PRELIMINARY OFFICIAL STATEMENT

February 3, 2026

Ratings:
S&P: "AA-"
(See "OTHER INFORMATION - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS – Tax Exemption" herein.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$55,500,000*
WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT
(Washington County, Texas)
COMBINED FEE REVENUE BONDS, SERIES 2026

Dated Date: February 1, 2026; Interest Accrues from Date of Initial Delivery **Due: October 1, as shown herein**

PAYMENT TERMS . . . Interest on the $55,500,000* Washington County Junior College District Combined Fee Revenue Bonds, Series 2026 (the "Bonds"), will accrue from the date of the initial delivery of the Bonds and will be payable April 1 and October 1 of each year, commencing October 1, 2026, until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is UMB Bank, N.A., Houston, Texas (see "THE BONDS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Vernon's Texas Codes Annotated ("V.T.C.A."), Section 130.123, Education Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, a resolution (the "Bond Resolution") passed by the Board of Trustees of the Washington County Junior College District (the "District") on December 4, 2025. In the Bond Resolution, the Board of Trustees delegated to certain officials of the District the authority to effect the sale of the Bonds and to establish certain terms related to the issuance of the Bonds. The terms of sale will be included in a "Pricing Certificate" which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution"). The Bonds are special obligations of the District payable solely from and, together with the outstanding Previously Issued Bonds (defined herein), secured by a first lien on and pledge of the Pledged Revenues, as provided in the Resolution. **The District has not covenanted nor obligated itself to pay the Bonds from monies raised or to be raised from taxation** (see "THE BONDS - Authority for Issuance" and "Security for the Bonds").

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, for and on behalf of the District, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and maintenance facilities, including the Brenham Central Plant and the Waller Campus building and the acquisition of sites therefor (collectively, the "Project"); and (ii) pay the costs and expenses of issuing the Bonds.

CUSIP PREFIX: 938688
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the Purchaser and subject to the approving opinion of the Attorney General of Texas and the opinion of Norton Rose Fulbright US LLP, Bond Counsel, Dallas, Texas (see APPENDIX C, "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on March 18, 2026.

BIDS DUE ON THURSDAY, FEBRUARY 12, 2026, AT 9:30 AM, CENTRAL TIME

* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts" in the NOTICE OF SALE AND BIDDING INSTRUCTIONS).

CUSIP Prefix: 938688 (1)

MATURITY SCHEDULE*

Principal Amount	Maturity October 1	Interest Rate	Initial Yield	CUSIP Suffix (1)
$ 960,000	2029			
1,000,000	2030			
1,040,000	2031			
1,085,000	2032			
1,130,000	2033			
1,180,000	2034			
1,235,000	2035			
1,295,000	2036			
1,360,000	2037			
1,430,000	2038			
1,505,000	2039			
1,580,000	2040			
1,665,000	2041			
1,750,000	2042			
1,840,000	2043			
1,930,000	2044			
2,035,000	2045			
2,145,000	2046			
2,260,000	2047			
2,390,000	2048			
2,525,000	2049			
2,670,000	2050			
2,820,000	2051			
2,980,000	2052			
3,145,000	2053			
3,325,000	2054			
3,510,000	2055			
3,710,000	2056			

(Interest Accrues from Date of Initial Delivery)

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* Preliminary, subject to change (see “CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts” in the NOTICE OF SALE AND BIDDING INSTRUCTIONS).

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research System Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the District, the Purchaser nor the Financial Advisor is responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION. . . The District reserves the right, at its option, to redeem Bonds maturing on or after October 1, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on October 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS – Optional Redemption”).

MANDATORY SINKING FUND REDEMPTION . . . In the event any of the Bonds are structured as “Term Bonds”, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution, which provisions will be included in the final Official Statement.

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("Rule 15c2-12" or the "Rule"), this document, as the same may be supplemented or corrected from time to time, may be treated as an Official Statement with respect to the Bonds described herein deemed "final" by the District as of the date hereof (or of any supplement or correction) except for the omission of no more than the information provided by Subsection (b)(1) of Rule 15c2-12.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY-ONLY SYSTEM AS DESCRIBED UNDER "THE BONDS - BOOK-ENTRY-ONLY SYSTEM", AS SUCH INFORMATION WAS FURNISHED BY THE DEPOSITORY TRUST COMPANY.

TABLE OF CONTENTS

The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE DISTRICT.................................... The Washington County Junior College District (the "District") is a body corporate and political subdivision of the State of Texas (the "State") organized and existing under the laws of the State. The District currently operates educational facilities in Brenham, Bryan, Schulenburg and Sealy, Texas. The District boundaries are coterminous with Washington County and encompass approximately 621 square miles.

THE BONDS .... The Washington County Junior College District $55,500,000* Combined Fee Revenue Bonds, Series 2026 are issued as serial bonds maturing on October 1 in each of the years 2029 through 2056, unless the Purchaser designates one or more maturities as Term Bonds (see "THE BONDS - Description of the Bonds").

PAYMENT OF INTEREST .... Interest on the Bonds will accrue from the date of the initial delivery of the Bonds and is payable October 1, 2026, and each April 1 and October 1 thereafter until maturity or prior redemption (see "THE BONDS - Description of the Bonds").

AUTHORITY FOR ISSUANCE .... The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Vernon's Texas Codes Annotated ("V.T.C.A."), Section 130.123, Education Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, a resolution (the "Bond Resolution") passed by the Board of Trustees of the Washington County Junior College District (the "District") on December 4, 2025. In the Bond Resolution, the Board of Trustees delegated to certain officials of the District the authority to effect the sale of the Bonds and to establish certain terms related to the issuance of the Bonds. The terms of sale will be included in a "Pricing Certificate" which will complete the sale of the Bonds (the Bond Resolution and the Pricing Certificate are jointly referred to as the "Resolution") (see "THE BONDS - Authority for Issuance").

SECURITY FOR THE BONDS .... The Bonds constitute special obligations of the District payable, both as to principal and interest, solely from and, together with the outstanding Previously Issued Bonds (defined herein), secured by a pledge of and lien on the "Pledged Revenues" (identified and defined in the Resolution) which consist of (i) the "Pledged Registration Fee"; (ii) the "Pledged Tuition Fee"; (iii) "Pledged Building Use Fee"; (iv) the "Net Revenues of the Revenue System"; (v) "Other Pledged Fees", including the "General Fee" and the "Out of District Fee"; and (vi) any additional revenues, income or resources which may be pledged to the Bonds. **The District has not covenanted or obligated itself to pay the Bonds from monies raised or to be raised from taxation** (see "SECURITY FOR THE BONDS").

OPTIONAL REDEMPTION .... The District reserves the right, at its option, to redeem Bonds maturing on or after October 1, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on October 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

MANDATORY SINKING FUND REDEMPTION.................................... In the event any of the Bonds are structured as "Term Bonds", such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution, which provisions will be included in the final Official Statement.

TAX EXEMPTION .... In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "TAX MATTERS – Tax Exemption" herein.

USE OF PROCEEDS .... Proceeds from the sale of the Bonds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, for and on behalf of the District, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and maintenance facilities, including the Brenham Central Plant and the Waller Campus building and the acquisition of sites therefor (collectively, the "Project"); and (ii) pay the costs and expenses of issuing the Bonds.

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* Preliminary, subject to change.

RATINGS .... The Bonds are rated "AA-" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") (see "OTHER INFORMATION – Ratings").

BOOK-ENTRY-ONLY SYSTEM .... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof within a stated maturity. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").

PAYMENT RECORD .... The District has never defaulted in payment of its revenue obligations.

SELECTED FINANCIAL AND ANALYTICAL INFORMATION

	Fiscal Year Ended August 31,				
Analytical Data	2025	2024	2023	2022	2021
Total Enrollment Headcount [(1)]	45,730	43,401	44,063	42,587	45,440
Unrestricted Fund Balance	$(19,157,881)	$ 9,258,819	$ 8,809,685	$ 15,615,506	$ 21,051,045
Debt Service Coverage					
Total Pledged Revenues	$ 44,181,893	$ 45,668,945	$ 43,695,224	$ 40,076,217	$ 40,176,432
Average Annual Debt Service Coverage	6.00X	6.19X	5.11X	4.63X	4.66X

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(1) Includes total enrollment for each regular and summer semester during year shown.

For additional information regarding the District, please contact:

Dr. Clen Burton Vice Chancellor for Business and Finance/CFO Blinn College Washington County Junior College District 902 College Avenue Brenham, Texas 77833 (979) 830-4123	or	Steven A. Adams, CFA Paul N. Jasin Specialized Public Finance Inc. 4925 Greenville Avenue Suite 1350 Dallas, Texas 75206 (214) 373-3911

DISTRICT OFFICIALS AND CONSULTANTS

ELECTED OFFICIALS

Board of Trustees	Term Expires	Occupation
Allison Bentke Board Chair, Precinct 3	May, 2029	Retired Educator
Randy Wells Board Vice-Chair, Precinct 1	May, 2027	Minister
Rebecca Ehlert Board Secretary, Precinct 4	May, 2027	Retired Educator
Diane Kettler Precinct 2	May, 2029	CPA
Richard O'Malley At-Large Position 1	May, 2031	Civil Engineer
Jim Kolkhorst At-Large Position 2	May, 2031	Local Business Owner/CEO
Dennis Crowson At-Large Position 3	May, 2031	Software Consultant

APPOINTED OFFICIALS

Name	Position	Length of Service With District
Mary Hensley, Ed.D.	Chancellor of the Blinn College District	9 Years
Leighton Schubert	Executive Vice Chancellor	7 years
Marcelo Bussiki, D.M.A.	Vice Chancellor, Academic Affairs	23 Years
Becky McBride, Ph.D.	Vice Chancellor, Student Services	6 Years
Clen Burton, Ph.D.	Vice Chancellor, Business and Finance/CFO	2 Years

CONSULTANTS AND ADVISORS

Auditors .... Lott, Vernon & Company, P.C.
Temple, Texas

Bond Counsel .... Norton Rose Fulbright US LLP
Dallas, Texas

Financial Advisor.......... Specialized Public Finance Inc.
Dallas, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

$55,500,000*
WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT
COMBINED FEE REVENUE BONDS, SERIES 2026

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, provides certain information regarding the issuance by the Washington County Junior College District (the "District") of its $55,500,000* Combined Fee Revenue Bonds, Series 2026 (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution, except as otherwise indicated herein.

The District is a body corporate and political subdivision of the State of Texas (the "State"), located in Washington County, Texas. The District is governed by a seven-member Board of Trustees (the "Board") who serve staggered six year terms with elections being held in each even numbered year. Policy-making and supervisory functions are the responsibility of, and are vested in, the Board. The District is also known as the "Blinn College District". The Board delegates administrative responsibilities to the Chancellor of Blinn College who is the chief administrative officer of the District. Support services are supplied by consultants and advisors. The District covers all of Washington County, with approximately 621 square miles in area. The District operates campuses in the cities of Brenham, Bryan, Schulenburg and Sealy, Texas, and the campuses are sometimes referred to collectively as the "College".

There follows in this Official Statement descriptions of the Bonds and certain information regarding the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District's Financial Advisor, Specialized Public Finance Inc., Dallas, Texas.

THE BONDS

PURPOSE . . . Proceeds from the sale of the Bonds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, for and on behalf of the District, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and maintenance facilities, including the Brenham Central Plant and the Waller Campus building and the acquisition of sites therefor (collectively, the "Project"); and (ii) pay the costs and expenses of issuing the Bonds.

DESCRIPTION OF THE BONDS . . . The Bonds are dated February 1, 2026 and are scheduled to mature on October 1 in each of the years and in the amounts shown on page 2 hereof. Interest will accrue from the date of their initial delivery to the Purchaser and will be computed on the basis of a 360-day year consisting of twelve 30-day months, and will be payable on April 1 and October 1 of each year, commencing October 1, 2026, until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - Book-Entry-Only System" herein.

Interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States mail, first class, postage prepaid, to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at the stated maturity or, if applicable, upon prior redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "THE BONDS - Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, particularly Vernon's Texas Codes Annotated ("V.T.C.A."), Section 130.123, Education Code, as amended, and Chapter 1371 of the Texas Government Code, as amended, and the Resolution.

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* Preliminary, subject to change.

Optional Redemption . . . The District reserves the right, at its option, to redeem Bonds maturing on or after October 1, 2036, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on October 1, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the District may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Mandatory Sinking Fund Redemption…In the event any of the Bonds are structured as "Term Bonds", such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Resolution, which provisions will be included in the final Official Statement.

Notice of Redemption . . . Not less than 30 days prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Book-Entry-Only System . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, NY, while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the book-entry-only system has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participant, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act initially as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase.

Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices, if applicable, will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered in accordance with the Resolution.

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . In the event that the Book-Entry-Only System is discontinued by DTC, printed Bonds will be issued to the DTC Participants or Beneficial Owners, as the case may be, and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

Paying Agent/Registrar . . . The initial Paying Agent/Registrar is UMB Bank, N.A., Houston, Texas. In the Resolution, the District retains the right to replace the Paying Agent/Registrar. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Transfer, Exchange and Registration . . . In the event the Book-Entry-Only System should be discontinued, the Bonds will be printed and delivered to the registered owners thereof, and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar, and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "THE BONDS - Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. In the event the Purchaser designates one or more maturities as Term Bonds, neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Record Date for Interest Payment . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the 15th day of the preceding month. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Registered Owners' Remedies . . . In the event the District (a) defaults in payments to be made to the Interest and Sinking Fund or the Reserve Fund as required by the Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in the Resolution, the Holder or Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the District and its officers to observe and perform any covenant, condition, or obligation prescribed in the Resolution. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. No assurance can be given that a mandamus or other legal action to enforce a remedy under the Resolution would be successful. Under State law and the Resolution, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Resolution. The Resolution does not provide for the appointment of a trustee to represent the interest of the registered owners upon any failure of the District to perform in accordance with the terms of the Resolution, or upon any other condition. The Texas Supreme Court has ruled in Tooke v. City of Mexia, 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, which pertains to the issuance of public securities by issuers such as the District, permits the District to waive sovereign immunity in the proceedings authorizing the issuance of the Bonds. Notwithstanding its reliance upon the provisions of Chapter 1371 in connection with the issuance of the Bonds, the District has not waived the defense of sovereign immunity with respect thereto. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code. Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, such provisions are subject to judicial construction. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or registered owners of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce creditors rights under the Resolution would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

Defeasance of Bonds . . . In the Resolution, the District has reserved the right to defease the Bonds and thereby release the lien established by the Resolution with respect to the Pledged Revenues by funding an escrow account that is dedicated for the payment of the Bonds. See "APPENDIX A - Selected Excerpts from the Resolution – Section 24: Satisfaction of Obligation of the District."

Amendments to the Resolution . . . In the Resolution, the District has reserved the right to amend and supplement the Resolution under certain conditions. Amendments for certain purposes are prohibited unless the consent of the registered owners of certain amounts of the Bonds are obtained. See "APPENDIX A - Selected Excerpts from the Resolution – Section 35: Resolution a Contract - Amendments."

SOURCES AND USES OF FUNDS . . . Proceeds from the sale of the Bonds will be applied approximately as follows:

SOURCES:		
Par Amount of Bonds	$	-
Bid Premium		-
Total Sources of Funds	$	-
USES:		
Deposit to Project Construction Fund	$	-
Deposit to Debt Service Reserve Fund		-
Costs of Issuance/Rounding Amount		-
Total Uses of Funds	$	-

SECURITY FOR THE BONDS

PLEDGE UNDER THE RESOLUTION . . . Under the Resolution, the District's Combined Fee Revenue Bonds, Series 2014, Combined Fee Revenue Bonds, Series 2015, Combined Fee Revenue Bonds, Series 2016, Combined Fee Revenue Bonds, Series 2019, and Combined Fee Revenue and Refunding Bonds, Series 2020 (collectively, the "Previously Issued Bonds"), the Bonds, and any Additional Bonds, when and if issued, are special obligations of the District that are secured by and payable solely from a pledge of and a first lien on the Pledged Revenues as defined in the Resolution (all of which obligations are collectively referred to as the "Bonds Similarly Secured"). Pledged Revenues are additionally pledged to the maintenance of required amounts in the Reserve Fund. The District currently has outstanding $87,260,000 in principal amount of obligations that are "Bonds Similarly Secured".

Pledged Revenues consist of receipts derived from the Combined Fees, Net Revenues of the Revenue System and Other Pledged Fees. The Combined Fees include the Pledged Registration Fee, the Pledged Tuition Fee (Skiles Act Fee) and the Pledged Building Use Fee as are more fully described below. The Revenue System previously created by the Board and confirmed by the Resolution includes the Bookstore System, the Cafeteria System, the Student Center System, the Housing System and any additional facilities which at the option of the Board may be made a part of the Revenue System. The Revenue System is more fully described herein. Other Pledged Fees include Student Activity Fees, Laboratory Fees, the General Fee and the Out of District Fee, unrestricted grants, donations or income pledged to the payment of the Bonds and any additional fees or charges which the Board may pledge to secure the Bonds Similarly Secured. As described below under "SECURITY FOR THE BONDS - Summary of Changes to Pledged Revenues," the Resolution provides that the Pledged Building Use Fee, the Pledged Registration Fee and the Pledged Tuition Fee may be decreased or abrogated by the Board, so long as the other Pledged Revenues are sufficient to meet the rate covenant described under "SECURITY FOR THE BONDS - Rate Covenant." Commencing with the 2001-2002 school year, the Board determined not to collect a Student Center Fee (see "Table 3 - Historical Net Revenues of the Revenue System"); commencing with the 2002-2003 school year, the Board determined not to charge the Pledged Registration Fee; and commencing with FY 2001, the Board ceased collecting a Building Use Fee. Other Pledged Fees are more fully described in "APPENDIX A - Selected Excerpts from the Resolution" and in "DESCRIPTION OF THE WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT – Combined Fees".

SUMMARY OF CHANGES TO PLEDGED REVENUES . . . The Board, in an effort to make college costs more comprehensible, made changes to the District's tuition and fee structure at its March 2000 Board meeting. The Board established two new fees and ceased the collection of the Building Use Fee, the Student Activity Fee, the Student Services Fee and the Student Center Fee, starting with the Fall 2000 semester (fiscal year ("FY") 2001). The new fees, which have been pledged to secure the Bonds Similarly Secured as "Other Pledged Fees", are the "Out of District Fee" and "General Fee". All other Pledged Revenues remained the same, however, beginning with the Fall 2002 semester, the Board has determined not to collect the Pledged Registration Fee. While the District has covenanted to fix and collect the Pledged Building Use Fee, the Pledged Registration Fee and the Pledged Tuition Fee, the requirement that the District collect such fees may be abrogated whenever the other Pledged Revenues are sufficient to meet the rate covenant described under "SECURITY FOR THE BONDS - Rate Covenant." However, in the event that such rate covenant is not being met, the Resolution would require that the District reinstate such fees. The effect of these changes to the District's tuition and fee schedule was an increase of Pledged Revenues to secure the Bonds. See "Table 6 – Summary Statement of Current Funds Revenues, Expenditures and Other Charges."

FLOW-OF-FUNDS . . . Under the Resolution, all Pledged Revenues will be credited to the Revenue Fund upon receipt. The District is required to make transfers from the Revenue Fund to the Interest and Sinking Fund as follows:

i) On or before each interest payment date for the Bonds Similarly Secured, an amount which will be sufficient, together with any other moneys then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds Similarly Secured on such interest payment date; and

ii) On or before each interest payment date for the Bonds Similarly Secured, an amount, together with any other moneys then on hand therein and available for such purpose, an amount equal to one-half of the principal scheduled to mature and come due on the Outstanding Bonds Similarly Secured on the next succeeding principal payment date.

After making the required transfers to the Interest and Sinking Fund, any necessary transfer to the Reserve Fund shall be made so that the Reserve Fund balance shall be at least equal to the amount then required to be on deposit in the Reserve Fund. Amounts in the Revenue Fund that are not needed to make the required deposits to the Interest and Sinking Fund and the Reserve Fund may be used to pay current expenses or for any other lawful purpose.

RESERVE FUND . . . The Board has created and established a Reserve Fund for the benefit of the registered owners of the Bonds Similarly Secured. In the Resolution, the Board covenants and agrees that it will provide for the accumulation and maintenance, as provided below, of an amount equal to not less than the maximum annual principal and interest on the Bonds Similarly Secured (the "Required Reserve"). After the issuance of the Bonds the Required Reserve will equal $_____________. See "Table 5 – Summary of Pledged Revenues" and the notes thereto for more details regarding the calculation of the Required Reserve. At August 31, 2025, there was $_____________ on deposit in the Reserve Fund. Following the delivery of the Bonds, appropriate officials of the District will cause to be deposited to the Reserve Fund, the amount of funds required to fully fund the Reserve Fund at closing. If after the Reserve Fund has been fully funded, it at any time contains less than the Required Reserve, the District is required to deposit to the Reserve Fund on or before April 1 and October 1 thereafter, an amount equal to 1/10th of the deficiency until the Required Reserve is restored.

RATE COVENANT . . . In the Resolution, the District covenants to establish and maintain rates and charges for services, use and availability of all parts of the District's facilities (i) sufficient to produce Pledged Revenues which will equal at least 120% of the annual debt service of the Outstanding Bonds Similarly Secured during each Fiscal Year of the District and maintain the Reserve Fund at the Required Reserve Fund Amount and (ii) when added to other legally available funds, sufficient to pay current operating and maintenance expenses of the District. See APPENDIX A, Selected Excerpts from the Resolution.

ADDITIONAL BONDS . . . The District has reserved the right in the Resolution to issue Additional Bonds on a parity with the Bonds and Previously Issued Bonds. The Resolution provides that no Additional Bonds (including refunding obligations) will be issued unless:

(a) The chief fiscal officer of the District signs a certificate to the effect that the District is not in default as to any covenant, condition or obligation in connection with all outstanding Bonds Similarly Secured, and the resolutions authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) The chief fiscal officer of the District, or any independent certified public accountant, signs a certificate to the effect that, based upon the best available information, during either the next preceding Fiscal Year of the District, or any 12-consecutive calendar month period ending not more than 90 days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the amount of the Pledged Revenues was at least equal to 120% of the annual debt service requirements of all the Outstanding Bonds Similarly Secured as calculated from the date of the Additional Bonds proposed to be issued.

(c) The chief fiscal officer of the District signs a certificate to the effect that during either the next preceding Fiscal Year of the District, or any 12-consecutive calendar month period ending not more than 90 days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Pledged Revenues were equal to at least 120% of the average annual principal and interest requirements of all then Outstanding Bonds Similarly Secured that were then Outstanding during such Fiscal Year or period, after giving effect to the Additional Bonds proposed for issuance, and the rates and charges, together with other legally available funds of the District, were sufficient to pay all operating and maintenance expenses of the District in such Fiscal Year or period. However (i) should the certificate of the chief fiscal officer certify that the Pledged Revenues for the period covered thereby were less than required above, and (ii) a change in the rates and charges for services, use and availability of all parts of the District's facilities in effect prior to the last day of the period covered by the certificate of the chief fiscal officer, and (iii) an independent accountant or accounting firm will certify that, had such change in rates and charges been effective for the entire period covered by the certificate of the chief fiscal officer, the Pledged Revenues covered by the certificate of the chief fiscal officer would have been, in his or their opinion, equal to at least 120% of the average annual debt service requirements (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, after giving effect to the Additional Bonds proposed to be issued, then, in such event, the coverage specified in the first sentence of this paragraph (c) shall not be required for the period specified, and such certificate of the chief fiscal officer will be sufficient if accompanied by an accountant's certificate to the above effect.

The principal of all Additional Bonds must be scheduled to be paid or mature on April 1 or October 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on April 1 and October 1.

In addition to the foregoing requirements, the Resolution also requires each resolution under which Additional Bonds are issued to provide and require that, in addition to the amounts required by the provisions of any other resolution or resolutions authorizing Bonds Similarly Secured to be deposited to the credit of the Interest and Sinking Fund, (i) the District transfer from the Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on the Additional Bonds then being issued, as the same comes due, and (ii) the District transfer from the Pledged Revenues and deposit to the credit of the Reserve Fund the amounts required to be deposited therein.

BOND INSURANCE

The District has made applications to municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policy. If a municipal bond insurance policy is purchased, it will be at the sole discretion of the Purchaser in connection with the submission of its bid for purchase of the Bonds and the premium for such policy will be paid by the Purchaser. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to any such municipal bond insurance policy.

BOND INSURANCE RISKS

If a commitment from a bond insurance company (the "Insurer") to provide a municipal bond insurance policy relating to the Bonds (the "Policy") is obtained, the following risk factors generally apply.

GENERAL . . . The District has submitted applications to municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policy. If the District obtains a commitment from a bond insurance company (the "Insurer") and the Purchaser elects to purchase a municipal bond insurance policy relating to the Bonds (the "Policy"), the final Official Statement shall disclose certain information regarding the Insurer and the Policy. If the Purchaser chooses to purchase the Policy, the following risk factors related to municipal bond insurance policies generally apply.

In the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Bonds will not be subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE BONDS - Bondholders' Remedies"). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the Bondholders.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the Pledged Revenues. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

If a Policy is acquired, the long-term ratings on the Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Bonds, whether or not subject to a Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds.

The obligations of the Insurer under a Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the District, the Financial Advisor or the Purchaser has made independent investigation into the claims-paying ability of any potential Insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential Insurer is given.

CLAIMS-PAYING ABILITY AND FINANCIAL STRENGTH OF MUNICIPAL BOND INSURERS . . . Moody's Investor Services, Inc., S&P Global Ratings, and Fitch Ratings (the "Rating Agencies") have downgraded and/or placed on negative watch the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers is possible. In addition, recent events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Bonds. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims-paying ability of any such bond insurer, particularly over the life of the Bonds.

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DEBT INFORMATION

TABLE 1 – PRO-FORMA DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 8/31	Outstanding Bonds			The Bonds[1]			Total Outstanding Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total		
2026	$ 4,240,000	$ 3,142,844	$ 7,382,844	$ -	$ -	$ -	$ 7,382,844	
2027	4,430,000	2,958,422	7,388,422	-	2,974,022	2,974,022	10,362,444	
2028	4,610,000	2,785,006	7,395,006	-	2,870,370	2,870,370	10,265,376	
2029	4,830,000	2,581,587	7,411,587	-	2,870,370	2,870,370	10,281,957	
2030	5,075,000	2,352,694	7,427,694	960,000	2,851,170	3,811,170	11,238,864	16.43%
2031	5,325,000	2,116,869	7,441,869	1,000,000	2,811,970	3,811,970	11,253,839	
2032	5,545,000	1,901,800	7,446,800	1,040,000	2,771,170	3,811,170	11,257,970	
2033	4,415,000	1,735,825	6,150,825	1,085,000	2,728,670	3,813,670	9,964,495	
2034	4,560,000	1,596,397	6,156,397	1,130,000	2,684,370	3,814,370	9,970,767	
2035	4,705,000	1,457,219	6,162,219	1,180,000	2,635,220	3,815,220	9,977,439	36.82%
2036	4,845,000	1,310,947	6,155,947	1,235,000	2,579,648	3,814,648	9,970,594	
2037	4,995,000	1,158,475	6,153,475	1,295,000	2,518,250	3,813,250	9,966,725	
2038	5,155,000	999,338	6,154,338	1,360,000	2,451,875	3,811,875	9,966,213	
2039	5,330,000	830,950	6,160,950	1,430,000	2,382,125	3,812,125	9,973,075	
2040	5,505,000	654,213	6,159,213	1,505,000	2,308,750	3,813,750	9,972,963	59.04%
2041	5,040,000	482,131	5,522,131	1,580,000	2,231,625	3,811,625	9,333,756	
2042	4,610,000	319,869	4,929,869	1,665,000	2,150,500	3,815,500	8,745,369	
2043	2,400,000	204,406	2,604,406	1,750,000	2,065,125	3,815,125	6,419,531	
2044	2,470,000	132,444	2,602,444	1,840,000	1,975,375	3,815,375	6,417,819	
2045	2,545,000	58,300	2,603,300	1,930,000	1,881,125	3,811,125	6,414,425	76.61%
2046	870,000	10,331	880,331	2,035,000	1,779,456	3,814,456	4,694,788	
2047	-	-	-	2,145,000	1,669,731	3,814,731	3,814,731	
2048	-	-	-	2,260,000	1,551,275	3,811,275	3,811,275	
2049	-	-	-	2,390,000	1,423,400	3,813,400	3,813,400	
2050	-	-	-	2,525,000	1,288,238	3,813,238	3,813,238	84.93%
2051	-	-	-	2,670,000	1,145,375	3,815,375	3,815,375	
2052	-	-	-	2,820,000	994,400	3,814,400	3,814,400	
2053	-	-	-	2,980,000	834,900	3,814,900	3,814,900	
2054	-	-	-	3,145,000	666,463	3,811,463	3,811,463	
2055	-	-	-	3,325,000	488,538	3,813,538	3,813,538	95.09%
2056	-	-	-	3,510,000	300,575	3,810,575	3,810,575	
2057	-	-	-	3,710,000	102,025	3,812,025	3,812,025	100.00%
	$ 91,500,000	$ 28,790,065	$ 120,290,065	$ 55,500,000	$ 59,986,105	$ 115,486,105	$ 235,776,170	

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(1) Interest on the Bonds has been calculated as of the posted date of the Preliminary Official Statement for purposes of illustration. Preliminary, subject to change.

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DESCRIPTION OF WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT

THE DISTRICT

The District, also known as Blinn College (the "College"), was established in 1883 and in 1937 became the first county-owned junior college in Texas. Blinn College operated the Brenham Campus only until academic facilities were leased and opened in Bryan, Texas in 1970, in College Station, Texas in 1982, in Schulenburg, Texas in 1997 and in Sealy, Texas in January 2005. The District boundaries are coterminous with Washington County and encompass approximately 621 square miles with a 2025 U.S. Census population estimate of 37,810. The City of Brenham is the largest city in Washington County with a 2025 U.S. Census population estimate of 19,728.

The District is governed by the elected Board comprised of seven members serving six-year staggered terms and two additional appointed trustees. The Board is charged with policy-making and supervisory functions and delegates administrative responsibilities to the Chancellor of the College and the Chancellor's staff. Certain support services are supplied by consultants and advisors. The District is a two-year comprehensive community college supported by local ad valorem taxes, state appropriations, federal grants and student tuition and fees.

SERVICE AND MARKET AREAS; COMPETITION

The District's boundaries include only the territory within Washington County. The current Brazos County campus in Bryan is an extension campus of the District. In 1995, legislation was enacted which generally ratified the junior college district service areas previously designated by the Texas Higher Education Coordinating Board. The District's service area includes Washington, Burleson, Brazos, Madison, Grimes, Waller, Lee and Fayette Counties and part of Austin, Milam, Walker and Montgomery counties.

The District considers the Lone Star College System's Tomball, Texas campus, the Cy-Fair Campus (located approximately 50 miles east of Brenham) and the Wharton, Texas campus of the Wharton County Junior College District (located approximately 45 miles south of the Brenham campus) to be the primary competitors among junior college districts.

Over the years, the District has developed both formal and informal relationships with A&M, resulting in the District becoming a "feeder" college for A&M. The College's academic transfer rate of 45.9% ranks first in the State of Texas, among the 50 Texas community colleges, and far exceeds the statewide average of 24.1%. In addition to transfer agreements with the state's leading four-year universities, the College is home to co-enrollment programs such as the Texas A&M-Blinn TEAM (Transfer Enrollment at A&M) Program and the Texas A&M Engineering Academy at Blinn. A 2019 study found that the College provides a $370.1 million economic benefit to its service area. Additionally, the College has been named to the President's Higher Education Community Service Honor Roll and received the Carnegie Foundation for the Advancement of Teaching Community Engagement Classification in recognition of its commitment to incorporating community service and civic responsibility into its educational coursework.

EXISTING AND FUTURE DISTRICT FACILITIES

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

Fall 2024, Blinn enrollment was approximately 19,000 students. Blinn's administration expects student enrollment to grow as additional face-to-face and distance learning opportunities increase.

The administration retains $42.5 million of unrestricted cash in operating reserves. Fall 2027, the District will complete the construction of the new Academic Building on the Waller campus.

Blinn has three major capital projects planned over the coming three years. Those projects include: Waller Campus Academic Building Construction (planning stage, estimated budget $68 million, planned sources from future revenue bond and unrestricted cash); Brenham Campus Central Plant Upgrade (In progress, cost $6 million, planned source from unrestricted cash); Brenham Campus Sports and Intramural Complex (Pending, 1–2-year timeline, cost pending, planned source from unrestricted cash).

MISSION OF THE DISTRICT

The College exists for the purpose of serving the educational needs of the citizens of Washington County and surrounding counties. The College seeks to provide educational experiences and opportunities that will assist the student in developing an integrated pattern of economic competence, intellectual curiosity, and social responsibility. Underlying these basic goals is a strong commitment to excellence in instruction through philosophical and financial support. The institution strives to be alert to the changing educational requirements of the region and endeavors to meet those needs. In order to accomplish the mission, the College has established the following objectives to provide:

1. Two years of accredited college-level transfer courses in arts and sciences for those seeking associate degrees or intending to transfer to senior institutions.

2. Training to meet the changing needs of business and industry by preparing students in one- and two-year occupational courses leading directly to gainful employment.

3. Two-year technical-vocational programs leading to a degree or certification of proficiency that will enable the student to enter industry or business with a marketable skill.

4. A developmental program for inadequately prepared students, offering a variety of courses designed to assist such students in achieving success in college-level courses.

5. Counseling and guidance services to assist students in achieving their educational and career goals and to provide them with information pertaining to careers and employment opportunities.

6. Assistance to new and established businesses in the College's service area, including updating and upgrading employee skills.

7. Continuing education for the adult citizens of the community in credit or noncredit courses to improve their technical, professional, cultural and social skills, and knowledge.

8. An early admissions program for qualified high school juniors and seniors.

9. Adult literacy and other basic skills programs for adults.

10. Educational programs through museum exhibits and activities that focus on the historical and cultural heritage of Texas.

ACCREDITATION AND STANDING

The College is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, the Texas Education Agency, and the Texas Higher Education Coordinating Board. The College is a member of the American Association of Community and Junior Colleges, Southern Association of Community and Junior Colleges, The Texas Association of Music Schools, The Texas Association of Junior Colleges, and The Texas Speech Association.

CAPITAL IMPROVEMENT PLAN

Capital projects involve the acquisition or construction of major facilities and equipment. The Board has adopted a facilities master plan that differs from the operating budget because it is a "multi-year" process. Due to its nature as a planning tool, a capital budget, while identifying and prioritizing capital expenditures, is subject to revision as circumstances change, including changes in the economy and in financial circumstances of the District. Consequently, the inclusion of expenditure in a capital budget or master facilities plan is not a firm commitment to a project, particularly as the planning horizon extends further into the future.

A substantial portion of the District's current master facilities plan projects have been funded through the issuance of the District's bonds issued in 2010, which provided $20,155,000 for construction of District improvements, and from District reserves. Construction has been completed on the following projects: Bert and Mae Dean Wheeler Residence Hall; Rankin Agricultural Complex; Machat Music Facility renovations; Texas A&M Health Sciences Building improvements; and Hodde Technical Center.

COMBINED FEES

Pledged Tuition Fee: The Pledged Tuition Fee (the Skiles Act Fee) is that portion of the tuition charges now or hereafter required or permitted by law to be collected from all regularly enrolled students of the District (except students exempt from paying tuition under Chapter 54 of the Texas Education Code, as amended) for each regular semester and summer term that is permitted to be pledged to the payment of the Bonds Similarly Secured. The maximum portion of each student's tuition permitted to be pledged as security for the Bonds under the Texas Education Code, as amended by HB 1621, effective September 2004, is 25% of the tuition charges collected. Under the Resolution, the Board covenants to fix, charge and collect the Pledged Tuition Fee in such amounts during each Fiscal Year, which when added to the other Pledged Revenues collected, will be sufficient at all times to provide the monies for the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured, and to satisfy the rate covenant specified in the Resolution.

Pledged Registration Fee: Beginning with the fall 2002 semester, the District ceased collecting the registration fee and increased the General Fee. However, in the event that the rate covenant in the Resolution is not being met, the Resolution would require that the District reinstate such fees. The effect of these changes to the District's tuition and fee schedule was an increase of Pledged Revenues to secure the Bonds. See "Table 6 – Statement of Revenues, Expenses and Changes in Net Assets."

Pledged Building Use Fee: Beginning with fiscal year 2001, the District ceased collecting the Pledged Building Use Fee, and began collecting an Out-of-District and General Fee. However, in the event that the rate covenant in the Resolution is not being met, the Resolution would require that the District reinstate such fee. The effect of these changes to the District's tuition and fee schedule was an increase of Pledged Revenues to secure the Bonds. See "Table 6 – Statement of Revenues, Expenses and Changes in Net Assets."

TABLE 2 - HISTORICAL COMBINED FEES

Fiscal Year Ended 8/31	Pledged Registration Fee	Pledged Tuition Fee	Pledged Building Use Fee	Total Combined Fees
2021	-	$ 7,275,502	$ -	$ 7,275,502
2022	-	7,693,166	-	7,693,166
2023	-	8,058,629	-	8,058,629
2024	-	7,882,484	-	7,882,484
2025	-	7,114,593	-	7,114,593

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NET REVENUES OF THE REVENUE SYSTEM

The Net Revenues of the Revenue System are a component of the Pledged Revenues. The Revenue System includes the following:

1. The Bookstore System.
2. The Cafeteria System.
3. The Student Center System.
4. The Housing System.
5. The Parking System.
6. Any additional facilities or revenues which, at the option of the Board, may be made a part of the Revenue System.

Each component of the Revenue System consists of one or more different revenue sources. The revenue sources of each component of the Revenue System are as follows:

The Bookstore System:

a. Net Revenues of the Bookstore or Bookstores whether operated by the District or leased to third-party operators; and
b. Net Revenues of any additional facilities, which, at the option of the Board, may be made a part of the Bookstore System.

The Cafeteria System:

a. Net Revenues of the Cafeteria or Cafeterias, whether operated by the District or leased to third-party operators; and
b. Net Revenues of any additional facilities, which at the option of the Board may be made a part of the Cafeteria System.

The Student Center System:

a. Net Revenues of the Student Center or Student Centers whether operated by the District or leased to third-party operators; and
b. Net Revenues of any additional facilities, which, at the option of the Board, may be made a part of the Student Center System.

The Housing System:

a. Net Revenues of the Housing System; and
b. Net Revenues of any additional facilities, which, at the option of the Board, may be made a part of the Housing System.

The Parking System:

a. Net Revenues of the Parking System whether operated by the District or leased to third-party operators; and
b. Net Revenues of any additional facilities, which, at the option of the Board, may be made a part of the Parking System.

Net Revenues of the Revenue System also includes the Pledged Income Revenues, which consist of all interest income and earnings from the following funds which were established or confirmed by the resolutions authorizing the issuance of the Bonds Similarly Secured and which are available to satisfy the District's obligations:

1. Revenue Fund;
2. Interest and Sinking Fund;
3. Reserve Fund; and
4. Construction Fund.

All other funds established pursuant to the terms and provisions of the resolutions authorizing issuance of the Bonds Similarly Secured.

For more detailed definitions of each of the foregoing Systems, see "APPENDIX A - Selected Excerpts from the Resolution - Definitions".

TABLE 3 - HISTORICAL NET REVENUES OF THE REVENUE SYSTEM

The following table sets forth historical information concerning the Net Revenues of the Revenue System, which is a component of Pledged Revenues.

Fiscal Year Ended 8/31	Net Revenues of the Bookstore System[(1)]	Net Revenues of the Cafeteria System	Net Revenues of the Student Center[(2)]	Net Revenues of the Housing System	Net Revenues of the Parking System	Pledged Income Revenues[(3)]	Total Net Revenues of the Revenue System
2021	$ 481,979	$ 435,823	$ -	$ 805,659	$ 858,235	$ -	$ 2,581,696
2022	565,981	169,104	-	755,508	1,730,183	-	3,220,776
2023	616,225	603,622	-	1,056,586	1,807,566	-	4,083,999
2024	1,213,002	1,097,629	-	1,133,308	1,789,056	746,538	5,979,533
2025	947,660	497,327		936,493	1,568,034	371,331	4,320,845

(1) In March 2002, the District subcontracted its Brenham Campus bookstore operations to Barnes and Noble College Bookstores and will continue to report the revenues from this contract as Net Revenues of the Bookstore System. The District has contracted with Barnes and Noble for the bookstore operations on the Bryan Campus since 1997.
(2) As of the beginning of FY 2001, the District ceased collecting the Student Center Fee and began collecting a General Fee.
(3) Interest from auxiliary, debt service, and construction funds.

OTHER PLEDGED FEES

Other Pledged Fees consist of the following:

1. Student Activity Fees which are charged and collected from all students (excepting those now exempt by Chapter 54, Texas Education Code, as amended) enrolled in the District on the Brenham Campus, at the rate of $25.00 per fall and spring semesters only. Beginning with FY 2001, the District has ceased collecting the Student Activity Fee and began collecting an Out of District Fee and a General Fee which have been pledged to the payment of the Bonds Similarly Secured.

2. Laboratory Fees which are charged and collected from all students (excepting those now exempt by Chapter 54, Texas Education Code, as amended) enrolled in the District facilities, at the rates of $8 - $24 per course.

3. Any unrestricted grants, donations or income which may be pledged to the payment of the Bonds and any Additional Bonds of the District.

4. Any fees or charges which the Board may, in the future, pledge to secure the Bonds Similarly Secured.

5. Student Services Fee. This fee was historically collected at a rate of $15.00 per semester at all campuses, but beginning with FY 2001, the District has ceased collecting the Student Services Fee and began collecting a General Fee which has been pledged to the payment of the Bonds Similarly Secured.

6. Student Center Fee. This fee was historically collected at a rate of $25.00 per semester at the Brenham Campus and $10 at the Bryan Campus, but beginning with FY 2001, the District has ceased collecting the Student Center Fee and began collecting a General Fee which has been pledged to the payment of the Bonds Similarly Secured.

7. The General Fee and Out-of-District Fee have been charged and collected by the District beginning in FY 2001 and are pledged to the payment of the Bonds Similarly Secured as Other Pledged Fees (see "SECURITY FOR THE BONDS - Summary of Changes to Pledged Revenues"). The General Fee and the Out of District Fee are special fees to be fixed, charged and collected from all students (excepting those exempt by Chapter 54, Texas Education Code, as amended) who reside in or outside of the District, respectively, who are enrolled in the District, and others, for the general use and availability of the College facilities, in the manner and to the extent provided in the Resolution, and as authorized by Section 130.123, Texas Education Code, as amended. See Table 11 for the amounts charged by the Board for such fees for the 2024-2025 fiscal year.

TABLE 4 - HISTORICAL OTHER PLEDGED FEES

Fiscal Year Ended 8/31	Laboratory Fees	Debt Service Grants	Out of District and General Fees	Total Other Pledged Fees
2021	$ 5,163,632	$ -	$ 25,155,602	$ 30,319,234
2022	4,216,117	-	24,946,158	29,162,275
2023	4,798,603	-	26,753,993	31,552,596
2024	4,564,381	-	27,534,792	32,099,173
2025	5,147,987		27,598,468	32,746,455

TABLE 5 - SUMMARY OF PLEDGED REVENUES

The following table is a summary of Pledged Revenues of the District collected for the fiscal years ended August 31, 2021 through 2025.

Fiscal Year Ended 8/31	Combined Fees	Pledged Revenues of the Revenue System	Other Pledged Fees	Total Pledged Revenues
2021	$ 7,275,502	$ 2,581,696	$ 30,319,234	$ 40,176,432
2022	7,693,166	3,220,776	29,162,275	40,076,217
2023	8,058,629	4,083,999	31,552,596	43,695,224
2024	7,882,484	5,979,533	32,099,173	45,961,190
2025	7,114,593	4,320,845	32,746,455	44,181,893

2025 Pledged Revenues	$ 44,181,893
Average Annual Debt Service	7,368,005 (1)
Coverage	6.00X
2025 Pledged Revenues	$ 44,181,893
Maximum Annual Debt Service (2032)	11,257,970 (1)
Coverage	3.92X

(1) Projected. Includes the Bonds. Preliminary, subject to change.

FINANCIAL INFORMATION

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

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

Those statements are included in the financial statements of the District in APPENDIX B for the year ended August 31, 2025 in the Annual Financial Report, see Note 20.

Table 6 – Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended August 31,				
	2025	2024	2023	2022	2021
OPERATING REVENUES					
Student Tuition and Fees, Net	$ 62,146,110	$ 64,750,557	$ 64,759,555	$ 61,049,898	$ 60,731,888
Federal Grants and Contracts	530,180	1,042,632	1,556,976	1,554,596	1,463,126
State and Local Grants and Contracts	3,513,380	2,602,508	2,021,829	1,534,827	1,347,984
Sales and Services of Educational Activities	178,232	291,140	285,831	770,439	370,388
Auxiliary Enterprises, Net	11,318,728	12,129,813	10,989,286	9,677,536	7,629,057
Other Operating Revenues	1,572,060	1,219,061	598,636	529,477	307,362
Total Operating Revenues	$ 79,258,690	$ 82,035,711	$ 80,212,113	$ 75,116,773	$ 71,849,805
EXPENDITURES					
Instruction	$ 46,505,169	$ 46,817,415	$ 45,954,732	$ 42,068,199	$ 45,090,580
Public Service	977,117	437,244	876,186	293,373	746,580
Academic Support	13,310,230	12,746,831	11,642,437	10,787,704	10,832,221
Student Services	8,604,072	7,902,445	7,440,079	7,010,471	7,277,698
Institutional Support	16,007,679	18,400,644	11,417,396	15,523,198	15,805,269
Operation and Maintenance of Plant	19,606,211	18,159,269	19,001,155	21,939,297	19,213,185
Scholarships and Fellowships	16,444,551	16,231,931	13,593,389	13,055,116	12,940,963
Auxiliary Enterprises	14,259,533	12,900,573	12,166,204	10,835,903	9,227,923
Amoritization	7,727,677	3,455,135	7,055,293	884,811	100,000
Depreciation	2,900,818	7,381,119	5,529,068	6,694,376	5,783,585
Total Operating Expenses	$ 146,343,057	$ 144,432,606	$ 134,675,939	$ 129,092,448	$ 127,018,004
Operating Loss	$ (67,084,367)	$ (62,396,895)	$ (54,463,826)	$ (53,975,675)	$ (55,168,199)
NONOPERATING REVENUES (EXPENSES)					
State Appropriations	$ 40,584,276	$ 40,802,154	$ 31,676,100	$ 30,764,190	$ 31,891,453
Property Tax Revenue	2,899,738	2,453,578	2,325,284	2,331,621	2,274,867
Federal Revenue, Non-Operating	23,353,410	19,748,867	17,412,409	50,476,739	47,983,861
Gifts	739,744	861,423	618,428	1,263,147	769,766
Unrealized Gain (Loss) on Investments	11,901	338,343	318,531	(847,044)	66,590
Investment Income	4,555,401	6,233,920	4,108,153	925,973	748,628
Insurance Proceeds	-	767,086	844,907	3,388,834	-
Gain (Loss) on Disposal of Assets	19,161	(870,152)	27,363	(1,637,750)	(14,390)
Interest on Capital Related Debt	(3,005,223)	(3,196,366)	(3,383,964)	(3,594,616)	(4,020,115)
Bond Issuance Cost	-	-	-	-	(17,618)
Other Non-Operating Expenses	-	-	-	(17,153,777)	(3,843,666)
Total Nonoperating Revenues (Expenses)	$ 69,158,408	$ 67,138,853	$ 53,947,211	$ 65,917,317	$ 75,839,376
Income Before Other Revenue	$ 2,074,041	$ 4,741,958	$ (516,615)	$ 11,941,642	$ 20,671,177
Other Revenue - Additions to Endowments	-	-	-	-	2,157,230
Increase in Net Position	$ 2,074,041	$ 4,741,958	$ (516,615)	$ 11,941,642	$ 22,828,407
Net Position, Beginning of Year	151,001,666	146,259,708	144,537,440	132,595,798	109,767,391
Adjustments	-	-	2,238,883	-	-
Net Position, End of Year	$ 153,075,707	$ 151,001,666	$ 146,259,708	$ 144,537,440	$ 132,595,798

Source: Blinn College District Annual Financial Report.

DEPENDENCE ON STATE APPROPRIATIONS

In recent years, State appropriated funds have provided approximately 33% to 37% of the District's Current Fund Revenue. The Revenues from the State are derived from Legislative Appropriations which are determined at each Session of the State legislature, which meets biennially. The State is not obligated to provide a specific appropriation in any year.

Although no State funds are included in the District's pledge of the Pledged Revenues, the ability of the District to continue operating its auxiliary enterprises and to collect fees and tuition will be affected by the amount of support which is provided by annual State appropriations to the District.

OTHER FACTORS RELATING TO PLEDGED REVENUES

In addition, the revenues of the District which are pledged to secure the Bonds Similarly Secured will be affected by any event which would either reduce the student enrollment at its facilities or otherwise diminish the amount of anticipated fees to be generated by student enrollees. The amount of Pledged Revenues available to pay debt service will be affected by future events and conditions including, among others: demand for the use of the College's facilities; demand for higher educational institutions responsive to regional and national employment needs; the availability of and ability of the District to attract qualified instructors who have confidence in the District's facilities, Board of Trustees, administration and staff; economic developments in the area served by the District and, to some extent, nationally; competition from other universities and colleges or other institutions, including Internet based or other distance learning programs, which might reflect changing attitudes toward traditional college education; tuition, fees and other costs of education and State and federal regulation, including possible legislation and court decisions affecting the District's fee structure.

THE DISTRICT'S MAINTENANCE TAX

District voters have authorized the District to levy and collect a maintenance tax within the boundaries of Washington County of up to $.40 per $100 of assessed valuation. The District has levied a maintenance tax of $0.0438 for the 2025 fiscal year. The District's 2025 net taxable assessed valuation is $6,455,108,911. **No proceeds of the tax have been, or may be, pledged to secure the District's debt obligations, including the Bonds and other Bonds Similarly Secured.**

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TABLE 7 – STATEMENT OF NET POSITION

	Fiscal Year Ended August 31,				
	2025	2024	2023	2022	2021
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	$ 68,655,672	$ 99,518,511	$ 61,539,730	$ 78,140,511	$ 77,697,268
Accounts Receivable	969,351	24,773,407	27,344,290	25,286,504	23,855,022
Interest Receivable	19,368,780	-	1,026,954	165,209	146,685
Inventories	27,062,251	-	17,279	7,141	15,386
Other Assets	2,127,418	21,537,913	67,143,484	55,050,371	64,245,273
Total Current Assets	$ 118,183,472	$ 145,829,831	$ 157,071,737	$ 158,649,736	$ 165,959,634
Noncurrent Assets:					
Restricted Endowment Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -
Restricted Endowment and other Investments	7,839,800	7,996,798	8,052,624	9,098,664	9,307,100
Capital Assets, Net	274,244,871	246,485,296	233,189,776	228,582,068	201,767,326
Total Noncurrent Assets	$ 282,084,671	$ 254,482,094	$ 241,242,400	$ 237,680,732	$ 211,074,426
Total Assets	$ 400,268,143	$ 400,311,925	$ 398,314,137	$ 396,330,468	$ 377,034,060
Total Deferred Outflow of Resources	$ 13,603,971	$ 14,047,504	$ 24,553,463	$ 21,615,873	$ 27,544,850
LIABILITIES:					
Current Liabilities:					
Accounts Payable	$ 12,714,490	$ 15,147,188	$ 11,685,946	$ 12,686,588	$ 14,812,827
Funds Held for Others	666,900	424,884	1,235,307	1,044,213	861,783
Deferred Revenues	41,412,066	40,500,534	42,235,355	40,576,324	37,551,417
Deposits	197,000	167,100	186,000	176,600	131,400
Net OPEB liability-current portion	4,240,000	1,312,261	1,294,718	1,309,998	2,007,598
Accrued Compensated Absence Liability	1,760,264	491,234	512,060	-	-
Lease Liability-current portion	497,120	1,201,482	2,959,124	561,317	-
Bonds Payable - Current Portion	1,582,107	4,065,000	3,900,000	5,010,000	4,790,000
Total Current Liabilities	$ 63,069,947	$ 63,309,683	$ 64,008,510	$ 61,365,040	$ 60,155,025
Noncurrent Liabilities:					
Bonds Payable	$ 92,182,095	$ 96,676,250	$ 100,995,404	$ 105,149,559	$ 110,430,208
Lease Liability	11,944,251	10,200,072	10,554,827	10,023,569	
Net OPEB liability	24,553,187	45,602,140	48,506,200	62,431,754	58,552,701
Net pension liability	54,153,136	27,077,334	22,982,824	10,718,973	22,487,626
Total Noncurrent Liabilities	$ 182,832,669	$ 179,555,796	$ 183,039,255	$ 188,323,855	$ 191,470,535
Total Liabilities	$ 245,902,616	$ 242,865,479	$ 247,047,765	$ 249,688,895	$ 251,625,560
Deferred Inflows of Resources:	$ 14,893,791	$ 20,492,284	$ 29,560,127	$ 23,720,006	$ 20,357,552
NET POSITION:					
Invested in Capital Assets, Net of Related Debt	$ 164,049,834	$ 133,518,802	$ 128,294,372	$ 118,422,509	$ 101,200,224
Restricted for:					
Nonexpendable - Endowments	-	-	-	-	-
Expendable:	-	-	-	-	-
Endowments	-	-	-	-	-
Student Aid	736,954	777,245	1,616,548	1,552,558	2,160,632
Debt Service	7,446,800	7,446,800	7,539,103	8,946,867	8,918,600
Star of the Republic Museum	-	-	-	-	(734,703)
Unrestricted	(19,157,881)	9,258,819	8,809,685	15,615,506	21,051,045
Total Net Position	$ 153,075,707	$ 151,001,666	$ 146,259,708	$ 144,537,440	$ 132,595,798

Source: Blinn College District Annual Financial Report.

COORDINATING BOARD

The District is subject to the supervisory powers of the Texas Higher Education Coordinating Board (the "Coordinating Board"). The Coordinating Board is an agency of the State established to promote the efficient use of State resources by providing coordination and leadership for the State's higher education systems, institutions and governing boards. The Coordinating Board is the highest authority in the State in matters of public higher education and exercises general control of the public junior colleges of the State. The Coordinating Board has the responsibility for adopting policies, enacting regulations, and establishing general rules necessary for carrying out the duties with respect to public junior colleges as prescribed by the Legislature. The Coordinating Board periodically reviews all degree and certificate programs offered by the State's junior colleges and annually reviews the academic courses offered by such institutions. The Coordinating Board also determines space utilization formulas designed to promote the efficient use of construction funds and the development of physical plants to meet projected growth estimates. These space utilization formulas directly impact the allocation of appropriated funds among the State's institutions of higher education.

TABLE 8 - HEADCOUNT ENROLLMENT - SEMESTER-LENGTH PROGRAMS

Fiscal Year Ending 8/31	Brenham Campus			Brazos County Campuses			Other Campuses[1]			Total
	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session	Fall Semester	Spring Semester	Summer Session	All Campuses
2021	1,955	1,530	66	9,560	7,651	554	6,440	7,838	9,846	45,440
2022	1,823	1,457	189	8,885	7,766	1,751	6,104	6,552	8,060	42,587
2023	1,708	1,579	150	9,705	7,932	1,365	6,141	7,318	8,165	44,063
2024	2,820	2,286	929	9,410	7,602	3,925	7,389	6,539	2,501	43,401
2025	3,245	2,854	211	10,756	8,909	960	5,812	4,888	8,095	45,730

Source: Texas Higher Education Coordinating Board.
(1) Includes Schulenburg and Sealy campuses and the off-campus sites.

TABLE 9 - ENROLLMENT FULL-TIME EQUIVALENT STUDENT AND SEMESTER CREDIT HOURS

Fiscal Year Ending 8/31	Full-Time Equivalent Students				
	Fall Semester[1]	Spring Semester[1]	Summer Session[2]	Total	Semester Credit Hours
2021	11,773	10,098	6,848	28,719	369,153
2022	11,630	10,679	5,807	28,116	369,477
2023	12,310	10,679	6,434	29,423	383,439
2024	12,285	10,044	6,724	29,053	375,279
2025	11,943	10,005	6,341	28,289	367,266

Source: Texas Higher Education Coordinating Board.
(1) 1 FTE (Full-Time Equivalent Student) = 15 semester credit hours.
(2) 1 FTE = 6 semester credit hours.

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TABLE 10 - ENROLLMENT DETAILS

Type of Student	Fall 2025	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020
Freshman	9,811	9,389	11,677	11,128	10,756	11,537
Sophomore	6,884	7,056	5,199	5,161	5,150	5,257
Unclassified	1,667	1,650	1,210	1,265	1,171	1,161

Semester Hour Load	Fall 2025	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020
18 Semester Hours and Over	423	440	308	448	126	1,198
15 - 17 Semester Hours	2,270	2,258	2,275	2,402	2,352	2,693
12 - 14 Semester Hours	5,701	5,555	6,217	5,904	5,648	5,280
9 - 11 Semester Hours	3,091	3,160	3,031	2,923	2,880	2,690
6 - 8 Semester Hours	3,780	3,781	3,518	3,291	3,276	3,277
1 - 5 Semester Hours	3,097	2,901	2,737	2,586	2,795	2,817

Student Classification	Fall 2025	Fall 2024	Fall 2023	Fall 2022	Fall 2021	Fall 2020
Texas Resident (In - District)	653	583	527	520	511	545
Texas Resident (Out - District)	16,984	16,820	16,886	16,481	16,080	17,040
Non-Resident Tuition	725	692	673	553	486	370

Source: The District.

The Student body profile of the District reflects 68% of its students ranging from 18 to 21 years of age and 27% of its students ranging from 22 and older. 51% of the District's students are women.

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TABLE 11 - EXCERPTS FROM THE 2025-2026 CATALOG - EXPENSES

EXPENSES

All expenses are computed by the semester, or a period of sixteen weeks, payable in advance. Payment of tuition, fees, books, room, and board is due on registration. Payment plans are available on tuition, fees, and books, and room and board.

TUITION

The Board has determined to adopt provisions of Texas Education Code, Sec 130.0032 as amended, and the Texas Administrative Code, Title 19, Chapter 21.33, as amended, to waive the difference in the rate of tuition for nonresident and resident students for individuals, or their dependents, who own property which is subject to ad valorem taxation by the District.

The District reserves the right to change any or all such charges at the beginning of any semester without notice as a result of actions by the State legislature or the Board.

TUITION COSTS (EFFECTIVE FALL 2025)

Tuition	Per Semester Hour
In-(Taxing) District Texas Resident	$ 64.00
Out of District Area Texas Resident	123.00
Out-of-State Non-Resident/International	279.00
General Fee	80.00

Source: Blinn College District.

TUITION AND FEE SCHEDULE - ALL SEMESTERS (FULL AND PART-TIME STUDENTS) (EFFECTIVE FALL 2025)

Semester Hours	Total In-(Taxing) District Texas Resident	Total Out-of-District Texas Resident	Total Out-of-State Non-Resident/International
1-3	$ 432	$ 609	$ 1,077
4	576	812	1,436
5	720	1,015	1,795
6	864	1,218	2,154
7	1,008	1,421	2,513
8	1,152	1,624	2,872
9	1,296	1,827	3,231
10	1,440	2,030	3,590
11	1,584	2,233	3,949
12	1,728	2,436	4,308
13	1,872	2,639	4,667
14	2,016	2,842	5,026
15	2,160	3,045	5,385
16	2,304	3,248	5,744
17	2,448	3,451	6,103
18	2,592	3,654	6,462

Source: Blinn College District.
Note: Minimum charge is for 3 semester hours.

HIGH SCHOOL DUAL CREDIT TUITION COSTS (EFFECTIVE FALL 2025)

Semester Hours	Semester Hour Charge
1-3	$ 175.56
4	234.08
5	292.60
6	351.12
7	409.64

Note: Students eligible for Financial Aid for Swift Transfer (FAST) program will not pay for eligible dual credit courses.

NON-REFUNDABLE FEES

Non-Refundable Fees (Per Semester unless otherwise noted)	
Brenham Activity Fee (Fall and Spring)	$ 75.00
Brenham Activity Fee (Summer I & II)	30.00
RELLIS Campus Fee (Fall and Spring)	50.00
RELLIS Campus Fee (Summer I & II)	25.00
Health Sciences Liability Fee	6.50
Class Change Fee via myBlinn (on-line)	No Charge
Credit by Examination (CLEP)	No Charge
Foreign Student Application Fee	200.00
Graduation Fee	No Charge
Installment Plan Fee	30.00
Internet Connection Fee (Resident Students)	No Charge
Nonfunded Course Tuition (See Above)	50.00 SCH
Nursing Testing Fee	
Fee varies per semester with a range of	$155.00 - $350.00
Overnight Refund Fee	30.00
Replacement of Identification Card Fee	7.00
Registration Fee	No Charge
Returned Check Fee (paper/electronic/account not found)	25.00
Transcript (Electronic)	5.00
Transcript (Official Hard Copy)	7.50
Vehicle Registration Fee (Fall/Spring/Summer Semesters)	235.00
Vehicle Registration Fee (Spring/Summer Semesters Only)	144.00
Vehicle Registration Fee (Summer Semester Only)	85.00
Minimester	No Permit Required
Replacement Permit	Full Price

Source: Blinn College District.

MUSIC LESSON FEES

Music (voice, piano, or music instrument, two credit hours (50 minutes per week)	$ 175.00
Music (voice, piano, or music instrument, one credit hour (30 minutes per week)	100.00

AUDITING OF COURSES

Three Hour Course	Current SCH Tuition and Fee Rate
Four Hour Course	Current SCH Tuition and Fee Rate

ALLIED HEALTH PROGRAM FEES (PER SEMESTER)

Associate Degree Nursing	$ 300.00
Dental Hygiene	300.00
Emergency Medical Technician	300.00
Health Information Technology	300.00
Physical Therapist Assistant	300.00
Radiologic Technology	300.00
Veterinary Technology	300.00
Vocational Nursing	300.00
Clinical Nursing Assistant	150.00

FIRE AND POLICE ACADEMY – TEEX PARTNERSHIP (PER SEMESTER)

Fire Academy	$ 5,400.00
Distance Education Fee for online Fire Academy	100.00
Police Academy	4,925.00
Forensics Academy	6,060.00

TESTING FEES

TSI Assessment Test	$ 30.00
ATI TEAS	15.00
Additional Score Report	27.00
Remote TSIA Request	25.00
CLEP	35.00
Proctored Exam (Non-Blinn Student)	25.00
TCFP Online Certification Exam	15.00
HISET (High School Equivalency Test)	10.00

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ROOM AND BOARD FEES (EFFECTIVE SPRING 2026)

Resident Halls and Food Service
(Available on Brenham Campus Only) (per Semester)

On-Campus Resident Hall	Room Rent	Residence Hall Meal Plan Required	Total
Melcher	$ 2,020	$ 1,920	$ 3,940
Beazley	2,020	1,920	3,940
Helman	2,020	1,920	3,940
Hallstein	2,020	1,920	3,940

Housing Application Fee (Nonrefundable) — $125 First Semester $50 Each Semester Thereafter

Residence Hall room rent is based on two students per room.

Bert and Mae Dean Wheeler Residence Hall (Cost is per semester)			
Tri-Suite	$ 3,030	$ 1,920	$ 4,950
Private Bedroom /Private Bath	3,685	1,920	5,605

Blinn College Park Apartments (Cost is per semester)			
Four Bedroom Units	$ 3,687	$ 1,200	$ 4,887
Two Bedroom Units	3,687	1,200	4,887

Mill Creek Residence Hall (Cost is per semester)			
Four Bedroom, 2 Bath	$ 3,825	$ 1,815	$ 5,640
Two Bedroom, 1 Bath	3,875	1,815	5,690

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RESIDENCE HALLS AND FOOD SERVICES
(Available on Brenham Campus Only - Per Semester, Effective Spring 2026)

19 Meals per Week (All Housing Students)	$1,920.00
14 Meals per Week (All Housing Students)	$1,665.00
11 Meals per Week (Apartments)	$1,200.00
Minimester	cash only
15 Meals per Week Summer (Apartments)	$400.00

Additional purchase can be added to the meal plan.
Meal plans cannot be carried over to the following semester or refunded.

Individual Meal Prices

Breakfast	$8.00
Lunch	$9.00
Dinner	$8.75

All prices include sales tax (8.25%) and are subject to change without notice.

Full Meal Plan -	$ 1,920
Blinn Bucs - Cafeteria or The Cove	
Residence Hall Plan (Required for Residence Halls)	1,920
Summer (per term)-Residence Halls	400
Apartment Meal Plan (Required for Apartments)	1,200
Summer (per term)-Apartments	400
May minimester	cash only
Additional Purchase can be added to the meal plan	

Individual Meal Prices:	
Breakfast	$ 8.00
Lunch	9.00
Dinner	8.75

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INVESTMENTS

The District invests its investable funds in investments authorized by State law in accordance with investment policies approved by the Board. Both State law and the District's investment policies are subject to change.

LEGAL INVESTMENTS . . . Available District funds are invested as authorized by Texas law and in accordance with investment policies approved by the Board. Both State law and the District's investment policies are subject to change. Under State law, the District is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for District deposits, or (ii) where (a) the funds are invested by the District through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the District as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the District; (b) the broker or the depository institution selected by the District arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the District; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the District appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a third party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the District with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution. The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES . . . Under State law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for District funds, maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, District investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the District shall submit an investment report detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest District funds without express written authority from the Board.

ADDITIONAL PROVISIONS . . . Under State law the District is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (5) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (7) restrict its investment in mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; (9) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

TABLE 12 - CURRENT INVESTMENTS

As of November 30, 2025, the District's investable funds were invested in the following categories:

Investment Description	Book Value	% of Total
Investment Pools	$ 44,643,765	45.58%
Certificate of Deposit	27,091,018	27.66%
Money Market Accounts	16,178,657	16.52%
Local Banks	9,629,696	9.83%
Equities	393,000	0.40%
	$ 97,936,136	100.00%

TAX MATTERS

TAX EXEMPTION . . . The delivery of the Bonds is subject to the opinion of Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, corporations subject to the alternative minimum tax on adjusted financial statement income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Bond Counsel's opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinion, Bond Counsel will rely upon representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Resolution subsequent to the issuance of the Bonds. The Resolution contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of the proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust ("FASIT"), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS…The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the "Premium Bonds") paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser's tax basis in a Premium Bond over the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system ("EMMA").

ANNUAL REPORTS . . . The District shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2026, financial information and operating data with respect to the District of the general type of information contained in Tables 1 through 12 hereof, and (2) within twelve months after the end of each fiscal year ending in or after 2026, audited financial statements of the District. Any financial statements so provided shall be prepared in accordance with the accounting principles described in APPENDIX B hereof, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation. If audited financial statements are not available within 12 months after the end of any fiscal year, the District will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

The District's current fiscal year end is August 31. Accordingly, it must provide updated information by the end of February and the audited financial statement due August 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The District will also provide timely notices of certain events to the MSRB. The District will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a debt obligation or derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the District, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. Additionally, the District intends the words used in clauses (15) and (16) and the definition of "financial obligations" in the preceding clauses to have the meanings ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

AVAILABILITY OF INFORMATION FROM MSRB . . . The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The District has agreed to update information and to provide notices of certain specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds, consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATINGS . . . The Bonds are rated "AA-" by S&P. An explanation of the significance of such ratings may be obtained from the company furnishing the ratings. The ratings reflect only the views of such organization and neither the District nor the Financial Advisor makes any representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION . . . The District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial statements of the District or upon the Bonds or the District's ability to issue and secure the Bonds as described herein. At the time of the initial delivery of the Bonds, the District will provide the Purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Section 130.125 of the Texas Education Code, as amended provides that the Bonds are negotiable instruments, investment securities governed by Texas Business and Commerce Code, Chapter 8, as amended, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Texas Government Code, Chapter 2256, as amended, requires that the Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency (see "OTHER INFORMATION - Ratings" herein). In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the District has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS . . . The District will furnish the Purchaser a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "TAX MATTERS" herein. The customary closing papers, including a certificate of the District as described under "OTHER INFORMATION - Certification of the Official Statement" will also be furnished to the Purchaser. Though it represents the Financial Advisor and investment banking firms such as the Purchaser from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the District in connection with the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Resolution. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR . . . Specialized Public Finance Inc. is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Specialized Public Finance Inc., in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

INITIAL PURCHASER . . . After requesting competitive bids for the Bonds, the District accepted the bid of ________________ (the "Purchaser") to purchase the Bonds at the interest rates shown on the inside cover of the Official Statement at a price of approximately ______% of par. The Purchaser can give no assurance that any trading market will be developed for the Bonds after their sale by the District to the Purchaser. The District has no control over the price at which the Bonds are subsequently sold and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Purchaser.

FORWARD-LOOKING STATEMENTS DISCLAIMER . . . The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT . . . At the time of payment for and delivery of the Bonds, the Purchaser will be furnished a certificate, executed by proper officers of the District acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the description and statements of or pertaining to the District contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of the sale of the Bonds and the acceptance of the best bid therefor, and on the date of the initial delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs are concerned, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of circumstances under which they were made, not misleading; (c) to the best of their knowledge, insofar as the description and statements, including financial data, of or pertaining to entities other than the District, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the District since August 31, 2025, the date of the last audited financial statements of the District.

MISCELLANEOUS . . . The financial data and other information contained herein have been obtained from the District's records, audited financial statements and other sources which are believed by the District to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Pricing Certificate will approve the form and content of this Official Statement, and any addenda, supplement or amendment hereto, and authorize its further use in the reoffering of the Bonds by the Purchaser.

Pricing Officer
Washington County Junior College District

APPENDIX A

WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT
COMBINED FEE REVENUE BONDS
SERIES 2026

APPENDIX A

SELECTED PROVISIONS OF THE BOND RESOLUTION

The following are selected provisions of the Resolution. These excerpts should be qualified by reference to the exact terms of the Resolution. Unless otherwise indicated, any references to sections listed below are to sections contained in the Resolution and section headings contained in the following excerpts are references to sections contained in the Resolution.

SECTION 11. Definitions. For all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds and the pledge and appropriation of revenues for the payment of the Bonds, the following definitions are provided:

(a) The term "Additional Bonds" shall mean the additional parity obligations which the District reserves the right to issue or incur in accordance with the terms and conditions prescribed in this Resolution.

(b) The term "Board" shall mean the Board of Trustees of Washington County Junior College District.

(c) The term "Bonds" shall mean the Bonds authorized to be issued and delivered by this Resolution.

(d) The term "Bonds Similarly Secured" shall mean, collectively, the Previously Issued Bonds, the Bonds and Additional Bonds.

(e) The term "Bookstore System" shall mean the bookstore or bookstores, whether operated by the District or leased to third party operators and any additional facilities which, at the option of the Board, are made a part of the Bookstore System.

(f) The term "Cafeteria System" shall mean the cafeteria or cafeterias, whether operated by the District or leased to third party operators and any additional facilities which, at the option of the Board, are made a part of the Cafeteria System.

(g) The term "Combined Fees" shall mean collectively (i) the Pledged Registration Fee, (ii) the Pledged Tuition Fee, and (iii) the Pledged Building Use Fee.

(h) The term "College" shall mean Blinn College, which is owned by the District and operated by the Board, located in the Cities of Brenham, Bryan, Schulenburg and Sealy, Texas.

(i) The term "Fiscal Year" shall mean the twelve-month period ending August 31 of each year, provided that, the Fiscal Year may be changed once in any three calendar year period.

(j) The term "General Fee" shall mean the gross collections of a special fee to be fixed, charged and collected from all students (excepting those exempt by Texas Education Code, Chapter 54, as amended) enrolled in the College, and others, for the general use and availability of the College, in the manner and to the extent provided in this Resolution, and as authorized by Section 130.123, Texas Education Code, as amended.

(k) Unless otherwise provided in the Pricing Certificate, the term "Government Obligations" or "Government Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the District are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations that may be used to defease obligations such as the Bonds under the then applicable laws of the State of Texas.

(l) The term "Housing System" shall mean all of the housing facilities and related auxiliary facilities located on the Brenham Campus of the District and any future housing facilities whose construction is funded with the proceeds of the Bonds or Additional Bonds and any additional facilities which at the option of the Board are made a part of the Housing System.

(m) The term "Net Revenues of the Revenue System" shall mean (1) Net Revenues collected from the ownership or operation of the Revenue System and (2) all Pledged Income Revenues.

(n) The term "Other Pledged Fees" shall mean (a) Student Activity Fees which are charged and collected from all students (excepting those students exempt by Texas Education Code, Chapter 54, as amended) enrolled in the District on the Brenham Campus, (b) Laboratory Fees which are charged and collected from all students (excepting those students exempt by Texas Education Code, Chapter 54, as amended) enrolled in the District facilities, (c) any unrestricted grants, donations or income received or to be received from the United States Government, or any other public or private source, whether pursuant to an agreement or otherwise, which hereafter may be pledged to the payment of the Bonds, but excluding any revenues received by the District pursuant to appropriation by the State the pledging of which to the payment of the Bonds would impose upon the District any requirement for approval of the Texas Higher Education Coordinating Board or any similar entity and (d) any other fees or charges which the Board may pledge to secure the Bonds or any Additional Bonds, including but not limited to, the General Fee and the Out of District Fee.

(o) The term "Out of District Fee" shall mean the gross collections of a special fee to be fixed, charged and collected from all students (excepting those students exempt by Texas Education Code, Chapter 54, as amended) who reside outside of the District and are enrolled in the College, and others, for the use and availability of the College, in the manner and to the extent provided in this Resolution, and as authorized by Texas Education Code, Section 130.123, as amended.

(p) The term "Outstanding" shall mean when used in this Resolution with respect to Bonds, as of the date of determination, all Bonds theretofore issued and delivered, except:

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Bonds deemed to be duly paid in accordance with the provisions of Section 24 hereof; and

(3) those Bonds that have been mutilated, destroyed, lost or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 32 hereof.

(q) The term “Pledged Building Use Fee” shall mean the gross collections of a special fee to be fixed, charged and collected from all students (excepting those students exempt by Texas Education Code, Chapter 54, as amended) enrolled in the College, and others, for the use and availability of buildings of the District in the manner and to the extent provided in this Resolution, and as authorized by Section 130.123, Texas Education Code, as amended.

(r) The term “Pledged Income Revenues” shall mean the interest income and earnings from the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund, the Construction Fund and all other funds and accounts established pursuant to the terms and provisions of the resolutions authorizing the issuance of the Bonds and the Additional Bonds.

(s) The term “Pledged Registration Fee” shall mean the gross collections of the special fee to be fixed, charged, and collected from all students (excepting those students exempt by Texas Education Code, Chapter 54, as amended) enrolled in the College, and others, for the general use and availability of the College, in the manner and to the extent provided in this Resolution, as authorized by Texas Education Code, Section 130.123, as amended.

(t) The term “Pledged Revenues” shall mean receipts derived collectively from (a) Combined Fees, (b) Net Revenues of the Revenue System and (c) Other Pledged Fees.

(u) The term “Pledged Tuition Fee” shall mean that portion of the tuition charges now and hereafter required or permitted to be collected at the District’s institutions from each enrolled student for each regular semester and from each enrolled student for each summer term, not exceeding the maximum amount authorized by law to be pledged to the payment of the District’s bonds, including the Bonds.

(v) The term “Previously Issued Bonds” shall mean the presently outstanding and unpaid revenue obligations payable from and secured by a first lien on and pledge of the Pledged Revenues, more particularly described as follows:

> “Washington County Junior College District Combined Fee Revenue Bonds, Series 2014” dated November 15, 2014, and originally issued in the aggregate principal amount of $9,820,000;
>
> “Washington County Junior College District Combined Fee Revenue Bonds, Series 2015” dated November 15, 2015, and originally issued in the aggregate principal amount of $9,625,000;
>
> “Washington County Junior College District Combined Fee Revenue Bonds, Series 2016” dated February 1, 2016, and originally issued in the aggregate principal amount of $36,975,000;

"Washington County Junior College District Combined Fee Revenue Bonds, Series 2019" dated April 15, 2019, and originally issued in the aggregate principal amount of $29,125,000; and

"Washington County Junior College District Combined Fee Revenue and Refunding Bonds, Series 2020" dated September 15, 2020, and originally issued in the aggregate principal amount of $27,525,000

(w) The term "Revenue System" shall mean the Bookstore System, the Student Center System, the Housing System, the Cafeteria System and any additional facilities or revenues which at the option of the Board, may be made a part of the Revenue System.

(x) The term "Student Center System" shall mean the student center or student centers whether operated by the District or third party operators and any additional facilities which, at the option of the Board, are made a part of the Student Center System.

SECTION 12. Pledge of Revenues; Rate Covenant. The District hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged, to the payment and security of the Bonds Similarly Secured, including the establishment and maintenance of the special funds created and established by this Resolution, all as hereinafter provided, and it is hereby resolved that the Previously Issued Bonds, the Bonds and the interest thereon, shall constitute a first lien on the Pledged Revenues and be valid and binding without any physical delivery thereof or further act by the District.

The District covenants to establish and maintain rates and charges for services, use and availability of all parts of the District's facilities (i) sufficient to produce Pledged Revenues which will equal at least 120% of the annual debt service of the Bonds Similarly Secured during each Fiscal Year of the District and to maintain the Reserve Fund at the Required Reserve Fund Amount, as hereinafter described, and (ii) when added to other legally available funds, sufficient to pay current operating and maintenance expenses of the District.

SECTION 13. Pledged Building Use Fee. The District does hereby covenant to fix, levy, charge and collect a building use fee, at any regular fall and spring semester and at each term of any summer session, for the use and availability of any building or buildings of the District, in such amounts, without any limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured and to satisfy the rate covenant specified in Section 12 of this Resolution.

During the period of time that the Bonds are Outstanding, the building use fee shall be collected and, pursuant to a resolution of the Board, shall be increased if and when required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Previously Issued Bonds and the Bonds. All changes in the building use fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

SECTION 14. Pledged Registration Fee. The District does hereby covenant to fix, levy and charge a registration fee on a uniformly applied basis from each student (excepting those students now exempt by Texas Education Code, Chapter 54, as amended) of the District at each regular fall and spring semester and at each term of each summer session, for the general use and availability of the District, in such amounts, without limitation whatsoever, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured and to satisfy the rate covenant specified in Section 12 of this Resolution.

During the period of time that the Bonds are Outstanding, the registration fee shall be collected and, pursuant to a resolution of the Board, shall be increased if and when required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Previously Issued Bonds and the Bonds. All changes in the registration fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

SECTION 15. Pledged Tuition Fee. The District does hereby covenant to fix, levy and charge a tuition fee on a uniformly applied basis from each student (excepting those students now exempt by Texas Education Code, Chapter 54, as amended) of the District at each regular fall and spring semester and at each term of each summer session, in such amounts, within the limitations provided by applicable law, as will be at least sufficient at all times to provide, together with other Pledged Revenues, the money for making when due all deposits required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Bonds Similarly Secured and to satisfy the rate covenant specified in Section 12 of this Resolution.

During the period of time that the Bonds are Outstanding, the tuition fee shall be collected and, pursuant to resolution of the Board, shall be increased if and when required by this Resolution, and may be decreased or abrogated, so long as all Pledged Revenues are sufficient to provide the money for making when due all deposits specified or required to be made to the credit of the Interest and Sinking Fund and the Reserve Fund in connection with the Previously Issued Bonds and the Bonds. All changes in the tuition fee shall be made by resolution of the Board, but such procedure shall not constitute or be regarded as an amendment of this Resolution, but merely the carrying out of the provisions and requirements hereof.

SECTION 16. Revenue Fund. The District hereby agrees to maintain on the books of the District a separate account to be known as the "Revenue Fund." All collections of Pledged Revenues shall be credited to the Revenue Fund and applied first to the Interest and Sinking Fund and the Reserve Fund, as hereinafter provided, then to the payment of the current operating and maintenance expenses of the District and then for any lawful purpose of the District.

SECTION 17. Interest and Sinking Fund. To pay the principal of and interest on the Bonds Similarly Secured, as the same come due, the District hereby confirms the creation and establishment at an official depository of the District a separate fund entitled the "Interest and Sinking Fund."

SECTION 18. Reserve Fund. The District hereby agrees to maintain at an official depository of the District a separate fund entitled the "Reserve Fund." The Reserve Fund shall be used finally in retiring the last of the Outstanding Bonds Similarly Secured, or for paying principal of and interest on any Bonds Similarly Secured, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

SECTION 19. Funds Investment. Money in any fund created by this Resolution may, at the option of the District, be placed in time deposits or invested in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper times or times. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Accrued interest, if any, received from the Purchasers of the Bonds and deposited in the Interest and Sinking Fund shall be invested only in direct obligations of the United States of America. Interest and income derived from such deposits and investments shall be credited to the fund from which the deposit or investment was made. Such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

Money in all funds created by this Resolution, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the District.

SECTION 20. Deposits to Interest and Sinking Fund. (a) Immediately after the issuance and delivery of the Bonds all accrued interest, if any, received from the purchaser(s) shall be deposited to the credit of the Interest and Sinking Fund, and shall be used for paying interest on the Bonds.

(b) The District shall transfer from the Pledged Revenues in the Revenue Fund and deposit to the credit of the Interest and Sinking Fund the amounts, at the times, as follows:

(1) on or before each interest payment date for the Bonds Similarly Secured, an amount which will be sufficient, together with any other moneys then on hand therein and available for such purpose, to pay the interest scheduled to accrue and come due on the Bonds Similarly Secured on such interest payment date; and

(2) on or before each interest payment date for the Bonds Similarly Secured, an amount, together with any other moneys then on hand therein and available for such purpose equal to one-half of the principal scheduled to mature and come due on the Outstanding Bonds Similarly Secured on the next succeeding principal payment date.

SECTION 21. Reserve Fund Requirements. The amount to be held or accumulated in the Reserve Fund, hereafter referred to as the Required Reserve Fund Amount, shall be equal to the maximum annual principal and interest requirements on the Outstanding Bonds Similarly Secured.

On the date of delivery of the Bonds to the initial purchaser(s), the appropriate officials of the District shall determine the Required Reserve Fund Amount and shall deposit such amount to the Reserve Fund. Immediately following the delivery of a series of Additional Bonds the appropriate officials of the District shall determine the Required Reserve Fund Amount as well as the amount then on hand in the Reserve Fund and the amount of such difference shall be deposited in the said Reserve Fund within sixty (60) months in equal semiannual installments, the initial payment to be made on or before the April 1 or October 1 immediately following the delivery of said Additional Bonds.

In the event the Reserve Fund contains less than the Required Reserve Fund Amount, the Board shall deposit to the Reserve Fund on or before the April 1 or October 1 thereafter, an amount equal to 1/10th of the deficiency until the Required Reserve Fund Amount is restored.

SECTION 22. Fund Deposits and Surplus. If on any date there shall not be sufficient Pledged Revenues to make the required deposits into the Interest and Sinking Fund and the Reserve Fund, then such deficiency shall be made up as soon as possible from the next available Pledged Revenues in accordance with the provisions of this Resolution.

Following each required deposit from the Revenue Fund to the credit of the Interest and Sinking Fund and the Reserve Fund, as required by this Resolution, or any resolution authorizing the issuance of Additional Bonds, all remaining Pledged Revenues then on deposit to the credit of the Revenue Fund may be used by the District for any lawful purpose.

SECTION 23. Payment of Bonds. On or before each interest payment date while any of the Bonds Similarly Secured are Outstanding, the District shall cause to be transferred to the Paying Agent/Registrar, out of the Interest and Sinking Fund and/or the Reserve Fund, money sufficient to pay interest on and such principal of the Bonds Similarly Secured as will mature or come due on such interest payment date.

SECTION 24. Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Resolution, then the pledge of Pledged Revenues pursuant to this Resolution and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

The Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) non-callable Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting or consulting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. The District covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the District be remitted to the District against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds to the District shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 25. Special Obligations. The Bonds, and the interest thereon, constitute special obligations of the District payable solely from the Pledged Revenues, and the Holders of the Bonds shall never have the right to demand payment out of funds raised or to be raised by taxation.

SECTION 26. Additional Bonds. The Board shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue and deliver additional parity revenue bonds (herein called "Additional Bonds"), in any amounts, for any lawful purpose (including the refunding of any Outstanding Bonds or Previously Issued Bonds, or both). Such Additional Bonds, if and when authorized, issued and delivered in accordance with this Resolution, shall be secured and payable equally and ratably on a parity with the Bonds, and all other Outstanding Previously Issued Bonds, by a first lien on and pledge of the Pledged Revenues.

SECTION 27. Additional Bonds Funding Requirements. (a) The Interest and Sinking Fund and the Reserve Fund shall secure and be used to pay all Bonds Similarly Secured. Each resolution under which Additional Bonds are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of any other resolution or resolutions authorizing Bonds Similarly Secured to be deposited to the credit of the Interest and Sinking Fund, the District shall transfer from the Pledged Revenues and deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Bonds then being issued, as the same comes due, and that the District shall transfer from said Pledged Revenues and deposit to the credit of the Reserve Fund the amounts required to be deposited thereto pursuant to Section 21.

(b) The principal of all Additional Bonds must be scheduled to be paid or mature on April 1 or October 1 of the years in which such principal is scheduled to be paid or mature; and all interest thereon must be payable on April 1 and October 1.

SECTION 28. Additional Bonds Conditions. Additional Bonds shall be issued only in accordance with this Resolution, but notwithstanding any provisions of this Resolution to the contrary, no installment, series or issue of Additional Bonds shall be issued or delivered unless:

(a) The chief fiscal officer of the District signs a certificate to the effect that the District is not in default as to any covenant, condition or obligation in connection with all Outstanding Bonds Similarly Secured, and the resolutions authorizing same, and that the Interest and Sinking Fund and the Reserve Fund each contains the amount then required to be therein.

(b) The chief fiscal officer of the District, or any independent certified public accountant, signs a certificate to the effect that, based upon the best available information, during either the next preceding Fiscal Year of the District, or any twelve (12) consecutive calendar month period ending not more than ninety (90) days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the amount of the Pledged Revenues was at least equal to 120% of the annual debt service requirements of all then Outstanding Bonds Similarly Secured as calculated from the date of the Additional Bonds proposed to be issued.

(c) The chief fiscal officer of the District signs a certificate to the effect that, during either the next preceding Fiscal Year, or any twelve (12) consecutive calendar month period ending not more than ninety (90) days prior to the adoption of the resolution authorizing the issuance of the then proposed Additional Bonds, the Pledged Revenues were equal to at least 120% of the average annual principal and interest requirements of all then Outstanding Bonds Similarly Secured that were then Outstanding during such Fiscal Year or period, after giving effect to the Additional Bonds proposed for issuance, and the rates and charges, together with other legally available funds of the District, were sufficient to pay all operating and maintenance expenses of the District in such Fiscal Year or period. However (i) should the certificate of the chief fiscal officer certify that the Pledged Revenues for the period covered thereby were less than required above, and (ii) a change in the rates and charges for services, use and availability of all parts of the District's facilities in effect prior to the last day of the period covered by the certificate of the chief fiscal officer, and (iii) an independent accountant or accounting firm will certify that, had such change in rates and charges been effective for the entire period covered by the certificate of the chief fiscal officer, the Pledged Revenues covered by the certificate of the chief fiscal officer would have been, in his or their opinion, equal to at least 120% of the average annual debt service requirements (calculated on a Fiscal Year basis) of the Outstanding Bonds Similarly Secured, after giving effect to the Additional Bonds proposed to be issued, then, in such event, the coverage specified in the first sentence of this paragraph (c) shall not be required for the period specified, and such certificate of the chief fiscal officer will be sufficient if accompanied by an accountant's certificate to the above effect.

SECTION 29. Refunding Bonds. In addition to the right to issue Additional Bonds as herein provided, the Board shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Bonds to refund any Outstanding Bonds Similarly Secured, which Additional Bonds may be secured and payable equally and ratably on a parity with the Bonds Similarly Secured then Outstanding; provided, however, that Additional Bonds issued to refund Outstanding Bonds Similarly Secured that do not satisfy the criteria required to be issued as Additional Bonds pursuant to Section 28 shall only be issued if there is a debt service savings in each year that any of the Bonds Similarly Secured then Outstanding and not refunded are scheduled to be Outstanding.

SECTION 30. Miscellaneous Covenants. The District further covenants and agrees that:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in any resolution authorizing the issuance of the Bonds Similarly Secured; that it will promptly pay or cause to be paid from the Pledged Revenues the principal of and interest on every Bond Similarly Secured, on the dates and in the places and manner prescribed in such resolutions and Bonds Similarly Secured; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Pledged Revenues the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and any Holder of the Bonds Similarly Secured may require the Board, its officials and employees, and any appropriate official of the State of Texas, to carry out, respect or enforce the covenants and obligations of this Resolution or any resolution authorizing the issuance of Additional Bonds, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Board, the District, its officials and employees, or any appropriate official of the State of Texas.

(b) It is duly authorized under the laws of the State of Texas to create and issue the Bonds; that all action on its part for the creation and issuance of the Bonds has been duly and effectively taken, and that the Bonds are and will be valid and enforceable special obligations of the District in accordance with their terms.

(c) It lawfully owns or leases and is lawfully possessed of the lands, buildings and facilities constituting each campus of the District and has a good and indefeasible estate in such lands, buildings and facilities it owns in fee simple, that it warrants that it has, and will defend, the title to all the aforesaid lands, buildings and facilities owned by it, and every part thereof, for the benefit of the Holders of the Bonds Similarly Secured against the claims and demands of any person whomsoever, that it is lawfully qualified to pledge the Pledged Revenues to the payment of the Bonds in the manner prescribed herein, and has lawfully exercised such rights.

(d) It will from time to time and before the same become delinquent pay and discharge all taxes, assessments and governmental charges, if any, which shall be lawfully imposed upon it, or the campus, buildings and facilities of the College, that it will pay all lawful claims for rents, royalties, labor, materials and supplies which if unpaid might by law become a lien or charge thereon, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment or charge, and that no such claims which might be used as the basis of a mechanic's, laborer's, materialman's or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Board.

(e) It will continuously and efficiently operate and maintain in good condition, and at a reasonable cost, the College and the facilities and services thereof, so long as the Bonds are Outstanding.

(f) While the Bonds are Outstanding, the District shall not additionally encumber the Pledged Revenues in any manner, except as permitted in this Resolution in connection with the issuance of Additional Bonds, unless said encumbrance is made junior and subordinate in all respects to the liens, pledges, covenants and agreements of this Resolution.

(g) Proper books of record and account will be kept in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Pledged Revenues, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Holder.

(h) Each year while the Bonds are Outstanding, an annual audit will be made of its books and accounts relating to the Pledged Revenues by the State Auditor of the State of Texas, or any certified public accountant, such audit to be based on the Fiscal Year. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the Board, a copy of such audit for the preceding Fiscal Year shall be mailed to all Holders who shall so request in writing. Such annual audit reports shall be open to the inspection of the registered owners and their agents and representatives at all reasonable times.

(i) The District will comply with all of the terms and conditions of any and all grant or subsidy agreements applicable to the Bonds entered into between the Board and any governmental agency in connection with any grant or debt service subsidy; and the Board will take all action necessary to enforce said terms and conditions.

(j) While the Bonds are Outstanding and unpaid, the District shall not sell, convey, mortgage or in any manner transfer title to, or lease, or otherwise dispose of any substantial part of the facilities financed with the proceeds of the Bonds; provided, however, that the District may do any or all of the foregoing and use the proceeds thereof to (i) replace any such facilities so disposed of, (ii) redeem Bonds Outstanding at the next practicable date, or (iii) transfer said proceeds to the general fund of the District to be used for any lawful purpose if, as a condition precedent thereto, the estimated Pledged Revenues to be derived from such facilities after such disposition will equal or exceed the Pledged Revenues derived therefrom for the immediately preceding Fiscal Year prior to such disposition.

(k) The District shall maintain the College in good condition and operate the same in an efficient manner and at reasonable cost. So long as the Bonds are Outstanding, the District agrees to maintain insurance on the College of a kind, including but not limited to self-insurance to the extent and in the manner deemed advisable by the District, and in an amount which usually would be carried by private companies engaged in a similar type of business, for the benefit of the Holders of Bonds and Additional Bonds.

(l) The annual audit shall contain a section commenting on whether the District has complied with the requirements of this Section with respect to the maintenance of insurance, and listing all policies carried, and whether or not all insurance premiums upon the insurance policies to which reference is hereinbefore made have been paid.

SECTION 35: Resolution a Contract - Amendments. (m) This Resolution shall constitute a contract with the Holders from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in this Section. The District, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein.

In addition, the District may, with the written consent of Holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of the then Outstanding Bonds from time to time approve any amendment to this Resolution which may be deemed necessary or desirable by the District, provided, however, that nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Resolution or in the Bonds so as to:

(1) Make any change in the stated maturity of any Outstanding Bond;

(2) Reduce the rate of interest borne by any of the Outstanding Bonds;

(3) Reduce the amount of the principal payable on the Outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the Outstanding Bonds;

(5) Affect the rights of the Holders of less than all of the Bonds then Outstanding; or

(6) Change the minimum percentage of the principal amount of Bonds necessary for consent to such amendment.

(n) If at any time the District shall desire to amend this Resolution under this Section, the District shall cause notice of the proposed amendment (i) to be published in a financial newspaper or journal published in the State of Texas, and in a newspaper of general circulation in the District once during each calendar week for at least two successive calendar weeks and (ii) sent by United States Mail, first class postage prepaid, to the Holders of Bonds at the address appearing in the Security Register. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Holders of Bonds.

(o) Whenever at any time the District shall receive an instrument or instruments executed by the Holders of at least 51% in aggregate principal amount of all Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Board may pass an amendatory resolution in substantially the same form.

(p) Upon the passage of any amendatory resolution pursuant to the provisions of this Section, this Resolution shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and obligations under this Resolution of the District and the Holders of the then Outstanding Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(q) Any consent given by the Holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section or the date of such consent, whichever is later, and shall be conclusive and binding upon all future Holders of the same Bond during such period. After the applicable period of time a consent is irrevocable has expired, the Holder who gave consent, or a successor in title, may revoke such consent by filing notice thereof with the Paying Agent/Registrar and the District, but such revocation shall not be effective if the Holders of 51% in aggregate principal amount of the then Outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(r) For the purpose of this Section, the fact of the holding of Bonds by any Holder and the amount and numbers of such Bonds and the date of their holding same, may be proved by the Security Register maintained by the Paying Agent/Registrar or by affidavit of the person claiming to be such Holder, or by a certificate executed by any trust company, bank, banker or any other depository wherever situated showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository, the Bonds described in such certificate. The District may conclusively assume that such ownership continues until written notice to the contrary is served upon the District.

SECTION 36: Remedy in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the District covenants and agrees particularly that in the event the District (a) defaults in payments to be made to the Interest and Sinking Fund or the Reserve Fund as required by this Resolution, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Resolution, the Holder or Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the District and its officers to observe and perform any covenant, condition, or obligation prescribed in this Resolution. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedy herein provided shall be cumulative of all other existing remedies and the specification of such remedy shall not be deemed to be exclusive.

* *

APPENDIX B

EXCERPTS FROM THE

WASHINGTON COUNTY JUNIOR COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2025

The information contained in this Appendix consists of excerpts from the Washington County Junior College District Audited Financial Statements for the Year Ended August 31, 2025, and is not intended to be a complete statement of the District's financial condition. Reference is made to the complete Report for further information.

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Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Blinn College District
Brenham, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position and the Statements of Cash Flows of Blinn College District, as of and for the year ended August 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Blinn College District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Blinn College District, as of August 31, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Blinn College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Blinn College District's basic financial statements. The Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F), as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State of Texas Single Audit Circular, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Supplementary Schedules (Schedules A-F), which include the Schedule of Expenditures of Federal Awards (Schedule E) and the Schedule of Expenditures of State Awards (Schedule F) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2025, on our consideration of the Blinn College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Blinn College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Blinn College District's internal control over financial reporting and compliance.

Lott, Vernon & Co. P.C.

Temple, Texas
December 2, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Blinn College District's (the District) annual financial statements provides an overview of the District's financial performance for the fiscal years ended August 31, 2025, and August 31, 2024. Management's discussion and analysis is based on management's knowledge of current activities, resultant changes, and known facts; therefore, it should be read in conjunction with the accompanying basic financial statements and associated notes. The basic financial statements, notes and this discussion are the responsibility of management.

Financial Highlights and Significant Activities for 2025

The District's net position increased approximately $2.0 million, or 1.32%. This increase is primarily attributable to a decrease of $5.5 million in Deferred Inflows, offset by a decrease in Assets of $0.1, decrease of $0.4 million in Deferred Outflows, and an increase of $3.0 million in Liabilities.

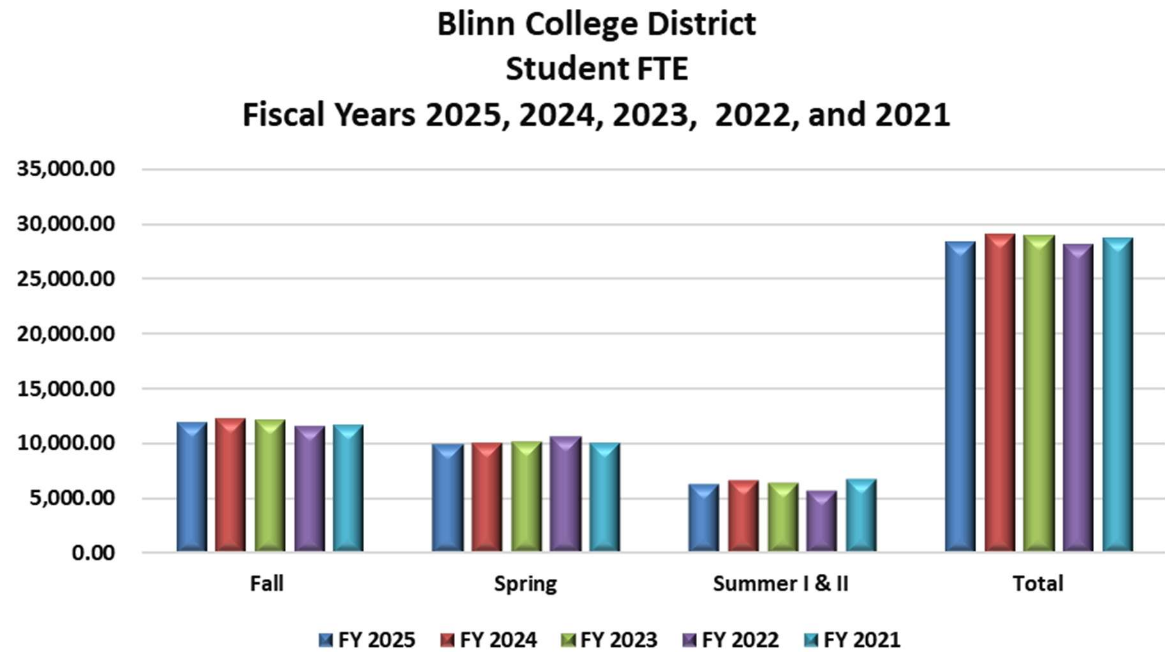
Total operating expenses increased $1.9 million, or 1.32%. This increase is primarily attributable to an increase in cost of Operation and Maintenance of Plant of $1.4 million, Auxiliary Enterprise of $1.4 million, Student Services of $0.7 million, Academic Support of $0.6 million, Public Service of $0.5 million, Scholarship and Fellowship of $0.2 million offset by decreases in Institutional Support of $2.4 million, General Instruction of $0.3 million, and Depreciation of $0.2 million.

Financial Highlights and Significant Activities for 2024

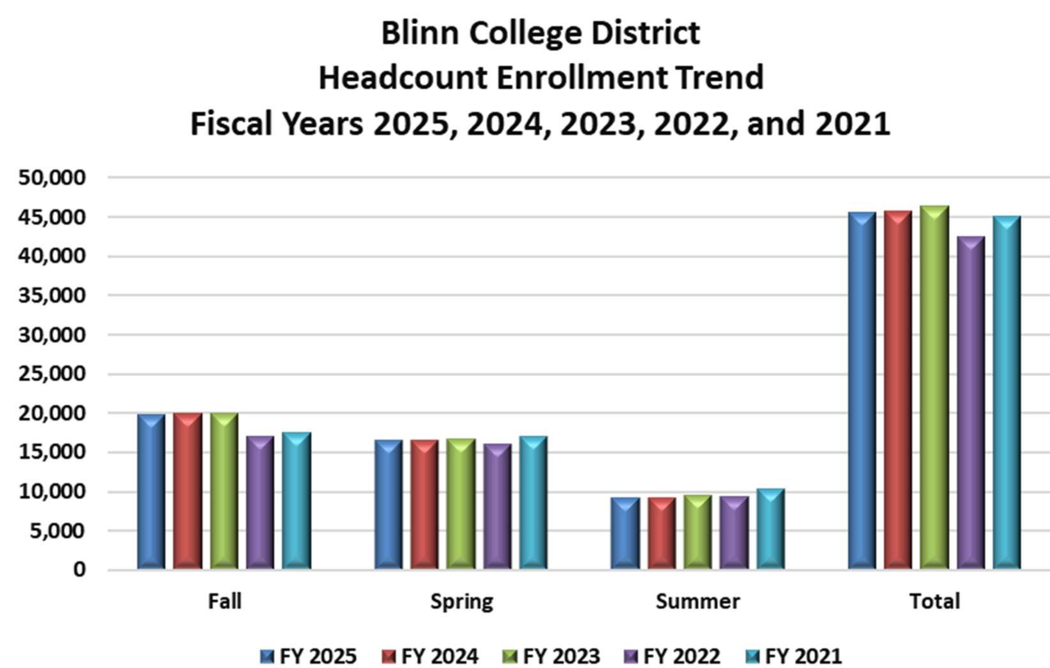
The District's net position increased approximately $4.7 million, or 3.21%. This increase is primarily attributable to an increase of $2.0 million in Assets, decrease of $10.6 million in Deferred Outflows, decrease of $4.1 million in Liabilities and a decrease of $9.2 million in Deferred Inflows.

Total operating expenses increased $9.8 million, or 7.3%. This increase is primarily attributable to an increase in cost of General Instruction of $0.9 million, Academic Support of $1.1 million, Student Services of $0.5 million, Institutional Support of $7.0 million, Scholarships of $2.6 million, Auxiliary Enterprises of $0.7 million and a decrease in Public Support of $0.4 million, Operation and Maintenance of Plant of $0.8 million, and Depreciation and Amortization of $1.8 million.

Below is a breakdown of the District's full-time equivalency (FTE) enrollment (FTE is calculated based on 15 semester credit hours for Fall, 15 semester credit hours for Spring, and 6 semester credit hours for summer terms) by term for fiscal years 2025, 2024, 2023, 2022, and 2021.



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



Overview of the Basic Financial Statements

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

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

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

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

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

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

Statement of Net Position

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

	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Assets:					
Current Assets	$ 118.2	$ 145.8	$ (27.6)	$ 157.0	$ (11.2)
Capital Assets, Net of Depreciation	274.2	246.5	27.7	233.2	13.3
Noncurrent Assets	7.8	8.0	(0.2)	8.1	(0.1)
Total Assets	400.2	400.3	(0.1)	398.3	2.0
Deferred Outflows of Resources:					
Net deferred outflows of resources related to pensions/OPEB	13.6	14.0	(0.4)	24.6	(10.6)
Total Deferred Outflow of Resources	13.6	14.0	(0.4)	24.6	(10.6)
Liabilities:					
Current Liabilities	63.1	63.3	(0.2)	64.0	(0.7)
Noncurrent Liabilities	182.8	179.6	3.2	183.0	(3.4)
Total Liabilities	245.9	242.9	3.0	247.0	(4.1)
Deferred Inflows of Resources:					
Net deferred inflows of resources related to pensions/OPEB	14.9	20.4	(5.5)	29.6	(9.2)
Total Deferred Inflows of Resources	14.9	20.4	(5.5)	29.6	(9.2)
Net Position:					
Net Investment in Capital Assets	164.0	133.5	30.5	128.3	5.2
Restricted	8.2	8.2	-	9.2	(1.0)
Unrestricted	(19.2)	9.3	(28.5)	8.8	0.5
Total Net Position	$ 153.0	$ 151.0	$ 2.0	$ 146.3	$ 4.7

At August 31, 2025, current assets included $89 million of cash and cash equivalents and investments, and $27 million in receivables. The decrease of $27.6 million in current assets is due primarily to a decrease of $30.8 million in cash and cash equivalents, offset by increase in account receivables (net) of $2.3 million, investments of $0.6 million, and other assets of $0.3 million.

At August 31, 2024, current assets included $119.2 million of cash and cash equivalents and investments, and $24.7 million in receivables. The decrease of $11.2 million in current assets is due primarily to a decrease of $2.6 million in account receivables (net), $1.0 million in interest and dividend receivables, $7.7 million in cash and investments offset by an increase of $0.1 million in other assets.

In Fiscal Year 2025, the District had total net capital asset additions of approximately $27.7 million and the annual depreciation and amortization expense of $10.6 million. There was a net decrease of $17.7 million in construction in progress. The construction in progress at year-end consists of Brenham Monuments Project in progress, Waller Campus Academic Building Construction, Bryan Campus Roof Replacement, Bryan Campus Boiler Project, Brenham Campus Central Plant Upgrade, Brenham Campus Apartments Boiler Project, and Brenham Campus

Sports and Intramural Complex Construction. The net increase of $28.3 million in Buildings is primarily from completions of $28.1 million consisting of Bryan Campus Administration Building and $0.2 million of Brenham Campus Band Hall roof. The net increase of $1.5 million in Furniture, Equipment, and Vehicles is from $1.6 million in additions, $16 thousand of reclass-out, and $91 thousand of disposals. The net increase of $261 thousand Computer Equipment is from $0.25 million of additions and $16 thousand in reclass in. The $71 thousand increase in Library Books is from additions to the Library Collection.

The District implemented GASB Statement No. 87, Leases in FY 2022 requiring specific leases and contracts to be capitalized over the life of the lease or contract. The net decrease (prior to amortization) of $.9 million for Lease Assets consists of net decrease of $1.2 million of Leased Real Estate and net increase of $0.3 million Leased Equipment.

District implemented GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA) in FY 2023 requiring specific leases and contracts pertaining to software subscriptions be capitalized over the life of the lease or contract. The net decrease (prior to amortization) of $1.5 million consists of new additions of $2.7 million less removals of $4.2 million of ended contracts.

The District's noncurrent assets include funds restricted for debt service, net capital assets, and other investments. Noncurrent assets, excluding capital assets, decreased by $157 thousand due to a slight decrease in bond debt reserve requirements. For detailed information of capital asset activity, see *Note 6 Capital Assets*.

Current liabilities decreased $0.2 million in total. Accounts Payable decreased by $2.4 million offset by increases in unearned revenues of $0.9 million, funds held for others $0.2 million, bond payable current portion $0.2 million, lease payable current portion $0.6 million, and net OPEB liability current portion $0.3 million. Current liabilities decreased $0.7 million in Fiscal Year 2024 compared to Fiscal Year 2023.

Noncurrent liabilities increased $3.2 million in Fiscal Year 2025. Net OPEB liability increased $8.5 million, lease liability increased $1.7 million offset by decreases in bonds payable of $4.5 and net pension liability of $2.5 million. For more detailed information on long-term debt activity, see *Note 7 Noncurrent Liabilities.*

Statement of Revenues, Expenses and Changes in Net Position

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

	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Operating Revenues:					
Student Tuition and Fees, Net	$ 62.1	$ 64.8	$ (2.7)	$ 64.8	$ -
Federal Grants and Contracts	0.5	1.0	(0.5)	1.6	(0.6)
State Grants and Contracts	3.5	2.6	0.9	2.0	0.6
Auxiliary Enterprises, Net	11.3	12.1	(0.8)	11.0	1.1
Other	1.8	1.5	0.3	0.9	0.6
Total Operating Revenues	79.2	82.0	(2.8)	80.3	1.7
Less Operating Expenses	146.3	144.4	1.9	134.6	9.8
Operating Loss	(67.1)	(62.4)	(4.7)	(54.3)	(8.1)
Nonoperating Revenues(Expenses)					
State Appropriations	40.5	40.8	(0.3)	31.7	9.1
Property Taxes	2.9	2.5	0.4	2.3	0.2
Federal Revenue, Nonoperating	23.4	19.7	3.7	17.4	2.3
Gifts	0.7	0.9	(0.2)	0.6	0.3
Investment Income	4.6	6.2	(1.6)	4.1	2.1
Unrealized Gain(Loss) Investments		0.3	(0.3)	0.3	-
Interest on Capital Related Debt	(3.0)	(3.2)	0.2	(3.4)	0.2
Other		(0.1)	0.1	0.9	(1.0)
Total Nonoperating Revenues(Expenses)	69.1	67.1	2.0	53.9	13.2
Income Before Other Revenue	2.0	4.7	(2.7)	(0.4)	5.1
Transfer In from Foundation	-	-	-	-	-
Total Increase in Net Position	2.0	4.7	(2.7)	(0.4)	5.1
Net Position, Beginning of Year	151.0	146.3	4.7	144.5	1.8
Cumulative Effect of Change in Accounting Principle	-	-	-	2.2	(2.2)
Net Position, Beginning of Year, as restated	151.0	146.3	4.7	146.7	(0.4)
Net Position, End of Year	$ 153.0	$ 151.0	$ 2.0	$ 146.3	$ 4.7

Total operating revenues decreased $2.8 million from 2024, auxiliary enterprises revenues decreased $0.8 million, and student tuition and fees decreased $2.7 million.

During Fiscal Year 2024, total operating revenues increased $1.7 million from 2023, auxiliary enterprises revenues increased $1.1 million, and other miscellaneous operating revenue increased $0.6 million.

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

	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Instructional and General	$ 69.4	$ 67.9	$ 1.5	$ 65.8	$ 2.1
Institutional Support	16.0	18.4	(2.4)	11.4	7.0
Operation and Maintenance of Plant	19.6	18.2	1.4	19.0	(0.8)
Auxiliary Enterprises	14.3	12.9	1.4	12.2	0.7
Depreciation and Amortization	10.6	10.8	(0.2)	12.6	(1.8)
Scholarships and Fellowships	16.4	16.2	0.2	13.6	2.6
Total Operating Expenses	$ 146.3	$ 144.4	$ 1.9	$ 134.6	$ 9.8
Non-Operating Revenues (Expenses):					
State Appropriations	40.5	40.8	(0.3)	31.7	$ 9.1
Property Taxes	2.9	2.5	0.4	2.3	0.2
Federal Revenue, Non-Operating	23.4	19.7	3.7	17.4	2.3
Gifts	0.7	0.9	(0.2)	0.6	0.3
Unrealized Gain (Loss) on Investments		0.3	(0.3)	0.3	-
Investment Income	4.6	6.3	(1.7)	4.1	2.2
Gain (Loss) on Disposal of Capital Assets		(0.9)	0.9	0.0	(0.9)
Interest on Capital Related Debt	(3.0)	(3.2)	0.2	(3.4)	0.2
Other Non-Operating Expenses		0.7	(0.7)	0.9	(0.2)
Net Non-Operating Revenues (Expenses)	$ 69.1	$ 67.1	$ 2.0	$ 53.9	$ 13.2

In Fiscal Year 2025, total operating expenses increased $1.9 million from Fiscal Year 2024. This increase is primarily due to the increases in instructional and general of $1.5 million, operation and maintenance of plant of $1.4 million, auxiliary enterprises $1.4 million, scholarships $0.2 million, offset by decreases in institutional support $2.4 million and depreciation and amortization $0.2 million.

For Fiscal Year 2025, the net non-operating revenues (expenses) increased $2.0 million from Fiscal Year 2024. This is primarily attributable to the increase in property tax $0.4 million, federal revenue $3.7 million, gains(loss) on disposal of capital assets $0.9 million, interest on capital related debt $0.2 million offset by decreases in state appropriation $0.3. million, gifts $0.2 million, unrealized gains (loss) on investments $0.3 million, investment income $1.7 million, and other non-operating expenses $0.7 million.

In Fiscal Year 2024, total operating expenses increased $9.8 million from Fiscal Year 2023. This increase is primarily attributable to the increase of cost of Instruction of $2.2 million, increase of $6.9 in institutional support, increase of $0.7 million in Auxiliary Enterprise, and an increase of $2.6 million in scholarships and fellowships offset by a decrease of $1.8 million in depreciation and a decrease of $0.8 million in operation and maintenance of plant.

For Fiscal Year 2024, the net non-operating revenues (expenses) increased $13.2 million from Fiscal Year 2023. This is primarily attributable to the increase of $9.1 million in state appropriations, increase in property tax of $0.2 million, increase of $2.3 million in federal revenue, increase in gifts of $0.3 million, increase in investment income of $2.2 million, and a decrease in interest on capital related debt of $0.2 million, and a decrease of $0.2 million in other non-operating expenses, and a decrease of $0.9 million in gain (loss) disposal of capital assets.

Statement of Cash Flow

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

	2025	2024	Increase (Decrease) 2025-2024	2023	Increase (Decrease) 2024-2023
Cash Provided by (Used in):					
Operating Activities	$ (52.3)	$ (40.9)	$ (11.4)	$ (36.3)	$ (4.6)
Non-Capital Financing Activities	59.6	56.6	3.0	44.6	12.0
Capital and Related Financing Activities	(41.3)	(31.0)	(10.3)	(17.2)	(13.8)
Investing Activities	3.2	53.3	(50.1)	(7.5)	60.8
Net Increase (Decrease) in Cash and Cash Equivalents	(30.8)	38.0	(68.8)	(16.4)	54.4
Cash and Cash Equivalents - Beginning of Year	100.4	62.4	38.0	78.8	(16.4)
Cash and Cash Equivalents - End of Year	$ 69.6	$ 100.4	$ (30.8)	$ 62.4	$ 38.0

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

Cash used in operations in Fiscal Year 2025 increased $ 11.4 million from 2024 primarily due to $4.3 million decrease in receipts from students and other customers, $2.5 million decrease in receipts from grants and contracts, $8.5 million increase in payments to or on behalf of employees, offset by $1.3 million decrease in payments to suppliers for goods and services, $2.3 million decrease in payments for scholarships, and $0.3 million increase in other receipts.

Cash used in operations in Fiscal Year 2024 increased $ 4.6 million from 2023 primarily due to $9.2 million increase in payments to suppliers for goods and services, $2.5 million increase in payments in scholarships offset by $0.6 million increase in receipts from students and other customers, $0.7 million increase in receipts from grants and contracts, $5.1 million decrease in payments to or on behalf of employees, and $0.7 million increase in other receipts.

In addition to state appropriations, non-capital financing activities include property tax receipts, non-operating Federal revenue (Title IV funds) and changes to permanent endowments. The $3.0 million increase is primarily attributable to the increase of $3.6 million in non-operating federal revenue, $0.5 million increase in receipts from property taxes, offset by $1.0 million decrease in receipts from state appropriations, and $0.1 million decrease in receipts from gifts.

Variations in cash used for capital and related financing activities are dependent on the District's issuance and payment of long-term debt and capital acquisitions. The $10.3 million decrease is primarily attributable to the, the $10.3 million increase in purchases of capital assets, $0.2 million increase in payments on capital debt principal offset by $0.2 million decrease in payments on capital debt interest.

The variance in cash provided by investing activities in 2025 and 2024 is due primarily to the purchase, sales, and maturities of investments.

Capital Assets and Debt Administration

In Fiscal Year 2025, the District had total net capital asset additions of approximately $27.7 million and the annual depreciation and amortization expense of $10.6 million. There was a net decrease of $17.7 million in construction in progress. The construction in progress at year-end consists of Brenham Monuments Project in progress, Waller Campus Academic Building Construction, Bryan Campus Roof Replacement, Bryan Campus Boiler Project, Brenham Campus Central Plant Upgrade, Brenham Campus Apartments Boiler Project, and Brenham Campus Sports and Intramural Complex Construction. The net increase of $28.3 million in Buildings is primarily from completions of $28.1 million consisting of Bryan Campus Administration Building and $0.2 million of Brenham Campus Band Hall roof. The net increase of $1.5 million in Furniture, Equipment, and Vehicles is from $1.6 million in additions, $16 thousand of reclass-out, and $91 thousand of disposals. The net increase of $261 thousand Computer Equipment is from $0.25 million of additions and $16 thousand in reclass in. The $71 thousand increase in Library Books is from additions to the Library Collection.

In Fiscal Year 2024, the District had total net capital asset additions of approximately $13.3 million and the annual depreciation and amortization expense of $10.8 million. There was a net increase of $17.7 million in construction in progress. The construction in progress at year-end consists of Brenham Monuments Project in progress, Waller Campus Purchase, and the Bryan Campus Administration Building. The net decrease of $82 thousand in Buildings is primarily from completions of $1.6 million consisting of Brenham Campus Dreyer Field House, Brenham Campus Old Main Building Roof Façade, Brenham Wheeler Hall Renovations, and Bryan Campus Building A, C, and D Roof Replacement offset by a decrease of $1.7 million in demolition of four older student Dorms. The net increase of $2.6 million of Land Improvements consists of completions of Brenham Parking Lot K, Brenham College Avenue and Sidewalks, and Bryan Lighting Improvements. The net increase of $0.4 million in Furniture, Equipment, and Vehicles is from $1.2 million in additions and $0.8 million of disposals. The net decrease of $193 thousand Computer Equipment is from $0.5 million of additions and $0.7 million of disposals. The $96 thousand increase in Library Books is from additions to the Library Collection.

For detailed information of capital asset activity, see *Note 6 Capital Assets*

In Fiscal Year 2025, Long Term Debt increased $4.3 million. The increase is due $2.3 million increase in lease liability, $8.8 million increase in net OPEB liability, offset by $4.3 million decrease in bond liability, and a $2.5 million increase in net pension liability. Below is the long-term debt activity for the year ended August 31, 2025.

	2025				
	Balance September 1, 2024	Additions	Reductions	Balance August 31, 2025	Current Portion
Bonds Payable	$ 95,565,000	$ -	$ (4,065,000)	$ 91,500,000	$ 4,240,000
Unamortized Bond Premium	5,176,250	-	(254,155)	4,922,095	
Total Bond Liability	$ 100,741,250	$ -	$ (4,319,155)	$ 96,422,095	$ 4,240,000
Lease Liability	$ 11,401,554	$ 3,504,443	$ (1,201,482)	$ 13,704,515	$ 1,760,265
Total Lease Liability	$ 11,401,554	$ 3,504,443	$ (1,201,482)	$ 13,704,515	$ 1,760,265
Accrued Compensable Absence	$ 491,234	$ 5,886	$ -	$ 497,120	$ 497,120
Total Accrued Compensable Absence	$ 491,234	$ 5,886	$ -	$ 497,120	$ 497,120
Net Pension Liability	$ 27,077,334	$ -	$ (2,524,147)	$ 24,553,187	$ -
Net OPEB Liability	46,914,401	8,820,842		55,735,243	1,582,107
Total Other Liability	$ 73,991,735	$ 8,820,842	$ (2,524,147)	$ 80,288,430	$ 1,582,107
Total Noncurrent Liabilities	$ 186,625,773	$ 12,331,171	$ (8,044,784)	$ 190,912,160	$ 8,079,492

For detailed information on long-term debt activity, see *Note 7 Noncurrent Liabilities.*

Future Considerations

The 88th Legislative Session passed House Bill 8 into law which created a new funding model to fund community colleges in Texas. The new funding model is an outcomes-based approach which rewards colleges for awarding degrees, certificates, and other credentials of value. House Bill 8 creates the Financial Aid for Swift Transfer (FAST) scholarship program for low-income dual credit students. Blinn College District has a history of success with these measured outcomes of House Bill 8. The District received a 29% increase in state funding due to this new legislation.

Blinn's 46.0% academic transfer rate ranks as one of the highest in the country and No. 1 among the 50 community college districts in Texas, far exceeding the state-wide average of 25.2%. Blinn has established itself as an academic transfer leader by building strong relationships with the State's top four-year universities. As the community college partner in the RELLIS Academic Alliance, Blinn offers seamless pathways and dual-enrollment opportunities for students to earn their bachelor's degrees from The Texas A&M University System regional universities also located at Texas A&M-RELLIS in Bryan, Texas.

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

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

The administration retains $42.5 million of unrestricted cash in operating reserves.

Blinn has three major capital projects planned over the coming three years. Those projects include: Waller Campus Academic Building Construction (planning stage, estimated budget $68 million, planned sources from future revenue bond and unrestricted cash); Brenham Campus Central Plant Upgrade (In progress, cost $6 million, planned source from unrestricted cash); Brenham Campus Sports and Intramural Complex (Pending, 1-2 year timeline, cost pending, planned source from unrestricted cash).

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

Contacting the District's Financial Management

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

FINANCIAL STATEMENTS

Exhibit 1

BLINN COLLEGE DISTRICT
Statements of Net Position
August 31, 2025 and 2024

	2025	2024
Assets		
Current Assets:		
Cash and cash equivalents	$ 68,655,672	$ 99,518,511
Restricted cash and cash equivalents	969,351	910,923
Investments	19,368,780	18,755,133
Accounts receivable (net)	27,062,251	24,773,407
Other assets	2,127,418	1,871,857
Total Current Assets	118,183,472	145,829,831
Noncurrent Assets:		
Restricted investments	7,839,800	7,996,798
Capital Assets (net)	274,244,871	246,485,296
Total Noncurrent Assets	282,084,671	254,482,094
Total Assets	400,268,143	400,311,925
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	5,648,186	10,180,080
Deferred outflows of resources related to OPEB	7,955,785	3,867,424
Total Deferred Outflows of Resources	13,603,971	14,047,504
Liabilities		
Current Liabilities:		
Accounts payable	12,714,490	15,147,188
Funds held for others	666,900	424,884
Unearned revenues	41,412,066	40,500,534
Deposits	197,000	167,100
Bonds payable - current portion	4,240,000	4,065,000
Lease Liability - current portion	1,760,264	1,201,482
Accrued Compensated Absence Liability	497,120	491,234
Net OPEB liability - current portion	1,582,107	1,312,261
Total Current Liabilities	63,069,947	63,309,683
Noncurrent Liabilities:		
Bonds payable	92,182,095	96,676,250
Lease Liability	11,944,251	10,200,072
Net pension liability	24,553,187	27,077,334
Net OPEB liability	54,153,136	45,602,140
Total Noncurrent Liabilities	182,832,669	179,555,796
Total Liabilities	245,902,616	242,865,479
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	1,078,525	1,945,250
Deferred inflows of resources related to OPEB	13,815,266	18,547,034
Total Deferred Inflow of Resources	14,893,791	20,492,284
Net Position		
Net Investment in capital assets	164,049,834	133,518,802
Restricted for:		
Nonexpendable		
Expendable		
Student aid	736,954	777,245
Debt service	7,446,800	7,446,800
Unrestricted	(19,157,881)	9,258,819
Total Net Position (Schedule D)	$ 153,075,707	$ 151,001,666

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

Exhibit 1-A

BLINN COLLEGE FOUNDATION, INC.
Statements of Financial Position
August 31, 2025 and 2024

	2025	2024
ASSETS		
Current Assets:		
Cash	$ 57,799	$ 175,771
Certificates of Deposit	543,746	527,974
Receivables from Blinn College		6,108
Unconditional promises to give	237,959	28,518
Other Assets	11,500	11,500
Total Current Assets	851,004	749,871
Restricted Assets:		
Cash	632,423	1,205,642
Investments	38,848,840	33,888,144
Total Restricted Assets	39,481,263	35,093,786
Long-term Unconditional Promises to Give:		
Total face-value of promises	388,315	169,815
Less amount classified as current	(237,959)	(28,518)
Net long-term unconditional promises to give	150,356	141,297
Other Assets:		
Oil/Gas royalty interest	10,000	10,000
Total Assets	40,492,623	35,994,954
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable		11,026
Total Liabilities	-	11,026
Net Assets:		
Net Assets with Donor Restrictions	40,073,522	35,576,167
Net Assets without Donor Restrictions	419,101	407,761
Total Net Assets	40,492,623	35,983,928
Total Liabilities and Net Assets	$ 40,492,623	$ 35,994,954

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

Exhibit 2

BLINN COLLEGE DISTRICT
Statements of Revenues, Expenses and Changes in Net Position
Years Ended August 31, 2025 and August 31, 2024

	2025	2024
Operating Revenues		
Tuition and Fees (net of discounts of $17,415,164 and $15,539,764, respectively)	$ 62,146,110	$ 64,750,557
Federal Grants and Contracts	530,180	1,042,632
State Grants and Contracts	3,513,380	2,602,508
Sales and Services of Educational Activities	178,232	291,140
Auxiliary Enterprises (net of discounts of $1,463,128 and $1,371,536, respectively)	11,318,728	12,129,813
Other Operating Revenues	1,572,060	1,219,061
Total Operating Revenues (Schedule A)	79,258,690	82,035,711
Operating Expenses		
Instruction	46,505,169	46,817,415
Public Service	977,117	437,244
Academic Support	13,310,230	12,746,831
Student Services	8,604,072	7,902,445
Institutional Support	16,007,679	18,400,644
Operation and Maintenance of Plant	19,606,211	18,159,269
Scholarships and Fellowships	16,444,551	16,231,931
Auxiliary Enterprises	14,259,533	12,900,573
Depreciation	7,727,677	7,381,119
Amortization	2,900,818	3,455,135
Total Operating Expenses (Schedule B)	146,343,057	144,432,606
Operating Loss	(67,084,367)	(62,396,895)
Non-Operating Revenues (Expenses)		
State Appropriations	40,584,276	40,802,154
Property Taxes	2,899,738	2,453,578
Federal Revenue, Non Operating	23,353,410	19,748,867
Gifts	739,744	861,423
Unrealized Gain (Loss) on Investments	11,901	338,343
Investment Income	4,555,401	6,233,920
Insurance Proceeds		767,086
Gain(Loss) on Disposal of Capital Assets	19,161	(870,152)
Interest on Capital Related Debt	(3,005,223)	(3,196,366)
Net Non-Operating Revenues (Schedule C)	69,158,408	67,138,853
Change in Net Position	2,074,041	4,741,958
Net Position		
Net Position, Beginning of Year	151,001,666	146,259,708
Net Position, End of Year	$ 153,075,707	$ 151,001,666

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

BLINN COLLEGE FOUNDATION, INC.
Statement of Activities
For The Year Ended August 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Donations	$ 36,823	$ 970,890	$ 1,007,713
Contributions of non-financial assets	75,517		75,517
Investment income (loss)	17,880	4,768,926	4,786,806
Oil/Gas royalty	1,433	-	1,433
Net assets released from purpose restrictions	1,242,461	(1,242,461)	-
Total Public Support and Revenues	1,374,114	4,497,355	5,871,469
Expenses			
Program sevices:			
Expenditures for the benefit of Blinn College	185,341	-	185,341
Scholarships	1,101,214	-	1,101,214
Support sevices:			
Administrative expenses	76,219	-	76,219
Total Expenses	1,362,774	-	1,362,774
Change in Net Assets	11,340	4,497,355	4,508,695
Net Assets - Beginning of Year	407,761	35,576,167	35,983,928
Net Assets - End of Year	$ 419,101	$ 40,073,522	$ 40,492,623

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

Exhibit 2-A

BLINN COLLEGE FOUNDATION, INC.
Statement of Activities
For The Year Ended August 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Donations	$ 5,073	$ 891,772	$ 896,845
Contributions of non-financial assets	72,457		72,457
Investment income (loss)	21,153	4,672,153	4,693,306
Oil/Gas royalty	690	-	690
Net assets released from purpose restrictions	1,196,726	(1,196,726)	-
Total Public Support and Revenues	1,296,099	4,367,199	5,663,298
Expenses			
Program sevices:			
Expenditures for the benefit of Blinn College	158,626	-	158,626
Scholarships	1,016,426	-	1,016,426
Support sevices:			
Administrative expenses	74,201	-	74,201
Total Expenses	1,249,253	-	1,249,253
Change in Net Assets	46,846	4,367,199	4,414,045
Net Assets - Beginning of Year	360,915	31,208,968	31,569,883
Net Assets - End of Year	$ 407,761	$ 35,576,167	$ 35,983,928

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

Exhibit 3

BLINN COLLEGE DISTRICT
Statements of Cash Flows
Years Ended August 31, 2025 and August 31, 2024

	2025	2024
Cash Flows From Operating Activities:		
Receipts from students and other customers	$ 72,257,290	$ 76,554,979
Receipts from grants and contracts	24,159,624	26,645,901
Payments to suppliers for goods and services	(80,185,731)	(81,517,782)
Payments to or on behalf of employees	(33,765,655)	(25,235,983)
Payments for scholarships	(36,303,694)	(38,586,635)
Other receipts	1,572,060	1,219,061
Net cash provided (used) by operating activities	(52,266,106)	(40,920,459)
Cash Flows From Non-Capital Financing Activities:		
Receipts from state appropriations	32,577,392	33,564,057
Receipts from property taxes	2,923,200	2,430,791
Receipts from non operating federal revenue	23,353,410	19,748,867
Receipts from gifts other than capital	739,744	861,423
Net cash provided (used) by non-capital financing activities	59,593,746	56,605,138
Cash Flows From Capital Financing Activities:		
Purchases of capital assets	(34,256,743)	(23,924,517)
Payments on capital debt - principal	(4,065,000)	(3,900,000)
Payments on capital debt - interest	(3,005,223)	(3,196,366)
Net cash provided (used) by capital and related financing activities	(41,326,966)	(31,020,883)
Cash Flows From Investing Activities:		
Proceeds from sales and maturities of investments	613,647	68,850,587
Interest on investments	4,555,401	7,260,874
Purchases of investments	(1,974,133)	(22,747,204)
Net cash provided (used) by investing activities	3,194,915	53,364,257
Increase (Decrease) in Cash and Cash Equivalents	(30,804,411)	38,028,053
Cash and Cash Equivalents, Beginning of Year	100,429,434	62,401,381
Cash and Cash Equivalents, End of Year	$ 69,625,023	$ 100,429,434
Reconciliation of Net Operating Loss to Net Cash Used by Operating Activities:		
Operating loss	$ (67,084,367)	$ (62,396,895)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and Amortization expense	10,628,495	10,836,254
Noncash state appropriations for employee benefits	8,006,884	7,238,097
Changes in assets and liabilities:		
Receivables (net)	(2,312,307)	2,593,670
Inventories		17,279
Other assets	(255,561)	(105,962)
Accounts payable	(2,432,698)	3,461,242
Funds held for others	242,016	(810,423)
Unearned revenues	911,532	(1,734,821)
Deposits	29,900	(18,900)
Net cash used by operating activities	$ (52,266,106)	$ (40,920,459)

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

1. Reporting Entity

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

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

2. Summary of Significant Accounting Policies

Reporting Guidelines

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

Tuition Discounting

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

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

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

2. Summary of Significant Accounting Policies, continued

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

Basis of Accounting

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

Budgetary Data

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

Cash and Cash Equivalents

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

Deferred Inflows

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

Deferred Outflows

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

Estimates

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

2. Summary of Significant Accounting Policies, continued

Operating and Non-Operating Revenue and Expense Policy

The District distinguishes operating revenues and expenses from non-operating items. The District reports as a BTA and as a single, proprietary fund. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues are tuition and related fees. The major non-operating revenues are state appropriations and property tax collections. Operating expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. The operation of the bookstore is not performed by the District.

Investments

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

Inventories

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

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settle during or upon separation from employment. Based on that criteria, one type of leave qualifies for liability recognition for compensated absences.

Vacation – The District permits employees to accumulate earned but unused vacation benefits up to a maximum of forty-eight hours, which are eligible for payment at the employee's current pay rate upon separation from employment.

Capital Assets

Capital assets include land, infrastructure, buildings, improvements, equipment, the intangible right-to-use assets and intangible right-to-use subscription-based information technology arrangements (SBITAs). Such assets are recorded at cost at the date of acquisition, or acquisition value at the date of donation. Capital assets received in a service concession arrangement are recorded at acquisition value. The District's capitalization policies include real or business personal property with a value equal to or greater than $5,000 and an estimated useful life in excess of one year. Renovations of $100,000 to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operating expense in the year in which the expense is incurred. The District reports depreciation and or amortization under a single-line item as a business-type unit. Depreciation and or

2. Summary of Significant Accounting Policies, continued

amortization is computed using the straight-line method over the following estimated useful lives of the assets:

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

Unearned Revenue

Tuition, fees, housing and meal charges of $39,892,683 and $38,864,360 and federal, state and local grants of $1,519,383 and $1,636,174 have been reported as unearned revenue at August 31, 2025 and 2024, respectively.

Other Post-Employment Benefits (OPEB)

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

Pensions

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

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3. Authorized Investments

The Board of Trustees of the District has adopted a written investment policy regarding the investments of its funds as defined in the Public Funds Investment Act (Chapter 2256.001 Texas Government Code). The investments of the District are in compliance with the Board

3. Authorized Investments, continued

of Trustees' investment policy and the Public Funds Investment Act. The District is authorized to invest in obligations and instruments as follows: (1) obligations of the United States and its agencies, (2) direct obligations of the State of Texas or its agencies, (3) obligations of political subdivisions rated not less than A by a national investment rating firm, (4) certificates of deposits and (5) other instruments and obligations authorized by statute.

4. Deposits and Investments

Deposits

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's investment policy requires pledging of collateral for all bank balances in excess of Federal Depository Insurance Corporation (FDIC) limits at a minimum of 102% of fair value. As of August 31, 2025 and 2024, the District's entire bank balances of $10,445,844 and $9,572,947 respectively, were insured, collateralized and not exposed to custodial credit risk.

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

	2025	2024
Cash and Deposits		
Petty Cash	$ 6,615	$ 6,690
Demand Deposits	10,445,844	9,572,947
Money Market Accounts	16,008,607	32,531,542
Investment Pools		
Lone Star	13,802,920	23,052,321
TexPool	19,658,693	20,090,124
TexStar	8,685,555	15,175,810
Texas Class	1,016,789	
Total Cash and Deposits	$ 69,625,023	$ 100,429,434

Investments

The District had the following investments as of August 31:

Investments	Maturities	Fair Value 2025	Fair Value 2024
Fixed Income		$ -	$ 3,608,727
Certificate of Deposit	10/15/25 - 07/23/26	26,815,580	22,747,204
Equities		393,000	396,000
Total Investments		$ 27,208,580	$ 26,751,931

4. Deposits and Investments, continued

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

	Fair Value August 31, 2025	Fair Value August 31, 2024
Total Investments	$ 27,208,580	$ 26,751,931
Total Cash and Deposits	69,625,023	100,429,434
Total Deposits and Investments	$ 96,833,603	$ 127,181,365
Statement of Net Position		
Cash and Cash Equivalents	$ 68,655,672	$ 99,518,511
Restricted Cash and Cash Equivalents	969,351	910,923
Total Cash and Deposits (Exhibit 1)	$ 69,625,023	$ 100,429,434
Investments	$ 19,368,780	$ 18,755,133
Restricted Investments		
Restricted Investments Noncurrent	7,839,800	7,996,798
Total Investments (Exhibit 1)	$ 27,208,580	$ 26,751,931
Total Deposits and Investments (Exhibit 1)	$ 96,833,603	$ 127,181,365

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The District places no limit on the amount the District may invest in any one issuer.

4. Deposits and Investments, continued

During fiscal year 2006, a donor remitted shares in a Company to the District to establish an endowed scholarship. The shares had a fair value of $393,000 and $396,000 at August 31, 2025 and 2024, respectively. Securities donated to an investing entity for a particular purpose or under terms of use specified by the donor, are not subject to the requirements of the Public Funds Investment Act. The District amended its investment policy to allow, at the Board of Trustees discretion, the District to hold donated equities for endowed scholarships.

5. Fair Value of Financial Instruments

The fair value hierarchy of investments at August 31, 2025, follows:

	FY 2025				FY 2024
	Level 1	Level 2	Level 3	Total	Total
Fixed Income	$ -			$ -	$ 3,608,727
Certificate of Deposit	26,815,580			26,815,580	22,747,204
Treasury Note				-	-
Equities	393,000			393,000	396,000
	$ 27,208,580			$ 27,208,580	$ 26,751,931

6. Capital Assets

Capital assets' activities for the years ended August 31:

	BALANCES September 1, 2024	Increases	Decreases	Reclasses	BALANCES August 31, 2025
Capital Assets not subject to Depreciation:					
Land	$ 14,459,373	$ -	$ -	$ 21,691,212	$ 36,150,585
Collections	10,000				10,000
Construction in Progress	21,056,405	32,328,427		(50,068,944)	3,315,888
Total Non Depreciated Assets	$ 35,525,778	$ 32,328,427	$ -	$ (28,377,732)	$ 39,476,473
Capital Assets subject to Depreciation:					
Buildings	$ 241,945,265	$ -	$ -	$ 28,377,732	$ 270,322,997
Land Improvements	15,427,207				15,427,207
Furniture, Equipment, vehicles	11,978,448	1,572,846	(91,165)	(15,753)	13,444,376
Computer Equipment	10,450,752	245,211		15,753	10,711,716
Library Books	5,674,422	71,388			5,745,810
Total Depreciated Assets	$ 285,476,094	$ 1,889,445	$ (91,165)	$ 28,377,732	$ 315,652,106
Less Accumulated Depreciation					
Buildings	$ 60,974,845	$ 4,807,851	$ -	$ -	$ 65,782,696
Land Improvements	8,015,418	895,477			8,910,895
Furniture, Equipment, vehicles	7,552,829	1,179,600	(86,497)	(1,313)	8,644,619
Computer Equipment	8,289,636	466,033		1,313	8,756,982
Library Books	4,816,865	378,716			5,195,581
Total Accumulated Depreciation	$ 89,649,593	$ 7,727,677	$ (86,497)	$ -	$ 97,290,773
Amortizable Assets - Intangible					
Land Use Rights - Term	$ 6,448,751	$ 103,871	$ -	$ -	$ 6,552,622
Total Intangible Assets	$ 6,448,751	$ 103,871	$ -	$ -	$ 6,552,622
Less Accumulated Amortization - Intangible Assets					
Land Use Rights - Term	$ 2,849,361	$ 428,063	$ -		$ 3,277,424
Total Intangible Accumulated Amortization	$ 2,849,361	$ 428,063	$ -	$ -	$ 3,277,424
Amortizable Assets - Right to Use					
Real Estate Right to Use	$ 12,902,053	$ 242,348	$ (1,456,124)	$ -	$ 11,688,277
Equipment Right to use	1,065,406	1,046,468	(707,604)		1,404,270
SBITA Right to Use	5,876,596	2,724,048	(4,253,077)		$ 4,347,567
Total Right to Use Assets	$ 19,844,055	$ 4,012,864	$ (6,416,805)	$ -	$ 17,440,114
Less Accumulated Amortization - Right to Use					
Real Estate Right to Use	$ 3,654,947	$ 640,531	$ (1,418,903)	$ -	$ 2,876,575
Equipment Right to use	627,231	251,384	(673,356)		205,259
SBITA Right to Use	4,028,250	1,580,840	(4,382,677)		1,226,413
Total Right to Use Accumulated Amortization	$ 8,310,428	$ 2,472,755	$ (6,474,936)	$ -	$ 4,308,247
Total Net Capital Assets	$ 246,485,296	$ 27,706,112	$ 53,463	$ -	$ 274,244,871

6. Capital Assets, continued

	BALANCES September 1, 2023	Increases	Decreases	Reclasses	BALANCES August 31, 2024
Capital Assets not subject to Depreciation:					
Land	$ 14,459,373	$ -	$ -	$ -	$ 14,459,373
Collections	18,500		(8,500)		10,000
Construction in Progress	3,306,767	21,938,146		(4,188,508)	21,056,405
Total Non Depreciated Assets	$ 17,784,640	$ 21,938,146	$ (8,500)	$ (4,188,508)	$ 35,525,778
Capital Assets subject to Depreciation:					
Buildings	$ 242,027,294	$ -	$ (1,713,050)	$ 1,631,021	$ 241,945,265
Land Improvements	12,869,719			2,557,488	15,427,207
Furniture, Equipment, vehicles	11,574,845	1,194,271	(759,379)	(31,289)	11,978,448
Computer Equipment	10,643,293	499,879	(723,708)	31,288	10,450,752
Library Books	5,578,011	96,411			5,674,422
Total Depreciated Assets	$ 282,693,162	$ 1,790,561	$ (3,196,137)	$ 4,188,508	$ 285,476,094
Less Accumulated Depreciation					
Buildings	$ 57,169,169	$ 4,776,936	$ (971,260)	$ -	$ 60,974,845
Land Improvements	7,236,931	778,487			8,015,418
Furniture, Equipment, vehicles	7,228,680	1,052,508	(698,547)	(29,812)	7,552,829
Computer Equipment	8,476,017	404,633	(620,826)	29,812	8,289,636
Library Books	4,448,310	368,555			4,816,865
Total Accumulated Depreciation	$ 84,559,107	$ 7,381,119	$ (2,290,633)	$ -	$ 89,649,593
Amortizable Assets - Intangible					
Land Use Rights - Term	$ 6,252,940	$ 195,811	$ -		$ 6,448,751
Total Intangible Assets	$ 6,252,940	$ 195,811	$ -	$ -	$ 6,448,751
Less Accumulated Amortization - Intangible Assets					
Land Use Rights - Term	$ 2,483,029	$ 366,332	$ -		$ 2,849,361
Total Intangible Accumulated Amortization	$ 2,483,029	$ 366,332	$ -	$ -	$ 2,849,361
Amortizable Assets - Right to Use					
Real Estate Right to Use	$ 12,902,053	$ -	$ -	$ -	$ 12,902,053
Equipment Right to use	1,030,066	316,031	(280,691)		1,065,406
SBITA Right to Use	7,410,798	809,681	(2,343,883)		$ 5,876,596
Total Right to Use Assets	$ 21,342,917	$ 1,125,712	$ (2,624,574)	$ -	$ 19,844,055
Less Accumulated Amortization - Right to Use					
Real Estate Right to Use	$ 2,992,336	$ 662,611	$ -	$ -	$ 3,654,947
Equipment Right to use	681,886	221,583	(276,238)		627,231
SBITA Right to Use	4,167,525	2,204,609	(2,343,884)		4,028,250
Total Right to Use Accumulated Amortization	$ 7,841,747	$ 3,088,803	$ (2,620,122)	$ -	$ 8,310,428
Total Net Capital Assets	$ 233,189,776	$ 14,213,976	$ (918,456)	$ -	$ 246,485,296

7. Noncurrent Liabilities

Noncurrent liability activity for the years ended August 31:

Noncurrent Liability Activity for the Years Ended August 31:

	2025				
	Balance September 1, 2024	Additions	Reductions	Balance August 31, 2025	Current Portion
Bonds Payable	$ 95,565,000	$ -	$ (4,065,000)	$ 91,500,000	$ 4,240,000
Unamortized Bond Premium	5,176,250	-	(254,155)	4,922,095	
Total Bond Liability	$ 100,741,250	$ -	$ (4,319,155)	$ 96,422,095	$ 4,240,000
Lease Liability	$ 11,401,554	$ 3,504,443	$ (1,201,482)	$ 13,704,515	$ 1,760,264
Total Lease Liability	$ 11,401,554	$ 3,504,443	$ (1,201,482)	$ 13,704,515	$ 1,760,264
Accrued Compensable Absence	$ 491,234	$ 5,886	$ -	$ 497,120	$ 497,120
Total Accrued Compensable Absence	$ 491,234	$ 5,886	$ -	$ 497,120	$ 497,120
Net Pension Liability	$ 27,077,334	$ -	$ (2,524,147)	$ 24,553,187	$ -
Net OPEB Liability	46,914,401	8,820,842		55,735,243	1,582,107
Total Other Liability	$ 73,991,735	$ 8,820,842	$ (2,524,147)	$ 80,288,430	$ 1,582,107
Total Noncurrent Liabilities	$ 186,625,773	$ 12,331,171	$ (8,044,784)	$ 190,912,160	$ 8,079,491

	2024				
	Balance September 1, 2023	Additions	Reductions	Balance August 31, 2024	Current Portion
Bonds Payable	$ 99,465,000	$ -	$ (3,900,000)	$ 95,565,000	$ 4,065,000
Unamortized Bond Premium	5,430,404	-	(254,154)	5,176,250	
Total Bond Liability	$ 104,895,404	$ -	$ (4,154,154)	$ 100,741,250	$ 4,065,000
Lease Liability	$ 13,513,951	$ 846,727	$ (2,959,124)	$ 11,401,554	$ 1,201,482
Total Lease Liability	$ 13,513,951	$ 846,727	$ (2,959,124)	$ 11,401,554	$ 1,201,482
Accrued Compensable Absence	$ 512,060		$ (20,826)	$ 491,234	$ 491,234
Total Accrued Compensable Absence	$ 512,060	$ -	$ (20,826)	$ 491,234	$ 491,234
Net Pension Liability	$ 22,982,824	$ 4,094,510	$ -	$ 27,077,334	$ -
Net OPEB Liability	49,800,918		(2,886,517)	46,914,401	1,312,261
Total Other Liability	$ 72,783,742	$ 4,094,510	$ (2,886,517)	$ 73,991,735	$ 1,312,261
Total Noncurrent Liabilities	$ 191,705,157	$ 4,941,237	$ (10,020,621)	$ 186,625,773	$ 7,069,977

8. Debt and Lease Obligations

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

Fiscal Year	Principal	Interest	Total
2026	4,240,000	3,142,844	7,382,844
2027	4,430,000	2,958,422	7,388,422
2028	4,610,000	2,785,006	7,395,006
2029	4,830,000	2,581,588	7,411,588
2030	5,075,000	2,352,694	7,427,694
2031-2035	24,550,000	8,808,109	33,358,109
2036-2040	25,830,000	4,953,922	30,783,922
2041-2045	17,065,000	1,197,150	18,262,150
2046	870,000	10,331	880,331
Total	$ 91,500,000	$ 28,790,066	$ 120,290,066

Blinn College District changed accounting policies related to Leases by adopting Statement of Government Accounting Standards (GASB) Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA), in fiscal year ending August 31, 2023.

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
Bryan Post Office	Real Estate Expens	09/01/21	08/31/26	443,676	354,941
Hohlt Park - Soccer Fields	Real Estate Expens	07/01/23	06/30/28	133,515	59,043
Hohlt Park - Softball Field	Real Estate Expens	03/20/18	03/20/27	117,015	96,820
RELLIS - 8004	Real Estate Expens	12/01/17	10/31/56	918,851	182,983
RELLIS - HSC	Real Estate Expens	08/01/19	07/31/49	9,646,253	1,956,046
RELLIS - Office Use	Real Estate Expens	08/01/23	07/31/27	127,717	66,519
Texas A&M Vet Tech	Real Estate Expens	09/01/22	08/31/26	192,483	144,362
Waller City Center Properties	Real Estate Expens	02/01/25	01/31/29	108,767	15,861
Totals by Real Estate Lease Assets				**11,688,277**	**2,876,575**

8. Debt and Lease Obligations, continued

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
2024 Freightliner Bus - 591	Equipment Expense	04/01/24	03/31/29	278,024	78,774
2025 Freightliner Bus - 714	Equipment Expense	08/06/25	08/05/31	310,144	3,611
2025 Freightliner Bus - 715	Equipment Expense	08/06/25	08/05/31	310,144	3,611
Enterprise 585	Equipment Expense	07/08/22	08/31/26	12,096	9,180
Enterprise 586	Equipment Expense	07/28/22	08/31/26	9,152	6,916
Enterprise 700	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 701	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 702	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 703	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 704	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 705	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 706	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 707	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 708	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 709	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 710	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Enterprise 711	Equipment Expense	03/18/25	03/17/29	16,789	1,907
Toshiba - TA1801 Mill Creek	Equipment Expense	11/19/24	11/19/27	2,564	669
Toshiba - TA1145 Foundation	Equipment Expense	01/24/22	01/25/26	12,384	11,146
Toshiba - TA1807 Agriculture	Equipment Expense	01/22/25	12/21/28	12,131	1,890
Toshiba - TA1808 Chemistry	Equipment Expense	01/22/25	12/21/28	12,131	1,890
Toshiba - TA1806 Social Sciences	Equipment Expense	01/22/25	12/21/28	12,131	1,890
Toshiba - TA1830 College Com	Equipment Expense	01/22/25	12/21/28	4,057	632
Toshiba - TA1829 Accounting	Equipment Expense	01/22/25	12/21/28	4,059	632
Toshiba - TA1828 Physical Pla	Equipment Expense	01/22/25	12/21/28	4,388	684
Toshiba - TA1831 Wheeler	Equipment Expense	01/22/25	12/21/28	4,057	632
Toshiba - TA1835 Library Offi	Equipment Expense	01/22/25	12/21/28	4,057	632
Toshiba - TA1833 Football	Equipment Expense	01/22/25	12/21/28	4,057	632
Toshiba - TA1827 Library Front	Equipment Expense	01/22/25	12/21/28	3,618	564
Toshiba - TA1826 Library Rear	Equipment Expense	01/22/25	12/21/28	3,618	564
Toshiba - TA1834 Admin Comp	Equipment Expense	01/22/25	12/21/28	4,057	632
Toshiba - TA1823 Drama	Equipment Expense	01/22/25	12/21/28	3,597	560
Toshiba - TA1825 Disability	Equipment Expense	01/22/25	12/21/28	3,597	560
Toshiba - TA1824 Purchasing	Equipment Expense	01/22/25	12/21/28	3,597	560
Toshiba - TA1818 Financial Aid	Equipment Expense	01/22/25	12/21/28	4,834	753
Toshiba - TA1815 Student Serv	Equipment Expense	01/22/25	12/21/28	5,000	779

8. Debt and Lease Obligations, continued

Toshiba - TA1819 Admissions	Equipment Expense	01/22/25	12/21/28	5,000	779
Toshiba - TA1813 Schul Enroll	Equipment Expense	01/22/25	12/21/28	5,000	779
Toshiba - TA1820 Academic Aff	Equipment Expense	01/22/25	12/21/28	4,998	779
Toshiba - TA1814 Band Hall	Equipment Expense	01/22/25	12/21/28	5,000	779
Toshiba - TA1816 Arts & Scienc	Equipment Expense	01/22/25	12/21/28	5,000	779
Toshiba - TA1821 Budget	Equipment Expense	01/22/25	12/21/28	5,000	779
Toshiba - TA1817 Schul Classes	Equipment Expense	01/22/25	12/21/28	4,670	728
Toshiba - TA1822 Student Centr	Equipment Expense	01/22/25	12/21/28	4,670	728
Toshiba - TA1812 Marketing	Equipment Expense	01/22/25	12/21/28	8,844	1,378
Toshiba - TA1810 Chancellor	Equipment Expense	01/22/25	12/21/28	10,317	1,607
Toshiba - TA1809 HR	Equipment Expense	01/22/25	12/21/28	10,317	1,607
Toshiba - TA1811 Facilities	Equipment Expense	01/22/25	12/21/28	9,830	1,532
Toshiba - TA1836 Police	Equipment Expense	01/22/25	12/21/28	6,621	1,032
Toshiba - TA1837 Police Upstrs	Equipment Expense	01/22/25	12/21/28	6,621	1,032
Toshiba - TA1283 Prairie L B	Equipment Expense	09/29/22	09/30/25	3,792	3,687
Toshiba - TA1284 Prairie L A	Equipment Expense	09/29/22	09/30/25	3,792	3,687
Toshiba - TA1568 Counseling	Equipment Expense	01/05/24	01/05/27	5,421	2,992
Toshiba - TA1570 English	Equipment Expense	01/05/24	01/05/27	11,388	6,286
Toshiba - TA1571 Math	Equipment Expense	01/05/24	01/05/27	11,388	6,286
Toshiba - TA1578 Heineke Gym	Equipment Expense	01/05/24	01/05/27	3,905	2,156
Toshiba - TA1627 Prosp Student	Equipment Expense	04/29/24	04/29/27	6,461	2,881
Toshiba - TA1660 STEI 1	Equipment Expense	09/01/24	09/01/27	10,184	3,392
Toshiba - TA1661 STEI 2	Equipment Expense	09/01/24	09/01/27	10,184	3,391
Toshiba - TA1662 Kruse Center	Equipment Expense	09/01/24	09/01/27	4,106	1,368
Toshiba - TA1663 Fine Arts	Equipment Expense	09/01/24	09/01/27	4,324	1,440
Toshiba - TA1664 Economics	Equipment Expense	09/01/24	09/01/27	4,409	1,468
Toshiba - TAXXXX Sealy	Equipment Expense	01/22/25	12/21/28	4,057	632
Totals by Equipment Lease Assets				**1,404,270**	**205,259**

8. Debt and Lease Obligations, continued

Lease Description	Asset Class	Lease Start Date	Lease End Date	Lease Book Value	Accumulated Amortization
CDW-G VEEAM Backup Rep	SBITA GASB 96	06/04/23	06/03/26	42,262	31,579
D2L FY2025-2029	SBITA GASB 96	09/01/24	08/31/29	848,685	169,737
Ellucian Experience Premium	SBITA GASB 96	12/01/22	08/31/27	181,068	104,829
Explorance	SBITA GASB 96	06/09/22	06/08/27	183,099	118,201
Intellidemia FY2024-2029	SBITA GASB 96	07/01/24	06/30/29	115,834	27,028
Ion Wave	SBITA GASB 96	04/01/22	08/31/27	49,066	30,949
JourneyEd Com 2024-2026	SBITA GASB 96	09/01/23	08/31/26	201,601	134,401
Oracle	SBITA GASB 96	04/01/24	08/31/27	576,844	239,179
Rx Technology	SBITA GASB 96	12/14/22	12/13/25	144,095	130,408
SHI Government FY2025-2027	SBITA GASB 96	05/01/25	04/30/27	609,635	101,606
StarRez	SBITA GASB 96	02/01/25	01/30/30	97,810	11,411
TeamDynamix Holdings	SBITA GASB 96	06/30/25	06/29/30	260,481	8,828
Upswing International	SBITA GASB 96	05/01/25	05/31/28	136,972	14,808
Vertosoft (Cornerstone)	SBITA GASB 96	04/01/25	08/31/30	542,154	41,704
YuJa FY2025-2030	SBITA GASB 96	08/19/24	08/18/30	357,962	61,745
Totals by SBITA Lease Assets				**4,347,567**	**1,226,413**
Total of Lease Assets				**17,440,114**	**4,308,247**

Obligations under leases on August 31, 2025, were as follows:

Fiscal Year	Principal	Interest	Total
2026	1,760,264	571,161	2,331,425
2027	1,239,977	464,174	1,704,151
2028	974,927	395,827	1,370,754
2029	945,032	327,794	1,272,826
2030	505,281	288,921	794,202
2031-2035	1,595,325	1,247,859	2,843,184
2036-2040	1,949,636	969,221	2,918,857
2041-2045	2,519,836	610,485	3,130,321
2046-2050	1,895,136	174,932	2,070,068
2051-2055	263,818	29,128	292,946
2056-2060	55,283	450	55,733
Total	$ 13,704,515	$ 5,079,952	$ 18,784,467

9. Bonds Payable

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

Combined Fee Revenue Bonds, Series 2020

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2020
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.
- Issued October 13, 2020
- $27,525,000, all authorized bonds have been issued
- Interest rates range from 2.37% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2025 and 2024 of $21,780,000 and $23,055,000, respectively.
- A premium of $3,429,200 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2019

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2019
- Proceeds will be used to acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, and administration facilities.
- Issued May 15, 2019
- $29,125,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2025 and 2024 of $25,370,000 and $26,190,000, respectively.
- A premium of $881,880 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2016

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2016
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued March 23, 2016
- $36,975,000, all authorized bonds have been issued
- Interest rates range from 2.125% to 5.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2025 and 2024 of $29,925,000 and $31,200,000, respectively.
- A premium of $1,905,100 is being amortized over the life of the bonds

9. Bonds Payable, continued

Combined Fee Revenue Bonds, Series 2015

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2015
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories, related facilities and administration facilities; (ii) fund a Reserve Fund; and (iii) pay the costs of issuance of the Bonds
- Issued December 15, 2015
- $9,625,000, all authorized bonds have been issued
- Interest rates range from 3.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2025 and 2024 of $7,245,000 and $7,580,000, respectively.
- A premium of $94,033 is being amortized over the life of the bonds

Combined Fee Revenue Bonds, Series 2014

- Washington County Junior College District Combined Fee Revenue Bonds, Series 2014
- Proceeds will be used to (i) acquire, purchase, construct, improve, enlarge, equip, operate, and/or maintain any property, buildings, structures, activities, operations, or facilities, of any nature, to wit: academic facilities, including classrooms, laboratories and related facilities, administration facilities and the acquisition of sites therefor and (ii) pay the costs of issuance of the Bonds.
- Issued December 18, 2014
- $9,820,000, all authorized bonds have been issued
- Interest rates range from 2.00% to 4.00%
- Source of revenue for debt service - designated portion of tuition and fees and designated auxiliary revenues
- Outstanding bonds payable at August 31, 2025 and 2024 of $7,180,000 and $7,540,000, respectively.
- A premium of $25,897 is being amortized over the life of the bonds

10. Employees' Retirement Plans

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

Defined Benefit Pension Plans

Plan Description

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

10. Employees' Retirement Plans, continued

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

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained Online https://www.trs.texas.gov/learning-resources/publications/resource-library-financial-reports or write to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc COLA.

One-time stipend, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirements on or before August 31, 2023. A one-time $7,500 stipend was paid to eligible annuitants who are 75 years of age or older. A one-time $2,400 stipend was paid to eligible annuitants age 70 to 74.

A COLA was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

Texas Government Code, Section 821.006, prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would

10. Employees' Retirement Plans, continued

be increased to a period that exceeds 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

Contributions

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code, Section 825.402, for member contributions and increased employee and employer contribution rates for fiscal years 2019 through 2025.

Contribution Rates

	2025	2024
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

2024 Member Contributions	$ 4,018,997
2024 State of Texas On-Behalf Contributions	1,618,493
2024 Employer Contributions	2,284,971

Contributors to the plan include active members, employers, and the State of Texas as the only non-employers contributing entity. The State is also the employer for senior colleges and universities, medical schools, and other entities, including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

The District's contributions to the TRS pension plan in 2025 were $2,309,290 as reported in the Schedule of College Contributions in the Required Supplementary Information section of these financial statements. Estimated State of Texas on-behalf contributions for FY 2025 were $1,618,493.

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

10. Employees' Retirement Plans, continued

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

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

In addition to the employer contributions listed above, when employing a retiree of the Teacher Retirement System the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

10. Employees' Retirement Plans, continued

Actuarial Assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Investment Rate of Return*	7.00%
Municipal Bond Rate as of August 2024	3.87%-The Source for the rate is the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last Year Ending August 31 in Projection Period (100 Years)	2123
Inflation	2.30%
Salary Increases Including Inflation	2.95% to 8.95% including inflation
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

10. Employees' Retirement Plans, continued

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

The long-term rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2024 are summarized below:

Asset Class*	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.4%	1.00%
Non-U.S. Developed	13.0%	4.2%	0.80%
Emerging Markets	9.0%	5.2%	0.70%
Private Equity	14.0%	6.7%	1.20%
Stable Value			
Government bonds	16.0%	1.9%	0.40%
Stable Value Hedge Funds	5.0%	3.0%	0.20%
Absolute Return*	0.0%	4.0%	0.00%
Real Return			
Real Assets	15.0%	6.6%	1.20%
Energy and Natural Resources, and Infrastructure	6.0%	5.6%	0.40%
Commodities	0.0%	2.5%	0.00%
Risk Parity	8.0%	4.0%	0.40%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.00%
Asset Allocation Leverage	-6.0%	1.3%	-0.10%
Inflation Expectation			2.40%
Volatility Drag****			-0.70%
Expected Return	100.0%		7.90%

*Absolute Return includes Credit Sensitive Investments..

** Target Allocations are based on the FY2024 policy model.

*** Capital Market Assumptions (CMA) come from 2024 SAA Study SMA Survey (as of 12/31/2023)

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

Source: TRS 2024 ACFR

10. Employees' Retirement Plans, continued

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate (7.00%) that was used in measuring the Net Pension Liability.

For the year ended August 31, 2024

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability	$40,482,114	$27,077,334	$15,931,252

For the year ended August 31, 2025

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
College's proportionate share of the net pension liability	$39,217,662	$24,553,187	$12,402,628

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

At August 31, 2025, the District reported a liability of $24,553,187 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction of State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

	FY 2025	FY 2024
College's Proportionate share of the collective net pension liability	$ 24,553,187	$ 27,077,334
State's proportionate share that is associated with College	17,543,590	19,504,059
Total	$ 42,096,777	$ 46,581,393

The net pension liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At the measurement date of August 31, 2024, the District's proportion of the net pension liability was 0.0401956598%, which was an increase of .00078% from its proportion measured as of August 31, 2023.

10. Employees' Retirement Plans, continued

Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended August 31, 2025, the District recognized pension expense of $2,096,752 and revenue of $2,096,752 for support provided by the State.

At August 31, 2025, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 1,353,338	$ 191,699
Changes in actuarial assumptions	1,267,734	169,960
Differences between projected and actual investment earnings	149,250	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	568,574	716,866
Contributions paid to TRS subsequent to the measurement date.	2,309,290	
Total	$ 5,648,186	$ 1,078,525

The District recognized $2,309,290 as deferred outflows of resources related to pensions resulting from [employer] contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025.

10. Employees' Retirement Plans, continued

At August 31, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 964,775	$ 327,877
Changes in actuarial assumptions	2,560,985	626,732
Differences between projected and actual investment earnings	3,940,409	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	428,940	990,641
Contributions paid to TRS subsequent to the measurement date.	2,284,971	
Total	$ 10,180,080	$ 1,945,250

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

Year Ended August 31	Pension Expense Amount
2025	(32,789)
2026	2,479,688
2027	204,607
2028	(520,123)
2029	128,988

10. Employees' Retirement Plans, continued

Optional Retirement Plan

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

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

The retirement expense to the State for the District was $358,527 and $359,974 for the fiscal years ended August 31, 2025 and 2024, respectively. This amount represents the portion of expended appropriations made by the State Legislature on behalf of the District.

The total payroll for all college employees was $64,048,470 and $64,642,278 for fiscal years ended August 31, 2025 and 2024 respectively. The total payroll of employees covered by the TRS was $48,715,111 and $48,511,147, and the total payroll of employees covered by the Optional Retirement Program was $10,881,970 and $11,052,848 for fiscal years 2025 and 2024, respectively.

11. Deferred Compensation Program

The District's employees may elect to defer a portion of their earnings for income tax and investment purposes pursuant to authority granted in Government Code 609.001. This plan is essentially an unfunded promise to pay by the employer to each of the plan participants. At August 31, 2025 and 2024, the District had no employees electing to defer compensation.

12. Compensated Absences

Non-faculty employees are entitled to compensation vacation days. The amount of days is determined annually, based on their length of employment, as stipulated with official policy adopted by the District. The current policy allows a maximum of six accrued unused vacation days to be carried over and are 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. Compensated Absence liability at August 31, 2025 and 2024, is $497,120 and $491,234, respectively.

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

13. Health Care and Life Insurance Benefits

Certain health care and life insurance benefits for active employees are provided through an insurance company whose premiums are based on benefits paid during the previous year. The State recognizes the cost of providing these benefits by expending the annual insurance premiums. The State's contribution per full-time employee was $625 to $1,222 and $624 to $1,222 for the years ended August 31, 2025 and 2024, depending on the coverage elected. The State's contribution totaled $3,982,555 and $3,982,555, for the years ended August 31, 2025 and 2024, respectively. The cost of providing those benefits for retirees is not separable from the cost of providing benefits for active employees. SB 1812, 83rd Texas Legislature, Regular Session, effective September 1, 2013, limits the amount of the state's contribution to 50 percent of eligible employees in the reporting district.

14. Other Post-Employment Benefits (OPEB)

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

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

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

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

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

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

Maximum Monthly Employer Contribution
Retiree Health and Basic Life Premium
Fiscal Year 2024

Retiree Only	$ 624.82
Retiree and Spouse	1,340.82
Retiree and Children	1,104.22
Retiree and Family	1,820.22

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

Premium Contributions by Source
Group Benefits Program Plan
For the Years Ended August 31, 2024 and 2023

	FY 2024	FY 2023
Employers	$ 800,581,831	$ 801,018,586
Members (Employees)	187,288,403	181,951,869
Non-employer Contributing Entity (State of Texas)	43,071,186	42,250,455

Source: ERS FY2024 Annual Comprehensive Financial Report

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of August 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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

Significant Methods and Assumptions

Valuation Date	August 31, 2024
Actuarial Cost Method	Entry Age
Last Experience Study	State Agency Members:5-year period ending August 31, 2023 Higher Education Members: 7-year period ending August 31, 2021
Actuarial Assumptions:	
Discount Rate	3.87%
Projected Annual Salary Increase	2.30% to 8.95%, including inflation
Annual Healthcare Trend Rate	HealthSelect 5.60% for FY2026, 5.60% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years HealthSelect Medicare Advantage 36.00% for FY2026, 8.00% for FY2027, 5.25% for FY2028, 5.00% for FY2029, 4.75% for FY2030, 4.50% for FY2031 decreasing 10 basis points per year to an ultimate rate of 4.30% for FY2033 and later years Pharmacy 11.50% for FY2026, 11.00% for FY2027, 10.00% for FY2028, 8.50% for FY2029, 7.00% for FY2030 decreasing 100 basis points per year to 5.00% for FY2032 and 4.30% for FY2033 and later years
Inflation Assumption Rate	2.30%
Ad hoc Postemployment Benefit Changes	None
Mortality Rate	State Agency Members a. Service Retirees, Survivors and other Inactive Members (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 1 year set forward for male CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year b. Service Retirees, Survivors and other Inactive Members (JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table with a 2 year setback. Generational mortality improvements in accordance with the Ultimate MP-2020 Projection Scale are projected from the year 2020. c. Disability Retirees (Regular, Elected, CPO/CO and JRS I and II Employee Classes): 2020 State Retirees of Texas Mortality table set forward 3 years for males and females. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year 2020. Minimum rates of 3.0% and 2.5% apply at all ages for males and females, respectively. d. Active Members: Pub-2010 General Employees Active Member Mortality table for non-CPO/CO members. Pub-2010 Public Safety Active Member Mortality table for CPO/CO members. Generational mortality improvements in accordance with the Ultimate MP-2021 Projection Scale are projected from the year 2010. Higher Education Members a. Service Retirees, Survivors and other Inactive Members: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021. b. Disability Retirees: Tables based on TRS experience with Ultimate MP-2021 Projection Scale from the year 2021 using a 3-year set forward and minimum mortality rates of four per 100 male members and two per 100 female members. c. Active Members: Sex Distinct Pub-2010 Amount-Weighted Below-Median Income Teacher Mortality with a 2-year set forward for males with Ultimate MP-2021 Projection Scale from the year 2010.

Source: ERS FY2024 Annual Comprehensive Financial Report

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

Many of the actuarial assumptions used in this valuation were based on the results of actuarial experience studies performed by the ERS retirement plan actuary during a 7-year period ending August 31, 2021.

Investment Policy.

The State Retiree Health Plan is a pay-as-you-go plan and does not accumulate funds in advance of retirement. The System's Board of Trustees amended the investment policy statement in August 2022 to require that all funds in this plan be invested in cash and equivalent securities.

Discount Rate.

Because the State Retiree Health Plan does not accumulate funds in advance of retirement, the discount rate that was used to measure the total OPEB liability is the municipal bonds rate. The discount rate used to determine the total OPEB liability as of the beginning of the measurement year was 3.81%. The discount rate used to measure the total OPEB liability as of the end of the measurement period was 3.87%, which amounted to an increase of 0.06%.

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

Discount Rate Sensitivity Analysis.

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

For the year ended August 31, 2024

	1% Decrease in Discount Rate (2.81%)	Discount Rate (3.81%)	1% Increase in Discount Rate (4.81%)
College's proportionate share of the net OPEB liability	$54,437,424	$46,914,401	$40,863,444

For the year ended August 31, 2025

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
College's proportionate share of the net OPEB liability	$64,848,277	$55,735,243	$48,421,932

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

Healthcare Trend Rate Sensitivity Analysis. The initial healthcare trend rate is 5.60% for HealthSelect and 36.00% for HealthSelect Medicare Advantage and the ultimate rate is 4.3% for both. The following schedule shows the impact on the District's proportionate share of the collective net OPEB Liability if the healthcare cost trend rate used was 1 percent less than and 1 percent greater than the healthcare cost trend rate that was used (5.6%) in measuring the net OPEB Liability.

For the year ended August 31, 2024

	1% Decrease in HealthSelect Trend Rates (4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%)	1% Increase in HealthSelect Trend Rates: (6.60% decreasing to 5.30%)
College's proportionate share of the net OPEB liability	$40,352,907	$46,914,401	$55,247,536

For the year ended August 31, 2025

	1% Decrease in HealthSelect Trend Rates (4.60% decreasing to 3.30%)	Current Healthcare Cost Trend Rates (HealthSelect: 5.60% decreasing to 4.30%)	1% Increase in HealthSelect Trend Rates: (6.60% decreasing to 5.30%)
College's proportionate share of the net OPEB liability	$47,823,642	$55,735,243	$65,820,403

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At August 31, 2025 the District reported a liability of $55,735,243 for its proportionate share of the ERS's net OPEB liability. This liability reflects a decrease for State support provided to the District for OPEB. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

	FY 2025	FY 2024
District's Proportionate share of the collective net OPEB liability	$ 55,735,243	$ 46,914,401
State's proportionate share that is associated with District	38,270,929	37,476,670
Total	$ 94,006,172	$ 84,391,071

The net OPEB liability was measured as of August 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2023 through August 31, 2024.

At the measurement date of August 31, 2024 the employer's proportion of the collective net OPEB liability was 0.19018639%, which is 0.01459230% higher than the measurement as of August 31, 2023.

For the year ended August 31, 2025, the District recognized a decrease of OPEB expense of $7,886 and a decrease of revenue of $4,655 for support provided by the State.

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

Factors that Significantly Affect Trends in Amounts Reported

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

- Demographic assumptions (including rates of retirement, disability, termination, mortality, and assumed salary increases) for higher education members have been updated to reflect assumptions recently adopted by the trustees from the Teachers Retirement System of Texas.

- Assumed expenses, assumed per capita health benefit costs, and assumed health benefit cost, retiree contribution, and expense trends have been updated to reflect recent experience and its effects on our short-term expectations.

- The percentage of current retirees and their spouses not yet eligible to participate in the HealthSelect Medicare Advantage Plan and future retirees and their spouses who will elect to participate in the plan at the earliest date at which coverage can commence.

- The percentage of future retirees assumed to be married and electing coverage for their spouse has been updated to reflect recent plan experience and expected trends.

- The proportion of future retirees assumed to elect health coverage at retirement and proportion of future retirees expected to receive the Opt-Out Credit at retirement.

- The discount rate assumption was increased from 3.81% to 3.87% to use the updated yield or index rate for 20-year, tax-exempt general obligation municipal bonds rated AA/Aa (or equivalent) or higher in effect on the measurement date.

- The Patient-Centered Outcomes Research Institute fee payable under the Affordable Care Act and the rate of future increases in the fee have been updated to reflect the most recent available information.

Changes of Benefit Terms Since Prior Measurement Date. The following benefit revisions have been adopted since the prior valuation:

An increase in the out-of-pocket maximum for both HealthSelect and Consumer Directed HealthSelect for those HealthSelect retirees and dependents for whom Medicare is not primary.

These minor benefit changes have been reflected in the fiscal year 2019 assumed per capita health benefit costs.

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

At August 31, 2025, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 919,566
Changes in actuarial assumptions	3,051,477	11,102,884
Difference between projected and actual investment earnings		2,130
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	3,933,330	1,790,686
Contributions paid to ERS subsequent to the measurement date	970,978	
Total	$ 7,955,785	$ 13,815,266

At August 31, 2024, the District reported its proportionate share of the ERS plan's collective deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 1,240,911
Changes in actuarial assumptions	1,565,014	14,651,995
Difference between projected and actual investment earnings	3,790	
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,459,190	2,654,128
Contributions paid to ERS subsequent to the measurement date	839,430	
Total	$ 3,867,424	$ 18,547,034

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

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

Years Ended August 31:	OPEB Expense Amount
2026	$ (3,423,124)
2027	(3,257,159)
2028	(1,617,243)
2029	783,065
2030	684,002
Thereafter	-
Total	$ (6,830,459)

15. Pending Lawsuits and Claims

Blinn College District is not involved in material litigation as of August 31, 2025.

16. Disaggregation of Receivables and Payables Balances

Receivables consist of the following at August 31:

	2025	2024
Student Tuition and Fees	$ 36,071,086	$ 33,675,302
Ad Valorem Taxes	24,369	47,831
Federal Grants	328,406	310,429
State Grants	322,768	80,926
Other Receivables	734,263	219,991
	$ 37,480,892	$ 34,334,479
Allowance for Doubtful Accounts	(10,418,641)	(9,561,072)
Total Receivables	$ 27,062,251	$ 24,773,407

16. Disaggregation of Receivables and Payables Balances, continued

Payables consist of the following at August 31:

	2025	2024
Vendor Payables	$ 2,379,840	$ 4,960,515
Salaries and Benefits Payable	1,311,593	1,731,348
Student Payables	444,629	381,340
Accrued Interest	1,351,414	1,431,331
Other Payables	7,227,014	6,642,654
Total Payables	$ 12,714,490	$ 15,147,188

17. Funds Held in Trust by Others

As of August 31, 2025, there were no funds for the benefit of the District held in trust by others.

18. Contract and Grant Awards

Contract and grant awards are accounted for in accordance with the requirements of the American Institute of Certified Public Accounts (AICPA) audit and accounting guide, *State and Local Governments*, 8.99. For federal contract and grant awards, funds expended but not collected are reported as Federal Receivables on Exhibit 1. Non-federal contract and grant awards for which funds are expended but not collected are reported as Accounts Receivable on Exhibit 1. Contract and grant awards that funds are received but not yet expended are reported as Unearned Revenue. Contract and grant awards that are not yet funded, and for which the institution has not yet performed services, are not included in the financial statements. Contract and grant awards funds already committed, e.g., multi-year awards or funds awarded during fiscal years FY 2025 and FY 2024, for which monies have not been received nor funds expended totaled $182,558 and $278,111, respectively.

19. Self Insurance

Effective September 1, 2003, the District began participating in a public entity risk pool for worker’s compensation. The participants of the pool include several other public junior and community colleges. The plan provides coverage to each participant with the District's individual loss fund maximum of $300,000 and $300,000 at August 31, 2025 and 2024, respectively, which is based on estimated payroll.

The liability for claims incurred but not reported under the self-insured plan is $55,304 and $59,020 as of August 31, 2025 and 2024, respectively, and is included in the accompanying statement of net position. Future payments for the claims will be paid from the accrued liability.

19. Self Insurance, continued

Self-insurance activity for the years ended August 31:

Liability for the Year Ended August 31	Liability at Beginning of Fiscal Year	Adjustments	Additions	Reductions for Claims Paid	Balance of Liability at End of Fiscal Year
2025	$ 300,000	$ (211,438)	$ 289,985	$ (78,547)	$ 300,000
2024	$ 300,000	$ (254,213)	$ 284,229	$ (30,016)	$ 300,000
2023	$ 997,014	$ (833,307)	$ 270,436	$ (134,143)	$ 300,000
2022	$ 838,670		$ 248,367	$ (90,023)	$ 997,014
2021	$ 713,041		$ 248,160	$ (122,531)	$ 838,670

20. Property Tax

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

	2025	2024
Assessed valuation of the College	$ 7,828,455,990	$ 7,149,118,897
Less exemptions	(1,373,347,079)	(1,217,438,792)
Net assessed valuation of the College	$ 6,455,108,911	$ 5,931,680,105

	2025		
	Current Operations	Debt Service	Total
Tax rate per $100 valuation for authorized	$ 0.0438		$ 0.0438
Tax rate per $100 valuation for assessed	$ 0.0438		$ 0.0438

	2024		
	Current Operations	Debt Service	Total
Tax rate per $100 valuation for authorized	$ 0.0421		$ 0.0421
Tax rate per $100 valuation for assessed	$ 0.0421		$ 0.0421

Tax levied for the years ended August 31, 2025 and 2024 is $3,116,104 and $2,495,511, 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

20. Property Tax, continued

legal claim date for ad valorem taxes is the assessment date. The District has recognized all assessed taxes in the current year and recorded a receivable for uncollected taxes.

Taxes Collected at August 31,

	2025	2024
Current	$ 2,929,698	$ 2,464,702
Delinquent	15,614	12,847
Penalties and Interest	19,070	13,540
Total Gross Collections	$ 2,964,382	$ 2,491,089
Total Appraisal and Collection Fees	$ (16,813)	$ (12,467)
Total Net Collections	$ 2,947,569	$ 2,478,622

Tax collections for the year ended August 31, 2025 and 2024 were 95% and 94% of the respective tax levy, respectively. Allowances for uncollectible taxes are based upon historical experience in collecting property taxes. The use of tax proceeds is restricted to either maintenance and operations or general obligation debt service.

21. Income Taxes

The District is exempt from income taxes under Internal Revenue Code Section 115, *Income of States, Municipalities*, Etc., although unrelated business income may be subject to income taxes under Internal Revenue Code Section 511 (a)(2)(B), *Imposition of Tax on Unrelated Business Income of Charitable, Etc., Organizations*. The District had no unrelated business income tax liability for the year ended August 31, 2025 and 2024.

22. Component Units

Blinn College District Foundation, Inc. – Discrete Component Unit

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

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

23. Significant Commitments

Blinn College District had three significant commitments related to construction as of August 31, 2025:

Construction Project	Vendor		Amount
Brenham Campus Central Plant	SpawGlass Construction	$	5,632,502
Brenham Campus Sports and Intramural Complex	Pluger Architects	$	1,661,055
Waller Campus Academic Building	Cannon Design	$	3,753,651

24. Related Parties

Blinn College District had no related party transactions as of August 31, 2025.

25. Prior Year Restatement

Blinn College District had no prior year restatements for fiscal years ended August 31, 2024 and August 31, 2025.

26. Subsequent Events

Blinn College District had no subsequent events to report as of December 2, 2025 to the fiscal year ending August 31, 2025.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

NORTON ROSE FULBRIGHT

[Closing Date]

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IN REGARD to the authorization and issuance of the "Washington County Junior College District Combined Fee Revenue Bonds, Series 2026," dated February 1, 2026, in the principal amount of $______ (the "Bonds"), we have examined into their issuance by the Washington County Junior College District (the "District"), solely to express legal opinions as to the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the District, the disclosure of any financial or statistical information or data pertaining to the District and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of $5,000 or any integral multiple thereof (within a maturity). The Bonds mature on October 1 in each of the years specified in the pricing certificate (the "Pricing Certificate") executed pursuant to a resolution adopted by the Board of Trustees of the District authorizing the issuance of the Bonds (the "Bond Resolution" and, jointly with the Pricing Certificate, the "Resolution"), unless redeemed prior to maturity in accordance with the terms stated on the Bonds. The Bonds accrue interest from the dates, at the rates, and in the manner and interest is payable on the dates, all as provided in the Resolution.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Resolution and an examination of the initial Bond executed and delivered by the District (which we found to be in due form and properly executed); (ii) certifications of officers of the District relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the District and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATIONS, IT IS OUR OPINION that, under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the District and, when issued in compliance with the provisions of the Resolution, are valid, legally binding and enforceable obligations of the District and, together with the outstanding and unpaid "Previously Issued Bonds" (identified and defined in the Resolution), are payable solely from and equally and ratably secured by a lien on and pledge of the Pledged Revenues (as defined in the Resolution), except to the

extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with the general principles of equity.

2. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the District with the provisions of the Resolution relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.