FINANCIAL REPORT

YEAR ENDED JUNE 30, 2004

BALL STATE UNIVERSITY®

MUNCIE, INDIANA

To

The President and Board of Trustees

Ball State University

This financial report presents

the financial position of

Ball State University at June 30, 2004,

and the results of activities for

the year then ended.

Thomas J. Kinghorn
Vice President for Business Affairs
and Treasurer

December 17, 2004

This financial report has been prepared

by the Office of Controller and Business Services

Ball State University, Muncie, Indiana 47306

Ball State University provides equal opportunity to all students and applicants for admission in its education programs, activities, and facilities without regard to race, religion, color, sex (except where sex is a bona fide qualification), sexual orientation, physical or mental disability, national origin, ancestry, or age.

Ball State University provides equal opportunity to all employees and applicants for employment in its recruitment, hiring, retention, promotion, tenure, transfer, layoff, return from layoff, training, and other employment decisions and in its compensation and benefits programs without regard to race, religion, color, sex (except where sex is a bona fide occupational qualification), sexual orientation, physical or mental disability, national origin, ancestry, age, or citizenship (for U.S. citizens and protected lawfully-admitted aliens).

The University also takes affirmative action to employ and advance minorities, women, qualified disabled persons, and qualified disabled veterans and veterans of the Vietnam era. Information concerning the University's affirmative action programs can be obtained from the Office of University Compliance, Ball State University, Muncie, IN 47306.

Each line administrator is responsible for ensuring that educational and employment decisions are made and implemented in accordance with the University's equal opportunity and affirmative action policy. All persons involved in the decision-making process, including members of faculty and other employee committees, shall act in a nondiscriminatory manner. The Executive Director of the Office of University Compliance is responsible for developing, coordinating, and implementing policies and procedures for institutional compliance with all applicable federal and state equal opportunity laws and regulations and for preparing and monitoring compliance with required affirmative action programs.

Complaints regarding unlawful discrimination should be filed within 45 calendar days following the alleged act or incident giving rise to the complaint in the Office of University Compliance in accordance with the "Ball State University Equal Opportunity and Affirmative Action Complaint Investigation Procedure and Appeal Process." A copy of this document may be obtained by contacting the Office of University Compliance.

The President will review the University's equal opportunity and affirmative action policy and programs at least once each year, measure progress against the objectives stated in the affirmative action programs, and report findings and conclusions to the Board of Trustees.

Ball State University

2003-2004

University President

Jo Ann M. Gora .... appointed August 9, 2004
Beverley J. Pitts.................appointed Acting President February 1, 2004 thru August 8, 2004
Blaine A. Brownell ....appointed July 1, 2000 thru January 31, 2004

Ball State University
Management's Discussion and Analysis
June 30, 2004

Introduction

Ball State University, located in Muncie, Indiana, was founded in 1918 as the Indiana State Normal School, Eastern Division. The Ball brothers, a prominent Muncie industrial family, had acquired the land and buildings of a private normal school and donated the property to the State of Indiana. The State, in turn, transferred control of the school to the Board of Trustees of the Indiana State Normal School. In 1929, the Indiana General Assembly separated the Muncie campus from Indiana State Normal School, naming the campus in Muncie Ball State Teachers College. In 1965, the General Assembly renamed the institution Ball State University, in recognition of its significant growth in enrollment and physical facilities, the variety and quality of its educational programs and services, and in anticipation of the much broader role it would be expected to assume in the future. The University is governed by a nine member Board of Trustees, which includes a full-time student and two members nominated or selected by the Ball State University Alumni Association. All members of the Board are appointed by the Governor of Indiana to four-year terms, except for the student member, who is appointed to a two-year term.

The University consists of seven colleges, offering 14 associate-level programs, 155 undergraduate degree programs, 90 masters-level programs, 13 doctoral-level programs and three specialists programs, all fully accredited by the North Central Association of Colleges and Schools (who in 2004 re-accredited the University for another ten years), as well as various schools, departments and programs being accredited by approximately 36 other professional agencies, licensing boards, and state agencies. Enrollment in these programs for Fall 2003, totaled 18,556 full-time equivalent students from a total headcount of 20,651. On-campus enrollment totaled 16,993 full-time equivalent students from a total headcount of 18,310, approximately 7,500 of whom were housed in University residence halls and apartments. The University also operates the state's only K-12 laboratory school, as well as the Indiana Academy for Science, Mathematics and Humanities, the state's only residential high school for gifted and talented students. To carry out its mission of teaching, research and service to the citizens of the State of Indiana, Ball State University employs approximately 2,700 people full-time, 3,100 part-time (90 percent of whom are students), and 900 graduate assistants. The campus facilities include 119 buildings, 93 of which are considered major, on 1,035 acres.

What follows is the Ball State University Financial Report for the year ended June 30, 2004, an objective record of the University's stewardship of its human, physical and financial resources. Ball State University's management has prepared and is responsible for the completeness and fairness of the financial statements and the related footnote disclosures included in this report, along with this discussion and analysis. The discussion and analysis is designed to provide an objective analysis of the University's financial activities based on currently known facts, decisions, and conditions.

Using this Report

This financial report includes three basic financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows, prepared in accordance with *Statement No. 35 of the Governmental Accounting Standards Board, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities, an Amendment of GASB Statement No. 34,* as well as subsequent applicable statements from the GASB. These financial statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole. Important features of these statements, which are mandated by the Governmental Accounting Standards Board, include:

- Revenues that are charges for services and goods, including tuition and fees and non-capital grants, are recorded as operating revenues. This means that state appropriations, the University's largest revenue source and one which is used primarily for operations, is required to be shown as non-operating revenue.
- Scholarship allowances are required to be recorded in three different places: as a reduction to tuition and fees, as a reduction to room and board and as an operating expense. The user must total the three amounts in order

to ascertain the total scholarship aid received by students from the University. Not included in these amounts are scholarship aid received directly by students, as well as loan and work-study aid.

- Capital assets include construction in progress and infrastructure, as well as completed capital projects and capital acquisitions.

This financial report also includes, in addition to the basic financial statements referred to above, management's discussion and analysis, the report of independent auditors, notes to the financial statements and supplemental information. Included also, for the first time, in accordance with GASB Statement No. 39, separately presented, are the financial statements and significant notes to the financial statements for the Ball State University Foundation. The Ball State University Foundation is a separate, not-for-profit corporation which solicits, collects and invests donations for the sole benefit of Ball State University. The Foundation's financial statements are presented in accordance with the reporting principles of the Financial Accounting Standards Board and therefore are not comparable to those of the University.

Financial Highlights

The University's operating budget was impacted by the State of Indiana continuing to experience lower revenues as a result of the sluggish economy. However, the State did restore half of the operating budget cuts made the previous year, as well as restoring 25 percent (subsequently reduced to 12.5 percent) of the formula appropriation for renewal and replacement of academic and administrative buildings and infrastructure. In addition, the State established a funding mechanism for assisting universities with unreimbursed indirect costs incurred for research, and authorized the University to issue $21.0 million in bonds to construct the Communication Media Building. Finally, the State, having withheld payment of one monthly appropriation in fiscal 2003, paid that amount during fiscal 2004 and once again withheld payment of one monthly appropriation. Because the legislature intends to pay this amount in the future, a receivable has been established; and the revenue has been recognized as an increase in net assets for 2004.

Funding awards for research and other sponsored programs surpassed $24.0 million for the second straight year. Included in this total is $1.0 million from the Robert Wood Johnson Foundation and the Caylor Nickel Foundation for Operation Wellness, which is intended to improve the health, nutrition and fitness levels of children, adolescents and adults in Wells County, Indiana. Another significant award received this year is $1.5 million from the Lilly Endowment for the Business Fellows Program, a five year program which will consist of faculty mentors and student teams working directly with Indiana businesses and organizations on problem based projects. During the first year, 13 project teams and 15 faculty mentors from nine departments and four colleges will work with approximately 100 students. Also, during 2004, the University utilized $4.5 million of the $20.1 million iCommunications grant from the Lilly Endowment that was received in 2002. This utilization, though less than previous years, accounted for one-third of nongovernmental grants and contracts revenue. The Lilly Endowment Grant currently has $5.2 million remaining to be utilized over the next one to two years.

Supporters of Ball State University contributed $41.3 million in fiscal 2004, the most successful single year in the University's history. This included the largest single private gift in the University's history, more than $17.0 million from the estate of former Ball State University professor Wallace T. Miller, Jr., to the college that now bears his name – the Miller College of Business.

Construction of the $22.0 million Music Instruction Building, featuring state of the art recording studios and a tunable performance hall, continued on schedule, and will be completed during the fall of 2004-05. During the year, the University issued Parking System Revenue Bonds in the amount of $6.5 million to partially fund the McKinley Avenue Parking Structure located next to the Music Instruction Building. Construction began on this building during 2004 and will be completed in the fall of 2004.

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report in summary fashion the financial position of the University as a whole and on its activities, focusing on the University's net assets. These statements include all assets, liabilities, revenues and expenses, using the accrual basis of accounting. The only exceptions are interest on student loans, which is recorded only when received, and gifts and grants, which are generally recorded only when received.

The following is a summary of the major components of net assets at June 30, 2004.

Net Assets
June 30, 2004 and 2003

	2004	2003
Assets:		
Current Assets	$ 118,152,309	$ 141,530,222
Noncurrent Assets:		
Capital Assets, Net of Depreciation	398,459,220	388,967,976
Other	102,997,910	63,746,888
Total Assets	$ 619,609,439	$ 594,245,086
Liabilities:		
Current Liabilities	$ 37,134,148	$ 34,635,297
Noncurrent Liabilities	81,338,349	83,763,701
Total Liabilities	$ 118,472,497	$ 118,398,998
Net Assets:		
Invested in Capital Assets Net of Related Debt	$ 321,622,072	$ 322,289,229
Restricted	$ 24,274,524	$ 21,809,370
Unrestricted:		
Internally Restricted for Specific Purposes	$ 155,161,116	$ 131,668,746
Unrestricted	79,230	78,743
Total Internally Restricted and Unrestricted	$ 155,240,346	$ 131,747,489
Total Net Assets	$ 501,136,942	$ 475,846,088
Total Liabilities and Net Assets	$ 619,609,439	$ 594,245,086

Current and Other Assets

Because of lower interest rates throughout the first nine months, the University invested more of its cash in longer-term (maturities up to five years) instruments. This resulted in a shift on the Statement of Net Assets between current assets and noncurrent assets.

Capital Assets

On June 30, 2004, the University had $321.6 million invested in capital assets, net of accumulated depreciation of $198.2 million and related debt of $76.8 million. Depreciation charges totaled $13.8 million for the current fiscal year. Major construction during the year included $8.5 million for the nearly completed Music Instruction Building and $4.2 million for the not-yet-completed McKinley Parking Structure, both of which were funded from bond proceeds. Current operating funds were utilized to purchase $4.1 million in educational equipment, most of which replaced fully-depreciated equipment dispositions originally costing $3.3 million. The University also acquired $2.2 million in library materials, while disposing of materials with an original cost of $0.8 million.

Construction is planned to begin in 2005 on the $21.0 million Communication Media Building, which is expected to be completed as a state of the art facility for our students during the summer or fall of 2006. The new facility will house the radio station, the Department of Telecommunications, the Department of Communication Studies, the Center for Information and Communication Sciences, and the Office of the Dean of the College of Communication, Information and Media. This will allow students and faculty to collaborate and engage in endeavors with colleagues of related disciplines, as well as support elements of the iCommunication initiative designed to explore and research emerging and converging technologies. This will be financed by student fee bonds to be issued in 2005.

Construction will also begin in the near future on a new residence hall, which will accommodate over 500 students, primarily in double occupancy rooms clustered around semi-private baths, and will also include a limited number of single occupancy rooms with private baths. The facility will also include seminar and multi-purpose rooms to facilitate living/learning opportunities for residents. While costs have not been finalized, it is anticipated that this new residence hall will require approximately $30.0 million in financing.

Construction is scheduled to begin in the spring of 2005 for the McKinley and Riverside Avenues Street Improvement Project. This will impact the two principal arteries within the main campus. This project is funded by federal grants and local matching funds, and will feature improvements to surface drainage, vehicular traffic flow, pedestrian safety, lighting and traffic signals, and crosswalks and waiting areas with raised medians.

One of the major challenges confronting the University is the stewardship of facilities and equipment resources. This includes modernization and renewal of 119 buildings (93 of which are considered major) totaling 6.1 million gross square feet. Campus buildings involve 32 acres of roof area, contain 100 elevators, 165 technology-equipped general-purpose classrooms and technologically complex mechanical operating systems in each structure. The average building at Ball State University is 42 years old. The University also owns 1,035 acres of land, 715 of which are developed. Under the ground, the University has over 15 miles of steam, condensate and chilled water piping; over 18 miles of sewers; over seven miles of water piping; over 48 miles of electrical power distribution wiring; and 4,865 miles of communication cable to connect buildings. Above the ground, the University has 1,227 outside lighting poles, 33 miles of sidewalks and service roads, and 40 acres of parking.

The current replacement value of campus facilities exceeds $1.0 billion based on valuations determined by utilizing the Markel Construction Index. Building construction and ongoing renewal of University property is financed following methods specific to the type and use of the facility involved. All academic and administrative buildings are funded through bond financing and state appropriated funds allocated on a biennial basis by the Indiana General Assembly. All other buildings such as residence halls, athletic facilities, and other auxiliary buildings must rely on user charges and other fees as a source of financing. Approximately half of the campus square footage is dedicated to academic and administrative uses; and the remaining buildings contain housing and dining, athletic, and other uses. During the 2001-2003 biennium, the State's annual capital appropriation for renewal and replacement of academic and administrative facilities was reduced, which resulted in the loss of over $8.0 million in funding for necessary renewal and replacement of academic buildings and infrastructure. For the fiscal years 2004 and 2005, only 25 percent of the formula funding for renewal and replacement was appropriated, and during 2004, the amount was further reduced to 12.5 percent for the year. As a result of these actions and previous underfunding, by the end of fiscal year 2005, Ball State University will have nearly $58.0 million in deferred maintenance expenditures for academic buildings and infrastructure. Further deferral of these necessary expenditures will result in a deterioration of the University's facilities and greater renewal costs, unless remedied in the near future.

In addition to the estimated deferred maintenance evaluation listed previously, major renovations are needed in three academic buildings: Teachers College, Applied Technology, and North Quadrangle. It is estimated that the cost to renovate these three buildings will be $28.0 million. The University also has a heat plant that needs a major renovation, including retiring and replacing four coal-fired boilers, the oldest of which is 63 years old. The estimated cost of this project is $48.0 million. These two projects have been submitted with the legislative request for the 2005-07 biennium.

Campus facilities also include residential units capable of housing approximately 7,500 students, as well as dining facilities. Most residence halls and dining facilities on the campus were originally constructed in the 1950's and 1960's. As a consequence, nearly all of these facilities require increasing levels of attention for renewal. During 2001 and 2002, a comprehensive study of residential and dining units was undertaken by Anderson Strickler, LLC, with the outcome being a detailed plan for the investment of an estimated $250.0 million in renewal and new construction projects over the next 15 years. Unlike capital expenditures for academic buildings, these improvements must be financed utilizing residence and dining revenues accumulated over past years, together with debt to be serviced utilizing future residence and dining revenues. All of this will need to be accomplished while, at the same time, maintaining room and board rates that are competitive with other housing options available to students.

Debt Administration

The University had $76.8 million of bond indebtedness outstanding at June 30, 2004, compared to $74.9 million outstanding the prior year end. These bonds have an underlying rating of A1 (Moody's) and A+ (Standard & Poor's) and an insured rating of Aaa (Moody's) and AAA (Standard & Poor's). Parking System Revenue Bonds in the amount of $6,495,000 were issued in 2004 to partially fund construction of the McKinley Parking Structure. The University has a $1,500,000 note payable to Old National Bank, Muncie, Indiana to provide interim financing for the construction and renovation of surface parking areas on campus. More details regarding the University's bonds payable are presented in the footnotes to the financial statements.

Due to the University's prudent financial stewardship, Ball State University's ratio of debt service to operating appropriation ranks lowest of all the state universities in Indiana. In fact, Ball State University could increase this ratio by nearly 50 percent and still not exceed the average ratio for the other state universities. This is due to the University's skillful employment of internally generated funds and savings to extend the useful life of existing buildings. This also means that Ball State University has available debt capacity to assume more debt in the future to address the pressing capital needs of the campus.

Net Assets

The University's net assets totaled $501.1 million as of June 30, 2004. This includes the $321.6 million in capital assets net of depreciation and related debt. It also includes $1.1 million in nonexpendable endowment restricted for scholarships, as well as $23.1 million in expendable amounts restricted for student loans, debt retirement, construction, and external grants. Of the remaining amount, nearly all is internally restricted for such purposes as self-insurance reserves, scholarships and loans, funding for instructional and athletic camps, workshops, and field trips, new building construction, and renewal and replacement of capital assets, as has been outlined above.

Change in Net Assets

The following is a summary of the revenues and expenses resulting in the changes in net assets for the year ended June 30, 2004. Note that, for purposes of this statement, state appropriations are considered non-operating revenues.

Change in Net Assets
Year Ended June 30, 2004 and 2003

	2004	2003
Operating Revenues	$ 203,892,856	$ 192,205,461
Operating Expenses	310,426,453	299,292,390
Net Operating Income/(Loss)	$ (106,533,597)	$ (107,086,929)
Net Non-Operating Revenues	131,169,197	130,008,166
Other Revenue – Capital Appropriations	655,254	-
Increase in Net Assets	$ 25,290,854	$ 22,921,237

Operating Revenues

Operating revenues increase net assets and include all transactions that result in sales and/or receipts from goods and services such as tuition and fees, housing, dining, and athletics. In addition, federal, state, and private grants are considered operating if they are not for capital purposes.

Student tuition and fees revenue increased $9.4 million as a result of rate increases as well as increased enrollment, and auxiliary enterprises revenue increased $2.7 million due to increases in room and board rates and in residence hall occupancy rates. Scholarship allowances have reduced tuition and fees revenue by $40.0 million and room and board revenue by $2.5 million.

Gifts, Grants and Contracts revenue decreased $1.9 million, due primarily to fluctuations in activity for the Lilly Endowment Grant. This grant, consisting of over $20.0 million, was received during fiscal year 2002. $2.1 million was utilized in fiscal year 2002, $8.3 million in 2003, $4.5 million this year, and the balance will be utilized over the next one to two years.

The University's recent success at attracting research and sponsored program awards will likely lead to additional sponsored activity, in conformance with the University's strategic plan. For example, significant recent awards include the $20.0 million Lilly Endowment Grant mentioned above, a portion of which funded the Center for Media Design, which is attracting favorable mention and is expected to generate additional grant activity. Another award with potential ramifications for the future is a $1.5 million award from the State of Indiana 21st Century Research and Development Fund for the establishment of the Center for Computational Nanoscience at Ball State University. It is expected that this center and a consortium of other institutions including Ohio University, Purdue University, Notre Dame University, and Valparaiso University will contribute to economic revitalization in Indiana. Other examples of important sponsored programs are the previously mentioned $1.0 million Operation Wellness award from the Robert Wood Johnson Foundation and the Caylor-Nickel Foundation and the $1.5 million Business Fellows Program award from the Lilly Endowment.

Operating Expenses

Operating expenses reduce net assets and comprise all the costs necessary to perform and conduct the programs and primary purposes of the University. Included in this total are student aid payments of $5.8 million, which are in addition to $40.0 million and $2.5 million in scholarships and fee remissions netted against tuition and fees revenue and room and board revenues, respectively.

For 2004, salaries and benefits are $7.8 million higher due to pay increases and increases in health care expenditures. Other operating expenses are $3.3 million higher due primarily to increases in depreciation and in supplies expenditures. Approximately 40 percent of the University's employees electing the health care benefit moved from the Traditional Plan to the Preferred Provider Organization (PPO) Plan for fiscal year 2004. Despite the sizable discounts available from in-network providers, health care costs nevertheless increased. Further increases are projected in 2005, due to higher costs for physicians, hospitals, and prescription drugs, increased usage by the University's employees and retirees because of the aging demographic profile of this population, technological advances in diagnostic techniques, expensive new prescription drugs, and advances in surgical procedures. These increases are occurring in spite of improved wellness benefits and the active efforts of the University to inform employees and retirees of ways to better manage their chronic medical conditions. According to published results of surveys of employers, insurers, actuaries, and third party administrators, conducted by reputable human resources consulting firms, costs are expected to continue to increase for the foreseeable future.

Non-Operating Revenues and Expenses

Non-operating revenues increase net assets, and non-operating expenses reduce net assets. Non-operating revenues and expenses are generated from transactions that are primarily non-exchange in nature, consisting mainly of state appropriations, interest expense, and investment income (interest and dividend income and realized and unrealized gains and losses).

For 2004, the state appropriations available for operations, totaling $123.8 million, increased by $1.4 million, or 1.1 percent over the previous year. Included in this total appropriation is a $10.2 million monthly installment that was not received from the State of Indiana in 2004, but for which a receivable was recorded.

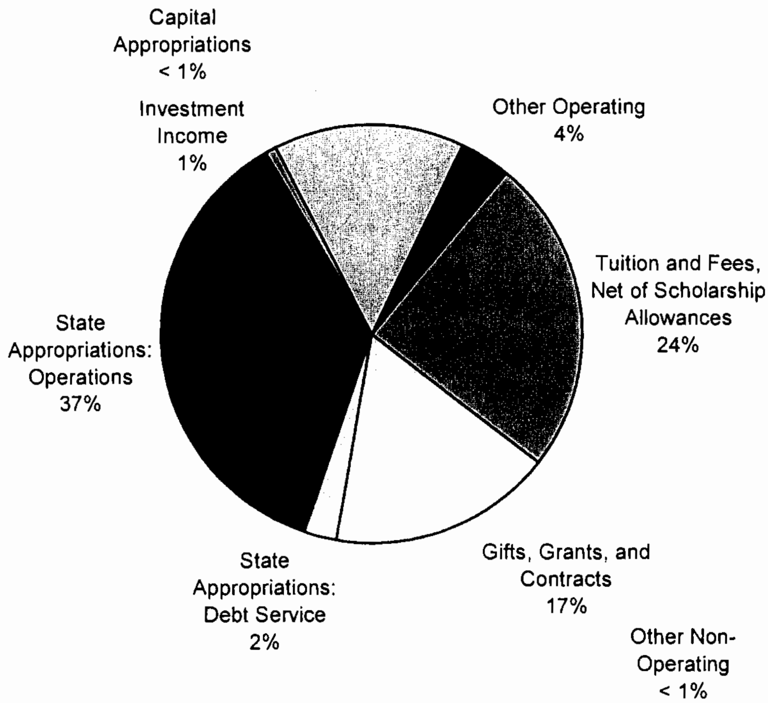
Interest rates during fiscal 2004 were extremely low during the first nine months of the fiscal year, then rose slightly during the final three months. Because of the generally unfavorable interest rates, along with the reduction in market value arising from the higher rates at year end, the University reported $2.8 million in investment income for the year, as compared to $5.1 million in the previous year. It is the University's policy to hold investments to maturity rather than selling securities on the open market prior to maturity. Without the market adjustment, which is required by GASB, investment income would have been $5.0 million this year vs. $4.9 million in 2003.

Other Revenues

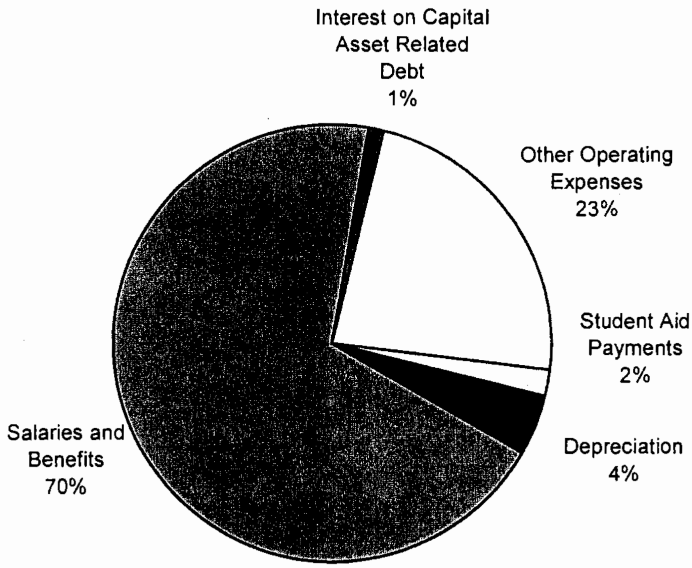
Other revenues increase net assets and consist of capital appropriations, gifts and grants, as well as items that are typically non-recurring, extraordinary, or unusual to the University.

Capital appropriations financed by the State of Indiana for renewal and replacement increased from $0.0 in the prior year to $0.7 million for the current year. This represents 12.5 percent of the formula used for renewal and replacement funding. Originally, the appropriation was to have been 25 percent of the formula. One half of the original appropriation was held back by the state as a result of overall state revenues being less than forecast.

Total Revenues by Source



Total Expenses by Source



Statement of Cash Flows

The Statement of Cash Flows provides relevant information about the cash receipts and cash payments of the University during the period. Unlike the Statement of Revenues, Expenses and Changes in Net Assets, which reports revenues when they are earned and expenses when they are incurred, regardless of when cash is received or disbursed, the Statement of Cash Flows reports actual cash received and disbursed. The focus of the Statement of Cash Flows is on the increase or decrease in cash and cash equivalents. The Statement of Cash Flows helps the user assess the University's ability to generate future net cash flows, meet obligations as they come due, and assess the University's needs for external financing.

Cash Flows
Year Ended June 30, 2004

Cash and Equivalents Provided by (Used In):		
Operating Activities	$	(96,565,089)
Non-Capital Financing Activities		132,486,747
Capital and Related Financing Activities		(26,064,569)
Investing Activities		(24,286,216)
Net Decrease in Cash and Equivalents	$	(14,429,127)
Cash and Equivalents – Beginning of Year		81,201,696
Cash and Equivalents – End of Year	$	66,772,569

The major components of cash flows provided from operating activities are tuition and fees, grants and contracts, and auxiliary enterprise activities (housing and dining fees). More cash was provided by tuition and fees and auxiliary enterprise activities than in the prior year due to fee increases, increased enrollment, and increased occupancy in the residence halls. Receipts for grants and contracts were slightly lower. The major components of cash flows used in operating activities are payments for employees (including benefits) and payments to suppliers. More cash was used for these activities than in the prior year due to pay increases and increases in health care costs.

Cash flows provided from non-capital financing activities primarily reflect state appropriations received of $132.0 million.

Cash flows from capital financing activities reflect a net decrease in cash for the year. This was due to payments for capital assets funded from amounts received in prior years, including the proceeds from the bonds issued in 2002 for construction of the Music Instruction Building.

Cash flows from investing activities, most of which consists of reinvesting short-term investments as they mature, resulted in a net decrease in cash due to investment purchases exceeding investment maturities. Because long-term interest rates were more attractive relative to short-term and cash equivalent rates, proceeds from maturing investments were reinvested long-term (up to five years). This was the primary reason for the overall decrease in cash and cash equivalents in 2004.

Economic Factors That Will Affect the Future

The economic health of the University is closely tied to that of the State of Indiana, in that the University relies on the State as the major source of funding for the future educational program-related needs of the University. In the foreseeable future from a financing standpoint, the University's success and, ultimately, its economic health will be driven by the ability to insure that resources are available to keep pace with enrollment increases; to replace retiring faculty and administrative personnel with talented new replacements to preserve and advance educational quality; to relieve existing salary compression in selected areas; to provide adequate resources to encourage growth in research and sponsored programs; to maintain, modernize and renew campus facilities and keep pace with technological advances; and to meet the challenge of controlling rapidly increasing health care costs. Managing these obligations has been accomplished historically in part through ongoing reallocations, reductions, and the examination of operating practices, and this will continue. However, such repeated actions become more problematic as the University strives to improve educational quality and operating effectiveness. Further elaboration of some of these major challenges is presented in greater detail below.

After four successive years of increases, the University's total enrollment for Fall Semester 2004 is expected to be virtually unchanged from Fall Semester 2003, with a decline in on-campus enrollment mostly offset by an increase in off-campus enrollment. The University expects an enrollment increase for Fall Semester 2005, and in subsequent years until a target level for on-campus enrollment of approximately 20,000 students is reached. To preserve the quality of the students' educational experience, the University must be adequately funded for these increases. If the funding does not come about as a result of increased state appropriations, in keeping with past funding practices, other options, including additional student charges, must be considered.

It is projected that a significant number of faculty members will retire in the next five to ten years at Ball State University with a similar experience expected on a national level. The result will be significant pressure to support competitive salary and benefit programs to enable the University to attract on the open market the best available personnel. Meeting this challenge is critical to preserving the quality of a Ball State University education.

The University's health care plan population includes retirees, who receive a health care benefit similar in cost and coverage to that of active employees. As of June 30, 2004, Ball State University's actuarial liability for this benefit is estimated to be $148.0 million, while the trust fund established to fund this liability has a market value of $96.0 million. While this liability had previously been actuarially funded (prior to the recent shortfall in the investment markets and abnormal growth in health care costs), the University is committed to bringing these amounts back into balance in the future through a combination of investment earnings, contributions from health care premiums, and changes expected to be brought about through government action.

During fiscal year 2004, Congress passed legislation that, among other things, resulted in the federal government granting relief to employers who provide retiree prescription drug benefits, currently the fastest growing segment of health care. On the other hand, because Medicare continues to be actuarially underfunded, the government can be expected to try to control its costs by continuing to restrict the amount of allowable reimbursement to providers. This could then result in health care providers continuing at greater levels to shift costs to private insurers such as Ball State University. Like all employers, the University is challenged by the need and desire to offer a quality health care program in a very fluid cost environment.

During 2004, Ball State University was fully re-accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools for the next ten years. The re-accreditation process required the University, over a two-year period, to complete a comprehensive self-study, solicit community input, and undergo a site visit by a team of consultant evaluators drawn from higher education. The team, in addition to affirming that the University continues to meet the general institutional requirements, concluded that the five key criteria were satisfied. These criteria were as follows: that Ball State University has clear and publicly stated purposes consistent with its mission and appropriate to an institution of higher education; that the University has effectively organized the human, financial and physical resources necessary to accomplish its purposes; that the University is accomplishing its educational and other purposes; that it can continue to accomplish its purposes and strengthen its educational effectiveness; and, that Ball State University demonstrates integrity in its practices and relationships.

In summary, as the financial statements and the re-accreditation documents indicate, the University has been an effective steward of the human, physical and financial resources entrusted to it, based on a planned approach to addressing long-term needs and liabilities while facing shorter-term challenges not unlike other public institutions nationwide. When all of this is taken into consideration, Ball State University remains in a strong position to be a major asset of significant benefit to the citizens of the State of Indiana.

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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Telephone: (317) 232-2513
Fax: (317) 232-4711
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INDEPENDENT AUDITORS' REPORT

TO: THE OFFICIALS OF BALL STATE UNIVERSITY, MUNCIE, INDIANA

We have audited the accompanying basic financial statements of Ball State University, a component unit of the State of Indiana, as of and for the years ended June 30, 2004 and 2003. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the component unit of the University as discussed in Note A, which represents 100% of the assets and revenues of the discretely presented component unit. The financial statements of this component unit were audited by another auditor whose report thereon has been furnished to us and our opinion, insofar as it relates to this unit, is based upon the report of the other auditor.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Ball State University, as of June 30, 2004 and 2003, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2004, on our consideration of Ball State University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. This report will be issued in the University's Single Audit report prepared in accordance with OMB Circular A-133.

The Management's Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

STATE BOARD OF ACCOUNTS

October 22, 2004

Ball State University

Statement of Net Assets
June 30, 2004 and 2003

		2004		2003
Assets:				
Current Assets:				
Cash and Cash Equivalents	$	66,772,569	$	81,201,696
Short Term Investments		15,034,878		26,485,836
Accrued Interest Receivable – Investments		1,485,389		1,637,214
Accounts Receivable, Net, and Unbilled Costs		24,804,396		22,789,353
Inventories		995,749		928,522
Deposit with Bond Trustee		6,943,033		6,627,077
Notes Receivable, Net		1,099,273		1,036,906
Prepaid Expenses		1,017,022		823,618
Total Current Assets	$	118,152,309	$	141,530,222
Noncurrent Assets:				
Endowment Investments	$	2,310,678	$	2,312,669
Notes Receivable, Net		8,821,968		8,321,458
Other Long Term Investments		91,865,264		53,112,761
Capital Assets, Net		398,459,220		388,967,976
Total Noncurrent Assets	$	501,457,130	$	452,714,864
Total Assets	$	619,609,439	$	594,245,086
Liabilities:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	$	18,036,554	$	14,598,052
Deposits		4,818,216		5,035,519
Deferred Revenue		9,489,258		10,473,174
Long Term Liabilities – Current Portion		4,790,120		4,528,552
Total Current Liabilities	$	37,134,148	$	34,635,297
Noncurrent Liabilities:				
Liability for Compensated Absences	$	6,562,674	$	6,290,357
Advances on Long Term Grants		-		4,656,314
Long Term Liabilities		74,775,675		72,817,030
Total Noncurrent Liabilities	$	81,338,349	$	83,763,701
Total Liabilities	$	118,472,497	$	118,398,998
Net Assets:				
Invested in Capital Assets, Net of Related Debt	$	321,622,072	$	322,289,229
Restricted for:				
Nonexpendable Scholarships		1,147,026		1,187,907
Expendable:				
Debt Service		3,713,984		3,158,933
Loans		10,497,548		10,079,130
Construction		6,354,559		4,795,107
External Grants		2,561,407		2,588,293
Unrestricted		155,240,346		131,747,489
Total Net Assets	$	501,136,942	$	475,846,088
Total Liabilities and Net Assets	$	619,609,439	$	594,245,086

Ball State University
Foundation

Statement of Financial Position
June 30, 2004 and 2003

		2004		2003
Assets:				
Cash	$	86,421	$	631,266
Interest and Dividends Receivable		324,947		304,827
Contributions Receivable, Net of Allowances 2004 - $607,219; 2003 - $1,561,734		7,791,538		13,936,148
Property Held for Sale		1,341,508		-
Beneficial Interest in Remainder Trusts		5,366,305		4,578,723
Note Receivable		3,500,940		-
Investments in Marketable Securities		125,515,444		88,106,462
Investments Held in Split-Interest Agreements		3,465,212		3,119,327
Bond Issue Costs and Other Assets		132,820		130,803
Cash Surrender Value of Life Insurance		752,742		674,432
Property and Equipment		322,462		355,959
Beneficial Interest in Perpetual Trusts		1,858,103		1,786,000
Total Assets	$	150,458,442	$	113,623,947
Liabilities:				
Accounts Payable	$	942,887	$	890,390
Grants Payable		1,341,508		-
Accrued Expenses		330,714		419,254
Annuity Obligations		985,684		940,941
Trust Obligations		2,007,791		2,011,255
Bonds Payable		10,000,000		10,000,000
Total Liabilities	$	15,608,584	$	14,261,840
Net Assets:				
Unrestricted	$	14,794,388	$	4,048,094
Temporarily Restricted		39,278,691		36,350,147
Permanently Restricted		80,776,779		58,963,866
Total Net Assets	$	134,849,858	$	99,362,107
Total Liabilities and Net Assets	$	150,458,442	$	113,623,947

See Note A in Notes to Financial Statements

Ball State University

Statement of Revenues, Expenses and Changes in Net Assets
June 30, 2004 and 2003

		2004		2003
Operating Revenues:				
Student Tuition and Fees	$	122,692,011	$	107,303,543
Scholarship Allowances		(40,048,029)		(34,060,197)
Net Student Tuition and Fees	$	82,643,982	$	73,243,346
Federal Grants and Contracts		20,939,320		18,934,035
State Grants and Contracts		22,127,776		18,020,302
Other Governmental Grants and Contracts		61,693		14,859
Non-Governmental Grants and Contracts		15,345,126		23,399,390
Interest on Notes Receivable		195,197		222,158
Sales and Services of Educational Departments		9,767,850		8,246,760
Auxiliary Enterprises:				
Residential Life (Net of Scholarships and Allowances: 2004-$2,481,407; 2003-$2,363,774)		41,309,469		38,576,714
Other		8,490,937		8,716,925
Other Operating Revenues		3,011,506		2,830,972
Total Operating Revenues	$	203,892,856	$	192,205,461
Operating Expenses:				
Personnel Services	$	163,548,139	$	157,941,256
Benefits		54,278,119		52,130,531
Utilities		8,702,462		8,571,158
Repairs and Maintenance		4,876,867		4,495,134
Other Supplies and Expenses		59,382,586		57,487,393
Student Aid		5,808,747		5,515,793
Depreciation		13,829,533		13,151,125
Total Operating Expenses	$	310,426,453	$	299,292,390
Operating Income/(Loss)	$	(106,533,597)	$	(107,086,929)
Non-Operating Revenues/(Expenses):				
State Appropriations	$	131,848,290	$	128,704,489
Investment Income		2,757,184		5,140,942
Interest on Capital Asset Related Debt		(3,761,627)		(3,969,333)
Other Non-Operating Income		325,350		132,068
Net Non-Operating Revenues	$	131,169,197	$	130,008,166
Income Before Other Revenues, Expenses, Gains or Losses	$	24,635,600	$	22,921,237
Capital Appropriation		655,254		-
Increase in Net Assets	$	25,290,854	$	22,921,237
Net Assets – Beginning of Year	$	475,846,088	$	468,942,105
Restatement – Change in Capitalization Policy (See Note B)		-		(16,017,254)
Net Assets – Beginning of Year as Restated	$	475,846,088	$	452,924,851
Net Assets – End of Year	$	501,136,942	$	475,846,088

Ball State University
Foundation

Statement of Activities
Years Ended June 30, 2004 and 2003

	2004 Unrestricted	2004 Temporarily Restricted	2004 Permanently Restricted	2004 Total	2003 Unrestricted	2003 Temporarily Restricted	2003 Permanently Restricted	2003 Total
Revenues, Gains and Other Support:								
Contributions	$ 1,213,953	$ 8,397,992	$ 21,793,868	$ 31,405,813	$ 2,783,224	$ 6,844,056	$ 4,597,827	$ 14,225,107
Promotional Activities and Other Revenue	56,554	-	-	56,554	29,672	-	-	29,672
Investment Income	(1,072,942)	2,668,694	450,124	2,045,876	(4,858)	1,831,787	38,429	1,865,358
Change in Value of Split-Interest Agreements	52,455	76,782	248,406	377,643	-	160,285	(135,696)	24,589
Operating Support Fees	795,929	(184,682)	(611,247)	-	-	-	-	-
Net Realized and Unrealized Gains/(Losses)	15,295,404	(840,082)	(90,508)	14,364,814	(72,069)	1,338,098	293,161	1,559,190
	$ 16,341,353	$ 10,118,704	$ 21,790,643	$ 48,250,700	$ 2,735,969	$ 10,174,226	$ 4,793,721	$ 17,703,916
Net Assets Released from Restrictions	7,167,890	(7,190,160)	22,270	-	9,336,372	(9,543,150)	206,778	-
Total Revenues, Gains and Other Support	$ 23,509,243	$ 2,928,544	$ 21,812,913	$ 48,250,700	$ 12,072,341	$ 631,076	$ 5,000,499	$ 17,703,916
Expenses:								
University Capital Projects	$ 375,000	$ -	$ -	$ 375,000	$ -	$ -	$ -	$ -
University Programs	10,023,774	-	-	10,023,774	8,342,938	-	-	8,342,938
Management and General	1,457,194	-	-	1,457,194	1,556,082	-	-	1,556,082
Fund Raising	906,981	-	-	906,981	2,384,520	-	-	2,384,520
Total Expenses	$ 12,762,949	$ -	$ -	$ 12,762,949	$ 12,283,540	$ -	$ -	$ 12,283,540
Change in Net Assets	$ 10,746,294	$ 2,928,544	$ 21,812,913	$ 35,487,751	$ (211,199)	$ 631,076	$ 5,000,499	$ 5,420,376
Net Assets, Beginning of Year	4,048,094	36,350,147	58,963,866	99,362,107	4,259,293	35,719,071	53,963,367	93,941,731
Net Assets, End of Year	$ 14,794,388	$ 39,278,691	$ 80,776,779	$ 134,849,858	$ 4,048,094	$ 36,350,147	$ 58,963,866	$ 99,362,107

See Note A in Notes to Financial Statements

Ball State University

Statement of Cash Flows
Year Ended June 30, 2004

Cash Flows From:		
Operating Activities:		
Tuition and Fees	$	81,739,314
Grants and Contracts		52,285,860
Payments to Suppliers		(61,229,611)
Payments for Utilities		(8,702,462)
Payments for Personnel Services		(163,419,922)
Payments for Benefits		(52,548,648)
Payments for Scholarships and Fellowships		(5,808,747)
Auxiliary Enterprise Charges:		
Room and Board		41,071,875
Other		8,328,419
Sales and Services of Educational Activities		9,700,990
Other Receipts		2,017,843
Net Cash Provided/(Used) by Operating Activities	$	(96,565,089)
Non-Capital Financing Activities:		
State Appropriations	$	131,972,703
William D. Ford Direct Lending Receipts		74,258,049
William D. Ford Direct Lending Disbursements		(74,258,049)
PLUS Loans Receipts		26,152,360
PLUS Loans Disbursements		(26,152,360)
Other Operating Revenue		325,350
Agency Transactions		188,694
Net Cash Provided/(Used) by Non-Capital Financing Activities	$	132,486,747
Capital Financing Activities:		
Proceeds from Capital Debt	$	7,995,000
Capital Appropriations		655,254
Capital Gifts and Grants Received		-
Purchases of Capital Assets		(24,331,027)
Principal Paid on Capital Debt		(6,033,552)
Interest Paid on Capital Debt		(4,034,288)
Deposits with Trustee		(315,956)
Net Cash Provided/(Used) by Capital Financing Activities	$	(26,064,569)
Investing Activity:		
Proceeds from Sales and Maturities of Investments	$	831,627,533
Interest on Investments		2,909,009
Purchase of Investments		(858,822,758)
Net Cash Provided/(Used) by Investing Activities	$	(24,286,216)
Net Increase/(Decrease) in Cash	$	(14,429,127)
Cash – Beginning of the Year	$	81,201,696
Cash – End of the Year		66,772,569
Net Increase/(Decrease) in Cash	$	(14,429,127)

Ball State University

Statement of Cash Flows
Year Ended June 30, 2004

Reconciliation of Net Operating Revenues/(Expenses) to Net Cash Provided/(Used) by Operating Activities:		
Operating Income/(Loss)	$	(106,533,597)
Adjustments to Reconcile Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation Expense		13,829,533
Equipment Retired		1,164,685
Changes in Assets and Liabilities:		
Operating Receivables – Net		(2,139,456)
Inventories		(67,227)
Other Assets		(193,406)
Accounts Payable		3,711,164
Deferred Revenue		(983,916)
Deposits Held for Others		(405,996)
Compensated Absences		272,317
Loans to Students		(562,876)
Advances on Long Term Grants		(4,656,314)
Net Cash Provided/(Used) by Operating Activities	$	(96,565,089)

Ball State University
Foundation

Statement of Cash Flows
Years Ended June 30, 2004 and 2003

	2004	2003
Operating Activities:		
Change in Net Assets	$ 35,487,751	$ 5,420,376
Items not Requiring/(Providing) Cash:		
Depreciation and Amortization	32,659	39,084
Loss on Disposal of Equipment	7,290	358
Bad Debt Expense	308,475	687,500
Net Unrealized (Gain)/Loss on Investments	(5,380,097)	(1,958,157)
Net (Gain)/Loss on Sales of Investments	(8,984,717)	398,967
Contributions of Marketable Equity Securities	(1,221,402)	(777,184)
Contributions Restricted for Long-Term Investment	(20,385,760)	(4,597,827)
Contributions of Split-Interest Agreements and Annuities	(2,087,009)	(93,333)
Contribution of Note Receivable	(4,000,000)	-
Net Change in Value of Split-Interest Agreements	922,718	(1,195,809)
Changes In:		
Contributions Receivable, Including Amortization of Discount on Pledges Receivable	5,836,135	2,243,643
Interest and Dividends Receivable and Other Assets	(22,137)	(355)
Note Receivable	499,060	-
Accounts Payable and Accrued Expenses	(36,043)	610,650
Grants Payable	1,341,508	-
Net Cash Provided by Operating Activities	$ 2,318,431	$ 777,913
Investing Activities:		
Purchase of Property and Equipment	$ (6,452)	$ (953)
Purchase of Property Held for Sale	(1,341,508)	-
Purchase of Investments	(134,287,031)	(61,833,487)
Sales and Maturities of Investments	112,464,265	56,866,865
Net Increase in Cash Surrender Value of Life Insurance	(78,310)	(1,014)
Net Cash Used in Investing Activities	$ (23,249,036)	$ (4,968,589)
Financing Activities:		
Proceeds from Contributions Restricted for Investment in Permanent Endowment	$ 20,385,760	$ 4,597,827
Net Increase/(Decrease) in Cash	$ (544,845)	$ 407,151
Cash – Beginning of the Year	631,266	224,115
Cash – End of the Year	$ 86,421	$ 631,266
Interest Paid	$ 107,310	$ 151,342

See Note A in Notes to Financial Statements

Ball State University
Notes to Financial Statements
June 30, 2004

Note A - Significant Accounting Policies

Reporting Entity

Ball State University is a public institution of higher education governed by a nine-member Board of Trustees in accordance with IC 20-12-57.5. The University is considered to be a component unit of the State of Indiana because the Governor of Indiana appoints the Trustees, one of whom is a full-time student at the University and two of whom are nominated or selected by the Ball State University Alumni Association. All members of the Board of Trustees are appointed for terms of four years, except for the student member whose term is two years. No more than six of the non-student Trustees may be of the same sex, and at least one of them must be a resident of Delaware County, Indiana.

Ball State University is included in the State's financial statements as a discrete component unit. Transactions with the State of Indiana relate primarily to appropriations for operations, repairs and rehabilitations, and debt service for academic buildings; grants for operation of the Indiana Academy for Science, Mathematics, and Humanities, as well as grants for other purposes; and payments to State retirement programs for University employees.

Financial Statements

The financial statements of Ball State University are prepared in accordance with the principles outlined in "Statement No. 35" of the Governmental Accounting Standards Board. Ball State University has elected to report its financial results as a special-purpose government engaged only in business-type activities, using proprietary fund accounting and financial reporting. Required financial statements consist of:

Management's Discussion and Analysis
Statement of Net Assets (Balance Sheet)
Statement of Revenues, Expenses, and Changes in Net Assets
Statement of Cash Flows
Notes to Financial Statements
Required Supplemental Information other than Management Discussion and Analysis, if applicable.

The financial statements have been prepared using the economic resource measurement focus and the accrual basis of accounting with the following exceptions, which are common practices in colleges and universities:

Interest on student loans is recorded only when received.
Gifts and grants are recorded generally when received.

Major sources of revenues recorded in advance of the year in which the predominant amount of service is rendered are classified as deferred income on the Statement of Net Assets. Advances on exchange activities are recorded as deferred income. All other earned receipts are reported as revenue in the period they are received. Internal service activity revenues, including overhead charges, are offset against the expenses of internal service activities. Restricted and unrestricted resources are spent and tracked at the discretion of the department within the guidelines of donor restrictions.

Operating Revenues

Operating revenues encompass all revenues arising from the activities described in the *Ball State University Strategic Plan 2001 – 2006*, in sections "Description of the University" and "Mission," including tuition and fees, grants and contracts, sales and services of educational departments, and auxiliary enterprises net revenues. Revenues from investing activities and state appropriations are considered to be non-operating revenue.

Student Tuition and Fees

Student tuition and fees are net of scholarship allowances funded from University funds as well as scholarships and fellowships funded from federal, state, and other grants, to the extent that these funds offset all or a portion of each student's tuition and fees, or to the extent that they are funded by a portion of this revenue line. Scholarships and grants awarded by third parties directly to students without University involvement in the decision-making process are not treated as a reduction of tuition and fees but rather as a source of direct payment.

Ball State University conducts summer classes, which for billing purposes are considered either as part of the first five-week summer session, the second five-week summer session, or the ten-week summer semester. The first summer session takes place during May and June, while the second summer session takes place during June and July, with slightly more days falling in July. The summer semester takes place during the two summer sessions. Bills for first summer session and summer semester are due on or about the middle of May, while bills for the second summer session are due on or about the middle of June. By June 30, students have exhausted their rights to any refund of tuition and fees. Therefore, all summer tuition and fees are reported as revenue for the year ended June 30 of that summer. Faculty salaries for summer are paid in June for first summer session and half of summer semester and in July for second summer session and the second half of summer semester.

Cash and Investments

Investments are reported at market value. Investments with a maturity date of one year or less are considered to be short-term investments, with the exception of those which were purchased with a maturity date of three months or less, which are considered to be cash equivalents. All other investments are considered to be long-term.

Inventories

Inventories are stated at the lower of cost or market value, based on a physical count. Cost is based on purchases, and determined on a moving average basis for Central Stores and a first-in, first-out basis for all other inventories.

Capital Assets

Capital assets consist of land, improvements, infrastructure, buildings and building improvements, construction in progress, and equipment with expected lives in excess of one year. Repair and replacement expenditures that do not extend the useful life of the asset, and expenditures for personal property of less than $5,000 are expensed rather than capitalized. Buildings and building improvements and equipment are depreciated on a straight-line basis over their expected useful lives, which for buildings is 50 years, while equipment useful lives vary from three years to ten years. Land and improvements are not depreciated, except for a relatively small amount invested in infrastructure.

The art collection, housed primarily in the Ball State University Museum of Art, is not included, due to the difficulty in determining an accurate value, plus the restrictions in place regarding sales of artwork and use of the funds resulting from such sales, as well as disposition of the artwork in the unlikely event that the museum would cease to exist.

Component Unit

The Ball State University Foundation (foundation) is a legally separate, tax-exempt Indiana nonprofit corporation that is an Internal Revenue Code Section 170(b)(1)(A) organization organized and operated for the benefit of Ball State University. Under the reporting standards of the Governmental Accounting Standards Board (GASB), the foundation is defined to be a component unit of the University. The foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The foundation by-laws allow for thirty-one voting directors, seven of whom serve by position. The seven directors who serve by position include the President of the University Board of Trustees, the University President, the Vice-Presidents of Business Affairs and Advancement and two other members of the University Board of Trustees. Although the University does not control the timing or amount of receipts from the foundation, the majority of resources, or income thereon, that the foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the foundation can only be used by, or for the benefit of, the University, the foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

Transactions with the foundation primarily involve the funding of expenditures for which university funds are not available. These include both unrestricted funds and those restricted by donors. Expenditures include scholarships, funding of distinguished professorships, capital expenditures and operational support. During the year ended June 30, 2004, the foundation distributed $10,584,896 to the University for both restricted and unrestricted purposes. Complete financial statements for the foundation can be requested from the foundation office at 2800 W. Bethel Ave., Muncie, IN 47306.

The foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the foundation's financial information in the University's financial reporting entity for these differences.

Note B - Capital Assets

The University has an art collection that is primarily housed in the Ball State University Museum of Art. The collection consists of works that have been acquired over a large number of years and many were donated. Information on the fair market value at date of donation has not been accumulated. Due to the number of works and the time since donation, it is not possible to establish the cost basis of the works. The collection is not capitalized and thus no depreciation is recorded.

	Book Value July 1, 2003	Additions	Deductions	Book Value June 30, 2004
Land	$ 10,245,696	$ 254,200	$ -	$ 10,499,896
Land Improvements	26,223,510	196,653	-	26,420,163
Infrastructure	14,232,240	165,597	-	14,397,837
Educational Buildings	266,901,938	9,997,259	-	276,899,197
Utility Buildings	15,051,341	-	-	15,051,341
Educational Equipment	44,130,490	4,147,616	3,330,933	44,947,173
Library Materials	39,806,181	2,218,577	812,667	41,212,091
Auxiliary Enterprise Buildings	149,911,200	5,376,689	-	155,287,889
Auxiliary Enterprise Equipment	10,185,072	632,928	227,573	10,590,427
Other Property	49,767	1,341,508	-	1,391,275
Total	$ 576,737,435	$ 24,331,027	$ 4,371,173	$ 596,697,289
Less Accumulated Depreciation:				
Infrastructure	$ 2,366,540	$ 287,962	$ -	$ 2,654,502
Educational Buildings	79,425,843	5,537,985	-	84,963,828
Utility Buildings	5,846,282	301,026	-	6,147,308
Educational Equipment	33,808,035	3,841,684	3,133,350	34,516,369
Auxiliary Enterprise Buildings	57,962,344	3,105,763	-	61,068,107
Auxiliary Enterprise Equipment	8,327,511	754,213	227,573	8,854,151
Other Property	32,904	900	-	33,804
Total	$ 187,769,459	$ 13,829,533	$ 3,360,923	$ 198,238,069
Capital Assets, Net	$ 388,967,976	$ 10,501,494	$ 1,010,250	$ 398,459,220

Depreciation expense is not recorded on the library collection. Due to space constraints, items that are not being utilized are retired to make room for more current materials. Based on this, collection items are deemed to retain their full value if they are still on hand.

Note C - Notes Payable

A loan agreement in the amount of $1,500,000 dated June 1, 2004, was executed in order to refinance most of an earlier note payable in the amount of $1,505,000. The proceeds from the original note provided interim financing for the construction and renovation of surface parking areas on campus. The loan is with Old National Bank, Muncie, Indiana and is due on June 1, 2006. Interest payments are due semi-annually and will consist of $22,418 in the fiscal years ended June 30, 2005 and 2006.

Note D - Bonds Payable

Parking System Revenue Bonds, Series 1989, were issued on August 8, 1989. The $2,905,000 Current Interest Bonds included in the issue were dated July 1, 1989. They have all been retired. The $740,942 of Capital Appreciation Bonds included in the issue were dated as of the issue date. Proceeds from the sale of the bonds were used to fund the expansion and renovation of surface parking on campus and to fund the costs of issuance.

Student Fee Bonds, Series H, in the amount of $43,005,000, dated November 1, 1992, were issued on November 6, 1992. Proceeds from Series H were used solely to refund all of the outstanding Student Fee Bonds remaining in Series A, C, and E.

Student Fee Bonds, Series I, in the amount of $38,770,000, dated January 1, 1999, were issued on January 12, 1999. Proceeds from Series I were used to fund a portion of the construction of the Art and Journalism Building and to refund the outstanding Student Fee Bonds, Series G.

Student Fee Bonds, Series J, in the amount of $17,825,000, dated March 1, 2000, were issued on March 1, 2000. Proceeds from Series J were used to fund the renovation of the Fine Arts Building, the West Quadrangle Building, the Cooper Science Building, and to fund the cost of issuance and a certain amount of capitalized interest.

Student Fee Bonds, Series K, in the amount of $21,975,000, were dated and issued on January 3, 2002. Proceeds from Series K bonds are being used to fund construction of the Music Instruction Building and to fund the cost of issuance and an amount of capitalized interest.

Parking System Revenue Bonds, Series 2003, in the amount of $6,495,000 were dated and issued on August 27, 2003. Proceeds from the bonds are being used to partially fund construction of the McKinley Parking Structure.

Long term bonds outstanding at June 30, 2004, were:

	Date of Issue	Original Issue	Retired 2003-2004	Outstanding June 30, 2004
Parking System Revenue Bonds of 1989:				
Current Interest, 5.90% to 6.75%	07/01/89	$ 2,905,000	$ -	$ -
Capital Appreciation, 6.90%	07/01/89	740,942	128,552	612,390
Parking System Revenue Bonds of 2003:				
Current Interest, 2.0% to 5.0%	08/14/03	3,985,000	-	3,985,000
Term Bonds, 4.75%	08/14/03	2,510,000	-	2,510,000
Student Fee Bonds, Series H,				
Current Interest, 2.75% to 6.25%	11/01/92	43,005,000	1,165,000	3,470,000
Student Fee Bonds, Series I,				
Current Interest, 3.25% to 5.00%	01/01/99	38,770,000	2,055,000	28,700,000
Student Fee Bonds, Series J:				
Current Interest, 5% to 6.06%	03/01/00	13,680,000	565,000	12,065,000
Term Bonds, 6.20%	03/01/00	4,145,000	-	4,145,000
Student Fee Bonds, Series K:				
Current Interest, 4% to 4.6%	01/03/02	5,700,000	615,000	5,085,000
Term Bonds, 5.25% to 5.75%	01/03/02	16,275,000	-	16,275,000
Total		$ 131,715,942	$ 4,528,552	$ 76,847,390

The principal and interest on bonds are, for the most part, payable from net revenues of specific auxiliary enterprises and/or from student fees.

Future debt service requirements for all bonds outstanding are as follows:

	Principal	Interest and Capital Appreciation
2005	$ 4,790,120	$ 3,987,510
2006	4,997,243	3,767,041
2007	4,749,881	3,542,441
2008	4,003,003	3,351,577
2009	4,171,575	3,181,083
2010-2014	24,170,569	11,703,223
2015-2019	16,470,000	5,803,893
2020-2024	12,945,000	1,673,478
2025	550,000	13,062
Total	$ 76,847,391	$ 37,023,308

Note E - Defeased Bonds

Escrow accounts have been established with First Merchants Bank, N.A., Muncie, Indiana to meet all future debt service requirements of certain series of defeased Housing and Dining Facilities Revenue Bonds and of defeased Building Facilities Fee Bonds. The funds held in the escrow accounts are invested in federal, state, and local government securities.

Under the terms of the escrow agreements, the University is relieved of all liability for the defeased issues. The final maturity on the defeased Building Facilities Fee Bonds is July 1, 2006, and the final maturity on the Housing and Dining Facilities Revenue Bonds is October 1, 2004.

Special Obligation Bonds in the amount of $4,285,000 dated June 1, 1987, were issued June 16, 1987, to provide a portion of the funds necessary for the purchase and cancellation of certain bonds of the University which had been previously defeased. The proceeds from the issuance were placed in an escrow account with the bond trustee, First Merchants Bank, N.A., Muncie, Indiana under an Amendatory Trust Agreement. Debt service will be paid from the escrow account established under the Agreement and, therefore, represents neither a claim against University revenues nor a liability of the University.

At June 30, 2004, the unpaid principal for the defeased Housing and Dining Facilities Revenue Bonds was $266,000 and for the Building Facilities Fee Bonds the balance was $11,727,136.

Note F - Investments

Investments held in the name of the University at June 30, 2004, consisted of the following:

	Value	
	Par	Market
U.S. Government or Agency Securities	$ 92,500,000	$ 91,749,045
Certificates of Deposit	86,760,000	86,760,000
Commercial Paper	2,200,000	2,199,780
Total	$ 181,460,000	$ 180,708,825

Types of investments held are authorized by the University's Board of Trustees and comply with applicable state statutes. They may consist of any of the following:

Obligations of the United States Government and of certain agencies of the United States Government.

Certificates of deposit issued by banks and savings banks incorporated under the laws of Indiana and in national banking associations having their principal banking offices in Indiana.

Commercial paper rated A1 (Standard & Poor's) or P1 (Moody's).

Repurchase or resale agreements involving obligations issued or fully insured or guaranteed by the United States or any United States government agency.

All investments owned by the University are held in safekeeping by the issuing or selling bank, or in a custodial account with a brokerage firm. Safekeeping receipts are held by the University. Repurchase agreements are collateralized with 105 percent par value.

Cash deposits are insured by agencies of the federal government up to $100,000; amounts in excess of $100,000 are insured by the Indiana Public Depository Fund.

Additionally, the University holds equity securities in its Endowment Funds. These securities were donated and have a basis of $186,947 and a market value of $705,688 as of June 30, 2004.

Note G - Retirement Plans and Post Retirement Benefits

Retirement Plans

Public Employees' Retirement Fund

The Public Employees' Retirement Fund (PERF) is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time staff and service personnel are eligible to participate in the defined benefits plan. State statutes (IC 5-10.2 and 5-10.3) give the University authority to contribute to the plan and govern most requirements of the system. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of the member's contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. Ball State University has elected to make the contributions on behalf of the member. For the fiscal year ended June 30, 2004, there were 1,338 employees participating in PERF with an annual pay equal to $41,670,407.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Public Employees' Retirement Fund, Harrison Building, 143 West Market Street, Indianapolis, IN 46204, or by calling (317) 233-4162.

The contributions requirements of plan members for PERF are established by the Board of Trustees of PERF. Ball State University's annual pension cost for the current year and related information, as provided by the actuary, are as follows:

Annual Required Contribution	$	2,161,808
Interest on Net Pension Obligation		(71,812)
Adjustment to Annual Required Contribution		81,835
Annual Pension Cost	$	2,171,831
Contributions Made	$	2,129,836
Net Pension Obligation, July 1, 2002	$	990,506
Increase/(Decrease) in Net Pension Obligation		(41,995)
Net Pension Obligation, June 30, 2003	$	948,511

Contribution Rates:	
University	3.8%
Plan Members (paid by BSU)	3.0%
Actuarial Valuation Date	6/30/2003
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Open
Remaining Amortization Period	30 years
Asset Valuation Method	4 year Smoothed Market

Three Year Trend Information

Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2001	$ 1,821,039	100%	$ 1,019,078
2002	$ 2,032,121	99%	$ 990,506
2003	$ 2,171,831	98%	$ 948,511

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AL)	Excess/ (Unfunded) AL	Funded Ratio
07/01/2001	$ 56,233,630	$ 51,679,593	$ 4,554,037	100.0%
07/01/2002	$ 46,340,808	$ 47,734,075	$ (1,393,267)	97.1%
07/01/2003	$ 49,574,730	$ 44,356,002	$ 5,218,728	100.0%

Date	Covered Payroll	Excess/ (Unfunded) AL as a Percent of Covered Payroll
07/01/2001	$ 38,077,299	12.0%
07/01/2002	$ 40,040,077	-3.5%
07/01/2003	$ 40,891,755	12.8%

Teachers' Retirement Fund

The Teachers' Retirement Fund (TRF) is a cost-sharing, multiple employer public retirement system, which provides retirement benefits to plan members and beneficiaries. All faculty and professional personnel are eligible to participate in the defined benefits plan. State statute (IC 5-10.2) gives the University authority to contribute and governs most requirements of the system. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of the member's contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. Ball State University has elected to make the contributions on behalf of the member. For the fiscal year ended June 30, 2004, there were 485 employees participating in TRF with annual pay equal to $27,411,866. The University contributes at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82 percent of covered payroll. The University's contributions to the plan for the fiscal years ended June 30, 2004, 2003, and 2002, were $2,691,779, $3,301,184, and $3,372,455, respectively. The University contributed 100 percent of required contributions for each of the fiscal years.

Certain employees who participate in TRF are also eligible for supplementary retirement benefits under a noncontributory plan wherein the employee may designate one or more of the following companies to administer the funds:

ING Financial Advisers, LLC
Fidelity Investments Institutional Services Company, Inc.
Lincoln Financial Group
Teachers Insurance and Annuity Association - College Retirement Equities Fund

The same companies administer the funds in the other plan which is designed to provide benefits comparable to those under TRF and the supplementary plan.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Teachers' Retirement Fund, 150 W. Market Street, Suite 300, Indianapolis, IN 46204, or by calling (317) 232-3860.

Alternate Pension

Faculty and professional personnel of the University have the option to participate in a defined contribution plan administered by the same companies as the TRF supplementary retirement contribution. Benefit provisions are established and/or amended by the Ball State University Board of Trustees. The plan purchases individual annuity contracts for members and provides for immediate vesting. The University contributes 12.27 percent of each participating employee's base salary. For the fiscal year ended June 30, 2004, the University contributed $9,031,134 to this plan for 1,270 participating employees with annual payroll totaling $73,603,373.

Early Retirement Program

Eligible employees may participate in an early retirement program. The plan provides a severance payment equivalent to 15 percent of the final year's pay. Such payments are made in the final year of employment; therefore, no liability exists beyond the end of the fiscal year in which employment terminates. The plan also permits participants to select a cash settlement option in lieu of life insurance that is equal to 40 percent of that life insurance. Payment is made in two equal installments on January 31 of the calendar year following the calendar year in which retirement takes place and the next succeeding January 31. As of June 30, 2004, $233,800 is recorded as a liability representing payments to be made in 2004 and 2005 to employees who retired under the program by June 30, 2004.

Post Retirement Benefits

In addition to providing pension benefits, the University, as authorized by the Ball State University Board of Trustees, provides certain health care and life insurance benefits for retired employees. Substantially all of the University's regular employees may become eligible for those benefits if they retire from the University after accruing the required years of service (15 years at age 50; ten years at age 60 for those hired before September 1, 1999). As of June 30, 2004, approximately 1,581 participants were eligible and were receiving one or both of these benefits.

Retiree Health Care

The University recognizes the cost of providing health care benefits by expensing its share of premiums assessed. Premium rates are determined by analyzing the costs of care, administration, changes in required insurance reserves, and planned contributions toward the costs of future retiree health care. Premiums assessed during the year ended June 30, 2004, including the employees' and retirees' (25 percent) and University's (75 percent) share, totaled $32,066,333. These premiums are credited to the Health Care Auxiliary Fund; expenditures, transfers, and required reserve balances are recorded there as well. The University's share of retiree health care premiums totaled $6,929,961 for the year ended June 30, 2004.

The trust fund established for the sole purpose of funding future retiree health care had the following activity for the year ended June 30, 2004:

Fund Balance at July 1, 2003	$	86,862,270
Reinvested Net Earnings		2,368,706
Fund Balance at June 30, 2004	$	89,230,976

The market value of the trust fund was $96.0 million on June 30, 2004. These funds cannot under any circumstances revert to the University. The actuarial evaluation completed in 2004 projects the accrued liability for future retiree health care for current retired and active employees to be approximately $148.0 million as of June 30, 2004. These amounts are projected to increase between 5 percent and 7 percent per year for the foreseeable future.

Retiree Life Insurance

Eligible personnel retiring after specified years of service are eligible to continue group life insurance at reduced amounts. The University has established a life insurance continuance fund with the insurance carrier in order to provide for the payment of retiree death claims. The actuarial evaluation completed in 2004 projects the accrued liability for all employees, active and retired, to be approximately $21.6 million as of June 30, 2004. Following is a summary of the life insurance continuance fund for the year ended June 30, 2004.

Fund Balance at July 1, 2003	$	19,004,233
Net Earnings on Investments		516,620
Less Death Claims and Related Charges		1,630,047
Fund Balance at June 30, 2004	$	17,890,806

The market value of the fund was $18.8 million on June 30, 2004. These funds cannot under any circumstances revert to the University.

Note H - Included Entities

Ball State University operates Burris Laboratory School and the Indiana Academy for Science, Mathematics, and Humanities under the direction of the Teachers College. The financial activity for these entities is included in the exhibits.

Note I - Contingent Liability

The University is guarantor on two loans and the status of each loan agreement is listed as follows:

Phi Delta Theta Fraternity, Indiana Kappa chapter in Muncie, Indiana – loan agreement provided funding for the construction of a fraternity house. The original amount of the loan in January 1988 was $284,000. The Palmer Foundation, an organization founded for the purpose of providing assistance for construction of Phi Delta Theta fraternity houses and holder of second mortgage for this loan agreement, planned to pay in full the outstanding loan balance on the property. The loan payment and purchase of the Phi Delta Theta Fraternity house by the Palmer Foundation was not completed. Fraternity is current on scheduled debt service requirements.

Sigma Phi Epsilon Fraternity, Indiana Gamma chapter in Muncie Indiana – loan agreement provided funding for the remodeling of fraternity house. Ball State University is guarantor for one-half of the loan that was issued August 1991, for $285,000. Fraternity is current on scheduled debt service requirements.

Note J - Risk Management

The University is exposed to risks of loss related to:

torts;
theft of, damage to, or destruction of assets;
errors or omissions;
job-related illnesses or injuries to employees;
life, health, and other medical benefits provided to employees and their dependents; and,
long-term disability benefits provided to employees.

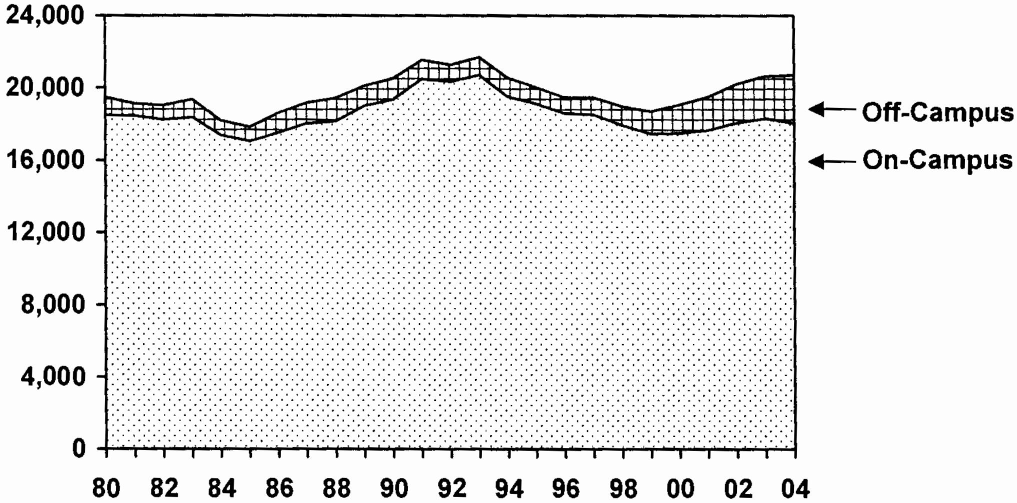
The University handles these risks of loss through combinations of risk retention and commercial insurance. For buildings, contents, and general liability the risk retention per incident is $100,000. The University retains the entire risk for job-related illnesses or injury to employees, as well as property damage to its auto fleet. Auto liability, life insurance, and long-term disability are handled through fully insured commercial policies. The University retains the risk for its medical benefits.

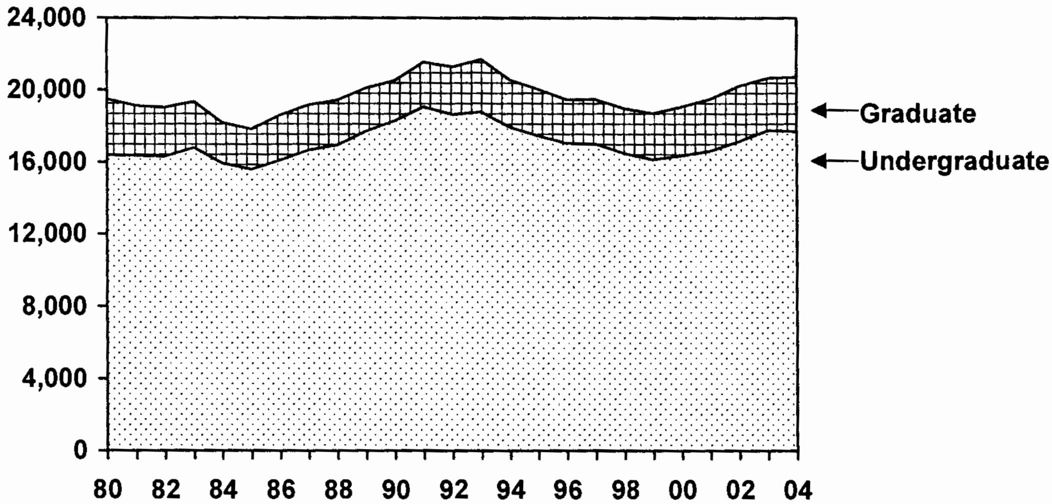
Separate funds and accounts have been established to measure the results of the various combinations of risk retention and commercial insurance. Periodically (in some cases annually), after reviewing exposures with insurance consultants and actuaries, adjustments are made to reflect potential liabilities arising from risk retention. The University accounts for incurred, but not reported, medical claims by calculating a percentage, based on past experience, of the following year's estimated claims. This estimated liability was $3.1 million at June 30, 2004.

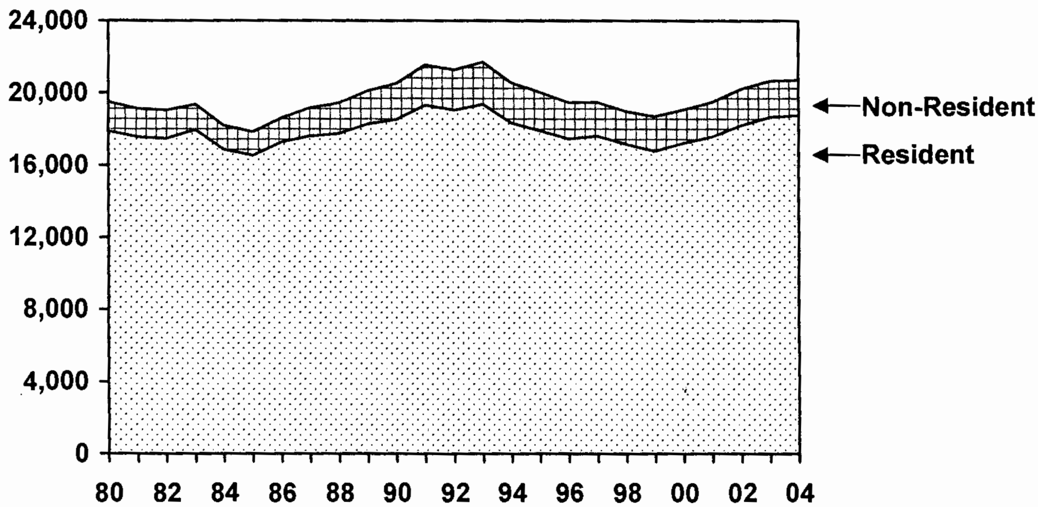
Supplemental Information

The following supplemental information has not been subjected to the auditing procedures applied to the basic financial statements and accordingly, the State Board of Accounts expresses no opinion thereon.

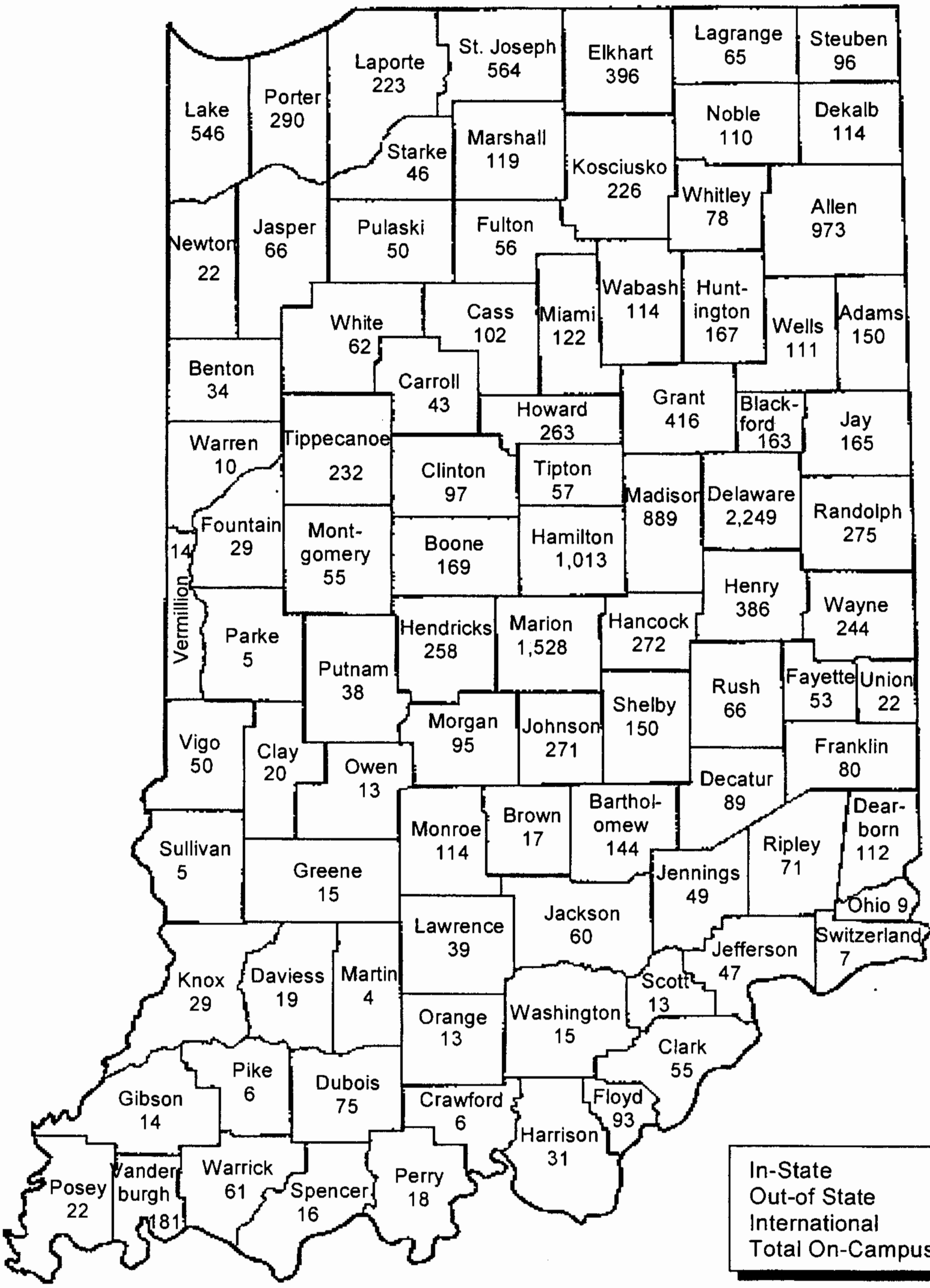
Student Enrollment
Fall Headcount 1980-2004





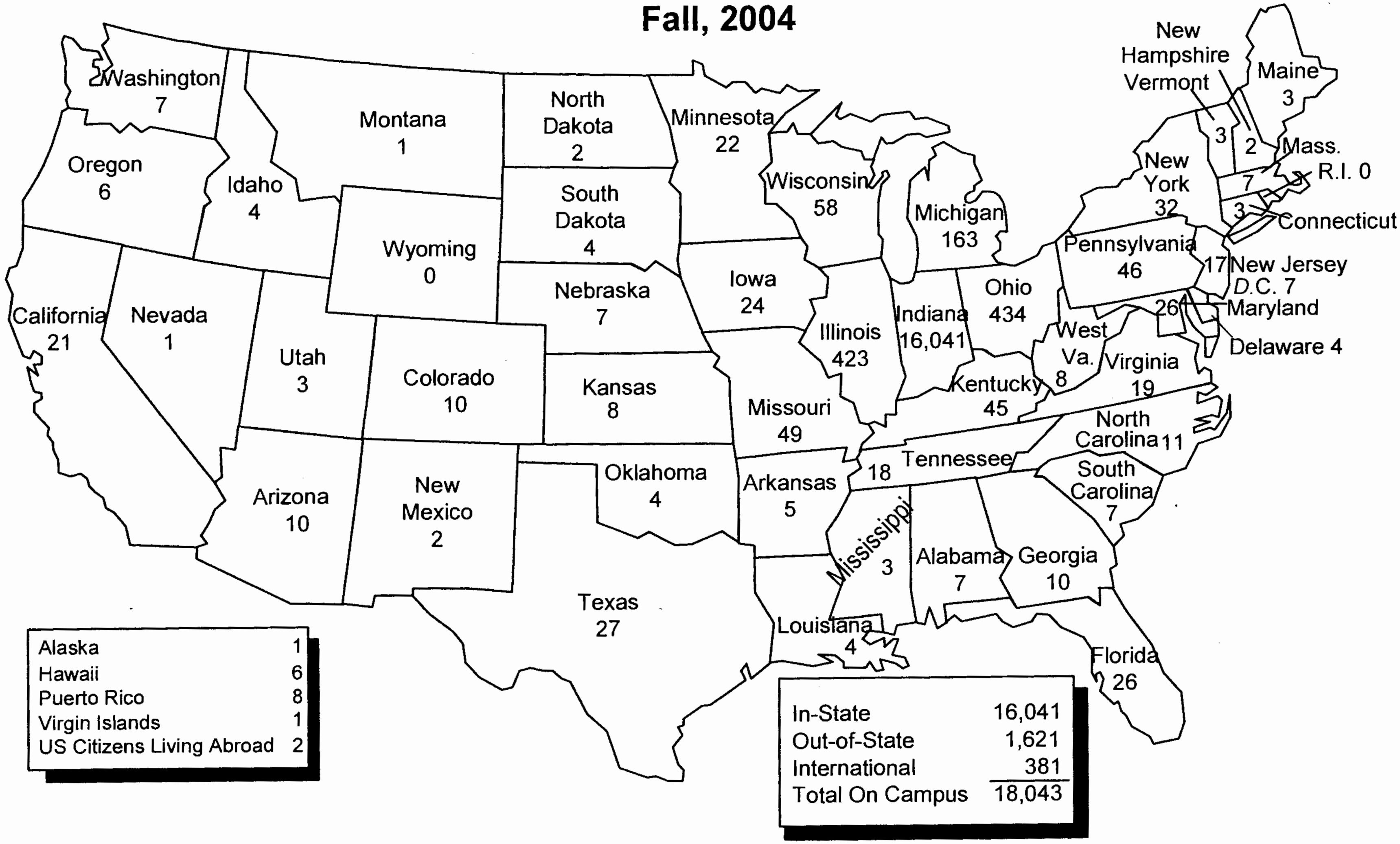


Campus Enrollment by County
Fall, 2004

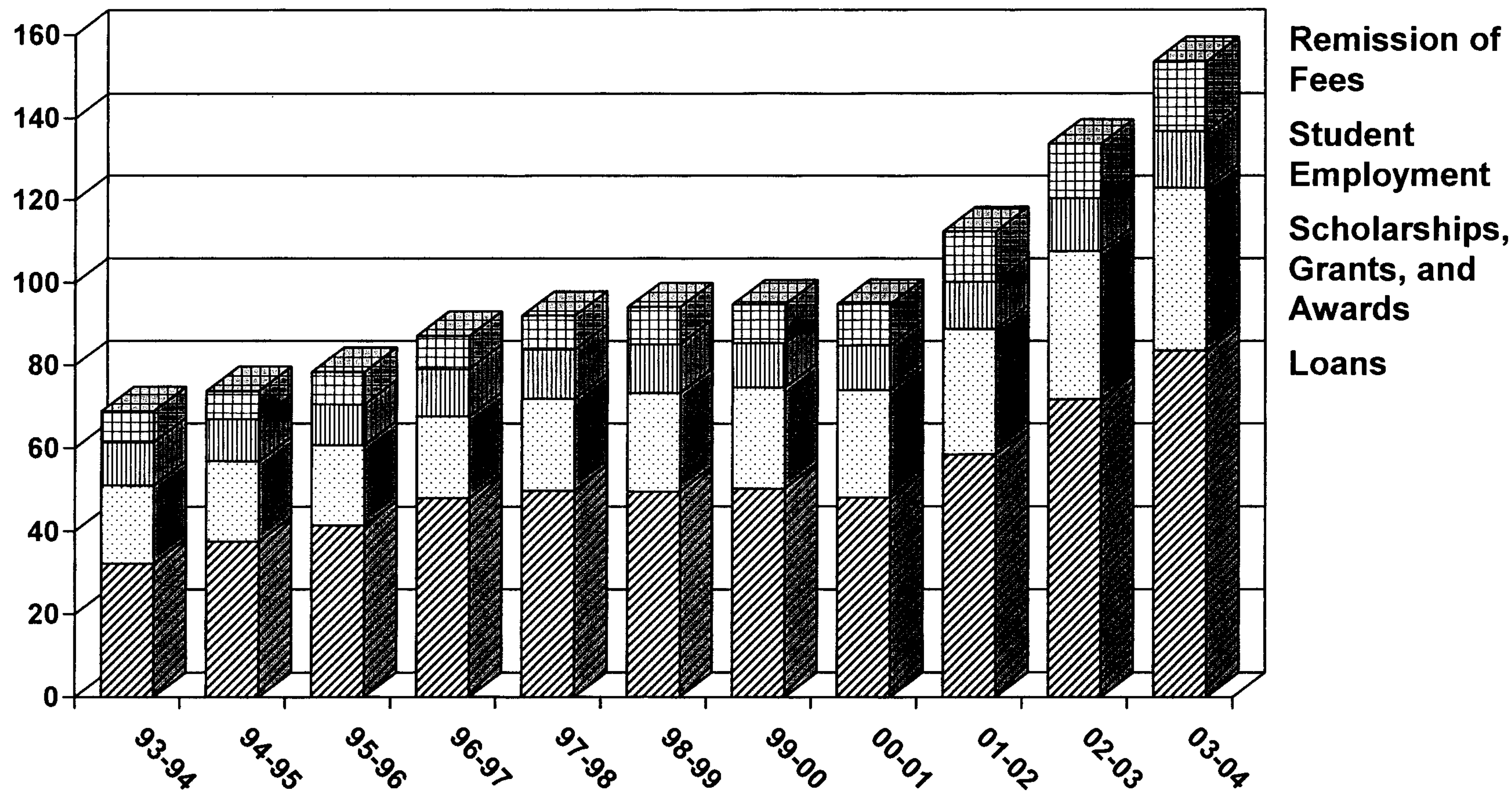


In-State	16,041
Out-of State	1,621
International	381
Total On-Campus	18,043

Campus Enrollment by State
Fall, 2004



Student Financial Assistance
1993-94 through 2003-04
(in Millions of Dollars)



Ball State University

Schedule of Annual Requirements for Principal and Interest

Revenue Bonds—Parking Facilities

Year Ended June 30, 2004

June 30	Principal	Interest	Total	Unliquidated Balance
2004				$ 7,107,391
2005	$ 180,120	$ 502,955	$ 683,075	6,927,271
2006	172,243	509,631	681,874	6,755,028
2007	164,881	515,794	680,675	6,590,147
2008	163,003	521,260	684,263	6,427,144
2009	156,575	525,900	682,475	6,270,569
2010	150,569	529,956	680,525	6,120,000
2011	290,000	277,300	567,300	5,830,000
2012	305,000	262,425	567,425	5,525,000
2013	320,000	246,800	566,800	5,205,000
2014	340,000	232,000	572,000	4,865,000
2015	350,000	217,325	567,325	4,515,000
2016	365,000	201,238	566,238	4,150,000
2017	385,000	184,362	569,362	3,765,000
2018	400,000	166,700	566,700	3,365,000
2019	420,000	148,250	568,250	2,945,000
2020	435,000	129,013	564,013	2,510,000
2021	455,000	108,419	563,419	2,055,000
2022	480,000	86,212	566,212	1,575,000
2023	500,000	62,938	562,938	1,075,000
2024	525,000	38,594	563,594	550,000
2025	550,000	13,062	563,062	-
Total	$ 7,107,391	$ 5,480,134	$ 12,587,525	

Student Fee Bonds

Year Ended June 30, 2004

June 30	Principal	Interest	Total	Unliquidated Balance
2004				$ 69,740,000
2005	$ 4,610,000	$ 3,484,555	$ 8,094,555	65,130,000
2006	4,825,000	3,257,410	8,082,410	60,305,000
2007	4,585,000	3,026,647	7,611,647	55,720,000
2008	3,840,000	2,830,317	6,670,317	51,880,000
2009	4,015,000	2,655,183	6,670,183	47,865,000
2010	4,205,000	2,468,365	6,673,365	43,660,000
2011	4,400,000	2,268,746	6,668,746	39,260,000
2012	4,615,000	2,051,415	6,666,415	34,645,000
2013	4,850,000	1,809,727	6,659,727	29,795,000
2014	4,695,000	1,556,489	6,251,489	25,100,000
2015	4,175,000	1,315,203	5,490,203	20,925,000
2016	3,025,000	1,114,609	4,139,609	17,900,000
2017	2,310,000	961,627	3,271,627	15,590,000
2018	2,445,000	821,959	3,266,959	13,145,000

Ball State University

Schedule of Annual Requirements for Principal and Interest

Student Fee Bonds

Year Ended June 30, 2004

June 30	Principal	Interest	Total	Unliquidated Balance
2019	$ 2,595,000	$ 672,620	$ 3,267,620	$ 10,550,000
2020	2,755,000	512,789	3,267,789	7,795,000
2021	2,925,000	343,076	3,268,076	4,870,000
2022	1,540,000	215,250	1,755,250	3,330,000
2023	1,620,000	132,300	1,752,300	1,710,000
2024	1,710,000	44,887	1,754,887	-
Total	$ 69,740,000	$ 31,543,174	$ 101,283,174	

Total Revenue and Student Fee Bonds

Year Ended June 30, 2004

June 30	Principal	Interest	Total	Unliquidated Balance
2004				$ 76,847,391
2005	$ 4,790,120	$ 3,987,510	$ 8,777,630	72,057,271
2006	4,997,243	3,767,041	8,764,284	67,060,028
2007	4,749,881	3,542,441	8,292,322	62,310,147
2008	4,003,003	3,351,577	7,354,580	58,307,144
2009	4,171,575	3,181,083	7,352,658	54,135,569
2010	4,355,569	2,998,321	7,353,890	49,780,000
2011	4,690,000	2,546,046	7,236,046	45,090,000
2012	4,920,000	2,313,840	7,233,840	40,170,000
2013	5,170,000	2,056,527	7,226,527	35,000,000
2014	5,035,000	1,788,489	6,823,489	29,965,000
2015	4,525,000	1,532,528	6,057,528	25,440,000
2016	3,390,000	1,315,847	4,705,847	22,050,000
2017	2,695,000	1,145,989	3,840,989	19,355,000
2018	2,845,000	988,659	3,833,659	16,510,000
2019	3,015,000	820,870	3,835,870	13,495,000
2020	3,190,000	641,802	3,831,802	10,305,000
2021	3,380,000	451,495	3,831,495	6,925,000
2022	2,020,000	301,462	2,321,462	4,905,000
2023	2,120,000	195,238	2,315,238	2,785,000
2024	2,235,000	83,481	2,318,481	550,000
2025	550,000	13,062	563,062	-
Total	$ 76,847,391	$ 37,023,308	$ 113,870,699	