



BLINN COLLEGE

Annual Financial Report

**Fiscal Years Ended
August 31, 2006 and 2005**

**Mir & Fox
Rodriguez, P.C.**
Certified Public Accountants

BLINN COLLEGE

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BLINN COLLEGE

Organizational Data
Year Ended August 31, 2006

Board of Trustees

Officers

Steve M. Westbrook, President
Atwood C. Kenjura, Vice-President
Norwood Lange, Secretary

Members

Term Expires
May 31,

Norwood Lange	Brenham, Texas	2008
Leon B. Toubin	Brenham, Texas	2008
Henry J. Boehm, Jr., M.D.	Brenham, Texas	2010
Don Jones	Brenham, Texas	2010
Atwood C. Kenjura	Brenham, Texas	2012
L. J. Lacina, Jr.	Brenham, Texas	2012
Steve M. Westbrook	Brenham, Texas	2012

Key Administrators

Donald E. Voelter, Ph.D., President
John D. Barkman, Executive Vice President
John M. Robertson, III, VP Business Services
Ronald L. Johnston, Ed.D., VP Academic Affairs
John Harris, Ed.D., VP Student Services
Barbara Pearson, Ph.D., VP Brazos County Campuses

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Blinn College:

We have audited the accompanying basic financial statements of Blinn College (the College) as of and for the years ended August 31, 2006 and 2005, as listed in the table of contents. These basic financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the College as of August 31, 2006 and 2005, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

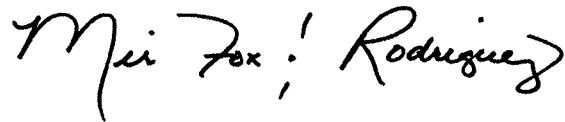
As discussed in note 3 to the basic financial statements, the College has changed its method of accounting for depreciation of library books.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2006 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. This information is the responsibility of the College's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our 2006 audit was performed for the purpose of forming an opinion on the August 31, 2006 basic financial statements of the College, taken as a whole. The supplemental schedules (schedules A through D, F and G) and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Supplemental schedules A through D, F and G have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been subjected to the auditing procedures applied by us in our audits of the basic financial statements and, accordingly, we express no opinion on it.

Our 2006 audit was conducted for the purpose of forming an opinion on the August 31, 2006 basic financial statements. The accompanying schedule of expenditures of Federal awards (Schedule E) as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, is presented for purpose of additional analysis and is not a part of the August 31, 2006 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2006 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the 2006 basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Mui Fox Rodriguez". The signature is written in a cursive style with a colon after "Fox".

October 31, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

The following discussion and analysis of Blinn College's (the College) annual financial statements provide an overview of the College's financial performance for the fiscal years ended August 31, 2006 and 2005. 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 the associated notes. The basic financial statements, notes and this discussion are the responsibility of management.

Financial Highlights and Significant Activities for 2006

The following significant financial events and activities occurred during the fiscal year ended August 31, 2006:

- Net assets increased by \$3.7 million
- Tuition and fee revenue (net of discounts) increased by \$2.7 million

The College's overall net assets increased approximately \$3.7 million, or 6%, which reflects the continued commitment of the Board of Trustees to invest in capital improvements. To counter the effects of the minimal increases in State funding and to maintain the quality of education for the students that the College serves, the College's Board of Trustees raised tuition and fees accordingly. Students who are legal residents of Washington County (in-district) saw a \$5 per semester credit hour increase in their tuition rates. Students who live outside of Washington County (out-of-district) saw a \$10 per semester credit hour increase on their tuition rates. These actions led to an increase in total tuition and fee revenue of approximately \$2.7 million, or 11%.

Total operating revenues increased approximately \$2.5 million, or 6%. This increase is primarily attributable to the increase in tuition and fees as discussed above. Operating expenses increased by \$3 million, or 5%, as a result of increases in salary and benefit costs.

Based on the recommendation of the Texas Higher Education Coordinating Board, the College began depreciating its library books effective September 1, 2005. The result was an increase to accumulated depreciation for prior years by \$2.2 million.

Financial Highlights and Significant Activities for 2005

The following significant financial events and activities occurred during the fiscal year ended August 31, 2005:

- Net assets increased by \$5.0 million
- Tuition and fee revenue increased by \$1.6 million
- The Sealy Campus was opened
- The Schulenburg Campus added a new classroom building for \$1.5 million
- Revenue Bonds of \$11.8 million were issued to purchase the Bryan Lease

The College's overall net assets increased approximately \$5 million, or 9%, which reflects the continued commitment of the Board of Trustees to invest in capital improvements. To counter the effects of the reduction in State funding and to maintain the quality of education for the students that the College serves, the College's Board of Trustees raised tuition and fees accordingly. Students who are legal residents of Washington County (in-district) saw a \$4 per semester credit hour increase in their tuition rates. Students who live outside of Washington County (out-of-district) saw a \$5 per semester credit hour increase on their tuition rates. These actions led to an increase in total tuition and fee revenue of approximately \$1.6 million, or 7.9%.

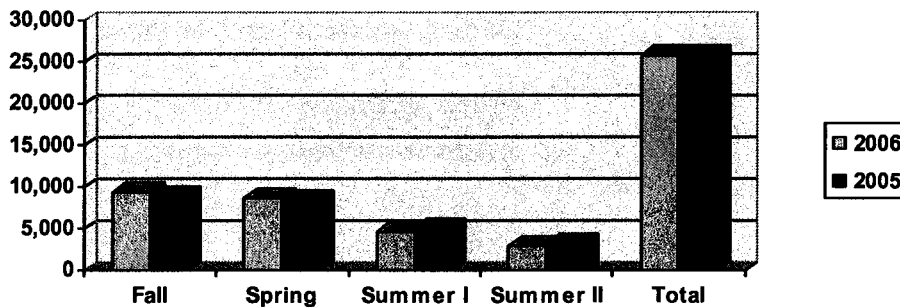
The Sealy Campus was opened in the Spring 2005 in the old Sealy outlet center mall with a student enrollment of 13 students. During the summer terms there were 45 students and 30 students in Summer I and Summer II, respectively. The projected headcount for Fall 2005 is 65 students. The College's cost of renovation and refurbishing this site was approximately \$200,000.

The new classroom building on the Schulenburg campus is approximately 11,000 square feet with 6 classrooms, including one large classroom, 6 offices, and 125 parking spaces. The total capital cost of this building was approximately \$1.25 million which was funded by contributions received from the Schulenburg Economic Development Corporation.

Combined Fee Revenue Bonds (Series 2005 Bonds) were issued in July 2005 for repayment of the Bryan Campus lease with the City of Bryan, Texas and purchase of the related land. This increased total debt by approximately \$700,000 due to the new bond issue of \$11.8 million offset by the \$11.1 million reduction in capital leases, saving the College approximately \$150,000 a year. This transaction also added \$1.3 million to the College's bond reserve fund.

Below is a breakdown of the College's full time equivalency (FTE) enrollment by term for fiscal years 2006 and 2005:

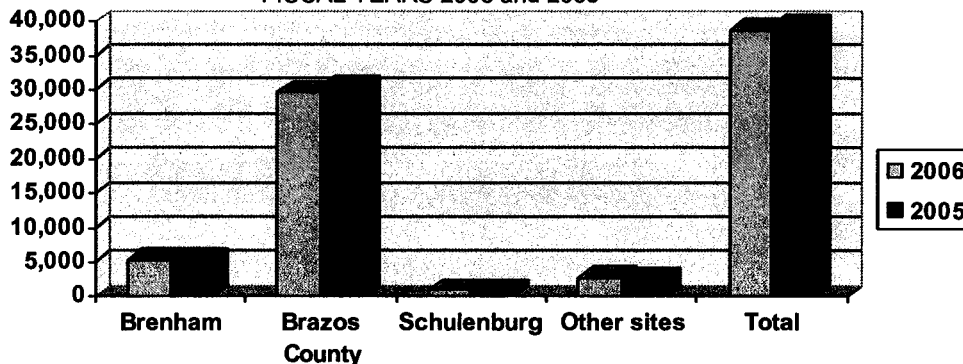
BLINN COLLEGE
STUDENT FTE
FISCAL YEARS 2006 and 2005



1 FTE = 15 (Fall / Spring)
1 FTE = 6 (Summer)

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

BLINN COLLEGE
HEADCOUNT ENROLLMENT TREND
FISCAL YEARS 2006 and 2005



Overview of the Basic Financial Statements

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

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

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

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

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

Statement of Net Assets

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

Statements of Net Assets (2004 Not Adjusted for Accounting Restatement)

	<u>2006</u>	<u>2005 Restated</u>	<u>Increase (Decrease) 2006-2005</u>	<u>2004</u>	<u>Increase (Decrease) 2005-2004</u>
Assets:					
Current assets	\$ 22,168,000	21,910,000	258,000	21,041,000	869,000
Capital assets, net of depreciation	80,616,000	81,707,000	(1,091,000)	83,079,000	(1,372,000)
Other noncurrent assets	<u>13,700,000</u>	<u>12,093,000</u>	<u>1,607,000</u>	<u>8,580,000</u>	<u>3,513,000</u>
Total assets	<u>116,484,000</u>	<u>115,710,000</u>	<u>774,000</u>	<u>112,700,000</u>	<u>3,010,000</u>
Liabilities:					
Current liabilities	20,229,000	20,168,000	61,000	17,839,000	2,329,000
Noncurrent liabilities	<u>35,947,000</u>	<u>38,949,000</u>	<u>(3,002,000)</u>	<u>41,132,000</u>	<u>(2,183,000)</u>
Total liabilities	<u>56,176,000</u>	<u>59,117,000</u>	<u>(2,941,000)</u>	<u>58,971,000</u>	<u>146,000</u>
Net assets:					
Investments in capital assets, net of related debt	41,668,000	39,725,000	1,943,000	40,318,000	(593,000)
Restricted	14,475,000	12,712,000	1,763,000	9,230,000	3,482,000
Unrestricted	<u>4,165,000</u>	<u>4,156,000</u>	<u>9,000</u>	<u>4,181,000</u>	<u>(25,000)</u>
Total net assets	<u>\$ 60,308,000</u>	<u>56,593,000</u>	<u>3,715,000</u>	<u>53,729,000</u>	<u>2,864,000</u>

At August 31, 2006, current assets include \$14 million of cash and cash equivalents and \$7.2 million in student receivables related primarily to the fall 2006 semester. The net increase in current assets in 2006 and 2005 is due primarily to the increased tuition charges discussed in the financial highlights.

Capital assets decreased \$1.1 million from 2005 due to decreased spending on major capital projects. In 2005, \$1.25 million was spent on the Schulenburg Campus classroom construction and \$1 million was spent on Bryan Campus improvements. Capital assets for 2005 have been restated by approximately \$2.2 million to reflect the change in accounting for the depreciation of library books. Overall, net capital assets have decreased each year due to increasing annual depreciation on completed projects.

The College's noncurrent assets include funds restricted for endowments and debt service. Noncurrent assets increased \$1.6 and \$3.5 million in 2006 and 2005, respectively, due to the receipt of approximately \$951,000 and \$1.3 million in permanent endowment contributions, required additions to debt service funds of approximately \$407,000 and \$1.6 million, respectively, and increased earnings on invested funds. Noncurrent assets will typically increase each year from contributions to permanent endowments and required additions to the debt service funds related to the College's bonds.

Current liabilities for 2006 remained consistent to 2005. An increase in deferred tuition and fees (due to increases in tuition rates) was offset by a decrease in accounts payable. Current liabilities increased \$2.3 million in fiscal 2005 from 2004 due primarily to increases in deferred tuition and fees (increased tuition rates and enrollment growth) and increase in the current portion of bond payments. Noncurrent liabilities consist of future bond payments, which decreased \$3.0 million and \$2.2 million in fiscal year 2006 and 2005, respectively, due to scheduled debt repayments.

At August 31, 2006 and 2005, total net assets were \$60 million and \$57 million, respectively. Net assets have increased over the three-year period. The College has an unrestricted net asset balance of approximately \$4.2 million at August 31, 2006, which has remained virtually unchanged over the three-year period and is maintained as a contingency reserve. Restricted net assets include endowment funds of approximately \$8.9 million and required debt service reserves of \$4.7 million. The College's financial position remains strong with adequate liquid assets and a reasonable level of unrestricted net assets.

Statement of Revenues, Expenses, and Changes in Net Assets:

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

	Statements of Revenues, Expenses and Changes in Net Assets (Ending Net Assets for 2004 Not Restated for Accounting Change)				
	<u>2006</u>	<u>2005 Restated</u>	<u>Increase (Decrease) 2006-2005</u>	<u>2004</u>	<u>Increase (Decrease) 2005-2004</u>
Operating revenues:					
Student tuition and fees, net	\$ 24,227,000	21,565,000	2,662,000	19,992,000	1,573,000
Federal grants and contracts	8,872,000	8,984,000	(112,000)	8,675,000	309,000
State and local grants and contracts	500,000	612,000	(112,000)	710,000	(98,000)
Auxiliary enterprises, net of discounts	5,104,000	5,395,000	(291,000)	5,347,000	48,000
Other	587,000	227,000	360,000	302,000	(75,000)
Total operating revenues	39,290,000	36,783,000	2,507,000	35,026,000	1,757,000
Less operating expenses	60,910,000	57,620,000	3,290,000	54,969,000	2,651,000
Operating loss	(21,620,000)	(20,837,000)	(783,000)	(19,943,000)	(894,000)
Nonoperating revenues (expenses)					
State appropriations	23,689,000	22,348,000	1,341,000	22,097,000	251,000
Property taxes	1,026,000	1,029,000	(3,000)	990,000	39,000
Investment Income	1,039,000	566,000	473,000	381,000	185,000
Contribution in aid of construction	-	1,340,000	(1,340,000)	-	1,340,000
Termination of lease	-	1,379,000	(1,379,000)	-	1,379,000
Interest on capital related debt	(1,548,000)	(2,083,000)	535,000	(2,081,000)	(2,000)
Other	215,000	(117,000)	332,000	(7,000)	(110,000)
Total nonoperating revenues, net	24,421,000	24,462,000	(41,000)	21,380,000	3,082,000
Income before other revenue	2,801,000	3,625,000	(824,000)	1,437,000	2,188,000
Additions to endowments	914,000	1,276,000	(362,000)	203,000	1,073,000
Total increase in net assets	3,715,000	4,901,000	(1,186,000)	1,640,000	3,261,000
Net assets, beginning of year	56,593,000	51,692,000	4,901,000	52,089,000	(397,000)
Net assets, end of year	\$ 60,308,000	56,593,000	3,715,000	53,729,000	2,864,000

For fiscal year 2006, operating revenues include approximately \$24 million in net tuition and fees, \$9.4 million in Federal, State and local grants and contracts, and \$5.1 million in auxiliary enterprises. The most significant sources of operating revenues for the College are tuition and fees, representing 62% and 59% of total operating revenues in 2006 and 2005, respectively. Increases in tuition rates have occurred over the past three years to offset reductions in State funding levels. These rate increases have contributed to the increase in tuition and fees of \$3.2 million and \$1.8 million in 2006 and 2005, respectively. Federal financial aid grants, which account for an average of \$7.5 million, or 80% of all Federal grants annually, have increased over the past two years as students rely on Federal assistance to offset rising tuition costs. The revenue from auxiliary enterprises consists of revenues from college-operated student housing and food services, leases on bookstore facilities, commissions on bookstore sales and vending machines, and rental of retail storefronts.

Operating expenses consist mainly of personnel costs, which average 64% of total operating expenses annually. Below is a table of operating expenses for the fiscal years ended August 31 (rounded to the nearest thousand):

	<u>2006</u>	<u>2005</u> <u>Restated</u>	<u>Increase</u> <u>(Decrease)</u> <u>2006-2005</u>	<u>2004</u>	<u>Increase</u> <u>(Decrease)</u> <u>2005-2004</u>
Instruction and support	\$ 35,206,000	33,181,000	2,025,000	31,478,000	1,703,000
Institutional support	6,079,000	5,351,000	728,000	4,984,000	367,000
Operation and maintenance of plant	4,615,000	4,815,000	(200,000)	3,894,000	921,000
Auxiliary enterprises	6,528,000	6,035,000	493,000	4,956,000	1,079,000
Depreciation	2,499,000	2,432,000	67,000	2,266,000	166,000
Scholarships and fellowships	<u>5,983,000</u>	<u>5,806,000</u>	<u>177,000</u>	<u>6,004,000</u>	<u>(198,000)</u>
Total operating expenses	<u>\$ 60,910,000</u>	<u>57,620,000</u>	<u>3,290,000</u>	<u>53,582,000</u>	<u>4,038,000</u>

Total operating expenses increased \$3.3 million from 2005 due primarily to increased payroll of \$2.2 million, increased utilities expenses of \$339,000 and other miscellaneous expense increases. Total operating expenses increased \$2.5 million from 2004 also due to payroll increases of \$1.5 million of which \$1 million is included in instruction.

Operation and maintenance of plant slightly decreased from 2005 to 2006 due to a decrease in repairs and maintenance performed. Operation and maintenance of plant increased from 2004 to 2005 due to the increased costs of operating the new buildings brought into operations in fiscal years 2004 and 2003. Auxiliary enterprises expenses increased by \$677,000 primarily due to continued increasing costs of operating and maintaining campus housing of approximately \$393,000.

Nonoperating revenue (expenses) decreased \$269,000 in 2006 as compared to an increase of \$3.1 million in 2005. Fiscal year 2006 State appropriations increased due to additional appropriations for the College's Sealy campus and prior year reallocation of employee insurance appropriations. Investment earnings increased each year due to higher interest rates. Fiscal year 2005 nonoperating revenues included \$1.3 million in proceeds from the termination of the City of Bryan, Texas capital lease and \$1.3 million in contributions received from the Schulenburg Economic Development Corporation for construction of the classroom building on the Schulenburg Campus. Interest on capital related debt decreased in fiscal year 2006 as the College refunded their capital lease obligations in fiscal year 2005 resulting in annual interest savings.

Statement of Cash Flow

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

	<u>2006</u>	<u>2005</u>	Increase (Decrease) <u>2006-2005</u>	<u>2004</u>	Increase (Decrease) <u>2005-2004</u>
Cash provided by (used in):					
Operating activities	\$ (15,572,000)	(14,755,000)	(817,000)	(14,530,000)	(225,000)
Non-capital financing activities	21,932,000	21,626,000	306,000	20,788,000	838,000
Capital and related financing activities	(5,720,000)	(4,489,000)	(1,231,000)	(6,866,000)	2,377,000
Investing activities	<u>476,000</u>	<u>516,000</u>	<u>(40,000)</u>	<u>(5,817,000)</u>	<u>6,333,000</u>
Net increase (decrease) in cash and cash equivalents	1,116,000	2,898,000	(1,782,000)	(6,425,000)	9,323,000
Cash and cash equivalents, beginning of year	<u>20,342,000</u>	<u>17,444,000</u>	<u>2,898,000</u>	<u>23,869,000</u>	<u>(6,425,000)</u>
Cash and cash equivalents, end of year	<u>\$ 21,458,000</u>	<u>20,342,000</u>	<u>1,116,000</u>	<u>17,444,000</u>	<u>2,898,000</u>

The College's cash flow from operations will normally reflect a decrease as the College relies heavily on State appropriations to fund operating activities. State appropriations are shown as non-capital financing activities in accordance with generally accepted accounting principles. Cash inflows primarily consist of cash receipts from tuition and fees while cash outflows primarily consist of cash disbursements for wages, benefits, supplies and scholarships.

The increase in cash used in operations in 2006 and 2005 is primarily due to increases in salaries and benefits paid to employees and payments to suppliers for goods and services offset by increased tuition and fees paid by students.

In addition to State appropriations, non-capital financing activities include property tax receipts and additions to permanent endowments. Additions to endowments will vary between periods based on donor contributions.

Variations in cash used for capital and related financing activities are dependent on the College's issuance and payment of long-term debt and capital acquisitions. In 2006 and 2005, the College spent \$1.1 million and \$3 million in capital acquisitions and \$4.5 million and \$4 million on scheduled debt service payments, respectively. Additionally, in 2005, the College received \$2.6 million in proceeds related to a capital lease termination and contributions in aid of construction.

Capital Assets and Debt Administration

During fiscal year 2006, the College purchased \$1.1 million in capital assets, including \$334,000 for land adjoining the Brenham Campus, \$190,000 for the expansion of a classroom on the Schulenburg Campus and \$113,000 for various vehicles.

During fiscal year 2005, the College constructed a new \$1.25 million classroom building on the Schulenburg Campus as well as opened the Sealy Campus by renovating an outlet mall at a cost of approximately \$200,000. In addition, the College purchased a parcel of land in Bryan, Texas for approximately \$165,000 and completed renovations on the Bryan Campus of approximately \$600,000.

The College issued \$11.8 million of Combined Fee Revenue Bonds, Series 2005 in fiscal year 2005 in order to exercise the purchase option on the Bryan Campus lease with the City of Bryan, Texas and purchase the related land. Proceeds of approximately \$10.8 million from the Series 2005 bonds were used to purchase title to the Bryan Campus land and buildings. Scheduled principal payments on the various bond issues totaled \$3 million in 2006 and 2005.

Future Considerations

The College increased tuition and fees again in 2006 to offset the reduction in State funding and to maintain quality education for its students. There was a modest increase in State appropriations to the College. The Board of Trustees is committed to providing high levels of quality education services either by increasing local funds or by containing expenses, or through a combination of both methods. The next fiscal year is the second of the biennium and includes no increase in State appropriations. The State legislature and the Legislative Budget Board continue to review the process of allocating employee health coverage to community colleges. Reductions in current funding levels would have a negative impact on revenues and operations. However, it is being reported that the legislature will have a surplus as they begin preparation of the 2008-2009 budget.

Contacting the College's Financial Management

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

BLINN COLLEGE
Statements of Net Assets
August 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 14,167,601	14,207,100
Accounts receivable	7,872,537	7,595,682
Interest and dividends receivable	104,281	82,178
Inventories	13,702	10,911
Other assets	9,979	13,861
Total current assets	<u>22,168,100</u>	<u>21,909,732</u>
Noncurrent assets:		
Restricted endowment and other cash and cash equivalents	2,545,339	1,994,639
Restricted debt service cash and cash equivalents	4,745,175	4,140,668
Restricted endowment investments	6,408,534	5,958,268
Capital assets, net:		
Not subjected to depreciation	5,823,579	5,479,799
Subjected to depreciation	<u>74,793,347</u>	<u>76,226,877</u>
Total noncurrent assets	<u>94,315,974</u>	<u>93,800,251</u>
Total assets	<u>\$ 116,484,074</u>	<u>115,709,983</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,123,358	1,664,244
Funds held for others - agency	553,472	506,616
Deferred revenues	15,145,553	14,617,559
Deposits	404,525	346,900
Bonds payable - current portion	<u>3,002,604</u>	<u>3,032,604</u>
Total current liabilities	<u>20,229,512</u>	<u>20,167,923</u>
Noncurrent liabilities -		
bonds payable	<u>35,946,567</u>	<u>38,949,171</u>
Total liabilities	<u>56,176,079</u>	<u>59,117,094</u>
Net assets:		
Invested in capital assets, net of related debt	41,667,755	39,724,901
Restricted for:		
Nonexpendable - endowments	7,810,035	6,920,807
Expendable:		
Endowments	1,090,720	1,029,306
Student aid	530,099	286,577
Debt service	4,745,175	4,140,668
Star of the Republic Museum	299,157	334,565
Unrestricted	<u>4,165,054</u>	<u>4,156,065</u>
Total net assets, as restated for 2005	<u>\$ 60,307,995</u>	<u>56,592,889</u>

See accompanying notes to basic financial statements.

BLINN COLLEGE

Statements of Revenues, Expenses and Changes in Net Assets
August 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Operating revenues:		
Student tuition and fees, net of discounts of \$4,440,371 for 2006 and \$3,856,210 for 2005	\$ 24,226,886	21,564,591
Federal grants and contracts	8,872,495	8,983,509
State and local grants and contracts	500,447	611,671
Sales and services of educational activities	341,769	199,473
Auxiliary enterprises, net of discounts of \$565,535 for 2006 and \$484,310 for 2005	5,104,338	5,395,202
Other operating revenues	243,542	28,894
Total operating revenues (Schedule A)	<u>39,289,477</u>	<u>36,783,340</u>
Operating expenses:		
Instruction	26,589,042	24,125,258
Public service	1,212,102	1,587,325
Academic support	3,381,799	3,823,899
Student services	4,022,522	3,644,850
Institutional support	6,079,205	5,350,706
Operation and maintenance of plant	4,615,001	4,815,090
Scholarships and fellowships	5,983,280	5,805,655
Auxiliary enterprises	6,528,044	6,035,157
Depreciation	2,498,790	2,432,548
Total operating expenses (Schedule B)	<u>60,909,785</u>	<u>57,620,488</u>
Operating loss	<u>(21,620,308)</u>	<u>(20,837,148)</u>
Nonoperating revenue (expenses):		
State appropriations	23,689,411	22,347,845
Property taxes	1,026,406	1,029,203
Gain on disposal of capital lease		110,250
Proceeds from termination of capital lease		1,268,465
Contributions in aid of construction		1,340,035
Federal grant related to capital debt	16,094	16,094
Unrealized loss on investments	(55,370)	(44,630)
Investment income	1,039,257	610,563
Gain on disposal of capital assets	253,603	60,891
Interest on capital related debt	(1,548,188)	(2,083,294)
Bond issuance costs		(193,693)
Total nonoperating revenues, net (Schedule C)	<u>24,421,213</u>	<u>24,461,729</u>
Income before other revenue	2,800,905	3,624,581
Other revenue - additions to permanent endowments	<u>914,201</u>	<u>1,276,340</u>
Increase in net assets, as restated for 2005	3,715,106	4,900,921
Net assets, beginning of year, as restated for 2005	<u>56,592,889</u>	<u>51,691,968</u>
Net assets, end of year, as restated for 2005	<u>\$ 60,307,995</u>	<u>56,592,889</u>

See accompanying notes to basic financial statements.

BLINN COLLEGE

Statements of Cash Flows
August 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Cash flows from operating activities:		
Receipts from students and other customers	\$ 29,846,892	27,677,814
Receipts from grants and contracts	9,560,527	9,356,129
Payments to or on behalf of employees	(35,265,895)	(33,648,356)
Payments to suppliers for goods and services	(13,973,409)	(12,364,222)
Payments for scholarships	(5,983,280)	(5,805,655)
Other cash receipts	<u>243,542</u>	<u>28,894</u>
Net cash used by operating activities	<u>(15,571,623)</u>	<u>(14,755,396)</u>
Cash flows from non-capital financing activities:		
Receipts from State appropriations	19,961,205	19,226,680
Proceeds from property taxes	1,020,542	1,037,580
Additions to permanent endowments	<u>950,642</u>	<u>1,361,613</u>
Net cash provided by non-capital financing activities	<u>21,932,389</u>	<u>21,625,873</u>
Cash flows from capital and related financing activities:		
Proceeds from issuance of capital debt		1,268,465
Contributions received in aid of construction		1,340,035
Purchases of capital assets	(1,139,343)	(3,019,524)
Payments on capital debt and leases	(4,580,792)	(3,994,851)
Bond issue costs paid on new debt issue, net		<u>(83,443)</u>
Net cash used by capital and related financing activities	<u>(5,720,135)</u>	<u>(4,489,318)</u>
Cash flows from investing activities:		
Purchases of investments	(1,505,636)	(2,002,335)
Sales of investments	1,000,000	2,006,432
Investment income	<u>980,713</u>	<u>512,540</u>
Net cash provided by investing activities	<u>475,077</u>	<u>516,637</u>
Increase in cash and cash equivalents	1,115,708	2,897,796
Cash and cash equivalents, beginning of year	<u>20,342,407</u>	<u>17,444,611</u>
Cash and cash equivalents, end of year	<u>\$ 21,458,115</u>	<u>20,342,407</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (21,620,308)	(20,837,148)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	2,498,790	2,432,548
Noncash State appropriations for employee benefits	3,728,206	3,121,165
Changes in assets and liabilities:		
Receivables, net	(270,991)	(1,539,175)
Inventories	(2,791)	9,998
Other assets	3,882	(542)
Accounts payable	(540,886)	239,086
Funds held for others - agency	46,856	262,910
Deferred revenues	527,994	1,552,042
Deposits	<u>57,625</u>	<u>3,720</u>
Net cash used by operating activities	<u>\$ (15,571,623)</u>	<u>(14,755,396)</u>

See accompanying notes to basic financial statements.

BLINN COLLEGE

Notes to Basic Financial Statements August 31, 2006 and 2005

1. Reporting Entity

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

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

The Blinn College Foundation (the Foundation) is a legally separate not-for-profit organization with the sole purpose of supporting the educational and other activities of the College. The College does not appoint any of the Foundation's Board members nor does it fund or is it obligated to pay debt related to the Foundation. The Foundation solicits donations and acts as coordinator of gifts made by other parties. The College furnished certain services, such as office space, supplies and staff assistance to the Foundation amounting to approximately \$280,000 and \$245,000 for the years ended August 31, 2006 and 2005, respectively. The costs of these services were not significant to the College. The financial position of the Foundation is not significant to the College; therefore, it is not included in the College's basic financial statements.

2. Summary of Significant Accounting Policies

Reporting guidelines

The basic financial statements of the College are presented in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government*, Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. The College is reported as a special government engaging in business type activities. The basic financial statement presentation provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows. The basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The significant accounting policies followed by the College in preparing these basic financial statements are in accordance with the Texas Higher Education Coordinating Board's (THECB) *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*. The College applies all applicable GASB pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless they conflict or contradict GASB pronouncements. The College has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Tuition discounting

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

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

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

Basis of accounting

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

Net assets: The College's net assets are classified as follows:

Invested in capital assets, net of related debt: This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

Restricted net assets - nonexpendable: Restricted nonexpendable net assets are subject to externally imposed provisions that they be maintained permanently by the College. The corpus of the College's endowments are included in nonexpendable net assets.

Restricted net assets - expendable: Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, State appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the Board of Trustees to meet current expenses for any purpose. These resources also include auxiliary enterprises which are substantially self-supporting activities that provide services for students, faculty and staff.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Budgetary data

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

Cash and cash equivalents

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

Investments

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

Inventories

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

Capital assets

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

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

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Collections

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

Deferred revenues

Deferred revenues primarily consisting of tuition, fees and housing charges, relate to academic terms in the next fiscal year and as such, have been deferred. Deferred revenue also includes amounts received from grant and contract sponsors that have not yet been earned.

Classification of revenues and expenses

The College defines operating activities, for purposes of reporting on the statement of revenues, expenses, and changes in net assets, as those activities that generally result from exchange transactions, such as payments received for providing services and payments made for goods or services received. With the exception of interest expense on long-term indebtedness, substantially all College expenses are considered to be operating expenses. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenues, as defined by GASB Statement No. 35, including State appropriations, property tax, and investment income.

Management estimates

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

Income taxes

The College is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities, Etc.*, although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The College's unrelated business income tax is immaterial to the overall basic financial statements for the years ended August 31, 2006 and 2005.

Reclassifications

Certain 2005 amounts have been reclassified to conform to current year presentation.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

3. Change in Accounting Principle

In accordance with the THECB's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, for the year ended August 31, 2005 and prior years, the College did not depreciate library books. Based on the THECB's *Annual Financial Reporting Requirements for Texas Public Community and Junior Colleges*, the College changed its method of depreciation of library books effective September 1, 2005. The following adjustment has been made to reflect the cumulative effect of the accounting change:

Net assets - invested in capital assets, net of related debt:	
Balance, as previously reported at August 31, 2005	\$ 41,880,283
Less accumulated depreciation - library books at August 31, 2004	(2,036,666)
Less library book depreciation for fiscal year 2005	<u>(118,716)</u>
Balance, as restated at August 31, 2005	\$ <u>39,724,901</u>

4. Authorized Investments

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

5. Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's investment policy requires pledging of collateral for all bank balances in excess of Federal Depository Insurance Corporation (FDIC) limits at a minimum of 102% of market value. As of August 31, 2006, \$100,477 of the College's bank balances of \$6,812,447 was uninsured and uncollateralized and exposed to custodial credit risk.

The following table presents cash and cash equivalents included in exhibit 1, statement of net assets, as of August 31:

	<u>2006</u>	<u>2005</u>
Cash and cash equivalents:		
Petty cash	\$ 9,441	8,741
Demand deposits	6,330,524	6,585,181
Investment pools:		
Lone Star Investment Pool	5,649,699	3,414,149
TexPool	7,328,183	5,046,815
TexSTAR	<u>2,140,268</u>	<u>5,287,521</u>
Cash and cash equivalents	\$ <u>21,458,115</u>	<u>20,342,407</u>

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Investments

The College had the following investments as of August 31:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	
		<u>2006</u>	<u>2005</u>
Federal Home Loan Bank Equities	9/28/2007 - 10/19/2009	\$ 5,903,034	5,958,268
		<u>505,500</u>	<u> </u>
Total investments		\$ <u>6,408,534</u>	<u>5,958,268</u>

Interest risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods can be subjected to increased risk of adverse interest rate changes. In accordance with its investment policy, the College limits its exposure to interest rate risk by structuring its portfolio to provide liquidity for operating funds and maximizing yields for funds not immediately needed. The investment policy limits the maximum maturity on any security to seven years. To the extent possible, the College shall attempt to match its investments with anticipated future cash flow. Unless matched to a specific cash flow, the College shall not directly invest in securities maturing more than three years from the date of purchase.

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

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The College places no limit on the amount the College may invest in any one issuer. At August 31, 2006 and 2005, the College had approximately \$6 million of its investment portfolio in Federal Home Loan Bank obligations, which mature through October 2009.

During fiscal year 2006, a donor remitted shares in a Company to the College to establish an endowed scholarship. The shares have a fair value of \$505,500 at August 31, 2006. Securities donated to an investing entity for a particular purpose or under terms of use specified by the donor, are not subject to the requirements of the Public Funds Investment Act. The College will amend its investment policy to allow, at the Board of Trustees discretion, the College to hold donated equities for endowed scholarships.

6. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	<u>2006</u>	<u>2005</u>
Student tuition and fees	\$ 7,221,895	6,763,318
Ad valorem taxes	82,767	76,902
Federal grants	497,085	438,875
State grants	8,909	11,750
Other receivables	<u>61,881</u>	<u>304,837</u>
Total	\$ <u>7,872,537</u>	<u>7,595,682</u>

The College uses the direct write-off method for uncollectible student tuition and fees and accordingly, no allowance has been established as of August 31, 2006 and 2005.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Payables consist of the following at August 31:

	<u>2006</u>	<u>2005</u>
Vendors payable	\$ 773,652	1,322,710
Other payables	<u>349,706</u>	<u>341,534</u>
Total	<u>\$ 1,123,358</u>	<u>1,664,244</u>

7. Capital Assets

Capital assets' activities for the years ended August 31:

	<u>2006</u>			<u>Balance August 31, 2006</u>
	<u>Balance September 1, 2005, as restated</u>	<u>Increase</u>	<u>Decrease</u>	
Capital assets not subject to depreciation:				
Land	\$ 4,857,896	334,450		5,192,346
Collections	<u>621,903</u>	<u>9,330</u>		<u>631,233</u>
Total not depreciated	<u>5,479,799</u>	<u>343,780</u>	<u>-</u>	<u>5,823,579</u>
Capital assets subject to depreciation:				
Buildings	86,300,144	84,460		86,384,604
Land improvements	3,729,019	105,896		3,834,915
Furniture, equipment and vehicles	3,593,291	394,805	(72,050)	3,916,046
Computer equipment	2,629,030	356,365	(118,309)	2,867,086
Library books	<u>3,246,074</u>	<u>92,261</u>		<u>3,338,335</u>
Total depreciated	<u>99,497,558</u>	<u>1,033,787</u>	<u>(190,359)</u>	<u>100,340,986</u>
Less accumulated depreciation:				
Buildings	14,605,281	1,523,354		16,128,635
Land improvements	2,648,836	78,520		2,727,356
Furniture, equipment and vehicles	1,764,178	387,497	(10,064)	2,141,611
Computer equipment	2,097,004	380,929	(211,768)	2,266,165
Library books	<u>2,155,382</u>	<u>128,490</u>		<u>2,283,872</u>
Total accumulated depreciation	<u>23,270,681</u>	<u>2,498,790</u>	<u>(221,832)</u>	<u>25,547,639</u>
Net capital assets	<u>\$ 81,706,676</u>	<u>(1,121,223)</u>	<u>31,473</u>	<u>80,616,926</u>

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

	2005			Balance August 31, 2005, as restated
	Balance September 1, 2004	Increase	Decrease	
Capital assets not subject to depreciation:				
Land	\$ 4,692,848	165,048		4,857,896
Collections	<u>619,631</u>	<u>2,272</u>		<u>621,903</u>
Total not depreciated	<u>5,312,479</u>	<u>167,320</u>	<u>-</u>	<u>5,479,799</u>
Capital assets subject to depreciation:				
Buildings	84,239,493	2,060,651		86,300,144
Land improvements	3,401,900	327,119		3,729,019
Furniture, equipment and vehicles	3,559,656	91,236	(57,601)	3,593,291
Computer equipment	2,572,008	110,008	(52,986)	2,629,030
Library books	<u>3,103,049</u>	<u>143,025</u>		<u>3,246,074</u>
Total depreciated	<u>96,876,106</u>	<u>2,732,039</u>	<u>(110,587)</u>	<u>99,497,558</u>
Less accumulated depreciation:				
Buildings	13,103,663	1,503,958	(2,340)	14,605,281
Land improvements	2,611,581	37,255		2,648,836
Furniture, equipment and vehicles	1,634,888	371,520	(242,230)	1,764,178
Computer equipment	1,759,072	401,099	(63,167)	2,097,004
Library books	<u>2,036,666</u>	<u>118,716</u>		<u>2,155,382</u>
Total accumulated depreciation	<u>21,145,870</u>	<u>2,432,548</u>	<u>(307,737)</u>	<u>23,270,681</u>
Net capital assets	\$ <u>81,042,715</u>	<u>466,811</u>	<u>197,150</u>	<u>81,707,676</u>

8. Noncurrent Liabilities

Noncurrent liabilities activities for the years ended August 31:

	2006				Balance August 31, 2006	Current Portion
	Balance September 1, 2005	Additions	Payments			
Bonds payable	\$ 41,565,000		(2,995,000)		38,570,000	2,965,000
Unamortized bond premium	<u>416,775</u>		<u>(37,604)</u>		<u>379,171</u>	<u>37,604</u>
Total	\$ <u>41,981,775</u>	<u>-</u>	<u>(3,032,604)</u>		<u>38,949,171</u>	<u>3,002,604</u>

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

	2005				
	Balance September 1, 2004	Additions	Payments	Balance August 31, 2005	Current Portion
Bonds payable	\$ 31,745,000	11,815,000	(1,995,000)	41,565,000	2,995,000
Capital leases	12,148,332		(12,148,332)	-	
Unamortized bond premium		416,775		416,775	37,604
Total	\$ <u>43,893,332</u>	<u>12,231,775</u>	<u>(14,143,332)</u>	<u>41,981,775</u>	<u>3,032,604</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 Refunding Bonds, Series 2005

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2005
- To pay the costs of acquisition, construction, improvement and equipment of College facilities and the acquisition of sites therefore, including payment of the College's obligation created by the College's exercise of its purchase option under the lease agreement between the College and the City of Bryan, Texas in connection with the City of Bryan Lease Revenue Bonds Series 1995; to fund the reserve funds; and to pay the related costs of issuance
- Issued July 6, 2005
- \$11,815,000, all authorized bonds have been issued
- Interest rates range from 3.5% to 5.125%
- Source of revenue for debt service - designated portion of tuition and fees
- Outstanding bonds payable at August 31, 2006 and 2005 of \$10,895,000 and \$11,815,000, respectively
- A premium of \$416,775 is being amortized over the life of the bonds
- The College received \$1,268,465 from the City of Bryan, Texas. These funds represent the difference between the monthly capital lease payments made by College for the lease of the Bryan Campus and the debt service payments made by the City of Bryan, Texas.

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

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Combined Fee Revenue Refunding Bonds, Series 2003

- Washington County Junior College District Combined Fee Revenue Refunding Bonds, Series 2003
- To refund \$4,300,000 of Combined Fee and Revenue Bonds, Series 1993
- Issued January 1, 2003
- \$4,475,000, all authorized bonds have been issued
- Interest rates range from 3% to 4.3%
- Source of revenue for debt service - designated portion of tuition and registration charges, other fee charges and designated revenues
- Outstanding bonds payable at August 31, 2006 and 2005 of \$2,945,000 and \$3,440,000, respectively
- Net proceeds from refunding bonds \$4,406,739; after payment of \$94,344 in underwriting fees, insurance, and other issuance costs
- The 1993 Series bond are considered fully defeased and the liability for those bonds has been removed from the financial statements
- Advanced refunding of the 1993 Series bonds reduced the Colleges debt service payments over the next 15 years by approximately \$230,000
- Economic gain of approximately \$170,000 is a difference between the net present value of the old and new debt service payments

Combined Fee Revenue Bonds, Series 2002

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2002
- To construct and equip student apartment housing and construct, renovate and equip academic buildings and parking lots
- Issued May 1, 2002
- \$15,355,000, all authorized bonds have been issued
- Interest rates range from 2.5% to 5.125%
- Source of revenue for debt service - designated portion of tuition and registration charges, other fee charges and designated revenues
- Outstanding bonds payable at August 31, 2006 and 2005 of \$12,500,000 and \$13,330,000, respectively

Combined Fee Revenue Bonds, Series 1999

- Washington County Junior College District Combined Fee Revenue Bonds, Series 1999
- To construct new academic and student service facilities and student apartment housing
- Issued December 1, 1998
- \$6,110,000, all authorized bonds have been issued
- Interest rates range from 4.2% to 4.85%
- Source of revenue for debt service - designated portion of tuition and registration charges, building use fees, other fee charges and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2006 and 2005 of \$4,115,000 and \$4,485,000, respectively

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Combined Fee Revenue Bonds, Series 1998

- Washington County Junior College District Combined Fee Revenue Bonds, Series 1998
- To construct new academic and student service facilities and student apartment housing
- Issued November 15, 1998
- \$9,870,000, all authorized bonds have been issued
- Interest rates range from 4% to 4.75%
- Source of revenue for debt service - designated portion of tuition and registration charges, building use fees, other fee charges and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2006 and 2005 of \$8,115,000 and \$8,495,000, respectively

Under each bond issue, the College is to maintain a reserve account equal to the maximum annual principal and interest requirements on all bonds. The College has 60 months to establish this reserve fund. The reserve account balance at August 31, 2006 is \$4,745,175, which meets the full reserve requirement. The Series 2002 and 2003 bonds require the College to maintain adequate insurance coverage. All premiums have been paid.

Combined bond debt service requirements

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 2,965,000	1,607,609	4,572,609
2008	3,075,000	1,502,724	4,577,724
2009	2,890,000	1,390,311	4,280,311
2010	2,990,000	1,282,272	4,272,272
2011	3,060,000	1,164,549	4,224,549
2012-2016	13,160,000	3,967,023	17,127,023
2017-2021	8,910,000	1,342,568	10,252,568
2022-2023	<u>1,520,000</u>	<u>78,925</u>	<u>1,598,925</u>
Total	\$ <u>38,570,000</u>	<u>12,335,981</u>	<u>50,905,981</u>

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

10. Unrestricted Net Assets

The College designates a portion of unrestricted net assets to indicate management's tentative plans for future use of financial resources. At August 31, 2006 and 2005, \$33,504 and \$32,064 of unrestricted net assets were designated for future capital projects, respectively.

11. Employees' Retirement Plans

The State has joint contributory retirement plans for almost all of its employees. One of the primary plans in which the College participates is administered by the Teacher Retirement System of Texas (TRS). The percentages of participant salaries currently contributed by the State and by each participant are 6.0% and 6.4%, respectively, of annual compensation.

TRS does not separately account for each of its component government agencies, because it bears sole responsibility for retirement commitments beyond contributions fixed by the State Legislature. Further information regarding actuarial assumptions and conclusions, together with audited financial statements are included in the TRS's annual financial report.

The State has also established an optional retirement program (ORP) for institutions of higher education. Participation in the optional retirement program is in lieu of participation in TRS. The optional retirement program provides for the purchase of annuity contracts. The percentages of participant salaries currently contributed by the State and each participant are 6.0% and 6.65%, respectively. The College contributes 2.5% 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. Since these are individual contracts, the State has no additional or unfunded liability for this program.

The retirement expense to the State for the College was \$1,415,425 and \$1,324,535 for the years ended August 31, 2006 and 2005, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the College.

The total payroll for all College employees was \$30,793,902 and \$29,138,671 for the fiscal years ended August 31, 2006 and 2005, respectively. The total payroll of employees covered by the TRS was \$12,667,617 and \$11,705,219, and the total payroll of employees covered by ORP was \$10,824,704 and \$10,469,780 for the fiscal years ended August 31, 2006 and 2005, respectively.

12. Deferred Compensation Program

The College's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. This plan is essentially an unfunded promise to pay by the employer to each of the plan participants. At August 31, 2006 and 2005, the College had no employees electing to defer compensation.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

13. Post Retirement Health Care and Life Insurance Benefits

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for retired employees. Almost all of the employees may become eligible for those benefits if they reach normal retirement age while working for the State. Those and similar benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during 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 \$305 to \$671 per month for the year ended August 31, 2006 and \$270 to \$616 per month for the year ended August 31, 2005, depending on the coverage elected. The State's contribution totaled \$2,958,131 and \$2,415,852, for the years ended August 31, 2006 and 2005, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees.

14. Compensated Absences

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

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

15. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with accounting principles generally accepted in the United States of America. Funds received but not expended during the reporting period are deferred until earned. Revenues are recognized on the statements of revenues, expenses, and changes in net assets as funds are actually expended. For contracts and grant awards, funds expended but not collected are reported as receivables on the statements of net assets. Contract and grant awards that are not yet funded and for which the College has not yet performed services are not included in the financial statements.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

16. Property Tax

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

	<u>2006</u>	<u>2005</u>
Assessed valuation of the College	\$ 2,060,334,424	1,919,446,838
Less exemptions	<u>(279,516,616)</u>	<u>(43,567,229)</u>
Net assessed valuation of the College	<u>\$ 1,780,817,808</u>	<u>1,875,879,609</u>

	2006		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ 0.051	-	0.051
Tax rate per \$100 valuation assessed	0.051	-	0.051

	2005		
	<u>Current Operations</u>	<u>Debt Service</u>	<u>Total</u>
Tax rate per \$100 valuation for authorized	\$ 0.05520	-	0.05520
Tax rate per \$100 valuation assessed	0.05520	-	0.05520

Tax levied for the years ended August 31, 2006 and 2005 is \$1,028,213 and \$1,037,501, respectively (which includes any penalty and interest assessed if applicable). Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed.

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

<u>Taxes collected at August 31</u>	<u>2006</u>	<u>2005</u>
Current	\$ 987,526	992,875
Delinquent	19,054	26,651
Penalties and interest	<u>13,962</u>	<u>18,054</u>
Total collections	<u>\$ 1,020,542</u>	<u>1,037,580</u>

Tax collections for the year ended August 31, 2006 and 2005 were 96% of the current tax levy. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or interest and sinking fund expenditures.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

17. Operating Leases

The College leases two facilities related to the Bryan Campus and one facility related to the Sealy Campus under non-cancellable leases expiring through May 2008 with future minimum payments as of August 31, 2006 as follows:

<u>Fiscal Year</u>	
2007	\$ 128,100
2008	<u>78,800</u>
	\$ <u>206,900</u>

Rental expense was approximately \$154,000 and \$108,000 for the years ended August 31, 2006 and 2005, respectively.

The College leases retail space to various tenants expiring through November 2008 for property near the Bryan Campus. These leases were assumed by the College with the purchase of the property. Future minimum rental income as of August 31, 2006 under the agreements are as follows:

<u>Fiscal Year</u>	
2007	\$ 41,600
2008	<u>9,450</u>
	\$ <u>51,050</u>

Rental income was approximately \$119,000 and \$116,000 for the years ended August 31, 2006 and 2005, respectively.

18. Contingent Liabilities

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

19. Self Insurance

Effective September 1, 2003, the College began participating in a public entity risk pool for workers compensation. The participants of the pool include several other public junior and community colleges. The plan provides coverage to each participant with the College's individual loss fund maximum of \$387,824 and \$215,013 at August 31, 2006 and 2005, respectively, which is based on estimated payroll.

The liability for claims incurred by not reported under the self-insured plan is \$146,689 and \$163,237 as of August 31, 2006 and 2005, respectively, and is included in the accompanying statements of net assets. Future payments for the incurred claims will be paid from the accrued liability.

Continued

BLINN COLLEGE

Notes to Basic Financial Statements, Continued

Self-insurance activity for the years ended August 31, 2006 and 2005 was as follows:

Accrued Claim Liability for the Year Ended <u>August 31</u>	Balance of Liability at Beginning of <u>Fiscal Year</u>	<u>Additions</u>	<u>Reductions for Claims Paid</u>	Cumulative Balance of Liability at End of <u>Fiscal Year</u>
2005	\$ 115,142	195,997	(30,203)	280,936
2006	<u>280,936</u>	<u>240,276</u>	<u>(106,693)</u>	<u>414,519</u>

20. Recent Accounting Pronouncements

In May 2004, GASB issued Statement No. 44, *Economic Condition Reporting: The Statistical Section - an Amendment to NCGA Statement 1*. This statement amends the portions of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles that guide the presentation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to basic financial statements, and required supplementary information to assess the economic condition of a government. The statistical section is a required part of a comprehensive annual financial report (CAFR), although governments are not required to prepare a statistical section if they do not present their basic financial statements in a CAFR. These circumstances are not altered by the Statement. However, this Statement does apply to any statistical information that accompanies a government's basic financial statements. Unaudited statistical information accompanies the College's basic financial statements. Accordingly, this statement was implemented by the College during the fiscal year ended August 31, 2006.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*. This statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of State and local governmental employers. This statement is effective for periods beginning after December 15, 2006. College management has not yet determined the impact that implementation of GASB Statement No. 45 will have on the College's basic financial statements.

BLINN COLLEGE

Schedule of Operating Revenues
Year Ended August 31, 2006
(With Memorandum Totals for the Year Ended August 31, 2005)

	2006					2005 Total
	Educational Activities		Educational Activities	Auxiliary Enterprises	Total	
	Unrestricted	Restricted				
Tuition:						
In-district resident tuition	\$ 439,975		439,975		439,975	317,602
Out-of-district resident tuition	15,122,858		15,122,858		15,122,858	12,053,857
TPEG (set aside) *	991,896		991,896		991,896	797,795
Non-resident tuition	1,277,791		1,277,791		1,277,791	1,116,035
State funded continuing education	242,680		242,680		242,680	246,016
Non-State funded continuing education	378,732		378,732		378,732	201,838
Total tuition	<u>18,453,932</u>	-	<u>18,453,932</u>	-	<u>18,453,932</u>	<u>14,733,143</u>
Fees:						
General fee	7,381,834		7,381,834	1,302,677	8,684,511	9,165,422
Laboratory and course fees	597,020		597,020		597,020	529,365
Vehicle registration fees	485,294		485,294		485,294	535,340
Incidental fees	333,683		333,683		333,683	325,811
Other fees				112,817	112,817	131,720
Total fees	<u>8,797,831</u>	-	<u>8,797,831</u>	<u>1,415,494</u>	<u>10,213,325</u>	<u>10,687,658</u>
Scholarship allowances and discounts:						
Scholarship allowances	(417,827)		(417,827)		(417,827)	(757,922)
Remissions and exemptions	(391,576)		(391,576)		(391,576)	(392,718)
TPEG allowances	(375,781)		(375,781)		(375,781)	(647,389)
Federal and State grants to students	(2,910,669)		(2,910,669)		(2,910,669)	(1,941,865)
Other	(344,518)		(344,518)		(344,518)	(116,316)
Total scholarship allowances and discounts	<u>(4,440,371)</u>	-	<u>(4,440,371)</u>	-	<u>(4,440,371)</u>	<u>(3,856,210)</u>
Total net tuition and fees	<u>22,811,392</u>	-	<u>22,811,392</u>	<u>1,415,494</u>	<u>24,226,886</u>	<u>21,564,591</u>
Other operating revenues:						
Federal grants and contracts		8,872,495	8,872,495		8,872,495	8,983,509
State and local grants and contracts		500,447	500,447		500,447	611,671
Sales and services of educational activities	341,769		341,769		341,769	199,473
Other operating revenues	243,542		243,542		243,542	28,894
Total other operating revenues	<u>585,311</u>	<u>9,372,942</u>	<u>9,958,253</u>	-	<u>9,958,253</u>	<u>9,823,547</u>
Auxiliary enterprises:						
Residential life				2,528,728	2,528,728	2,379,095
Scholarship allowances and discounts				(196,324)	(187,144)	(187,144)
Net residential life	-	-	-	<u>2,332,404</u>	<u>2,332,404</u>	<u>2,191,951</u>
Cafeteria				1,947,982	1,947,982	2,305,681
Scholarship allowances and discounts				(232,243)	(232,243)	(227,184)
Net cafeteria	-	-	-	<u>1,715,739</u>	<u>1,715,739</u>	<u>2,078,497</u>
Bookstore				714,890	714,890	690,026
Scholarship allowances and discounts				(136,968)	(136,968)	(69,982)
Net bookstore	-	-	-	<u>577,922</u>	<u>577,922</u>	<u>620,044</u>
Other auxiliary	-	-	-	478,273	478,273	504,710
Total net auxiliary enterprises	-	-	-	<u>5,104,338</u>	<u>5,104,338</u>	<u>5,395,202</u>
Total operating revenues	<u>\$ 23,396,703</u>	<u>9,372,942</u>	<u>32,769,645</u>	<u>6,519,832</u>	<u>39,289,477</u>	<u>36,783,340</u>

(Exhibit 2)

(Exhibit 2)

* In accordance with Education Code §56.033, \$991,896 and \$797,795 for the years ended August 31, 2006 and 2005, respectively, of tuition was set aside for Texas Public Education Grants (TPEG).

BLINN COLLEGE

Schedule of Operating Expenses By Object
 Year Ended August 31, 2006
 (With Memorandum Totals for the Year Ended August 31, 2005)

	2006					2005 Restated Total
	Operating Expenses					
	Salaries and Wages	Benefits		Other Expenses	Total	
	State	Local				
Unrestricted - educational activities:						
Instruction	\$ 19,010,372		1,671,960	2,692,278	23,374,610	20,860,892
Public service	249,737		25,037	183,550	458,324	450,642
Academic support	2,274,432		207,314	536,353	3,018,099	3,493,249
Student services	2,694,062		235,011	568,155	3,497,228	3,162,052
Institutional support	2,968,399		282,591	1,774,443	5,025,433	4,794,651
Operation and maintenance of plant	1,163,946		427,860	3,023,195	4,615,001	4,815,090
Scholarships and fellowships				499,981	499,981	1,056,667
Total unrestricted educational activities	<u>28,360,948</u>	-	<u>2,849,773</u>	<u>9,277,955</u>	<u>40,488,676</u>	<u>38,633,243</u>
Restricted - educational activities:						
Instruction	272,588	2,449,766	139,973	352,105	3,214,432	3,264,366
Public service	420,923	41,276	112,393	179,186	753,778	1,136,683
Academic support		363,700			363,700	330,650
Student services		525,294			525,294	482,798
Institutional support	610	993,517	41,397	18,248	1,053,772	556,055
Scholarships and fellowships				5,483,299	5,483,299	4,748,988
Total restricted - educational activities	<u>694,121</u>	<u>4,373,553</u>	<u>293,763</u>	<u>6,032,838</u>	<u>11,394,275</u>	<u>10,519,540</u>
Total educational activities	<u>29,055,069</u>	<u>4,373,553</u>	<u>3,143,536</u>	<u>15,310,793</u>	<u>51,882,951</u>	<u>49,152,783</u>
Auxiliary enterprises	1,738,833		683,110	4,106,101	6,528,044	6,035,157
Depreciation expense - buildings and other real estate improvements				1,601,874	1,601,874	1,541,213
Depreciation expense - equipment, furniture and library books				896,916	896,916	891,335
Total operating expenses	<u>\$ 30,793,902</u>	<u>4,373,553</u>	<u>3,826,646</u>	<u>21,915,684</u>	<u>60,909,785</u>	<u>57,620,488</u>
				(Exhibit 2)		(Exhibit 2)

BLINN COLLEGE

Schedule of Nonoperating Revenues and Expenses
 Year Ended August 31, 2006
 (With Memorandum Totals for the Year Ended August 31, 2005)

	2006			2005 Total
	Unrestricted	Restricted	Total	
Nonoperating revenues:				
State appropriations:				
Education and general State support	\$ 19,315,855		19,315,855	18,607,458
State group insurance		2,958,131	2,958,131	2,415,852
State retirement match		1,415,425	1,415,425	1,324,535
Total State appropriations	19,315,855	4,373,556	23,689,411	22,347,845
Property taxes	1,026,406		1,026,406	1,029,203
Investment income	1,039,257		1,039,257	610,563
Federal grant related to capital debt	16,094		16,094	16,094
Gain on disposal of capital assets	253,603		253,603	60,891
Contributions in aid of construction			-	1,340,035
Proceeds from termination of capital lease			-	1,268,465
Gain on disposal of capital lease			-	110,250
Total nonoperating revenues	<u>21,651,215</u>	<u>4,373,556</u>	<u>26,024,771</u>	<u>26,783,346</u>
Nonoperating expenses:				
Interest on capital related debt	1,548,188		1,548,188	2,083,294
Bond issuance costs				193,693
Unrealized loss on investments	55,370		55,370	44,630
Total nonoperating expenses	<u>1,603,558</u>	-	<u>1,603,558</u>	<u>2,321,617</u>
Nonoperating revenues, net	<u>\$ 20,047,657</u>	<u>4,373,556</u>	<u>24,421,213</u>	<u>24,461,729</u>
			(Exhibit 2)	(Exhibit 2)

BLINN COLLEGE

Schedule of Net Assets by Source and Availability
 Year Ended August 31, 2006
 (With Memorandum Totals for the Year Ended August 31, 2005)

	Detail by Source					Capital Assets		Available for Operations	
	Unrestricted	Restricted		Non-Expendable	Total	Net of Depreciation and Related Debt	Total	Yes	No
		Expendable	Non-Expendable					Yes	No
Current:									
Unrestricted	2,397,440				2,397,440		2,397,440		
Board designated	33,504				33,504		33,504		33,504
Student aid		530,099			530,099		530,099		530,099
Star of Republic Museum		299,157			299,157		299,157		299,157
Auxiliary enterprises	1,734,110				1,734,110		1,734,110		
Endowment:									
Expendable		1,090,720		7,810,035	1,090,720		1,090,720		1,090,720
Non-expendable					7,810,035		7,810,035		7,810,035
Plant:									
Debt service		4,745,175			4,745,175		4,745,175		4,745,175
Investment in plant					41,667,755		41,667,755		41,667,755
Total net assets, August 31, 2006	4,165,054	6,665,151		7,810,035	60,307,995		4,131,550	56,176,445	
Total net assets, August 31, 2005, as restated	4,156,065	5,791,116		6,920,807	56,592,889		4,124,001	52,468,888	
Net increase in net assets	8,989	874,035		889,228	3,715,106		7,549	3,707,557	

Exhibit 2

BLINN COLLEGE

Schedule of Bonds Payable and Debt Service Requirements
Year Ended August 31, 2006

Bonds Payable

Description	Bonds Issued to Date	Range of Interest Rates	Bonds Outstanding September 1, 2005	Bonds Issued After September 1, 2005	Bonds Matured or Retired	Bonds Outstanding August 31, 2006	Maturities		First Call Date
							First Year	Last Year	
Combined Fee Revenue Bonds, Series 1998	\$ 9,870,000	4.0% - 4.75%	\$ 8,495,000		(380,000)	8,115,000	2001	2020	10/1/2008
Combined Fee Revenue Bonds, Series 1999	6,110,000	4.2% - 4.85%	4,485,000		(370,000)	4,115,000	2000	2019	10/1/2008
Combined Fee Revenue Bonds, Series 2002	15,355,000	2.5% - 5.125%	13,330,000		(830,000)	12,500,000	2003	2023	10/1/2011
Combined Fee Revenue Refunding Bonds, Series 2003	4,475,000	3.00% - 4.30%	3,440,000		(495,000)	2,945,000	2003	2018	4/1/2013
Combined Fee Revenue Bonds, Series 2005	11,815,000	3.50% - 5.125%	11,815,000		(920,000)	10,895,000	2005	2016	4/1/2013
Total	\$ 47,625,000		\$ 41,565,000	-	(2,995,000)	38,570,000			

Debt Service Requirements

Description	2007	2008	2009	2010	2011	2012-2016	2017-2021	2022-2023	Total
	Combined Fee Revenue Bonds, Series 1998	\$ 745,443	744,240	747,122	744,186	745,414	3,725,828	3,732,545	
Combined Fee Revenue Bonds, Series 1999	556,160	554,675	557,455	554,500	555,696	1,482,979	921,484		5,182,949
Combined Fee Revenue Bonds, Series 2002	1,417,606	1,414,569	1,417,969	1,414,869	1,412,744	4,618,518	3,998,034	1,598,925	17,293,234
Combined Fee Revenue Refunding Bonds, Series 2003	606,990	616,840	310,940	308,740	260,778	1,053,773	356,715		3,514,776
Combined Fee Revenue Bonds, Series 2005	1,246,410	1,247,400	1,246,825	1,249,977	1,249,917	6,245,925	1,243,790		13,730,244
Total	\$ 4,572,609	4,577,724	4,280,311	4,272,272	4,224,549	17,127,023	10,252,568	1,598,925	50,905,981

**SINGLE AUDIT REPORTS AND
SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS**

INDEPENDENT AUDITORS'
REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Trustees
Blinn College:

We have audited the basic financial statements of Blinn College (the College) as of and for the year ended August 31, 2006, and have issued our report thereon dated October 31, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control over financial reporting. Accordingly, we express no such opinion. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the College in a separate letter dated October 31, 2006.

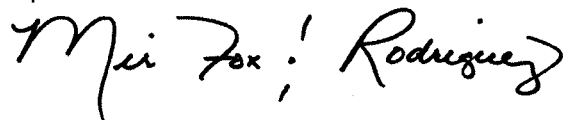
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of the College's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Texas Public Funds Investment Act

We also performed tests of the College's compliance with the requirements of the Texas Public Funds Investment Act (the Act). During the year ended August 31, 2006, the results of our tests disclosed no instances of noncompliance with the Act. However, providing an opinion on compliance with the Act was not an objective of our audit and accordingly, we do not express an opinion.

This report is intended solely for the information and use of the Board of Trustees, the College's management, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 31, 2006

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INDEPENDENT AUDITORS'
REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Blinn College:

Compliance

We have audited the compliance of Blinn College (the College), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, that are applicable to each of its major Federal programs for the year ended August 31, 2006. The College's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the College's compliance with those requirements.

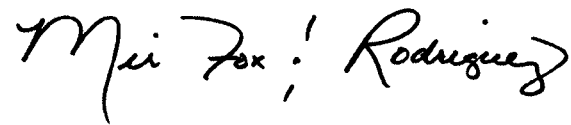
In our opinion, Blinn College complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended August 31, 2006.

Internal Control over Compliance

The management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the College's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and not to provide an opinion on the internal control over compliance.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, the College's management, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Mui Fox Rodriguez". The signature is written in a cursive style with a colon after "Fox".

October 31, 2006

BLINN COLLEGE

Schedule of Expenditures of Federal Awards
Year Ended August 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U.S. Department of Education</u>			
Direct Programs:			
Federal Supplemental Education Opportunity Grant	84.007	P007A053969	\$ 196,925
Federal Family Education Loans (*)	84.032		13,326,266
Federal Pell Grant	84.063	P063P052262	7,409,199
Pass-Through From -			
Texas Higher Education Coordinating Board:			
Carl Perkins Vocational Education	84.048	64206	353,455
Leveraging Educational Assistance (LEAP)	84.069		33,911
Carl Perkins Tech-Prep Education	84.243	61705	226,067
Catalyst 8th Grade Science	84.367	TQG003549-001-2004	30,544
Pass-Through From -			
Texas A&M Research Foundation			
Texas 2+2 Project	84.000	S030042	27,995
Total U.S. Department of Education			<u>21,604,362</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program -			
Federal Interest Subsidy	14.864		<u>16,094</u>
<u>U.S. Department of Labor</u>			
Pass-Through from -			
Brazos Valley Development Council:			
Workforce Investment Act - Adult	17.258		36,820
Workforce Investment Act - Youth	17.259		512
Workforce Investment Act - Dislocated Worker			
National Emergency Grant	17.260		71,812
	17.260		<u>12,278</u>
Total U.S. Department of Labor			<u>84,090</u> <u>121,422</u>
<u>U.S. Institute of Museum and Library Services</u>			
Direct Program -			
Museum for America Grant	45.301	MA-01-04-0547-04	<u>36,225</u>
<u>U.S. Small Business Administration</u>			
Pass-Through from -			
University of Houston:			
Small Business Development Center	59.037	5-603001-Z-0047-19	7,508
Small Business Development Center	59.037	6-603001-Z-0047-19	<u>78,627</u>
Total U.S. Small Business Administration			<u>86,135</u>

Continued

BLINN COLLEGE

Schedule of Expenditures of Federal Awards, (continued)
Year Ended August 31, 2006

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures and Pass-Through Disbursements
<u>U.S. Department of Health and Human Services</u>			
Pass-Through from -			
Texas Workforce Commission			
Temporary Assistance for Needy Families- Opportunities/Choices	93.558		213,494
Temporary Assistance for Needy Families- Food Stamp Employment and Training	93.558		42,411
Temporary Assistance for Needy Families- Self-Sufficiency Workers Achievement Training (SWAT)	93.558	1604SSF000	94,712
Total U.S. Department of Health and Human Services			<u>350,617</u>
Total expenditures of Federal awards			<u>\$ 22,214,855</u>
* Federal Family Education Loans, CFDA 84.032, include the following:			
Subsidized loans			6,589,194
Unsubsidized loans			2,659,380
PLUS loans			1,902,098
Additional unsubsidized loans			2,175,594
			<u>\$ 13,326,266</u>

See accompanying notes to schedules of expenditures of Federal and State awards.

BLINN COLLEGE

Schedule of Expenditures of State Awards
Year Ended August 31, 2006

Grantor Agency Program Title	Pass-Through Grantor's Number	Expenditures and Pass Through Disbursements
Texas Comptroller of Public Accounts - Law Enforcement Officer Standards & Education (LEOSE)	9P050538	\$ 994
Texas Higher Education Coordinating Board:		
Texas Grant Program		373,380
Go Center		11,288
Loss Prevention Grant		2,000
Texas Workforce Commission:		
Skills Development - Genetics Resources International		12,915
Skills Development - Bluebonnet Cooperative		20,383
Total expenditures of State awards		<u>\$ 420,960</u>

See accompanying notes to schedules of expenditures of Federal and State awards.

BLINN COLLEGE

Notes to Schedules of Expenditures of Federal and State Awards Year Ended August 31, 2006

1. Relationship to Financial Statements

	<u>Federal</u>	<u>State</u>
Total revenue - per schedule A	\$ 8,872,495	500,447
Loans	13,326,266	
Federal interest subsidy	16,094	
Local grants	<u> </u>	<u>(79,487)</u>
Total per schedules of expenditures of Federal and State awards	\$ <u>22,214,855</u>	<u>420,960</u>

2. Significant Accounting Policies Used in Preparing the Schedules

The schedules present the activity of all Federal and State programs of the College for the year ended August 31, 2006. Expenditure reports to funding agencies are prepared on the award period basis. The expenditures reported above represent funds which have been expended by the College for the purposes of the award. The expenditures reported above may not have been reimbursed by the funding agencies as of the end of the fiscal year. Separate accounts are maintained for the different awards to aid in the observance of limitations and restrictions imposed by the funding agencies. The College has followed all applicable guidelines issued by various entities in the preparation of the schedules.

3. Relationship to Federal and State Financial Reports

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

4. Amounts Passed-Through by the College

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

Anderson-Shiro ISD	\$ 2,000	Mumford ISD	2,000
Bremond ISD	1,805	Navasota ISD	5,117
Brenham ISD	7,986	Normangee ISD	1,997
Bryan ISD	22,500	North Zulch ISD	2,000
Buffalo ISD	2,000	Oakwood ISD	1,911
Burton ISD	1,986	Schulenburg ISD	2,000
Caldwell ISD	3,290	Snook ISD	1,992
Calvert ISD	1,913	Somerville ISD	1,983
Centerville ISD	2,000	Other	<u>1,500</u>
College Station ISD	12,152	Total	\$ <u>87,858</u>
Franklin ISD	2,000		
Hearne ISD	2,000		
Iola ISD	2,031		
Madisonville ISD	3,695		

BLINN COLLEGE
Schedule of Findings and Questioned Costs
Year Ended August 31, 2006

Section 1	Summary of Auditors' Results
<u>Financial Statements</u>	
1. Type of auditors' report issued:	Unqualified
2. Internal control over financial reporting:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	None reported
c. Noncompliance material to the financial statements noted?	No
<u>Federal Awards</u>	
1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Reportable conditions identified not considered to be material weaknesses?	None reported
2. Type of auditors' report issued on compliance for major programs:	Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No
4. Identification of major programs:	
<u>Federal CFDA Number</u>	<u>Name of Federal Program</u>
84.007	Student Financial Aid Cluster:
84.032	Federal Supplemental Education Opportunity Grant
84.063	Federal Family Education Loans
84.243	Federal Pell Grant
84.243	Carl Perkins Tech-Prep Education
5. Dollar threshold used to distinguish between Type A and Type B programs:	\$ 666,445
6. Auditee qualified as a low-risk auditee?	Yes

Section 2

Financial Statement Findings

(None reported)

Section 3

Federal Award Findings and Questioned Costs

(None reported)

Section 4

Schedule of Prior Year Findings

The audit of Federal and State awards disclosed no findings that were required to be reported for the year ended August 31, 2005.

STATISTICAL SECTION

These statistical tables provide selected financial and demographic information.
The statistical tables are for informational purposes only and are not audited

BLINN COLLEGE

Net Assets by Component
 Fiscal Years 2002 to 2006
 (Unaudited)

	For the Fiscal Year Ended August 31, (amounts expressed in thousands)				
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Invested in capital assets, net of related debt	\$ 41,668	39,725	40,318	40,513	38,334
Restricted - expendable	6,665	5,791	3,585	3,355	3,770
Restricted - nonexpendable	7,810	6,921	5,644	5,329	4,902
Unrestricted	<u>4,165</u>	<u>4,156</u>	<u>4,181</u>	<u>2,891</u>	<u>4,459</u>
Total primary government net assets	<u>\$ 60,308</u>	<u>56,593</u>	<u>53,728</u>	<u>52,088</u>	<u>51,465</u>

Note: Due to reporting format and definition changes prescribed by GASB Statement No. 34, only fiscal years 2002-2006 are available.

BLINN COLLEGE

Revenues by Source
Fiscal Years 2002 to 2006
(Unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)				
	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	\$ 24,227	21,565	19,992	17,425	16,509
Governmental grants and contracts:					
Federal grants and contracts	8,872	8,984	8,675	7,931	6,708
State and local grants and contracts	500	611	710	1,116	1,065
Sales and services of educational activities	342	199	159	309	365
Auxiliary enterprises (net of discounts)	5,104	5,395	5,346	5,175	4,894
Other operating revenues	244	29	144	311	196
Total operating revenues	<u>39,289</u>	<u>36,783</u>	<u>35,026</u>	<u>32,267</u>	<u>29,737</u>
State appropriations	23,689	22,348	22,097	22,544	23,695
Ad valorem taxes	1,026	1,029	990	934	881
Federal grant related to capital debt	16	16	16	16	34
Investment income	1,039	611	376	360	446
Other nonoperating revenues	254	2,779	5		
Total nonoperating revenues	<u>26,024</u>	<u>26,783</u>	<u>23,484</u>	<u>23,854</u>	<u>25,056</u>
Total revenues	<u>\$ 65,313</u>	<u>63,566</u>	<u>58,510</u>	<u>56,121</u>	<u>54,793</u>

	For the Year Ended August 31,				
	2006	2005	2004	2003	2002
Tuition and fees (net of discounts)	37.09%	33.93%	34.17%	31.05%	30.13%
Governmental grants and contracts:					
Federal grants and contracts	13.58%	14.13%	14.83%	14.13%	12.24%
State grants and contracts	0.77%	0.96%	1.21%	1.99%	1.94%
Sales and services of educational activities	0.52%	0.31%	0.27%	0.55%	0.67%
Auxiliary enterprises (net of discounts)	7.81%	8.49%	9.14%	9.22%	8.93%
Other operating revenues	0.37%	0.05%	0.25%	0.55%	0.36%
Total operating revenues	<u>60.15%</u>	<u>57.87%</u>	<u>59.86%</u>	<u>57.50%</u>	<u>54.27%</u>
State appropriations	36.27%	35.16%	37.77%	40.17%	43.24%
Ad valorem taxes	1.57%	1.62%	1.69%	1.66%	1.61%
Federal grant related to capital debt	0.02%	0.03%	0.03%	0.03%	0.06%
Investment income	1.59%	0.96%	0.64%	0.64%	0.81%
Other nonoperating revenues	0.39%	4.37%	0.01%	0.00%	0.00%
Total nonoperating revenues	<u>39.85%</u>	<u>42.13%</u>	<u>40.14%</u>	<u>42.50%</u>	<u>45.73%</u>
Total revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: Due to reporting format and definition changes prescribed by GASB Statement No. 34, only fiscal years 2002-2006 are available.

BLINN COLLEGE

Program Expenses by Function
Fiscal Years 2002 to 2006
(Unaudited)

	For the Year Ended August 31, (amounts expressed in thousands)				
	2006	2005	2004	2003	2002
Instruction	\$ 26,589	24,125	23,622	23,430	22,813
Public service	1,212	1,587	1,356	629	784
Academic support	3,382	3,824	2,930	4,098	3,036
Student services	4,023	3,645	3,412	3,320	3,016
Institutional support	6,079	5,351	5,622	4,984	5,896
Operation and maintenance of plant	4,615	4,815	4,249	3,894	4,284
Scholarships and fellowships	5,983	5,806	5,999	6,004	4,931
Auxiliary enterprises	6,528	6,035	5,358	4,956	5,512
Depreciation	2,499	2,432	2,421	2,266	1,617
Total operating expenses	<u>60,910</u>	<u>57,620</u>	<u>54,969</u>	<u>53,581</u>	<u>51,889</u>
Interest on capital related debt	1,548	2,083	2,081	2,166	1,589
Bond issuance costs		194		152	266
Loss on disposal of fixed assets			23	69	39
Unrealized loss on investments	55	44			
Total nonoperating expenses	<u>1,603</u>	<u>2,321</u>	<u>2,104</u>	<u>2,387</u>	<u>1,894</u>
Total expenses	<u>\$ 62,513</u>	<u>59,941</u>	<u>57,073</u>	<u>55,968</u>	<u>53,783</u>

	For the Year Ended August 31,				
	2006	2005	2004	2003	2002
Instruction	42.53%	40.25%	41.39%	41.86%	42.42%
Public service	1.94%	2.65%	2.38%	1.12%	1.46%
Academic support	5.41%	6.38%	5.13%	7.32%	5.64%
Student services	6.44%	6.08%	5.98%	5.93%	5.61%
Institutional support	9.72%	8.93%	9.85%	8.91%	10.96%
Operation and maintenance of plant	7.38%	8.03%	7.44%	6.96%	7.97%
Scholarships and fellowships	9.57%	9.69%	10.51%	10.73%	9.17%
Auxiliary enterprises	10.44%	10.07%	9.39%	8.86%	10.25%
Depreciation	4.00%	4.06%	4.24%	4.05%	3.01%
Total operating expenses	<u>97.44%</u>	<u>96.13%</u>	<u>96.31%</u>	<u>95.74%</u>	<u>96.48%</u>
Interest on capital related debt	2.48%	3.48%	3.65%	3.87%	2.95%
Bond issuance costs		0.32%		0.27%	0.49%
Loss on disposal of fixed assets			0.04%	0.12%	0.07%
Unrealized loss on investments	0.09%	0.07%			
Total nonoperating expenses	<u>2.56%</u>	<u>3.87%</u>	<u>3.69%</u>	<u>4.26%</u>	<u>3.52%</u>
Total expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Note: Due to reporting format and definition changes prescribed by GASB Statement No. 34, only fiscal years 2002-2006 are available.

BLINN COLLEGE

Tuition and Fees Last Ten Academic Years (Unaudited)

Academic Year (Fall)	Resident Fees per Semester Credit Hour (SCH)							Increase from Prior Year Out-of-District	
	Registration Fee (per student)	Activity, Bldg. Use Fees (per student)	In-District Tuition	Out-of-District Tuition	Technology Fees	General Fees	Cost for 12 SCH In- District		Cost for 12 SCH Out-of-District
2005	\$		23	44		28	612	864	0.00%
2004			23	44		28	612	864	16.13%
2003			19	34		28	564	744	4.44%
2002			19	31		26	540	684	6.30%
2001	40		19	31		20	508	652	0.00%
2000	40		19	31		20	508	652	25.12%
1999	40	90	19	28	4		406	514	0.00%
1998	40	90	19	28	4		406	514	13.41%
1997	33	85	18	27	2		358	466	0.00%
1996	33	85	18	27	2		358	466	n/a

Academic Year (Fall)	Non - Resident Fees per Semester Credit Hour (SCH)							Increase from Prior Year International	
	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
2005	\$		135	135		28	1,956	1,956	0.00%
2004			135	135		28	1,956	1,956	6.54%
2003			125	125		28	1,836	1,836	10.87%
2002			112	112		26	1,656	1,656	1.97%
2001	40		112	112		20	1,624	1,624	0.00%
2000	40		112	112		20	1,624	1,624	17.85%
1999	40	90	100	100	4		1,378	1,378	0.00%
1998	40	90	100	100	4		1,378	1,378	12.77%
1997	33	85	90	90	2		1,222	1,222	0.00%
1996	33	85	90	90	2		1,222	1,222	n/a

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

BLINN COLLEGE

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

Fiscal Year	(Amounts expressed in thousands)			Ratio of Taxable Assessed Value to Assessed Value	Direct Rate		
	Assessed Valuation of Property	Less: Exemptions	Taxable Assessed Value (TAV)		Maintenance & Operations (a)	Debt Service (a)	Total (a)
2005-06	\$ 2,060,334	(279,516)	1,780,818	86.43%	\$ 0.051000	-	0.051000
2004-05	1,919,446	(43,567)	1,875,879	97.73%	0.055200	-	0.055200
2003-04	1,784,754	(42,102)	1,742,652	97.64%	0.056700	-	0.056700
2002-03	1,743,971	(39,004)	1,704,967	97.76%	0.054440	-	0.054440
2001-02	1,674,212	(39,424)	1,634,788	97.65%	0.054440	-	0.054440
2000-01	1,497,360	(39,169)	1,458,191	97.38%	0.057600	-	0.057600
1999-00	1,368,647	(36,618)	1,332,029	97.32%	0.059800	-	0.059800
1998-99	1,341,157	(36,710)	1,304,447	97.26%	0.061100	-	0.061100
1997-98	1,306,713	(37,743)	1,268,970	97.11%	0.042800	-	0.042800
1996-97	1,131,074	(20,592)	1,110,482	98.18%	0.040600	-	0.040600

Source: Washington County Appraisal District

Notes: Property is assessed at full market value.

(a) per \$100 Taxable Assessed Valuation

BLINN COLLEGE

State Appropriations per FTSE and Contact Hours
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	State Appropriations	Appropriations per FTSE		Appropriations per Contact Hour			State Appropriations per Contact Hour
		FTSE (a)	State Appropriations per FTSE	Academic Contact Hours (a)	Voc/Tech Contact Hours (b)	Total Contact Hours	
2005-06	\$ 19,315,855	25,765	750	5,473,013	591,344	6,064,357	3.19
2004-05	18,607,458	25,886	719	5,396,623	557,312	5,953,935	3.13
2003-04	18,275,656	25,672	712	5,392,137	588,784	5,980,921	3.06
2002-03	18,747,124	25,795	727	5,354,443	612,816	5,967,259	3.14
2001-02	20,145,138	24,234	831	5,083,209	556,076	5,639,285	3.57
2000-01	18,634,798	23,461	794	4,950,487	532,224	5,482,711	3.40
1999-00	18,167,386	22,530	806	4,780,497	574,804	5,355,301	3.39
1998-99	15,767,637	21,235	743	4,500,466	530,096	5,030,562	3.13
1997-98	15,154,167	20,243	749	4,252,535	469,493	4,722,028	3.21
1996-97	13,419,270	19,451	690	4,084,871	399,752	4,484,623	2.99

Notes: Full Time Student Equivalents (FTSE) is defined as the number of full time students plus total hours taken by part-time students divided by 12.

(a) Source CBM001

(b) Source CBM00A

BLINN COLLEGE

Principal Taxpayers (Continued)
Last Ten Tax Years
(Unaudited)

Taxpayer	Type of Business	% of Taxable Assessed Value (TAV) by Tax Year													
		2005	2004	2003	2002	2001	2000	1999	1998	1997	1996				
Anadarko E&P Co., LP	Oil and Gas	5.39%	3.43%	3.01%											
Chesapeake Exploration, LP	Oil and Gas	2.32%	2.02%	0.69%								1.25%	0.00%	0.45%	0.88%
Blue Bell Creameries, LP	Manufacturing	1.83%	1.85%	1.70%	1.62%	1.81%	2.12%	2.84%	2.94%	2.84%	2.94%	2.84%	2.94%	2.84%	3.09%
LORA Transmission Services	Utilities	1.38%	1.09%	0.76%	0.75%										
Mount Vernon Mill, Inc.	Manufacturing	0.92%	1.06%	1.53%	1.74%	2.03%	2.27%	2.13%	2.12%	2.19%	2.12%	2.13%	0.91%	0.77%	2.31%
Valmont/ALS	Manufacturing	0.76%													
ETC Texas Pipeline, LTD	Pipeline	0.75%	0.44%												
SBC Telephone Company	Telephone	0.74%	0.72%	0.88%	0.97%	1.07%	1.18%	1.28%	1.59%	1.62%	1.59%	1.28%	1.59%	1.62%	1.83%
Chesapeake Operating Inc.	Oil and Gas	0.71%	0.57%	1.15%	3.83%		4.65%	0.97%	0.97%	0.97%	0.97%	0.97%	0.97%	0.96%	0.00%
Wal-Mart Properties #4109	Retail	0.68%	0.58%	0.62%	0.63%	0.61%	0.64%	0.76%	0.81%	0.96%	0.81%	0.76%	0.81%	0.96%	0.69%
Lowe's Homecenters, Inc.	Retail	0.57%													
Germania Farm Mutual Aid	Insurance	0.54%	0.50%	0.57%	0.56%	0.54%	0.57%	0.63%	0.63%	0.64%	0.63%	0.63%	0.63%	0.64%	0.72%
Bluebonnet Electric Coop.	Utilities	0.54%	0.58%	0.60%	0.60%	0.58%	0.60%	0.67%	0.82%	0.72%	0.82%	0.72%	0.82%	0.72%	0.76%
Moore Wallace North America	Manufacturing	0.52%	0.74%	0.68%	0.74%	0.55%	0.68%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	1.01%
Valmont Industries	Manufacturing	0.51%	1.47%	1.05%	0.94%	0.98%	0.98%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.88%	0.52%
Loringwood Elastomers, Inc.	Manufacturing	0.49%	0.34%	0.36%	0.36%	0.36%	0.36%	0.47%	0.48%	0.47%	0.48%	0.47%	0.48%	0.63%	0.65%
Brenham Wholesale Grocery	Groceries	0.41%	0.50%	0.54%	0.54%	0.62%	0.71%	0.75%	0.81%	0.81%	0.81%	0.75%	0.81%	0.81%	
Stroud Oil Properties, Inc.	Oil and Gas	0.40%	0.38%	0.38%	0.41%	0.49%	0.49%	0.51%	0.54%	0.49%	0.54%	0.51%	0.54%	0.49%	0.53%
PI Components Corp.	Manufacturing	0.40%	0.50%	0.47%	0.44%	0.45%	3.55%	3.87%	5.44%	8.30%	5.44%	3.87%	5.44%	8.30%	4.64%
Sealy Mattress	Manufacturing	0.36%	0.37%	0.38%	0.44%										
Union Pacific Resources	Oil and Gas														
Union Pacific Austin Chalk Co.	Oil and Gas		0.31%	0.35%	0.36%	0.35%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	
Burlington Northern Sante Fe	Transportation				0.47%	0.50%	0.74%	0.89%	0.89%	0.89%	0.89%	1.00%	1.17%	1.25%	1.50%
Aquila Southwest	Pipeline														
Ferguson Burleson City Gas	Pipeline														
Phillips Natural Gas Co.	Gas														
GPM Gas Company	Gas														
Cleaners Hangers Co.	Manufacturing														
Seminole Pipeline	Pipeline			0.59%	0.69%	0.79%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.52%	0.68%
Steadley Co.	Manufacturing				0.37%	0.41%	0.52%	0.54%	0.56%	0.52%	0.54%	0.56%	0.52%	0.51%	0.55%
Marathon	Manufacturing					0.00%	0.00%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	0.46%
PFL Properties, LP	Oil and Gas														
Oasis Pipeline Co. TX LP	Oil and Gas														
ETC Texas Pipeline, LTD	Oil and Gas														
RME Petroleum Company	Pipeline			0.58%	3.53%	4.85%	0.31%								
Leggett Partners, L.P.	Oil and Gas														
Duke Energy	Manufacturing														
Acacia Natural Gas Corp.	Oil and Gas			0.62%	0.47%	0.36%									
Exxon Corporation	Oil and Gas														
Totals	Manufacturing	20.22%	18.09%	17.15%	20.04%	23.28%	22.61%	21.36%	23.88%	25.88%	23.88%	21.36%	23.88%	25.88%	23.47%

Source: Washington County Appraisal District

BLINN COLLEGE

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

<u>Fiscal Year Ended August 31</u>	<u>Levy (a)</u>	<u>Cumulative Levy Adjustments</u>	<u>Adjusted Tax Levy (b)</u>	<u>Collections - Year of Levy (c)</u>	<u>Percentage</u>	<u>Current Collections of Prior Levies (b) (c)</u>	<u>Total Collections</u>	<u>Cumulative Collections of Adjusted Levy</u>
2006	\$ 1,028,213	(16,578)	1,011,635	1,007,352	98.79%	\$ 19,054	1,026,406	101.46%
2005	1,037,501	(18,901)	1,018,600	984,498	98.24%	44,705	1,029,203	101.04%
2004	988,552	(18,009)	970,543	939,800	98.71%	50,370	990,170	102.02%
2003	936,067	(15,343)	920,724	903,322	98.11%	33,918	937,240	101.79%
2002	884,864	(17,366)	867,498	864,584	98.10%	15,949	880,533	101.50%
2001	871,998	(19,261)	852,737	816,998	97.49%	33,039	850,037	99.68%
2000	796,608	(15,165)	781,443	772,324	96.85%	23,450	795,774	101.83%
1999	796,608	(15,674)	780,934	773,402	98.09%	18,801	792,203	101.44%
1998	533,332	(10,317)	523,015	499,620	98.48%	15,936	515,556	98.57%
1997	529,332	(9,367)	519,965	460,510	98.44%	18,268	478,778	92.08%

Source: Washington County Tax Assessor/Collector

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

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

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

BLINN COLLEGE

Ratios of Outstanding Debt
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amounts expressed in thousands)									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Other debt:										
Revenue bonds	\$ 38,570	41,565	31,745	33,680	35,170	21,620	22,030	6,110	6,430	6,805
Capital lease obligations			12,148	12,877	13,568	14,279	13,240	13,770	14,275	14,760
Total outstanding debt	\$ 38,570	41,565	43,893	46,557	48,738	35,899	35,270	19,880	20,705	21,565

Total outstanding debt ratios:

Per Capita	\$ 1.23	1.33	1.42	1.52	1.59	1.18	1.17	0.66	0.72	0.76
Per FTSE	1.50	1.61	1.71	1.80	2.01	1.53	1.57	0.94	1.02	1.11
As a percentage of taxable assessed value	2.17%	2.22%	2.52%	2.73%	2.98%	2.46%	2.65%	1.52%	1.63%	1.94%

Notes: Blinn College has no general bonded debt.

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

BLINN COLLEGE

Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	For the Year Ended August 31 (amount expressed in thousands)									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Taxable Assessed Value	\$ 1,780,818	1,875,879	1,742,652	1,704,967	1,634,788	1,458,191	1,332,380	1,304,447	1,268,970	1,110,482
General Obligation Bonds										
Statutory Tax Levy Limit for Debt Service	8,904	9,379	8,713	8,525	8,174	7,291	6,662	6,522	6,345	5,552
Less: Funds Restricted for Repayment of General Obligation Bonds										
Total Net General Obligation Debt	8,904	9,379	8,713	8,525	8,174	7,291	6,662	6,522	6,345	5,552
Current Year Debt Service Requirements										
Excess of Statutory Limit for Debt Service over Current Requirements	\$ 8,904	9,379	8,713	8,525	8,174	7,291	6,662	6,522	6,345	5,552
Net Current Requirements as a % of Statutory Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

BLINN COLLEGE

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

Fiscal Year Ended August 31	Pledged Revenues (\$000 omitted)										Debt Service Requirements (\$000 omitted)			Coverage Ratio
	Tuition	General Fees, Activity and Building Use	Laboratory and Course Fees	Registration Fees	Housing Income	Bookstore Income	Other Auxiliary	Total	Principal	Interest	Total			
2006	\$ 3,348	8,684	510		604	337	16	13,499	38,570	12,336	50,906	2.65%		
2005	3,633	9,165	529		445	415	282	14,469	41,565	13,920	55,485	2.61%		
2004	2,803	8,879	538		487	422	199	13,328	31,745	12,078	43,823	3.04%		
2003	505	10,350	319		487	463	338	12,462	33,680	13,469	47,149	2.64%		
2002	447	9,175	286	1,371	134	343	130	11,886	35,170	15,464	50,634	2.35%		
2001	430	7,569	284	1,288	436	243	281	10,531	21,620	10,145	31,765	3.32%		
2000	411	1,916	290	1,167	581	365	705	5,435	22,030	11,135	33,165	1.64%		
1999	382	1,872	366	946	226	237	738	4,767	6,110	2,668	8,778	5.43%		
1998	374	1,605	238	904	175	306	363	3,965	6,430	2,882	9,312	4.26%		
1997	360	1,441	251	913	94	581	239	3,879	6,805	3,211	10,016	3.87%		

BLINN COLLEGE

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

Calendar Year	District Population	District Personal Income (thousands of dollars)	District Personal Income Per Capita	Unemployment Rate
2005 *	34,370	\$ 965,934	28,104	**
2004	31,248	869,507	27,826	4.8%
2003	30,978	886,621	28,621	5.0%
2002	30,706	878,929	28,624	4.3%
2001	30,498	873,280	28,634	4.1%
2000	30,433	909,399	29,882	3.6%

Sources: Population from U.S. Bureau of the Census.
Personal income from U.S. bureau of Economic Analysis.
Unemployment rate from Texas Workforce Commission.

Notes: *information estimated based on prior years
**not available

Information only available for six years. Blinn College will implement prospectively.

BLINN COLLEGE

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

Employer	Type of Business (year established)	Number of Employees							
		2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	1,100	900	900	585	600	650	650	600
Brenham State School	Mental Health/Retardation Services (est. 1974)	880	880	880	944	965	1,062	1,062	1,062
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	786	786	786	757	800	741	741	741
Brenham I.S.D.	Independent School District (est. 1875)	719	719	719	712	650	620	620	620
Wal-Mart Supercenter	Retail Department Store (est. 1994)	380	380	380	308	385	241	241	241
Germania Insurance	Insurance Services (est. 1896)	324	324	324	249	305	285	285	285
Mount Vernon Mills	Textile Manufacturer (est. 1902)	305	305	305	305	320	350	350	350
Trinity Medical Center	Hospital (est. 1989)	285	285	285	300	300	250	250	250
City of Brenham	Government (est. 1858)	235	235	235	250	250			
Sealy Mattress	Mattress Manufacturer (est. 1955)	211	211	211	267	275	261	261	
Valmont A.L.S.	Steel Lighting Standards Mfg (est. 1974)						240	240	240
Brenham Wholesale	Wholesale Supplier (est. 1905)								227
Total		5,225	5,025	5,025	4,677	4,850	4,700	4,700	4,616
	Total Washington County Employment	15,488	15,563	15,174	15,205	14,834	14,828	15,450	14,540

Employer	Type of Business	Percentage of Total Employment for Washington County							
		2006	2005	2004	2003	2002	2001	2000	1999
Blinn College	Higher Education (est. 1883)	7.10%	5.78%	5.93%	3.85%	4.04%	4.38%	4.21%	4.13%
Brenham State School	Mental Health/Retardation Services (est. 1974)	5.68%	5.65%	5.80%	6.21%	6.51%	7.16%	6.87%	7.30%
Blue Bell Creameries	Ice Cream Manufacturer (est. 1907)	5.07%	5.05%	5.18%	4.98%	5.39%	5.00%	4.80%	5.10%
Brenham I.S.D.	Independent School District (est. 1875)	4.64%	4.62%	4.74%	4.68%	4.38%	4.18%	4.01%	4.26%
Wal-Mart Supercenter	Retail Department Store (est. 1994)	2.45%	2.44%	2.50%	2.03%	2.60%	1.63%	1.56%	1.66%
Germania Insurance	Insurance Services (est. 1896)	2.09%	2.08%	2.14%	1.64%	2.06%	1.92%	1.84%	1.96%
Mount Vernon Mills	Textile Manufacturer (est. 1902)	1.97%	1.96%	2.01%	2.01%	2.16%	2.36%	2.27%	2.41%
Trinity Medical Center	Hospital (est. 1989)	1.84%	1.83%	1.88%	1.97%	2.02%	1.69%	1.62%	1.72%
City of Brenham	Government (est. 1858)	1.52%	1.51%	1.55%	1.64%	1.69%			
Sealy Mattress	Mattress Manufacturer (est. 1955)	1.36%	1.36%	1.39%	1.76%	1.85%	1.76%	1.69%	
Valmont A.L.S.	Steel Lighting Standards Mfg (est. 1974)						1.62%	1.55%	1.65%
Brenham Wholesale	Wholesale Supplier (est. 1905)								1.56%
Total		33.74%	32.29%	33.12%	30.76%	32.70%	31.70%	30.42%	31.75%

Source:

Texas Workforce Commission
Texas Metropolitan Statistical Area Data
Economic Development Foundation of Brenham
Washington County

Note: Figures for 1997 and 1998 were not available.

BLINN COLLEGE

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

	Fiscal Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Faculty:										
Full-Time	284	282	278	273	256	252	251	223	168	158
Part-Time	265	262	246	569	382	375	345	306	250	245
Total	549	544	524	842	638	627	596	529	418	403
Percent:										
Full-Time	51.7%	51.8%	53.1%	32.4%	40.1%	40.2%	42.1%	42.2%	40.2%	39.2%
Part-Time	48.3%	48.2%	46.9%	67.6%	59.9%	59.8%	57.9%	57.8%	59.8%	60.8%
Staff and administrators:										
Full-Time	350	326	351	357	350	305	250	209	175	162
Part-Time										
Total	350	326	351	357	350	305	250	209	175	162
Percent										
Full-Time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-Time	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FTSE per Full-time Faculty	91	92	92	94	95	93	90	95	120	123
FTSE per Full-Time Staff Member	74	79	73	72	69	77	64	102	116	120
Average Annual Faculty Salary*	\$ 44,305	42,064	40,374	39,727	40,726	-	-	-	-	-

* Information prior to 2001 is not available.

BLINN COLLEGE

Enrollment Details
Last Five Fiscal Years
(Unaudited)

Student Classification	Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
00-30 hours	8,857	61.68%	11,326	80.74%	10,469	74.48%	11,227	81.32%	9,639	76.57%
31-60 hours	5,502	38.31%	2,495	17.79%	2,936	20.89%	2,577	18.67%	2,549	20.25%
> 60 hours	1	0.01%	206	1.47%	652	4.64%	2	0.01%	400	3.18%
Total	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%	12,588	100.00%

Semester Hour Load	Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than 3	51	0.36%	54	0.38%	26	0.18%	33	0.24%	25	0.20%
3-5 semester hours	2,719	18.93%	2,900	20.67%	2,739	19.48%	2,556	18.51%	2,219	17.63%
6-8 semester hours	2,010	14.00%	1,930	13.76%	1,950	13.87%	1,901	13.77%	1,641	13.04%
9-11 semester hours	2,119	14.76%	2,032	14.49%	1,913	13.61%	1,921	13.91%	1,668	13.25%
12-14 semester hours	5,971	41.58%	5,750	40.99%	5,927	42.16%	5,924	42.91%	5,709	45.35%
15-17 semester hours	1,344	9.36%	1,203	8.58%	1,282	9.12%	1,322	9.58%	1,170	9.29%
18 & over	146	1.02%	158	1.13%	220	1.57%	149	1.08%	156	1.24%
Total	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%	12,588	100.00%

Average course load	9.7		9.7		9.9		9.9		10.2	
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Tuition Status	Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Texas Resident (in-District)	835	5.81%	766	5.46%	789	5.61%	755	5.47%	708	5.62%
Texas Resident (out-of-District)	13,191	91.86%	12,926	92.15%	12,931	91.99%	12,676	91.82%	11,560	91.83%
Non-Resident Tuition	334	2.33%	335	2.39%	337	2.40%	375	2.72%	320	2.54%
Total	14,360	100.00%	14,027	100.00%	14,057	100.00%	13,806	100.00%	12,588	100.00%

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

BLINN COLLEGE

Student Profile
Last Five Fiscal Years
(Unaudited)

	Fall 2005		Fall 2004		Fall 2003		Fall 2002		Fall 2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Gender										
Female	7,483	52.11%	7,384	52.64%	7,311	52.01%	7,009	50.77%	6,438	51.14%
Male	6,877	47.89%	6,643	47.36%	6,746	47.99%	6,797	49.23%	6,150	48.86%
Total	<u>14,360</u>	<u>100.00%</u>	<u>14,027</u>	<u>100.00%</u>	<u>14,057</u>	<u>100.00%</u>	<u>13,806</u>	<u>100.00%</u>	<u>12,588</u>	<u>100.00%</u>
Ethnic Origin										
White	11,137	77.56%	10,941	78.00%	10,962	77.98%	10,785	78.12%	9,493	75.41%
Hispanic	1,624	11.31%	1,563	11.14%	1,517	10.79%	1,419	10.28%	1,517	12.05%
African American	1,203	8.38%	1,105	7.88%	1,162	8.27%	1,141	8.26%	1,162	9.23%
Asian	195	1.36%	194	1.38%	183	1.30%	215	1.56%	183	1.45%
Foreign	133	0.93%	151	1.08%	167	1.19%	190	1.38%	167	1.33%
Native American	68	0.47%	73	0.52%	66	0.47%	56	0.41%	66	0.52%
Total	<u>14,360</u>	<u>100.00%</u>	<u>14,027</u>	<u>100.00%</u>	<u>14,057</u>	<u>100.00%</u>	<u>13,806</u>	<u>100.00%</u>	<u>12,588</u>	<u>100.00%</u>
Age										
Under 18	802	5.58%	683	4.87%	605	4.30%	488	3.53%	474	3.77%
18 -21	9,486	66.06%	9,240	65.87%	9,256	65.85%	9,187	66.54%	8,924	70.89%
22 - 24	2,006	13.97%	2,060	14.69%	2,182	15.52%	2,109	15.28%	1,829	14.53%
25 - 35	1,439	10.02%	1,385	9.87%	1,335	9.50%	1,329	9.63%	1,209	9.60%
36 - 50	538	3.75%	565	4.03%	585	4.16%	591	4.28%	76	0.60%
51 & over	89	0.62%	94	0.67%	94	0.67%	102	0.74%	76	0.60%
Total	<u>14,360</u>	<u>100.00%</u>	<u>14,027</u>	<u>100.00%</u>	<u>14,057</u>	<u>100.00%</u>	<u>13,806</u>	<u>100.00%</u>	<u>12,588</u>	<u>100.00%</u>
Average Age	22		22		22		22		22	

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

BLINN COLLEGE

Transfers to Senior Institutions
2000 Fall Students as of Fall 2001
(Includes only public senior colleges in Texas)
(Unaudited)

	Transfer Student Count	Transfer Student Count	Transfer Student Count	Total of all Sample Transfer Students	% of all Sample Transfer Students
	Academic	Technical	Tech-Prep		
1 Texas A&M University - College Station	4,753	213	27	4,993	74.40%
2 Sam Houston State University	419	19	34	472	7.03%
3 Southwest Texas State University	256	23	4	283	4.22%
4 University of Houston - University Park	123	10	2	135	2.01%
5 University of Texas - Austin	121	3	0	124	1.85%
6 Texas Tech University	104	7	0	111	1.65%
7 University of North Texas	86	3	1	90	1.34%
8 Stephen F. Austin State University	49	1	1	51	0.76%
9 University of Texas - San Antonio	47	2	0	49	0.73%
10 University of Texas - Arlington	43	0	1	44	0.66%
11 Prairie View A&M University	34	4	2	40	0.60%
12 Texas A&M University - Corpus Christi	29	7	0	36	0.54%
13 Tarleton State University	28	2	0	30	0.45%
14 University of Houston - Downtown	25	2	0	27	0.40%
15 Lamar University Institute of Technology	21	2	0	23	0.34%
16 Texas A&M University - Galveston	22	0	0	22	0.33%
17 University of Texas - Dallas	17	0	0	17	0.25%
18 Angelo State University	13	1	1	15	0.22%
19 Texas A&M University - Kingsville	14	1	0	15	0.22%
20 University of Houston - Victoria	15	0	0	15	0.22%
21 Texas Women's University	11	1	0	12	0.18%
22 University of Texas Health Science Center - Houston	11	1	0	12	0.18%
23 Texas A&M University - Commerce	11	0	0	11	0.16%
24 West Texas A&M University	10	1	0	11	0.16%
25 Texas Southern University	8	1	1	10	0.15%
26 University of Texas - Tyler	8	1	0	9	0.13%
27 University of Houston - Clear Lake	7	1	0	8	0.12%
28 University of Texas Health Science Center - San Antonio	6	2	0	8	0.12%
29 Midwestern State University	7	0	0	7	0.10%
30 University of Texas Medial Branch Galveston	4	2	0	6	0.09%
31 University of Texas - Pan American	4	0	0	4	0.06%
32 Sul Ross State University	2	1	0	3	0.04%
33 Texas Tech University Health Science Center	3	0	0	3	0.04%
34 University of Texas - El Paso	2	1	0	3	0.04%
35 Baylor College of Medicine - Academics	2	0	0	2	0.03%
36 Texas A&M University System Health Science Center	2	0	0	2	0.03%
37 University of Texas - Permian Basin	2	0	0	2	0.03%
38 University of North Texas Health Science Center - Forth Worth	2	0	0	2	0.03%
39 Sul Ross State University - Rio Grande College	1	0	0	1	0.01%
40 Texas A&M International University	1	0	0	1	0.01%
41 University of Texas - Brownsville	1	0	0	1	0.01%
42 University of Texas Southwestern Medical Center - Dallas	1	0	0	1	0.01%
Totals	6,325	312	74	6,711	100.00%

Source: Texas Higher Education Board Migration Report
Blinn College Institutional Research and Effectiveness

BLINN COLLEGE

Capital Assets Information
 Fiscal Years 2002 to 2006
 (Unaudited)

	Fiscal Year				
	2006	2005	2004	2003	2002
Academic buildings	17	17	17	16	15
Square footage	474,012	474,012	474,012	420,012	364,312
Libraries	2	2	2	2	2
Square footage	71,396	71,396	71,396	71,396	71,396
Number of Volumes	172,866	173,441	170,282	166,980	164,432
Administrative and support buildings	6	5	5	5	4
Square footage	91,415	89,658	89,658	89,658	77,733
Dormitories	12	12	14	14	14
Square footage	119,230	119,230	135,630	135,630	135,630
Number of Beds	674	674	776	776	776
Apartments	8	8	8	8	4
Square footage	109,909	109,909	109,909	109,909	45,027
Number of beds	338	338	300	300	200
Dining Facilities	1	1	1	1	1
Square footage	58,359	58,359	58,359	58,359	58,359
Average daily customers	900	900	900	900	900
Athletic Facilities	6	6	6	6	6
Square footage	50,440	50,440	50,440	50,440	50,440
Stadiums	2	2	2	2	2
Gymnasiums	2	2	2	2	2
Tennis Court	1	1	1	1	1
Plant facilities	5	5	5	5	5
Square footage	32,259	32,259	32,259	32,259	32,259
Transportation					
Cars	27	23	22	22	19
Light Trucks/Vans	26	26	26	26	28