,376	10,066	9,098	9,463
Burlington Northern Sante Fe	Transportation	8,679	8,249	7,611	6,690	-	5,778	6,008	5,998	5,507	5,137
Wal-Mart Properties #4109	Retail	8,273	15,711	13,964	14,146	12,226	10,858	10,716	10,620	9,678	9,135
Southern Bay Operating, LLC	Oil and Gas	7,992	10,970	-	-	-	-	-	-	-	-
Brenham Wholesale Grocery	Groceries	7,963	-	7,729	7,206	7,397	9,254	9,240	9,124	9,838	10,058
Sealy Mattress	Manufacturing	7,448	8,047	7,278	7,352	6,496	6,861	6,619	7,417	7,148	6,993
Longwood Elastomers, Inc.	Manufacturing	6,916	12,718	8,417	8,041	8,698	6,405	-	6,017	5,758	5,041
Magnetic Instruments	Manufacturing	-	11,270	11,436	-	-	-	-	-	-	-
Chesapeake Exploration, LP	Oil and Gas	-	-	23,165	45,678	41,491	37,620	11,954	-	89,330	-
Stroud Oil Properties, Inc.	Oil and Gas	-	-	-	8,071	7,188	7,113	6,542	-	-	-
Mayfair Interests, Inc.	Agri-Business	-	-	7,274	-	-	-	-	-	-	-
Union Pacific Resources	Oil and Gas	-	-	-	-	-	-	-	-	-	50,407
Aquila Southwest	Pipeline	-	-	-	-	-	-	-	7,896	7,899	10,444
Ferguson Burleson City Gas	Pipeline	-	-	-	-	-	-	-	-	-	12,630
GPM Gas Company	Gas	-	-	-	-	-	-	-	-	-	7,319
Cleaners Hangers Co.	Manufacturing	-	-	-	-	-	-	10,092	11,606	12,511	10,718
Seminole Pipeline	Pipeline	-	-	-	-	-	-	-	8,290	6,498	7,358
PFL Properties, LP	Oil and Gas	-	-	-	-	-	-	-	-	5,279	4,926
ETC Texas Pipeline, LTD	Pipeline	-	-	-	-	-	-	9,939	-	-	-
RME Petroleum Company	Oil and Gas	-	-	-	-	-	-	-	59,311	77,158	-
Leggett Partners, L.P.	Manufacturing	-	-	-	-	-	-	-	-	-	4,332
Duke Energy	Oil and Gas	-	-	-	-	-	-	-	-	5,792	-
Acala Natural Gas Corp.	Oil and Gas	-	-	-	-	-	11,776	10,703	7,896	-	-
Totals		\$ 414,032	\$ 450,448	\$ 353,415	\$ 388,201	\$ 352,582	\$ 336,905	\$ 295,196	\$ 338,473	\$ 370,521	\$ 321,121
Total Taxable Assessed Value		\$2,686,363	\$2,024,568	\$1,942,918	\$1,780,818	\$1,875,879	\$1,742,652	\$1,704,967	\$1,634,788	\$1,458,191	\$1,332,029

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Enervest/Anadarko E&P Co., LP	Oil and Gas	4.33%	7.62%	4.71%	6.46%	5.14%	3.67%	3.04%	0.00%	0.00%	0.00%
Blue Bell Creamies, LP	Manufacturing	1.54%	2.02%	2.06%	1.69%	1.75%	1.72%	1.66%	1.98%	2.26%	-
Valmont/ALS	Manufacturing	1.18%	0.59%	0.58%	0.71%	0.72%	1.57%	1.06%	0.97%	1.07%	1.04%
LCRA Transmission Services	Utilities	1.07%	1.43%	1.67%	1.58%	1.32%	1.17%	0.77%	0.77%	0.00%	0.00%
Chesapeake Operating Inc.	Oil and Gas	1.03%	2.20%	0.00%	0.69%	0.68%	0.61%	1.16%	3.93%	0.00%	4.96%
ETC Texas Pipeline, LTD	Pipeline	0.90%	1.07%	0.72%	0.78%	0.71%	0.47%	0.00%	0.00%	0.00%	0.00%
Moore Wallace North America	Manufacturing	0.58%	0.67%	0.47%	0.51%	0.50%	0.68%	0.76%	0.60%	0.00%	0.00%
MIC Group LLC	Manufacturing	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Germania Farm Mutual Aid	Insurance	0.44%	0.52%	0.50%	0.55%	0.51%	0.53%	0.57%	0.58%	0.58%	0.61%
Mount Vernon Mill, Inc.	Manufacturing	0.44%	0.75%	0.77%	0.99%	0.88%	1.14%	1.54%	1.79%	2.21%	2.42%
Lowe's Homecenters, Inc.	Retail	0.42%	0.58%	0.58%	0.65%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%
PI Components Corp.	Manufacturing	0.42%	0.39%	0.44%	0.44%	0.38%	0.54%	0.47%	1.02%	0.54%	0.00%
SBC Telephone Company	Telephone	0.40%	0.57%	0.68%	0.71%	0.70%	0.77%	0.89%	1.00%	1.17%	1.25%
Bluebonnet Electric Coop.	Utilities	0.38%	0.53%	0.53%	0.57%	0.51%	0.62%	0.61%	0.62%	0.62%	0.71%
Burlington Northern Sante Fe	Transportation	0.32%	0.41%	0.39%	0.38%	0.00%	0.33%	0.35%	0.37%	0.38%	0.39%
Wal-Mart Properties #4109	Retail	0.31%	0.78%	0.72%	0.79%	0.65%	0.62%	0.63%	0.65%	0.66%	0.69%
Southern Bay Operating, LLC	Oil and Gas	0.30%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Brenham Wholesale Grocery	Groceries	0.30%	0.00%	0.40%	0.40%	0.39%	0.53%	0.54%	0.56%	0.67%	0.76%
Sealy Mattress	Manufacturing	0.28%	0.40%	0.37%	0.41%	0.35%	0.39%	0.39%	0.45%	0.49%	0.52%
Longwood Elastomers, Inc.	Manufacturing	0.26%	0.63%	0.43%	0.45%	0.46%	0.37%	0.00%	0.37%	0.39%	0.38%
Magnetic Instruments	Manufacturing	0.00%	0.56%	0.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chesapeake Exploration, LP	Oil and Gas	0.00%	0.00%	1.19%	2.57%	2.21%	2.16%	0.70%	0.00%	6.13%	0.00%
Stroud Oil Properties, Inc.	Oil and Gas	0.00%	0.00%	0.00%	0.45%	0.38%	0.41%	0.38%	0.00%	0.00%	0.00%
Mayfair Interests, Inc.	Agri-Business	0.00%	0.00%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Union Pacific Resources	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.78%
Aquila Southwest	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.54%	0.78%
Ferguson Burleson City Gas	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.95%
GPM Gas Company	Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%
Cleaners Hangers Co.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	0.71%	0.86%	0.80%
Seminole Pipeline	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.45%	0.55%
PFL Properties, LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.37%
ETC Texas Pipeline, LTD	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.00%	0.00%
RME Petroleum Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.63%	5.29%	0.00%
Leggett Partners, L.P.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%
Duke Energy	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%	0.00%
Acala Natural Gas Corp.	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%	0.63%	0.48%	0.00%	0.00%
Totals		15.41%	22.25%	18.19%	21.80%	18.80%	19.33%	17.31%	20.58%	25.41%	24.11%

Source: Washington County Appraisal District

Blinn College
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
2009	\$ 1,382,302	\$ (25,733)	\$ 1,356,569	\$ 1,320,921	97.37%	\$ 26,281	\$ 1,347,202	99.31%
2008	1,249,809	(18,636)	1,231,173	1,199,372	97.42%	23,575	1,222,947	99.33%
2007	1,729,811	(614,882)	1,114,929	1,088,752	97.65%	28,850	1,117,602	100.24%
2006	1,028,213	(16,578)	1,011,635	1,007,352	98.79%	19,054	1,026,406	101.46%
2005	1,037,501	(18,901)	1,018,600	984,498	98.24%	44,705	1,029,203	101.04%
2004	988,552	(18,009)	970,543	939,800	98.71%	50,370	990,170	102.02%
2003	936,067	(15,343)	920,724	903,322	98.11%	33,918	937,240	101.79%
2002	884,864	(17,366)	867,498	864,584	98.10%	15,949	880,533	101.50%
2001	871,998	(19,261)	852,737	816,998	97.49%	33,039	850,037	99.68%
2000	796,608	(15,165)	781,443	772,324	96.85%	23,450	795,774	101.83%

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

Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Other Debt										
Revenue bonds	\$ 29,655	\$ 32,530	\$ 35,605	\$ 38,570	\$ 41,565	\$ 31,745	\$ 33,680	\$ 35,170	\$ 21,620	\$ 22,030
Capital lease obligations	-	-	-	-	-	12,148	12,877	13,568	14,279	13,240
Total Outstanding Debt	\$ 29,655	\$ 32,530	\$ 35,605	\$ 38,570	\$ 41,565	\$ 43,893	\$ 46,557	\$ 48,738	\$ 35,899	\$ 35,270
Total Outstanding Debt Ratios										
Per Capita	0.92	1.02	1.12	1.21	1.32	1.41	1.51	1.59	1.18	1.16
Per FTSE	1.04	1.23	1.36	1.50	1.61	1.71	1.80	2.01	1.53	1.57
As a percentage of Taxable Assessed Value	1.28%	1.61%	1.83%	2.17%	2.22%	2.52%	2.73%	2.98%	2.46%	2.65%

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

Bilinn College

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amount expressed in thousands)									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Taxable Assessed Value	\$2,311,370	\$2,024,566	\$1,942,918	\$1,780,818	\$1,875,879	\$1,742,652	\$1,704,967	\$1,634,788	\$1,458,191	\$1,332,029
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	11,557	10,123	9,715	8,904	9,379	8,713	8,525	8,174	7,291	6,660
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	11,557	10,123	9,715	8,904	9,379	8,713	8,525	8,174	7,291	6,660
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 11,557	\$ 10,123	\$ 9,715	\$ 8,904	\$ 9,379	\$ 8,713	\$ 8,525	\$ 8,174	\$ 7,291	\$ 6,660
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

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	Registration Fees	Housing Income	Bookstore Income	Other Auxiliary	Total	Principal	Interest	Total			
2009	\$ 4,604	\$ 9,800	\$ 992	\$ -	\$ 544	\$ 719	\$ 16	\$ 16,675	\$ 29,655	\$ 6,998	\$ 36,653	4.55%		
2008	4,479	8,966	740	-	754	975	16	15,930	32,530	9,226	41,756	3.82%		
2007	3,845	8,739	586	-	777	762	16	14,725	35,605	11,186	46,791	3.15%		
2006	3,348	8,684	510	-	604	337	16	13,499	38,570	12,336	50,906	2.65%		
2005	3,633	9,165	529	-	445	415	282	14,469	41,565	13,920	55,485	2.61%		
2004	2,803	8,879	538	-	487	422	199	13,328	31,745	12,078	43,823	3.04%		
2003	505	10,350	319	-	487	463	338	12,462	33,680	13,469	47,149	2.64%		
2002	447	9,175	286	1,371	134	343	130	11,886	35,170	15,464	50,634	2.35%		
2001	430	7,569	284	1,288	436	243	281	10,531	21,620	10,145	31,765	3.32%		
2000	411	1,916	290	1,167	581	365	705	5,435	22,030	11,135	33,165	1.64%		

Blinn College

**Demographic and Economic Statistics - Taxing District
Last 8 Fiscal Years
(Unaudited)**

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Unemployment Rate
2007	31,936	\$ 1,137,496	\$ 35,618	3.8%
2006	31,826	1,111,650	\$ 34,929	4.0%
2005	31,462	1,032,300	32,811	4.6%
2004	31,159	956,394	30,694	4.7%
2003	30,879	882,182	28,569	5.3%
2002	30,711	879,041	28,623	4.5%
2001	30,452	873,028	28,669	3.7%
2000	30,411	846,825	27,846	3.5%

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

Note: Information only available for eight years. Blinn College will implement prospectively.

Blinn College

Principal Employers of Washington County
Last Ten Fiscal Years
(Unaudited)

Employer	Type of Business (year established)	Number of Employees									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	900	900	1,100	900	900	585	600	650	650	600
Brenham State School	Mental Health/Retardation Services (est. 1974)	880	880	880	880	880	944	965	1,062	1,062	1,062
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	786	786	786	786	786	757	800	741	741	741
Brenham I.S.D.	Independent School District (est. 1875)	719	719	719	719	719	712	650	620	620	620
Wal-Mart Supercenter	Retail Department Store (est. 1994)	380	380	380	380	380	308	385	241	241	241
Germania Insurance	Insurance Services (est. 1896)	324	324	324	324	324	249	305	285	285	285
Mount Vernon Mills	Textile Manufacturer (est. 1902)	-	-	305	305	305	305	320	350	350	350
Trinity Medical Center	Hospital (est. 1989)	285	285	285	285	285	300	300	250	250	250
City of Brenham	Government (est. 1858)	235	235	235	235	235	250	250	-	-	-
Sealy Mattress	Mattress Manufacturer (est. 1955)	267	267	211	211	211	267	275	261	261	240
Valmont A.L.S.	Steel Lighting Standards Mfg (est. 1974)	203	203	-	-	-	-	-	240	240	240
Brenham Wholesale	Wholesale Supplier (est. 1905)	-	-	-	-	-	-	-	-	-	227
Total		4,979	4,979	5,225	5,025	5,025	4,677	4,850	4,700	4,700	4,616
Total Washington County Employment		14,446	14,311	14,156	14,186	13,504	13,477	13,479	13,562	15,450	14,540

Percentage of Total Employment for Washington County

Employer	Type of Business	Percentage of Total Employment									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	6.23%	6.29%	7.77%	6.34%	6.66%	4.34%	4.45%	4.79%	4.21%	4.13%
Brenham State School	Mental Health/Retardation Services (est. 1974)	6.09%	6.15%	6.22%	6.20%	6.52%	7.00%	7.16%	7.83%	6.87%	7.30%
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	5.44%	5.49%	5.55%	5.54%	5.82%	5.62%	5.94%	5.46%	4.80%	5.10%
Brenham I.S.D.	Independent School District (est. 1875)	4.98%	5.02%	5.08%	5.07%	5.32%	5.28%	4.82%	4.57%	4.01%	4.26%
Wal-Mart Supercenter	Retail Department Store (est. 1994)	2.63%	2.66%	2.68%	2.68%	2.81%	2.29%	2.86%	1.78%	1.56%	1.66%
Germania Insurance	Insurance Services (est. 1896)	2.24%	2.26%	2.29%	2.28%	2.40%	1.85%	2.26%	2.10%	1.84%	1.96%
Mount Vernon Mills	Textile Manufacturer (est. 1902)	0.00%	0.00%	2.15%	2.15%	2.26%	2.26%	2.37%	2.58%	2.27%	2.41%
Trinity Medical Center	Hospital (est. 1989)	1.97%	1.99%	2.01%	2.01%	2.11%	2.23%	2.23%	1.84%	1.62%	1.72%
City of Brenham	Government (est. 1858)	1.63%	1.64%	1.66%	1.66%	1.74%	1.86%	1.85%	0.00%	0.00%	0.00%
Sealy Mattress	Mattress Manufacturer (est. 1955)	1.85%	1.87%	1.49%	1.49%	1.56%	1.98%	2.04%	1.92%	1.69%	0.00%
Valmont A.L.S.	Steel Lighting Standards Mfg (est. 1974)	1.41%	1.42%	0.00%	0.00%	0.00%	0.00%	0.00%	1.77%	1.55%	1.65%
Brenham Wholesale	Wholesale Supplier (est. 1905)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.56%
Total		34.47%	34.79%	36.91%	35.42%	37.21%	34.70%	35.98%	34.66%	30.42%	31.75%

Sources:
Total County employment from U.S. Department of Labor (2001-2008)
Major Employers from the Washington County Chamber of Commerce

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

	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Faculty:										
Full-Time	337	308	284	284	282	278	273	256	252	251
Part-Time	369	335	291	265	262	246	296	382	375	345
Total	706	643	575	549	544	524	569	638	627	596
Percent										
Full-Time	47.7%	47.9%	49.4%	51.7%	51.8%	53.1%	48.0%	40.1%	40.2%	42.1%
Part-Time	52.3%	52.1%	50.6%	48.3%	48.2%	46.9%	52.0%	59.9%	59.8%	57.9%
Staff and Administrators:										
Full-Time	379	329	351	350	326	351	357	350	305	250
Part-Time	116	99	32	-	-	-	-	-	-	-
Total	495	428	383	350	326	351	357	350	305	250
Percent										
Full-Time	76.6%	76.9%	91.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-Time	23.4%	23.1%	8.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTSE per Full-time Faculty	85	86	93	91	92	92	94	95	93	90
FTSE per Full-Time Staff Member	75	81	75	74	79	73	72	69	77	64
Average Annual Faculty Salary*	\$ 54,082	\$ 46,048	\$ 44,850	\$ 44,305	\$ 42,064	\$ 40,374	\$ 39,727	\$ 40,726	\$ -	\$ -

* Information prior to 2001 is not available.

Source: Blinn College Institutional Research and Effectiveness

Blinn College
Enrollment Details
Last Seven Fiscal Years
(Unaudited)

Student Classification	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	10,981	70.36%	11,872	81.38%	10,459	74.62%	8,857	61.68%	11,326	80.74%	10,469	74.48%	11,227	81.32%
31-60 hours	4,112	26.35%	2,423	16.61%	3,341	23.84%	5,502	38.31%	2,495	17.79%	2,936	20.89%	2,577	18.67%
> 60 hours	514	3.29%	294	2.02%	216	1.54%	1	0.01%	206	1.47%	652	4.64%	2	0.01%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Semester Hour Load	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	113	0.72%	157	1.08%	59	0.42%	51	0.36%	54	0.38%	26	0.18%	33	0.24%
3-5 semester hours	1,596	10.23%	2,430	16.66%	2,644	18.86%	2,719	18.93%	2,900	20.67%	2,739	19.48%	2,556	18.51%
6-8 Semester hours	2,572	16.48%	2,043	14.00%	1,941	13.85%	2,010	14.00%	1,930	13.76%	1,950	13.87%	1,901	13.77%
9-11 semester hours	2,503	16.04%	2,240	15.35%	1,867	13.32%	2,119	14.76%	2,032	14.49%	1,913	13.61%	1,921	13.91%
12-14 semester hours	7,056	45.21%	6,089	41.74%	5,985	42.70%	5,971	41.58%	5,750	40.99%	5,927	42.16%	5,924	42.91%
15-17 semester hours	1,550	9.93%	1,475	10.11%	1,379	9.84%	1,344	9.36%	1,203	8.58%	1,282	9.12%	1,322	9.58%
18 & over	217	1.39%	155	1.06%	141	1.01%	146	1.02%	158	1.13%	220	1.57%	149	1.08%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Average course load	10.0	10.0	9.9	9.9	9.9	9.7	9.9	9.9	9.9
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Tuition Status	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	739	4.74%	803	5.50%	822	5.86%	835	5.81%	766	5.46%	789	5.61%	755	5.47%
Texas Resident (out-of-District)	14,583	93.44%	13,491	92.47%	12,930	92.25%	13,191	91.86%	12,926	92.15%	12,931	91.99%	12,676	91.82%
Non-Resident Tuition	285	1.83%	295	2.02%	264	1.88%	334	2.33%	335	2.39%	337	2.40%	375	2.72%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Sources:
Texas Higher Education Coordinating Board
Blinn College Office of Institutional Research and Effectiveness

Blinn College

Student Profile

Last Seven Fiscal Years

(Unaudited)

Gender	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	7,840	50.23%	7,352	50.39%	7,212	51.46%	7,483	52.11%	7,384	52.64%	7,311	52.01%	7,009	50.77%
Male	7,767	49.77%	7,237	49.61%	6,804	48.54%	6,877	47.89%	6,643	47.36%	6,746	47.99%	6,797	49.23%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Ethnic Origin	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	11,809	75.66%	11,025	75.57%	10,775	76.88%	11,137	77.56%	10,941	78.00%	10,962	77.98%	10,785	78.12%
Hispanic	2,002	12.83%	1,830	12.54%	1,679	11.98%	1,624	11.31%	1,563	11.14%	1,517	10.79%	1,419	10.28%
African American	1,239	7.94%	1,264	8.66%	1,091	7.78%	1,203	8.38%	1,105	7.88%	1,162	8.27%	1,141	8.26%
Asian	236	1.51%	198	1.36%	205	1.46%	195	1.36%	194	1.38%	183	1.30%	215	1.56%
Foreign	221	1.42%	190	1.30%	174	1.24%	133	0.93%	151	1.08%	167	1.19%	190	1.38%
Native American	100	0.64%	82	0.56%	92	0.66%	68	0.47%	73	0.52%	66	0.47%	56	0.41%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Age	Fall 2008		Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,163	7.45%	1,011	6.93%	866	6.18%	802	5.58%	683	4.87%	605	4.30%	488	3.53%
18 - 21	10,850	69.52%	9,836	67.42%	9,393	67.02%	9,486	66.06%	9,240	65.87%	9,256	65.85%	9,187	66.54%
22 - 24	1,794	11.49%	1,893	12.98%	1,851	13.21%	2,006	13.97%	2,060	14.69%	2,182	15.52%	2,109	15.28%
25 - 35	1,225	7.85%	1,291	8.85%	1,279	9.13%	1,439	10.02%	1,385	9.87%	1,335	9.50%	1,329	9.63%
36 - 50	477	3.06%	465	3.19%	535	3.82%	538	3.75%	565	4.03%	585	4.16%	591	4.28%
51 & over	98	0.63%	93	0.64%	92	0.66%	89	0.62%	94	0.67%	94	0.67%	102	0.74%
Total	15,607	100.00%	14,589	100.00%	14,016	100.00%	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%

Average Age 21 21 22 22 22 22 22

Sources:

Texas Higher Education Coordinating Board

Blinn College Office of Institutional Research and Effectiveness

Blinn College

Transfers to Senior Institutions
2007-2008 Graduates, Completers, and Non-Returners
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Texas A&M University - College Station	4,973	174	58	5,205	72.07%
2 Sam Houston State University	643	36	21	700	9.70%
3 Texas State University	279	18	9	306	4.24%
4 University of Houston - University Park	118	9	1	128	1.77%
5 University of Texas - Austin	101	4	1	106	1.47%
6 Texas Tech University	90	3	1	94	1.30%
7 University of North Texas	77	0	2	79	1.09%
8 Stephen F. Austin State University	53	6	2	61	0.85%
9 University of Texas - San Antonio	47	5	2	54	0.75%
10 Texas A&M University - Corpus Christi	37	5	2	44	0.61%
11 Prairie View A&M University	32	5	1	38	0.53%
12 University of Texas - Arlington	33	3	0	36	0.50%
13 Tarleton State University	31	0	0	31	0.43%
14 University of Houston - Downtown	28	2	1	31	0.43%
15 Texas A&M University - Kingsville	26	0	1	27	0.37%
16 Lamar University	24	3	0	27	0.37%
17 Texas A&M University System Health Science Center	22	5	0	27	0.37%
18 University of Texas - Dallas	23	0	0	23	0.32%
19 University of Houston - Victoria	16	1	0	17	0.24%
20 West Texas A&M University	16	0	0	16	0.22%
21 Angelo State University	15	0	0	15	0.21%
22 University of Texas Medical Branch Galveston	13	2	0	15	0.21%
23 University of Texas - Tyler	12	2	1	15	0.21%
24 Texas A&M University - Galveston	12	2	0	14	0.19%
25 Texas Women's University	10	4	0	14	0.19%
26 Texas A&M University - Commerce	13	0	0	13	0.18%
27 Texas Southern University	11	2	0	13	0.18%
28 University of Texas Health Science Center - Houston	9	3	0	12	0.17%
29 University of Texas Health Science Center - San Antonio	10	1	0	11	0.15%
30 University of Houston - Clear Lake	10	0	0	10	0.14%
31 Midwestern State University	7	1	1	9	0.12%
32 Sul Ross State University	6	1	1	8	0.11%
33 University of Texas - Pan American	5	0	1	6	0.08%
34 University of Texas - El Paso	4	0	0	4	0.06%
35 Texas Tech University Health Science Center	3	0	0	3	0.04%
36 University of North Texas Health Science Center - Forth Worth	3	0	0	3	0.04%
37 University of Texas MD Anderson Cancer Center	3	0	0	3	0.04%
38 Texas A&M International University	2	0	0	2	0.03%
39 University of Texas Brownsville	1	0	0	1	0.01%
40 University of Texas Southwestern Medical Center Dallas	1	0	0	1	0.01%
Totals	6,819	297	106	7,222	100.00%

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

Blinn College

Schedule of Capital Asset Information
Fiscal Years 2002 to 2009
(Unaudited)

	Fiscal Year							
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Academic buildings	17	17	17	17	17	17	16	15
Square footage	442,678	442,678	474,012	474,012	474,012	474,012	420,012	364,312
Libraries	2	2	2	2	2	2	2	2
Square footage	51,016	51,016	71,396	71,396	71,396	71,396	71,396	71,396
Number of Volumes	175,720	174,900	172,827	172,858	173,441	170,282	166,980	164,432
Administrative and support buildings	6	6	6	6	5	5	5	4
Square footage	71,158	71,158	91,415	91,415	89,658	89,658	89,658	77,733
Dormitories	12	12	12	12	12	14	14	14
Square footage	125,242	125,242	119,230	119,230	119,230	135,630	135,630	135,630
Number of Beds	674	674	674	674	674	776	776	776
Apartments	8	8	8	8	8	8	8	4
Square footage	106,211	106,211	109,909	109,909	109,909	109,909	109,909	45,027
Number of beds	338	338	338	338	338	300	300	200
Dining Facilities	1	1	1	1	1	1	1	1
Square footage	60,191	60,191	58,359	58,359	58,359	58,359	58,359	58,359
Average daily customers	900	900	900	900	900	900	900	900
Athletic Facilities	6	6	6	6	6	6	6	6
Square footage	81,870	81,870	50,440	50,440	50,440	50,440	50,440	50,440
Stadiums	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2
Tennis Court	1	1	1	1	1	1	1	1
Plant facilities	5	5	5	5	5	5	5	5
Square footage	44,687	44,687	32,259	32,259	32,259	32,259	32,259	32,259
Transportation								
Cars	16	26	26	27	23	22	22	19
Light Trucks/Vans	22	25	26	26	26	26	26	28

Note: The square footage of all of the College's facilities were measured during fiscal year 2008.

The amounts reported for 2009 represent the results of that measurement due to no change in facility square footage.