



BLINN COLLEGE

**ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended

August 31, 2008

BLINN COLLEGE

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BLINN COLLEGE

Organizational Data
Year Ended August 31, 2008

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
John Harris, Ed.D., VP Student Services
Barbara Pearson, Ph.D., VP Brazos County Campuses



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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2008, 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, 2008, 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 November 14, 2008, 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.

The accompanying management's discussion and analysis on pages 4 through 11 is not a required part of the financial statements but is supplementary information required by accounting principles

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

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 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.

Lott, Vernon & Co., P.C.

Temple, Texas
November 14, 2008

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, 2008 and 2007. 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 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.

Financial Highlights and Significant Activities for 2007

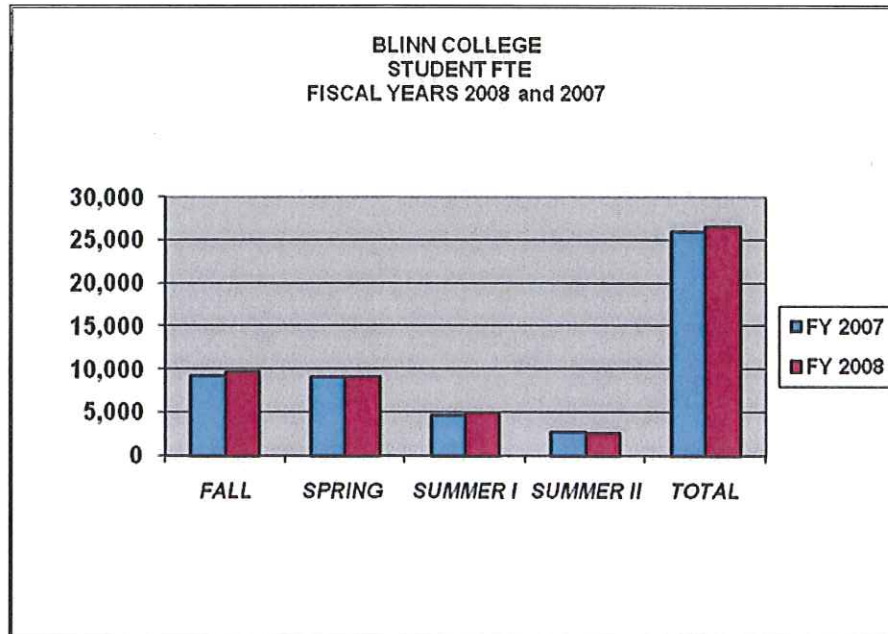
The following significant financial events and activities occurred during the fiscal year ended August 31, 2007:

- Net assets increased by \$4.7 million
- Tuition and fee revenue (net of discounts) increased by \$2.2 million

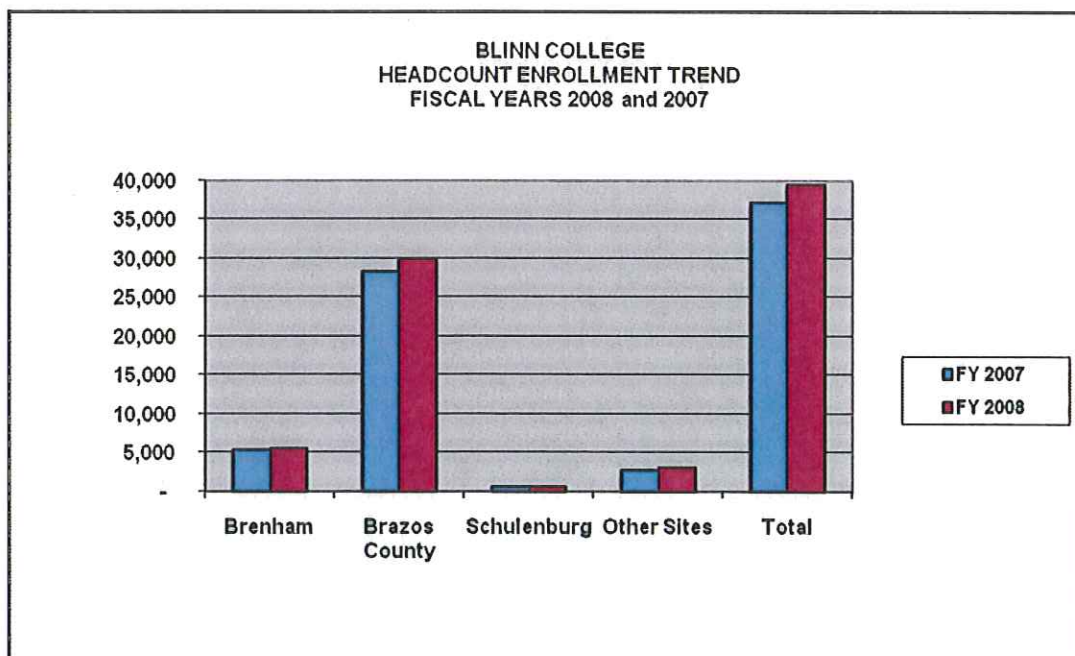
The College's overall net assets increased approximately \$4.7 million, or 8%, which reflects the continued commitment of the Board of Trustees to invest in capital improvements. To counter the effects of the minimal increases in State funding and to maintain the quality of education for the students 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 \$2 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 \$2.2 million, or 9%.

Total operating revenues increased approximately \$2.1 million, or 5%. This increase is primarily attributable to the increase in tuition and fees as discussed above. Operating expenses increased by \$715,000, or 1%, as a result of increases in salary and benefit costs.

Below is a breakdown of the College's full time equivalency (FTE) enrollment by term for fiscal years 2008 and 2007:



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 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

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>	<u>2006</u>	<u>Increase (Decrease) 2007-2006</u>
Assets:					
Current assets	\$ 30,864,000	\$ 27,011,000	\$ 3,853,000	\$ 22,168,000	\$ 4,843,000
Capital assets, net of depreciation	79,273,000	79,436,000	(163,000)	80,616,000	(1,180,000)
Noncurrent assets	<u>16,158,000</u>	<u>15,058,000</u>	<u>1,100,000</u>	<u>13,700,000</u>	<u>1,358,000</u>
Total Assets	<u>126,295,000</u>	<u>121,505,000</u>	<u>4,790,000</u>	<u>116,484,000</u>	<u>5,021,000</u>
Liabilities:					
Current liabilities	25,512,000	23,706,000	1,806,000	20,229,000	3,477,000
Noncurrent liabilities	<u>29,906,000</u>	<u>32,834,000</u>	<u>(2,928,000)</u>	<u>35,947,000</u>	<u>(3,113,000)</u>
Total liabilities	<u>55,418,000</u>	<u>56,540,000</u>	<u>(1,122,000)</u>	<u>56,176,000</u>	<u>364,000</u>
Net Assets:					
Investments in capital assets net of related debt	46,439,000	43,489,000	2,950,000	41,668,000	1,821,000
Restricted	15,560,000	15,225,000	335,000	14,475,000	750,000
Unrestricted	<u>8,878,000</u>	<u>6,251,000</u>	<u>2,627,000</u>	<u>4,165,000</u>	<u>2,086,000</u>
Total net assets	<u>\$ 70,877,000</u>	<u>\$ 64,965,000</u>	<u>\$ 5,912,000</u>	<u>\$ 60,308,000</u>	<u>\$ 4,657,000</u>

At August 31, 2008, current assets included \$21.2 million of cash and cash equivalents and \$9.1 million in student receivables related primarily to the fall 2008 semester. The net increase in current assets in 2008 and 2007 is due primarily to the increased tuition charges discussed in the financial highlights and enrollment increases.

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. Capital assets decreased \$1.2 million from 2006 due primarily to the write off of furniture and equipment of \$699,000, based on a physical inventory of assets and normal disposals of computer equipment. Offsetting this was \$1 million spent on major renovation and repairs on the Brenham and Bryan Campuses. Overall, net capital assets have decreased each year due to increasing annual depreciation on completed projects.

The College's noncurrent assets include funds restricted for endowments and debt service. Noncurrent assets increased \$1.1 and \$1.4 million in 2008 and 2007, respectively, due to the receipt of approximately \$297,000 and \$499,000 in permanent endowment contributions and earnings on invested funds. Noncurrent assets will typically increase each year from contributions to permanent endowments and earnings on invested funds.

Current liabilities increased \$1.8 million and \$3.5 million in fiscal year 2008 and 2007, respectively, due to an increase in deferred tuition and fees of \$1.3 million and \$2.5 million, respectively, due to increases in tuition rates and increased accounts payable. Noncurrent liabilities consist of future bond payments, which decreased \$2.9 million and \$3.1 million in fiscal year 2008 and 2007, respectively, due to scheduled debt repayments.

At August 31, 2008 and 2007, total net assets were \$71 million and \$65 million, respectively. Net assets have increased over the three-year period. The College has an unrestricted net asset balance of approximately \$8.9 million at August 31, 2008, which is maintained as a contingency reserve. Restricted net assets include endowment funds of approximately \$9.9 million and required debt service reserves of \$4.3 million. 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>2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>	<u>2006</u>	<u>Increase (Decrease) 2007-2006</u>
Operating revenues:					
Student tuition and fees, net	\$29,521,000	\$26,440,000	\$3,081,000	\$24,227,000	\$2,213,000
Federal grants and contracts	8,733,000	8,377,000	356,000	8,872,000	(495,000)
State grants and contracts	1,653,000	532,000	1,121,000	500,000	32,000
Auxiliary enterprises, net	5,858,000	5,591,000	267,000	5,104,000	487,000
Other	909,000	402,000	507,000	587,000	(185,000)
Total operating revenues	46,674,000	41,342,000	5,332,000	39,290,000	2,052,000
Less operating expenses	67,850,000	61,625,000	6,225,000	60,910,000	715,000
Operating loss	(21,176,000)	(20,283,000)	(893,000)	(21,620,000)	1,337,000
Nonoperating revenues (expenses):					
State appropriations	25,689,000	24,041,000	1,648,000	23,689,000	352,000
Property taxes	1,251,000	1,138,000	113,000	1,026,000	112,000
Investment income	1,279,000	1,451,000	(172,000)	1,039,000	412,000
Interest on capital related debt	(1,467,000)	(1,572,000)	105,000	(1,548,000)	(24,000)
Other	39,000	(617,000)	656,000	215,000	(832,000)
Total nonoperating revenues	26,791,000	24,441,000	2,350,000	24,421,000	20,000
Income before other revenue	5,615,000	4,158,000	1,457,000	2,801,000	1,357,000
Additions to endowments	297,000	499,000	(202,000)	914,000	(415,000)
Total increase in net assets	5,912,000	4,657,000	1,255,000	3,715,000	942,000
Net assets, beginning of year	64,965,000	60,308,000	4,657,000	56,593,000	3,715,000
Net assets, end of year	<u>\$70,877,000</u>	<u>\$64,965,000</u>	<u>\$5,912,000</u>	<u>\$60,308,000</u>	<u>\$4,657,000</u>

For the fiscal year 2008, operating revenues include approximately \$29.5 million in net tuition and fees, \$10.4 million in Federal and State grants and contracts, and \$5.9 million in auxiliary enterprises. The most significant source of operating revenues for the College are tuition and fees, representing 63% and 64% of total operating revenues in 2008 and 2007, respectively. Increases in tuition rates have occurred over the past three years to offset reductions in State funding levels. These rate increases have contributed to the increase in tuition and fees of \$3.1 million and \$2.2 million in 2008 and 2007, respectively. Federal financial aid grants were \$7.8 million and \$7.2 million in 2008 and 2007, respectively, or 89% and 85% of Federal grants received during the periods. The revenue from auxiliary enterprises consists of revenues from college-operated student housing and food services, leases on bookstore facilities, commissions on bookstore sales and vending machines, and rental of retail storefronts.

Operating expenses consist mainly of personnel costs, which average 61% of total operating expenses annually. Below is a table of operating expenses for the fiscal years ended August 31 (rounded to the nearest thousand):

	<u>2008</u>	<u>2007</u>	<u>Increase (Decrease) 2008-2007</u>	<u>2006</u>	<u>Increase (Decrease) 2007-2006</u>
Instruction and general	\$38,572,000	\$35,666,000	\$ 2,906,000	\$35,206,000	\$ 460,000
Institutional support	7,679,000	6,443,000	1,236,000	6,079,000	364,000
Operation and maintenance of plant	6,296,000	5,238,000	1,058,000	4,615,000	623,000
Auxiliary enterprises	6,545,000	6,070,000	475,000	6,528,000	(458,000)
Depreciation	2,135,000	2,381,000	(246,000)	2,499,000	(118,000)
Scholarships and fellowships	6,623,000	5,827,000	796,000	5,983,000	(156,000)
Total Operating Expenses	<u>\$67,850,000</u>	<u>\$61,625,000</u>	<u>\$ 6,225,000</u>	<u>\$60,910,000</u>	<u>\$ 715,000</u>

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 operating expenses increased \$714,000 from 2006 due primarily to increased payroll of \$458,000 and expenditures related to refurbishment projects on certain Brenham Campus buildings and the student center.

Total non-operating revenues increased \$2.4 million from 2007 due to a \$1.6 million increase in State appropriations (for the new biennium) and a decrease of \$699,000 in the write off of furniture and equipment recognized in Fiscal year 2007. Fiscal year 2007 State appropriations increased from 2006 due to additional State appropriations for a new nursing program on the Schulenburg Campus and additional appropriations for the new Sealy Campus. Property tax revenues increased \$112,000 in 2007 due to an increase in the College's assessed tax rate. During fiscal 2007, a tax rollback election was held and the original authorized tax rate of \$0.082 was reduced to the \$0.0513 assessed tax rate. Investment earnings increased in Fiscal year 2007 due to higher interest rates and increased investable funds. Other expenses for 2007 include the write off of furniture and equipment and normal disposals of computer equipment, as discussed above.

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:

	2008	2007	Increase (Decrease) 2008-2007	2006	Increase (Decrease) 2007-2006
Cash provided by (used in):					
Operating activities	\$ (13,473,000)	\$ (11,824,000)	\$ (1,649,000)	\$ (15,572,000)	\$ 3,748,000
Non-capital financing activities	23,227,000	21,906,000	1,321,000	21,932,000	(26,000)
Capital and related financing activities	(6,541,000)	(6,458,000)	(83,000)	(5,720,000)	(738,000)
Investing activities	1,258,000	(717,000)	1,975,000	476,000	(1,193,000)
Net increase (decrease) in cash and cash equivalents	4,471,000	2,907,000	1,564,000	1,116,000	1,791,000
Cash and cash equivalents - beginning of year	24,365,000	21,458,000	2,907,000	20,342,000	1,116,000
Cash and cash equivalents - end of year	<u>\$ 28,836,000</u>	<u>\$ 24,365,000</u>	<u>\$ 4,471,000</u>	<u>\$ 21,458,000</u>	<u>\$ 2,907,000</u>

The College's cash flow from operations will normally reflect a decrease as the College relies heavily 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 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. The decrease in cash used in operations in 2007 is primarily due to increased tuition and fees paid by students and decreased payments to suppliers for goods and services.

In addition to State appropriations, non-capital financing activities include property tax receipts and additions to permanent endowments. Additions to endowments will vary between periods based on donor contributions. In fiscal 2008 and 2007, additions to endowments were \$264,000 and \$320,000 less, respectively, than the previous period.

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 2008 and 2007, the College spent \$2.0 million and \$1.8 million in capital acquisitions and \$4.6 million on scheduled debt service payments, respectively.

The increase in cash provided by investing activities in 2008 is due primarily to a decrease in the net purchases/sales of investments as compared to 2007.

Capital Assets and Debt Administration

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 year 2007, the College purchased \$1.8 million in capital assets, including \$736,000 for repairs to the Brenham Campus Classroom building roof, \$293,000 for computer equipment, \$211,000 for improvements to the Bryan Campus parking lot and \$137,000 for land adjoining the Brenham Campus.

Future Considerations

The upcoming fiscal year has begun with a healthy increase in enrollment. The bulk of the 7% increase (almost 1,000 students) is on the Bryan Campus. This student growth should result in increased revenues from tuition and fees and also increased State appropriations in the upcoming biennium. It will also, however, increase financial pressure to alleviate over-crowding on the Bryan campus by adding additional parking, classroom space, and instructional personnel. On the Brenham campus, the College is working with community leaders to break ground on a new Technical Education Center. Fundraising efforts have not yet raised all the necessary funds, but the College may be compelled to move forward with construction in the coming months.

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.

BASIC FINANCIAL STATEMENTS

BLINN COLLEGE

**Statements of Net Assets
August 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 21,186,768	\$ 17,785,903
Accounts receivable, net	9,570,047	9,064,278
Interest and dividends receivable	85,810	136,830
Inventories	8,551	8,927
Other assets	12,939	15,757
	<hr/>	<hr/>
Total current assets	30,864,115	27,011,695
Noncurrent assets:		
Restricted endowment and other cash and cash equivalents	3,321,749	1,972,613
Restricted debt service cash and cash equivalents	4,327,163	4,606,748
Restricted endowment investments	8,508,852	8,478,567
Capital assets, net:		
Not subjected to depreciation	6,020,813	5,960,813
Subjected to depreciation	73,252,478	73,475,209
	<hr/>	<hr/>
Total noncurrent assets	95,431,055	94,493,950
	<hr/>	<hr/>
Total assets	126,295,170	121,505,645
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	2,450,353	2,019,248
Funds held for others - agency	837,783	566,008
Deferred revenues	18,867,651	17,602,235
Deposits	428,164	406,125
Bonds payable - current portion	2,927,604	3,112,604
	<hr/>	<hr/>
Total current liabilities	25,511,555	23,706,220
Noncurrent liabilities:		
Bonds payable	29,906,360	32,833,964
Total liabilities	55,417,915	56,540,184
	<hr/>	<hr/>
<u>Net assets</u>		
Invested in capital assets, net of related debt	46,439,328	43,489,455
Restricted for:		
Nonexpendable - endowments	8,985,030	8,254,291
Expendable:		
Endowments	912,266	1,276,888
Student aid	1,160,144	693,775
Debt service	4,300,175	4,745,175
Star of the Republic Museum	202,415	255,215
Unrestricted	8,877,897	6,250,662
	<hr/>	<hr/>
Total net assets (Schedule D)	<u>\$ 70,877,255</u>	<u>\$ 64,965,461</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, 2008 and August 31, 2007**

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Student tuition and fees (net of discounts of \$3,961,431 and \$3,924,468, respectively)	\$29,520,858	\$26,440,167
Federal grants and contracts	8,733,191	8,377,393
State grants and contracts	1,652,908	532,132
Sales and services of educational activities	226,338	190,443
Auxiliary enterprises (net of discounts of \$632,295 and \$742,456, respectively)	5,858,105	5,590,573
Other operating revenues	682,523	211,094
Total operating revenues (Schedule A)	<u>46,673,923</u>	<u>41,341,802</u>
Operating expenses:		
Instruction	28,818,248	27,083,453
Public service	2,041,480	1,340,835
Academic support	3,451,208	3,197,718
Student services	4,261,159	4,043,651
Institutional support	7,678,760	6,442,441
Operation and maintenance of plant	6,295,868	5,237,968
Scholarships and fellowships	6,623,339	5,827,330
Auxiliary enterprises	6,544,728	6,069,773
Depreciation	2,134,805	2,381,327
Total operating expenses (Schedule B)	<u>67,849,595</u>	<u>61,624,496</u>
Operating loss	<u>(21,175,672)</u>	<u>(20,282,694)</u>
Nonoperating revenue (expenses):		
State appropriations	25,688,998	24,040,703
Property taxes	1,251,445	1,138,159
Federal grant related to capital debt	16,094	16,094
Unrealized gain (loss) on investments	27,541	65,609
Investment income	1,278,831	1,451,431
Gain (loss) on disposal of capital assets	(5,142)	(699,159)
Interest on capital related debt	(1,467,233)	(1,572,118)
Total nonoperating revenues, net (Schedule C)	<u>26,790,534</u>	<u>24,440,719</u>
Income before other revenue	5,614,862	4,158,025
Other revenue - additions to permanent endowments	296,932	499,441
Increase in net assets	5,911,794	4,657,466
Net assets, beginning of year	64,965,461	60,307,995
Net assets, end of year	<u>\$70,877,255</u>	<u>\$64,965,461</u>

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

BLINN COLLEGE

Statements of Cash Flows
Years Ended August 31, 2008 and August 31, 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Receipts from students and other customers	\$ 37,555,890	\$ 33,310,295
Receipts from grants and contracts	9,494,245	9,093,640
Payments to or on behalf of employees	(37,309,885)	(35,540,154)
Payments to suppliers for goods and services	(17,272,613)	(13,071,233)
Payments for scholarships	(6,623,339)	(5,827,330)
Other cash receipts	682,523	211,093
Net cash used by operating activities	<u>(13,473,179)</u>	<u>(11,823,689)</u>
Cash flows from non-capital financing activities:		
Receipts from State appropriations	21,614,343	20,131,140
Receipts from property taxes	1,246,173	1,144,008
Additions to permanent endowments	366,117	630,424
Net cash provided by non-capital financing activities	<u>23,226,633</u>	<u>21,905,572</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,961,122)	(1,883,487)
Payments on capital debt - principal	(3,112,605)	(3,002,603)
Payments on capital debt - interest	(1,467,233)	(1,572,118)
Net cash used by capital and related financing activities	<u>(6,540,960)</u>	<u>(6,458,208)</u>
Cash flows from investing activities:		
Purchases of investments	(12,030,285)	(4,070,033)
Proceeds from sales and maturities of investments	12,027,541	2,065,609
Interest on investments	1,260,666	1,287,898
Net cash provided (used) by investing activities	<u>1,257,922</u>	<u>(716,526)</u>
Increase (decrease) in cash and cash equivalents	4,470,416	2,907,149
Cash and cash equivalents, beginning of year	<u>24,365,264</u>	<u>21,458,115</u>
Cash and cash equivalents, end of year	<u>\$ 28,835,680</u>	<u>\$ 24,365,264</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$(21,175,672)	\$(20,282,694)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	2,134,805	2,381,327
Noncash State appropriations for employee benefits	4,074,655	3,909,563
Changes in assets and liabilities:		
Receivables, net	(500,497)	(1,197,591)
Inventories	376	4,775
Other assets	2,818	(5,779)
Accounts payable	431,105	895,892
Funds held for others - agency	271,776	12,536
Deferred revenues	1,265,416	2,456,682
Deposits	22,039	1,600
Net cash used by operating activities	<u>\$(13,473,179)</u>	<u>\$(11,823,689)</u>

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

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2008 and 2007

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 \$323,000 and \$264,000 for the years ended August 31, 2008 and 2007, 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 aside amount (Texas Education Code §56.033). When the award for tuition is used by the

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2008 and 2007

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 basic 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 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 Basic Financial Statements August 31, 2008 and 2007

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 \$17,992,900 and \$16,866,431 and federal, state and local grants of \$131,387 and \$163,621 have been reported as deferred revenues at August 31, 2008 and 2007, 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 Basic Financial Statements
August 31, 2008 and 2007

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, 2008 and 2007.

Reclassifications

Certain 2007 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, 2008, all of the College's bank balances of \$5,081,231 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>2008</u>	<u>2007</u>
Cash and cash equivalents:		
Petty cash	\$ 7,841	\$ 8,909
Demand deposits	5,081,231	5,398,625
Investments pools:		
Lone Star Investment Pool	10,683,157	7,810,087
TexPool	6,512,696	5,060,558
TexSTAR	<u>6,550,755</u>	<u>6,087,085</u>
Cash and cash equivalents	<u>\$28,835,680</u>	<u>\$24,365,264</u>
Cash and cash equivalents per Exhibit 1	<u>\$28,835,680</u>	<u>\$24,365,264</u>

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

Investments

The College had the following investments as of August 31:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>	
		<u>2008</u>	<u>2007</u>
Federal Home Loan Bank	4/01/2011- 5/22/2012	\$8,003,352	\$7,973,067
Equities		<u>505,500</u>	<u>505,500</u>
Total Investments		<u>\$8,508,852</u>	<u>\$8,478,567</u>
Total Investments per Exhibit 1		<u>\$8,508,852</u>	<u>\$8,478,567</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, 2008 and 2007, the College had approximately \$8 and \$8 million of its investment portfolio in Federal Home Loan Bank obligations, which mature through May 2012.

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 \$505,000 at August 31, 2008. 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.

5. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	<u>2008</u>	<u>2007</u>
Student tuition and fees	\$9,091,951	\$8,603,601
Ad valorem taxes	82,189	76,917
Federal grants	309,518	250,966
State grants	248,040	11,363
Other receivables	<u>718,058</u>	<u>121,431</u>
	10,449,756	9,064,278
Allowance for doubtful accounts	<u>(879,709)</u>	-
Total	<u>\$9,570,047</u>	<u>\$ 9,064,278</u>

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

Payables consist of the following at August 31:

	<u>2008</u>	<u>2007</u>
Vendors payable	\$1,894,706	\$1,322,058
Other payables	<u>555,647</u>	<u>697,190</u>
Total	<u>\$2,450,353</u>	<u>\$2,019,248</u>

6. Capital Assets

Capital assets' activities for the years ended August 31:

	Balance September 1, <u>2007</u>	<u>2008</u>		Balance August 31, <u>2008</u>
		Increase	Decrease	
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>

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

	Balance September 1, <u>2006</u>	<u>2007</u>		Balance August 31, <u>2007</u>
		<u>Increase</u>	<u>Decrease</u>	
Capital assets not subject to depreciation:				
Land	\$ 5,192,346	\$ 137,194	\$ -	\$ 5,329,540
Collections	631,233	40	-	631,273
Total not depreciated	<u>5,823,579</u>	<u>137,234</u>	<u>-</u>	<u>5,960,813</u>
Capital assets subject to depreciation:				
Buildings	86,384,604	845,414	-	87,230,018
Land improvements	3,834,915	211,683	-	4,046,598
Furniture, equipment and vehicles	3,916,046	287,456	(869,183)	3,334,319
Computer equipment	2,867,086	293,002	(400,907)	2,759,181
Library books	<u>3,338,335</u>	<u>147,826</u>	<u>(71,322)</u>	<u>3,414,839</u>
Total depreciated	<u>100,340,986</u>	<u>1,785,381</u>	<u>(1,341,412)</u>	<u>100,784,955</u>
Less accumulated depreciation:				
Buildings	16,128,635	1,551,356	(129,219)	17,550,772
Land improvements	2,727,356	57,506	-	2,784,862
Furniture, equipment and vehicles	2,141,611	374,205	(201,433)	2,314,383
Computer equipment	2,266,165	270,687	(288,569)	2,248,283
Library books	<u>2,283,872</u>	<u>127,574</u>	<u>-</u>	<u>2,411,446</u>
Total accumulated depreciation	<u>25,547,639</u>	<u>2,381,328</u>	<u>(619,221)</u>	<u>27,309,746</u>
Net capital assets	<u>\$80,616,926</u>	<u>\$ (458,713)</u>	<u>\$ (722,191)</u>	<u>\$79,436,022</u>

7. Noncurrent Liabilities

Noncurrent liabilities activities for the years ended August 31:

	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>
	Balance September 1, <u>2006</u>	<u>2007</u>		Balance August 31, <u>2007</u>	Current Portion
		<u>Additions</u>	<u>Payments</u>		
Bonds payable	\$38,570,000	\$ -	\$ (2,965,000)	\$35,605,000	\$3,075,000
Unamortized bond premium	<u>379,171</u>	<u>-</u>	<u>(37,603)</u>	<u>341,568</u>	<u>37,604</u>
Total	<u>\$38,949,171</u>	<u>\$ -</u>	<u>\$ (3,002,603)</u>	<u>\$35,946,568</u>	<u>\$3,112,604</u>

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2008 and 2007

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 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, 2008 and 2007 of \$9,240,000 and \$10,080,000, 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.

The Series 2005 Bonds were issued in order for the College to exercise the purchase option on the lease agreements with the City of Bryan, Texas which were previously recorded on the College's books as capital leases. The Series 2005 Bonds fully repaid the City of Bryan, Texas outstanding 1995 revenue bonds and purchased the related land. Issuance of the Series 2005 Bonds reduced the College's payments over the next 11 years by approximately \$1.48 million.

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
- Outstanding bonds payable at August 31, 2008 and 2007 of \$1,910,000 and \$2,440,000, 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

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2008 and 2007

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, 2008 and 2007 of \$10,740,000 and \$11,635,000, 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, 2008 and 2007 of \$3,330,000 and \$3,730,000, 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, 2008 and 2007 of \$7,310,000 and \$7,720,000, respectively

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, 2008 is \$4,300,175, 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.

BLINN COLLEGE

Notes to Basic Financial Statements
August 31, 2008 and 2007

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>
2009	\$ 2,890,000	\$ 1,390,311	\$ 4,280,311
2010	2,990,000	1,282,271	4,272,271
2011	3,060,000	1,164,549	4,224,549
2012	3,200,000	1,030,771	4,230,771
2013	2,390,000	904,056	3,294,056
2014-2018	11,940,000	2,811,694	14,751,694
2019-2023	<u>6,060,000</u>	<u>642,044</u>	<u>6,702,044</u>
Total	<u>\$32,530,000</u>	<u>\$9,225,696</u>	<u>\$41,755,696</u>

9. 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 and 2007, \$2,033,504 and \$1,033,504 of unrestricted net assets were designated for future capital projects, respectively.

10. 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 2008 and 2007 and a state contribution rate of 6.58% for fiscal year 2008 and 6.0% for fiscal year 2007. In certain instances the reporting district is required to make all or a portion of the state's 6.58% contribution for fiscal year 2008 and 6.00% for fiscal year 2007.

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2008 and 2007

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 \$1,665,464 and \$1,439,301 for the fiscal years ended August 31, 2008 and 2007, 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 \$32,689,510 and \$31,089,382 for fiscal years 2008 and 2007, respectively. The total payroll of employees covered by the Teacher Retirement System was \$17,362,988 and \$15,890,749, and the total payroll of employees covered by the Optional Retirement Program was \$10,457,687 and \$10,701,501 for fiscal years 2008 and 2007, respectively.

11. 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, 2008 and 2007, the College had no employees electing to defer compensation.

12. 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 \$352 to \$704 per month for the years ended August 31, 2008 and 2007, depending on the coverage elected. The State's contribution totaled \$3,097,307 and \$3,112,894, for the years ended August 31, 2008 and 2007, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees.

13. 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

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

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.

14. 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.

15. 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>2008</u>	<u>2007</u>	
Assessed valuation of the College	\$2,362,964,878	\$2,255,900,548	
Less exemptions	<u>(338,399,244)</u>	<u>(312,982,654)</u>	
Net assessed valuation of the College	<u>\$2,024,565,634</u>	<u>\$1,942,917,894</u>	
	<u>2008</u>	<u>2007</u>	
	Current	Debt	
	<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
	<u>2007</u>	<u>2007</u>	
	Current	Debt	
	<u>Operations</u>	<u>Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$0.0513	\$ -	\$0.0513
Tax rate per \$100 valuation assessed	0.0513	-	0.0513

Tax levied for the years ended August 31, 2008 and 2007 is \$1,231,174 and \$1,729,811 (\$1,114,929 after tax rollback reduction), respectively (which includes any penalty and interest assessed if applicable). During fiscal 2007, a tax rollback election was held and the original authorized tax rate of \$0.082 was reduced to the \$0.0513 assessed tax rate. 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

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

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>2008</u>	<u>2007</u>
Current	\$1,199,372	\$ 1,088,752
Delinquent	23,575	28,850
Penalties and interest	<u>16,028</u>	<u>17,025</u>
 Total collections	 <u>\$1,238,975</u>	 <u>\$1,134,627</u>

Tax collections for the year ended August 31, 2008 and 2007 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.

16. Operating Leases

The College leases two facilities related to the Bryan Campus and one facility related to the Sealy Campus under non-cancelable leases expiring through May 2011, with future minimum payments as of August 31, 2008 as follows:

<u>Fiscal Year</u>	
2009	\$161,000
2010	161,000
2011	85,000

Rental expense was approximately \$161,000 for the years ended August 31, 2008 and 2007.

The College leases retail space to various tenants expiring through December 2012, for property near the Bryan Campus. These leases were assumed by the College with the purchase of the property. Future minimum rental income as of August 31, 2008, under the agreements are as follows:

<u>Fiscal Year</u>	
2009	\$23,650
2010	12,000
2011	12,000
2012	12,000
2013	4,000

Rental income was approximately \$58,000 and \$61,000 for the years ended August 31, 2008 and 2007, respectively.

17. 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.

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

18. 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 \$424,301 and \$405,142 at August 31, 2008 and 2007, respectively, which is based on estimated payroll.

The liability for claims incurred but not reported under the self-insured plan is \$114,988 and \$82,470 as of August 31, 2008 and 2007, respectively, and is included in the accompanying statements of net assets. Future payments for the claims will be paid from the accrued liability.

Self-insurance activity for the years ended August 31, 2008 and 2007 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>
2007	\$414,519	\$46,619	\$(55,944)	\$405,194
2008	405,194	79,048	(79,677)	404,565

19. 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, 2008, 2007 and 2006, were \$660,378, \$604,102 and \$557,451, respectively, which amounts were funded from the College's State group insurance appropriation. The

BLINN COLLEGE

**Notes to Basic Financial Statements
August 31, 2008 and 2007**

College's contributions to SRHP for Local retirees for the years ended August 31, 2008, 2007 and 2006, were \$135,209, \$137,956 and \$138,338, respectively, which amounts were paid directly by the College.

SUPPLEMENTAL SCHEDULES

BLINN COLLEGE

Schedule of Operating Revenues
Year Ended August 31, 2008
(With Memorandum Totals for the Year Ended August 31, 2007)

	Educational Activities		Total	Auxiliary Enterprises	2008 Total	2007 Total
	Unrestricted	Restricted	Educational Activities			
Tuition:						
In-district resident tuition	\$ 680,047	\$ -	\$ 680,047	\$ -	\$ 680,047	\$ 448,230
Out-of-district resident tuition	18,579,982	-	18,579,982	-	18,579,982	16,431,104
TPEG (set aside) *	1,212,415	-	1,212,415	-	1,212,415	1,064,982
Non-resident tuition	1,405,856	-	1,405,856	-	1,405,856	1,358,154
State funded continuing education	456,875	-	456,875	-	456,875	400,596
Non-State funded continuing education	245,570	-	245,570	-	245,570	261,190
Total tuition	<u>22,580,745</u>	<u>-</u>	<u>22,580,745</u>	<u>-</u>	<u>22,580,745</u>	<u>19,964,256</u>
Fees:						
General fee	7,620,865	-	7,620,865	1,344,859	8,965,724	8,739,217
Laboratory and course fees	740,408	-	740,408	-	740,408	586,381
Vehicle registration fees	664,745	-	664,745	-	664,745	601,885
Incidental fees	357,195	-	357,195	-	357,195	317,458
Other fees	-	-	-	173,472	173,472	155,438
Total fees	<u>9,383,213</u>	<u>-</u>	<u>9,383,213</u>	<u>1,518,331</u>	<u>10,901,544</u>	<u>10,400,379</u>
Scholarship allowances and discounts:						
Scholarship allowances	(352,210)	-	(352,210)	-	(352,210)	(304,417)
Remissions and exemptions	(412,251)	-	(412,251)	-	(412,251)	(378,545)
TPEG allowances	(320,762)	-	(320,762)	-	(320,762)	(391,831)
Federal and State grants to students	(2,523,489)	-	(2,523,489)	-	(2,523,489)	(2,542,066)
Other	(352,719)	-	(352,719)	-	(352,719)	(307,609)
Total scholarship allowances and discounts	<u>(3,961,431)</u>	<u>-</u>	<u>(3,961,431)</u>	<u>-</u>	<u>(3,961,431)</u>	<u>(3,924,468)</u>
Total net tuition and fees	<u>28,002,527</u>	<u>-</u>	<u>28,002,527</u>	<u>1,518,331</u>	<u>29,520,858</u>	<u>26,440,167</u>
Additional operating revenues:						
Federal grants and contracts	-	8,733,191	8,733,191	-	8,733,191	8,377,393
State grants and contracts	-	1,652,908	1,652,908	-	1,652,908	532,132
Sales and services of educational activities	226,338	-	226,338	-	226,338	190,443
Other operating revenues	682,523	-	682,523	-	682,523	211,094
Total additional operating revenues	<u>908,861</u>	<u>10,386,099</u>	<u>11,294,960</u>	<u>-</u>	<u>11,294,960</u>	<u>9,311,062</u>
Auxiliary enterprises:						
Residential life	-	-	-	2,994,411	2,994,411	2,765,088
Scholarships allowances and discounts	-	-	-	(255,179)	(255,179)	(244,379)
Net residential life	-	-	-	2,739,232	2,739,232	2,520,709
Cafeteria	-	-	-	1,769,413	1,769,413	1,985,540
Scholarship allowances and discounts	-	-	-	(257,099)	(257,099)	(282,983)
Net cafeteria	-	-	-	1,512,314	1,512,314	1,702,557
Bookstore	-	-	-	1,350,957	1,350,957	1,118,487
Scholarship allowances and discounts	-	-	-	(120,018)	(120,018)	(215,094)
Net bookstore	-	-	-	1,230,939	1,230,939	903,393
Other auxiliary	-	-	-	375,620	375,620	463,914
Total net auxiliary enterprises	-	-	-	5,858,105	5,858,105	5,590,573
Total operating revenues	<u>\$ 28,911,388</u>	<u>\$ 10,386,099</u>	<u>\$ 39,297,487</u>	<u>\$ 7,376,436</u>	<u>\$ 46,673,923</u>	<u>\$ 41,341,802</u>

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code §56.033, \$1,212,415 and \$1,064,982 for the years ended August 31, 2008 and 2007, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

BLINN COLLEGE

Schedule of Operating Expenses By Object
Year Ended August 31, 2008
(With Memorandum Totals for the Year Ended August 31, 2007)

	Operating Expenses				2008 Total	2007 Total
	Salaries and Wages	Benefits		Other Expenses		
		State	Local			
Unrestricted - educational activities:						
Instruction	\$20,472,567	\$ -	\$ 1,803,521	\$ 2,869,269	\$25,145,357	\$23,828,432
Public service	264,614	-	26,056	187,304	477,974	428,732
Academic support	2,306,144	-	206,224	565,570	3,077,938	2,819,613
Student services	2,846,818	-	252,814	604,921	3,704,553	3,509,846
Institutional support	3,124,767	-	105,270	3,226,580	6,456,617	5,336,459
Operation and maintenance of plant	1,265,340	-	471,820	4,558,708	6,295,868	5,237,968
Scholarships and fellowships	-	-	-	420,858	420,858	357,360
Total unrestricted - educational activities	30,280,250	-	2,865,705	12,433,210	45,579,165	41,518,410
Restricted - educational activities:						
Instruction	310,685	2,704,363	104,667	553,176	3,672,891	3,255,022
Public service	342,367	46,556	85,438	1,089,145	1,563,506	912,102
Academic support	-	373,270	-	-	373,270	378,105
Student services	-	556,606	-	-	556,606	533,804
Institutional support	-	1,220,512	-	1,631	1,222,143	1,105,983
Scholarships and fellowships	-	-	-	6,202,481	6,202,481	5,469,970
Total restricted - educational activities	653,052	4,901,307	190,105	7,846,433	13,590,897	11,654,986
Total educational activities	30,933,302	4,901,307	3,055,810	20,279,643	59,170,062	53,173,396
Auxiliary enterprises	1,760,962	-	733,159	4,050,607	6,544,728	6,069,773
Depreciation expense - buildings and other real estate improvements	-	-	-	1,632,242	1,632,242	1,608,861
Depreciation expense - equipment, furniture and library books	-	-	-	502,563	502,563	772,466
Total operating expenses	\$32,694,264	\$ 4,901,307	\$ 3,788,969	\$26,465,055	\$67,849,595	\$61,624,496
				(Exhibit 2)	(Exhibit 2)	

BLINN COLLEGE

Schedule of Nonoperating Revenues and Expenses
Year Ended August 31, 2008
(With Memorandum Totals for the Year Ended August 31, 2007)

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2008 Total</u>	<u>2007 Total</u>
Nonoperating revenues:				
State appropriations:				
Education and general State support	\$ 20,926,227	\$ -	\$ 20,926,227	\$ 19,488,508
State group insurance	-	3,097,307	3,097,307	3,112,894
State retirement match	-	1,665,464	1,665,464	1,439,301
Total State appropriations	<u>20,926,227</u>	<u>4,762,771</u>	<u>25,688,998</u>	<u>24,040,703</u>
Property taxes	1,251,445	-	1,251,445	1,138,159
Investment income	1,278,831	-	1,278,831	1,451,431
Federal grant related to capital debt	16,094	-	16,094	16,094
Unrealized gain on investments	27,541	-	27,541	65,609
Total nonoperating revenues	<u>23,500,138</u>	<u>4,762,771</u>	<u>28,262,909</u>	<u>26,711,996</u>
Nonoperating expenses:				
Interest on capital related debt	1,467,233	-	1,467,233	1,572,118
Loss on disposal of capital assets	5,142	-	5,142	699,159
Total nonoperating expenses	<u>1,472,375</u>	<u>-</u>	<u>1,472,375</u>	<u>2,271,277</u>
Net nonoperating revenues	<u>\$ 22,027,763</u>	<u>\$ 4,762,771</u>	<u>\$ 26,790,534</u> (Exhibit 2)	<u>\$ 24,440,719</u> (Exhibit 2)

BLINN COLLEGE

Schedule of Net Assets by Source and Availability
 Year Ended August 31, 2008
 (With Memorandum Totals for the Year Ended August 31, 2007)

	Detail by Source					Total	Available for Current Operations	
	Restricted		Non-Expendable		Capital Assets Net of Depreciation and Related Debt		Yes	No
	Unrestricted	Expendable	Expendable	Non-Expendable				
Current:								
Unrestricted	\$ 6,227,133	\$ -	\$ -	\$ -	\$ -	\$ 6,227,133	\$ -	\$ -
Board designated	2,033,504	-	-	-	-	2,033,504	-	-
Student aid	-	1,160,144	-	-	-	1,160,144	-	1,160,144
Star of Republic Museum	-	202,415	-	-	-	202,415	-	202,415
Auxiliary enterprises	617,260	-	-	-	-	617,260	617,260	-
Endowment:								
Expendable	-	912,266	-	-	-	912,266	-	912,266
Non-expendable	-	-	8,985,030	-	-	8,985,030	-	8,985,030
Plant:								
Debt service	-	4,300,175	-	-	-	4,300,175	-	4,300,175
Investment in plant	-	-	-	-	46,439,328	46,439,328	-	46,439,328
Total net assets, August 31, 2008	8,877,897	6,575,000	8,985,030	46,439,328	46,439,328	70,877,255	8,877,897	61,999,358
Total net assets, August 31, 2007	6,250,662	6,971,053	8,254,291	43,489,455	43,489,455	64,965,461	6,250,662	58,714,799
Net increase (decrease) in net assets	\$ 2,627,235	\$ (396,053)	\$ 730,739	\$ 2,949,873	\$ 2,949,873	\$ 5,911,794	\$ 2,627,235	\$ 3,284,559

(Exhibit 1)
 (Exhibit 1)
 (Exhibit 2)

BLINN COLLEGE

**Schedule of Expenditures of Federal Awards
For The Year Ended August 31, 2008**

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Supplemental Education Opportunity Grant	84.007	P007A073969	\$ 179,794
Federal Family Education Loans	84.032		15,510,905
Federal Pell Grant	84.063	P063P072262	7,382,877
Federal Academic Competitive Grant	84.375	P375A072262	221,700
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	84206	352,085
Leveraging Educational Assistance (LEAP)	84.069A		17,266
Special Leveraging Educational Assistance (SLEAP)	84.069B		22,900
Byrd Scholarship	84.185		1,500
Carl Perkins Tech-Prep Education	84.243	81705	232,694
Total U.S. Department of Education			<u>23,921,721</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. Department of Labor</u>			
Pass-Through from:			
Brazos Valley Development Council:			
Workforce Investment Act - Youth Construction	17.259		<u>184,549</u>
Total U.S. Department of Labor			<u>184,549</u>
<u>U.S. Small Business Administration</u>			
Pass-Through from:			
University of Houston:			
Small Business Development Center	59.037	7-603001-Z-0047-19	12,968
Small Business Development Center	59.037	8-603001-Z-0047-19	<u>74,204</u>
Total U.S. Small Business Administration			<u>87,172</u>
Total Expenditures of Federal Awards			<u>\$ 24,209,536</u>
<u>* Federal Family Education Loans, CFDA 84.032, includes the following:</u>			
Subsidized Loans			\$ 8,595,746
Unsubsidized Loans			3,437,590
PLUS Loans			1,690,323
Additional Unsubsidized Loans			<u>1,787,246</u>
			<u>\$ 15,510,905</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, 2008**

<u>Grantor Agency Program Title</u>	<u>Grant Contract Number</u>	<u>Expenditures and Pass Through Disbursements</u>
Texas Comptroller of Public Accounts - Law Enforcement Officer Standards & Education (LEOSE)	9P050538	\$ 1,631
Texas Higher Education Coordinating Board:		
Texas Grant Program		456,720
Summer Bridge Program - Brenham		6,791
Summer Bridge Program - Bryan		7,709
College Connection		21,793
Summer Bridge Program 2008		69,139
Texas Workforce Commission		
Skills Development-Bluebonnet Cooperative	1606SDF001	14,689
Skills Development-Centara	1607SDF000	165,593
Skills Development-Tarilton/TFE	1607SDF001	100,253
Skills Development-Power Plant Project	1607SDF002	762,699
Skills Development-Bluebonnet Cooperative FY08	1608SDF001	45,891
		<u>\$ 1,652,908</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
Year Ended August 31, 2008**

1. Relationship to Financial Statements

	<u>Federal</u>	<u>State</u>
Total Revenue -- Per Schedule A	\$ 8,733,191	\$ 1,652,908
Loans	15,510,905	-
Federal Interest Subsidy	16,094	-
Procurement Contracts (Fee Based Contracts)	<u>(50,654)</u>	<u>-</u>
 Total per Schedules of Expenditures of Federal and State Awards	 <u>\$24,209,536</u>	 <u>\$ 1,652,908</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, 2008. 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	\$ 1,634
Bremond ISD	2,000
Brenham ISD	7,986
Bryan ISD	22,493
Buffalo ISD	2,000
Burton ISD	2,000
Caldwell ISD	3,581
Calvert ISD	2,000
Centerville ISD	1,995
College Station ISD	12,248
Franklin ISD	2,000
Flatonia ISD	2,000
Hearne ISD	2,000
Iola ISD	2,000
Leon ISD	1,999
Madisonville ISD	3,695
Mumford ISD	2,000
Navasota ISD	5,117
Normangee ISD	2,000
North Zulch ISD	2,000

BLINN COLLEGE

**Notes to Schedules of Expenditures of Federal and State Awards (continued)
Year Ended August 31, 2008**

Oakwood ISD	2,000
Richards ISD	1,989
Schulenburg ISD	2,000
Snook ISD	1,996
Somerville ISD	1,841
Other	<u>1,345</u>
	<u>\$93,919</u>

SINGLE AUDIT REPORTS



LOTT, VERNON & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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**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, 2008, and have issued our report thereon dated November 14, 2008. 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 opinions 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 November 14, 2008.

This report is intended solely for the information of the Audit Committee, Board of Trustees, management 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.

Lott, Vernon & Co., P.C.

Temple, Texas
November 14, 2008



LOTT, VERNON & COMPANY, P.C.

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND 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, 2008. 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, 2008.

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM
AND 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 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 entity'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 entity'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 of the Audit Committee, Board of Trustees, management, 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.

Lott, Vernon & Co., P.C.

Temple, Texas
November 14, 2008

BLINN COLLEGE

**Schedule of Findings and Questioned Costs
August 31, 2008**

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 no
 Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

3. Noncompliance material to financial statements noted? yes no

Federal Awards

4. Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiencies identified that are not considered to be material weakness(es)? yes 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 no

7. Identification of major programs:

<u>Federal Programs</u>	<u>Federal CFDA Number</u>	<u>State Programs</u>
Student Financial Aid Cluster:		- Skills Development - Power Plant Project
- SEOG	84.007	
- Federal Family Education Loan Program	84.032	- Skills Development - Centara
- Pell Program	84.063	
- Academic Competitiveness	84.375	
- Carl Perkins Vocational	84.048	

BLINN COLLEGE

**Schedule of Findings and Questioned Costs (Continued)
August 31, 2008**

8. Dollar threshold used to distinguish
between type A and type B programs: \$726,286
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 2008
(Unaudited)

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

	2008	2007	2006	2005	2004	2003	2002
Invested in capital assets, net of related debt	\$ 46,439	\$ 43,489	\$ 41,668	\$ 39,725	\$ 40,318	\$ 40,513	\$ 38,334
Restricted - expendable	6,575	6,971	6,665	5,791	3,585	3,355	3,770
Restricted - nonexpendable	8,985	8,254	7,810	6,921	5,644	5,329	4,902
Unrestricted	8,878	6,251	4,165	4,156	4,181	2,891	4,459
Total primary government net assets	\$ 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 2002-2008 are available.

Blinn College

Revenues by Source
Fiscal Years 2002 to 2008
(Unaudited)

For the Year Ended August 31,

	(amounts expressed in thousands)						
	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	\$ 29,521	\$ 26,440	\$ 24,227	\$ 21,565	\$ 19,992	\$ 17,425	\$ 16,509
Governmental grants and contracts							
Federal Grants and Contracts	8,733	8,378	8,872	8,984	8,675	7,931	6,708
State and local grants and contracts	1,653	532	500	611	710	1,116	1,065
Sales and services of educational activities	226	190	342	199	159	309	365
Auxiliary enterprises (net of discounts)	5,858	5,591	5,104	5,395	5,346	5,175	4,894
Other operating revenues	683	211	244	29	144	311	196
Total Operating Revenues	46,674	41,342	39,289	36,783	35,026	32,267	29,737
State appropriations	25,689	24,041	23,689	22,348	22,097	22,544	23,695
Ad valorem taxes	1,251	1,138	1,026	1,029	990	934	881
Federal grant related to capital debt	16	16	16	16	16	16	34
Unrealized gain on investments	28	66	-	-	-	-	-
Investment income	1,279	1,451	1,039	611	376	360	446
Other non-operating revenues	-	-	254	2,779	5	-	-
Total Non-Operating Revenues	28,263	26,712	26,024	26,783	23,484	23,854	25,056
Total Revenues	\$ 74,937	\$ 68,054	\$ 65,313	\$ 63,566	\$ 58,510	\$ 56,121	\$ 54,793

For the Year Ended August 31,

	(amounts expressed in thousands)						
	2008	2007	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	39.39%	38.85%	37.09%	33.93%	34.17%	31.05%	30.13%
Governmental grants and contracts							
Federal grants and contracts	11.65%	12.31%	13.58%	14.13%	14.83%	14.13%	12.24%
State grants and contracts	2.21%	0.78%	0.77%	0.96%	1.21%	1.99%	1.94%
Sales and services of educational activities	0.30%	0.28%	0.52%	0.31%	0.27%	0.55%	0.67%
Auxiliary enterprises	7.82%	8.22%	7.81%	8.49%	9.14%	9.22%	8.93%
Other operating revenues	0.91%	0.31%	0.37%	0.05%	0.25%	0.55%	0.36%
Total Operating Revenues	62.28%	60.75%	60.15%	57.87%	59.86%	57.50%	54.27%
State appropriations	34.28%	35.33%	36.27%	35.16%	37.77%	40.17%	43.24%
Ad valorem taxes	1.67%	1.67%	1.57%	1.62%	1.69%	1.66%	1.61%
Federal grant related to capital debt	0.02%	0.02%	0.02%	0.03%	0.03%	0.03%	0.06%
Unrealized gain on investments	0.04%	0.10%	-	-	-	-	-
Investment income	1.71%	2.13%	1.59%	0.96%	0.64%	0.64%	0.81%
Other non-operating revenues	-	-	0.39%	4.37%	0.01%	-	-
Total Non-Operating Revenues	37.72%	39.25%	39.85%	42.13%	40.14%	42.50%	45.73%
Total Revenues	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 2002-2008 are available.

Blinn College

Program Expenses by Function
Fiscal Years 2002 to 2008
(Unaudited)

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

For the Year Ended August 31,							
	2008	2007	2006	2005	2004	2003	2002
	(amounts expressed in thousands)						
Instruction	41.57%	42.39%	42.53%	40.25%	41.39%	41.86%	42.42%
Public service	2.94%	2.10%	1.94%	2.65%	2.38%	1.12%	1.46%
Academic support	4.98%	5.01%	5.41%	6.38%	5.13%	7.32%	5.64%
Student services	6.15%	6.33%	6.44%	6.08%	5.98%	5.93%	5.61%
Institutional support	11.08%	10.08%	9.72%	8.93%	9.85%	8.91%	10.96%
Operation and maintenance of plant	9.08%	8.20%	7.38%	8.03%	7.44%	6.96%	7.97%
Scholarships and fellowships	9.55%	9.12%	9.57%	9.69%	10.51%	10.73%	9.17%
Auxiliary enterprises	9.44%	9.50%	10.44%	10.07%	9.39%	8.86%	10.25%
Depreciation	3.08%	3.73%	4.00%	4.06%	4.24%	4.05%	3.01%
Total Operating Expenses	97.88%	96.45%	97.44%	96.13%	96.31%	95.74%	96.48%
Interest on capital related debt	2.12%	2.46%	2.48%	3.48%	3.65%	3.87%	2.95%
Bond issuance costs	-	-	-	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	2.12%	3.55%	2.56%	3.87%	3.69%	4.26%	3.52%
Total Expenses	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 2002-2008 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)				Out-of-District Tuition	Technology Fees	General Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
			In-District Tuition	Out-of-District Tuition	Technology Fees	General Fees							
2008	\$ -	\$ -	\$ 35	\$ 64	\$ -	28	\$ -	28	\$ 756	\$ 1,104	8.62%	5.75%	
2007	-	-	30	59	-	28	-	28	696	1,044	3.57%	6.10%	
2006	-	-	28	54	-	28	-	28	672	984	9.80%	13.89%	
2005	-	-	23	44	-	28	-	28	612	864	0.00%	0.00%	
2004	-	-	23	44	-	28	-	28	612	864	8.51%	16.13%	
2003	-	-	19	34	-	28	-	28	564	744	4.44%	8.77%	
2002	-	-	19	31	-	26	-	26	540	684	6.30%	4.91%	
2001	40	-	19	31	-	20	-	20	508	652	0.00%	0.00%	
2000	40	-	19	31	-	20	-	20	508	652	25.12%	26.85%	
1999	40	90	19	28	4	-	-	-	406	514	0.00%	0.00%	

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	Non - Resident Fees per Semester Credit Hour (SCH)				Non-Resident Tuition International	Technology Fees	General Fees	Cost for 12 SCH Out of State	Cost for 12 SCH International	Increase from Prior Year Out of State	Increase from Prior Year International
			Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	General Fees							
2008	\$ -	\$ -	\$ 140	\$ 140	\$ -	28	\$ -	28	\$ 2,016	\$ 2,016	3.07%	3.07%	
2007	-	-	135	135	-	28	-	28	1,956	1,956	0.00%	0.00%	
2006	-	-	135	135	-	28	-	28	1,956	1,956	0.00%	0.00%	
2005	-	-	135	135	-	28	-	28	1,956	1,956	0.00%	0.00%	
2004	-	-	135	135	-	28	-	28	1,956	1,956	6.54%	6.54%	
2003	-	-	125	125	-	28	-	28	1,836	1,836	10.87%	10.87%	
2002	-	-	112	112	-	26	-	26	1,656	1,656	1.97%	1.97%	
2001	40	-	112	112	-	20	-	20	1,624	1,624	0.00%	0.00%	
2000	40	-	112	112	-	20	-	20	1,624	1,624	17.85%	17.85%	
1999	40	90	100	100	4	-	-	-	1,378	1,378	0.00%	0.00%	

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)
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	(279,516)	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
1998-99	1,341,157	(36,710)	1,304,447	97.26%	0.061100	-	0.061100

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			
		FTSE (a)	State Appropriation per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	State Appropriation per Contact Hour
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
1998-99	18,224,543	21,235	858	4,500,466	530,096	5,030,562	3.62

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)									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Enervest/Anadarko E&P Co., LP	Oil and Gas	\$ 154,299	\$ 91,553	\$ 115,085	\$ 96,459	\$ 83,930	\$ 51,888	\$ -	\$ -	\$ -	\$ -
Chesapeake Operating Inc.	Oil and Gas	44,829	-	12,283	12,708	10,554	19,742	64,325	-	66,007	-
Blue Bell Creamies, LP	Manufacturing	40,859	39,979	30,113	32,789	34,414	29,291	27,140	28,841	30,139	36,754
LCRA Transmission Services	Utilities	28,983	32,473	28,202	24,696	20,318	13,077	12,594	-	-	-
ETC Texas Pipeline, LTD	Pipeline	21,691	14,068	13,874	13,410	8,277	-	-	-	-	-
Wal-Mart Properties #4109	Retail	15,711	13,984	14,146	12,226	10,858	10,716	10,620	9,678	9,135	9,790
Mount Vernon Mill, Inc.	Manufacturing	15,184	14,948	17,588	16,456	19,797	28,278	29,240	32,290	32,279	27,563
RR Donnelley/Moore Wallace North	Manufacturing	13,559	9,205	9,152	9,343	13,720	11,632	12,472	8,800	-	-
Longwood Elastomers, Inc.	Manufacturing	12,718	8,417	8,041	8,698	6,405	-	6,017	5,758	5,041	6,036
Valmont/ALS	Manufacturing	11,878	11,191	12,581	13,538	27,310	18,083	16,808	15,670	13,900	11,359
Lowe's Homecenters, Inc.	Retail	11,663	11,279	11,577	10,111	-	-	-	-	-	-
SBC Telephone Company	Telephone	11,626	13,237	12,722	13,215	13,392	15,202	16,314	17,084	16,704	16,623
Magnetic Instruments	Manufacturing	11,270	11,438	-	-	-	-	-	-	-	-
Southern Bay Operating, LLC	Oil and Gas	10,970	-	-	-	-	-	-	-	-	-
Bluebonnet Electric Coop.	Utilities	10,638	10,390	10,204	9,579	10,860	10,378	10,068	9,098	9,463	9,302
Germania Farm Mutual Aid	Insurance	10,544	9,749	9,881	9,607	9,306	9,732	8,445	8,525	8,121	8,099
Burlington Northern Santa Fe	Transportation	8,249	7,611	6,690	-	5,778	6,008	5,998	5,507	5,137	-
Sealy Mattress	Manufacturing	8,047	7,276	7,352	6,496	6,861	6,619	7,417	7,148	6,993	6,568
PI Components Corp.	Manufacturing	7,931	8,482	7,757	7,177	9,362	8,084	6,894	7,819	-	-
Chesapeake Exploration, LP	Oil and Gas	-	23,155	45,678	41,491	37,620	11,954	-	89,330	-	16,253
Brenham Wholesale Grocery	Groceries	-	7,729	7,206	7,397	9,264	9,240	9,124	9,838	10,068	9,653
Stroud Oil Properties, Inc.	Oil and Gas	-	-	8,071	7,188	7,113	6,542	-	-	-	-
Mayfair Interests, Inc.	-	-	7,274	-	-	-	-	-	-	-	-
Union Pacific Resources	Oil and Gas	-	-	-	-	-	-	-	-	50,407	50,093
Aquila Southwest	Pipeline	-	-	-	-	-	-	7,896	7,899	10,444	13,016
Ferguson Burleson City Gas	Pipeline	-	-	-	-	-	-	-	-	12,630	12,650
Phillips Natural Gas Co.	Gas	-	-	-	-	-	-	-	-	-	7,408
GPM Gas Company	Gas	-	-	-	-	-	-	-	-	-	-
Cleaners Hangers Co.	Manufacturing	-	-	-	-	-	10,092	11,606	12,511	10,718	10,444
Seminole Pipeline	Pipeline	-	-	-	-	-	-	6,290	6,496	7,358	7,057
Marathon	Oil and Gas	-	-	-	-	-	-	-	-	-	8,813
PFL Properties, LP	Oil and Gas	-	-	-	-	-	-	-	5,279	4,928	4,697
Oasis Pipeline Co. TX LP	Oil and Gas	-	-	-	-	-	-	-	-	-	4,539
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	-	-
Acaia Natural Gas Corp.	Oil and Gas	-	-	-	-	11,778	10,703	7,898	-	-	-
Totals		\$ 450,448	\$ 353,415	\$ 388,201	\$ 352,582	\$ 336,905	\$ 295,196	\$ 338,473	\$ 370,521	\$ 321,121	\$ 276,717
Total Taxable Assessed Value		\$2,024,586	\$1,942,918	\$1,780,818	\$1,875,879	\$1,742,652	\$1,704,987	\$1,634,788	\$1,458,191	\$1,332,029	\$1,304,447

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year									
		2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Enervest/Anadarko E&P Co., LP	Oil and Gas	7.62%	4.71%	6.46%	5.14%	3.67%	3.04%	0.00%	0.00%	0.00%	0.00%
Chesapeake Operating Inc.	Oil and Gas	2.20%	0.00%	0.69%	0.69%	0.61%	1.16%	3.93%	0.00%	4.96%	0.00%
Blue Bell Creamies, LP	Manufacturing	2.02%	2.06%	1.69%	1.75%	1.97%	1.72%	1.66%	1.98%	2.26%	2.82%
LCRA Transmission Services	Utilities	1.43%	1.67%	1.58%	1.32%	1.17%	0.77%	0.77%	0.00%	0.00%	0.00%
ETC Texas Pipeline, LTD	Pipeline	1.07%	0.72%	0.78%	0.71%	0.47%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Properties #4109	Retail	0.76%	0.72%	0.79%	0.65%	0.62%	0.63%	0.65%	0.66%	0.69%	0.75%
Mount Vernon Mill, Inc.	Manufacturing	0.75%	0.77%	0.99%	0.88%	1.14%	1.54%	1.79%	2.21%	2.42%	2.11%
RR Donnelley/Moore Wallace North	Manufacturing	0.67%	0.47%	0.51%	0.50%	0.79%	0.68%	0.76%	0.60%	0.00%	0.00%
Longwood Elastomers, Inc.	Manufacturing	0.63%	0.43%	0.45%	0.46%	0.37%	0.00%	0.37%	0.39%	0.38%	0.46%
Valmont/ALS	Manufacturing	0.59%	0.58%	0.71%	0.72%	1.57%	1.06%	0.97%	1.07%	1.04%	0.87%
Lowe's Homecenters, Inc.	Retail	0.58%	0.58%	0.65%	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
SBC Telephone Company	Telephone	0.57%	0.68%	0.71%	0.70%	0.77%	0.69%	1.00%	1.17%	1.25%	1.27%
Magnetic Instruments	Manufacturing	0.56%	0.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southern Bay Operating, LLC	Oil and Gas	0.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Bluebonnet Electric Coop.	Utilities	0.53%	0.63%	0.57%	0.51%	0.62%	0.61%	0.62%	0.62%	0.71%	0.71%
Germania Farm Mutual Aid	Insurance	0.52%	0.50%	0.55%	0.51%	0.53%	0.57%	0.58%	0.58%	0.61%	0.62%
Burlington Northern Santa Fe	Transportation	0.41%	0.39%	0.38%	0.00%	0.33%	0.35%	0.37%	0.38%	0.39%	0.00%
Sealy Mattress	Manufacturing	0.40%	0.37%	0.41%	0.35%	0.39%	0.39%	0.45%	0.49%	0.52%	0.50%
PI Components Corp.	Manufacturing	0.39%	0.44%	0.44%	0.38%	0.54%	0.47%	0.42%	0.54%	0.00%	0.00%
Chesapeake Exploration, LP	Oil and Gas	0.00%	1.19%	2.57%	2.21%	2.16%	0.70%	0.00%	6.13%	0.00%	1.25%
Brenham Wholesale Grocery	Groceries	0.00%	0.40%	0.40%	0.39%	0.53%	0.54%	0.56%	0.67%	0.76%	0.74%
Stroud Oil Properties, Inc.	Oil and Gas	0.00%	0.00%	0.45%	0.38%	0.41%	0.38%	0.00%	0.00%	0.00%	0.00%
Mayfair Interests, Inc.	-	0.00%	0.37%	0.00%	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%	3.78%	3.84%
Aquila Southwest	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.54%	0.78%	1.00%
Ferguson Burleson City Gas	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.95%	0.97%
Phillips Natural Gas Co.	Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%
GPM Gas Company	Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.55%	0.00%
Cleaners Hangers Co.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.59%	0.71%	0.86%	0.80%	0.80%
Seminole Pipeline	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.45%	0.55%	0.54%
Marathon	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%
PFL Properties, LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%	0.37%	0.36%
Oasis Pipeline Co. TX LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.35%
ETC Texas Pipeline, LTD	Pipeline	0.00%	0.00%	0.00%	0.00%	0.00%	0.58%	0.00%	0.00%	0.00%	0.00%
RME Petroleum Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.63%	5.29%	0.00%	0.00%
Leggett Partners, L.P.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.33%	0.00%
Duke Energy	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.40%	0.00%	0.00%
Acaia Natural Gas Corp.	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.68%	0.63%	0.46%	0.00%	0.00%	0.00%
Totals		22.25%	18.19%	21.80%	18.80%	19.33%	17.31%	20.58%	25.41%	24.11%	21.21%

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
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%
1999	796,608	(15,674)	780,934	773,402	98.09%	18,801	792,203	101.44%

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)									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Other Debt										
Revenue bonds	\$ 32,530	\$ 35,605	\$ 38,570	\$ 41,565	\$ 31,745	\$ 33,680	\$ 35,170	\$ 21,620	\$ 22,030	\$ 6,110
Capital lease obligations	-	-	-	-	12,148	12,877	13,568	14,279	13,240	13,770
Total Outstanding Debt	\$ 32,530	\$ 35,605	\$ 38,570	\$ 41,565	\$ 43,893	\$ 46,557	\$ 48,738	\$ 35,899	\$ 35,270	\$ 19,880
Total Outstanding Debt Ratios										
Per Capita	1.02	1.12	1.21	1.32	1.41	1.51	1.59	1.18	1.16	0.65
Per FTSE	1.23	1.36	1.50	1.61	1.71	1.80	2.01	1.53	1.57	0.94
As a percentage of Taxable Assessed Value	1.61%	1.83%	2.17%	2.22%	2.52%	2.73%	2.98%	2.46%	2.65%	1.52%

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

Blinn College

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amount expressed in thousands)									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Taxable Assessed Value	\$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	\$1,304,447
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	10,123	9,715	8,904	9,379	8,713	8,525	8,174	7,291	6,660	6,522
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	10,123	9,715	8,904	9,379	8,713	8,525	8,174	7,291	6,660	6,522
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 10,123	\$ 9,715	\$ 8,904	\$ 9,379	\$ 8,713	\$ 8,525	\$ 8,174	\$ 7,291	\$ 6,660	\$ 6,522
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			
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%		
1999	382	1,872	366	946	226	237	738	4,767	6,110	2,668	8,778	5.43%		

Blinn College

**Demographic and Economic Statistics - Taxing District
Last 7 Fiscal Years
(Unaudited)**

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Unemployment Rate
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 seven years. Blinn College will implement prospectively.

Blinn College

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

Employer	Type of Business (year established)	Number of Employees								
		2007	2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	900	1,100	900	900	585	600	650	650	600
Brenham State School	Mental Health/Retardation Services (est. 1974)	880	880	880	880	944	965	1,062	1,062	1,062
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	719	786	786	786	757	800	741	741	741
Brenham I.S.D.	Independent School District (est. 1875)	380	380	380	380	308	385	241	241	241
Wal-Mart Supercenter	Retail Department Store (est. 1994)	324	324	324	324	249	305	285	285	285
Germania Insurance	Insurance Services (est. 1896)	0	305	305	305	305	320	350	350	350
Mount Vernon Mills	Textile Manufacturer (est. 1902)	285	285	285	285	300	300	250	250	250
Trinity Medical Center	Hospital (est. 1989)	235	235	235	235	250	250	0	0	0
City of Brenham	Government (est. 1858)	267	211	211	211	267	275	261	261	0
Sealy Mattress	Mattress Manufacturer (est. 1955)	203	0	0	0	0	0	240	240	240
Valmont A.L.S.	Steel Lighting Standards Mfg (est. 1974)	0	0	0	0	0	0	0	0	227
Brenham Wholesale	Wholesale Supplier (est. 1905)	4,979	5,225	5,025	5,025	4,677	4,850	4,700	4,700	4,616
Total		14,311	14,156	14,186	13,504	13,477	13,479	13,562	15,450	14,540

Total Washington County Employment

Percentage of Total Employment for Washington County

Employer	Type of Business	Percentage of Total Employment for Washington County								
		2007	2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	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)	6.15%	6.22%	6.20%	6.52%	7.00%	7.16%	7.83%	6.87%	7.30%
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	5.49%	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)	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)	2.66%	2.68%	2.68%	2.81%	2.29%	2.86%	1.78%	1.56%	1.66%
Germania Insurance	Insurance Services (est. 1896)	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%	2.15%	2.15%	2.26%	2.26%	2.37%	2.58%	2.27%	2.41%
Trinity Medical Center	Hospital (est. 1989)	1.99%	2.01%	2.01%	2.11%	2.23%	2.23%	1.84%	1.62%	1.72%
City of Brenham	Government (est. 1858)	1.64%	1.66%	1.66%	1.74%	1.86%	1.85%	0.00%	0.00%	0.00%
Sealy Mattress	Mattress Manufacturer (est. 1955)	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)	1.42%	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%	1.56%
Total		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 (2001-2007)
Major Employers from the Washington County Chamber of Commerce

Note: Amounts for 1998 were not available. Blinn College will implement prospectively.

Blinn College

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

	Fiscal Year									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Faculty:										
Full-Time	308	284	284	282	278	273	256	252	251	223
Part-Time	335	291	265	262	246	296	382	375	345	306
Total	643	575	549	544	524	569	638	627	596	529
Percent										
Full-Time	47.9%	49.4%	51.7%	51.8%	53.1%	48.0%	40.1%	40.2%	42.1%	42.2%
Part-Time	52.1%	50.6%	48.3%	48.2%	46.9%	52.0%	59.9%	59.8%	57.9%	57.8%
Staff and Administrators:										
Full-Time	329	351	350	326	351	357	350	305	250	209
Part-Time	99	32	-	-	-	-	-	-	-	-
Total	428	383	350	326	351	357	350	305	250	209
Percent										
Full-Time	76.9%	91.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-Time	23.1%	8.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTSE per Full-time Faculty	86	93	91	92	92	94	95	93	90	95
FTSE per Full-Time Staff Member	81	75	74	79	73	72	69	77	64	102
Average Annual Faculty Salary*	\$ 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 Six Fiscal Years
(Unaudited)

Student Classification	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	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	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	294	2.02%	216	1.54%	1	0.01%	206	1.47%	652	4.64%	2	0.01%
Total	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 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	157	1.08%	59	0.42%	51	0.36%	54	0.38%	26	0.18%	33	0.24%
3-5 semester hours	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	2,043	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	2,240	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	8,089	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	1,475	10.11%	1,379	9.84%	1,344	9.36%	1,203	8.58%	1,282	9.12%	1,322	9.58%
18 & over	155	1.06%	141	1.01%	146	1.02%	158	1.13%	220	1.57%	149	1.08%
Total	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	9.9	9.9	9.7	9.9	9.9
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Tuition Status	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	773	5.52%	822	5.86%	835	5.81%	766	5.46%	789	5.61%	755	5.47%
Texas Resident (out-of-District)	13,452	95.98%	12,930	92.25%	13,191	91.86%	12,926	92.15%	12,931	91.99%	12,676	91.82%
Non-Resident Tuition	364	2.60%	264	1.88%	334	2.33%	335	2.39%	337	2.40%	375	2.72%
Total	14,589	104.09%	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 Six Fiscal Years
(Unaudited)

Gender	Fall 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	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	7,237	49.61%	6,804	48.54%	6,877	47.89%	6,643	47.36%	6,746	47.99%	6,797	49.23%
Total	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 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	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	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	1,264	8.66%	1,091	7.78%	1,203	8.38%	1,105	7.88%	1,162	8.27%	1,141	8.26%
Asian	198	1.36%	205	1.46%	195	1.36%	194	1.38%	183	1.30%	215	1.56%
Foreign	190	1.30%	174	1.24%	133	0.93%	151	1.08%	167	1.19%	190	1.38%
Native American	82	0.56%	92	0.66%	68	0.47%	73	0.52%	68	0.47%	56	0.41%
Total	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 2007		Fall 2006		Fall 2005		Fall 2004		Fall 2003		Fall 2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,011	6.93%	866	6.18%	802	5.58%	683	4.87%	605	4.30%	488	3.53%
18 - 21	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	1,893	12.98%	1,851	13.21%	2,006	13.97%	2,060	14.69%	2,182	15.52%	2,109	15.28%
25 - 35	1,291	8.85%	1,279	9.13%	1,439	10.02%	1,365	9.87%	1,335	9.50%	1,329	9.63%
36 - 50	465	3.19%	535	3.82%	538	3.75%	565	4.03%	585	4.16%	591	4.28%
51 & over	93	0.64%	92	0.66%	89	0.62%	94	0.67%	94	0.67%	102	0.74%
Total	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	22	22	22	22	22
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Sources:
 Texas Higher Education Coordinating Board
 Blinn College Office of Institutional Research and Effectiveness

Blinn College

Transfers to Senior Institutions
2005-2006 Graduates, Completers, and Non-Returners
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Transfer Student Count Tech-Prep	Total of all Sample Transfer Students	% of all Sample Transfer Students	
1	Texas A&M University - College Station	5,002	147	13	5,162	73.32%
2	Sam Houston State University	633	52	5	690	9.80%
3	Texas State University	231	19	0	250	3.55%
4	University of Texas - Austin	116	5	0	121	1.72%
5	University of Houston - University Park	109	7	1	117	1.66%
6	University of North Texas	86	5	0	91	1.29%
7	Texas Tech University	69	0	0	69	0.98%
8	University of Texas - San Antonio	53	4	0	57	0.81%
9	Stephen F. Austin State University	50	7	0	57	0.81%
10	Texas A&M University - Corpus Christi	31	6	0	37	0.53%
11	Prairie View A&M University	23	8	1	32	0.45%
12	Tarleton State University	27	5	0	32	0.45%
13	University of Texas - Arlington	25	4	0	29	0.41%
14	Lamar University	19	3	0	22	0.31%
15	Texas Women's University	17	5	0	22	0.31%
16	Angelo State University	17	2	0	19	0.27%
17	University of Texas Medical Branch Galveston	17	2	0	19	0.27%
18	University of Houston - Victoria	18	0	0	18	0.26%
19	University of Texas - Dallas	16	1	0	17	0.24%
20	University of Houston - Downtown	14	3	0	17	0.24%
21	West Texas A&M University	16	0	0	16	0.23%
22	Texas Southern University	10	5	0	15	0.21%
23	Texas A&M University - Kingsville	13	1	0	14	0.20%
24	Texas A&M University - Commerce	12	1	0	13	0.18%
25	Midwestern State University	10	3	0	13	0.18%
26	University of Texas Health Science Center - San Antonio	12	0	0	12	0.17%
27	University of Texas - Tyler	10	2	0	12	0.17%
28	Texas A&M University System Health Science Center	10	2	0	12	0.17%
29	University of Texas - Pan American	11	0	0	11	0.16%
30	Texas A&M University - Galveston	9	1	0	10	0.14%
31	University of Texas Health Science Center - Houston	9	0	0	9	0.13%
32	University of Houston - Clear Lake	7	0	0	7	0.10%
33	Texas Tech University Health Science Center	5	0	0	5	0.07%
34	Sul Ross State University	3	0	0	3	0.04%
35	University of Texas - El Paso	3	0	0	3	0.04%
36	University of Texas - Permian Basin	3	0	0	3	0.04%
37	Baylor College of Medicine - Academics	1	0	0	1	0.01%
38	University of North Texas Health Science Center - Forth Worth	1	0	0	1	0.01%
39	University of Texas Southwestern Medical Center Dallas	1	0	0	1	0.01%
40	University of Texas Brownsville	0	0	1	1	0.01%
Totals		6,719	300	21	7,040	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 2008
(Unaudited)

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