

Blinn College District Annual Comprehensive Financial Report

For the fiscal years ended August 31, 2022 and August 31, 2021

Brenham, Texas



BLINN COLLEGE DISTRICT

Brenham, Texas

Annual Comprehensive Financial Report

For the Years Ended
August 31, 2022 and 2021

Prepared by:

Business and Finance Division

BLINN COLLEGE DISTRICT
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INTRODUCTORY SECTION



November 23, 2022

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

BOARD OF TRUSTEES

Chair
Jim Kolkhorst

Vice Chair
Dennis Crowson

Secretary
Charles Moser

Members
Randy Wells
Douglas R. Borchardt
Allison Bentke
Rebecca Ehlert

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

This Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022, has been developed to provide the public a complete financial picture of the Blinn College District. This document plays an important role in meeting the District's strategic objective to promote inclusive and transparent financial and budgeting processes. By sharing financial information and data clearly, we provide stakeholders a clear vision of the District's priorities.

As this report demonstrates, Blinn has utilized a variety of funding strategies to minimize debt while developing the first-class facilities necessary to meet the growing and changing needs of the communities it serves. As part of its Districtwide Facilities Master Plan that was adopted by the Blinn College District Board of Trustees in May 2021, Blinn recently completed construction of the Blinn RELLIS Administration Building at Texas A&M-RELLIS, an 80,000-square-foot, three-story facility that includes 19 classrooms, a state-of-the-art esports arena, engineering and technology laboratories, and a 5,000-square-foot banquet room. The College also opened Prairie Lea Hall, a 504-bed student housing complex on the Brenham Campus that has expanded the campus's capacity for student enrollment. This complex was funded with private monies using a public-private partnership model.

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

Sincerely,

Mary Hensley, Ed.D.

Chancellor of the Blinn College District

Office of the Chancellor, Blinn College District



November 23, 2022

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

The following Annual Comprehensive Financial Report of the Blinn College District for the fiscal year ended August 31, 2022, is hereby submitted. Responsibility for the preparation and integrity of the financial information, and the completeness and fairness of the presentation, rests with the College District. The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) and comply with Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges as set forth by the Texas Higher Education Coordinating Board (THECB).

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

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

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

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

BUSINESS AND FINANCE DIVISION

902 College Avenue ♦ Brenham, Texas 77833 ♦ 979-830-4459

Historical Statement

Blinn College, the Junior College District of Washington County, is located in Brenham, Texas, and serves a 13-county service area with additional campuses in Bryan, Schulenburg, and Sealy.

The school was founded in 1883 by the Southern German Conference of the Methodist denomination under the name of Mission Institution. The institution originally was founded for the purpose of training young men for the ministry, but in the course of time, to meet the demands of the public, academic courses were added. After operating for five years as an institution for men only, Blinn College was made coeducational in 1888.

In 1889, the name was changed to Blinn Memorial College in honor of the Rev. Christian Blinn of New York, who donated a considerable sum of money to make the school possible.

In 1927, the Board of Trustees, with the leadership of President Philip Deschner, organized a junior college. In 1930, the school merged with Southwestern University (Georgetown, Texas). In 1934, a new charter was procured by the citizens of Brenham, and a private nonsectarian junior college under the name of Blinn College, was organized with nine regents as the board of control. In February 1937, all connection with Southwestern University and the Methodist denominations were severed.

On June 8, 1937, voters in Washington County levied a property tax for the creation of a public junior college district, Blinn thus became the first county-owned junior college district in Texas. After some struggles (including the campus nearly closing in 1947 due to fiscal issues), the College began to grow and do well under the leadership of Dr. Thomas Morris Spencer. When he left the college in 1957, the school was on firm fiscal footing.

The Bryan campus was established in 1970, and by the early 1980s, a third campus opened in College Station. In 1997, the Blinn-Bryan Campus opened, consolidating the programs that were located in the Townshire Shopping Center in Bryan and the Woodstone Center in College Station. Blinn opened its Schulenburg Campus in 1997 and its Sealy Campus in 2005.

In 2017, under the leadership of Chancellor Mary Hensley, Blinn College District collaborated with Texas A&M University on the university's newly constructed RELLIS campus at the former Bryan Air Force Base (RELLIS is an acronym for Texas A&M University's core values, "Respect," "Excellence," "Leadership," "Loyalty," "Integrity," and "Selfless service"). In August 2018, Blinn celebrated the grand opening of its new academic facility at Texas A&M-RELLIS in Bryan. At RELLIS, Blinn provides freshman and sophomore-level courses for students earning their bachelor's degree from the regional universities also located on campus.

Blinn continues to operate as one of the largest of the state's 50 public community college districts.

Service Area

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

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

Academic Transfer

According to the Texas Higher Education Coordinating Board, Blinn's academic transfer rate of 48.2% ranks No. 1 in the State of Texas, almost doubling the statewide average of 25.4%.

Blinn has established itself as an academic transfer leader by building strong relationships with the State's top four-year universities. As the community college partner in the RELLIS Academic Alliance, Blinn offers seamless pathways and dual-enrollment opportunities for students to earn their bachelor's degrees from The Texas A&M University System regional universities also located at Texas A&M-RELLIS in Bryan, Texas.

In addition to its partnerships with Texas A&M, Blinn has articulation agreements in place with other universities across the state, including its Baylor Bound partnership with Baylor University, the Distinguished College Partnership with Tarleton State University, the CAPS Program with the University of Houston-Victoria, and the Transfer Academy for Tomorrow's Engineers with the University of Texas at San Antonio.

Mission, Vision, and Values

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

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

Core Values:

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

Economic Condition and Outlook

A 2021 study found that the Blinn College District made a \$370.1 million annual economic impact on its service area. The study found that Blinn has made an annual direct impact of \$247.4 million in Bryan, \$83 million in Brenham, \$11.1 million in Schulenburg, and \$3.9 million in Sealy.

The results of this study demonstrate that Blinn College creates value from multiple perspectives. The College benefits regional businesses by increasing consumer spending in the region and supplying a steady flow of qualified, trained workers to the workforce. Blinn College District enriches the lives of students by raising their lifetime earnings and helping them achieve their individual potential. The College benefits state and local taxpayers through increased tax receipts and a reduced demand for government-supported social services. Finally, Blinn College benefits society as a whole and in Texas by creating a more prosperous economy and generating a variety of savings through the improved lifestyles of its students.

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

Financial Planning and Budgeting

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

The budgeting process is focused on optimizing student achievement within available resources. Blinn's budget cycle encompasses planning for the budget process, developing a fiscally conservative budget, gaining institutional and governance approval, evaluating the budget outcomes and adjusting accordingly. Throughout the cycle, the District's institutional goals serve as the overarching guide for decision-making and resource allocation.

In FY22, the District budgeted over \$121 million in annual revenue and realized \$130.7 million (8% over budget). In addition, in FY22, the District budgeted \$121 million in expenditures and expended \$106.9 million (12% under budget).

At the end of FY22, Blinn reached a milestone with \$131.8 million in unrestricted cash. The District's five months Operating Reserve remains beyond the median of four months for A- rated

community colleges. In addition, due to its increased cash flow, the District maintained its \$15 million Capital and Deferred Reserve and its \$2 million Technology Reserve. At year end, the College has spent most of the \$700,000 Auxiliary Reserve on refurbishing and equipping space at Mill Creek Hall for esports.

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

Major Initiatives

In May 2021, the Blinn College District Board of Trustees received its first Districtwide Facilities Master Plan. The plan was intended as a strategic and tactical guide for the physical development of the District's five college campuses over the next 20 years. The Master Plan also serves a tactical purpose, providing the District with a roadmap for implementing its strategic plan with the phased development of prioritized capital improvements on campuses where continued growth is projected or there is a need to address aging facilities and infrastructure.

In the fall of 2021, the District opened the \$35.5 million Science, Technology, Engineering, and Innovation Building, a master plan project on the Blinn-Brenham Campus. The project was primarily funded with Series 2016 and 2019 revenue bond funds. The building is three stories tall and spans 72,000 square feet, with 17,000 square feet of laboratory space and a 3,000 square-foot innovation center that includes a 3D printing lab, soldering space, and a robotics area. On the roof, students have access to a weather station where they can monitor and gauge local weather.

During FY22, the College managed the construction of the \$32.2 million Blinn RELLIS Administration Building, another master plan project. The RELLIS Administration Building was constructed on The Texas A&M-RELLIS campus. In response to the projected enrollment growth and validated by the master plan, the Blinn College District Board of Trustees approved the construction of the three-story, 80,000-square-foot building, which is located just north of the Walter C. Schwartz Building. The facility includes classrooms, engineering/computer science labs, faculty offices, student services spaces, student gathering spaces, a micro-market vending area, administrative spaces, an esports arena, and a large meeting room. Construction began in February 2021 and was completed in time for the College to offer classes in the new facility in the fall of 2022.

Two related projects on the Master Plan accomplished in FY22 were the construction of Prairie Lea Hall, an approximately \$29.5 million, two-building, 508 bed student housing complex funded by private partners and the demolition of three facilities – Solons, Holleman, and Memorial halls. With the construction of Prairie Lea Hall, the District increased its student housing capacity for the Blinn-Brenham Campus and replaced three older facilities that were respectively, 48, 59, and 53 years old.

In the Spring of 2021, a winter storm with unprecedented freezing temperatures caused the fire suppression system pipes to burst in Old Main. Fortunately, insurance paid for almost all of the \$2.8 million damage to the iconic facility, which was out of commission for over 16 months.

COVID-19

It has been more than two years since the first cases of the novel coronavirus were detected in the United States. While different strains have surfaced over the last two years, none have affected the institution in the same manner as the initial virus. In FY22, the College did not completely recover from the enrollment decline experienced during the pandemic. The decline in enrollment impacted the College from a revenue perspective, both in tuition and fees as well as auxiliary enterprises. Revenue from tuition, fees, and auxiliaries in FY22 was down approximately 7% compared to pre-pandemic numbers in FY19.

Fortunately, the District offset the decline in revenue in these areas from other sources, with the primary relief coming in the form of the Higher Education Emergency Relief Funds (HEERF) awarded to the District in Institutional and Institutional Strengthening grants from the United States Department of Education. In FY22, Blinn realized almost \$17 million in FY22 in revenue from HEERF grants that were specifically intended to offset lost revenue from tuition/fees and auxiliary revenue.

Independent Audit

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

Award

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Blinn College District for its FY21 Annual Comprehensive Financial Report (ACFR) for the year ended August 31, 2021. The College previously received the award for its FY19 and FY20 submissions. To be awarded a Certificate of Achievement, a governmental entity must publish an easily readable and efficiently organized ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents a significant accomplishment by a governmental entity and its management.

A Certificate of Achievement is valid for a period of one year only. The College plans to submit the FY22 ACFR upon acceptance by the Blinn Board of Trustees in December 2022. The District believes the FY22 ACFR will continue to meet the Certificate of Achievement program requirements and awaits the GFAO eligibility for another certificate.

Acknowledgements

The Blinn College District would like to extend its appreciation to the Board of Trustees and Administration for their continuous commitment to the responsible financial management and planning of the Blinn College District. We particularly would like to acknowledge the District's Business and Finance Service personnel as well as those throughout the District whose efforts contributed to the compilation of this report.

Thanks also are extended to Lott, Vernon & Company, P.C., for completing a timely and productive audit.

Sincerely,

A handwritten signature in black ink that reads "Richard Cervantes". The signature is written in a cursive style with a large, prominent initial "R".

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

BLINN COLLEGE DISTRICT

Organizational Data
Year Ended August 31, 2022

Board of Trustees

Board Officers

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

Members

Term Expires

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

Key Administrators

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Blinn College District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



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

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

KILLEEN • COPPERAS COVE • TEMPLE

Member of
American Institute & Texas Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Blinn College District
Brenham, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows of Blinn College District, as of and for the year ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Blinn College District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Blinn College District, as of August 31, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Blinn College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 8 to the financial statements, in fiscal year ending August 31, 2022, the College adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Blinn College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Blinn College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Blinn College District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of District's Proportionate Share of Net Pension Liability, the Schedule of District's Pensions Contributions, the Schedule of District's Proportionate Share of Net OPEB Liability, the Schedule of District's OPEB Contributions, Notes to Required Supplementary Information (RSI) - For Pensions, and Notes to Required Supplementary Information (RSI) - For OPEB as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Blinn College District's basic financial statements. The Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and the Statistical Supplements (Unaudited) but does not include the basic financial statements and our auditor’s report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2022, on our consideration of the Blinn College District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Blinn College District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blinn College District’s internal control over financial reporting and compliance.



Temple, Texas
November 23, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Blinn College District's (the District) annual financial statements provides an overview of the District's financial performance for the fiscal years ended August 31, 2022 and August 31, 2021. 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 2022

The District's net position increased approximately \$11.9 million, or 9%. This increase is primarily attributable to an increase of \$19.2 million of Assets, decrease of \$5.9 million in Deferred Outflows, decrease of \$1.9 million in Liabilities and an increase of \$3.3 million in Deferred Inflows.

Total operating expenses increased \$2.1 million, or 2%. This increase is primarily attributable to an increase in Operation and Maintenance of Plant of \$2.7 million, Scholarships of \$0.2 million, Depreciation and Amortization of \$1.8 million, Auxiliary Enterprises of \$1.6 million and a decrease in the cost of General Instruction of \$3.0 million, Academic Support of \$0.04 million, Public Service of \$0.5 million, Student Services of \$0.3, and Institutional Support of \$0.3 million.

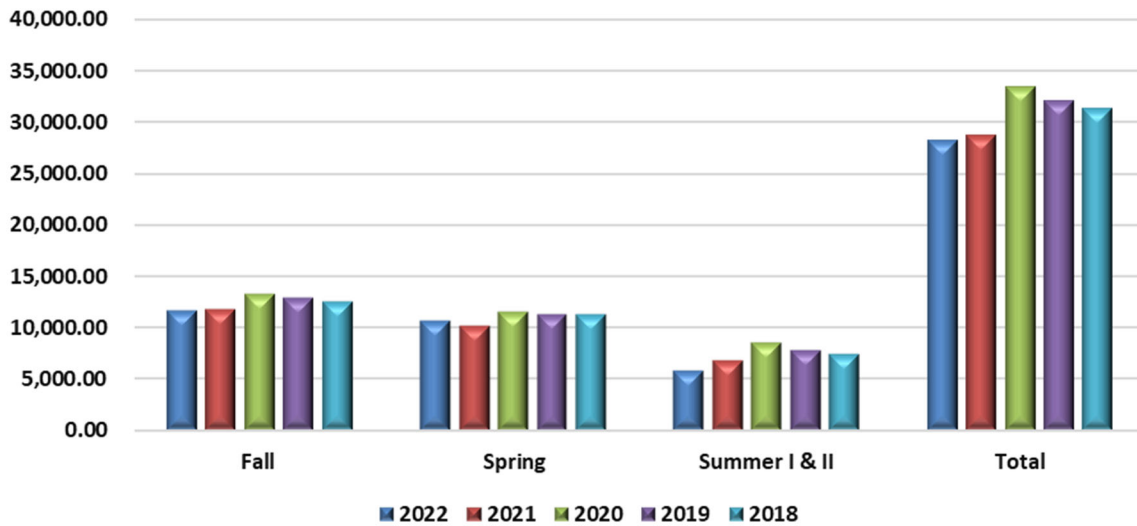
Financial Highlights and Significant Activities for 2021

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

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

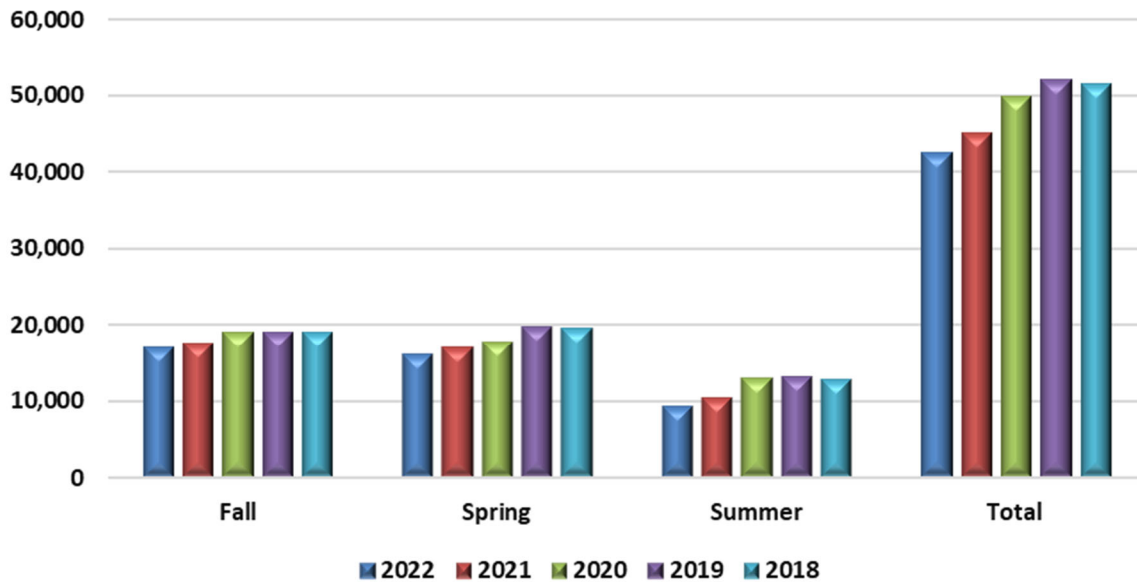
Below is a breakdown of the District's full time equivalency (FTE) enrollment (FTE is calculated based on 15 semester credit hours for Fall, 15 semester credit hours for Spring, and 6 semester credit hours for summer terms) by term for fiscal years 2022, 2021, 2020, 2019, and 2018.

**Blinn College District
Student FTE
Fiscal Years 2022, 2021, 2020, 2019, and 2018**



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

**Blinn College District
Headcount Enrollment Trend
Fiscal Years 2022, 2021, 2020, 2019, 2018**



Overview of the Basic Financial Statements

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

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

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

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

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

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

Statement of Net Position

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>
Assets:					
Current Assets	\$ 158.6	\$ 166.0	\$ (7.4)	\$ 159.8	\$ 6.2
Capital Assets, Net of					
Depreciation	228.6	201.8	26.8	167.4	34.4
Noncurrent Assets	<u>9.1</u>	<u>9.3</u>	<u>(0.2)</u>	<u>3.0</u>	<u>6.3</u>
Total Assets	396.3	377.1	19.2	330.2	46.9
Deferred Outflows of Resources:					
Net deferred outflows of resources related to pensions/OPEB	<u>21.6</u>	<u>27.5</u>	<u>(5.9)</u>	<u>30.4</u>	<u>(2.9)</u>
Total Deferred Outflow of Resources	21.6	27.5	(5.9)	30.4	(2.9)
Liabilities:					
Current Liabilities	61.4	60.2	1.2	54.3	5.9
Noncurrent Liabilities	<u>188.3</u>	<u>191.4</u>	<u>(3.1)</u>	<u>176.8</u>	<u>14.6</u>
Total Liabilities	249.7	251.6	(1.9)	231.1	20.5
Deferred Inflows of Resources:					
Net deferred inflows of resources related to pensions/OPEB	<u>23.7</u>	<u>20.4</u>	<u>3.3</u>	<u>19.7</u>	<u>0.7</u>
Total Deferred Inflows of Resources	23.7	20.4	3.3	19.7	0.7
Net Position:					
Net Investment in Capital Assets	118.4	101.2	17.2	94.3	6.9
Restricted	10.5	10.4	0.1	10.2	0.2
Unrestricted	<u>15.6</u>	<u>21.0</u>	<u>(5.4)</u>	<u>5.3</u>	<u>15.7</u>
Total Net Position	<u>\$ 144.5</u>	<u>\$ 132.6</u>	<u>\$ 11.9</u>	<u>\$ 109.8</u>	<u>\$ 22.8</u>

At August 31, 2022, current assets included \$132.0 million of cash and cash equivalents and investments, and \$25.3 million in net student receivables related primarily to the Fall 2022 semester. The decrease of \$7.4 million in current assets is due primarily to a \$14.2 million decrease in restricted cash and cash equivalents and \$8 thousand in inventories offset by an increase of \$0.4 million in cash and cash equivalents, \$4.7 million in investments, \$1.4 million increase in net account receivables, \$0.02 million in interest receivables and \$0.3 million in other assets.

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

In Fiscal Year 2022, the District had total net capital asset additions of approximately \$26.8 million and the annual depreciation and amortization expense of \$7.6 million. There was a net decrease of \$38.1 million in construction in progress. The construction in progress at year-end consists of Brenham Campus College Avenue and Sidewalks Project, eSports renovation, LeRoy Dreyer Field Project, Monuments Project, and Property purchases in progress and the Bryan Campus Administration Building and Chiller Replacement. The net decrease of \$1.3 million in land is from two property purchases and one property sale. The decrease of \$0.7 million in Collections is from the transfer of the Star of Texas Museum's artifact collection to the Texas Historical Society. The net increase of \$57.0 million in Buildings is primarily from the completion of the Brenham Campus Science, Technology, Innovation and Engineering Building and the RELLIS Campus Administration Building. The increase in Land Improvement is from the completion of a Brenham Campus parking lot. The net decrease of \$0.6 million in Furniture, Equipment, and Vehicles is from \$0.9 million in additions, \$0.9 million of disposals, and \$0.6 million of reclassifications out. The net decrease of \$0.5 million Computer Equipment is from \$0.4 million of additions, \$1.5 million of disposals, and \$0.6 million of reclassifications additions. The \$0.1 million increase in Library Books is from additions to the Library Collection.

The District implemented GASB Statement No. 87, Leases requiring specific leases and contracts be capitalized over the life of the lease or contract. The net increase of \$13.1 million of Lease Assets consists of \$12.1 million of Leased Real Estate and \$1.0 million of Leased Equipment offset by \$2.9 million of accumulated amortization.

The District's noncurrent assets include funds restricted for debt service, net capital assets, and other investments. Noncurrent assets, excluding capital assets, decreased by \$0.2 million due to slight decrease in bond debt reserve requirements. For detailed information of capital asset activity, see *Note 6 Capital Assets*.

Current liabilities increased \$1.2 million in total. Unearned revenues increased \$3.0 million, funds held for others increased \$0.2 million, student housing deposits increased \$45 thousand, bonds payable current portion increased \$0.2 million, and lease payable current portion increased by \$0.6 million offset by decrease of \$2.1 million in accounts payable and \$0.7 million in net OPEB liability current portion. Current liabilities increased \$5.9 million in Fiscal Year 2021 compared to Fiscal Year 2020.

Noncurrent liabilities decreased \$3.1 million in Fiscal Year 2022. Lease liability increased \$10.0 million and net OPEB liability increased \$3.9 million offset by decrease of \$5.3 million in bonds payable, \$11.7 million decrease in net pension liability. For detailed information on long-term debt activity, see *Note 7 Noncurrent Liabilities*.

Statement of Revenues, Expenses and Changes in Net Position

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>
Operating Revenues:					
Student Tuition and Fees, Net	\$ 60.8	\$ 60.7	\$ 0.1	\$ 62.0	\$ (1.3)
Federal Grants and Contracts	1.6	1.5	0.1	1.2	0.3
State Grants and Contracts	1.5	1.4	0.1	2.4	(1.0)
Auxiliary Enterprises, Net	9.9	7.6	2.3	10.7	(3.1)
Other	1.3	0.6	0.7	0.5	0.1
Total Operating Revenues	<u>75.1</u>	<u>71.8</u>	<u>3.3</u>	<u>76.8</u>	<u>(5.0)</u>
Less Operating Expenses	<u>129.1</u>	<u>127.0</u>	<u>2.1</u>	<u>123.1</u>	<u>3.9</u>
Operating Loss	(54.0)	(55.2)	1.2	(46.3)	(8.9)
Nonoperating Revenues(Expenses)					
State Appropriations	30.8	31.9	(1.1)	32.9	(1.0)
Property Taxes	2.3	2.3	-	2.2	0.1
Federal Revenue, Nonoperating	50.5	48.0	2.5	28.4	19.6
Gifts	1.3	0.8	0.5	0.2	0.6
Investment Income	0.9	0.8	0.1	2.3	(1.5)
Unrealized Gain(Loss) Investments	(0.8)	0.1	(0.9)	0.5	(0.4)
Interest on Capital Related Debt	(3.6)	(4.0)	0.4	(3.1)	(0.9)
Other	(15.5)	(4.1)	(11.4)	(7.2)	3.1
Total Nonoperating Revenues	<u>65.9</u>	<u>75.8</u>	<u>(9.9)</u>	<u>56.2</u>	<u>19.6</u>
Income Before Other Revenue	11.9	20.6	(8.7)	9.9	10.7
Transfer In from Foundation	-	2.2	(2.2)		(2.2)
Additions (Deductions) to Endowments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10.4)</u>	<u>10.4</u>
Total Increase in Net Position	11.9	22.8	(10.9)	(0.5)	23.3
Net Position, Beginning of Year	132.6	109.8	22.8	110.3	(0.5)
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-
Net Position, Beginning of Year, as restated	<u>132.6</u>	<u>109.8</u>	<u>22.8</u>	<u>110.3</u>	<u>(0.5)</u>
Net Position, End of Year	<u>\$ 144.5</u>	<u>\$ 132.6</u>	<u>\$ 11.9</u>	<u>\$ 109.8</u>	<u>\$ 22.8</u>

Total operating revenues increased \$3.3 million from 2021, net student tuition and fees increased \$0.1 million, federal and state grants increased \$0.2 million in total from 2021, auxiliary enterprises revenues increased \$2.3 million, and other miscellaneous operating revenue increased \$0.7 million.

During Fiscal Year 2021, the total operating revenues decreased \$5.0 million from 2020. Auxiliary enterprises revenues decreased \$3.1 million, net student tuition and fees decreased \$1.3 million, federal and state grants decreased \$0.7 million in total from 2020, offset by an increase in other miscellaneous revenue of \$0.1 million.

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

	<u>2022</u>	<u>2021</u>	Increase (Decrease) 2022-2021	<u>2020</u>	Increase (Decrease) 2021-2020
Instructional and General	\$ 60.2	\$ 64.1	\$ (3.9)	\$ 64.1	\$ -
Institutional Support	15.5	15.8	(0.3)	17.4	(1.6)
Operation and Maintenance of Plant	21.9	19.2	2.7	14.2	5.0
Auxiliary Enterprises	10.8	9.2	1.6	9.8	(0.6)
Depreciation and Amortization	7.6	5.8	1.8	5.2	0.6
Scholarships and Fellowships	13.1	12.9	0.2	12.4	0.5
Total Operating Expenses	\$ 129.1	\$ 127.0	\$ 2.1	\$ 123.1	\$ 3.9
Non-Operating Revenues (Expenses):					
State Appropriations	30.8	31.9	(1.1)	32.9	\$ (1.0)
Property Taxes	2.3	2.3	-	2.2	0.1
Federal Revenue, Non-Operating	50.5	47.9	2.6	28.3	19.6
Gifts	1.3	0.8	0.5	0.2	0.6
Unrealized Gain (Loss) on Investments	(0.8)	0.1	(0.9)	0.5	(0.4)
Investment Income	0.9	0.7	0.2	2.3	(1.6)
Gain (Loss) on Disposal of Capital Assets	(1.6)	-	(1.6)	-	-
Interest on Capital Related Debt	(3.6)	(4.0)	0.4	(3.1)	(0.9)
Other Non-Operating Expenses	(13.9)	(3.9)	(10.0)	(7.1)	3.2
Net Non-Operating Revenues (Expenses)	\$ 65.9	\$ 75.8	\$ (9.9)	\$ 56.2	\$ 19.6

In Fiscal Year 2022, total operating expenses increased \$2.1 million from Fiscal Year 2021. This increase is primarily attributable to the increase of cost of operation and maintenance of plant of \$2.7 million, increase of \$1.6 million in auxiliary enterprises, increase of \$1.8 million in depreciation and amortization, increase of \$0.2 million in scholarships offset by a decrease in the cost of instruction of \$3.9 million, and a decrease of \$0.3 million in institutional support.

For Fiscal Year 2022, the net non-operating revenues (expenses) decreased \$9.9 million from Fiscal Year 2021. This is primarily attributable to the \$10.0 million increase in other non-operating expenses, increase in loss on disposal of capital assets of \$1.6 million, increase of \$0.9 million in unrealized loss, and decrease of \$1.1 million in state appropriations offset by \$2.6 million in federal revenue, increase of \$0.5 million in gifts, increase of \$0.2 million in investment income, and a decrease of \$0.4 million in interest on capital related debt.

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

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

Statement of Cash Flow

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

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease) 2022-2021</u>	<u>2020</u>	<u>Increase (Decrease) 2021-2020</u>
Cash Provided by (Used in):					
Operating Activities	\$ (39.4)	\$ (37.5)	\$ (1.9)	\$ (31.0)	\$ (6.5)
Non-Capital Financing Activities	60.0	68.2	(8.2)	38.1	30.1
Capital and Related Financing Activities	(37.7)	(28.2)	(9.5)	(24.7)	(3.5)
Investing Activities	3.3	(7.9)	11.2	18.7	(26.6)
Net Increase (Decrease) in Cash and Cash Equivalents	(13.8)	(5.4)	(8.4)	1.1	(6.5)
Cash and Cash Equivalents - Beginning of Year	92.6	98.0	(5.4)	96.9	1.1
Cash and Cash Equivalents - End of Year	<u>\$ 78.8</u>	<u>\$ 92.6</u>	<u>\$ (13.8)</u>	<u>\$ 98.0</u>	<u>\$ (5.4)</u>

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

Cash used in operations in Fiscal Year 2022 increased \$1.9 million from 2021 primarily due to \$6.7 million increase in receipts from students, \$22.2 million increase in receipts from grants and contracts, \$7.0 million decrease in payments to or on behalf of employees, \$0.2 million increase in other receipts offset by \$23.7 million increase in payments for scholarships and \$14.3 million increase in payments to suppliers.

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

In addition to state appropriations, non-capital financing activities include property tax receipts, non-operating Federal revenue (Title IV funds) and changes to permanent endowments. The \$8.2 million decrease is primarily attributable to the increase of \$10.1 million in payments from HEERF to students and a \$1.1 million decrease in state appropriations offset by \$2.5 million increase in receipts from federal non-operating revenue, \$0.5 million increase in receipts from gifts, and \$49 thousand increase in receipts from property taxes.

Variations in cash used for capital and related financing activities are dependent on the District's issuance and payment of long-term debt and capital acquisitions. The \$9.5 million decrease is primarily attributable to the \$18.0 million decrease in proceeds from issuance of capital debt, the \$0.7 million increase in payments on capital debt principal, offset by \$8.8 million decrease in purchases of capital assets, \$0.4 million decrease in payments on capital debt interest, and \$18 thousand decrease in bond issuance cost.

The variance in cash provided by investing activities in 2022 and 2021 is due primarily to the purchase, sales, and maturities of investments.

Capital Assets and Debt Administration

In Fiscal Year 2022, the District had total net capital asset additions of approximately \$26.8 million and the annual depreciation and amortization expense of \$7.6 million. There was a net decrease of \$38.1 million in construction in progress. The construction in progress at year-end consists of Brenham Campus College Avenue and Sidewalks Project, eSports renovation, LeRoy Dreyer Field Project, Monuments Project, and Property purchases in progress and the Bryan Campus Administration Building and Chiller Replacement. The net decrease of \$1.3 million in land is from two property purchases and one property sale. The decrease of \$0.7 million in Collections is from the transfer of the Star of Texas Museum's artifact collection to the Texas Historical Society. The net increase of \$57.0 million in Buildings is primarily from the completion of the Brenham Campus Science, Technology, Innovation and Engineering Building and the RELLIS Campus Administration Building. The increase in Land Improvement is from the completion of a Brenham Campus parking lot. The net decrease of \$0.6 million in Furniture, Equipment, and Vehicles is from \$0.9 million in additions, \$0.9 million of disposals, and \$0.6 million of reclassifications out. The net decrease of \$0.5 million Computer Equipment is from \$0.4 million of additions, \$1.5 million of disposals, and \$0.6 million of reclassifications additions. The \$0.1 million increase in Library Books is from additions to the Library Collection.

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

Future Considerations

In May 2021, Governor Abbott signed Senate Bill 1230, which established the Texas Commission on Community College Finance. The Commission is charged with making recommendations "to establish a state funding formula and funding levels sufficient for sustaining viable community college education and training offerings throughout the state." The state's share in funding Texas community colleges has continued to decline over the last 40 years, whereas the share of funding from local property tax and student tuition revenues have steadily increased. In 1980, the state's share of funding was 68%, property taxes 16%, and tuition revenues were 16%. By 2002, the state's share of funding was down to 26%, property taxes had grown to 44%, and tuition revenues were at 29%.

Dr. Mary Hensley, Blinn College District Chancellor, and Leighton Schubert, Executive Vice Chancellor, have testified in Commission hearings that Blinn's situation is unique. Blinn's share of state funding in fiscal year 22 mirrored the 26% average for the other Texas community colleges, but Washington County's property tax revenue represented just 2% of Blinn's budget, while student revenue represented 72%.

The Commission has drafted recommendations to expand the state's investment in community college and shift the primary focus of the Texas community college finance system from an inputs-based allocation model to a dynamic, outcomes-based formula directly tied to student completions and transfers.

If the Legislature enacts and the Governor approves the Commission's recommendations for the next Biennium, Blinn College District stands to financially benefit from any increase in the state appropriation that may offset Blinn's relatively low tax revenue or any change in funding that moves to an outcomes-based formula directly tied to student completions and transfers. Blinn's 48.2% academic transfer rate ranks as one of the highest in the country and No. 1 among the 50 community college districts in Texas, far exceeding the state-wide average of 25.4%. Blinn has established itself as an academic transfer leader by building strong relationships with the State's top four-year universities. As the community college partner in the [RELLIS Academic Alliance](#), Blinn offers seamless pathways and dual-enrollment opportunities for students to earn their bachelor's degrees from The Texas A&M University System regional universities also located at Texas A&M-RELLIS in Bryan, Texas.

In addition to its partnerships with Texas A&M, Blinn has articulation agreements in place with other universities across the state, including its [Baylor Bound](#) partnership with Baylor University, the [Distinguished College Partnership](#) with Tarleton State University, the CAPS Program with the University of Houston-Victoria, and the [Transfer Academy for Tomorrow's Engineers](#) with the University of Texas at San Antonio.

The Districtwide Facilities Plan accepted by the Blinn College Board of Trustees in May 2021 provides the District a roadmap for a 20-year phased design and construction of strategic prioritized capital improvements on Blinn campuses where continued growth is projected or there is a need to address aging facilities and infrastructure. The plan reflects the school's vision, current position of strength in the market, and the unique challenges facing each campus in the district.

In FY23, Blinn's Administration will complete the programming and design for a Districtwide Facilities Plan Phase I project to construct an administration building on the north side of the Blinn-Bryan campus. The general scope of the project calls for a 45,000-square-foot facility with a budget of \$31 million. The project will include a new entrance to the campus, a monument sign, and road extension. The project is intended to allow the College to move most of its student service and business functions, currently housed in a leased off-campus facility, to the Blinn-Bryan campus. The entire project will be paid from Blinn's unrestricted cash.

In FY23, Blinn's Administration will begin the planning and design of another Districtwide Facilities Plan Phase I project, the construction of a new Academic Building on the Blinn-Brenham campus. The \$28.6 million budgeted project will include the demolition of the current 30,000-square-foot Academic Building built in 1973 and the replacement of some campus infrastructure to accommodate the new building. The new Academic Building will be two stories and approximately 30,000 square feet. The entire project will be paid from Blinn's unrestricted cash.

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

Contacting the District's Financial Management

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

BLINN COLLEGE DISTRICT
Statements of Net Position
August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 78,140,511	\$ 77,697,268
Restricted cash and cash equivalents	692,939	14,907,677
Investments	53,202,959	48,521,016
Restricted investments		
Accounts receivable (net)	25,286,504	23,855,022
Interest and dividends receivable	165,209	146,685
Inventories	7,141	15,386
Other assets	1,154,473	816,580
Total Current Assets	<u>158,649,736</u>	<u>165,959,634</u>
Noncurrent Assets:		
Restricted investments	9,098,664	9,307,100
Capital Assets (net)	<u>228,582,068</u>	<u>201,767,326</u>
Total Noncurrent Assets	<u>237,680,732</u>	<u>211,074,426</u>
Total Assets	<u><u>396,330,468</u></u>	<u><u>377,034,060</u></u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	7,678,463	10,096,571
Deferred outflows of resources related to OPEB	<u>13,937,410</u>	<u>17,448,279</u>
Total Deferred Outflows of Resources	<u>21,615,873</u>	<u>27,544,850</u>
Liabilities		
Current Liabilities:		
Accounts payable	12,686,588	14,812,827
Funds held for others	1,044,213	861,783
Unearned revenues	40,576,324	37,551,417
Deposits	176,600	131,400
Bonds payable - current portion	5,010,000	4,790,000
Lease Liability - current portion	561,317	
Net OPEB liability - current portion	<u>1,309,998</u>	<u>2,007,598</u>
Total Current Liabilities	<u>61,365,040</u>	<u>60,155,025</u>
Noncurrent Liabilities:		
Bonds payable	105,149,559	110,430,208
Lease Liability	10,023,569	
Net pension liability	10,718,973	22,487,626
Net OPEB liability	<u>62,431,754</u>	<u>58,552,701</u>
Total Noncurrent Liabilities	<u>188,323,855</u>	<u>191,470,535</u>
Total Liabilities	<u>249,688,895</u>	<u>251,625,560</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	12,744,782	4,940,758
Deferred inflows of resources related to OPEB	<u>10,975,224</u>	<u>15,416,794</u>
Total Deferred Inflow of Resources	<u>23,720,006</u>	<u>20,357,552</u>
Net Position		
Net Investment in capital assets	118,422,509	101,200,224
Restricted for:		
Nonexpendable		
Expendable		
Student aid	1,552,558	2,160,632
Debt service	8,946,867	8,918,600
Star of the Republic Museum		(734,703)
Unrestricted	<u>15,615,506</u>	<u>21,051,045</u>
Total Net Position (Schedule D)	<u><u>\$ 144,537,440</u></u>	<u><u>\$ 132,595,798</u></u>

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

BLINN COLLEGE FOUNDATION, INC.
Statements of Financial Position
August 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets:		
Cash	\$ 509,212	\$ 248,817
Certificates of Deposit	258,486	257,259
Unconditional promises to give	86,273	107,604
Total Current Assets	<u>853,971</u>	<u>613,680</u>
Restricted Assets:		
Cash	367,668	581,931
Investments	26,791,483	31,188,611
Total Restricted Assets	<u>27,159,151</u>	<u>31,770,542</u>
Long-term Unconditional Promises to Give:		
Total face-value of promises	241,488	281,202
Less amount classified as current	(86,273)	(107,604)
Net long-term unconditional promises to give	<u>155,215</u>	<u>173,598</u>
Other Assets:		
Oil/Gas royalty interest	10,000	10,000
Total Assets	<u>28,178,337</u>	<u>32,567,820</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	36,585	133
Total Liabilities	<u>36,585</u>	<u>133</u>
Net Assets:		
Net Assets with Donor Restrictions	27,775,380	32,305,742
Net Assets without Donor Restrictions	366,372	261,945
Total Net Assets	<u>28,141,752</u>	<u>32,567,687</u>
Total Liabilities and Net Assets	<u>\$ 28,178,337</u>	<u>\$ 32,567,820</u>

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

BLINN COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2022 and August 31, 2021

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Tuition and Fees (net of discounts of \$12,158,011 and \$14,391,958, respectively)	\$ 61,049,898	\$ 60,731,888
Federal Grants and Contracts	1,554,596	1,463,126
State Grants and Contracts	1,534,827	1,347,984
Sales and Services of Educational Activities	770,439	370,388
Auxiliary Enterprises (net of discounts of \$1,022,863 and \$1,032,880, respectively)	9,677,536	7,629,057
Other Operating Revenues	529,477	307,362
Total Operating Revenues (Schedule A)	<u>75,116,773</u>	<u>71,849,805</u>
Operating Expenses		
Instruction	42,068,199	45,090,580
Public Service	293,373	746,580
Academic Support	10,787,704	10,832,221
Student Services	7,010,471	7,277,698
Institutional Support	15,523,198	15,805,269
Operation and Maintenance of Plant	21,939,297	19,213,185
Scholarships and Fellowships	13,055,116	12,940,963
Auxiliary Enterprises	10,835,903	9,227,923
Depreciation	6,694,376	5,783,585
Amortization	884,811	100,000
Total Operating Expenses (Schedule B)	<u>129,092,448</u>	<u>127,018,004</u>
Operating Loss	<u>(53,975,675)</u>	<u>(55,168,199)</u>
Non-Operating Revenues (Expenses)		
State Appropriations	30,764,190	31,891,453
Property Taxes	2,331,621	2,274,867
Federal Revenue, Non Operating	50,476,739	47,983,861
Gifts	1,263,147	769,766
Unrealized Gain (Loss) on Investments	(847,044)	66,590
Investment Income	925,973	748,628
Insurance Proceeds	3,388,834	-
Loss on Disposal of Capital Assets	(1,637,750)	(14,390)
Interest on Capital Related Debt	(3,594,616)	(4,020,115)
Bond Issuance Cost	-	(17,618)
Other Non-Operating Revenue (Expenses)	(17,153,777)	(3,843,666)
Net Non-Operating Revenues (Schedule C)	<u>65,917,317</u>	<u>75,839,376</u>
Income Before Other Revenues, Expenses, Gains/Losses, and Transfers	11,941,642	20,671,177
Other Revenues, Expenses, Gains/Losses, and Transfers		
Transfer In - Property Donation from Foundation	-	2,157,230
Total Other Revenues, Expenses, Gains/Losses, and Transfers	-	2,157,230
Change in Net Position	11,941,642	22,828,407
Net Position		
Net Position, Beginning of Year	132,595,798	109,767,391
Adjustments to Net Position, Beginning of Year	-	-
Adjusted Net Position, Beginning of Year	<u>132,595,798</u>	<u>109,767,391</u>
Net Position, End of Year	<u>\$ 144,537,440</u>	<u>\$ 132,595,798</u>

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

BLINN COLLEGE FOUNDATION, INC.
Statement of Activities
For The Year Ended August 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues			
Donations	\$ 39,630	\$ 1,181,381	\$ 1,221,011
Contributions of non-financial assets	61,231		61,231
Investment income (loss)	76,290	(4,819,285)	(4,742,995)
Oil/Gas royalty	1,641	-	1,641
Net assets released from purpose restrictions	892,458	(892,458)	-
Total Public Support and Revenues	<u>1,071,250</u>	<u>(4,530,362)</u>	<u>(3,459,112)</u>
Expenses			
Program services:			
Expenditures for the benefit of Blinn College	192,637	-	192,637
Scholarships	703,579	-	703,579
Support services:			
Administrative expenses	69,954	-	69,954
Fund raising expenses	653	-	653
Total Expenses	<u>966,823</u>	<u>-</u>	<u>966,823</u>
Change in Net Assets	104,427	(4,530,362)	(4,425,935)
Net Assets - Beginning of Year	<u>261,945</u>	<u>32,305,742</u>	<u>32,567,687</u>
Net Assets - End of Year	<u>\$ 366,372</u>	<u>\$ 27,775,380</u>	<u>\$ 28,141,752</u>

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

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public Support and Revenues			
Donations	\$ 605	\$ 1,679,958	\$ 1,680,563
Fundraising	40,535	2,157,230	2,197,765
Investment income	52,877	4,654,820	4,707,697
Oil/Gas royalty	1,435	-	1,435
Net assets released from purpose restrictions	<u>2,876,608</u>	<u>(2,876,608)</u>	<u>-</u>
Total Public Support and Revenues	<u>2,972,060</u>	<u>5,615,400</u>	<u>8,587,460</u>
Expenses			
Program services:			
Expenditures for the benefit of Blinn College	2,275,847	-	2,275,847
Scholarships	601,567	-	601,567
Support services:			
Administrative expenses	<u>61,328</u>	<u>-</u>	<u>61,328</u>
Total Expenses	<u>2,938,742</u>	<u>-</u>	<u>2,938,742</u>
Change in Net Assets	33,318	5,615,400	5,648,718
Net Assets - Beginning of Year	<u>228,627</u>	<u>26,690,342</u>	<u>26,918,969</u>
Net Assets - End of Year	<u>\$ 261,945</u>	<u>\$ 32,305,742</u>	<u>\$ 32,567,687</u>

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

BLINN COLLEGE DISTRICT
Statements of Cash Flows
Years Ended August 31, 2022 and August 31, 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities:		
Receipts from students and other customers	\$ 74,085,325	\$ 67,362,446
Receipts from grants and contracts	25,966,929	3,755,702
Payments to suppliers for goods and services	(36,903,326)	(22,595,181)
Payments to or on behalf of employees	(66,346,327)	(73,328,594)
Payments for scholarships	(36,697,247)	(12,960,572)
Other receipts	531,758	307,362
Net cash provided (used) by operating activities	<u>(39,362,888)</u>	<u>(37,458,837)</u>
Cash Flows From Non-Capital Financing Activities:		
Receipts from state appropriations	23,099,809	24,232,069
Receipts from property taxes	2,327,570	2,278,967
Receipts from non operating federal revenue	50,476,739	47,983,861
Receipts from gifts other than capital	1,263,147	769,766
Increase (decrease) in permanent endowments	-	-
Payments from Federal HEERF to Students	(17,153,777)	(7,076,956)
Net cash provided (used) by non-capital financing activities	<u>60,013,488</u>	<u>68,187,707</u>
Cash Flows From Capital and Related Financing Activities:		
Purchases of capital assets	(29,376,976)	(38,134,175)
Proceeds from issuance of capital debt	-	18,014,200
Bond issue costs paid on capital debt issue	-	(17,618)
Payments on capital debt - principal	(4,790,000)	(4,075,000)
Payments on capital debt - interest	(3,594,616)	(4,020,115)
Net cash provided (used) by capital and related financing activities	<u>(37,761,592)</u>	<u>(28,232,708)</u>
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	6,905,555	18,145,974
Interest on investments	907,449	1,013,530
Purchases of investments	(4,473,507)	(27,054,205)
Net cash provided (used) by investing activities	<u>3,339,497</u>	<u>(7,894,701)</u>
Increase (Decrease) in Cash and Cash Equivalents	(13,771,495)	(5,398,539)
Cash and Cash Equivalents, Beginning of Year	<u>92,604,945</u>	<u>98,003,484</u>
Cash and Cash Equivalents, End of Year	<u>\$ 78,833,450</u>	<u>\$ 92,604,945</u>
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	\$ (53,975,675)	\$ (55,168,199)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and Amortization expense	7,579,187	5,883,585
Noncash state appropriations for employee benefits	7,664,381	7,659,384
Changes in assets and liabilities:		
Receivables (net)	(1,427,429)	225,984
Inventories	8,245	1,717
Other assets	(337,893)	(530,454)
Accounts payable	(2,126,241)	5,139,034
Funds held for others	182,430	186,675
Unearned revenues	3,024,907	(855,263)
Deposits	45,200	(1,300)
Net cash used by operating activities	<u>\$ (39,362,888)</u>	<u>\$ (37,458,837)</u>

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

1. Reporting Entity

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

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

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

Tuition Discounting

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

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

Other Tuition Discounts - The District awards tuition and fee scholarships from institutional funds to students who qualify. When these amounts are used for tuition and fees, the amount

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies continued

is recorded as a tuition discount. If the amount is disbursed directly to the student, the amount is recorded as a scholarship expense.

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Deferred Inflows

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

Deferred Outflows

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

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies continued

Operating and Non-Operating Revenue and Expense Policy

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

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

Investments

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

Inventories

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

Capital Assets

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

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

Unearned Revenue

Tuition, fees, housing and meal charges of \$40,090,980 and \$37,403,722 and federal, state and local grants of \$485,344 and \$147,695 have been reported as unearned revenue at August 31, 2022 and 2021, respectively.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

2. Summary of Significant Accounting Policies continued

Other Post-Employment Benefits (OPEB)

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

Pensions

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

3. Authorized Investments

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

4. Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's investment policy requires pledging of collateral for all bank balances in excess of Federal Depository Insurance Corporation (FDIC) limits at a minimum of 102% of fair value. As of August 31, 2022 and 2021, the District's entire bank balances of \$13,012,152 and \$8,571,515 respectively, were insured, collateralized and not exposed to custodial credit risk.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

4. Deposits and Investments continued

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

	<u>2022</u>	<u>2021</u>
Cash and Deposits		
Petty Cash	\$ 8,186	\$ 8,186
Demand Deposits	13,012,152	8,571,515
Money Market Accounts	29,682,345	29,519,166
Investment Pools		
Lone Star	3,712,505	26,543,509
TexPool	930,453	925,762
TexStar	283,202	281,901
LOGIC	31,204,607	26,754,906
Total Cash and Deposits	<u>\$ 78,833,450</u>	<u>\$ 92,604,945</u>

Investments

The District had the following investments as of August 31:

Investments	Maturities	Fair Value	
		<u>2022</u>	<u>2021</u>
Fixed Income	09/2022 - 09/2042	\$ 20,749,413	\$ 21,475,939
Certificate of Deposit	09/2022 - 11/2023	38,477,581	33,234,134
Mutual Funds		2,639,629	2,729,543
Equities		435,000	388,500
Total Investments		<u>\$ 62,301,623</u>	<u>\$ 57,828,116</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

4. Deposits and Investments continued

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

	<u>Market Value</u> <u>August 31, 2022</u>	<u>Market Value</u> <u>August 31, 2021</u>
Total Investments	\$ 62,301,623	\$ 57,828,116
Total Cash and Deposits	78,833,450	92,604,945
Total Deposits and Investments	<u>\$ 141,135,073</u>	<u>\$ 150,433,061</u>

Statement of Net Position

Cash and Cash Equivalents	\$ 78,140,511	\$ 77,697,268
Restricted Cash and Cash Equivalents	692,939	14,907,677
Total Cash and Deposits (Exhibit 1)	<u>\$ 78,833,450</u>	<u>\$ 92,604,945</u>
Investments	\$ 53,202,959	\$ 48,521,016
Restricted Investments		
Restricted Investments Noncurrent	9,098,664	9,307,100
Total Investments (Exhibit 1)	<u>\$ 62,301,623</u>	<u>\$ 57,828,116</u>
Total Deposits and Investments (Exhibit 1)	<u>\$ 141,135,073</u>	<u>\$ 150,433,061</u>

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer. At August 31, 2022 and 2021, the District had approximately \$2.6 million and \$2.7 million of its

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

4. Deposits and Investments continued

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

During fiscal year 2006, a donor remitted shares in a Company to the District to establish an endowed scholarship. The shares had a fair value of \$435,000 and \$388,500 at August 31, 2022 and 2021, respectively. Securities donated to an investing entity for a particular purpose or under terms of use specified by the donor, are not subject to the requirements of the Public Funds Investment Act. The District amended its investment policy to allow, at the Board of Trustees discretion, the District to hold donated equities for endowed scholarships.

5. Fair Value of Financial Instruments

The fair value hierarchy of investments at August 31, 2022, follows:

	FY 2022				FY 2021
	Level 1	Level 2	Level 3	Total	Total
Fixed Income	\$ 20,749,413			\$ 20,749,413	\$ 21,475,939
Certificate of Deposit	38,477,581			38,477,581	33,234,134
Mutual Funds	2,639,629			2,639,629	2,729,543
Equities	435,000			435,000	388,500
	<u>\$ 62,301,623</u>			<u>\$ 62,301,623</u>	<u>\$ 57,828,116</u>

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

6. Capital Assets

Capital assets' activities for the years ended August 31:

	BALANCES				BALANCES	
	September 1,	Increases	Decreases	Reclasses	August 31,	
	2021				2022	
Capital Assets not subject to Depreciation:						
Land	\$ 14,940,450	\$ 2,511,543	\$ (3,800,104)	\$ -	\$ 13,651,889	
Collections	691,579		(673,079)		18,500	
Construction in Progress	42,017,830	25,527,131		(63,633,270)	3,911,691	
Total Non Depreciated Assets	<u>\$ 57,649,859</u>	<u>\$ 28,038,674</u>	<u>\$ (4,473,183)</u>	<u>\$ (63,633,270)</u>	<u>\$ 17,582,080</u>	
Capital Assets subject to Depreciation:						
Buildings	\$ 179,308,771	\$ -	\$ (3,538,401)	\$ 60,518,105	\$ 236,288,475	
Land Improvements	12,518,508			351,211	12,869,719	
Furniture, Equipment, vehicles	10,842,671	879,681	(911,531)	(572,047)	10,238,774	
Computer Equipment	11,221,986	358,509	(1,459,051)	609,445	10,730,889	
Library Books	5,373,984	100,114			5,474,098	
Total Depreciated Assets	<u>\$ 219,265,920</u>	<u>\$ 1,338,304</u>	<u>\$ (5,908,983)</u>	<u>\$ 60,906,714</u>	<u>\$ 275,601,955</u>	
Less Accumulated Depreciation						
Buildings	\$ 52,841,428	\$ 5,058,416	\$ (2,066,355)	\$ (1,788,275)	\$ 54,045,214	
Land Improvements	5,400,374	367,822		40,557	5,808,753	
Furniture, Equipment, vehicles	6,807,596	814,910	(732,403)	(261,842)	6,628,261	
Computer Equipment	9,263,661	422,932	(1,559,050)	170,534	8,298,077	
Library Books	3,635,394	30,296			3,665,690	
Total Accumulated Depreciation	<u>\$ 77,948,453</u>	<u>\$ 6,694,376</u>	<u>\$ (4,357,808)</u>	<u>\$ (1,839,026)</u>	<u>\$ 78,445,995</u>	
Amortizable Assets - Intangible						
Land Use Rights - Term	\$ 3,000,000	\$ -	\$ -	\$ 2,726,556	\$ 5,726,556	
Total Intangible Assets	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,726,556</u>	<u>\$ 5,726,556</u>	
Less Accumulated Amortization - Intangible Assets						
Land Use Rights - Term	\$ 200,000	\$ 100,000	\$ -	\$ 1,839,026	\$ 2,139,026	
Total Intangible Accumulated Amortization	<u>\$ 200,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 1,839,026</u>	<u>\$ 2,139,026</u>	
Amortizable Assets - Right to Use						
Real Estate Right to Use	\$ -	\$ 13,958,685	\$ -	\$ (1,824,704)	\$ 12,133,981	
Equipment Right to use		1,271,394		(269,681)	1,001,713	
Total Right to Use Assets	<u>\$ -</u>	<u>\$ 15,230,079</u>	<u>\$ -</u>	<u>\$ (2,094,385)</u>	<u>\$ 13,135,694</u>	
Less Accumulated Amortization - Right to Use						
Real Estate Right to Use	\$ -	\$ 610,696	\$ -	\$ 1,824,704	\$ 2,435,400	
Equipment Right to use		174,115		269,681	443,796	
Total Right to Use Accumulated Amortization	<u>\$ -</u>	<u>\$ 784,811</u>	<u>\$ -</u>	<u>\$ 2,094,385</u>	<u>\$ 2,879,196</u>	
Total Net Capital Assets	<u>\$ 201,767,326</u>	<u>\$ 37,027,870</u>	<u>\$ (6,024,358)</u>	<u>\$ -</u>	<u>\$ 228,582,068</u>	

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

6. Capital Assets continued

	BALANCES				BALANCES	
	September 1,	Increases	Decreases	Reclasses	August 31,	
	2020				2021	
Capital Assets not subject to Depreciation:						
Land	\$ 10,658,664	\$ 4,281,786	\$ -	\$ -	\$ 14,940,450	
Collections	691,579				691,579	
Construction in Progress	12,156,429	34,861,865		(5,000,464)	42,017,830	
Total Non Depreciated Assets	<u>\$ 23,506,672</u>	<u>\$ 39,143,651</u>	<u>\$ -</u>	<u>\$ (5,000,464)</u>	<u>\$ 57,649,859</u>	
Capital Assets subject to Depreciation:						
Buildings	\$ 174,672,328	\$ -	\$ (137,593)	\$ 4,774,036	\$ 179,308,771	
Land Improvements	12,306,929			211,579	12,518,508	
Furniture, Equipment, vehicles	10,223,589	846,005	(62,429)	(164,494)	10,842,671	
Computer Equipment	10,863,032	179,611		179,343	11,221,986	
Library Books	5,251,846	122,138			5,373,984	
Total Depreciated Assets	<u>\$ 213,317,724</u>	<u>\$ 1,147,754</u>	<u>\$ (200,022)</u>	<u>\$ 5,000,464</u>	<u>\$ 219,265,920</u>	
Less Accumulated Depreciation						
Buildings	\$ 48,692,088	\$ 4,273,174	\$ (123,834)	\$ -	\$ 52,841,428	
Land Improvements	5,056,965	343,409			5,400,374	
Furniture, Equipment, vehicles	6,214,463	654,827	(61,694)		6,807,596	
Computer Equipment	8,773,640	490,021			9,263,661	
Library Books	3,613,241	22,153			3,635,394	
Total Accumulated Depreciation	<u>\$ 72,350,397</u>	<u>\$ 5,783,584</u>	<u>\$ (185,528)</u>	<u>\$ -</u>	<u>\$ 77,948,453</u>	
Amortizable Assets - Intangible						
Land Use Rights - Term	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	
Total Intangible Assets	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000,000</u>	
Less Accumulated Amortization						
Land Use Rights - Term	\$ 100,000	\$ 100,000	\$ -	\$ -	\$ 200,000	
Total Intangible	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	
Accumulated Amortization	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,000</u>	
Total Net Capital Assets	<u>\$ 167,373,999</u>	<u>\$ 34,407,821</u>	<u>\$ (14,494)</u>	<u>\$ -</u>	<u>\$ 201,767,326</u>	

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

7. Noncurrent Liabilities

Noncurrent liability activity for the years ended August 31:

	2022				
	Balance September 1, 2021	Additions	Reductions	Balance August 31, 2022	Current Portion
Bonds Payable	\$ 109,265,000	\$ -	\$ (4,790,000)	\$ 104,475,000	\$ 5,010,000
Unamortized Bond Premium	5,955,208	-	(270,649)	5,684,559	
Total Bond Liability	<u>\$ 115,220,208</u>	<u>\$ -</u>	<u>\$ (5,060,649)</u>	<u>\$ 110,159,559</u>	<u>\$ 5,010,000</u>
Lease Liability	\$ -	\$ 10,584,886	\$ -	\$ 10,584,886	\$ 561,317
Total Lease Liability	<u>\$ -</u>	<u>\$ 10,584,886</u>	<u>\$ -</u>	<u>\$ 10,584,886</u>	<u>\$ 561,317</u>
Net Pension Liability	\$ 22,487,626	\$ -	\$ (11,768,653)	\$ 10,718,973	\$ -
Net OPEB Liability	60,560,299	3,181,453	-	63,741,752	1,309,998
Total Other Liability	<u>\$ 83,047,925</u>	<u>\$ 3,181,453</u>	<u>\$ (11,768,653)</u>	<u>\$ 74,460,725</u>	<u>\$ 1,309,998</u>
Total Noncurrent Liabilities	<u>\$ 198,268,133</u>	<u>\$ 13,766,339</u>	<u>\$ (16,829,302)</u>	<u>\$ 195,205,170</u>	<u>\$ 6,881,315</u>

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

8. Debt and Lease Obligations

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

Fiscal Year	Principal	Interest	Total
2023	\$ 5,010,000	\$ 3,733,119	\$ 8,743,119
2024	3,900,000	3,527,156	7,427,156
2025	4,065,000	3,339,294	7,404,294
2026	4,240,000	3,142,844	7,382,844
2027	4,430,000	2,958,422	7,388,422
2028-2032	25,385,000	11,737,956	37,122,956
2033-2037	23,520,000	7,258,863	30,778,863
2038-2042	25,640,000	3,286,500	28,926,500
2043-2046	8,285,000	405,481	8,690,481
Total	\$ 104,475,000	\$ 39,389,635	\$ 143,864,635

Blinn College District changed accounting policies related to Leases by adopting Statement of Government Accounting Standards (GASB) Statement No. 87 Leases, in fiscal year ending August 31, 2022.

The College recorded sixty-six right of use leased assets: sixty for equipment, and six for real estate. The leases have been recorded at the present value of the future minimum lease payments. The assets are amortized on a straight-line basis over the lease term.

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
Bryan Post Office	Real Estate Expense	9/1/2021	8/31/2023	\$ 186,153	\$ (93,076)
RELLIS - Health Science Center	Real Estate Expense	8/1/2019	7/31/2049	9,646,253	(991,421)
Hohit Park - Soccer Fields	Real Estate Expense	7/1/2018	6/30/2023	76,788	(63,990)
Hohit Park - Softball Field	Real Estate Expense	3/20/2018	3/20/2027	116,857	(57,748)
RELLIS - Faculty Building	Real Estate Expense	12/1/2017	10/31/2056	918,851	(112,151)
Tejas Center	Real Estate Expense	12/1/2014	2/28/2023	1,189,080	(1,117,015)
Totals by Real Estate Lease Assets				\$ 12,133,981	\$ (2,435,400)

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

8. Debt and Lease Obligations continued

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
48 Passenger Bus - Vehicle	Equipment Expense	10/1/2019	9/30/2025	248,945	(121,015)
52 Passenger Bus - Vehicle 571	Equipment Expense	11/18/2019	11/30/2025	250,300	(115,532)
Enterprise Vehicle 555	Equipment Expense	1/30/2019	2/28/2024	18,697	(13,193)
Enterprise Vehicle 556	Equipment Expense	1/30/2019	2/28/2024	18,658	(13,166)
Enterprise Vehicle 557	Equipment Expense	1/30/2019	2/28/2024	18,697	(13,193)
Enterprise Vehicle 558	Equipment Expense	1/30/2019	2/28/2024	18,697	(13,193)
Enterprise Vehicle 559	Equipment Expense	1/30/2019	2/28/2024	18,846	(13,298)
Enterprise Vehicle 560	Equipment Expense	1/30/2019	2/28/2024	18,978	(13,391)
Enterprise Vehicle 561	Equipment Expense	1/30/2019	2/28/2024	18,995	(13,403)
Enterprise Vehicle 568	Equipment Expense	9/11/2019	10/31/2023	17,681	(12,697)
Enterprise Vehicle 569	Equipment Expense	9/11/2019	10/31/2023	17,681	(12,697)
Enterprise Vehicle 572	Equipment Expense	12/5/2019	1/31/2024	17,842	(11,760)
Enterprise Vehicle 573	Equipment Expense	12/5/2019	1/31/2024	17,842	(11,760)
Enterprise Vehicle 577	Equipment Expense	10/22/2020	11/30/2024	14,716	(6,660)
Enterprise Vehicle 578	Equipment Expense	10/22/2020	11/30/2024	14,716	(6,660)
Enterprise Vehicle 579	Equipment Expense	10/22/2020	11/30/2024	14,716	(6,660)
Enterprise Vehicle 585	Equipment Expense	7/8/2022	8/31/2026	13,797	(492)
Enterprise Vehicle 586	Equipment Expense	7/28/2022	8/31/2026	10,853	(249)
Toshiba - TA0991 Fine Art	Equipment Expense	4/22/2022	4/23/2025	4,321	(515)
Toshiba - TA1079 Mill Creek	Equipment Expense	10/26/2021	10/25/2024	2,833	(802)
Toshiba - TA1189 Agriculture	Equipment Expense	4/22/2022	4/23/2025	10,306	(1,229)
Toshiba - TA1190 Chemistry	Equipment Expense	4/22/2022	4/23/2025	10,306	(1,229)
Toshiba - TA1191 Social Science	Equipment Expense	4/22/2022	4/23/2025	10,306	(1,229)
Toshiba - TA1192 College Com	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

8. Debt and Lease Obligations continued

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
Toshiba - TA1193 Accounting	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)
Toshiba - TA1194 Physical Pla	Equipment Expense	4/22/2022	4/23/2025	3,728	(444)
Toshiba - TA1196 Library Offi	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)
Toshiba - TA1198 Library Front	Equipment Expense	4/22/2022	4/23/2025	3,073	(366)
Toshiba - TA1200 Admin Comp	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)
Toshiba - TA1201 Drama	Equipment Expense	4/22/2022	4/23/2025	3,056	(364)
Toshiba - TA1202 Disability	Equipment Expense	4/22/2022	4/23/2025	3,056	(364)
Toshiba - TA1204 Financial Aid	Equipment Expense	4/22/2022	4/23/2025	4,107	(490)
Toshiba - TA1205 Student Serv	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba - TA1206 Admissions	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba - TA1207 Schul Enroll	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba - TA1209 Band Hall	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba - TA121 Human Resou	Equipment Expense	4/22/2022	4/23/2025	8,765	(1,045)
Toshiba - TA1210 Arts & Scienc	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba - TA1212 Schul Classes	Equipment Expense	4/22/2022	4/23/2025	3,968	(473)
Toshiba - TA1213 Student Centr	Equipment Expense	4/22/2022	4/23/2025	3,968	(473)
Toshiba - TA1215 Chancellor	Equipment Expense	4/22/2022	4/23/2025	8,765	(1,045)
Toshiba - TA125 Police Upstair	Equipment Expense	4/22/2022	4/23/2025	5,625	(671)
Toshiba - TA1252 Police	Equipment Expense	4/22/2022	4/23/2025	5,625	(671)
Toshiba - TA9985 Library Rear	Equipment Expense	4/22/2022	4/23/2025	3,073	(366)
Toshiba - TXXXXX Sealy	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)
Toshiba -TA1195 Wheeler	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)
Toshiba -TA1197 Football	Equipment Expense	4/22/2022	4/23/2025	3,447	(411)

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

8. Debt and Lease Obligations continued

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
Toshiba -TA1208 Academic Affai	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba -TA1211 Budget	Equipment Expense	4/22/2022	4/23/2025	4,248	(507)
Toshiba-TA0897 Counseling	Equipment Expense	11/30/2020	12/1/2023	5,041	(2,940)
Toshiba-TA0898 Heineke Gymn	Equipment Expense	11/30/2020	12/1/2023	3,619	(2,110)
Toshiba-TA0900 English	Equipment Expense	11/30/2020	12/1/2023	10,956	(6,389)
Toshiba-TA0901 Math	Equipment Expense	11/30/2020	12/1/2023	10,956	(6,389)
Toshiba-TA0990 Economics	Equipment Expense	6/21/2021	6/21/2024	4,317	(1,717)
Toshiba-TA0992 Kruse Center	Equipment Expense	7/15/2021	7/14/2024	3,812	(1,435)
Toshiba-TA1061 STEI 1	Equipment Expense	4/22/2022	4/23/2025	9,913	(1,182)
Toshiba-TA1062 STEI 2	Equipment Expense	4/22/2022	4/23/2025	6,446	(769)
Toshiba-TA1145 Foundation	Equipment Expense	1/24/2022	1/25/2026	12,482	(1,885)
Toshiba-TA1214 Marketing	Equipment Expense	4/22/2022	4/23/2025	7,513	(896)
Toshiba-TA1219 Facilities	Equipment Expense	4/22/2022	4/23/2025	7,253	(865)
Totals by Equipment Lease Assets				1,001,713	(443,796)

The College recorded the right to use asset – equipment with a net book value of \$557,917 and a right to use asset – real estate with a net book value of \$9,698,581.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

8. Debt and Lease Obligations continued

Obligations under leases on August 31, 2022, were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 561,317	\$ 338,682	\$ 899,999
2024	385,253	324,530	709,783
2025	342,742	312,733	655,475
2026	232,149	303,613	535,762
2027	197,112	296,883	493,995
2028-2032	1,235,706	1,374,462	2,610,168
2033-2037	1,655,471	1,143,070	2,798,541
2038-2042	2,163,963	836,708	3,000,671
2043-2047	2,778,886	439,583	3,218,469
2048-2052	806,924	70,572	877,496
2053-2057	225,363	12,770	238,133
Total	<u>\$ 10,584,886</u>	<u>\$ 5,453,606</u>	<u>\$ 16,038,492</u>

9. Bonds Payable

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

Combined Fee Revenue Bonds, Series 2020

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2020
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.
- Issued October 13, 2020
- \$27,525,000, all authorized bonds have been issued
- Interest rates range from 2.37% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$25,905,000 and \$27,525,000, respectively.
- A premium of \$3,429,200 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2019

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2019
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

9. Bonds Payable continued

- Issued May 15, 2019
- \$29,125,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$27,715,000 and \$28,425,000, respectively.
- A premium of \$881,880 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2016

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2016
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued March 23, 2016
- \$36,975,000, all authorized bonds have been issued
- Interest rates range from 2.125% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$33,635,000 and \$34,715,000, respectively.
- A premium of \$1,905,100 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2015

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2015
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued December 15, 2015
- \$9,625,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$8,210,000 and \$8,510,000, respectively.
- A premium of \$94,033 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2014

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2014
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and the acquisition of sites therefor and (ii) pay the costs of issuance of the Bonds.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

9. Bonds Payable continued

- Issued December 18, 2014
- \$9,820,000, all authorized bonds have been issued
- Interest rates range from 2.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$8,230,000 and \$8,560,000, respectively.
- A premium of \$25,897 is being amortized over the life of the bonds

Combined Fee Revenue Refunding Bonds, Series 2011

- Washington County Junior College District Combined Fee Revenue Refunding Bonds, Series 2011
- To refund a portion of the District's Combination Fee Revenue Bonds, Series 2002 for a debt service savings and pay the costs of issuance of the Bonds
- Issued May 17, 2011
- \$6,925,000, all authorized bonds have been issued
- Interest rates range from 2.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2022 and 2021 of \$780,000 and \$1,530,000, respectively
- A premium of \$181,438 is being amortized over the life of the bonds

Under each bond issue, the District is to maintain a reserve account equal to the maximum annual principal and interest requirements on all bonds. The reserve account balance at August 31, 2022 and 2021 is \$8,946,887 and \$8,918,600, respectively. All premiums have been paid.

10. Employees' Retirement Plans

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

Defined Benefit Pension Plans

Plan Description

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

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

Pension Plan Fiduciary Net Position

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

Benefits Provided

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

Contributions

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

compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code, Section 825.402, for member contributions and increased employee and employer contribution rates for fiscal years 2020 thru 2025.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

Contribution Rates		
	2022	2021
Member	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
Employers	7.75%	7.50%
2021 Member Contributions	\$ 3,061,923	
2021 State of Texas On-Behalf Contributions	1,215,687	
2021 Employer Contributions	1,796,204	

The District's contributions to the TRS pension plan in 2022 were \$1,810,488 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2022 were \$1,215,687.

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

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.
- In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-Term Expected Investment Rate of Return*	7.25%
Municipal Bond Rate as of August 2020	1.95% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-Year Municipal GO AA Index
Last Year Ending August 31 in Projection Period (100 Years)	2120
Inflation	2.30%
Salary Increases Including Inflation	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2020.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

Discount Rate

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

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

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2021 are summarized below:

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0%	3.6%	0.94%
Non-U.S. Developed	13.0%	4.4%	0.83%
Emerging Markets	9.0%	4.6%	0.74%
Private Equity	14.0%	6.3%	1.36%
Stable Value			
Government bonds	16.0%	-0.2%	0.01%
Absolute Return (including Credit Sensitive Investments)		1.1%	
Stable Value Hedge Funds	5.0%	2.2%	0.12%
Real Return			
Real Assets	15.0%	4.5%	1.00%
Energy and Natural Resources, and Infrastructure	6.0%	4.7%	0.35%
Commodities		1.7%	
Risk Parity			
Risk Parity	8.0%	2.8%	0.28%
Asset Allocation Leverage			
Cash	2.0%	-0.7%	-0.01%
Asset Allocation Leverage	-6.0%	0.5%	0.03%
Inflation Expectation			2.20%
Volatility Drag****			-0.95%
Expected Return	100.0%		6.90%

*Absolute Return includes Credit Sensitive Investments..

** Target Allocations are based on the FY2021 policy model.

*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021)

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
College's proportionate share of the net pension liability	\$23,422,658	\$10,718,973	\$412,429

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

At August 31, 2022, the District reported a liability of \$10,718,973 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction of State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

College's Proportionate share of the collective net pension liability	\$ 10,718,973
State's proportionate share that is associated with College	<u>7,254,696</u>
Total	<u>\$ 17,973,669</u>

The net pension liability was measured as of August 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At the measurement date of August 31, 2021, the District's proportion of the net pension liability was 0.04209%, which was an increase of 0.0001% from its proportion measured as of August 31, 2020.

For the year ended August 31, 2022, the District recognized pension expense of \$29,003 and revenue of \$29,003 for support provided by the State.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 17,938	\$ 754,624
Changes in actuarial assumptions	3,788,948	1,651,656
Differences between projected and actual investment earnings	665,785	9,653,505
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,395,304	684,997
Contributions paid to TRS subsequent to the measurement date	1,810,488	
Total	\$ 7,678,463	\$ 12,744,782

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

Year Ended August 31	Pension Expense Amount
2023	(1,268,933)
2024	(823,735)
2025	(1,996,411)
2026	(2,700,116)
2027	(69,370)
Thereafter	(18,242)

Optional Retirement Plan

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

10. Employees' Retirement Plans continued

purchase of annuity contracts and operates under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C.

Funding Policy. Contribution requirements are not actuarially determined but are established and amended by the Texas state legislature. The percentages of participant salaries currently contributed by the state and District are 3.3%, respectively and 6.65% by each participant. In addition, the District contributes 1.9% for employees who were participating in the optional retirement program prior to September 1, 1995. Benefits fully vest after one year plus one day of employment. Because these are individual annuity contracts, the state has no additional or unfunded liability for this program. Senate Bill (SB) 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

The retirement expense to the State for the District was \$346,908 and \$342,205 for the fiscal years ended August 31, 2022 and 2021, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all college employees was \$55,885,175 and \$55,758,268 for fiscal years ended August 31, 2022 and 2021 respectively. The total payroll of employees covered by the TRS was \$41,609,119 and \$39,765,228, and the total payroll of employees covered by the Optional Retirement Program was \$10,488,398 and \$10,441,010 for fiscal years 2022 and 2021, respectively.

11. Deferred Compensation Program

The District's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. This plan is essentially an unfunded promise to pay by the employer to each of the plan participants. At August 31, 2022 and 2021, the District had no employees electing to defer compensation.

12. Compensated Absences

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

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

13. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was \$625 to \$1,222 and \$622 to \$1,222 for the years ended August 31, 2022 and 2021, depending on the coverage elected. The State's contribution totaled \$4,176,195 and \$4,188,804, for the years ended August 31, 2022 and 2021, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

14. Other Post-Employment Benefits (OPEB)

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

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

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

Contributions. Section 1551.055 of Chapter 1551, Texas Insurance Code, provides that contribution requirements of the plan members and the participating employers are established and may be amended by the ERS Board of Trustees. The employer and member contribution rates are determined annually by the ERS Board of Trustees based on the recommendation of ERS staff and its consulting actuary. The contribution rates are determined based on (i) the benefit and administrative costs expected to be incurred, (ii) the funds appropriated and (iii) the funding policy established by the Texas Legislature in connection with benefits provided through the GBP. The Trustees revise benefits when necessary to match expected benefit and administrative cost with the revenue expected to be generated by the appropriated funds. There are no long-term contracts for contributions to the plan.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

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

Maximum Monthly Employer Contribution
 Retiree Health and Basic Life Premium
 Fiscal Year 2021

Retiree only	\$ 624.82
Retiree & Spouse	1,339.90
Retiree & Children	1,103.58
Retiree & Family	1,818.66

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

Premium Contributions by Source
 Group Benefits Program Plan
 For the Years Ended August 31, 2022 and 2021

	FY 2021	FY 2020
Employers	\$ 766,689,167	\$ 748,369,212
Members (Employees)	192,426,941	230,151,101
Non-employer Contributing Entity (State of Texas)	39,188,518	37,736,903

Source: ERS FY2021 Comprehensive Annual Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2021 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

Significant Methods and Assumptions

Valuation Date	August 31, 2021
Actuarial Cost Method	Entry Age
Last Experience Study	7-Year period from September 1, 2010 to August 31, 2017
Remaining Amortization Period	30 Years
Asset Valuation Method	Not applicable
<u>Actuarial Assumptions:</u>	
Discount Rate	2.14%
Projected Annual Salary Increase	2.30% to 9.05%, including inflation
Annual Healthcare Trend Rate	<u>HealthSelect</u> 5.25% for FY2023, 5.15% for FY2024, 5.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years
	<u>HealthSelect Medicare Advantage</u> 0.00% for FY2023, 66.67% for FY2024, 24.00% for FY2025, 4.75% for FY2026, 4.60% for FY2027, decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2030 and later years
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	<u>State Agency Members</u> a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/ CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members and Ultimate MP Projection Scale projected from the year 2020. b. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes); 2020 State Retirees of Texas Mortality table with a 3 year set forward for males and females with minimum rates at all ages of 3.0% for males and 2.5% for females, respectively, and Ultimate MP Projection Scale projected from the year 2020. c. Active Members: Pub-2010 General Employees Active Member Mortality table for non-VPO/CO members and Pub-2010 Public Safety Active Member Mortality table for CPO/CO members with Ultimate MP Projection Scale from the year 2010.
	<u>Higher Education Members</u> a. Service Retirees, Survivors and other Inactive Members: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018. b. Disability Retirees: Tables based on TRS experience with Ultimate MP Projection Scale from the year 2018 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members. c. Active Members: Sex Distinct RP-2014 Employee Mortality multiplied by 90% with Ultimate MP Projection Scale from the year 2014

Source: ERS FY2021 Annual Comprehensive Financial.

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

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

Discount Rate. Because the State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 2.20%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 2.14%, which amounted to a decrease of .06%.

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

Discount Rate Sensitivity Analysis. The following schedule shows the impact on the District's proportionate share of the collective OPEB Liability if the discount rate used was 1 percent less than and 1 percent greater than the discount rate that was used (2.14%) in measuring the net OPEB Liability.

	1% Decrease in Discount Rate (1.14%)	Discount Rate (2.14%)	1% Increase in Discount Rate (3.14%)
College's proportionate share of the net OPEB liability	\$75,918,848	\$63,741,752	\$54,214,997

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.25% and the ultimate rate is 4.3%. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.25%) in measuring the net OPEB Liability.

	1% Decrease in HealthSelect Trend Rates (4.25% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.25% decreasing to 4.30%)	1% Increase in HealthSelect Trend Rates: (6.25% decreasing to 5.30%)
College's proportionate share of the net OPEB liability	\$53,376,215	\$63,741,752	\$77,322,453

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2022, the District reported a liability of \$63,741,752 for its proportionate share of the ERS's net OPEB liability. This liability reflects a reduction for State support provided to the District for OPEB. The amount recognized by the

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

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

District's Proportionate share of the collective net OPEB liability	\$63,741,752
State's proportionate share that is associated with District	<u>50,000,270</u>
Total	<u><u>\$ 113,742,022</u></u>

The net OPEB liability was measured as of August 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2020 thru August 31, 2021.

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.17767485%, which is 0.00559334% lower than the measurement as of August 31, 2020.

For the year ended August 31, 2022, the District recognized a decrease of OPEB expense of \$610,046 and a decrease of revenue of \$607,232 for support provided by the State.

Factors that Significantly Affect Trends in Amounts Reported

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

Demographic Assumptions

The following assumptions have been updated since the previous valuation to reflect recent plan experience and expected trends:

- Percentage of current retirees and retiree spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and retiree spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

Economic Assumptions

Assumed Per Capita Health Benefit Costs and Health Benefit Cost and Retiree Contribution trends have been updated since the previous valuation to reflect recent health plan experience and its effects on our short-term expectations.

Annual rate of increase in the Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations.

Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.

Minor benefit changes described below have been reflected in the FY2022 Assumed Per Capita Health Benefit Costs.

Other Inputs

The discount rate was changed from 2.20% to 2.14% as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year tax-exempt general obligation bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

Changes of Benefit Terms Since Prior Measurement Date

Minor benefit revisions have been adopted since the prior valuation. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are no benefit changes for HealthSelect retirees and dependents for whom Medicare is Primary.

At August 31, 2022, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 1,563,513
Changes in actuarial assumptions	4,364,010	7,099,406
Difference between projected and actual investment earnings	11,289	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	8,817,649	2,312,305
Contributions paid to ERS subsequent to the measurement date	744,462	
Total	\$ 13,937,410	\$ 10,975,224

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

14. Other Post-Employment Benefits (OPEB) continued

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

Years Ended August 31:	OPEB Expense Amount
2023	\$ 548,855
2024	1,549,030
2025	368,900
2026	(195,487)
2027	(53,574)
Thereafter	-
Total	\$ 2,217,724

15. Pending Lawsuits and Claims

Blinn College District is not involved in material litigation as of August 31, 2022.

16. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	2022	2021
Student Tuition and Fees	\$ 31,502,944	\$ 29,579,535
Ad Valorem Taxes	23,777	19,726
Federal Grants	310,572	307,853
State Grants	103,022	8,373
Other Receivables	874,535	434,249
	\$ 32,814,850	\$ 30,349,736
Allowance for Doubtful Accounts	(7,528,346)	(6,494,714)
Total Receivables	\$ 25,286,504	\$ 23,855,022

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

16. Disaggregation of Receivables and Payables Balances continued

Payables consist of the following at August 31:

	2022	2021
Vendor Payables	\$ 5,030,858	\$ 10,030,119
Salaries and Benefits Payable	1,722,688	1,585,162
Student Payables	304,180	152,986
Accrued Interest	1,602,966	1,693,695
Other Payables	4,025,896	1,350,865
Total Payables	\$ 12,686,588	\$ 14,812,827

17. Funds Held in Trust by Others

As of August 31, 2022, there were no funds for the benefit of the District held in trust by others.

18. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accountants (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended but not collected are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that funds are received but not yet expended are reported as Unearned Revenue. Contract and grant awards that are not yet funded, and for which the institution has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years FY 2022 and FY 2021, for which monies have not been received nor funds expended totaled \$307,156 and \$50,000, respectively.

19. Self Insurance

Effective September 1, 2003, the District began participating in a public entity risk pool for worker's compensation. The participants of the pool include several other public junior and community colleges. The plan provides coverage to each participant with the District's individual loss fund maximum of \$997,014 and \$838,670 at August 31, 2022 and 2021, respectively, which is based on estimated payroll.

The liability for claims incurred but not reported under the self-insured plan is \$61,029 and \$53,209 as of August 31, 2022 and 2021, respectively, and is included in the accompanying statement of net position. Future payments for the claims will be paid from the accrued liability.

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

19. Self Insurance continued

Self-insurance activity for the years ended August 31, 2022 and 2021 was as follows:

Liability for the Year Ended August 31	Liability at Beginning of Fiscal Year	Adjustments	Additions	Reductions for Claims Paid	Balance of Liability at End of Fiscal Year
2022	\$ 838,670		\$ 248,367	\$ (90,023)	\$ 997,014
2021	\$ 713,041		\$ 248,160	\$ (122,531)	\$ 838,670

20. Property Tax

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

	2022	2021
Assessed valuation of the College	\$ 5,863,440,593	\$ 4,651,662,687
Less exemptions	(577,399,572)	(946,823,384)
Net assessed valuation of the College	<u>\$ 5,286,041,021</u>	<u>\$ 3,704,839,303</u>

	2022		
	Current Operations	Debt Service	Total
Tax rate per \$100 valuation for authorized	\$ 0.0377		\$ 0.0377
Tax rate per \$100 valuation for assessed	\$ 0.0377		\$ 0.0377

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

Tax levied for the years ended August 31, 2022 and 2021 is \$2,304,750 and \$2,288,957, respectively (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1, of the year following the year in which imposed.

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

20. Property Tax continued

Taxes Collected at August 31,

	2022	2021
Current	\$ 2,313,098	\$ 2,266,995
Delinquent	35,465	31,080
Penalties and Interest	11,558	10,632
Total Gross Collections	\$ 2,360,121	\$ 2,308,707
Total Appraisal and Collection Fees	\$ (8,775)	\$ (10,014)
Total Net Collections	\$ 2,351,346	\$ 2,298,693

Tax collections for the year ended August 31, 2022 and 2021 were 100% and 99% of the respective tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or general obligation debt service.

21. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The District had no unrelated business income tax liability for the year ended August 31, 2022 and 2021.

22. Component Units

Blinn College District Foundation, Inc. – Discrete Component Unit

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

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

BLINN COLLEGE DISTRICT
Notes to Financial Statements
August 31, 2022

23. Significant Commitments

Blinn College District had two significant commitments both related to construction as of August 31, 2022:

Construction Project	Vendor	Amount
LeRoy Dreyer Field	Dudley Construction Ltd	\$ 1,309,029
Bryan Campus Administration Building	Kirksey Architecture	\$ 1,685,833

24. Related Parties

Blinn College District had no related party transactions as of August 31, 2022.

25. Prior Year Restatement

Blinn College District had no prior year restatements.

26. Subsequent Events

Blinn College District had no subsequent event as of November 23, 2022 to the fiscal year ending August 31, 2022,

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

Fiscal year ending August 31*,	2022	2021	2020	2019	2018	2017	2016	2015
District's proportionate share of collective net pension liability (%)	0.0420905%	0.0419875%	0.0422327%	0.0418541%	0.0387386%	0.0293954%	0.0452052%	0.0467225%
District's proportionate share of collective net pension liability (\$)	\$ 10,718,973	\$ 22,487,626	\$ 21,953,887	\$ 23,037,533	\$ 12,386,505	\$ 11,108,069	\$ 15,979,437	\$ 12,480,226
State's proportionate share of net pension liability associated with District	7,254,696	16,818,061	15,776,296	15,059,655	9,982,550	15,412,959	9,193,423	7,104,883
Total	\$ 17,973,669	\$ 39,305,687	\$ 37,730,183	\$ 38,097,188	\$ 22,369,055	\$ 26,521,028	\$ 25,172,860	\$ 19,585,109
District's covered payroll	\$ 39,765,228	\$ 39,883,357	\$ 37,101,050	\$ 34,016,061	\$ 33,157,834	\$ 31,983,195	\$ 30,173,253	\$ 26,828,534
District's proportionate share of collective net pension liability as a percentage of covered payroll	26.96%	56.38%	59.17%	67.73%	37.36%	34.73%	52.96%	46.51%
Plan Fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

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

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

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

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

Fiscal year ending August 31*,	2022	2021	2020	2019	2018	2017	2016	2015
Legally required contributions	\$1,810,488	\$1,813,200	\$1,741,257	\$1,485,890	\$1,308,142	\$1,277,307	\$1,236,765	\$1,338,546
Actual contributions	1,810,488	1,813,200	1,741,257	1,485,890	1,308,142	1,277,307	1,236,765	1,338,546
Contributions deficiency (excess)								
District's covered-employee payroll amount	\$ 41,609,119	\$ 39,765,228	\$ 39,883,357	\$ 37,101,050	\$34,016,061	\$33,157,834	\$31,983,195	\$ 30,173,253
Contributions as a percentage of covered payroll	4.35%	4.56%	4.37%	4.00%	3.85%	3.85%	3.87%	4.44%

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

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

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

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

Fiscal year ending August 31*,	2022	2021	2020	2019	2018
District's proportionate share of collective net OPEB liability (%)	0.1776749%	0.1832682%	0.1703017%	0.0165839%	0.0127383%
District's proportionate share of collective net OPEB liability (\$)	\$ 63,741,752	\$ 60,560,299	\$ 58,860,838	\$ 49,150,997	\$ 43,403,252
State's proportionate share of net OPEB liability associated with District	50,000,270	46,044,551	50,479,143	42,428,758	32,917,587
Total	\$ 113,742,022	\$ 106,604,850	\$ 109,339,981	\$ 91,579,755	\$ 76,320,839
District's covered payroll	\$ 46,441,221	\$ 46,709,565	\$ 44,158,765	\$ 41,519,643	\$ 41,192,021
District's proportionate share of collective net OPEB liability as a percentage of covered payroll	137.25%	129.65%	133.29%	118.38%	105.37%
Plan Fiduciary net position as a percentage of the total OPEB liability	0.38%	0.32%	0.17%	1.27%	2.00%

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

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

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

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

Fiscal year ending August 31*,	2022	2021	2020	2019	2018
Legally required contributions	\$744,462	\$830,301	\$789,161	\$422,958	\$1,256,454
Actual contributions	744,462	830,301	789,161	422,958	1,256,454
Contributions deficiency (excess)	-	-	-	-	-
District's covered-employee payroll amount	\$46,624,469	\$46,441,221	\$46,709,564	\$44,158,765	\$41,519,643
Contributions as a percentage of covered payroll	1.60%	1.79%	1.69%	0.96%	3.03%

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

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

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

BLINN COLLEGE DISTRICT
Notes to Required Supplementary Information (RSI)
For Pensions
Year Ended August 31, 2022

1. Changes of Benefit Terms

The District implemented a 2 percent salary and wage increase effective September 1, 2021 for full time faculty/administrators and all staff.

2. Changes of Assumptions

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020.

- The total pension liability as of August 31, 2021 was developed using a roll-forward method from the August 31, 2020 valuation.
- The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.
- The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.
- For a detail discussion regarding the changes of assumptions, please refer to the August 31, 2021 TRS Annual Comprehensive Financial Report.

BLINN COLLEGE DISTRICT
Notes to Required Supplementary Information (RSI)
For OPEB
Year Ended August 31, 2022

1. Changes of Benefit Terms

Minor benefit revisions became effective September 1, 2021. These changes, which are not expected to have a significant impact on plan costs for FY2022, are provided for in the FY2022 Assumed Per Capita Health Benefit Costs. There are not benefit changes for HealthSelect retirees and dependents for whom Medicare is primary.

2. Changes of Assumptions

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

- Percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.
- Proportion of future retirees assumed to be married and electing coverage for their spouse.
- Proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.
- Percentage of Higher Education vested terminated members assumed to have terminated less than one year before the valuation date.
- Assumed Per Capita Health Benefit Costs and assumed Health Benefit Cost and Retiree Contribution trends have been updated to reflect recent health plan experience and its effects on our short term expectations. The annual rate of increase in the Patient-Centered Outcomes Research Institute Fee payable under the Affordable Care Act has been updated to reflect recent health plan experience and its effects on our short-term expectations. Assumed expenses directly related to the payment of GBP HealthSelect medical benefits have been updated to reflect recent contract revisions.
- The discount rate was changed from 2.20% as of August 31, 2020 to 2.14% as of August 31, 2021 as a result of requirements by GASB No. 75 to utilize the yield or index rate for 20-year, tax exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

BLINN COLLEGE DISTRICT
Schedule of Operating Revenues
Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	Educational Activities		Total Educational Activities	Auxiliary Enterprises	2022 Total	2021 Total
	Unrestricted	Restricted				
Tuition:						
State funded credit courses:						
In-district resident tuition	\$ 391,761	\$ -	\$ 391,761	\$ -	\$ 391,761	\$ 394,072
Out-of-district resident tuition	38,660,072	-	38,660,072	-	38,660,072	39,626,298
Non-resident tuition	2,692,170	-	2,692,170	-	2,692,170	2,472,434
TPEG - credit (set aside) *	1,308,023	-	1,308,023	-	1,308,023	1,196,513
State funded continuing education	464,686	-	464,686	-	464,686	494,727
Non-State funded continuing education	121,350	-	121,350	-	121,350	81,400
Total Tuition	<u>43,638,062</u>	<u>-</u>	<u>43,638,062</u>	<u>-</u>	<u>43,638,062</u>	<u>44,265,444</u>
Fees:						
General fee	24,946,158	-	24,946,158	-	24,946,158	25,155,602
Laboratory and course fees	4,216,117	-	4,216,117	-	4,216,117	5,163,632
Incidental fees	162,736	-	162,736	-	162,736	179,823
Other fees	-	-	-	244,836	244,836	359,345
Total fees	<u>29,325,011</u>	<u>-</u>	<u>29,325,011</u>	<u>244,836</u>	<u>29,569,847</u>	<u>30,858,402</u>
Allowances and discounts:						
Bad debt allowance	(1,048,270)	-	(1,048,270)	-	(1,048,270)	(637,984)
Scholarship allowances	(862,188)	-	(862,188)	-	(862,188)	(810,470)
Remissions and exemptions	(3,381,243)	-	(3,381,243)	-	(3,381,243)	(3,489,304)
TPEG allowances	(549,820)	-	(549,820)	-	(549,820)	(713,008)
Federal and State grants to students	(6,316,490)	-	(6,316,490)	-	(6,316,490)	(8,741,192)
Other	-	-	-	-	-	-
Total allowances and discounts	<u>(12,158,011)</u>	<u>-</u>	<u>(12,158,011)</u>	<u>-</u>	<u>(12,158,011)</u>	<u>(14,391,958)</u>
Total net tuition and fees	<u>60,805,062</u>	<u>-</u>	<u>60,805,062</u>	<u>244,836</u>	<u>61,049,898</u>	<u>60,731,888</u>
Additional operating revenues:						
Federal grants and contracts	-	1,554,596	1,554,596	-	1,554,596	1,463,126
State grants and contracts	-	1,534,827	1,534,827	-	1,534,827	1,347,984
Sales and services of educational activities	770,439	-	770,439	-	770,439	370,388
Other operating revenues	529,477	-	529,477	-	529,477	307,362
Total additional operating revenues	<u>1,299,916</u>	<u>3,089,423</u>	<u>4,389,339</u>	<u>-</u>	<u>4,389,339</u>	<u>3,488,860</u>
Auxiliary enterprises:						
Residential life	-	-	-	3,856,069	3,856,069	3,649,822
Scholarships allowances and discounts	-	-	-	(621,914)	(621,914)	(593,668)
Net residential life	-	-	-	<u>3,234,155</u>	<u>3,234,155</u>	<u>3,056,154</u>
Cafeteria	-	-	-	3,894,693	3,894,693	3,246,843
Scholarship allowances and discounts	-	-	-	(312,562)	(312,562)	(302,073)
Net cafeteria	-	-	-	<u>3,582,131</u>	<u>3,582,131</u>	<u>2,944,770</u>
Bookstore	-	-	-	654,368	654,368	481,979
Scholarship allowances and discounts	-	-	-	(88,387)	(88,387)	(137,139)
Net bookstore	-	-	-	<u>565,981</u>	<u>565,981</u>	<u>344,840</u>
Parking	-	-	-	1,751,450	1,751,450	893,489
Other auxiliary	-	-	-	543,819	543,819	389,804
Total net auxiliary enterprises	-	-	-	<u>9,677,536</u>	<u>9,677,536</u>	<u>7,629,057</u>
Total Operating Revenues	<u>\$ 62,104,978</u>	<u>\$ 3,089,423</u>	<u>\$ 65,194,401</u>	<u>\$ 9,922,372</u>	<u>\$ 75,116,773</u>	<u>\$ 71,849,805</u>

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code §56.033, \$1,308,023 and \$1,196,513 for the years ended August 31, 2022 and 2021, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

BLINN COLLEGE DISTRICT
Schedule of Operating Expenses By Object
Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	Operating Expenses			2022 Total	2021 Total	
	Salaries and Wages	Benefits				Other Expenses
		State	Local			
Unrestricted - Educational Activities:						
Instruction	\$ 31,010,378	\$ -	\$ 6,381,329	\$ 2,021,373	\$ 39,413,080	\$ 40,753,055
Public Service	-	-	-	11,396	11,396	82,795
Academic Support	6,279,724	-	1,359,236	2,633,008	10,271,968	9,996,402
Student Services	4,256,611	-	954,314	1,378,810	6,589,735	6,589,807
Institutional Support	6,099,962	-	1,738,842	4,621,926	12,460,730	13,278,315
Operation and Maintenance of Plant	3,729,954	-	1,264,015	16,945,328	21,939,297	19,213,185
Scholarships and Fellowships	-	-	-	1,030,235	1,030,235	968,437
Total Unrestricted - Educational Activities	<u>51,376,629</u>	<u>-</u>	<u>11,697,736</u>	<u>28,642,076</u>	<u>91,716,441</u>	<u>90,881,996</u>
Restricted - Educational Activities:						
Instruction	152,509	2,185,135	37,664	279,811	2,655,119	4,337,525
Public Service	203,487	-	61,425	17,065	281,977	663,785
Academic Support	-	515,736	-	-	515,736	835,819
Student Services	-	420,736	-	-	420,736	687,891
Institutional Support	395,783	1,536,857	85,367	1,044,461	3,062,468	2,526,954
Scholarships and Fellowships	-	-	-	12,024,881	12,024,881	11,972,526
Total Restricted - Educational Activities	<u>751,779</u>	<u>4,658,464</u>	<u>184,456</u>	<u>13,366,218</u>	<u>18,960,917</u>	<u>21,024,500</u>
Total Educational Activities	<u>52,128,408</u>	<u>4,658,464</u>	<u>11,882,192</u>	<u>42,008,294</u>	<u>110,677,358</u>	<u>111,906,496</u>
Auxiliary Enterprises	3,756,767	-	1,584,877	5,494,259	10,835,903	9,227,923
Amortization Expense - Intangibles				100,000	100,000	100,000
Amortization Expense - Leases				784,811	784,811	
Depreciation Expense - Buildings and other real estate improvements	-	-	-	5,426,238	5,426,238	4,616,583
Depreciation Expense - Equipment, furniture and library books	-	-	-	1,268,138	1,268,138	1,167,002
Total Operating Expenses	<u>\$ 55,885,175</u>	<u>\$ 4,658,464</u>	<u>\$ 13,467,069</u>	<u>\$ 55,081,740</u>	<u>\$ 129,092,448</u>	<u>\$ 127,018,004</u>
				(Exhibit 2)	(Exhibit 2)	

BLINN COLLEGE DISTRICT
Schedule of Nonoperating Revenues and Expenses
Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	2022			2021
	Unrestricted	Restricted	Total	Total
Non-Operating Revenues:				
State appropriations:				
Education and General state support	\$ 25,353,968	\$ -	\$ 25,353,968	\$ 24,471,031
State group insurance	-	4,176,195	4,176,195	4,188,804
State retirement matching	-	1,234,027	1,234,027	3,231,618
Total state appropriations	<u>25,353,968</u>	<u>5,410,222</u>	<u>30,764,190</u>	<u>31,891,453</u>
Property taxes	2,331,621	-	2,331,621	2,274,867
Federal revenue, non operating	-	50,476,739	50,476,739	47,983,861
Gifts	-	1,263,147	1,263,147	769,766
Investment income	925,973	-	925,973	748,628
Insurance Proceeds	-	3,388,834	3,388,834	-
Gain on disposal of capital assets	-	-	-	-
Unrealized gain (loss) on investments	(847,044)	-	(847,044)	66,590
Other	-	-	-	3,233,290
Total non-operating revenues	<u>27,764,518</u>	<u>60,538,942</u>	<u>88,303,460</u>	<u>86,968,455</u>
Non-Operating Expenses:				
Interest on capital related debt	3,594,616	-	3,594,616	4,020,115
Bond issuance costs	-	-	-	17,618
Loss on disposal of capital assets	1,637,750	-	1,637,750	14,390
Other expenses	-	17,153,777	17,153,777	7,076,956
Total non-operating expenses	<u>5,232,366</u>	<u>17,153,777</u>	<u>22,386,143</u>	<u>11,129,079</u>
Net non-operating revenues	<u>\$ 22,532,152</u>	<u>\$ 43,385,165</u>	<u>\$ 65,917,317</u>	<u>\$ 75,839,376</u>
			(Exhibit 2)	(Exhibit 2)

BLINN COLLEGE DISTRICT
Schedule of Net Position by Source and Availability
Year Ended August 31, 2022
(With Memorandum Totals for the Year Ended August 31, 2021)

	Detail by Source						Available for Current Operations	
	Unrestricted	Restricted		Capital Assets Net of Depreciation and Related Debt	Total	Yes		
		Expendable	Non- Expendable					
Current:								
Unrestricted	\$ (5,875,024)	\$ -	\$ -	\$ -	\$ (5,875,024)	\$ (5,875,024)	\$ -	
Student aid		1,552,558	-	-	1,552,558	-	1,552,558	
Auxiliary enterprises	21,490,530	-	-	-	21,490,530	21,490,530	-	
Plant:								
Debt service	-	8,946,867	-	-	8,946,867	-	8,946,867	
Leases	-	-	-	10,256,497	10,256,497	10,256,497	-	
Investment in plant	-	-	-	108,166,012	108,166,012	-	108,166,012	
 Total Net Position, August 31, 2022	 15,615,506	 10,499,425	 -	 118,422,509	 144,537,440 (Exhibit 1)	 25,872,003	 118,665,437	
 Total Net Position, August 31, 2021	 <u>21,051,045</u>	 <u>10,344,529</u>	 <u>-</u>	 <u>101,200,224</u>	 <u>132,595,798</u> (Exhibit 2)	 <u>21,051,045</u>	 <u>111,544,753</u>	
Net Increase (Decrease) in Net Position	<u>\$ (5,435,539)</u>	<u>\$ 154,896</u>	<u>\$ -</u>	<u>\$ 17,222,285</u>	<u>\$ 11,941,642</u> (Exhibit 2)	<u>\$ 4,820,958</u>	<u>\$ 7,120,684</u>	

BLINN COLLEGE DISTRICT
Schedule of Expenditures of Federal Awards
For The Year Ended August 31, 2022

<u>Federal Grantor/Pass Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Pass Through Disbursements</u>
<u>U.S. Department of Education</u>			
Direct Programs:			
Student Financial Assistance Cluster			
Federal Supplemental Education Opportunity Grant	84.007	P007A213969	370,394
			<u>370,394</u>
Federal Work Study Program	84.033	P033A203969	21,993
Federal Work Study Program	84.033	P033A213969	294,410
			<u>316,403</u>
Federal Pell Grant	84.063	P063P202262	14,771
Federal Pell Grant	84.063	P063P212262	16,043,070
			<u>16,057,841</u>
Federal Direct Student Loan Program	84.268	P268K212262	(1,231)
Federal Direct Student Loan Program	84.268	P268K222262	23,643,362
			<u>23,642,131</u>
Total Student Financial Assistance Cluster			<u>40,386,769</u>
HEERF Institutional Funds	84.425F	P425F204268	15,291,252
HEERF Strengthening Funds	84.425M	P425M200832	1,516,464
HEERF Emergency Aid to Students	84.425E	P425E201667	17,153,777
			<u>33,961,493</u>
Pass-Through From:			
Texas Higher Education Coordinating Board			
Carl Perkins Vocational Education	84.048	2242020271	549,545
			<u>549,545</u>
Texas Workforce Commission			
Brazos Valley Council of Governments			
Federal Audit Education Literacy	84.002	1618ALA000-4	349,754
Federal Audit Education Literacy-Correctional Facility	84.002	1618ALA000-4	17,093
Federal Audit Education Literacy- IET	84.002	1618ALA000-4	97,294
Federal Audit Education Literacy- Professional Development	84.002	1618ALA000-4	8,086
Federal Audit Education Literacy- Intensive	84.002	1618ALA000-4	25,373
Federal Audit Education Literacy	84.002	1618ALA000	32,176
Federal Audit Education Literacy-Correctional Facility	84.002	1618ALA000	5,097
Federal Audit Education Literacy- IET	84.002	1618ALA000	3,459
Federal Audit Education Literacy- Professional Development	84.002	1618ALA000	1,477
Federal Audit Education Literacy- EL Civics	84.002	1618ALA000	4,305
Federal Audit Education Literacy-Performance Bonus	84.002	1618ALA000	10,214
			<u>554,328</u>
Total U.S. Department of Education			<u>75,452,135</u>
<u>U.S. Department of Agriculture</u>			
Pass-Through from:			
Texas A and M Agrilife Research			
	10.226	M2001195	2,208
			<u>2,208</u>
<u>U.S. Small Business Administration</u>			
Pass-Through from:			
University of Houston:			
Small Business Development Center	59.037	R-21-0080-53803	39,229
Small Business Development Center	59.037	R-22-0087	92,883
Total U.S. Small Business Administration			<u>132,112</u>
<u>U.S. Department of Education</u>			
Pass-Through from:			
Texas Higher Education Coordinating Board			
Education Stabilization Fund -Governor's Emergency Education Relief Fund			
Texas Reskilling and Upskilling for Education TRUE (GEER)	84.425C	2020-GE-84425C	31,377
Work-Based Learning Opportunity Grant (GEER)	84.425C	2020-GE-84425C	55,634
Total U.S. Department of Education			<u>87,011</u>
Total Expenditures of Federal Awards			<u>\$ 75,673,466</u>
<u>Federal Direct Student Loan Program, CFDA 84.268, includes the following:</u>			
Direct Subsidized Loans			\$ 9,681,763
Direct Unsubsidized Loans			11,394,165
Direct PLUS Loans			2,566,203
			<u>\$ 23,642,131</u>

BLINN COLLEGE DISTRICT
Schedule of Expenditures of State Awards
For the Year Ended August 31, 2022

Grantor Agency Program Title	Grant Contract Number	Expenditures and Pass Through Disbursements
Texas Comptroller of Public Accounts Law Enforcement Officer Standards and Education (LEOSE)		2,281 <u>2,281</u>
Texas Higher Education Coordinating Board:		
Texas Educational Opportunity Grant Program (TEOG)		1,042,819
Texas State Work Study		52,866
Nursing Shortage Reduction Program FY 19 Over 70	NSRPFY19O70	1,400
Nursing Shortage Reduction Program FY 21 Regular	NSRPFY21REG	1,755
		<u>1,098,840</u>
Texas Workforce Commission		
Skills Development-Oak Grove Management Company LLC	1622SDF001	152,067
Skills Development-Southeast Service Corporation	1621SDF002	219,126
Skills Development-Shell Oil	1621SDF001	20,038
Skills Development-Igloo 21	2821SDF004	42,475
		<u>433,706</u>
 Total Expenditures of State Awards		 <u>\$ 1,534,827</u>

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

BLINN COLLEGE DISTRICT
Notes to Schedules of Expenditures of Federal and State Awards
Year Ended August 31, 2022

1. Relationship to Financial Statements

	Federal	State
Federal and State Grants and Contracts Revenue - Per Schedule A	\$ 1,554,596	\$ 1,534,827
Add Financial Aid Loans	23,642,131	-
Add Non-operating Federal Revenue - Per Schedule C	50,476,739	-
Total per Schedule of Expenditures of Federal and State Awards	\$ 75,673,466	\$ 1,534,827

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules present the activity of all Federal and State programs of the District for the year ended August 31, 2022. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the District for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The District has followed all applicable guidelines issued by various entities in the preparation of the schedules. Since the District does not have an agency approved indirect recovery rate, it has elected to use the 10% de minimis cost rate as per permitted in the UG, section 200.414.

3. Relationship to Federal and State Financial Reports

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

STATISTICAL SUPPLEMENTS (UNAUDITED)

Blinn College District

Net Position by Component
Fiscal Years 2013 to 2022
(Unaudited)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Investment in capital assets	\$ 118,422	\$ 101,200	\$ 94,246	\$ 91,307	\$ 91,525	\$ 83,337	\$ 74,486	\$ 74,169	\$ 67,994	\$ 63,707
Restricted - expendable	10,500	10,345	10,388	10,966	7,710	7,283	7,540	5,836	5,588	5,525
Restricted - nonexpendable	-	-	-	9,376	9,776	9,737	9,618	9,622	9,599	9,537
Unrestricted	15,615	21,051	5,133	(1,355)	(16,893)	26,749	18,580	3,160	15,913	12,825
Total	\$ 144,537	\$ 132,596	\$ 109,767	\$ 110,294	\$ 92,118	\$ 127,106	\$ 110,224	\$ 92,787	\$ 99,094	\$ 91,594
Net position, beginning of year	132,596	109,767	110,294	92,118	127,106	110,224	92,787	99,094	91,594	87,485
Increase (decrease) in net position	\$ 11,941	\$ 22,829	\$ (527)	\$ 18,176	\$ (34,988)	\$ 16,882	\$ 17,437	\$ (6,307)	\$ 7,500	\$ 4,109

Blinn College District

Revenues by Source
Fiscal Years 2013 to 2022
(Unaudited)

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and fees (net of discounts)	\$ 61,050	\$ 60,732	\$ 61,999	\$ 60,569	\$ 57,000	\$ 55,653	\$ 55,048	\$ 48,807	\$ 45,156	\$ 42,247
Governmental grants and contracts										
Federal Grants and Contracts	1,555	1,463	1,196	1,230	801	655	633	574	662	651
State and local grants and contracts	1,535	1,348	2,356	3,344	2,634	2,035	2,025	1,994	1,494	1,085
Sales and services of educational activities	770	370	372	605	513	565	692	386	441	310
Auxiliary enterprises (net of discounts)	9,678	7,629	10,702	14,161	13,526	11,925	11,908	7,986	8,372	7,528
Other operating revenues	529	307	145	378	651	459	581	277	249	143
Total Operating Revenues	75,117	71,849	76,771	80,287	75,125	71,292	70,887	60,024	56,374	51,964
State appropriations	30,764	31,891	32,890	30,709	30,832	30,815	30,198	27,873	26,928	24,480
Ad valorem taxes	2,332	2,275	2,191	1,939	1,966	1,831	1,823	1,671	1,638	1,504
Federal revenue, nonoperating	50,477	47,984	28,383	21,181	19,768	18,907	18,594	19,751	19,334	18,647
Federal grant related to capital dept	-	-	-	-	-	-	-	-	-	-
Unrealized gain on investments	-	67	493	133	4	-	205	-	318	-
Investment income	925	749	2,275	2,865	1,654	1,052	619	293	307	341
Insurance Proceeds	3,389	-	-	-	-	-	-	-	-	-
Other non-operating revenues	1,263	770	155	1,927	626	1,037	2,401	226	289	288
Total Non-Operating Revenues	89,150	83,736	66,387	58,754	54,850	53,642	53,840	49,814	48,814	45,260
Total Revenues	\$ 164,267	\$ 155,585	\$ 143,158	\$ 139,040	\$ 129,975	\$ 124,934	\$ 124,727	\$ 109,838	\$ 105,188	\$ 97,224

For the Year Ended August 31,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Tuition and fees (net of discounts)	37.17%	39.03%	43.31%	43.56%	43.85%	44.55%	44.13%	44.44%	42.93%	43.45%
Governmental grants and contracts										
Federal grants and contracts	0.95%	0.94%	0.84%	0.88%	0.62%	0.52%	0.51%	0.52%	0.63%	0.67%
State grants and contracts	0.93%	0.87%	1.65%	2.40%	2.03%	1.63%	1.62%	1.82%	1.42%	1.12%
Sales and services of educational activities	0.47%	0.24%	0.26%	0.44%	0.39%	0.45%	0.55%	0.35%	0.42%	0.32%
Auxiliary enterprises	5.89%	4.90%	7.48%	10.18%	10.41%	9.55%	9.55%	7.27%	7.96%	7.74%
Other operating revenues	0.32%	0.20%	0.10%	0.27%	0.50%	0.37%	0.47%	0.25%	0.23%	0.15%
Total Operating Revenues	45.73%	46.18%	53.63%	57.74%	57.80%	57.06%	56.83%	54.64%	53.59%	53.45%
State appropriations	18.73%	20.50%	22.97%	22.09%	23.72%	24.67%	24.21%	25.38%	25.60%	25.18%
Ad valorem taxes	1.42%	1.46%	1.53%	1.39%	1.51%	1.47%	1.46%	1.52%	1.56%	1.55%
Federal revenue, nonoperating	30.73%	30.84%	19.83%	15.23%	15.21%	15.13%	14.91%	17.98%	18.38%	19.18%
Federal grant related to capital debt	-	-	-	-	-	-	-	-	-	0.00%
Unrealized gain on investments	0.00%	0.04%	0.34%	0.10%	0.00%	-	0.16%	-	0.30%	0.00%
Investment income	0.56%	0.48%	1.59%	2.06%	1.27%	0.84%	0.50%	0.27%	0.29%	0.35%
Insurance Proceeds	2.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other non-operating revenues	0.77%	0.49%	0.11%	1.39%	0.48%	0.83%	1.93%	0.21%	0.27%	0.29%
Total Non-Operating Revenues	54.27%	53.82%	46.37%	42.26%	42.20%	42.94%	43.17%	45.36%	46.41%	46.55%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Blinn College District

Program Expenses by Function

SS-3

**Fiscal Years 2013 to 2022
(Unaudited)**

For the Year Ended August 31,

(amounts expressed in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction	\$ 42,068	\$ 45,091	\$ 44,722	\$ 43,573	\$ 39,706	\$ 41,675	\$ 41,288	\$ 41,774	\$ 39,598	\$ 38,820
Public service	293	747	1,267	2,819	1,883	1,702	1,653	1,315	970	805
Academic support	10,788	10,832	10,764	9,627	8,590	6,500	6,230	5,950	4,639	4,164
Student services	7,010	7,278	7,329	6,821	6,428	6,368	6,328	6,064	5,682	5,077
Institutional support	15,523	15,805	17,368	15,473	14,633	14,473	14,459	11,332	10,248	8,828
Operation and maintenance of plant	21,940	19,213	14,214	12,123	13,395	8,553	11,420	8,193	8,901	8,520
Scholarships and fellowships	13,055	12,941	12,447	12,791	14,170	12,412	11,172	13,025	14,071	13,753
Auxiliary enterprises	10,836	9,228	9,778	10,092	9,247	9,130	8,741	8,570	8,415	7,644
Amortization	885	100	100							
Depreciation	6,694	5,784	5,126	5,251	4,218	4,162	4,568	4,254	3,950	3,773
Total Operating Expenses	<u>129,092</u>	<u>127,018</u>	<u>123,114</u>	<u>118,569</u>	<u>112,270</u>	<u>104,975</u>	<u>105,859</u>	<u>100,477</u>	<u>96,474</u>	<u>91,384</u>
Interest on capital related debt	3,595	4,020	3,116	2,422	2,068	2,925	1,102	1,148	1,262	1,372
Other non-operating expenses	17,154	3,861	7,071	188	-	-	322	114	-	-
Loss on disposal of fixed assets	1,638	14	-	-	-	15	2	-	16	27
Unrealized loss on investments	847	-	-	-	-	173	-	289	-	538
Total Non-Operating Expenses	<u>23,234</u>	<u>7,896</u>	<u>10,188</u>	<u>2,610</u>	<u>2,068</u>	<u>3,113</u>	<u>1,426</u>	<u>1,551</u>	<u>1,278</u>	<u>1,937</u>
Total Expenses	<u>\$ 152,326</u>	<u>\$ 134,914</u>	<u>\$ 133,302</u>	<u>\$ 121,180</u>	<u>\$ 114,338</u>	<u>\$ 108,088</u>	<u>\$ 107,285</u>	<u>\$ 102,028</u>	<u>\$ 97,752</u>	<u>\$ 93,321</u>

For the Year Ended August 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Instruction	27.62%	33.42%	33.55%	35.96%	34.73%	38.56%	38.48%	40.94%	40.51%	41.60%
Public service	0.19%	0.55%	0.95%	2.33%	1.65%	1.58%	1.54%	1.29%	0.99%	0.86%
Academic support	7.08%	8.03%	8.08%	7.94%	7.51%	6.01%	5.81%	5.83%	4.75%	4.46%
Student services	4.60%	5.39%	5.50%	5.63%	5.62%	5.89%	5.90%	5.94%	5.81%	5.44%
Institutional support	10.19%	11.72%	13.03%	12.77%	12.80%	13.39%	13.48%	11.11%	10.48%	9.46%
Operation and maintenance of plant	14.40%	14.24%	10.66%	10.00%	11.72%	7.91%	10.64%	8.03%	9.11%	9.13%
Scholarships and fellowships	8.57%	9.59%	9.34%	10.56%	12.39%	11.48%	10.41%	12.77%	14.39%	14.74%
Auxiliary enterprises	7.11%	6.84%	7.34%	8.33%	8.09%	8.45%	8.15%	8.40%	8.61%	8.19%
Depreciation	4.98%	4.36%	3.92%	4.33%	3.69%	3.85%	4.26%	4.17%	4.04%	4.04%
Total Operating Expenses	<u>84.75%</u>	<u>94.15%</u>	<u>92.36%</u>	<u>97.85%</u>	<u>98.19%</u>	<u>97.12%</u>	<u>98.67%</u>	<u>98.48%</u>	<u>98.69%</u>	<u>97.92%</u>
Interest on capital related debt	2.36%	2.98%	2.34%	2.00%	1.81%	2.71%	1.03%	1.13%	1.29%	1.47%
Bond issuance costs	11.26%	2.86%	5.30%	0.16%	0.00%	-	0.30%	0.11%	-	-
Loss on disposal of fixed assets	1.08%	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%	-	0.02%	0.03%
Unrealized loss on investments	0.56%	0.00%	0.00%	0.00%	0.00%	0.16%	-	0.28%	-	0.58%
Total Non-Operating Expenses	<u>15.25%</u>	<u>5.85%</u>	<u>7.64%</u>	<u>2.15%</u>	<u>1.81%</u>	<u>2.88%</u>	<u>1.33%</u>	<u>1.52%</u>	<u>1.31%</u>	<u>2.08%</u>
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Blinn College District

Tuition and Fees
Last Ten Academic Years
(Unaudited)

Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	In-District Tuition	In-Service Area Tuition	Out-of-Service Area Tuition	Technology Fees	General Fees	Cost for 12 SCH In-District	Cost for 12 SCH Out-of-District	Increase from Prior Year In-District	Increase from Prior Year Out-of-District
2022	-	-	59		117	-	72	1,572	2,268	3.15%	2.16%
2021	-	-	57		115	-	70	1,524	2,220	4.10%	3.35%
2020	-	-	55		112	-	67	1,464	2,148	3.39%	2.29%
2019	-	-	54		111	-	64	1,416	2,100	5.36%	3.55%
2018	-	-	52		109	-	60	1,344	2,028	10.89%	6.96%
2017	-	-	50		107	-	51	1,212	1,896	7.45%	-3.07%
2016	-	-	48	102	117	-	46	1,128	1,956	5.62%	19.85%
2015	-	-	45		92	-	44	1,068	1,632	0.00%	0.00%
2014	-	-	45		92	-	37	984	1,548	7.89%	4.88%
2013	-	-	42		89	-	34	912	1,476	5.56%	8.85%

Non - Resident
Fees per Semester Credit Hour (SCH)

Academic Year (Fall)	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	Non-Resident Tuition Out of State	Non-Resident Tuition International	Technology Fees	General Fees	Cost for 12 SCH Out-of-State	Cost for 12 SCH International	Increase from Prior Year Out-of-State	Increase from Prior Year International
2022	-	-	276	276	-	72	4,176	4,176	1.16%	1.16%
2021	-	-	274	274	-	70	4,128	4,128	1.47%	1.47%
2020	-	-	272	272	-	67	4,068	4,068	1.19%	1.19%
2019	-	-	271	271	-	64	4,020	4,020	2.45%	2.45%
2018	-	-	267	267	-	60	3,924	3,924	5.14%	5.14%
2017	-	-	260	260	-	51	3,732	3,732	26.42%	26.42%
2016	-	-	200	200	-	46	2,952	2,952	16.59%	16.59%
2015	-	-	167	167	-	44	2,532	2,532	3.43%	3.43%
2014	-	-	167	167	-	37	2,448	2,448	1.49%	1.49%
2013	-	-	167	167	-	34	2,412	2,412	5.24%	5.24%

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

Blinn College District

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

Fiscal Year	(Amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2021-22	\$ 5,863,441	\$ (577,400)	5,286,041	90.15%	0.037700	-	0.037700
2020-21	4,651,663	(946,823)	3,704,840	79.65%	0.051300	-	0.051300
2019-20	4,353,315	(891,819)	3,461,496	79.51%	0.056000	-	0.056000
2018-19	4,239,094	(843,588)	3,395,506	80.10%	0.056000	-	0.056000
2017-18	3,662,571	(754,632)	2,907,939	79.40%	0.060100	-	0.060100
2016-17	3,231,517	(581,745)	2,649,772	82.00%	0.060100	-	0.060100
2015-16	3,188,948	(530,002)	2,658,946	83.38%	0.060100	-	0.060100
2014-15	2,972,792	(472,745)	2,500,047	84.10%	0.058400	-	0.058400
2013-14	2,847,226	(445,830)	2,401,396	84.34%	0.060000	-	0.060000
2012-13	2,720,993	(400,088)	2,320,905	85.30%	0.056700	-	0.056700
2011-12	2,670,752	(385,807)	2,284,945	85.55%	0.056600	-	0.056600
2010-11	2,631,220	(367,666)	2,263,554	86.03%	0.055900	-	0.055900

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

Blinn College District

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

Fiscal Year	Appropriation per FTSE			Appropriation per Contact Hour				
	State Appropriation	FTSE ¹	State Appropriation per FTSE	Academic Contact Hours	Voc/Tech Contact Hours	Continuing Education Contact Hours	Total Contact Hours	State Appropriation per Contact Hour
2021-22	30,764,190	11,386	2,702	5,975,408	680,288	74,765	6,730,461	4.57
2020-21	31,891,453	12,617	2,528	6,086,720	628,176	74,765	6,789,661	4.70
2019-20	32,890,482	13,479	2,440	6,799,248	637,776	50,505	7,487,529	4.39
2018-19	30,708,803	13,794	2,226	6,888,032	690,832	109,253	7,688,117	3.99
2017-18	30,832,306	13,446	2,293	6,738,448	703,136	115,464	7,557,048	4.08
2016-17	30,814,918	13,774	2,237	6,792,288	677,632	108,282	7,578,202	4.07
2015-16	30,198,162	14,092	2,143	6,902,944	694,464	105,461	7,702,869	3.92
2014-15	27,872,570	14,286	1,951	7,163,232	708,740	188,531	8,060,503	3.46
2013-14	26,928,177	13,830	1,947	6,923,216	812,944	132,628	7,868,788	3.42
2012-13	24,479,658	13,380	1,830	6,770,320	866,456	110,629	7,747,405	3.16

Note:

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

Blinn College District

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)										
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	
Magnolia Oil & Gas Operating LLC	Oil and Gas	161,305	80,296	142,670	-	-	-	-	-	-	-	-
Blue Bell Creameries	Manufacturing	90,719	84,317	69,105	64,602	66,007	68,553	67,693	73,986	56,281	50,509	-
LCRA Transmission Services	Utilities	68,054	68,081	65,627	58,396	58,208	55,969	62,059	44,382	36,274	31,978	-
Aspen Midstream, LLC	Oil and Gas	65,604	62,824	-	-	-	-	-	-	-	-	-
Chesapeake Operating Inc	Oil and Gas	59,874	54,800	-	-	-	-	-	-	-	-	-
Geosouthern Chalk II LLC	Oil and Gas	48,317	-	-	-	-	-	-	-	-	-	-
Valmont/ALS	Manufacturing	42,584	34,612	16,321	18,135	24,125	22,679	30,124	24,163	25,607	26,447	-
Bluebonnet Electric Coop.	Utilities	21,969	-	17,569	16,793	15,798	15,776	15,543	14,285	11,792	10,865	-
BNSF Railway Company	Transportation	20,698	-	18,413	17,662	15,630	15,185	13,930	13,975	13,917	12,902	-
Germania Farm Mutual Aid	Insurance	15,931	13,672	-	-	13,326	11,834	11,844	11,743	11,652	11,972	-
Sealy Texas Management, Inc.	Manufacturing	15,915	14,246	-	-	13,925	12,120	-	-	-	-	-
ExxonMobil Pipeline	Pipeline	15,399	-	-	-	-	-	-	-	-	-	-
Seminole Pipeline Company	Pipeline	15,272	13,066	-	-	-	-	-	-	-	-	-
Sabra Texas Holdings, LP	Healthcare	15,201	-	-	-	8,000	-	-	-	-	-	-
Geosouthern Operating II LLC	Oil and Gas	12,901	24,628	38,023	15,226	-	-	-	-	-	-	-
Whitethorn Pipeline LLC	Pipeline	12,024	12,587	-	-	-	-	-	-	-	-	-
Lowe's Homecenters, Inc.	Retail	11,025	9,865	-	-	9,267	9,176	8,966	8,953	9,037	9,569	-
ETC Texas Pipeline, LTD	Pipeline	-	11,074	19,793	23,067	23,845	30,236	21,781	20,178	17,908	26,108	-
PFL Properties, LP	Oil and Gas	-	8,382	-	-	7,209	6,444	-	-	-	-	-
Moore Wallace North America	Manufacturing	-	8,344	-	-	-	6,796	7,556	8,258	7,564	11,921	-
ARI-Automotive Rentals, Inc.	Transportation	-	-	-	-	-	-	-	7,263	-	-	-
Brenham Wholesale Grocery	Groceries	-	-	-	-	7,196	7,660	8,055	8,215	8,082	7,134	-
DCP Austin Gathering LP	Oil and Gas	-	-	-	-	-	-	-	-	-	7,246	-
Del Sol Food Co Inc	Consumer Goods	-	-	-	-	7,555	-	-	-	-	-	-
Enervest Operating #397	Oil and Gas	-	-	-	13,918	-	-	8,920	13,089	8,841	-	-
Enervest Operating #399	Oil and Gas	-	-	-	26,023	24,918	23,802	44,369	70,188	69,593	-	-
Enervest Operating LLC	Oil and Gas	-	-	-	26,023	16,049	15,215	26,832	-	-	97,315	-
HD Development Properties, LP	Commercial	-	-	-	-	-	-	-	-	-	-	-
Hyperion Energy LP	Oil and Gas	-	-	-	-	-	-	9,447	8,718	7,760	8,456	-
Imus, John D ET UX	Private	-	-	-	-	-	6,427	-	-	-	-	-
Longwood Elastomers, Inc.	Manufacturing	-	-	-	-	10,889	11,040	10,836	10,145	9,015	8,031	-
MIC Group LLC (West)	Manufacturing	-	-	-	-	7,292	11,456	16,492	19,341	19,586	19,562	-
MIC LLC (East)	Manufacturing	-	-	-	-	7,666	9,771	11,036	11,005	11,487	11,801	-
Mount Vernon Mill, Inc.	Manufacturing	-	-	-	-	-	-	-	-	-	-	-
PI Components Corp.	Manufacturing	-	-	-	-	7,228	7,293	10,649	9,908	10,248	9,987	-
Sealy Mattress	Manufacturing	-	-	-	-	-	-	11,366	-	7,027	6,769	-
Southern Bay Operating, LLC	Oil and Gas	-	-	-	-	-	-	-	-	-	-	-
Southwestern Telephone Company	Telephone	-	-	-	-	-	-	-	-	-	6,487	-
Tarlton Supply Company	Oil and Gas	-	-	-	-	-	-	-	-	-	-	-
Valmont/ALS - Abated	Manufacturing	-	-	-	-	-	-	8,531	8,874	8,814	-	-
Wal-Mart Properties #4109	Retail	-	-	-	-	-	-	-	-	-	-	-
Wal-Mart Real Estate Business	Retail	-	-	-	-	7,727	7,196	-	7,600	7,694	8,394	-
Wildhorse Resources Mgmt Co/Chesapeake	Oil and Gas	-	-	45,216	-	-	-	-	-	-	-	-
Totals		\$ 692,792	\$ 500,794	\$ 432,737	\$ 279,845	\$ 351,860	\$ 354,628	\$ 406,029	\$ 394,269	\$ 358,179	\$ 383,453	
Total Taxable Assessed Value		\$ 3,704,840	\$ 3,461,496	\$ 3,395,506	\$ 2,907,939	\$ 2,649,772	\$ 2,658,946	\$ 2,500,047	\$ 2,401,396	\$ 2,320,905	\$ 2,284,945	

Blinn College District

Principal Taxpayers
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	Taxable Assessed Value (TAV) by Tax Year (\$000 omitted)									
		% of Taxable Assessed Value (TAV) by Tax Year									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Magnolia Oil & Gas Operating LLC	Oil and Gas	4.35%	2.32%	4.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Blue Bell Creameries	Manufacturing	2.45%	2.44%	2.04%	2.22%	2.49%	2.58%	2.71%	3.08%	2.42%	2.21%
LCRA Transmission Services	Utilities	1.84%	1.97%	1.93%	2.01%	2.20%	2.10%	2.48%	1.85%	1.56%	1.40%
Aspen Midstream, LLC	Oil and Gas	1.77%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Chesapeake Operating Inc	Oil and Gas	1.62%	1.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Geosouthern Chalk II LLC	Oil and Gas	1.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valmont/ALS	Manufacturing	1.15%	1.00%	0.48%	0.62%	0.91%	0.85%	1.20%	1.01%	1.10%	1.16%
Bluebonnet Electric Coop.	Utilities	0.59%	0.00%	0.52%	0.58%	0.60%	0.59%	0.62%	0.59%	0.51%	0.48%
BNSF Railway Company	Transportation	0.56%	0.00%	0.54%	0.61%	0.59%	0.57%	0.56%	0.58%	0.60%	0.56%
Germania Farm Mutual Aid	Insurance	0.43%	0.39%	0.00%	0.00%	0.50%	0.45%	0.47%	0.49%	0.50%	0.52%
Sealy Texas Management, Inc.	Manufacturing	0.43%	0.41%	0.00%	0.00%	0.53%	0.46%	0.00%	0.00%	0.00%	0.00%
ExxonMobil Pipeline	Pipeline	0.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Seminole Pipeline Company	Pipeline	0.41%	0.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sabra Texas Holdings, LP	Healthcare	0.41%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
Geosouthern Operating II LLC	Oil and Gas	0.35%	0.71%	1.12%	0.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Whitethorn Pipeline LLC	Pipeline	0.32%	0.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lowe's Homecenters, Inc.	Retail	0.30%	0.28%	0.00%	0.00%	0.35%	0.35%	0.36%	0.37%	0.39%	0.42%
ETC Texas Pipeline, LTD	Pipeline	0.00%	0.32%	0.58%	0.79%	0.90%	1.14%	0.87%	0.84%	0.77%	1.14%
PFL Properties, LP	Oil and Gas	0.00%	0.24%	0.00%	0.00%	0.27%	0.24%	0.00%	0.00%	0.00%	0.00%
Moore Wallace North America	Manufacturing	0.00%	0.24%	0.00%	0.00%	0.00%	0.26%	0.30%	0.34%	0.33%	0.52%
ARI-Automotive Rentals, Inc.	Transportation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%
Brenham Wholesale Grocery	Groceries	0.00%	0.00%	0.00%	0.00%	0.27%	0.29%	0.32%	0.34%	0.35%	0.31%
DCP Austin Gathering LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
Del Sol Food Co Inc	Consumer Goods	0.00%	0.00%	0.00%	0.00%	0.29%	0.00%	0.00%	0.00%	0.00%	0.00%
Enervest Operating #397	Oil and Gas	0.00%	0.00%	0.00%	0.48%	0.00%	0.00%	0.36%	0.55%	0.38%	0.00%
Enervest Operating #399	Oil and Gas	0.00%	0.00%	0.00%	0.89%	0.94%	0.90%	1.77%	2.92%	3.00%	0.00%
Enervest Operating LLC	Oil and Gas	0.00%	0.00%	0.00%	0.89%	0.61%	0.57%	1.07%	0.00%	0.00%	4.26%
HD Development Properties, LP	Commercial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Hyperion Energy LP	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.38%	0.36%	0.33%	0.37%
Imus, John D ET UX	Private	0.00%	0.00%	0.00%	0.00%	0.00%	0.24%	0.00%	0.00%	0.00%	0.00%
Longwood Elastomers, Inc.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.41%	0.42%	0.43%	0.42%	0.39%	0.35%
MIC Group LLC (West)	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.28%	0.43%	0.66%	0.81%	0.84%	0.86%
MIC LLC (East)	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.29%	0.37%	0.44%	0.46%	0.49%	0.52%
Mount Vernon Mill, Inc.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PI Components Corp.	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.27%	0.27%	0.43%	0.41%	0.44%	0.44%
Sealy Mattress	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%	0.00%	0.30%	0.30%
Southern Bay Operating, LLC	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Southwestern Telephone Company	Telephone	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.28%
Tarlton Supply Company	Oil and Gas	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Valmont/ALS - Abated	Manufacturing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.37%	0.38%	0.00%
Wal-Mart Properties #4109	Retail	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Wal-Mart Real Estate Business	Retail	0.00%	0.00%	0.00%	0.00%	0.29%	0.27%	0.00%	0.32%	0.33%	0.37%
Wildhorse Resources Mgmt Co/Chesapeake	Oil and Gas	0.00%	0.00%	1.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Totals		18.70%	14.47%	12.74%	9.62%	13.28%	13.34%	16.24%	16.42%	15.43%	16.78%

Source: Washington County Appraisal District

Blinn College District

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

Fiscal Year Ended August 31	Levy (a)	Cumulative Levy Adjustments	Adjusted Tax Levy (b)	Collections - Year of Levy (c)	Percentage	Current Collections of Prior Levies (b) (c)	Total Collections	Cumulative Collections of Adjusted Levy
2022	2,300,300	(51,656)	2,248,644	2,315,881	102.99%	35,465	2,351,346	104.57%
2021	2,252,307	(47,426)	2,204,881	2,267,614	102.85%	31,080	2,298,694	104.25%
2020	2,221,183	(47,065)	2,174,118	2,181,577	100.34%	32,011	2,213,588	101.82%
2019	2,067,287	(23,398)	2,043,889	2,040,819	99.85%	30,941	2,071,760	101.36%
2018	1,981,872	(45,420)	1,936,452	1,894,260	97.82%	30,594	1,924,854	99.40%
2017	1,851,272	(38,570)	1,812,702	1,775,179	97.93%	27,305	1,802,484	99.44%
2016	1,838,348	(35,031)	1,803,317	1,767,777	98.03%	25,916	1,793,693	99.47%
2015	1,680,949	(26,917)	1,654,032	1,621,330	98.02%	29,302	1,650,632	99.79%
2014	1,649,667	(31,658)	1,618,009	1,582,334	97.80%	33,684	1,616,018	99.88%
2013	1,511,362	(26,486)	1,484,876	1,444,807	97.30%	34,592	1,479,399	99.63%

Source: Washington County Tax Assessor/Collector

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

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

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

Blinn College District

**Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)**

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Other Debt										
Revenue bonds	\$ 104,475	\$ 109,265	\$ 98,755	\$ 102,300	\$ 76,635	\$ 80,140	\$ 83,805	\$ 40,730	\$ 34,315	\$ 37,575
Unamortized Bond Premiums										
Capital lease obligations	-	-	-	-	-	-	-	-	-	-
Total Outstanding Debt	\$ 104,475	\$ 109,265	\$ 98,755	\$ 102,300	\$ 76,635	\$ 80,140	\$ 83,805	\$ 40,730	\$ 34,315	\$ 37,575
Total Outstanding Debt Ratios										
Per Capita	2.88	2.98	2.75	2.91	2.18	2.29	2.41	1.17	1.00	1.10
Per FTSE	9.18	8.66	7.33	7.42	5.70	5.82	5.95	2.85	2.48	2.81
As a percentage of Taxable Assessed Value	2.82%	3.16%	2.91%	3.52%	2.89%	3.01%	3.35%	1.70%	1.48%	1.64%

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

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

	For the Year Ended August 31 (amount expressed in thousands)									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Taxable Assessed Value	\$ 5,286,041	\$ 3,704,840	\$ 3,461,496	\$ 3,395,506	\$ 2,907,939	\$ 2,649,772	\$ 2,658,946	\$ 2,500,047	\$ 2,401,396	\$ 2,320,905
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	26,430	18,524	17,307	16,978	14,540	13,249	13,295	12,500	12,007	11,605
Less: Funds Restricted for Repayment of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Total Net General Obligation Debt	26,430	18,524	17,307	16,978	14,540	13,249	13,295	12,500	12,007	11,605
Current Year Debt Service Requirements	-	-	-	-	-	-	-	-	-	-
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 26,430	\$ 18,524	\$ 17,307	\$ 16,978	\$ 14,540	\$ 13,249	\$ 13,295	\$ 12,500	\$ 12,007	11,605
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Blinn College District

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

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)							Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Fees, Activity and Building Use	Laboratory and Course Fees	Housing Income	Bookstore Income	Other Auxiliary	Total	Principal	Interest	Total	
2022	7,693	24,946	4,216	756	566	2,295	40,472	4,790	3,956	8,746	4.63
2021	7,275	25,156	5,163	806	482	1,294	40,176	4,075	4,539	8,614	4.66
2020	7,618	27,220	3,599	1,392	810	2,847	43,486	3,545	2,679	6,224	6.99
2019	7,604	25,518	2,971	2,633	880	4,356	43,962	3,460	2,801	6,261	7.02
2018	7,656	23,051	1,939	2,410	926	3,922	39,904	3,505	2,921	6,426	6.21
2017	8,002	20,429	1,849	2,273	937	2,956	36,446	3,665	3,167	6,832	5.33
2016	8,377	18,157	1,918	2,409	1,149	2,356	34,366	3,525	1,530	5,055	6.80
2015	6,613	18,157	1,893	2,376	1,011	1,256	31,306	3,405	1,231	4,636	6.75
2014	6,814	14,771	1,704	1,650	1,374	-	26,313	3,260	1,346	4,606	5.71
2013	6,514	13,141	1,514	1,477	1,370	-	24,016	2,800	1,455	4,255	5.64

Blinn College District

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Unemployment Rate
2022	36,223	Not available	Not available	3.8%
2021	35,891	Not available	Not available	5.1%
2020	36,654	2,089,960	58,426	5.7%
2019	35,882	2,053,296	57,635	8.1%
2018	35,108	1,834,903	52,265	3.7%
2017	35,043	1,673,002	47,741	4.2%
2016	34,821	1,679,690	48,238	5.1%
2015	34,869	1,716,523	49,228	4.8%
2014	34,411	1,738,494	50,521	4.6%
2013	34,191	1,657,332	48,473	5.5%

Sources:

Population from U.S. Bureau of the Census.

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

Unemployment rate from Texas Workforce Commission.

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

<i>2022</i>		<i>2013</i>	
Employer	Type of Business	Employer	Type of Business
Baylor Scott & White Medical Center	Hospital	Blinn College	Higher Education
Blinn College	Higher Education	Blue Bell Creameries	Ice Cream Manufacturer
Blue Bell Creameries	Ice Cream Manufacturer	Brenham I.S.D.	Independent School District
Brenham Clinic	Hospital	Brenham State Supported Living Center	Mental Health/Retardation Services
Brenham I.S.D.	Independent School District	City of Brenham	Government
Brenham Nursing & Rehabilitation	Nursing Home and Rehabilitation Services	Germania Insurance	Insurance Services
Brenham State Supported Living Center	Mental Health/Retardation Services	Scott & White Hospital	Hospital
Brenham Wholesale	Grocers-Wholesale	Sealy Mattress Company	Mattress Manufacturer
Germania Insurance	Insurance Services	Valmont Industries	Steel Lighting Standards Manufacturer
Wal-Mart Supercenter	Retail Department Store	Wal-Mart Supercenter	Retail Department Store

Notes:

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

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

Fiscal Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty:										
Full-Time	377	387	406	407	386	400	398	393	367	336
Part-Time	334	299	284	337	335	225	250	295	318	395
Total	711	686	690	744	721	625	648	688	685	731
Percent										
Full-Time	53.0%	56.4%	58.8%	54.7%	53.5%	64.0%	61.4%	57.1%	53.6%	46.0%
Part-Time	47.0%	43.6%	41.2%	45.3%	46.5%	36.0%	38.6%	42.9%	46.4%	54.0%
Staff and Administrators:										
Full-Time	413	413	348	364	360	388	401	365	349	373
Part-Time	106	291	105	124	138	81	93	99	438	102
Total	519	704	453	488	498	469	494	464	787	475
Percent										
Full-Time	79.6%	58.7%	76.8%	74.6%	72.3%	82.7%	81.2%	78.7%	44.3%	78.5%
Part-Time	20.4%	41.3%	23.2%	25.4%	27.7%	17.3%	18.8%	21.3%	55.7%	21.5%
FTSE per Full-time Faculty	33	33	33	34	35	34	35	36	38	40
FTSE per Full-Time Staff Member	31	31	39	38	37	36	35	39	40	36
Average Annual Faculty Salary* \$	63,219	\$62,701	\$56,076	\$63,635	\$60,028	\$58,041	\$56,944	\$56,792	\$58,041	\$62,431

Source: Blinn College Institutional Research and Effectiveness

Blinn College District

Student Profile
Last Ten Fiscal Years
(Unaudited)

Gender	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Female	8,637	50.58%	9,533	53.09%	9,997	52.11%	9,805	51.30%	9,359	50.69%	9,781	51.71%	9,821	51.27%	9,728	51.83%	9,463	51.81%	9,348	52.30%
Male	8,440	49.42%	8,422	46.91%	9,186	47.89%	9,308	48.70%	9,106	49.31%	9,133	48.29%	9,336	48.73%	9,041	48.17%	8,803	48.19%	8,526	47.70%
Total	17,077	100.00%	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%

Ethnic Origin	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
White	10,180	59.61%	10,692	59.55%	11,322	59.02%	11,137	58.27%	11,190	60.60%	11,689	61.80%	12,033	62.81%	11,988	63.87%	11,797	64.58%	11,608	64.94%
Hispanic	4,107	24.05%	4,274	23.80%	4,428	23.08%	4,459	23.33%	4,016	21.75%	3,898	20.61%	3,785	19.76%	3,610	19.23%	3,396	18.59%	3,343	18.70%
African American	1,292	7.57%	1,482	8.25%	1,811	9.44%	2,212	11.57%	1,990	10.78%	2,059	10.89%	1,980	10.34%	1,888	10.06%	1,916	10.49%	1,862	10.42%
Asian	445	2.61%	430	2.39%	459	2.39%	460	2.41%	456	2.47%	459	2.43%	498	2.60%	430	2.29%	368	2.01%	350	1.96%
Foreign	72	0.42%	55	0.31%	66	0.34%	91	0.48%	114	0.62%	135	0.71%	157	0.82%	171	0.91%	170	0.93%	158	0.88%
Native American	91	0.53%	93	0.52%	102	0.53%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Multi-Racial	657	3.85%	654	3.64%	697	3.63%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Unknown	233	1.36%	275	1.53%	298	1.55%	754	3.94%	699	3.79%	674	3.56%	704	3.67%	682	3.63%	619	3.39%	553	3.09%
Total	17,077	100.00%	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%

Age	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017		Fall 2016		Fall 2015		Fall 2014		Fall 2013		Fall 2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 18	1,319	7.72%	1,499	8.35%	1,802	9.39%	1,921	10.05%	1,698	9.20%	1,693	8.95%	1,639	8.56%	1,466	7.81%	1,552	8.50%	1,763	9.86%
18 -21	12,448	72.89%	13,121	73.08%	14,255	74.31%	14,009	73.30%	13,629	73.81%	13,838	73.16%	14,150	73.86%	13,796	73.50%	13,180	72.16%	12,300	68.82%
22 - 24	1,685	9.87%	1,631	9.08%	1,426	7.43%	1,434	7.50%	1,459	7.90%	1,596	8.44%	1,629	8.50%	1,656	8.82%	1,594	8.73%	1,677	9.38%
25 - 29	740	4.33%	842	4.69%	925	4.82%	860	4.50%	878	4.75%	907	4.80%	850	4.44%	1,277	6.80%	918	5.03%	959	5.37%
30 - 34	375	2.20%	375	2.09%	354	1.85%	419	2.19%	341	1.85%	387	2.05%	383	2.00%	467	2.49%	388	2.12%	452	2.53%
35 & Over	510	2.99%	487	2.71%	421	2.19%	470	2.46%	460	2.49%	493	2.61%	506	2.64%	107	0.57%	634	3.47%	723	4.04%
Total	17,077	100.00%	17,955	100.00%	19,183	100.00%	19,113	100.00%	18,465	100.00%	18,914	100.00%	19,157	100.00%	18,769	100.00%	18,266	100.00%	17,874	100.00%

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

Blinn College District

Transfers to Senior Institutions
2019-2020 Graduates, Completers, and Non-Returners
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count Academic	Transfer Student Count Technical	Total of all Sample Transfer Students	% of all Sample Transfer Students	
1	Texas A&M University	2,532	45	2,577	71.84%
2	Sam Houston State University	186	20	206	5.74%
3	Texas State University - San Marcos	115	6	121	3.37%
4	University Of Houston	55	2	57	1.59%
5	Texas A&M University - Corpus Christi	43		43	1.20%
6	University Of North Texas	33		33	0.92%
7	University Of Texas - San Antonio	28		28	0.78%
8	University Of Texas At Austin	26	1	27	0.75%
9	Stephen F. Austin State University	21	2	23	0.64%
10	University Of Texas Arlington	20	6	26	0.72%
11	Prairie View A&M University	20	1	21	0.59%
12	Tarleton State University	17	2	19	0.53%
13	Texas A&M University - Commerce	15	2	17	0.47%
14	Baylor University	13		13	0.36%
15	Texas A&M University Kingsville	12	1	13	0.36%
16	Texas Southern University	10	1	11	0.31%
17	Texas Christian University	10		10	0.28%
18	University Of Texas At Tyler	9	2	11	0.31%
19	Texas A&M University - Galveston	9		9	0.25%
20	Lamar University - Beaumont	8	2	10	0.28%
21	Brazosport College	8	1	9	0.25%
22	North American University	7	1	8	0.22%
23	West Texas A&M University	7	1	8	0.22%
24	Texas Woman'S University	7		7	0.20%
25	University Of Arkansas At Fayetteville	6		6	0.17%
26	University Of Houston-Clear Lake	6		6	0.17%
27	University Of Houston-Downtown	6		6	0.17%
28	University Of Houston-Victoria	6		6	0.17%
29	University Of Mary Hardin-Baylor	6		6	0.17%
30	University Of Texas At Dallas	6		6	0.17%
31	University Of The Incarnate Word	6		6	0.17%
32	Texas Tech University Lubbock	5		5	0.14%
33	University Of Texas Medical Branch At Galveston	5		5	0.14%
34	Western Governors University	5		5	0.14%
35	University Of Phoenix	4	2	6	0.17%
36	University Of Oklahoma	4	1	5	0.14%
37	Angelo State University	4		4	0.11%
38	Arizona State University	4		4	0.11%
39	East Texas Baptist University	4		4	0.11%
40	Liberty University	4		4	0.11%
41	Oklahoma State University - Stillwater/Tulsa	4		4	0.11%
42	Texas A&M University- San Antonio	4		4	0.11%
43	University Of Texas Rio Grande Valley	4		4	0.11%
44	Southern New Hampshire- 09Week	3	1	4	0.11%
45	University Of Texas Health Science Center Houston	3	1	4	0.11%
46	Dallas Baptist University	3		3	0.08%
47	Full Sail University	3		3	0.08%
48	Howard Payne University	3		3	0.08%
49	Louisiana State University - Ag	3		3	0.08%
50	Midland College	3		3	0.08%
51	South Texas College	3		3	0.08%
52	Southern Methodist University	3		3	0.08%
53	Southwestern Assemblies Of God University	3		3	0.08%
54	Texas A&M International University	3		3	0.08%
55	Texas A&M University- Central Texas	3		3	0.08%
56	Abilene Christian University	2	1	3	0.08%
57	St Edwards University	3		3	0.08%
58	Sul Ross State University	3		3	0.08%
59	Texas Lutheran University	2	1	3	0.08%
60	University Of St Thomas	2	1	3	0.08%
61	Chamberlain University	2		2	0.06%
62	Letourneau University	2		2	0.06%
63	Other	109	18	127	3.54%
Total		3,465	122	3,587	100%

Sources: Blinn College Institutional Research and Effectiveness
National Student Clearinghouse Subsequent Enrollment Report

Blinn College District

Schedule of Capital Asset Information
Fiscal Years 2013 to 2022
(Unaudited)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic buildings	26	25	24	23	23	22	22	22	22	20
Square footage	750,338	670,338	597,338	587,273	587,273	502,675	502,675	502,675	502,675	496,403
Libraries	2	2	2	2	2	2	2	2	2	2
Square footage	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016	51,016
Number of Volumes	165,075	165,075	165,075	183,816	185,555	186,980	186,468	188,217	187,692	186,999
Administrative and support buildings	6	6	6	6	6	6	6	6	6	6
Square footage	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158	71,158
Dormitories	9	12	12	12	12	12	12	12	12	12
Square footage	175,594	209,985	209,985	209,985	209,985	209,985	209,985	209,985	209,985	209,985
Number of Beds	777	974	974	974	974	974	974	974	974	974
Apartments	8	8	8	8	8	8	8	8	8	8
Square footage	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211	106,211
Number of beds	338	338	338	338	338	338	338	338	338	338
Dining Facilities	1	1	1	1	1	1	1	1	1	1
Square footage	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191	60,191
Average daily customers	1,000	1,000	1,000	1,000	1,000	900	900	900	900	900
Athletic Facilities	8	8	8	8	8	7	6	6	6	6
Square footage	130,727	130,727	130,727	130,727	130,727	93,054	81,870	81,870	81,870	81,870
Stadiums	2	2	2	2	2	2	2	2	2	2
Gymnasiums	2	2	2	2	2	2	2	2	2	2
Tennis Court	1	1	1	1	1	1	1	1	1	1
Plant facilities	5	5	5	5	5	5	5	5	5	5
Square footage	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687	44,687
Transportation										
Cars	3	3	3	5	5	11	14	12	14	16
Light Trucks/Vans	42	39	38	32	28	25	25	25	27	26
Buses	6	6	6	4	4	4	4	4	3	2

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



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

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

Board of Trustees
Blinn College District
Brenham, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Blinn College District (the District), as of and for the years ended August 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 23, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jett, Vernon + Co. P.C.

Temple, Texas
November 23, 2022



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

Board of Trustees
Blinn College District
Brenham, Texas

Report on Compliance for Each Major Federal Program and State Program

Opinion on Each Major Federal Program and State Program

We have audited Blinn College District's compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement and The State of Texas Single Audit Circular that could have a direct and material effect on each of Blinn College District's major federal and state programs for the year ended August 31, 2022. Blinn College District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Blinn College District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program and State Program

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; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and The State of Texas Single Audit Circular. Our responsibilities under those standards and the Uniform Guidance and The State of Texas Single Audit Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Blinn College District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Blinn College District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Blinn College District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Blinn College District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, and The State of Texas Single Audit Circular will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Blinn College District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and Uniform Guidance, and The State of Texas Single Audit Circular we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Blinn College District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Blinn College District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and The State of Texas Single Audit Circular, but not for the purpose of expressing an opinion on the effectiveness of Blinn College District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jatt, Vernon + Co. P.C.

Temple, Texas
November 23, 2022

BLINN COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
August 31, 2022

I. Summary of Audit Results

Financial Statements

1. Type of auditor’s report issued: *unmodified*

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

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

Federal and State Awards

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

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

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

7. Identification of major programs:

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

BLINN COLLEGE DISTRICT
Schedule of Findings and Questioned Costs (Continued)
August 31, 2022

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