BALL STATE UNIVERSITY

Financial Report

Year Ended June 30, 2025

Art and Journalism Building

(Front Cover) Teachers College Building

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Ball State University Financial Report 2024-2025

To

The President and Board of Trustees

Ball State University

This financial report presents

the financial position of

Ball State University at June 30, 2025

and the results of activities for

the year then ended.

Dr. Sue Moore
Interim Vice President for Business Affairs
and Interim Treasurer

Ball State University's Report Date…..…………………..……..………October 30, 2025

Report of the President

It is my privilege to present the *Annual Financial Report of Ball State University* for the year ended June 30, 2025. The University received an unmodified opinion on the audit letter from the Indiana State Board of Accounts, which is included in this annual report.

This report includes financial statements for the year ended June 30, 2025, with comparative information from the previous fiscal year. These statements, along with the Notes to the Financial Statements, Management's Discussion and Analysis, and Required Supplemental Information, present the financial activity as well as the financial strength and stability of the University. Our management team is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States.

Ball State is designated as a Doctoral University: Higher Research Activity by The Carnegie Classification of Institutions of Higher Education. Our University is nationally recognized for the quality of our academic programs, our state-of-the-art facilities, our community engagement efforts, and our commitment to inclusive excellence. We are also proud to serve as a national model of sustainability.

Here are a few examples of the progress we are making that inspires our confidence for our bright future:

- The University's net position increased by approximately $111 million to total net assets of approximately $1 billion.
- Additionally, we continue to be rated by S&P and Moody's as AA-/Stable and Aa3 stable, respectively.
- Our total Fall 2025 enrollment—for new undergraduate students, returning undergraduate students, new graduate students, and returning graduate students—has grown to more than 20,000 students, which is 1,000 more students than just three years ago.
- For the seventh year in a row, our alumni and benefactors contributed more than $30 million in new philanthropic commitments to our University.

The best external validation of the transformative power of a Ball State education is our 2025 Carnegie Classification as an "Opportunity College and University."

Ball State is the only public college or university in Indiana to receive this new Carnegie designation. And we are one of just 27 colleges and universities in the country—and the only public or private institution in Indiana—to earn this designation as well as an R2 designation as a doctoral university with high research activity. These two Carnegie designations are impressive. Moreover, we are also one of just a handful of schools—14 total in the country—to also earn Carnegie's Community Engagement classification. This particular classification recognizes our outstanding commitment to public service, civic involvement, and community partnerships.

These Carnegie classifications affirm that what we do at our University makes a difference in enabling professional success and fulfillment for our graduates.

To guide us in our work, our University recently completed an updated version of our strategic plan. This plan includes several new strategic imperatives that reflect our commitment to purpose exploration and to relationship-rich education, as well as our anticipated integration of artificial intelligence to enhance various aspects of our University, including teaching, research, and operations.

This updated plan also reaffirms our commitments to academic freedom and to freedom of expression, while ensuring that we develop strategies and initiatives that promote greater understanding of cultural differences in programs for students and employees.

As we look ahead, we pledge to continue building upon the strong foundation we established in *Destination 2040*. We pledge to hold ourselves accountable to the goals and updated strategic imperatives outlined in this new iteration of our strategic plan. We also pledge to retain our commitment to the enduring values that make our University distinctive.

In the coming years, this plan will continue to be our flight path to a very bright future.

Sincerely,

Geoffrey S. Mearns

President

Ball State University

** This report has been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) for governmental colleges and universities as put forth by the Governmental Accounting Standards Board (GASB). See the accompanying Notes to Financial Statements for a full disclosure of the accounting principles observed.*

** GASB requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.*

This financial report has been prepared
by the Office of University Controller
Ball State University, Muncie, Indiana 47306

Ball State University is committed to the principles of nondiscrimination and equal opportunity in education and employment. Further, the University is committed to the pursuit of excellence by prohibiting unlawful discrimination and providing equal opportunity to individuals without regard to race, religion, color, sex (including pregnancy), sexual orientation, gender identity or gender expression, disability, genetic information, ethnicity, national origin or ancestry, age, protected veteran status, or any other legally protected status. This commitment enables the University to provide qualified individuals access to all academic and employment programs on the basis of demonstrated ability without regard to personal factors that are irrelevant to the program or job requirements involved.

The University assigns a high priority to the implementation of this equal opportunity policy to expand its efforts to guarantee equality of opportunity in employment.

The University President affirms the commitment to equal opportunity. All persons involved in the decision-making process, including members of faculty and other employee committees, shall act in a nondiscriminatory manner. The Director of Employee Relations has been specifically designated to be responsible for overall compliance with all federal and state laws and regulations regarding nondiscrimination, and with approval of the President, is authorized to make any necessary modifications to this policy for purposes of regulatory compliance.

To ensure equal opportunity and nondiscrimination, each member of the Ball State University community must understand the importance of this policy and his/her responsibilities to contribute to its success. This policy seeks to encourage the reporting of incidents so they may be addressed. Students, employees, and applicants shall not be subjected to harassment, intimidation, threats, coercion, discrimination, or retaliation because they have engaged or may engage in any of the following: 1) filing a complaint; 2) assisting or participating in an investigation, compliance review, hearing, or any other activity related to the administration of any federal, state, or local law requiring equal employment opportunity; 3) opposing an act or practice deemed unlawful by a federal, state, or local law requiring equal employment opportunity; or 4) exercising any right according to this policy and/or any other lawfully protected right.

Complaints regarding unlawful discrimination or retaliation should be filed within 300 calendar days following the alleged act or incident giving rise to the complaint with the Assistant Director of Equal Opportunity and ADA Coordinator in accordance with the Ball State University Equal Opportunity Complaint Investigation Procedure and Appeal Process. The University encourages the prompt filing of all complaints. A copy of this document may be obtained by contacting the Assistant Director of Equal Opportunity and ADA Coordinator. Any individual or group found to have violated this policy will be subject to disciplinary or remedial action, up to and including termination of employment or expulsion from the University. Faculty and staff who are determined to have violated this policy also may be held personally liable for any damages, settlement costs or expenses, including attorney fees incurred by the University.

The University maintains an audit and reporting system to determine overall compliance with its equal employment opportunity mandates.

Revised by the Board of Trustees April 17, 2025

Ball State University Board of Trustees and President

2024-2025

Paul D. Joyce, CPA
State Examiner

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, and the fiduciary activities of Ball State University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audits and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, and the fiduciary activities of the University, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ball State University Foundation, Inc. nor the Muncie Community School Corporation, component units of the University as described in Note A, which represent 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. The Ball State University Foundation, Inc. statements were audited in accordance with auditing standards generally accepted in the United States of America but were not audited in accordance with Government Auditing Standards. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Ball State University Foundation, Inc., a part of the aggregate discretely presented component units, is based solely on the reports of the other auditors. The Muncie Community School Corporation statements were audited in accordance with auditing standards generally accepted in the United States of America and in accordance with Government Auditing Standards. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Muncie Community School Corporation, a part of the aggregate discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Audits of the Financial Statements section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note A, to the financial statements, in fiscal year 2025, the University adopted new accounting guidance, GASB Statement No.101, Compensated Absences, and GASB Statement No. 102, Certain Risk Disclosures. Our opinion is not modified with respect to this matter.

As discussed in the Restatement Note to the financial statements, the University presented a prior period adjustment at July 1, 2024, to current liabilities, noncurrent liabilities, net position, operating expenses, nonoperating expenses, and net cash provided (used) by operating activities to reflect changes from the implementation of GASB 101. The University also restated assets, net position and nonoperating revenues to reflect the recording of accounts receivable for a textbook scholarship/donation.

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 University'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 Audits 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 auditor's reports that include 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.

INDEPENDENT AUDITOR'S REPORT
(Continued)

- 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 audits 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 University'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 University'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 audits, significant audit findings, and certain internal control- related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Ball State University's Proportionate Share of the Net Pension Liability Public Employees' Defined Benefit Account (PERF DB), the Schedule of Ball State University's Proportionate Share of the Net Pension Liability Teachers' 1996 Defined Benefit Account (TRF 1996 DB), the Schedule of Ball State University's Proportionate Share of the Net Pension Liability Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB), the Schedule of Ball State University's Contributions Public Employees' Defined Benefit Account (PERF DB), the Schedule of Ball State University's Contributions Teachers' 1996 Defined Benefit Account (TRF 1996 DB), the Schedule of Ball State University's Contributions Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996), the Schedule of Ball State University's Changes in Net OPEB Liability (Asset) and Related Ratios Multi-year Health Care Plan, the Schedule of Ball State University's Changes in Net OPEB Liability (Asset) and Related Ratios Multi-year OPEB 115 Plan (Life), the Schedule of the Net OPEB Liability (Asset) Multiyear Health Care Plan, the Schedule of the Net OPEB Liability (Asset) Multiyear OPEB 115 Plan, the Schedule of Ball State University's OPEB Contributions Multi-year Health Care Plan, and the Schedule of Ball State University's OPEB Contributions Multi-year OPEB 115 Plan (Life Insurance) 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 audits 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information

Management is responsible for the other information included in the annual reports. The other information comprises the To the President and Board of Trustees, Report of the President, General Information, and Board of Trustees and President of Ball State University, but does not include the basic financial statements and our auditor's reports 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 audits 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 reports.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 30, 2025, on our consideration of the University'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 University'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 the University's internal control over financial reporting and compliance.

Beth Kelley

Beth Kelley, CPA, CFE Deputy
State Examiner

October 30, 2025

Ball State University
Management's Discussion and Analysis
June 30, 2025

The University

Ball State University (the "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. In 1929, the Indiana General Assembly separated the Muncie campus from Indiana State Normal School, naming the Muncie campus 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 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 offers more than 100 undergraduate academic programs and numerous graduate programs distributed across seven colleges: R. Wayne Estopinal College of Architecture and Planning; Miller College of Business; College of Communication, Information, and Media; College of Fine Arts; College of Health; College of Sciences and Humanities; and Teachers College. In addition, the University offers specialists programs providing professional and pre-professional specialization as well as education in the liberal arts and sciences. The University is fully accredited by the Higher Learning Commission. Various schools, departments and programs are also accredited by numerous other professional agencies, licensing boards, and state agencies. The University operates Indiana's only K-12 laboratory school, Burris, as well as the Indiana Academy for Science, Mathematics and Humanities, the state's only residential high school for gifted and talented students.

The Fall 2024 enrollment of 21,089 students comprises 15,189 undergraduate and 5,900 graduate students. Approximately 88 percent of the University's on-campus students are characterized as Indiana residents; however, all 50 states, two U.S. territories, and 75 foreign nations are represented in the student body. As of the beginning of the 2024-2025 academic year, the University's staff and faculty (not including student employees and graduate assistants) totaled approximately 3,050 full-time and over 375 part-time personnel. The campus facilities include approximately 140 buildings totaling over 7.7 million gross square feet situated on more than 1,000 acres.

Using this Report

This section of the University's annual report presents management's discussion and analysis of the financial performance of the University for the year ended June 30, 2025, with selected comparative information for the two fiscal years ended June 30, 2024 and 2023. The financial statements, note disclosures, and this discussion are the responsibility of University management. This information is presented to assist the reader in understanding the University's financial position and operating activities.

This financial report includes three basic financial statements for the University: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows, prepared in accordance with principles from the Governmental Accounting Standards Board (GASB). These financial statements focus on the financial condition, results of operations, and cash flows of the University as a whole.

Also included in this financial report are the financial statements and significant notes to the financial statements for the Ball State University Foundation (Foundation). The Foundation is a legally separate, not-for-profit corporation that solicits, collects and invests donations for the sole benefit of the University. The Foundation's financial statements are presented in accordance with the reporting principles of the Financial Accounting Standards Board (FASB) and, therefore, are not comparable to those of the University**.**

The legally separate Muncie Community Schools financial statements prepared in accordance with generally accepted accounting principles (GAAP) are discretely presented within the University's Annual Financial Report. Due to legislative action, the University was given the authority to appoint the Muncie Community School Board of Trustees in May of 2018.

Pursuant to GASB 84, *Fiduciary Activities,* this report also contains the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position for assets held in two trusts that exist in support of the University's Other Postemployment Benefit Plans (OPEB) for qualified retirees. The two trusts are namely the Voluntary Employee Beneficiary Association (VEBA) Trust and the 115 Trust (OPEB 115 Trust).

Financial Highlights

The total net position for 2024-2025 increased by $111.1 million compared to the fiscal year 2023-2024, due primarily to a $72.2 million increase in net position restricted for other post-employment benefits, a $33.0 million increase in net position restricted for construction, and a $17.7 million increase in unrestricted net position, partially offset by a $12.5 million decrease in net investment in capital assets. A more detailed discussion of the change in net position can be found later in this report. For fiscal year 2023-2024, the total net position of the University increased by $83.4 million as compared to fiscal year 2022-2023, due primarily to a $79.6 million increase in net position restricted for other post-employment benefits, a $20.3 million increase in net investment in capital assets, and a $1.6 million increase in net position restricted for external grants, partially offset by a $15.0 million decrease in unrestricted net position and a $3.4 million decrease in net position restricted for construction.

Shafer Bell Tower

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

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

The following is a summary of the University's assets, deferred outflows and inflows of resources, liabilities, and net position as of the end of the previous three fiscal years.

Net Position
As of June 30, 2025, 2024, and 2023

	2025	2024 Restated	2023 Restated
Assets:			
Current Assets	$ 175,196,862	$ 127,019,649	$ 148,332,815
Noncurrent Assets:			
Capital Assets, Net of Depreciation	899,451,389	891,365,633	894,988,633
Other	568,106,593	466,698,475	346,335,099
Deferred Outflows of Resources	82,336,050	106,103,413	135,214,463
Total Assets and Deferred Outflows of Resources	$1,725,090,894	$1,591,187,170	$1,524,871,010
Liabilities:			
Current Liabilities	$ 88,823,237	$ 70,107,921	$ 73,313,814
Noncurrent Liabilities	385,707,345	369,122,891	389,474,961
Deferred Inflows of Resources	169,172,073	181,653,733	175,204,970
Total Liabilities and Deferred Inflows of Resources	$ 643,702,655	$ 620,884,545	$ 637,993,745
Net Position:			
Net Investment in Capital Assets	$ 570,446,389	$ 582,990,633	$ 562,688,633
Restricted	309,826,090	203,931,438	125,772,378
Unrestricted	201,115,760	183,380,554	198,416,254
Total Net Position	$1,081,388,239	$ 970,302,625	$ 886,877,265
Total Liabilities, Deferred Inflows of Resources and Net Position	$1,725,090,894	$1,591,187,170	$1,524,871,010

Current and Noncurrent Assets

Current assets, such as cash and cash equivalents, short term investments, accounts receivable, inventories, and prepaid expenses support the current operations of the University. Current assets increased $48.2 million, or 37.9 percent, from the previous year, primarily due to increases in short term investments of $34.1 million, cash and cash equivalents of $12.9 million, and prepaid expenses of $1.5 million. The increases in short term investments and cash and cash equivalents are attributed primarily to proceeds from debt issued for new construction projects in the Village.

In fiscal year 2023-2024, current assets decreased $21.3 million, or 14.4 percent, from the previous year, primarily due to decreases in short term investments of $17.1 million, cash and cash equivalents of $3.4 million, and accounts receivable, net, and unbilled costs of $0.7 million.

Noncurrent assets consist primarily of investments and capital assets, net of depreciation, but also includes accounts and notes receivable, net, subscription assets, net, and net OPEB asset. Noncurrent assets at June 30, 2025, showed a $109.5 million, or 8.1 percent, increase over the previous year. The net increase is made up primarily of the combination of a $72.2 million increase in net OPEB asset, a $28.9 million increase in investments, and an $8.1 million increase in capital assets, net of depreciation. The increase in net OPEB asset is a normal fluctuation based on actuarial valuations. The increase in investments is related to a strategic shift from shorter duration investments to hedge against expected future rate cuts.

Noncurrent assets at June 30, 2024, showed a $116.7 million, or 9.4 percent, increase over the previous year. The net increase is made up primarily of the combination of a $79.6 million increase in net OPEB asset, a $37.0 million increase in investments and a $4.8 million increase in subscription assets, net, partially offset by a $3.6 million decrease in capital assets, net of depreciation.

Ball State School of Music Jazz Ensemble

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources and deferred inflows of resources represent consumption or receipt of resources applicable to a future reporting period. The balances reported on these line items represent changes of the net pension liability (total pension liability less the fiduciary net position), net Other Post-Employment Benefits (OPEB) liability (total OPEB liability less the fiduciary net position), and lease receivable (right to receive future economic benefit that is not yet earned). Most changes to net pension and OPEB liabilities are to be included in benefits expense in the period of the change. However, certain changes are required to be expensed over current and future periods. Changes of economic and demographic assumptions or of other inputs and differences between expected and actual experience are required to be recorded as deferred outflows of resources or deferred inflows of resources as appropriate. Changes and differences to deferred outflows at June 30, 2025, was a $23.8 million decrease, most of which was related to the net difference between projected and actual earnings on OPEB plan investments for the June 30, 2023 actuarial study. Deferred inflows showed a $12.5 million decrease over the prior year. The changes and differences to deferred outflows at June 30, 2024, was a $29.1 million decrease, while changes and differences to deferred inflows was a $6.4 million increase. For additional details, see the Notes and Required Supplemental Information sections of the financial report. The measurement date of the defined benefit pension plans that are administered by Indiana Public Retirement System (INPRS), and the OPEB plans administered by the University, is June 30, 2024, for the 2024-2025 financial report, and June 30, 2023, for the 2023-2024 financial report.

Current and Noncurrent Liabilities

Current liabilities consist primarily of accounts payable, interest payable, accrued compensation and related benefits, as well as subscription liabilities, deposits, unearned revenue, and the current portion of bonds that are payable within one year or less. Accounts payable and accrued liabilities may fluctuate from year to year based on timing of University initiatives and programmatic costs. For fiscal year 2024-2025, the University’s current liabilities increased by $18.7 million, or 26.7 percent. The net increase was primarily due to an increase in accounts payable and accrued liabilities of $12.8 million and an increase in the current portion of bonds payable of $5.6 million. In fiscal year 2023-2024, the University’s current liabilities decreased by $3.2 million, primarily due to decreases in accounts payable and accrued liabilities of $3.9 million, partially offset by an increase in the current portion of subscription liabilities of $0.9 million.

Noncurrent liabilities predominantly comprise bonds payable, pension and OPEB liabilities, subscription liabilities, liability for compensated absences, leases payable, and the Perkins loan program. Total noncurrent liabilities increased by $16.6 million, or 4.5 percent, in fiscal year 2024-2025. Bonds payable (long term liabilities, net) accounted for an increase equal to $11.8 million over the previous fiscal year due to new debt issued for the two Village projects, partially offset by regularly scheduled debt payments. Expected fluctuations in net pension liabilities amounted to a net increase of $6.0 million. Additionally, leases payable saw an increase of $0.9 million. Conversely, subscription liabilities decreased by $1.5 million, and the Perkins loan program decreased by $0.8 million.

In fiscal year 2023-2024, total noncurrent liabilities decreased $20.4 million. Bonds payable (long term liabilities, net) decreased $26.9 million due to regularly scheduled payments. Fluctuations in the net pension liabilities amounted to a net increase of $4.0 million while subscription liability increased by $3.7 million. The Perkins loan program decreased by $0.9 million.

Debt and Financing Activities

The University funds new construction and major renovation projects on campus through various sources such as philanthropy, internal cash reserves, cash appropriations from the state, and bond proceeds. As of June 30, 2025, the University had $329.0 million of capital-related bond indebtedness outstanding, compared to $308.4 million and $332.3 million outstanding as of June 30, 2024 and June 30, 2023, respectively. The increase in indebtedness is due to the issuance of Lease Purchase Obligations, Series 2025, for the partial financing of two new buildings in the Village, the Performing Arts Center and the Center for Innovation and Collaboration, offset in part by regularly scheduled debt payments. All of the University's bonds are fixed-rate, tax-exempt issuances that are secured by student fees, auxiliary revenues, or other sources, depending on the original purpose of the bond.

Ball State University's credit is rated by both Standard & Poor's (AA-/Stable) and Moody's (Aa3/Stable). S&P assessed the University's enterprise profile as "strong," characterized by stable full-time equivalent enrollment and first-year matriculation rates and a solid management team with good fiscal planning and policies. The financial risk profile was assessed by S&P as extremely strong with consistent full-accrual operating surpluses and robust state support for debt. Moody's noted the University's very good strategic positioning, stable student enrollment trends, prudent fiscal management, and continued strong state support. Additional detail regarding the University's bonds payable are presented in the Notes to Financial Statements. The ratings were last affirmed by both S&P and Moody's in early 2025.

Capital Assets

As of June 30, 2025, the University had $570.4 million invested in capital assets, net of accumulated depreciation of $614.3 million and related debt of $329.0 million. Depreciation charges related to capital assets totaled $32.2 million for the current fiscal year. All of these amounts reflect cost of construction rather than replacement cost. As of June 30, 2024, the University had $583.0 million invested in capital assets, net of accumulated depreciation of $584.1 million and related debt of $308.4 million. Depreciation charges related to capital assets totaled $31.3 million for fiscal year 2023-2024.

Significant capital additions in the current fiscal year included the new Performing Arts Center, new Center for Innovation and Collaboration, and the North Campus Building Renovations.

Net Position

At June 30, 2025, total net position for the University was $1.1 billion, up $111.1 million from the previous year. Net position is classified into four categories: Net investment in capital assets, restricted nonexpendable, restricted expendable, and unrestricted. Net investment in capital assets accounted for approximately $570.4 million as of June 30, 2025. This balance represents the University's investment in land, buildings, infrastructure, land improvements, and equipment, and is reported net of accumulated depreciation and related debt. Additional discussion of capital assets is available in the accompanying Notes to Financial Statements.

Restricted nonexpendable net position remained relatively unchanged from the previous year and accounts for only $1.0 million of net position. These funds represent permanent endowments received from donors, the principal of which must be held in perpetuity with only present and future income earnings being used to support the wishes of the donor. Restricted expendable net position represents funds that have restrictions imposed by third parties in their purpose. Restricted expendable net position increased by $105.8 million in fiscal year 2024-2025, totaling $308.8 million as of June 30, 2025. Funds restricted for other post-employment benefits is the largest component of restricted expendable net position at $247.0 million, an increase of $72.2

million over the prior year. Elsewhere in restricted expendable funds, funds restricted for construction increased by $33.0 million to $49.0 million due to new debt issued for the two construction projects in the Village, net of spending bond proceeds for those same projects. The remaining restricted expendable net position is comprised of $11.3 million for external grants and $1.6 million for student loans.

Aside from capital assets and restricted net position, the remaining $201.1 million of net position is in unrestricted net position. Unrestricted net position is not subject to externally imposed restrictions. However, portions of the unrestricted net position are internally restricted for specific authorized purposes at the end of each fiscal year. The specific purposes for which these assets are internally restricted include investing in strategic initiatives, the stewardship and renewal of capital assets, campus development and infrastructure, technological advancements, self-insurance reserves, unforeseen contingencies, and other purposes. In addition, certain GASB statements, including but not limited to GASB Statements No. 68, 71, and 75 for the pension and OPEB plans, can have a significant impact on unrestricted net position from year to year due to changes that are outside the University's control. In fiscal year 2024-2025, unrestricted net position increased $17.7 million. Additional information regarding the adjustments required by the GASB Statements are discussed within the Notes to Financial Statements.

At June 30, 2024, the University's net position was $970.3 million. Approximately $583.0 million was comprised of net investment in capital assets, net of accumulated depreciation and related debt. Additionally, the University had other net positions totaling $387.3 million as of June 30, 2024, of which $203.9 million was restricted net position. The $203.9 million restricted net position was comprised of: $0.9 million in nonexpendable endowment restricted for student scholarships, $1.5 million restricted for student loans, $16.0 million restricted for construction, $10.7 million restricted for external grants, and $174.8 million restricted for other post-employment benefits. Unrestricted net position at June 30, 2024, was $183.4 million, a decrease of $15.0 million from the prior year.

Change in Net Position

The following is a summary of the revenues and expenses resulting in the changes in net position as of the end of the previous three fiscal years. Note that for purposes of this statement, state appropriations are considered non-operating revenues.

Changes in Net Position
Years Ended June 30, 2025, 2024, and 2023

	2025	2024 Restated	2023 Restated
Operating Revenues	$ 269,523,101	$ 270,511,515	$ 250,923,143
Operating Expenses	482,664,877	477,002,634	461,863,001
Net Operating Income/(Loss)	$ (213,141,776)	$ (206,491,119)	$ (210,939,858)
Net Non-Operating Revenues	300,168,844	268,135,952	252,294,641
Other Revenue – Capital Appropriations and Gifts	24,058,546	21,780,527	6,241,025
Increase in Net Position	$ 111,085,614	$ 83,425,360	$ 47,595,808
Net Position - Beginning of Year	970,302,625	886,959,097	839,280,970
Change in Accounting Policy	—	(81,832)	487
Net Position - End of Year	$ 1,081,388,239	$ 970,302,625	$ 886,877,265

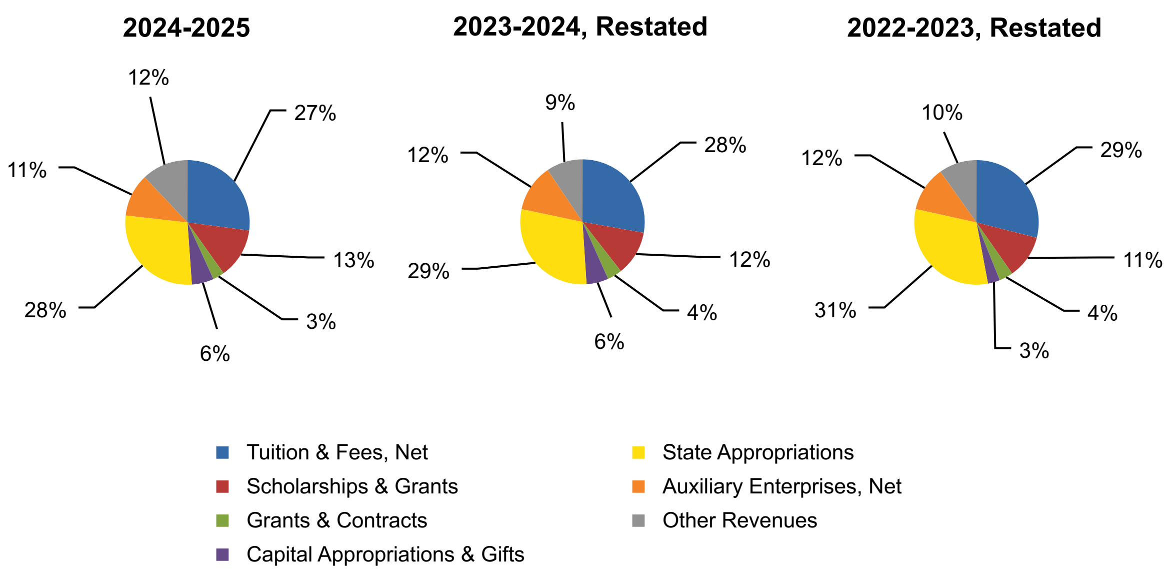
Operating Revenues

Operating revenues increase net position 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 financial aid or capital purposes. Revenues from tuition and fees and from auxiliary enterprises are reported net of allowances for scholarships.

Total operating revenues decreased $1.0 million, or 0.4 percent, in fiscal year 2024-2025. Compared to the prior year, grants and contracts revenue decreased by $3.8 million, revenue from residential life decreased by $1.5 million, and other auxiliary revenue decreased by $1.7 million. Conversely, net tuition and fees revenue increased by $4.0 million, while sales and services revenue and other operating revenues increased $0.9 million and $1.1 million, respectively.

In fiscal year 2023-2024, total operating revenues increased $19.6 million, or 7.8 percent. When compared to the prior year, tuition and fees revenue increased by a net $8.1 million, revenue from residential life increased by $5.1 million, and other auxiliary revenue increased by $4.1 million. Grants and contracts revenue also increased by $3.1 million, while sales and services revenue decreased by $1.0 million.

Total Revenues by Source

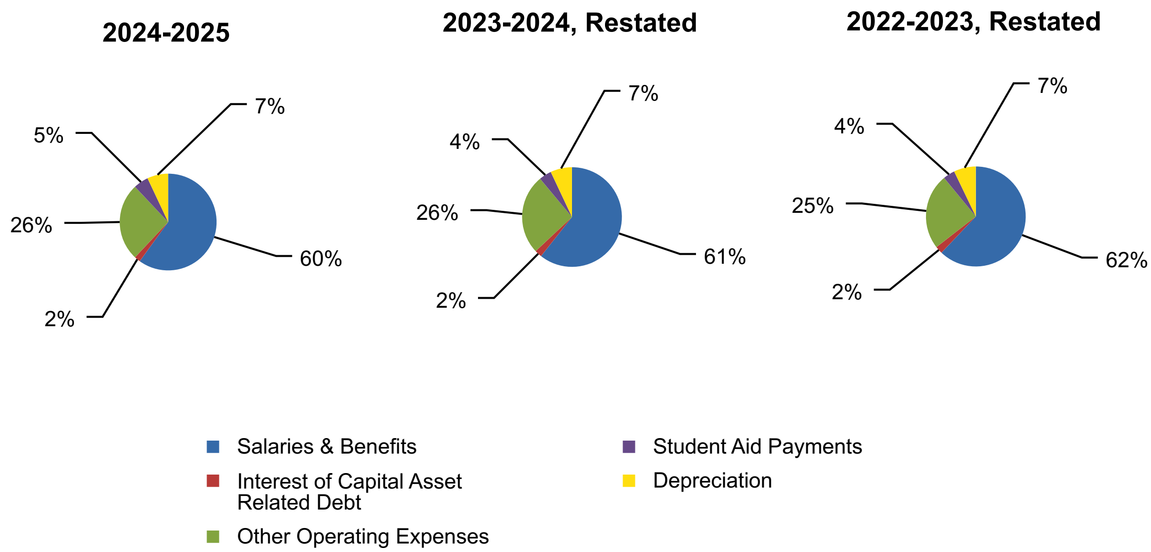


Operating Expenses

Operating expenses reduce net position and consist of all the costs necessary to perform and conduct the programs and primary purposes of the University. In fiscal year 2024-2025, operating expenses increased $5.7 million, or 1.2 percent. Personnel services, benefits expense, and OPEB benefits together account for 61.6 percent of total operating expenses. In fiscal year 2024-2025, personnel services increased by $9.4 million while benefits expense, excluding OPEB benefits, increased by $12.5 million. The increase in personnel services was primarily related to a three percent annual salary increase and a slight increase in employees compared to the prior year. Beginning with fiscal year 2023-2024 benefits expense related to OPEB liability reporting required by GASB Statement No. 75 is being shown separate from other benefit related expenses due to its natural fluctuations. As a result of various assumptions used in the actuarial report and the market volatility of the trust assets, the amount shown on this line item may vary considerably from year to year. Other supplies and expenses, repairs and maintenance, and utilities decreased a combined $0.1 million. Student aid increased by $3.5 million, or 17.6 percent, as a result of expanded outreach related to the Midwest Student Exchange Program (MSEP) and increased other aid from the University. Depreciation and amortization also increased $1.6 million.

Operating expenses in fiscal year 2023-2024 increased $15.1 million, or 3.3 percent. Personnel services increased $15.0 million, while benefits increased by $0.1 million. As noted above, OPEB benefits expense has been separately presented as it does not typically correlate with personnel services due to OPEB liability adjustments required by GASB Statement No. 75. Other supplies and expenses, repairs and maintenance, and utilities increased a combined $11.0 million, while student aid, which includes financial aid and scholarships, increased by $1.8 million after re-engaging with the Midwest Student Exchange Program (MSEP) and increased scholarships and grants from both the University and the Foundation. Depreciation and amortization also decreased $0.4 million.

Total Expenses by Source



Non-Operating Revenues and Expenses

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

In fiscal year 2024-2025, net non-operating revenues and expenses increased $32.0 million, or 11.9 percent. Other non-operating revenue increased by $14.3 million primarily due to reimbursement of the University's portion of retiree medical costs from the VEBA trust. Federal and state scholarships increased by $12.4 million due in large part to the revision of FAFSA's benefit formula resulting in many more people receiving the maximum award for federal Pell grants and the State's O'Bannon grants. Additionally, investment income increased by $6.5 million compared to the prior year due to higher invested balances.

In fiscal year 2023-2024, net non-operating revenues and expenses increased by $15.8 million, or 6.3 percent. Investment income increased by $8.2 million compared to the prior year due to market changes. Additionally, federal and state scholarships and grants increased by $7.6 million, state appropriations increased by $4.1 million, and private gifts increased by $0.7 million. As a partial offset, other non-operating revenue decreased $3.1 million, and state pension contributions decreased by $1.6 million.

Other Revenues

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

The State of Indiana typically appropriates capital renewal and replacement funds for state-supported buildings. Capital appropriations for fiscal year 2024-2025 decreased by $6.8 million from the prior year as draws from cash appropriations for the North Campus Building renovation projects slowed prior to construction picking up again toward the end of fiscal year 2024-2025. Capital gifts from the Ball State University Foundation increased by $9.1 million for various donor-funded capital projects, including the new Performing Arts Center.

For fiscal year 2023-2024, capital appropriations increased by $14.4 million from the prior year due to cash appropriations for the North Campus Building renovation projects. Capital gifts from the Ball State University Foundation increased $1.2 million for various donor-funded capital projects.

Statement of Cash Flows

The Statement of Cash Flows provides a means to assess the financial health of the University by presenting relevant information about the cash receipts and cash payments of the University during the fiscal year. It assists in determining the University's ability to generate future net cash flows to meet its obligations as they become due and to assess the University's need for external financing. The statement is divided into four sections based on major activity – operating, non-capital financing, capital financing, and investing. A fifth section reconciles the operating income or loss on the Statement of Revenues, Expenses, and Changes in Net Position to the net cash used in operations. A sixth section shows non-cash transactions.

Conclusion

As the financial statements indicate, the University continues to serve as an effective steward of the human, physical, and financial resources entrusted to it. With a planned approach to addressing long-term needs and liabilities while facing shorter-term challenges, Ball State University remains in a strong position to be a major asset of significant benefit to the citizens of the State of Indiana.

"Love Birds"

Ball State University

Statement of Net Position

As of June 30, 2025 and 2024

	2025	2024 Restated
Assets:		
Current Assets:		
Cash and Cash Equivalents	$ 68,505,885	$ 55,647,983
Short Term Investments	75,722,869	41,670,969
Accrued Interest Receivable - Leases	2,218	3,799
Accounts Receivable, Net, and Unbilled Costs	23,651,189	23,641,075
Inventories	1,303,189	1,385,132
Notes Receivable, Net	491,415	742,474
Lease Receivable	375,527	319,184
Prepaid Expenses	5,144,570	3,609,033
Total Current Assets	$ 175,196,862	$ 127,019,649
Noncurrent Assets:		
Accounts and Notes Receivable, Net	$ 1,093,044	$ 1,461,966
Lease Receivable	542,551	1,129,550
Net OPEB Asset	247,040,298	174,830,672
Investments	308,972,018	280,094,012
Capital Assets, Net	899,451,389	891,365,633
Subscription Assets, Net	8,984,138	9,008,493
Leased Assets, Net	1,474,544	173,782
Total Noncurrent Assets	$ 1,467,557,982	$ 1,358,064,108
Total Assets	$ 1,642,754,844	$ 1,485,083,757
Deferred Outflows of Resources:		
Pension Contributions	$ 21,834,058	$ 23,145,894
OPEB Contributions	60,501,992	82,957,519
Total Deferred Outflows of Resources	$ 82,336,050	$ 106,103,413
Total Assets and Deferred Outflows of Resources	$ 1,725,090,894	$ 1,591,187,170
Liabilities:		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 50,502,044	$ 37,675,113
Subscription Liability	2,041,275	1,995,751
Lease Payable	496,348	124,403
Deposits	5,922,132	5,992,295
Unearned Revenue	741,438	500,359
Notes Payable - Current Portion	—	250,000
Long Term Liabilities – Current Portion	29,120,000	23,570,000
Total Current Liabilities	$ 88,823,237	$ 70,107,921
Noncurrent Liabilities:		
Liability for Compensated Absences	$ 1,433,864	$ 1,297,579
Subscription Liability	4,768,052	6,315,675
Lease Payable	1,003,364	58,208
Net Pension Liability	39,054,583	33,043,392
Perkins Loan Program – Federal Capital Contribution	1,527,415	2,277,930
Long Term Liabilities, Net	337,920,067	326,130,107
Total Noncurrent Liabilities	$ 385,707,345	$ 369,122,891
Total Liabilities	$ 474,530,582	$ 439,230,812

Ball State University

Statement of Net Position

As of June 30, 2025 and 2024

	2025	2024 Restated
Deferred Inflows of Resources:		
Deferred Inflows Related to Leases	$ 892,558	$ 1,190,853
Pension Contributions	4,091,315	5,434,988
OPEB Contributions	164,188,200	175,027,892
Total Deferred Inflows of Resources	$ 169,172,073	$ 181,653,733
Total Liabilities and Deferred Inflows of Resources	$ 643,702,655	$ 620,884,545
Net Position:		
Net Investment in Capital Assets	$ 570,446,389	$ 582,990,633
Restricted for:		
Nonexpendable Scholarships	988,793	937,248
Expendable:		
Loans	1,553,574	1,471,132
Construction	48,959,166	16,001,511
External Grants	11,284,259	10,690,875
Other Post-Employment Benefits	247,040,298	174,830,672
Unrestricted	201,115,760	183,380,554
Total Net Position	$ 1,081,388,239	$ 970,302,625
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,725,090,894	$ 1,591,187,170

See accompanying Notes to Financial Statements

Ball State University Foundation, Inc.
Combined and Consolidated Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 28,532,182	$ 35,809,979
Contributions receivable, net	24,135,803	25,501,754
Investments	371,518,882	334,983,702
Investments held in split-interest agreements	1,391,842	1,370,572
Beneficial interest in remainder trusts	45,748	42,212
Other assets	323,284	287,070
Right-of-use-assets - operating leases	—	991,418
Cash surrender value of life insurance	2,102,321	2,082,558
Property and equipment	5,202,895	6,760,199
Beneficial interest in perpetual trusts	3,548,334	3,347,496
Total assets	$ 436,801,291	$ 411,176,960
LIABILITIES		
Accounts payable	$ 923,018	$ 213,894
Accrued expenses	237,671	829,256
Operating lease liability	—	991,418
University payable	—	171,422
Term notes payable	8,375,000	9,075,000
Annuity obligations	2,081,929	1,757,245
Trust obligations	790,985	633,750
Total liabilities	12,408,603	13,671,985
NET ASSETS		
Without donor restrictions	58,581,034	38,426,762
With donor restrictions	365,811,654	359,078,213
Total net assets	424,392,688	397,504,975
Total liabilities and net assets	$ 436,801,291	$ 411,176,960

See Note A in Notes to Financial Statements

Muncie Community Schools, Indiana

Statement of Net Position

June 30, 2025 and 2024

	2025 Governmental Activities	2024 Governmental Activities
Assets and Deferred Outflows of Resources		
Assets		
Cash	$ 28,516,912	$ 31,507,914
Receivables (net):		
Taxes receivable	5,119,490	5,256,688
Intergovernmental receivable	6,422,436	6,666,656
Accounts Receivable	56,123	54,899
Interest	—	59
Prepaid expenses	462,735	291,167
Restricted assets:		
Cash	7,701,555	7,591,914
Capital assets:		
Land and construction in progress	2,290,875	4,782,267
Other capital assets, net of depreciation	84,749,485	80,048,955
Total assets	135,319,611	136,200,519
Deferred Outflows of Resources		
Pension related amounts	9,502,268	9,036,002
Total deferred outflows of resources	9,502,268	9,036,002
Liabilities, Deferred Inflows of Resources and Net Position		
Liabilities		
Accounts payable	3,652,130	3,022,765
Accrued wages	1,925,778	1,964,409
Interest payable	430,246	561,672
Claims payable	341,529	366,503
Retainage payable	83,695	—
Due within one year:		
Compensated absences	511,699	128,093
Bonds payable	4,915,000	9,530,000
Loans payable	2,220,000	2,200,000
Subscription liability	54,584	49,519
Due in more than one year:		
Loans payable	4,620,000	6,840,000
Bonds payable	14,915,000	16,783,901
Compensated absences	3,249,834	384,278
Subscription liability	—	54,584
Net pension liabilities	13,176,686	8,712,067
Total liabilities	50,096,181	50,597,791
Deferred Inflows of Resources		
Pension related amounts	2,413,468	2,597,029
Total deferred inflows of resources	2,413,468	2,597,029

Muncie Community Schools, Indiana

Statement of Net Position

June 30, 2025 and 2024

		2025	2024
		Governmental Activities	**Governmental Activities**
Net Position			
Net investment in capital assets		70,645,354	59,913,753
Restricted for:			
Instruction		2,513,727	859,908
Support services		2,090,723	2,103,821
Other		370,617	453,026
Debt service		2,852,399	7,030,242
Unrestricted		13,839,410	21,680,951
Total net position		$ 92,312,230	$ 92,041,701

See Note A in Notes to Financial Statements

Ball State University
Statements of Fiduciary Net Position
Fiduciary Funds
As of June 30, 2025 and 2024

	2025			2024		
	VEBA Trust	OPEB 115 Trust	Totals	VEBA Trust	OPEB 115 Trust	Totals
Assets:						
Current Assets:						
Cash and Cash Equivalents	$ 4,273,266	$ 1,245,505	$ 5,518,771	$ 5,264,045	$ 76,707	$ 5,340,752
Short Term Investments	1,018,779	86,622	1,105,401	—	—	—
Accrued Interest and Dividend Receivable	945,610	85,629	1,031,239	1,995,796	78,759	2,074,555
Total Current Assets	$ 6,237,655	$ 1,417,756	$ 7,655,411	$ 7,259,841	$ 155,466	$ 7,415,307
Investments, at Fair Value:						
Fixed Income	$152,386,150	$ 9,718,624	$162,104,774	$129,067,971	$ 9,698,724	$138,766,695
Domestic Equity	195,287,047	13,701,440	208,988,487	192,964,139	11,954,274	204,918,413
International Equity	94,865,241	7,444,711	102,309,952	82,922,514	8,117,378	91,039,892
Real Estate Investments	28,659,602	1,636,961	30,296,563	29,579,917	1,801,751	31,381,668
Total Investments	$471,198,040	$ 32,501,736	$503,699,776	$434,534,541	$ 31,572,127	$466,106,668
Total Assets	$477,435,695	$ 33,919,492	$511,355,187	$441,794,382	$ 31,727,593	$473,521,975
Liabilities:						
Current Liabilities:						
Accrued Expenses and Other Liabilities	$ 60,895	$ 6,656	$ 67,551	$ 72,172	$ 8,243	$ 80,415
Total Liabilities	$ 60,895	$ 6,656	$ 67,551	$ 72,172	$ 8,243	$ 80,415
Net Position:						
Restricted for:						
Postemployment Benefits Other Than Pensions	$477,374,800	$ 33,912,836	$511,287,636	$441,722,210	$ 31,719,350	$473,441,560

See Note A in Notes to Financial Statements

Ball State University
Statement of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2025 and 2024

	2025	2024 Restated
Operating Revenues:		
Student Tuition and Fees	$ 254,078,344	$ 241,239,529
Scholarship Allowances	(91,115,769)	(82,260,979)
Net Student Tuition and Fees	$ 162,962,575	$ 158,978,550
Federal Grants and Contracts	9,388,655	12,403,023
State & Local Grants and Contracts	3,787,479	3,441,817
Non-Governmental Grants and Contracts	4,795,135	5,963,184
Sales and Services of Educational Departments	9,531,337	8,610,985
Auxiliary Enterprises:		
Residential Life (Net of Scholarships and Allowances 2025- $20,053,022; 2024- $16,790,169)	52,755,414	54,206,423
Other	14,302,450	16,047,120
Other Operating Revenues	12,000,056	10,860,413
Total Operating Revenues	$ 269,523,101	$ 270,511,515
Operating Expenses:		
Personnel Services	$ 254,026,220	$ 244,631,915
Benefits	104,001,163	91,457,123
OPEB Benefits	(60,593,791)	(39,322,015)
Utilities	16,474,172	14,828,579
Repairs and Maintenance	19,141,864	24,553,594
Other Supplies and Expenses	91,244,113	87,569,334
Student Aid	23,347,977	19,852,756
Depreciation and Amortization	35,023,159	33,431,348
Total Operating Expenses	$ 482,664,877	$ 477,002,634
Operating (Loss)	$ (213,141,776)	$ (206,491,119)
Non-Operating Revenues/(Expenses):		
Federal and State Scholarships and Grants	$ 78,915,702	$ 66,529,422
State Appropriations	167,968,294	167,724,930
Investment Income	29,837,752	23,350,666
Interest on Capital Asset Related Debt	(11,398,086)	(11,426,618)
Interest Income	52,090	53,280
Private Gifts	10,481,275	10,899,871
State Pension Contributions	2,625,950	3,354,907
Other Non-Operating Revenue	21,943,031	7,649,494
Other Non-Operating Expense	(257,164)	—
Net Non-Operating Revenues/(Expenses)	$ 300,168,844	$ 268,135,952
Income Before Other Revenues, Expenses, Gains or Losses	$ 87,027,068	$ 61,644,833
Capital Appropriations	10,471,479	17,282,654
Capital Gifts	13,587,067	4,497,873
Increase in Net Position	$ 111,085,614	$ 83,425,360
Net Position – Beginning of Year	970,302,625	886,959,097
Prior Period Adjustment for Change in Accounting Principle	$ —	$ (81,832)
Net Position – End of Year	$ 1,081,388,239	$ 970,302,625

See accompanying Notes to Financial Statements

Ball State University Foundation, Inc.
Combined and Consolidated Statements of Activities
Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Contributions of cash and other financial assets	$ 854,505	$ 24,277,763	$ 25,132,268	$ 2,188,404	$ 61,661,219	$ 63,849,623
Contributions of nonfinancial assets	—	202,471	202,471	—	1,074,817	1,074,817
Promotional activities and other revenue	2,656,158	—	2,656,158	2,310,677	—	2,310,677
Investment income, net of fees	21,437,139	13,956,299	35,393,438	12,725,537	20,999,725	33,725,262
Change in value of split-interest agreements	—	(398,190)	(398,190)	—	414,966	414,966
Rental income, losses on sales of property and other	1,352,013	—	1,352,013	538,869	(400,000)	138,869
Operating support fees	4,898,104	(4,898,104)	—	4,020,010	(4,020,010)	—
	31,197,919	33,140,239	64,338,158	21,783,497	79,730,717	101,514,214
Net assets released from restrictions	26,156,798	(26,156,798)	—	18,406,241	(18,406,241)	—
Total revenues, gains and other support	57,354,717	6,983,441	64,338,158	40,189,738	61,324,476	101,514,214
Expenses and Losses						
University programs	26,380,854	—	26,380,854	19,291,896	—	19,291,896
Management and general	3,183,753	—	3,183,753	3,272,144	—	3,272,144
Fund raising	7,635,838	—	7,635,838	7,365,826	—	7,365,826
Total expenses	37,200,445	—	37,200,445	29,929,866	—	29,929,866
Uncollectible contribution receivable	—	250,000	250,000	—	175,000	175,000
Total expenses and losses	37,200,445	250,000	37,450,445	29,929,866	175,000	30,104,866
Change in Net Assets	20,154,272	6,733,441	26,887,713	10,259,872	61,149,476	71,409,348
Net Assets, Beginning of Year	38,426,762	359,078,213	397,504,975	28,166,890	297,928,737	326,095,627
Net Assets, End of Year	$ 58,581,034	$365,811,654	$424,392,688	$ 38,426,762	$359,078,213	$397,504,975

See Note A in Notes to Financial Statements

Muncie Community Schools, Indiana

Statement of Activities

Years Ended June 30, 2025 and 2024

Functions/Programs	2025 Expenses	2025 Program Revenues: Charges for Services	2025 Program Revenues: Operating Grants and Contributions	2025 Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	2024 Expenses	2024 Program Revenues: Charges for Services	2024 Program Revenues: Operating Grants and Contributions	2024 Net (Expenses) Revenues and Changes in Net Position: Governmental Activities
Governmental activities:								
Instruction	$47,343,396	$ 1,096,137	$ 17,217,744	$ (29,029,515)	$46,788,601	$ 585,446	$ 25,735,618	$ (20,467,537)
Support services	29,402,947	182,430	1,533,513	(27,687,004)	27,699,347	228,839	1,769,563	(25,700,945)
Community services	5,624,907	—	—	(5,624,907)	7,766,619	—	—	(7,766,619)
Facilities acquisition and construction	759,618	—	—	(759,618)	175,396	—	—	(175,396)
Interest on long term debt	1,004,651	—	—	(1,004,651)	1,090,918	—	—	(1,090,918)
Nonprogrammed charges	3,387,586	—	—	(3,387,586)	79,385	—	—	(79,385)
Total governmental activities	$87,523,105	$ 1,278,567	$ 18,751,257	(67,493,281)	$83,600,266	$ 814,285	$ 27,505,181	(55,280,800)
Total primary government	$87,523,105	$ 1,278,567	$ 18,751,257	(67,493,281)	$83,600,266	$ 814,285	$ 27,505,181	(55,280,800)
General revenues								
Property taxes				12,033,541				12,226,301
State aid				47,397,303				47,357,214
Grants and contributions not restricted to specific programs				8,000,530				8,211,398
Investment income				602,011				899,177
Sale of property				1,807				2,749
Miscellaneous				2,750,330				1,447,728
Total general revenues				70,785,522				70,144,567
Change in net position				3,292,241				14,863,767
Net Position, Beginning				92,041,701				77,177,934
Adjustment to net position for GASB 101 Implementation				(3,021,712)				
Net position, beginning as restated				89,019,989				
Net Position, Ending				$ 92,312,230				$ 92,041,701

See Note A in Notes to Financial Statements

Ball State University
Statements of Changes in Fiduciary Net Position
Fiduciary Funds
As of June 30, 2025 and 2024

	2025			2024		
	VEBA Trust	OPEB 115 Trust	Totals	VEBA Trust	OPEB 115 Trust	Totals
Additions:						
Investment Earnings:						
Interest and Dividends from Investments	$ 11,222,883	$ 841,777	$ 12,064,660	$ 9,004,878	$ 822,281	$ 9,827,159
Net Gain from Sale of Investments	32,164,837	8,977,856	41,142,693	24,295,859	2,347,680	26,643,539
Unrealized Gain (Loss) from Market Appreciation/(Depreciation)	2,560,704	(6,289,235)	(3,728,531)	22,243,965	739,242	22,983,207
Total Investment Earnings (Losses)	$ 45,948,424	$ 3,530,398	$ 49,478,822	$ 55,544,702	$ 3,909,203	$ 59,453,905
Less Investment Expenses:						
Investment Custodial Fees	$ 70,281	$ 6,389	$ 76,670	$ 67,771	$ 5,110	$ 72,881
Investment Management Fees	745,722	30,245	775,967	427,722	946	428,668
Total Investment Expenses	816,003	36,634	852,637	495,493	6,056	501,549
Net Investment Earnings (Losses)	$ 45,132,421	$ 3,493,764	$ 48,626,185	$ 55,049,209	$ 3,903,147	$ 58,952,356
Total Additions (Deductions)	$ 45,132,421	$ 3,493,764	$ 48,626,185	$ 55,049,209	$ 3,903,147	$ 58,952,356
Deductions:						
Premiums Paid from Trust	$ —	$ 1,300,278	$ 1,300,278	$ —	$ 1,757,226	$ 1,757,226
Claim Reimbursement	9,479,831	—	9,479,831	—	—	—
Total Deductions	$ 9,479,831	$ 1,300,278	$ 10,780,109	$ —	$ 1,757,226	$ 1,757,226
Net Increase (Decrease) in Fiduciary Net Position	$ 35,652,590	$ 2,193,486	$ 37,846,076	$ 55,049,209	$ 2,145,921	$ 57,195,130
Net Position Restricted for Fiduciary Funds:						
Net Position - Beginning of Year	441,722,210	31,719,350	473,441,560	386,673,001	29,573,429	416,246,430
Net Position - End of Year	$477,374,800	$ 33,912,836	$511,287,636	$441,722,210	$ 31,719,350	$473,441,560

See Note A in Notes to Financial Statements

Ball State University
Statement of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024 Restated
Sources/(Uses) of Cash:		
Operating Activities:		
Tuition and Fees	$ 162,822,831	$ 159,713,434
Grants and Contracts	20,103,503	20,666,351
Payments to Suppliers	(81,725,071)	(87,215,621)
Payments for Maintenance and Repair	(19,141,864)	(24,553,594)
Payments for Utilities	(16,474,172)	(14,828,579)
Payments for Personnel Services	(251,125,253)	(244,322,067)
Payments for Benefits	(96,716,783)	(88,764,716)
Payments for Scholarships and Fellowships	(23,347,977)	(19,852,756)
Auxiliary Enterprise Charges:		
Room and Board	52,148,850	53,147,143
Other	14,005,909	16,065,891
Sales and Services of Educational Activities	8,673,740	8,971,621
Other Receipts/Disbursements/Advances	11,910,156	11,912,274
Net Cash (Used) by Operating Activities	$ (218,866,131)	$ (209,060,619)
Non-Capital Financing Activities:		
Federal and State Scholarships and Grants	$ 79,083,900	$ 66,224,971
State Appropriations	167,968,294	167,724,930
William D. Ford Direct Lending Receipts	106,463,891	103,817,527
William D. Ford Direct Lending Disbursements	(106,463,891)	(103,817,527)
Private Gifts	9,590,997	11,016,454
Foundation Receipts	349,331	332,296
Foundation Disbursements	(349,331)	(332,296)
Other Non-Operating Revenue	20,773,942	7,599,494
Net Cash Provided by Non-Capital Financing Activities	$ 277,417,133	$ 252,565,849
Capital Financing Activities:		
Proceeds from Capital Debt	$ 44,200,000	$ —
Capital Appropriations	10,471,479	17,282,654
Capital Gifts	13,587,067	4,497,873
Purchases of Capital Assets	(42,468,573)	(31,769,195)
Principal Paid on Capital Debt	(25,881,283)	(25,672,879)
Interest Paid on Capital Debt	(14,393,245)	(15,021,826)
Payments Received on Lease Receivable	1,829,937	323,126
Interest Received on Lease Receivable	53,671	52,800
Increase in Lease Deferred Income	—	29,351
Net Cash (Used) by Capital Financing Activities	$ (12,600,947)	$ (50,278,096)
Investing Activities:		
Proceeds from Sales and Maturities of Investments	$ 1,174,644,640	$ 1,409,820,842
Interest on Investments	15,078,653	4,199,678
Purchase of Investments	(1,222,815,446)	(1,410,655,916)
Net Cash Provided by Investing Activities	$ (33,092,153)	$ 3,364,604
Net Increase/(Decrease) in Cash	$ 12,857,902	$ (3,408,262)
Cash – Beginning of the Year	55,647,983	59,056,245
Cash – End of the Year	$ 68,505,885	$ 55,647,983

Ball State University
Statement of Cash Flows
Years Ended June 30, 2025 and 2024

	2025	2024 Restated
Reconciliation of Net Operating Revenues/(Expenses) to Net Cash (Used) by Operating Activities:		
Operating Income/(Loss)	$ (213,141,776)	$ (206,491,119)
Adjustments to Reconcile Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Depreciation and Amortization Expense	35,023,159	33,431,348
Equipment Retired	210,189	3,402,245
GIK Donations	200,950	1,063,316
Pensions Covered by State of Indiana	2,625,950	3,354,907
Changes in Assets and Liabilities:		
Operating Receivables, Net	123,005	(463,597)
Inventories	81,943	165,246
Other Assets	(1,535,537)	(129,519)
Net OPEB Asset	(72,209,626)	(79,600,985)
Accounts Payable	12,532,051	(3,612,878)
Unearned Revenue	241,079	121,015
Deposits Held for Others	(820,679)	(624,362)
Compensated Absences	136,285	388,065
Net Pension Liability	6,011,191	4,021,807
Net OPEB Liability	—	(298,714)
Deferred Outflows	23,767,364	29,111,050
Deferred Inflows	(12,481,660)	6,419,412
Accounts and Notes Receivable	619,981	932,144
Notes Payable	(250,000)	(250,000)
Net Cash (Used) by Operating Activities	$ (218,866,131)	$ (209,060,619)
Significant Non-Cash Transactions		
TRF Pre-1996 Pension Expense Covered by State of Indiana	$ 2,625,950	$ 3,354,907
Gifts in Kind Donations	$ 200,950	$ 1,063,316
Subscription Obligations Incurred for New SBITAs	$ (730,083)	$ (5,919,637)
Lease Obligation Incurred for New ROU Lease Assets	$ (1,396,202)	$ (45,555)
Lease Receivable Related to Leases	$ 1,299,281	$ 333,306

See accompanying Notes to Financial Statements

Ball State University
Notes to Financial Statements
June 30, 2025

Note A–Basis of Presentation and Summary of Significant Accounting Policies

Organization

Ball State University (the "University") is a public institution of higher education that was established by the State of Indiana legislature. The University is governed by a nine-member Board of Trustees in accordance with IC 21-19-3-2. The University is considered to be a component unit of the State of Indiana. 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.

Reporting Entity

Discrete Component Units

The financial reporting entity consists of the primary government, Ball State University, and other legally separate organizations that are deemed related to the primary government due to financial accountability, an imposition of will, or when the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, as required by Governmental Accounting Standards Board (GASB) Statement No. 14*, The Financial Reporting Entity* as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units,* as well as additional requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus.* This statement modifies certain requirements for inclusion of component units in the financial reporting entity. Based on these criteria, the financial report includes the University and its related entities, Ball State University Foundation and Muncie Community School Corporation. The University evaluates potential component units for inclusion in the reporting entity based on all of the aforementioned criteria on an annual basis.

The Ball State University Foundation (the "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 the University. Under the reporting standards of the 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-nine voting directors, eight of whom serve by position. The eight directors who serve by position include the following:

- Chair of the Ball State University Board of Trustees;
- President of Ball State University (who shall serve as the Vice-Chair of the Board of Directors);
- Vice President for Business Affairs and Treasurer, Ball State University;
- President of Ball State University Foundation (who shall serve as the University's Vice President for University Advancement);
- Two (2) additional members of the Ball State University Board of Trustees, as designated by the Board of Trustees;
- Two (2) members of the Executive Committee of the Alumni Council of the Ball State University Alumni Association, as designated by the Alumni Council.

Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources or income 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 using both unrestricted funds and those restricted by donors. Expenditures include scholarships, funding of distinguished professorships, capital expenditures, and operational support.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards. 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 annual report for these differences.

Complete financial statements for the Foundation can be requested from the Ball State University Foundation office at 2800 W. Bethel Ave., Muncie, IN 47306.

The Muncie Community Schools (the "School Corporation") was established under the laws of the State of Indiana. The School Corporation operates under the Board of School Trustees form of government and provides educational services. During a special legislative session in May 2018, the Indiana General Assembly adopted legislation to grant Ball State University authority to appoint Muncie Community School Board of Trustees in June 2018. This action created a discrete component unit relationship.

The School Corporation's financial statements can be requested from the Muncie Community Schools at 4301 S Cowan Rd, Muncie, Indiana 47302, or by emailing mcsinfo@muncieschools.org. The audited financial reports are also available on the Indiana State Board of Accounts website at: https://secure.in.gov/apps/sboa/audit-reports/#/. Additional financial information can be found on the Indiana Gateway for Government Units website at: https://gateway.ifionline.org/.

Blended Component Units

In September of 2009, the University's Board of Trustees directed that the Ball State Innovation Corporation (BSIC) be formed to serve a specific purpose on behalf of the University. BSIC is a nonprofit corporation and exempt from tax as a 501(c)(3). In October of 2024, the purposes and powers of BSIC were amended to include assisting the University in financing and developing facilities through the ownership of the facilities and leasing the facilities back to the University on a lease-purchase basis. Certain administrative officers of the University, by virtue of their titles, serve as directors and officers of BSIC. BSIC is reported as a blended component unit of the University and is consolidated within the University's financial statements.

BSIC had little to no activity during fiscal years 2023 and 2024. In fiscal year 2025, all activity related to the construction and ownership of the new Performing Arts Center and Center for Innovation and Collaboration was moved from the University to BSIC. In fiscal year 2025, BSIC also issued debt in the form of lease purchase obligations (LPOs) to fund a portion of the costs related to the two new facilities, the debt service for which is provided by lease payments from the University. The LPOs are secured by certain real estate and the projects located on that real estate, the lease payments made by the University to BSIC, and a pledge of available income, except student fees and state appropriations.

Under the LPOs, assets are financed on a lease purchase basis under an Indenture between BSIC and the bond trustee for the LPOs. BSIC assigns the right to receive lease payments received from the University to the trustee. The Indenture constitutes a mortgage on the financed properties. When the LPOs are fully repaid, all the lease agreements are terminated and the ownership of the facilities passes to the University. Please see Note E for additional information.

Fiduciary Activities

With the implementation of GASB Statement No. 84, *Fiduciary Activities,* the University has included the financial statements of the fiduciary funds that hold the assets for the University's Other Post-Employment Benefits (OPEB) plans. The principal objective of this statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. There are two legally separate custodial trusts. The Voluntary Employee Beneficiary Association (VEBA) Trust is the larger of the two funds and was established in 1988 as a vehicle to accumulate assets for the Retiree Healthcare Plan. Beginning with fiscal year 2025, the VEBA began covering a portion of the costs of this plan. In addition, the University has discretion to pay premiums from the OPEB auxiliary reserves.

The second trust is an OPEB 115 Trust (OPEB 115), which was originally established as a Life Insurance Continuity Fund in 1979. It has since been re-established as a 115 Trust. This trust was created to support another OPEB plan, the Retiree Life Insurance Plan. During the last few years, the OPEB 115 Trust has been used to pay some of the life insurance premiums for the plan.

Both trusts were analyzed and determined not to be component units under GASB No. 84. The Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position are found in the Financial Statements section of this report. These statements only contain information related directly to the custodial trusts. Plan information is found in Note I.

The University also holds funds in agency relationships that may qualify as a fiduciary activity. However, the activity is deemed immaterial and thus not presented in this report.

Basis of Presentation

The financial statements of the University are prepared in accordance with the accounting principles generally accepted in the United States of America as provided by the GASB including GASB Statement No. 34*, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 35*, Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. The 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 Position
Statement of Revenues, Expenses and Changes in Net Position
Statement of Cash Flows
Notes to Financial Statements
Required Supplemental Information other than Management's Discussion and Analysis

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 are recorded when received.

The 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; appropriations and other revenues for operation of the Indiana Academy for Science, Mathematics, and Humanities; grants for other purposes; and payments to state retirement programs for University employees.

Summary of Significant Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of ninety days or less, that bear little or no market risk. Amounts included are cash held in banks, revolving and change funds, cash in transit, deposits with bond trustee, and investments held at June 30 with original maturities of ninety days or less.

Funds identified as Deposit with Bond Trustee represent amounts that are paid to bondholders at the beginning of the next fiscal year and thus are reported as restricted. Restricted cash and cash equivalents for fiscal year ended June 30, 2025 and 2024 were $36,662,291 and $30,829,510, respectively, and consist entirely of Deposit with Bond Trustee that are paid by the bond trustee to bondholders at the beginning of the next fiscal year.

Investments

Investments are reported at fair value. Investments with a maturity date of ninety-one days to one year are considered to be short term investments. Investments with a maturity date of greater than one year are considered to be noncurrent assets. Realized and unrealized gains and losses are reported in Investment Income.

Accounts Receivable

Accounts receivable consists primarily of amounts due from students, grants and contracts, and auxiliary enterprises and are recorded net of a calculated reserve for uncollectible amounts. The reserves as of June 30, 2025 and June 30, 2024 were $16,740,590 and $14,201,414, respectively.

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.

Notes Receivable

Notes receivable consists primarily of student loan repayments due the University and are recorded net of a calculated reserve for uncollectible amounts. The reserves as of June 30, 2025 and June 30, 2024 were $547,000 and $581,000, respectively. Notes receivable due in greater than one year are classified as a noncurrent asset.

Prepaid Expenses

Prepaid expenses consists of payments made for services relating to future fiscal year periods. This includes contracts, insurance, and subscriptions.

Capital Assets

Capital assets consist of land and land improvements, infrastructure, buildings and building improvements, construction in progress, and equipment and are recorded at cost or, for contributed assets, at fair value at the date of acquisition. Additionally, in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* intangible assets costing in excess of $100,000 and having a life greater than one year are capitalized. All land and building acquisitions are capitalized. Capital assets also include land improvements and infrastructure costing in excess of $100,000. Building improvements are capitalized if the project cost is more than $100,000 or 20.0 percent of the building's replacement value and either extends the useful life of the building, changes the use or purpose of the original building, or expands the total square footage of the building. The University capitalizes equipment with a cost of $5,000 or more and a useful life in excess of one year. Construction costs that cross fiscal years are capitalized as construction in progress, but are not depreciated until the assets are placed in service. Non-capital equipment and facility costs, routine repairs, and maintenance are charged to operating expenses in the year the expense was incurred.

Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally fifty years for buildings, ten to fifty years for exhaustible land improvements, and three to twenty-five years for equipment. Land is not depreciated.

The library collection is not depreciated. All items in the collection are deemed to retain their full value if they are still on hand. All new additions to the collection are treated as an expense at the time of purchase.

The art collection, housed primarily in the David Owsley Museum of Art at Ball State University, 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.

Deferred Outflows of Resources

The deferred outflows of resources section on the Statement of Net Position represents a consumption of net position that applies to a future period that will not be recognized as an outflow of resources (expense) until then. Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred outflows of resources include amounts from the calculation of both net pension liability and net OPEB liability (asset) as well as contributions paid after the measurement dates.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of vendor and other payables together with bi-weekly salaries and related benefit payments due and payable within the current operating period.

Deposits Held in Custody for Others

Deposits of affiliates and others represent cash and invested funds held by the University as a result of agency relationships with various groups and individuals.

Unearned Revenue

Unearned revenue is recorded for current cash receipts for certain student fees and auxiliary goods and services, which will be recorded as revenue in future periods. Also included are amounts received from contract and grant sponsors that have not yet been earned.

Compensated Absences

Liabilities for compensated absences are recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized for leave that has not been used if all three factors exist: (1) the leave is attributable to services already rendered, (2) the leave accumulates, and (3) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Accumulation of vacation and sick leave are dependent upon a University employee's job classification and experience history. University policy determines other variables with each job classification such as: years of service, age, eligibility for retirement, and in which retirement plan the employee participates. Some salary-related payments that are directly and incrementally associated with payments for leave are also included in the measurement of the liabilities such as certain tax and retirement related expenses. All of these variables are considered in computing the University's liability for compensated absences.

Net Pension Liability and Related Items

Net pension liability and related deferred inflow and outflows of resources of defined benefit pension plans administered by Indiana Public Retirement System (INPRS) are included in the University's financial statements in accordance with GASB Statement No. 68. The University participates in the Public Employees' Defined Benefit Account (Hybrid Plan) (PERF DB), Teachers' 1996 Defined Benefit Account (TRF 1996 DB), and the Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB). The University uses information provided by INPRS to report its allocated share of these items. See Note I for more information.

Net OPEB Asset/Liability and Related Items

The University is self-insured for retiree healthcare and life insurance, and provides this benefit to qualified retirees. These plans have related trusts which invokes GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* in addition to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.* The University is the administrator for both plans. The University contracts with an actuary to provide information for the reporting and disclosures required by these two standards including deferred outflows and inflows of resources. See Note I for more information.

Bonds, Leases, Subscription-Based Information Technology Agreements (SBITAs), and Notes Payable

The University has entered into various types of debt, with maturity dates both current and non-current. The University also includes the debt of a blended component unit within the financial statements and note disclosures. The leases and SBITAs represent additional contractual obligations of the University. Additional information can be found in Notes E, G, and O.

Deferred Inflows of Resources

The deferred inflows of resources section on the Statement of Net Position represents an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period, but do not require a further exchange of goods or services. The deferred inflows of resources include amounts from the calculation of the University's net pension liability, net OPEB liability (asset), and leases.

Net Position

The University's net position is classified for financial reporting in the following categories:

- Net investment in capital assets: This component of net position includes capital assets, net of accumulated depreciation and outstanding principal debt balances related to the acquisition, construction, or improvement of those assets.
- Restricted – nonexpendable scholarships: This includes endowments received by donors, for which the principal is to be maintained in perpetuity and invested for the purpose of producing present and future income, which may be either expended or added to principal.
- Restricted – expendable: Resources classified as restricted and expendable are those for which the University is legally obligated to spend in accordance with externally imposed stipulations.
- Unrestricted: Unrestricted resources are not subject to externally imposed restrictions and are primarily used for meeting expenses for academic, capital, and general operations of the University.

Intra-University Transactions

Intra-university transactions are eliminated from the statement to avoid double counting of certain activities. Examples of these transactions are sales and services between University departments.

Operating Revenues and Expenses

Operating revenues encompass all revenues from exchange transactions arising from the activities necessary to carry out the primary mission of the University, including tuition and fees, grants and contracts, sales and services of educational departments, and auxiliary enterprises net revenues.

Operating expenses encompass all expenses paid to acquire goods and services provided in return for operating revenues and to carry out the mission of the University. Examples include personnel services, benefits, and other supplies and expenses. Expenses are reported using natural classifications in the Statement of Revenues, Expenses and Changes in Net Position.

Non-Operating Revenues and Expenses

Revenues and expenses that do not meet the definition of operating or capital revenues are classified as non-operating. These revenues and expenses are from non-exchange transactions. Examples are investment income, Ball State University Foundation donations, federal and state financial aid, and state appropriations.

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. 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.

The University conducts summer classes, which for billing purposes consist of two five-week summer terms and a ten-week summer semester. The first summer term takes place during May and June, while the second summer term takes place during June and July, with slightly more days falling in July. The summer semester takes place during the two summer terms. Bills are due on June 1. By June 30, students have exhausted most of 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 expensed for work performed through June 30, and accrued for any payments made in June for work in July.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Public-Public and Public-Private Partnerships (PPP) and Service Concession Agreements (SCA)

The University evaluates agreements with various vendors in accordance with GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements. At June 30, 2025, the University had entered into several agreements with private developers for the development of the Village. The Build Operate Transfer agreements for the design and construction of the Performing Arts Center and the Center for Innovation and Collaboration are determined to be Public-Private Partnership Agreements. None of the agreements have resulted in significant deferred inflows or outflows of resources that would require further disclosure as of June 30, 2025 and June 30, 2024. Additionally, the University and Ball State Innovation Corporation (BSIC) executed an agency and general operating agreement giving the University responsibility for providing contractually agreed upon services as agent for BSIC during the construction of these projects. As a blended component unit fully incorporated in the financial statements of the University, these agreements were not determined to be subject to PPP reporting. See Note E for information related to the financing of this construction.

A Service Concession Agreement (SCA) is a special type of PPP with the University as the transferor and a third party as the operator. Currently, the University is not engaged in any material SCA activities.

Ball State football game / Scheumann Stadium

New Accounting Pronouncements: Adoption of New Standard

The most impactful pronouncement for the fiscal year ended June 30, 2025, was GASB Statement No. 101, *Compensated Absences.* This statement updates the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement requires the liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

GASB Statement No. 102, *Certain Risk Disclosures,* was also effective for fiscal year ended June 30, 2025. The Statement requires the University to assess and disclose whether a concentration or constraint of risk exists that would have a substantial impact. Further, the University is required to determine whether such an event has occurred, begun to occur, or is more likely than not to occur within 12 months of the issuance of the financial statements. After review, it was determined that this pronouncement had no material impact on the University's Financial Statements, and therefore, no disclosures were necessary.

Restatement

Restatement - Error Correction

A restatement for the correction of an error in financial reporting was necessary for the fiscal year ended June 30, 2025. The University did not record an accounts receivable for a textbook scholarship/donation that should have been accrued for the fiscal year ended June 30, 2024. See Note P.

Restatement - Change in Accounting Principle

GASB Statement No. 101, *Compensated Absences,* was implemented for the fiscal year ended June 30, 2025 and requires a retroactive restatement of comparative periods presented in the Financial Report. Additional information on compensated absences can be found under the title, "Compensated Absences," found earlier in this note. For fiscal year ended June 30, 2025 and restated for June 30, 2024, adjustments have been made to the financial statements. See note P.

Note B – Capital Assets

	Book Value June 30, 2024	Additions	Deductions	CIP Transfers	Book Value June 30, 2025
Assets Not Being Depreciated:					
Land	$ 43,688,030	$ 5,028,214	$ 14,122	$ —	$ 48,702,122
Construction In Progress	66,965,159	30,741,177	—	(61,825,721)	35,880,615
Total Capital Assets Not Being Depreciated	$ 110,653,189	$ 35,769,391	$ 14,122	$ (61,825,721)	$ 84,582,737
Other Capital Assets:					
Land Improvements	$ 56,827,728	$ —	$ —	$ 241,213	$ 57,068,941
Infrastructure	112,214,673	—	—	1,761,607	113,976,280
Educational Buildings	494,362,585	—	—	59,481,801	553,844,386
Utility Buildings	36,510,553	—	—	—	36,510,553
Educational Equipment	59,477,494	2,437,060	1,801,844	—	60,112,710
Auxiliary Enterprise Buildings	566,212,924	1,111,665	—	—	567,324,589
Auxiliary Enterprise Equipment	18,945,141	711,881	325,067	341,100	19,673,055
Other Property	3,907,033	416,650	58,692	—	4,264,991
Software	16,348,922	—	—	—	16,348,922
Total Other Capital Assets	$ 1,364,807,053	$ 4,677,256	$ 2,185,603	$ 61,825,721	$ 1,429,124,427
Less Accumulated Depreciation:					
Land Improvements	$ 36,210,950	$ 1,758,514	$ —	$ —	$ 37,969,464
Infrastructure	54,123,953	3,760,100	—	—	57,884,053
Educational Buildings	217,040,272	11,025,920	—	—	228,066,192
Utility Buildings	13,421,590	734,161	—	—	14,155,751
Educational Equipment	47,997,932	2,685,745	1,657,426	—	49,026,251
Auxiliary Enterprise Buildings	182,107,969	11,234,607	—	—	193,342,576
Auxiliary Enterprise Equipment	16,160,531	859,716	325,067	—	16,695,180
Other Property	690,030	84,400	7,043	—	767,387
Software	16,341,382	7,539	—	—	16,348,921
Total Accumulated Depreciation, Other Capital Assets	$ 584,094,609	$ 32,150,702	$ 1,989,536	$ —	$ 614,255,775
Capital Assets, Net	$ 891,365,633	$ 8,295,945	$ 210,189	$ —	$ 899,451,389

	Book Value June 30, 2023	Additions	Deductions	CIP Transfers	Book Value June 30, 2024
Assets Not Being Depreciated:					
Land	$ 40,949,322	$ 2,738,708	$ —	$ —	$ 43,688,030
Construction In Progress	47,866,824	22,386,746	—	(3,288,411)	66,965,159
Total Capital Assets Not Being Depreciated	$ 88,816,146	$ 25,125,454	$ —	$ (3,288,411)	$ 110,653,189
Other Capital Assets:					
Land Improvements	$ 54,209,030	$ —	$ —	$ 2,618,698	$ 56,827,728
Infrastructure	112,379,578	—	164,905	—	112,214,673
Educational Buildings	503,244,355	—	9,427,676	545,906	494,362,585
Utility Buildings	42,543,888	—	6,033,335	—	36,510,553
Educational Equipment	58,772,836	4,611,509	3,906,851	—	59,477,494
Auxiliary Enterprise Buildings	566,089,117	—	—	123,807	566,212,924
Auxiliary Enterprise Equipment	18,857,630	886,465	798,954	—	18,945,141
Other Property	3,467,647	439,386	—	—	3,907,033
Software	16,348,922	—	—	—	16,348,922
Total Other Capital Assets	$ 1,375,913,003	$ 5,937,360	$ 20,331,721	$ 3,288,411	$ 1,364,807,053
Less Accumulated Depreciation:					
Land Improvements	$ 34,459,654	$ 1,751,296	$ —	$ —	$ 36,210,950
Infrastructure	50,226,661	4,052,981	155,689	—	54,123,953
Educational Buildings	214,731,047	9,832,665	7,523,440	—	217,040,272
Utility Buildings	17,295,120	734,161	4,607,691	—	13,421,590
Educational Equipment	49,134,254	2,733,019	3,869,341	—	47,997,932
Auxiliary Enterprise Buildings	170,895,596	11,212,373	—	—	182,107,969
Auxiliary Enterprise Equipment	16,069,479	864,367	773,315	—	16,160,531
Other Property	612,789	77,241	—	—	690,030
Software	16,315,916	25,466	—	—	16,341,382
Total Accumulated Depreciation, Other Capital Assets	$ 569,740,516	$ 31,283,569	$ 16,929,476	$ —	$ 584,094,609
Capital Assets, Net	$ 894,988,633	$ (220,755)	$ 3,402,245	$ —	$ 891,365,633

Note C – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2025 and 2024:

	June 30, 2025	Restated June 30, 2024
Accrued Payroll	$ 7,635,338	$ 3,621,001
Accrual for Compensated Absences	6,308,094	6,420,340
Interest Payable	7,637,048	7,342,169
Vendor and Other Payables	28,921,564	20,291,603
Total Accounts Payable and Accrued Liabilities	$ 50,502,044	$ 37,675,113

Note D – Other Liabilities

Other liability activity for the fiscal years ended June 30, 2025 and 2024 is summarized below as follows:

	Restated Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Current
Notes Payable	$ 250,000	$ —	$ 250,000	$ —	$ —
Subscription Liability	8,311,426	730,083	2,232,182	6,809,327	2,041,275
Lease Payable	182,611	1,396,202	79,101	1,499,712	496,348
Long Term Liabilities	352,990,146	44,200,000	26,860,040	370,330,106	32,410,039
Liability for Compensated Absences	7,717,919	1,804,577	1,780,538	7,741,958	6,308,094
Net Pension Liability	33,043,392	23,613,533	17,602,342	39,054,583	—
Net OPEB Liability	—	—	—	—	—
Perkins Loan Program - Federal Capital Contribution	2,277,930	186,414	936,929	1,527,415	—
Other Liabilities	$ 404,773,424	$ 71,930,809	$ 49,741,132	$ 426,963,101	$ 41,255,756

	Restated Balance July 1, 2023	Additions	Reductions	Restated Balance June 30, 2024	Current
Notes Payable	$ 500,000	$ —	$ 250,000	$ 250,000	$ 250,000
Subscription Liability	3,790,285	5,919,637	1,398,496	8,311,426	1,995,751
Lease Payable	486,439	45,555	349,383	182,611	124,403
Long Term Liabilities	380,205,185	—	27,215,039	352,990,146	26,860,039
Liability for Compensated Absences	6,966,190	2,244,805	1,493,077	7,717,919	6,420,340
Net Pension Liability	29,021,585	16,578,771	12,556,964	33,043,392	—
Net OPEB Liability	298,714	—	298,714	—	—
Perkins Loan Program - Federal Capital Contribution	3,217,731	239,636	1,179,437	2,277,930	—
Other Liabilities	$ 424,486,129	$ 25,028,404	$ 44,741,110	$ 404,773,424	$ 35,650,533

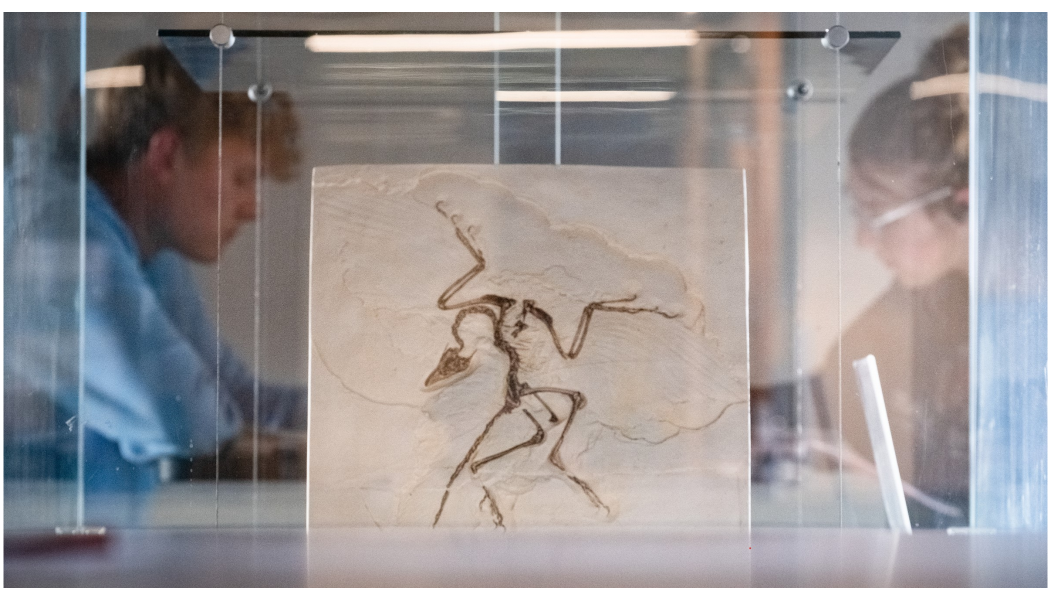
Note E – Bonds Payable and Other Obligations

Long term liabilities reported in the Statement of Net Position include principal obligations for outstanding bonds and the noncurrent portions of premiums received on certain bond series and unamortized deferred costs. These bonds are considered other debt in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The premiums, where applicable, are being amortized over the life of each series and reduce the recorded interest expense. The deferred costs represent the net of gains and losses on refunding of previous debt and are amortized over the shorter of the life of the old or new debt. The current portion of net unamortized premium and deferred costs are reflected in the Statement of Net Position as accounts payable and accrued liabilities.

Debt-Related Liabilities	**Balance June 30, 2024**	**Increases**	**Decreases**	**Balance June 30, 2025**	**Current Portion**
Bonds Payable					
Revenue Bonds	$ 115,645,000	$ —	$ 8,585,000	$ 107,060,000	$ 8,975,000
Student Fee Bonds	192,730,000	—	14,985,000	177,745,000	15,725,000
Lease Purchase Obligations	—	44,200,000	—	44,200,000	4,420,000
Total Bonds Payable	$ 308,375,000	$ 44,200,000	$ 23,570,000	$ 329,005,000	$ 29,120,000
Net Unamortized Premiums and Deferred Costs	44,615,146	—	3,290,040	41,325,106	3,290,039
Total Debt-Related Liabilities	**$ 352,990,146**	**$ 44,200,000**	**$ 26,860,040**	**$ 370,330,106**	**$ 32,410,039**

Debt-Related Liabilities	**Balance June 30, 2023**	**Increases**	**Decreases**	**Balance June 30, 2024**	**Current Portion**
Bonds Payable					
Revenue Bonds	$ 123,670,000	$ —	$ 8,025,000	$ 115,645,000	$ 8,585,000
Student Fee Bonds	208,630,000	—	15,900,000	192,730,000	14,985,000
Total Bonds Payable	$ 332,300,000	$ —	$ 23,925,000	$ 308,375,000	$ 23,570,000
Net Unamortized Premiums and Deferred Costs	47,905,185	—	3,290,039	44,615,146	3,290,039
Total Debt-Related Liabilities	**$ 380,205,185**	**$ —**	**$ 27,215,039**	**$ 352,990,146**	**$ 26,860,039**

When necessary, the University issues municipal bonds for purposes of construction and renovation of campus facilities. All outstanding bonds are tax-exempt with fixed rates and maturities of twenty years or less. The principal and interest on these bonds are payable from net revenues of specific auxiliary enterprises and/or from student fees. As part of each biennial budget, the Indiana General Assembly authorizes a state appropriation to the University for ”fee replacement” of debt service payments on certain student fee bonds issued under IC 21-34-6. While state statutes prohibit a current General Assembly from binding future General Assemblies to provide fee replacement, the State of Indiana has never failed to fully fund fee replacement obligations established by a prior General Assembly. In the table that follows, all student fee bonds with the exception of Series O (now a part of Series R) are eligible for fee replacement from the state.



Cooper Science Building

All but two of the bond issues shown in the table below were issued through a public offering. The Housing and Dining Series 2023 bond was issued on June 28, 2023 as a direct placement with JPMorgan Chase Bank, N.A. in order to refund the Housing and Dining Series 2013 bonds at a lower rate. The Lease Purchase Obligations Series 2025 bond was issued on January 8, 2025 as a direct placement with Regions Capital Advantage, Inc. for the purpose of funding a portion of the costs related to the new Performing Arts Center and new Center for Innovation and Collaboration. More information on the Lease Purchase Obligation is provided in Note A under the discussion of Blended Component Units.

Issue	Description	Interest Rates	Date of Issue	Final Maturity	Original Issue	Outstanding June 30, 2024	Retired 2024-2025	Outstanding June 30, 2025	Current Portion Outstanding June 30, 2025
Revenue Bonds Issued Under Authority of IC 21-35-3:									
Housing and Dining Series 2016	Fund the renovation and expansion of Schmidt/ Wilson Residence Halls in Johnson Complex and to refund the outstanding Housing and Dining System Revenue Bonds, Series 2006.	2.00-5.00%	1/27/16	7/1/35	$ 53,230,000	$ 29,395,000	$ 3,750,000	$ 25,645,000	$ 3,930,000
Housing and Dining Series 2018	Fund North Residential Neighborhood Phase I which includes reconfiguration of McKinley Avenue and construction of one new residence hall and a stand-alone dining facility	3.25-5.00%	6/27/18	7/1/38	$ 79,390,000	$ 66,115,000	$ 3,075,000	$ 63,040,000	$ 3,235,000
Housing and Dining Series 2023	To refund the outstanding Housing and Dining System Revenue Bonds, Series 2013 maturing on or after 7/1/2024.	2.96%	6/28/23	7/1/33	$ 20,135,000	$ 20,135,000	$ 1,760,000	$ 18,375,000	$ 1,810,000
Student Fee Bonds Issued Under Authority of IC 21-34-6:									
Series Q	Fund Phase II of the Central Campus Renovation and Utilities Improvement Project, a portion of the campus geothermal project, and to refund the outstanding Student Fee Bonds, Series M	2.00-5.00%	10/21/13	7/1/32	$ 35,840,000	$ 14,660,000	$ 2,530,000	$ 12,130,000	$ 2,635,000
Series R	Fund construction of the new Health Professions Building and to refund portions of the outstanding Student Fee Bonds, Series N and all outstanding Student Fee Bonds, Series O and Series P	2.00-5.00%	1/26/17	7/1/36	$123,025,000	$ 72,985,000	$ 7,295,000	$ 65,690,000	$ 7,670,000
Series S	Fund construction of the new Foundational Sciences Building and to refund portions of the outstanding Student Fee Bonds, Series N	4.00-5.00%	5/22/19	7/1/38	$ 83,650,000	$ 64,025,000	$ 3,590,000	$ 60,435,000	$ 3,770,000
Series T	Fund renovation and partial demolition of the Cooper Science Complex	5.00%	6/16/21	7/1/40	$ 47,495,000	$ 41,060,000	$ 1,570,000	$ 39,490,000	$ 1,650,000
Lease Purchase Obligations Issued Under Authority of IC 21-33-3-5:									
Series 2025	Fund a portion of the Performing Arts Center and Center for Innovation and Collaboration	3.97%	1/8/25	7/1/34	$ 44,200,000	$ —	$ —	$ 44,200,000	$ 4,420,000
Subtotal Bonds Payable					$486,965,000	$308,375,000	$23,570,000	$329,005,000	$ 29,120,000
Net Unamortized Premiums and Costs						44,615,146	3,290,040	41,325,106	3,290,039
Total Bonds Payable						**$352,990,146**	**$26,860,040**	**$370,330,106**	**$ 32,410,039**

Issue	Description	Interest Rates	Date of Issue	Final Maturity	Original Issue	Outstanding June 30, 2023	Retired 2023-2024	Outstanding June 30, 2024	Current Portion Outstanding June 30, 2024
Revenue Bonds Issued Under Authority of IC 21-35-3:									
Housing and Dining Series 2013	Fund the renovation and expansion of Botsford/ Swinford Residence Halls in Johnson Complex	3.00-5.00%	10/8/13	7/1/23	$ 33,160,000	$ 1,535,000	$ 1,535,000	$ —	$ —
Housing and Dining Series 2016	Fund the renovation and expansion of Schmidt/ Wilson Residence Halls in Johnson Complex and to refund the outstanding Housing and Dining System Revenue Bonds, Series 2006.	2.00-5.00%	1/27/16	7/1/35	$ 53,230,000	$ 32,960,000	$ 3,565,000	$ 29,395,000	$ 3,750,000
Housing and Dining Series 2018	Fund North Residential Neighborhood Phase I which includes reconfiguration of McKinley Avenue and construction of one new residence hall and a stand-alone dining facility	3.25-5.00%	6/27/18	7/1/38	$ 79,390,000	$ 69,040,000	$ 2,925,000	$ 66,115,000	$ 3,075,000
Housing and Dining Series 2023	To refund the outstanding Housing and Dining System Revenue Bonds, Series 2013 maturing on or after 7/1/2024.	2.96%	6/28/23	7/1/33	$ 20,135,000	$ 20,135,000	$ —	$ 20,135,000	$ 1,760,000
Student Fee Bonds Issued Under Authority of IC 21-34-6:									
Series Q	Fund Phase II of the Central Campus Renovation and Utilities Improvement Project, a portion of the campus geothermal project, and to refund the outstanding Student Fee Bonds, Series M	2.00-5.00%	10/21/13	7/1/32	$ 35,840,000	$ 17,075,000	$ 2,415,000	$ 14,660,000	$ 2,530,000
Series R	Fund construction of the new Health Professions Building and to refund portions of the outstanding Student Fee Bonds, Series N and all outstanding Student Fee Bonds, Series O and Series P	2.00-5.00%	1/26/17	7/1/36	$123,025,000	$ 81,030,000	$ 8,045,000	$ 72,985,000	$ 7,295,000
Series S	Fund construction of the new Foundational Sciences Building and to refund portions of the outstanding Student Fee Bonds, Series N	4.00-5.00%	5/22/19	7/1/38	$ 83,650,000	$ 67,970,000	$ 3,945,000	$ 64,025,000	$ 3,590,000
Series T	Fund renovation and partial demolition of the Cooper Science Complex	5.00%	6/16/21	7/1/40	$ 47,495,000	$ 42,555,000	$ 1,495,000	$ 41,060,000	$ 1,570,000
Subtotal Bonds Payable					$475,925,000	$332,300,000	$23,925,000	$308,375,000	$ 23,570,000
Net Unamortized Premiums and Costs						47,905,185	3,290,039	44,615,146	3,290,039
Total Bonds Payable						**$380,205,185**	**$27,215,039**	**$352,990,146**	**$ 26,860,039**

Future payments related to debt for the fiscal years ending June 30 are as follows:

Bonds Payable
As of June 30, 2025

	All Debt Except Direct Placements			Direct Placements		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2026	$ 22,890,000	$ 12,292,013	$ 35,182,013	$ 6,230,000	$ 2,156,954	$ 8,386,954
2027	20,090,000	11,236,638	31,326,638	6,285,000	1,960,448	8,245,448
2028	21,085,000	10,218,638	31,303,638	6,335,000	1,728,247	8,063,247
2029	19,125,000	9,223,650	28,348,650	6,395,000	1,495,445	7,890,445
2030	20,100,000	8,252,081	28,352,081	6,465,000	1,258,589	7,723,589
2031-2035	90,840,000	27,782,525	118,622,525	30,865,000	2,727,888	33,592,888
2036-2040	68,800,000	7,308,250	76,108,250	—	—	—
2041-2045	3,500,000	87,500	3,587,500	—	—	—
Total	$ 266,430,000	$ 86,401,295	$ 352,831,295	$ 62,575,000	$ 11,327,571	$ 73,902,571

Bonds Payable
As of June 30, 2024

	All Debt Except Direct Placements			Direct Placements		
Fiscal Year	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
2025	$ 21,810,000	$ 13,383,688	$ 35,193,688	$ 1,760,000	$ 579,302	$ 2,339,302
2026	22,890,000	12,292,013	35,182,013	1,810,000	524,071	2,334,071
2027	20,090,000	11,236,638	31,326,638	1,865,000	468,919	2,333,919
2028	21,085,000	10,218,638	31,303,638	1,915,000	412,192	2,327,192
2029	19,125,000	9,223,650	28,348,650	1,975,000	354,864	2,329,864
2030-2034	92,520,000	32,164,606	124,684,606	10,810,000	827,944	11,637,944
2035-2039	83,895,000	10,920,125	94,815,125	—	—	—
2040-2044	6,825,000	345,625	7,170,625	—	—	—
Total	$ 288,240,000	$ 99,784,983	$ 388,024,983	$ 20,135,000	$ 3,167,292	$ 23,302,292

Note F – Defeased Bonds

Bonds are defeased by early redemption or refunding with an issuance of new debt. When the bonds are defeased, irrevocable escrow accounts are established with a trustee for purposes of satisfying all future obligations of the defeased debt. The escrow funds are held in cash or federal, state, and local government securities are purchased in amounts sufficient to pay principal and interest payments through the call date.

Under the terms of the escrow agreements, the University is relieved of all liability for the defeased issues. As such, neither the defeased bonds nor the related escrow accounts are reflected in the accompanying financial statements. The University had no defeased debt for the fiscal years ended June 30, 2025 and 2024.

Note G – Leases

The University has adopted GASB 87, *Leases.* This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. Lessees are required to concurrently recognize a right-to-use asset and the related lease liability. The lease liability is measured at the present value of effectively fixed minimum lease payments, while the asset's initial balance will equal the liability plus additional payments for initial direct costs made to the lessor on or before the start of the lease term. As the right-to-use asset is classified as an intangible asset, lessees are required to amortize the value of the asset in a systematic manner over the shorter period of the lease term or the useful life of the asset. In addition, lessees are required to recognize interest expenses over time based on the current balance of the lease and the implicit interest rate charged to the lessee. Lessors are required to report a lease receivable and deferred inflow of resources. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

Each year, all potential leases are analyzed to determine whether they are subject to the accounting standard and whether the measurement calculation needs to be adjusted due to changes in the terms of the leases. The statement allows for the grouping of similar leases to be presented on a combined basis.

Subleases

There are two sublease arrangements involving the University. In each arrangement, the University is the lessee of building spaces under a five-year term with both fixed and variable lease payments. The University sublets the same spaces for lease terms ranging from two to five years with fixed payments.

As the lessee, the University paid a total of $205,374 for the fiscal year ended June 30, 2025, of which $128,133 was fixed and $77,241 was variable. The University paid a total of $165,809 for the fiscal year ended June 30, 2024. As a lessor, the University received $192,926 in lease revenue in both fiscal years 2025 and 2024.

Lease Receivables

The University acts as a lessor by entering into various contractual agreements to grant external entities the right to use the University's nonfinancial assets. These agreements include infrastructure, land, administrative and educational facilities, and dedicated retail space, for specified periods of time.

Lease terms vary significantly, ranging from short, automatically renewed terms, to mid-range periods of three to five years, and extending up to long-term fixed contracts, with many arrangements incorporating options for extensions. Some lease terms are indeterminate and continue until a request to terminate is presented. Lease payments for residential property and buildings are typically a fixed monthly amount.

For the fiscal year ended June 30, 2025, the total lease receivable was $918,078, and for the year ended June 30, 2024, the total lease receivable was $1,448,734.

For the fiscal year ended June 30, 2025, the University recognized total lease revenue of $406,685 and total interest revenue related to leases of $52,090. For the fiscal year ended June 30, 2024, the University recognized total lease revenue of $422,026 and total interest revenue related to leases of $53,280. The deferred inflows were $892,558 for June 30, 2025 and $1,190,853 for June 30, 2024.

Lease Payables

Ball State University is a lessee of various nonfinancial assets, including equipment, vehicles, and administrative and educational facilities. These leases generally have monthly fixed payments with some including additional variable payments for operating costs. Lease terms vary significantly, ranging from short-term arrangements of two to four years for equipment and vehicles to mid-range agreements of three to five years for major facilities. Certain agreements utilize automatically renewing one-year terms, while long-term agreements span up to ten years.

Please see the table below for the related details, including the amount of the leased assets and the related accumulated amortization, both in total and by classification of the underlying assets.

	Book Value June 30, 2024	Additions	Deductions	Book Value June 30, 2025
Leased Assets:				
Buildings	$ 1,925,991	$ 1,764,481	$ 1,213,473	$ 2,476,999
Equipment	192,154	53,803	—	245,957
Vehicles	109,306	—	52,495	56,811
Total Leased Assets	$ 2,227,451	$ 1,818,284	$ 1,265,968	$ 2,779,767
Less Accumulated Amortization:				
Buildings	$ 1,861,577	$ 422,598	$ 1,188,799	$ 1,095,376
Equipment	128,400	46,924	—	175,324
Vehicles	63,692	17,911	47,080	34,523
Total Accumulated Amortization	$ 2,053,669	$ 487,433	$ 1,235,879	$ 1,305,223
Leased Assets, Net	$ 173,782	$ 1,330,851	$ 30,089	$ 1,474,544

	Book Value June 30, 2023	Additions	Deductions	Book Value June 30, 2024
Leased Assets:				
Buildings	$ 1,789,345	$ 136,646	$ —	$ 1,925,991
Equipment	192,154	—	—	192,154
Vehicles	52,495	56,811	—	109,306
Total Leased Assets	$ 2,033,994	$ 193,457	$ —	$ 2,227,451
Less Accumulated Amortization:				
Buildings	$ 1,432,707	$ 428,870	$ —	$ 1,861,577
Equipment	96,228	32,172	—	128,400
Vehicles	41,314	22,378	—	63,692
Total Accumulated Amortization	$ 1,570,249	$ 483,420	$ —	$ 2,053,669
Leased Assets, Net	$ 463,745	$ (289,963)	$ —	$ 173,782

A maturity analysis of the University's lease liability balance is presented below. The schedule projects the undiscounted cash flows to be made in the future, separated by principal and interest.

Maturity Analysis of Lease Payables

As of June 30, 2025

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2026	$ 499,777	$ 51,766	$ 551,543
2027	474,040	33,408	507,448
2028	282,804	16,952	299,756
2029	129,096	8,932	138,028
2030	128,396	3,664	132,060
2031-2035	17,744	2,521	20,265
	$ 1,531,857	$ 117,243	$ 1,649,100

Maturity Analysis of Lease Payables

As of June 30, 2024

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2025	$ 283,098	$ 12,342	$ 295,440
2026	227,987	6,121	234,108
2027	35,925	381	36,306
2028	—	—	—
2029	—	—	—
2030-2034	—	—	—
	$ 547,010	$ 18,844	$ 565,854

For the year ended June 30, 2025, the total lease expense recognized was $585,876, and the total interest expense related to leases recognized was $63,412. For the year ended June 30, 2024, the totals recognized were $497,096 in lease expense and $13,677 in interest expense related to leases. In addition, for fiscal year ended June 30, 2025, the University recognized $131,683 in variable payments not included in the measurement of lease liabilities.

Miller College of Business Student Organization Fair

Note H – Deposits and Investments

The Ball State University Board of Trustees (Trustees) has acknowledged responsibility as a fiduciary body for the invested assets of the University. Indiana Code 30-4-3-3 requires the Trustees to "exercise the judgment and care required by Indiana Code 30-4-3.5," the Indiana Uniform Prudent Investor Act. That act requires the Trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution." The Trustees have the responsibility to assure the assets are prudently invested in a manner consistent with the University's investment policy. The Trustees have delegated the day-to-day responsibilities for overseeing the investment program to the University Investment Committee, which is overseen by the Vice President for Business Affairs and Treasurer.

As of June 30, 2025 and 2024, the University held deposits and investments, including endowment funds, as reflected below:

	June 30, 2025	June 30, 2024
Cash and Cash Equivalents	$ 68,505,885	$ 55,647,983
Short Term Investments	75,722,869	41,670,969
Long Term Investments	308,972,018	280,094,012
Total	$ 453,200,772	$ 377,412,964

Cooper Science Building

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely impact the fair value of individual investments. As interest rates rise, the fair value of the underlying assets is reduced. Those assets with longer durations to maturity are the most susceptible to interest rate risk. The University has reduced its exposure to this risk by structuring subcomponents of the portfolio to a range of targeted balances. The targeted balances are determined by each of the subcomponent's specific purposes. The University invests in asset-backed securities, collateralized mortgage obligations, and mortgage pass-through securities that are highly sensitive to interest rate changes.

The University held deposits and investments with the following maturities as of June 30, 2025:

	Fair Value	Maturities (in years)			
Investment Type	**June 30, 2025**	**Less than 1**	**1 - 5**	**6 - 10**	**More than 10**
Corporate Obligations	$ 136,581,387	$ 6,555,293	$ 57,573,716	$ 33,330,269	$ 39,122,109
U.S. Government Obligations	175,890,735	72,672,765	40,801,687	13,382,373	49,033,910
Foreign Obligations	5,941,723	1,415,533	3,157,750	1,368,440	—
Municipal Bonds	96,754	—	96,754	—	—
Total	$ 318,510,599	$ 80,643,591	$ 101,629,907	$ 48,081,082	$ 88,156,019

Deposits and investments not subject to interest rate risk:	
U.S. equities	$ 52,714,901
Money market funds	7,091,883
International equities	20,501,935
All other	54,381,454
Total deposits and investments	$ 453,200,772

The University held deposits and investments with the following maturities as of June 30, 2024:

	Fair Value	Maturities (in years)			
Investment Type	**June 30, 2024**	**Less than 1**	**1 - 5**	**6 - 10**	**More than 10**
Corporate Obligations	$ 157,128,816	$ 27,956,799	$ 55,543,425	$ 37,879,415	$ 35,749,177
U.S. Government Obligations	101,087,932	19,470,208	23,740,001	15,921,400	41,956,323
Foreign Obligations	7,273,741	1,118,294	4,593,838	1,561,609	—
Municipal Bonds	2,491,380	2,399,139	92,241	—	—
Total	$ 267,981,869	$ 50,944,440	$ 83,969,505	$ 55,362,424	$ 77,705,500

Deposits and investments not subject to interest rate risk:	
U.S. equities	$ 45,749,758
Money market funds	7,822,709
International equities	17,306,825
All other	38,551,803
Total deposits and investments	$ 377,412,964

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The combined bank balances of the University's demand deposits were $17,719,163 and $7,722,294 with balances subject to custodial risk in the amount of $2,702,171 and $1,220,883 as of June 30, 2025 and 2024 respectively. The University does not have a formal deposit policy for custodial credit risk; however, the University monitors the credit rating and certain financial performance metrics of its custodial and commercial banks on a quarterly basis.

Custodial Credit Risk – Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The University manages custodial credit risk by identifying the types of investments permissible through its investment policy. The University also monitors the credit rating and other performance metrics of its custodian and commercial banks. All investments of the University are registered in the name of the University.

Health Professions Building / Foundational Sciences Building

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University addresses this risk by establishing an acceptable minimum credit rating by investment type for internally managed assets and requiring a minimum average portfolio quality of A- for Short Duration Bond, Core, and Core Plus mandates for externally managed assets. The minimum credit ratings permit that all assets managed internally must be investment grade, that no more than 10.0 percent of the Short Duration Bond or the Core portfolios may be invested in securities rated below BBB-, and that no more than 20.0 percent of the Core Plus portfolio have ratings lower than BBB-, thus maintaining a significant portion of the overall portfolio as investment grade rated.

As of June 30, 2025 and 2024, University deposits and investments reflected the respective credit ratings as illustrated below:

Investment Type	Fair Value June 30, 2025	AAA	AA	A	BBB	BB	Not Rated
Corporate Obligations	$ 136,581,387	$ 18,143,111	$ 16,606,406	$ 27,497,746	$ 25,442,528	$ 825,123	$ 48,066,473
U.S. Government Obligations	175,890,735	89,325	174,437,012	—	—	—	1,364,398
Money Market Index Funds	7,091,883	—	—	—	—	—	7,091,883
Foreign Obligations	5,941,723	—	1,224,337	2,699,806	1,816,862	—	200,718
Municipal Bonds	96,754	—	96,754	—	—	—	—
Total	**$ 325,602,482**	**$ 18,232,436**	**$ 192,364,509**	**$ 30,197,552**	**$ 27,259,390**	**$ 825,123**	**$ 56,723,472**
Percentage subject to credit risk		**5.60 %**	**59.08 %**	**9.28 %**	**8.37 %**	**0.25 %**	**17.42 %**
Not subject to credit risk	**$ 127,598,290**						
Total deposits and investments	**$ 453,200,772**						

Investment Type	Fair Value June 30, 2024	A-1	A-2	AAA	AA	A	BBB	BB	Not Rated
Corporate Obligations	$ 157,128,816	$ 9,201,220	$ 2,896,636	$18,270,170	$15,734,890	$24,792,614	$27,578,155	$ 1,655,405	$56,999,726
U.S. Government Obligations	101,087,932	—	—	155,960	75,630,891	—	—	—	25,301,081
Money Market Index Funds	7,822,709	—	—	—	—	—	—	—	7,822,709
Foreign Obligations	7,273,741	—	—	—	1,418,261	3,547,645	2,307,835	—	—
Municipal Bonds	2,491,380	—	—	—	2,491,380	—	—	—	—
Total	**$ 275,804,578**	**$ 9,201,220**	**$ 2,896,636**	**$18,426,130**	**$95,275,422**	**$28,340,259**	**$29,885,990**	**$ 1,655,405**	**$90,123,516**
Percentage subject to credit risk		**3.34 %**	**1.05 %**	**6.68 %**	**34.54 %**	**10.28 %**	**10.84 %**	**0.60 %**	**32.67 %**
Not subject to credit risk	**$ 101,608,386**								
Total deposits and investments	**$ 377,412,964**								

Credit Risk Concentration

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's investment practices require that deposits and investments are diversified to the extent that the securities of a single issuer are limited to less than 5.0 percent of the total portfolio market value. U.S. Government securities and U.S. governmental agency securities are exempt from this requirement as well as financial institutions demand deposit and other cash accounts covered by the FDIC. It is standard practice to limit investments held at individual financial institutions to less than 20.0 percent of the total market portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a government's deposits and investments. The University's policy for controlling exposure to foreign currency risk is to limit investment in non-U.S. denominated debt to a maximum of 15.0 percent of the Core Plus portion of the portfolio. No other portfolio mandates are permitted to hold non-U.S. denominated debt.

Ball State Gymnastics / Worthen Arena

Fair Value Measurements

The University categorizes its fair value measurements within the fair value hierarchy as established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the underlying assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The University had the following fair value measurements as of June 30, 2025:

		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
Investments by Fair Value Level	**June 30, 2025**	**(Level 1)**	**(Level 2)**
Corporate Obligations	$ 136,581,387	$ —	$ 136,581,387
U.S. Treasuries	141,985,511	141,985,511	—
Mutual Funds - Equity	73,216,836	—	73,216,836
U.S. Government Agencies	33,905,224	—	33,905,224
Money Market Index Funds	7,091,883	7,091,883	—
Foreign Obligations	5,941,723	—	5,941,723
Municipal Bonds	96,754	—	96,754
Total Investments by Fair Value Level	$ 398,819,318	$ 149,077,394	$ 249,741,924
Non-Classified Assets			
Deposit with Bond Trustee	$ 36,662,291		
Money Market Savings Accounts	17,719,163		
Total Investments measured at fair value	$ 453,200,772		

The University had the following fair value measurements as of June 30, 2024:

		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
Investments by Fair Value Level	**June 30, 2024**	**(Level 1)**	**(Level 2)**
Corporate Obligations	$ 157,128,816	$ —	$ 157,128,816
U.S. Treasuries	64,345,409	64,345,409	—
Mutual Funds - Equity	63,056,583	—	63,056,583
U.S. Government Agencies	36,742,523	—	36,742,523
Money Market Index Funds	7,822,709	7,822,709	—
Foreign Obligations	7,273,741	—	7,273,741
Municipal Bonds	2,491,380	—	2,491,380
Total Investments by Fair Value Level	$ 338,861,161	$ 72,168,118	$ 266,693,043
Non-Classified Assets			
Deposit with Bond Trustee	$ 30,829,510		
Money Market Savings Accounts	7,722,293		
Swap Client Owned Cash Collateral	—		
Total Investments measured at fair value	$ 377,412,964		

Endowments

Most endowments pledged are held and reported by the Ball State University Foundation pursuant to Indiana Code 30-2-12, *Uniform Management of Institutional Funds*. This code sets forth the provisions governing the investment of endowment assets and the expenditure of endowment fund appreciation. The code requires that trustees and their agents act in good faith and with the care a prudent person acting in a like position would use under similar circumstances, with respect to the investment of endowment assets. The code also sets forth provisions governing the expenditure of endowment fund appreciation under which the trustees may authorize expenditures, consistent with donor intent. Complete financial statements for the Foundation can be requested from the Ball State University Foundation office at 2800 W Bethel Ave., Muncie, IN 47306.

While Ball State University Foundation holds most of the endowments, the University still has a small number of legacy endowments that were given to the University approximately fifty plus years ago. Endowment funds are to be held in perpetuity and may be invested in any investment type that is within the University's Investment policy including cash. The University held $988,793 in endowment funds as of June 30, 2025, of which $91,898 were in cash and cash equivalents, $252,189 were in short term investments, and $644,706 were in long term investments. As of June 30, 2024, endowments held by the University were $937,248.

Note I – Retirement Plans and Other Post-Employment Benefits

Pension Plans - Defined Benefit Retirement Funds

General Plan Information

The University contributes to three defined benefit retirement funds. The funds are administered by the Indiana Public Retirement System (INPRS). INPRS issues a publicly available financial report that includes financial statements and required supplementary information for these funds as a whole and for its participants. Please go to www.in.gov/inprs/annualreports.htm to view INPRS financial reports.

The defined benefit retirement funds administered by INPRS for the University are:

- Public Employees' Defined Benefit Account (PERF DB)
- Teachers' 1996 Defined Benefit Account (TRF 1996 DB)
- Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB)

Public Employees' Defined Benefit Account (Hybrid Plan)

Pension Fund Description. The University contributes to the Public Employees' Defined Benefit Account (PERF DB), a cost-sharing, multiple-employer defined benefit fund which is generally administered in accordance with state statutes IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law. The University contributes to the plan through the INPRS. See also the Public Employees' Defined Contribution Account information in the Defined Contribution Retirement Funds section.

Basis of the Allocation. The University's (an employer of the plan) proportion of the net pension liability for PERF DB was based on wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers, and is consistent with the manner in which contributions to the pension plan are determined. The PERF DB pension plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plans.

Benefits Provided. PERF DB was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan. As an instrumentality of the State of Indiana, Ball State University is allowed to participate in this plan. All full-time staff and service personnel are eligible to participate in the defined benefit plan. PERF DB Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of $180 per month). Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board of Trustees (INPRS Board).

Eligibility for Full and Early Retirement Pension Benefit

- At age 65 with at least 10 years of creditable service
- At age 60 with at least 15 years of creditable service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- At age 65 with 20 years of creditable service and still active in the PERF-covered position
- Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59)

Contributions. The PERF DB consists of the pension provided by employer contributions plus an additional amount provided by the member's Public Employees' Retirement Fund Defined Contribution Account (PERF DC). Member contributions under PERF DC are set by statute at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. The University has elected to pay all the contributions on behalf of the member. For more information on the defined contribution component of the retirement plan, see the section of this report on Defined Contribution Retirement Funds. The PERF DB required contributions are determined by the INPRS Board based on an actuarial valuation. Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed. As PERF DB is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During the year ended June 30, 2024, participating employers were required to contribute 11.2 percent for PERF DB of covered payroll for members employed by the state. For the fiscal year ended June 30, 2025, there were 1,040 employees with an annual pay of $46,983,199 participating in PERF DB. In comparison, there were 1,039 employees participating in PERF DB with an annual pay equal to $46,737,080 for the fiscal year ended June 30, 2024. The University's contribution to the PERF DB and the associated PERF DC accounts for the years ended June 30, 2025 and 2024 were $6,587,020 and $6,547,579, respectively. The University contributed 100.0 percent of required contributions for each of the fiscal years.

Allegre Restaurant / Hospitality Innovation and Leadership program

Teachers’ 1996 Defined Benefit Account

Pension Fund Description. The Teachers’ 1996 Defined Benefit Account (TRF 1996 DB) is a cost-sharing, multiple-employer defined benefit fund. Administration of the account is generally in accordance with state statutes IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF 1996 DB is the employer funded defined benefit component of the Teachers' Hybrid Plan, and the Teachers' Defined Contribution Account (see Defined Contribution Retirement Funds section) is the other component.

Certain employees who participate in TRF 1996 DB are also eligible for supplementary retirement benefits under a noncontributory plan. Effective November 2, 2020, Fidelity Investments was selected as the sole recordkeeping services provider for the plan. Existing funds in place prior to that date were either transferred to Fidelity or remained with the previous provider.

Basis of the Allocation. The University’s (an employer of the plan) proportion of the net pension liability for TRF 1996 DB was based on wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers, and is consistent with the manner in which contributions to the pension plan are determined. The TRF 1996 DB pension plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plans.

Benefits Provided. This plan provides retirement, disability, and survivor benefits to plan members and beneficiaries. All faculty and professional personnel are eligible to participate. TRF 1996 DB Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of $185 per month). Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board.

Eligibility for Full and Early Retirement Pension Benefit

- At age 65 with at least 10 years of creditable service
- At age 60 with at least 15 years of creditable service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- At age 65 with 20 years of creditable service and still active in the TRF-covered position
- Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59)

Contributions. For the fiscal year ended June 30, 2025, there were 385 employees participating in TRF 1996 DB with annual pay equal to $31,469,218. The University recorded 362 employees participating in TRF 1996 DB with annual pay equal to $29,987,824 for fiscal year ended June 30, 2024. The University contributes at an actuarially determined rate under the entry age normal cost method. During the year ended June 30, 2024, participating employers were required to contribute 6.0 percent of covered payroll. The Teachers' Defined Contribution Account (TRF DC) provides supplemental retirement benefits to TRF 1996 DB members. Contributions to TRF DC are three percent of covered payroll, as determined by state statute. The University has elected to make the contributions on behalf of the members. The University’s contributions to TRF 1996 DB and the associated TRF DC for the years ended June 30, 2025 and 2024 were $2,891,451 and $2,686,856, respectively. The University contributed 100.0 percent of required contributions for each of the fiscal years.

Teachers' Pre-1996 Defined Benefit Account

Pension Fund Description. The Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB) is a pay-as-you-go, cost-sharing, multiple-employer defined benefit fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF Pre-1996 DB is the employer-funded defined benefit component of the Teachers' Hybrid Plan, along with TRF DC, a member-funded account. Refer to the Defined Contribution Retirement Funds section for information on the TRF DC component.

Membership in TRF Pre-1996 DB is closed to new entrants. Generally, members hired prior to July 1, 1996, participate in TRF Pre-1996 DB, and members hired on or after July 1, 1996, participate in TRF 1996 DB.

Basis of the Allocation. In determining the proportionate share of the net pension liability and corresponding pension amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to the Plan, excluding those to separately finance specific liabilities of an individual employer, are determined. INPRS has determined that the actual contributions made to the Plan during the fiscal year are appropriate as the basis because they are representative of future contributions. GASB Statement No. 68 states that special funding situations are defined as circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and the amount of contribution is not dependent upon one or more events unrelated to pensions. Based on this definition, the TRF Pre-1996 Account plan does have a special funding situation, as the State of Indiana is the non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan on behalf of the participating TRF Pre-1996 Account employers. The participating employers also make contributions but only in specific cases when an active member is paid from federal funds. These contributions are based on a rate which was estimated to be the normal cost for the period covered. Due to this fact, future contributions to cover the historical pension benefits are paid entirely by the non-employer contributing entity (State of Indiana) and, therefore, the entire net pension liability is being allocated to the State of Indiana.

Benefits Provided. The plan was established to provide retirement, disability, and survivor benefits to regularly employed licensed teachers and administrators at certain state universities and other educational institutions hired before 1996, who have maintained continuous employment with the same covered institution since that date to June 30, 2005. TRF Pre-1996 DB Lifetime Annual Benefit = Years of Creditable Service x Average Highest Five-Year Annual Salary x 1.1 percent (minimum of $185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance. Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-4-3 and administered by the INPRS Board.

Eligibility for Full and Early Retirement Pension Benefit

- At age 65 with at least 10 years of creditable service
- At age 60 with at least 15 years of creditable service
- At age 55 if age and creditable service total at least 85 ("Rule of 85")
- At age 65 with 20 years of creditable service and still active in the TRF-covered position
- Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59)

Contributions. The State of Indiana makes contributions as the sole non-employer contributing entity. State appropriations are made in accordance with IC 5-10.4-20-4 for each fiscal year. In accordance with statute for TRF Pre-1996 DB, the nonemployer contributing entity contributions increase three percent annually. If the actual pension benefit payout for the fiscal year exceeds the amount appropriated, the difference is paid from the Pension Stabilization Fund as part of the assets of TRF Pre-1996 DB, which was established according to IC 5-10.4.2.5. According to statute, the TRF Pre-1996 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. As a non-employer contributing entity, the State of Indiana contributed $1,065.2 million in fiscal year ended June 30, 2024, to TRF Pre-1996. The actuarially determined contribution (ADC) for TRF Pre-1996 was $1,067.3 million. Employers contributed $2.1 million in fiscal year ended June 30, 2024.

TRF Pre-1996 Account members contribute three percent of covered payroll to their TRF Pre-1996 Defined Contribution Account (TRF Pre-1996 DC), formerly their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to ten percent of their compensation into their TRF DC fund account. The University has elected to make three percent contributions on behalf of their participating employees. For the fiscal year ended June 30, 2025, the University shows 11 employees participating in the TRF Pre-1996 DB with annual payroll equal to $1,326,787. The University made contributions of $107,885 which included payments to the TRF DC on behalf of the members. For the fiscal year ended June 30, 2024, the University showed 12 employees participating in the TRF Pre-1996 DB with annual payroll equal to $1,521,438. The University's contributions to the TRF Pre-1996 DB for fiscal year ended June 30, 2024, were $113,676.

Retirement Plans - Defined Contribution Retirement Funds

General Plan Information

The University contributes to two defined contribution retirement funds. The funds are administered by the INPRS. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for these funds as a whole and for its participants. Please go to www.in.gov/inprs/annualreports.htm to view INPRS financial reports.

The defined contribution retirement funds administered by INPRS for BSU are:

- Public Employees' Defined Contribution Account (PERF DC)
- Teachers' Defined Contribution Account (TRF DC)

Public Employees' Defined Contribution Account

Retirement Fund Description. PERF DC is a multiple-employer defined contribution fund and is generally administered in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2, and other Indiana pension law. The fund provides supplemental defined contribution benefits to PERF DB members.

Contributions. The University participates in the PERF DC, the defined contribution component of the Public Employees' Hybrid Plan. The PERF DB (see Defined Benefit Retirement Funds section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of covered payroll, and the University makes these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

Benefits Provided. Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Teachers' Defined Contribution Account

Retirement Fund Description. TRF DC is a multiple-employer defined contribution fund providing supplemental retirement benefits to TRF Pre-1996 DB and TRF-1996 DB members. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law.

Contributions. The University participates in the TRF DC, the defined contribution component of the Teachers' Hybrid Plan. The TRF 1996 DB and TRF Pre-1996 DB (see Defined Benefit Retirement Funds section) are the other components of the Teachers' Hybrid Plan. Member contributions are determined by statute at three percent of covered payroll, and the University makes these contributions on behalf of the member. Members are 100 percent vested in their account balance plus earnings.

Benefits Provided. Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

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

At June 30, 2025, the University reported a liability of $39,054,583 for its proportionate share of the net pension liability, as compared to $33,043,392 for the year ended June 30, 2024. The net pension liability reported by the University was measured as of June 30, 2024 for fiscal year 2024-2025 and as of June 30, 2023 for fiscal year 2023-2024 reporting. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates for all plans.

The University's proportionate percentage, deferred outflows of resources, deferred inflows of resources, net pension liability, and pension expense for each plan are shown in the following tables:

June 30, 2024:	PERF DB	TRF-1996 DB	TRF Pre-1996 DB	Aggregate
Proportionate Share	0.0069607	0.0066837	—	
Net Pension Liability/(Asset)	$ 28,058,476	$ 10,996,107	$ —	$ 39,054,583
Deferred Outflow of Resources	$ 6,769,036	$ 7,817,449	$ —	$ 14,586,485
Deferred Inflow of Resources	$ 1,551,257	$ 2,540,058	$ —	$ 4,091,315
Pension Expense/(Income)	$ 7,746,961	$ 5,371,402	$ 2,625,950	$ 15,744,313

June 30, 2023:	PERF DB	TRF-1996 DB	TRF Pre-1996 DB	Aggregate
Proportionate Share	0.0073251	0.0066191	—	
Net Pension Liability/(Asset)	$ 25,852,724	$ 7,190,668	$ —	$ 33,043,392
Deferred Outflow of Resources	$ 7,993,620	$ 8,120,966	$ —	$ 16,114,586
Deferred Inflow of Resources	$ 2,385,348	$ 3,049,640	$ —	$ 5,434,988
Pension Expense/(Income)	$ 3,244,586	$ 2,654,587	$ 3,354,907	$ 9,254,080

The University recognized expenses of $15,744,313 at June 30, 2025 and $9,254,080 at June 30, 2024. For TRF Pre-1996 DB, the University's proportionate share (amount) of the collective net pension liability was zero for both fiscal years. The portion of the non-employer contributing entity's (the state) total proportionate share (amount) of the collective net pension liability that was associated with the University was an amount equal to 100.0 percent of the net pension liability. The total of the University's proportionate share (amount) of the collective net pension liability, and the portion of the state's total proportionate share of the collective net pension liability associated with the University, reflects all of the net pension liability.

The TRF Pre-1996 DB net pension liability associated with the University was $31,109,217 at June 30, 2024 and $40,009,886 at June 30, 2023. The total net pension liability for the TRF Pre-1996 DB Account at June 30, 2024, was $4,406,404,713, compared to $5,230,392,278 at June 30, 2023. Since the TRF Pre-1996 DB Account was a special funding situation, the University was not required to report the net pension liability in the financial statements as the University was not legally responsible for the net pension liability and contributions to the pension plan. The University was required to show the pension expense paid by the state that was associated with its proportionate share totaling $2,625,950 for June 30, 2025 and $3,354,907 at June 30, 2024. An increase for these amounts was recorded as a state pension contribution to recognize the amount paid to INPRS by the state on behalf of the University.

Ball State students take part in a storm chase in Joliet, IL

At June 30, 2025, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Average Remaining Service Life for 2024:	PERF DB 3.71 Years		TRF 1996 DB 9.61 Years		TRF Pre-1996 DB
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences Between Expected and Actual Experience	$ 2,875,652	$ —	$ 2,890,036	$ 625,681	$ —
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,715,038	—	1,794,871	—	—
Change of Assumptions	—	—	2,713,440	1,074,758	—
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	178,346	1,551,257	419,102	839,619	—
Contributions Subsequent to the Measurement Date	5,195,396	—	1,978,361	—	73,816
Total	$ 11,964,432	$ 1,551,257	$ 9,795,810	$ 2,540,058	$ 73,816

At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Average Remaining Service Life for 2023:	PERF DB 3.65 Years		TRF 1996 DB 9.80 Years		TRF Pre-1996 DB
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources
Differences Between Expected and Actual Experience	$ 528,938	$ —	$ 1,765,070	$ 753,591	$ —
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	5,925,515	—	2,773,729	—	—
Change of Assumptions	1,409,800	—	3,152,301	1,283,775	—
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	129,367	2,385,348	429,866	1,012,274	—
Contributions Subsequent to the Measurement Date	5,164,288	—	1,791,237	—	75,784
Total	$ 13,157,908	$ 2,385,348	$ 9,912,203	$ 3,049,640	$ 75,784

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

As of June 30, 2025

Amortization of Net Deferred Outflows/(Inflows) of Resources - Debit/(Credit)	PERF DB	TRF 1996 DB
2025	$ 354,593	$ 446,869
2026	4,007,636	2,034,848
2027	1,085,061	643,513
2028	(229,511)	270,452
2029	—	432,408
Thereafter	—	1,449,301
Total	$ 5,217,779	$ 5,277,391

As of June 30, 2024

Amortization of Net Deferred Outflows/(Inflows) of Resources - Debit/(Credit)	PERF DB	TRF 1996 DB
2024	$ 1,307,701	$ 743,609
2025	(165,398)	403,705
2026	3,658,869	1,976,335
2027	807,100	598,345
2028	—	228,890
Thereafter	—	1,120,442
Total	$ 5,608,272	$ 5,071,326

Actuarial Assumptions. Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented as follows:

Description	PERF DB	TRF Pre-1996 DB	TRF 1996 DB
Asset Valuation Date	June 30, 2024		
Liability Valuation Date	June 30, 2023 - Member census data as of June 30, 2023 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2023 to the June 30, 2024 measurement date.		
Actuarial Cost Method (Accounting)	Entry Age Normal (Level Percent of Payroll)		
Actuarial Assumptions:			
Experience Study Date	Period of five years ended June 30, 2019		
Investment Rate of Return (Accounting)	6.25%, includes inflation and net of investment expenses		
Cost of Living Increases (COLA)	2025 - 13th check, Beginning July 1, 2025 - For members retired before 7/1/2025 - indexed 13th check, For members retired on or after 7/1/2025 - 1% COLA		
Future Salary Increases, including Inflation	2.65% - 8.65%	2.65% - 11.90%	
Inflation	2.00%		
Mortality-Healthy Employees & Retirees-Base Table	PubG-2010	PubT-2010	
Mortality-Healthy Employees & Retirees-M/F Set Forward	+3/+1	+1/+1	
Mortality-Disabled-Base Table	PubG-2010		
Mortality-Disabled-Load	140%		
Mortality-Beneficiaries-Base Table	PubCS-2010		
Mortality-Beneficiaries-M/F Set Forward	+0/+2		
Mortality-Improvement-All Tables-Generational Improvement Scale	MP-2019		

Description	PERF DB	TRF Pre-1996 DB	TRF 1996 DB
Asset Valuation Date	June 30, 2023		
Liability Valuation Date	June 30, 2022 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.		
Actuarial Cost Method (Accounting)	Entry Age Normal (Level Percent of Payroll)		
Actuarial Assumptions:			
Experience Study Date	Period of five years ended June 30, 2019		
Investment Rate of Return (Accounting)	6.25%, includes inflation and net of investment expenses		
Cost of Living Increases (COLA) or "Ad Hoc" COLA	Beginning Jan. 1, 2026 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%		
Future Salary Increases, including Inflation	2.65% - 8.65%	2.65% - 11.90%	
Inflation	2.00%		
Mortality-Healthy Employees & Retirees-Base Table	PubG-2010	PubT-2010	
Mortality-Healthy Employees & Retirees-M/F Set Forward	+3/+1	+1/+1	
Mortality-Disableds- Base Table	PubG-2010		
Mortality-Disableds- Load	140%		
Mortality-Beneficiaries-Base Table	PubCS-2010		
Mortality-Beneficiaries-M/F Set Forward	+0/+2		
Mortality- Improvement-All Tables-Generational Improvement Scale	MP-2019		

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return. This range, along with a reasonable alpha assumption from manager selection, ultimately supports the long-term expected rate of return assumption of 6.25 percent selected by the INPRS Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

	Geometric Basis at June 30, 2024		Geometric Basis at June 30, 2023	
	Long Term Expected Rate of Return	Target Asset Allocation	Long Term Expected Rate of Return	Target Asset Allocation
Public Equity	4.6%	20.0%	3.7%	20.0%
Private Markets	7.1%	15.0%	6.4%	15.0%
Fixed Income - Ex Inflation-Linked	3.6%	20.0%	2.2%	20.0%
Fixed Income - Inflation-Linked	2.1%	15.0%	0.5%	15.0%
Commodities	2.8%	10.0%	1.1%	10.0%
Real Assets	5.4%	10.0%	3.4%	10.0%
Absolute Return	2.5%	5.0%	1.6%	5.0%
Risk Parity	6.3%	20.0%	5.9%	20.0%
Cash & Cash Overlay	1.7%	N/A	—%	N/A

The defined benefit plans target allocation for total exposure is 115%. For the long-term expected rate of return calculation, an additional -15% is allocated to the cash and cash overlay global asset class.

Discount Rate. Total pension liability for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25 percent at both June 30, 2024 and June 30, 2023. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from the members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25 percent long-term assumed investment rate of return. Based on those assumptions, each defined benefit 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 benefits to determine the total pension liability for each plan.

Sensitivity of the University's Proportionate Share of the Net Pension Liability. Net pension liability is sensitive to changes in the discount rate. To illustrate the potential impact, the following tables present the net pension liability of each defined benefit pension plan calculated using the discount rate of 6.25 percent for the last two fiscal years, as well as what each plan's net pension liability (or asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Discount Rate Sensitivity - Liability / (Asset) at June 30, 2024

Pre-Funded Defined Benefit

PERF DB			TRF 1996 DB		
1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%	1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%
$44,701,179	$28,058,476	$14,220,395	$22,822,092	$10,996,107	$1,459,335

Discount Rate Sensitivity - Liability / (Asset) at June 30, 2023
Pre-Funded Defined Benefit

PERF DB			TRF 1996 DB		
1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%	1% Decrease (5.25)%	Current Discount Rate (6.25)%	1% Increase (7.25)%
$42,131,728	$25,852,724	$12,279,240	$17,399,041	$7,190,668	$(1,061,053)

Basis of Accounting. The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with GAAP as applied to government units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. INPRS adopts all applicable GASB pronouncements in accounting and reporting for its operations. Investments are generally reported at fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Required Supplementary Information and Other Supplementary Schedules

The historical trend information is designed to provide decision-usefulness of the financial reports, improved value for assessing accountability and greater transparency related to measures of net pension liabilities impacting INPRS. The Schedule of Ball State University's Proportionate Share of the Net Pension Liability and Schedule of University Contributions are included immediately following the Notes to the Financial Statements in the Required Supplemental Information Section.

Retirement Funds – Defined Contribution Plan

Alternate Pension

Faculty and professional personnel of the University have the option, in accordance with IC 21-38-3-3 and IC 21-38-7-3, to participate in a defined contribution plan. Effective November 2, 2020, Fidelity Investments was selected as the sole recordkeeping services provider for the plan. Existing funds in place prior to that date were either transferred to Fidelity or remained with the previous provider. Benefit provisions are established and/or amended by the University's Board of Trustees. These plans have no assets held in trust as the plan makes contributions to individual members' accounts and provides for immediate vesting. The University contributes 12.27 percent of each participating employee's base salary for employees hired before October 1, 2010. For employees hired on or after October 1, 2010, the University contributes five percent of each employee's base salary for the first three years and 10.5 percent for each year thereafter.

The table below shows the amounts contributed for participating members:

	2025	2024	2023
Contributions	$ 13,330,515	$ 12,420,315	$ 12,344,533
Number of Participating Members	1,369	1,341	1,440
Related Payroll	$ 134,768,086	$ 128,121,742	$ 125,258,278

Other Post-Employment Benefits

OPEB Plan Description. In addition to providing retirement benefits, the University, as authorized by the University's Board of Trustees, provides certain health care and life insurance benefits for qualified retired employees. There are two Other Postemployment Benefits (OPEB) plans other than pension. The first plan, Ball State University Health Care Plan, was established to help offset the cost of retiree health care for both eligible retirees and the University. A Voluntary Employee Beneficiary Association (VEBA) Trust was created to provide a vehicle where assets could be accumulated for this specific purpose. The retiree health care plan is a single-employer defined benefit plan that is administered by the University. Beginning January 1, 2020, the plan was closed to new hires and to employees not in a benefits-eligible position. During fiscal year 2025, the VEBA began reimbursing the plan for a portion of the claims.

The second OPEB plan, Ball State University OPEB 115 Plan, was established to help offset the cost of retiree life insurance for both the members and the University. This plan is an open single-employer defined benefit plan that is administered by the University. Likewise, it has a trust, OPEB 115 Trust, connected to the plan to allow for the accumulation of earnings and the payment of a large portion of the insurance premiums.

Since the University administers defined benefit OPEB plans that have trusts or equitable arrangements attached, adoption of GASB Statement No. 74 was required and impacts the financial reports of the plan administrator. GASB 74 superseded GASB Statement No. 43 and focuses on changes in the actuarial valuation and added new disclosure requirements for financial reporting. The complement standard to GASB 74 is GASB Statement No. 75 which replaced GASB Statement No. 45 and requires significant changes to the reporting and disclosures of defined benefit OPEB plans of plan sponsors. These two standards are similar to the two pension standards, GASB Statements No. 67 and 68, that were enacted to provide consistency in measurement and transparency of future liability obligations.

The retiree health and life insurance plans no longer issue stand-alone financial statements. The trusts fall under the fiduciary responsibility of the University and are presented in the Financial Statements section of this report.

Benefits Provided. Health insurance at Ball State University is a self-funded plan that utilizes third party administrators for health, dental, and prescription drug benefits. Retiree health care benefits are the same as employee health care benefits (for retirees not eligible for Medicare) or substantially the same (for retirees who qualify for Medicare). The Plan includes prescription drug coverage, but dental coverage is optional. Spouses and dependents are eligible for coverage under the same rules as the employee plan, and unmarried surviving spouses are eligible to retain the coverage for the remainder of their lifetime. Medicare-eligible retirees and spouses receive supplemental "carve-out" medical coverage which is coordinated with Medicare Part A and Part B. Dental and prescription drug coverage is the same under all plans.

The Hartford provides a fully-funded life insurance plan for retired employees with premiums set at annual renewal. Eligible employees receive life insurance coverage equal to 103.0 percent of twice the amount of their defined annual compensation, up to a maximum of $125.0 thousand. Retirees' life insurance amount reduces to 50.0 percent of the amount of coverage they have immediately prior to retirement or prior to reaching age 66, whichever occurs first, up to a maximum of $37.5 thousand.

Plan Administration. The authority to change benefits and to make adjustments to the plans and trusts ultimately resides with the University Board of Trustees. There is a committee of University personnel who work with consultants, third party administrators and other advisory services to propose changes to the benefit plans. These recommendations are then presented to the Vice President of Business Affairs and Treasurer for review and decision. If approved, the changes are presented to the Board of Trustees.

A second committee composed of University personnel and designated trustees from the Board of Trustees work with the Outsourced Chief Investment Officer (OCIO) or investment consultant, fund managers, and the trust custodian to manage the trust assets. The investment policy with any recommended changes is taken to the Board of Trustees for approval on an annual basis.

Eligibility. The University's regular full-time employees may become eligible for retiree health and life insurance benefits upon attainment of age 62 with 15 years of services (and Health Plan participation). Eligible employees hired June 30, 2009, and prior may retire with health and life insurance benefits upon attainment of age 50 with 15 years of service (and 15 years of Health Plan participation). Eligible employees hired August 31, 1999, and prior may also retire with health and life insurance benefits at the earlier of age 50 with 15 years of service or age 60 with ten years of service (and 12 months of Health Plan participation). Eligible full-time contract faculty (not on a semester-by-semester basis) may accumulate cumulative years of service instead of consecutive years of service. Beginning January 1, 2020, the retiree health plan is closed to new hires and those who were not in a benefit eligible position. As of June 30, 2025, 1,266 retirees were enrolled in life insurance coverage, and 2,057 retirees, spouses and surviving spouses were enrolled in health insurance coverage. As of June 30, 2025, out of a total of 2,952 (2,905 in 2024) benefits eligible active employees, 593 (614 in 2024) had fulfilled the age and service requirements for these retiree benefits. Employees receiving benefits and who have successfully fulfilled the age and service requirements to qualify for retiree health and life insurance must enroll in the plan before they retire. If the election is not requested at the time of retirement, the employee will not be eligible to participate in the plans. There are no provisions for accepting late elections.

Plan Membership For Each Plan as of June 30,	2024	2023
Retirees with Life Insurance Coverage	1,259	1,256
Retirees, Spouses and Surviving Spouses with Health Insurance	2,068	2,088

Contributions. The required contribution is based on projected pay-as-you-go financing requirements, as well as amounts necessary to prefund benefits as determined annually by the University. It is the University's intent to budget health care premiums so that claims and administrative expenses are covered. Any surplus of premiums over claims and administrative expenses are used to adjust the health care reserve balances. Residual balances may be contributed to the VEBA Trust.

Each year, the Board of Trustees establishes premiums for the next calendar year, of which premiums paid by the employees and retirees range between 11.0 and 29.0 percent, depending on the health plan. The premiums paid by the University range between 71.0 and 89.0 percent. The premiums are intended to fully fund all claims, administrative costs, and reserve adjustments. The claims and applicable administrative costs of current retirees are paid from the self-funded plan, while the contributions to the VEBA Trust are intended to partially fund claims and administrative costs for eligible retirees and their beneficiaries in the future.

For the year ended June 30, 2025, retirees contributed $3.8 million ($3.7 million in 2024) in premiums for health care coverage while the University contributed $10.3 million ($9.2 million in 2024). Retirees not eligible for Medicare were limited to one plan option in calendar year 2025, the PPO Health Plan. Monthly premiums paid by retirees not eligible for Medicare ranged from $132.76 for single coverage to $344.67 for family coverage. Medicare-eligible retirees and spouses each paid $133.73 per month for medical and prescription drug coverage. Both non-Medicare and Medicare-eligible retirees and spouses paid $13.31 per month if they chose the optional dental coverage. This was in addition to the Medicare Part B Premium.

Ball State University accounts for the OPEB 115 Plan in a manner similar to the Health Care Plan. Each year, The Hartford establishes, and the Board of Trustees approves, premiums for the next fiscal year. The Plan collects 25.0 percent from employees and retirees and 75.0 percent from the University. The premiums are intended to fully fund all claims and administrative costs for employees and retirees. The Hartford bills the University for monthly premiums.

For the year ended June 30, 2025, retirees contributed $123.1 thousand ($120.5 thousand in 2024) in premiums for life insurance coverage to fulfill their 25.0 percent of total premium requirement, while the University contributed $372.1 thousand ($334.8 thousand in 2024) as its 75.0 percent requirement. Retirees pay $0.2267 per $1,000 of coverage per month, which means the maximum monthly premium paid by retirees is $8.50.

Reserves. The University is self-funded with regard to its health care plans, and premium rates developed each year are expected to cover the cost of employees' and retirees' health care claims expense, as well as a variety of health plan-related administrative costs. In addition to its VEBA Trust for ensuring the continuity of the retiree health care plans, the University, consistent with best practices, maintains three health care reserve funds: the Reserve for Incurred but Not Reported Claims (IBNR), the Reserve for Self-Insurance, and the Reserve for Post-Retirement Health.

The IBNR and the Reserve for Self-Insurance balances are actuarially determined at each fiscal year end. For the IBNR, a qualified actuary uses completion factors that were developed using historical claim experience. The projected claims less actual amounts paid produce the incurred but not paid claim liability as of the valuation date. Any administrative costs associated with the payment of the claim liability are not included.

Ball State University is responsible for the entire health claim risk and, therefore, maintains a Reserve of Self-Insurance that would be used as a contingency reserve for unexpected, adverse claims experience. While the University has stop loss coverage, this reserve would help to cover the gap between high claimants and the stop loss coverage. The reserve balance is actuarially calculated based on the number of participants, stop loss coverage, and claim experience.

The IBNR, Reserve for Self-Insurance, and the Reserve for Post-Retirement Health are adjusted by year-end activity in the Health Care Auxiliary funds of the University. The Health Care Auxiliary fund accounts for all premiums received during the fiscal year from the University, active employees, and retirees. The Auxiliary fund also accounts for all claims paid during the fiscal year and a variety of health care-related administrative expenses. Premium rates are set to cover the anticipated cost of claims and expenses. At fiscal year-end, if the Health Care Auxiliary has a surplus of premiums over expenses, the resulting surplus is used to fund the current year-end actuarial estimates for the IBNR and the Reserve for Self-Insurance. Any residual is held in the Reserve for Post-Retirement Health. If the Health Care Auxiliary has a deficit, it is funded first by the Reserve for Post-Retirement Health and if needed, by the Reserve for Self-Insurance. At the University's discretion, a contribution of funds from the Reserve for Post-Retirement Health fund to the VEBA is performed when funds are available and it is strategically appropriate.

The balances of the reserve funds for the fiscal years ended June 30, 2025, and 2024 are shown below:

	June 30, 2025	June 30, 2024
Reserve for Unreported Claims	$ 3,199,871	$ 3,596,347
Reserve for Self-Insurance	$ 7,781,000	$ 7,199,000
Reserve for Post-Retirement Health	$ 6,580,136	$ 8,874,479

Animation class / College of Fine Arts

Net OPEB Liability (Asset)

At June 30, 2025, the University reported a Net OPEB Asset of $247,040,298, which includes both the VEBA Trust for the retiree healthcare insurance plan and the OPEB 115 Trust for the retiree life insurance plan. When trust assets exceed the liability, an asset is reported on the financial statements. In fiscal year 2023-2024, the University reported a combined Net OPEB Asset of $174,830,672 for both the plans and associated trusts.

- The measurement date is June 30, 2024.
- The measurement period for the OPEB plans is July 1, 2023 through June 30, 2024.
- The reporting period is July 1, 2024 through June 30, 2025.
- Net OPEB Liability (Asset) was measured as of June 30, 2024.
- The Total OPEB Liability used to calculate the Net OPEB Liability (Asset) was determined as of that date.

Based on the actuarial study for June 30, 2024 and June 30, 2023, the components of the Net OPEB Liability (Asset) of the University (sponsor) were as follows:

	June 30, 2024	
	Health Care Plan	OPEB 115 Plan
Total OPEB Liability	$ 198,530,730	$ 27,870,532
Plan Fiduciary Net Position	(441,722,210)	(31,719,350)
Net OPEB Liability (Asset) June 30, 2024	$ (243,191,480)	$ (3,848,818)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability June 30, 2024	222.50 %	113.81 %

	June 30, 2023	
	Health Care Plan	OPEB 115 Plan
Total OPEB Liability	$ 214,035,147	$ 27,380,611
Plan Fiduciary Net Position	(386,673,001)	(29,573,429)
Net OPEB Liability (Asset) June 30, 2023	$ (172,637,854)	$ (2,192,818)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability June 30, 2023	180.66 %	108.01 %

Actuarial Assumptions. The Total OPEB Liability was determined by actuarial valuations for June 30, 2024, and June 30, 2023, using the following actuarial assumptions:

Methods and Assumptions Used to Determine Contribution Amounts for the Fiscal Year Ending:

	June 30, 2024	**June 30, 2023**
Valuation Date:	June 30, 2023	June 30, 2022
Notes:	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
Amortization Method:	Level Dollar, Closed	Level Dollar, Closed
Remaining Amortization Period:	14 years	15 years
Asset Valuation Method:	Market value of assets	Market value of assets
Price Inflation:	No explicit price inflation assumption used	No explicit price inflation assumption used
Salary Increases:	3.25% per year	3.25% per year
Investment Rate of Return:	6.0%, net of OPEB plan investment expense, including inflation	6.0%, net of OPEB plan investment expense, including inflation
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition
Mortality:	Fully generational Pub-2010 General tables for healthy employees and annuitants, projected forward from 2010 using Projection Scale MP-2021	Fully generational Pub-2010 General tables for healthy employees and annuitants, projected forward from 2010 using Projection Scale MP-2021
Health Care Trend Rates:	Separate trend rates were set for pre-65/post-65 participants, which can be found on page E-6 of the funding report.	Separate trend rates were set for pre-65/post-65 participants, which can be found on page E-6 of the funding report.
Dental Trend Rates:	Initial trend starting at 4.50% and gradually decreasing to an ultimate trend rate of 3.50%.	Initial trend starting at 4.50% and gradually decreasing to an ultimate trend rate of 3.5%.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."

VEBA and OPEB Investment Asset Allocation. The University's VEBA and OPEB 115 Trust Committee working under the authority of the Board of Trustees with a Board Trustee participating on the committee is overseen by the Vice President of Business Affairs and Treasurer. The committee works with an OCIO to set performance expectations, manage asset allocation of the trusts, and perform administrative tasks and due diligence. The investment policy is reviewed and updated as necessary each year.

The table below summarizes the investment allocations for the two plans combined and provides the long-term expected return:

Asset Allocations for the Combined VEBA and OPEB 115 Trusts

		June 30, 2025
Asset Class	**Target Allocation**	**Long-Term Expected Return**
US Equity	40.0 %	9.5 %
International Equity	15.0 %	8.4 %
Emerging Market Equity	5.0 %	10.0 %
Fixed Income and Cash	30.0 %	3.9 %
Real Estate	10.0 %	8.2 %
Total	**100.0 %**	

Asset Allocations for the Combined VEBA and OPEB 115 Trusts

		June 30, 2024
Asset Class	**Target Allocation**	**Long-Term Expected Return**
US Equity	40.0 %	9.4 %
International Equity	15.0 %	8.4 %
Emerging Market Equity	5.0 %	10.0 %
Fixed Income and Cash	30.0 %	3.9 %
Real Estate	10.0 %	8.2 %
Total	**100.0 %**	

Notes:

- There were no investments identified at June 30, 2025 and June 30, 2024 that represented 5.0 percent or more of the fiduciary net position of the plans.
- The long-term expected return shown above was provided by investment consultants using the geometric return calculation. The rate was calculated as a 20-year outlook.
- The annual money-weighted rate of return on the VEBA and OPEB 115 plan investments combined was 10.5 percent for June 30, 2025 and 14.0 percent for June 30, 2024. The plans rely on various investment managers hired by the University's Board of Trustees, with the advice of outside consultants, to prudently invest the amounts contributed. These investment manager arrangements are in the form of mutual funds, separately managed accounts with securities in the possession of custodians other than the investment manager, a private investment trust, and a private closed-end real estate investment trust. Investments are reported by the managers and in some cases custodial banks at fair value. Fixed income securities maturing within one year of the date of the financial statements are classified as short term investments. The fair value of the investments in the core real estate fund is based on independent appraisals and internal valuations of recent acquisitions.

Single Discount Rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on OPEB plan investments remained at the 6.0 percent for the June 30, 2024 actuarial study. The municipal bond rate is 3.97 percent, resulting in a Single Discount Rate of 6.0 percent. The Single Discount Rate was 6.0 percent from the prior year when the municipal bond rate was 3.86 percent.

The projection of cash flows used to determine this Single Discount Rate assumed the following:

- In all years the employer contributions will be made at rates equal to the actuarially determined contribution rate; and
- Contributions and benefit payments occur halfway through the year.

Changes in Net OPEB Liability - Health

Health Care Plan	June 30, 2024 Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Beginning Balance	$ 214,035,147	$ 386,673,001	$ (172,637,854)
Changes for the Year:			
Service Cost	$ 3,874,580	$ —	$ 3,874,580
Interest	12,476,713	—	12,476,713
Difference Between Expected and Actual Experience	(15,801,285)	—	(15,801,285)
Changes in Assumptions	—	—	—
Contributions - Employer	—	16,054,425	(16,054,425)
Net Investment Income	—	55,049,209	(55,049,209)
Benefit Payments, Including Refunds	(16,054,425)	(16,054,425)	—
Other	—	—	—
Net Changes	$ (15,504,417)	$ 55,049,209	$ (70,553,626)
Balances at June 30, 2024	$ 198,530,730	$ 441,722,210	$ (243,191,480)

Health Care Plan	June 30, 2023 Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Beginning Balance	$ 255,180,140	$ 350,409,827	$ (95,229,687)
Changes for the Year:			
Service Cost	$ 4,706,390	$ —	$ 4,706,390
Interest	14,944,314	—	14,944,314
Difference Between Expected and Actual Experience	(43,872,818)	—	(43,872,818)
Changes in Assumptions	—	—	—
Contributions - Employer	—	16,922,879	(16,922,879)
Net Investment Income	—	36,263,174	(36,263,174)
Benefit Payments, Including Refunds	(16,922,879)	(16,922,879)	—
Other	—	—	—
Net Changes	$ (41,144,993)	$ 36,263,174	$ (77,408,167)
Balances at June 30, 2023	$ 214,035,147	$ 386,673,001	$ (172,637,854)

Changes in Net OPEB Liability - Life

OPEB 115 Plan	**June 30, 2024** Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Beginning Balance	$ 27,380,611	$ 29,573,429	$ (2,192,818)
Changes for the Year:			
Service Cost	$ 297,511	$ —	$ 297,511
Interest	1,596,354	—	1,596,354
Changes in Benefit Terms	—	—	—
Difference Between Expected and Actual Experience Loss (Gain)	442,987	—	442,987
Changes in Assumptions	—	—	—
Contributions - Employer	—	89,705	(89,705)
Net Investment Income	—	3,903,147	(3,903,147)
Benefit Payments, Including Refunds	(1,846,931)	(1,846,931)	—
Other	—	—	—
Net Changes	$ 489,921	$ 2,145,921	$ (1,656,000)
Balances at June 30, 2024	$ 27,870,532	$ 31,719,350	$ (3,848,818)

OPEB 115 Plan	**June 30, 2023** Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability(Asset)
Beginning Balance	$ 27,546,911	$ 27,248,197	$ 298,714
Changes for the Year:			
Service Cost	$ 303,530	$ —	$ 303,530
Interest	1,608,402	—	1,608,402
Changes in Benefit Terms	—	—	—
Difference Between Expected and Actual Experience Loss (Gain)	(294,283)	—	(294,283)
Changes in Assumptions	—	—	—
Contributions - Employer	—	1,783,949	(1,783,949)
Net Investment Income	—	2,325,232	(2,325,232)
Benefit Payments, Including Refunds	(1,783,949)	(1,783,949)	—
Other	—	—	—
Net Changes	$ (166,300)	$ 2,325,232	$ (2,491,532)
Balances at June 30, 2023	$ 27,380,611	$ 29,573,429	$ (2,192,818)

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption. Regarding the sensitivity of the net OPEB liability to changes in the Single Discount Rate (SDR), the following presents the plans' net OPEB liability, calculated using a Single Discount Rate of six percent, as well as what the plans' net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

Health Care Plan

June 30, 2024	1% Decrease 5.00%	Current SDR Assumption 6.00%	1% Increase 7.00%
Total OPEB Liability	$ 222,869,578	$ 198,530,730	$ 178,190,413
Plan Net Position	441,722,210	441,722,210	441,722,210
Net OPEB Liability (Asset)	$(218,852,632)	$(243,191,480)	$(263,531,797)

Health Care Plan

June 30, 2023	1% Decrease 5.00%	Current SDR Assumption 6.00%	1% Increase 7.00%
Total OPEB Liability	$ 241,022,254	$ 214,035,147	$ 191,572,257
Plan Net Position	386,673,001	386,673,001	386,673,001
Net OPEB Liability (Asset)	$(145,650,747)	$(172,637,854)	$(195,100,744)

Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption

OPEB 115 Plan

June 30, 2024	1% Decrease 5.00%	Current SDR Assumption 6.00%	1% Increase 7.00%
Total OPEB Liability	$ 31,937,243	$ 27,870,532	$ 24,574,262
Plan Net Position	31,719,350	31,719,350	31,719,350
Net OPEB Liability (Asset)	$ 217,893	$ (3,848,818)	$ (7,145,088)

OPEB 115 Plan

June 30, 2023	1% Decrease 5.00%	Current SDR Assumption 6.00%	1% Increase 7.00%
Total OPEB Liability	$ 31,374,037	$ 27,380,611	$ 24,145,343
Plan Net Position	29,573,429	29,573,429	29,573,429
Net OPEB Liability (Asset)	$ 1,800,608	$ (2,192,818)	$ (5,428,086)

Sensitivity of Net OPEB Liability to the Health Care Cost Trend Rate Assumption. Regarding the sensitivity of the net OPEB liability to changes in the health care cost trend rates, the following presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of Net OPEB Liability to the Health Care Cost Trend Rate Assumption

Health Care Plan

June 30, 2024	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$ 176,271,095	$ 198,530,730	$ 225,476,380
Plan Net Position	441,722,210	441,722,210	441,722,210
Net OPEB Liability (Asset)	$ (265,451,115)	$ (243,191,480)	$ (216,245,830)

Health Care Plan

June 30, 2023	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	$ 191,586,091	$ 214,035,147	$ 241,294,940
Plan Net Position	386,673,001	386,673,001	386,673,001
Net OPEB Liability (Asset)	$ (195,086,910)	$ (172,637,854)	$ (145,378,061)

Health Professions Building

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources:

The University posted a Net OPEB Asset of $247,040,298 for both the health care plan and the OPEB 115 Plan for retiree life insurance for fiscal year ended June 30, 2025. The Net OPEB Asset was actuarially determined and measured as of June 30, 2024 for fiscal year 2024-2025.

The University's deferred outflows of resources, deferred inflows of resources, net OPEB liability, and OPEB expense for each plan are shown in the following tables:

June 30, 2024	Health Care Plan	OPEB 115 Plan	Aggregate
Net OPEB Liability (Asset)	$ (243,191,480)	$ (3,848,818)	$ (247,040,298)
Deferred Outflow of Resources	$ 56,406,657	$ 4,095,335	$ 60,501,992
Deferred Inflow of Resources	$ 160,363,190	$ 3,825,010	$ 164,188,200
OPEB Expense (Revenue)	$ (41,480,634)	$ 375,274	$ (41,105,360)

June 30, 2023	Health Care Plan	OPEB 115 Plan	Aggregate
Net OPEB Liability (Asset)	$ (172,637,854)	$ (2,192,818)	$ (174,830,672)
Deferred Outflow of Resources	$ 77,803,118	$ 5,154,401	$ 82,957,519
Deferred Inflow of Resources	$ 171,580,687	$ 3,447,205	$ 175,027,892
OPEB Expense (Revenue)	$ (24,116,151)	$ 938,266	$ (23,177,885)

On June 30, 2025, and June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Health Care Plan

Average Remaining Service Life for 2024:	5.47 Years		
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflows (Inflows) of Resources
Differences Between Expected and Actual Experience	$ —	$ 112,071,847	$ (112,071,847)
Assumption Changes	9,958,331	—	9,958,331
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	27,554,298	48,291,343	(20,737,045)
Subtotal	37,512,629	160,363,190	(122,850,561)
Contributions Subsequent to the Measurement Date	18,894,028	—	18,894,028
Total	$ 56,406,657	$ 160,363,190	$ (103,956,533)

Health Care Plan

Average Remaining Service Life for 2023:	5.91 Years		
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflows (Inflows) of Resources
Differences Between Expected and Actual Experience	$ 832,384	$ 132,051,561	$ (131,219,177)
Assumption Changes	17,074,644	—	17,074,644
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	43,841,665	39,529,126	4,312,539
Subtotal	61,748,693	171,580,687	(109,831,994)
Contributions Subsequent to the Measurement Date	16,054,425	—	16,054,425
Total	$ 77,803,118	$ 171,580,687	$ (93,777,569)

OPEB 115 Plan

Average Remaining Service Life for 2024:	6.94 Years		
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflows (Inflows) of Resources
Differences Between Expected and Actual Experience	$ 450,189	$ 568,599	$ (118,410)
Assumption Changes	988,488	44,296	944,192
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	2,062,255	3,212,115	(1,149,860)
Subtotal	3,500,932	3,825,010	(324,078)
Contributions Subsequent to the Measurement Date	594,403	—	594,403
Total	$ 4,095,335	$ 3,825,010	$ 270,325

OPEB 115 Plan

Average Remaining Service Life for 2023:	6.95 Years		
	Deferred Outflow of Resources	Deferred Inflow of Resources	Net Outflows (Inflows) of Resources
Differences Between Expected and Actual Experience	$ 146,161	$ 732,011	$ (585,850)
Assumption Changes	1,573,635	57,432	1,516,203
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	3,344,900	2,657,762	687,138
Subtotal	5,064,696	3,447,205	1,617,491
Contributions Subsequent to the Measurement Date	89,705	—	89,705
Total	$ 5,154,401	$ 3,447,205	$ 1,707,196

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	As of June 30, 2024	
	Health Care Plan	OPEB 115 Plan
Year Ending June 30	Net Deferred Outflow of Resources	Net Deferred Outflows of Resources
2025	$ (37,949,715)	$ (176,666)
2026	(24,188,291)	824,539
2027	(36,948,477)	(585,294)
2028	(22,407,173)	(466,452)
2029	(1,356,905)	19,938
Thereafter	—	59,857
Total	$ (122,850,561)	$ (324,078)

	As of June 30, 2023	
	Health Care Plan	OPEB 115 Plan
Year Ending June 30	Net Deferred Outflow of Resources	Net Deferred Outflows of Resources
2024	$ (25,372,905)	$ 575,535
2025	(28,691,073)	195,771
2026	(14,929,649)	1,196,976
2027	(27,689,835)	(212,858)
2028	(13,148,532)	(94,016)
Thereafter	—	(43,917)
Total	$ (109,831,994)	$ 1,617,491

Note J – Included Entities

The University operates Burris Laboratory School (kindergarten through high school), and the Indiana Academy for Science, Mathematics, and Humanities (a residential high school), under the direction of the Teachers College. The financial activity for these entities is included in the required financial statements of this annual report.

The Ball State Innovation Corporation (BSIC), a blended component unit, is included in the University's financial statements. The activities of BSIC are discussed in more detail in Note A.

Note K – Commitments and Contingent Liability

During the normal course of operations, the University has become an interested party to various legal and administrative actions, the resolutions of which are not yet known. However, in the opinion of legal counsel and University management, the disposition of all pending litigation and actions will not have a material adverse effect on the financial condition of the University. To protect the integrity of any litigation or action, further details are held confidential.

The University has entered into a loan guaranty agreement on one property as discussed below**:**

> Sigma Phi Epsilon Alumni Corporation – The loan agreement allowed for the construction of a new fraternity house for Sigma Phi Epsilon Fraternity, Indiana Gamma chapter in Muncie, Indiana. On June 18, 2009, the University guaranteed a term loan in the amount of $1,040,000 and a term note in the amount of $559,000. On January 2, 2014, the loan and note were consolidated with a reduction in the original interest rate at the request of the housing corporation and the consent of the University for a total consolidated loan of $1,068,957. Current financial statements provided by the chapter show the housing corporation has the ability to service the debt and meet its other financial obligations.

The University has outstanding commitments for capital construction contracts of $116,558,851 at June 30, 2025.

Charles W. Brown Planetarium

Note L – Risk Management

Ball State University manages a variety of risks inherent in its operations. The University uses a combination of self-insurance, risk retention, and commercial insurance to protect against financial losses.

Key risk exposures and the University's strategies to mitigate them are outlined below.

torts;
theft of, damage to, or destruction of assets;
errors or omissions;
cyber liability;
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 retains the first $250,000 of risk per incident for water or flood damage and $100,000 for all other hazards to buildings and contents. The risk per incident for general liability is $150,000. The University retains the entire risk for job-related illnesses, injury to employees, and short-term disability. Auto physical damage, auto liability, life insurance, and long-term disability are handled through fully insured commercial policies. The University retains the risk for its employee and retiree medical benefits.

Separate funds and accounts have been established to manage and measure the results of the various combinations of risk retention and commercial insurance. The University engages insurance consultants and actuaries periodically to review exposures and adjust reserves for potential liabilities accordingly. The University has had no settlements that exceeded its insurance coverage for each of the past three fiscal years.

The University maintains reserves for claims that have been incurred but not yet reported or paid (IBNP). These reserves are determined annually by external actuarial consultants to ensure liabilities are adequately recognized.

This estimated liability for IBNP at June 30, 2025 and June 30, 2024 for both active employees and retirees was $3.2 million and $3.6 million, respectively, as determined by the University’s actuarial consultants. Claims activity for each year was as follows:

June 30, 2025	
Unpaid Health Claims at July 1, 2024	3,596,347
Claims Incurred	63,933,759
Claims Paid	64,330,235
Unpaid Health Claims at June 30, 2025	$ 3,199,871

June 30, 2024	
Unpaid Health Claims at July 1, 2023	4,894,058
Claims Incurred	57,620,714
Claims Paid	58,918,425
Unpaid Health Claims at June 30, 2024	$ 3,596,347

Note M – Functional Expenses

The University's operating expenses by functional classification were as follows for fiscal year ended June 30, 2025:

	Functional Classification							
	Personnel Services	Benefits	OPEB Benefits	Student Aid	Utilities	Supplies and Expenses Repairs and Maintenance	Depreciation and Amortization	Total
Instruction	$ 116,378,213	$ 34,613,474	$ (20,166,713)	$ 219,300	$ 1,710	$ 12,779,404	$ —	$ 143,825,388
Research	6,786,357	1,782,325	(1,038,429)	305,914	353	4,259,760	—	12,096,280
Public Service	6,075,894	1,905,462	(1,110,172)	153,185	47,261	4,101,734	—	11,173,364
Academic Support	30,565,785	10,147,670	(5,912,297)	798,257	5,983	10,484,067	—	46,089,465
Student Services	11,192,557	3,668,042	(2,137,097)	95,546	5,211	7,586,228	—	20,410,487
Institutional Support	33,788,827	26,069,718	(15,188,898)	215,878	86,324	30,224,777	—	75,196,626
Oper & Maint of Physical Plant	13,880,488	6,791,198	(3,956,729)	—	15,276,907	4,485,676	—	36,477,540
Scholarships & Fellowships	2,263,941	493,069	(287,275)	13,115,804	—	195,186	—	15,780,725
Auxiliary Enterprises	33,094,158	18,530,205	(10,796,181)	8,444,093	1,050,423	36,269,145	—	86,591,843
Depreciation	—	—	—	—	—	—	35,023,159	35,023,159
Total Operating Expenses	$ 254,026,220	$ 104,001,163	$ (60,593,791)	$ 23,347,977	$ 16,474,172	$ 110,385,977	$ 35,023,159	$ 482,664,877

The University's operating expenses by functional classification were as follows for fiscal year ended June 30, 2024:

	Restated Functional Classification							
	Personnel Services	Benefits	OPEB Benefits	Student Aid	Utilities	Supplies and Expenses Repairs and Maintenance	Depreciation and Amortization	Total
Instruction	$ 112,010,706	$ 31,433,712	$ (13,514,933)	$ 366,116	$ 1,736	$ 13,852,384	$ —	$ 144,149,721
Research	6,635,543	1,600,355	(688,073)	335,278	82	5,316,186	—	13,199,371
Public Service	5,590,125	1,698,446	(730,247)	147,688	29,119	5,418,376	—	12,153,507
Academic Support	29,447,217	9,246,731	(3,975,635)	654,619	5,409	18,110,732	—	53,489,073
Student Services	10,427,454	3,200,619	(1,376,107)	42,799	5,707	8,937,673	—	21,238,145
Institutional Support	35,214,595	21,075,036	(9,061,218)	173,052	66,140	16,568,548	—	64,036,153
Oper & Maint of Physical Plant	13,630,641	6,192,589	(2,662,505)	—	13,673,639	4,153,365	—	34,987,729
Scholarships & Fellowships	1,988,565	447,571	(192,433)	9,759,127	—	317,705	—	12,320,535
Auxiliary Enterprises	29,687,069	16,562,064	(7,120,864)	8,374,077	1,046,747	39,447,959	—	87,997,052
Depreciation	—	—	—	—	—	—	33,431,348	33,431,348
Total Operating Expenses	$ 244,631,915	$ 91,457,123	$ (39,322,015)	$ 19,852,756	$ 14,828,579	$ 112,122,928	$ 33,431,348	$ 477,002,634

Note N – Subsequent Event

Housing and Dining System Revenue Refunding Bond, Series 2025, was issued on September 5, 2025 as a direct placement with Regions Capital Advantage, Inc. for the purpose of refunding a portion of the outstanding Housing and Dining System Revenue Bonds, Series 2016. The issuance amount of $19,275,000 was used to current refund an identical amount of the Series 2016 bonds at a lower interest rate. As of the date of this report, the outstanding principal balances of the Series 2016 and Series 2025 bonds are $2,440,000 and $19,275,000, respectively.

Note O – Subscription-Based Information Technology Arrangements (SBITAs)

Effective for the fiscal year ending June 30, 2023, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, defines a SBITA as a subscription-based agreement that grants the University the right to use vendor-provided information technology software. GASB 96 requires the University to recognize both a subscription asset (intangible asset) and a corresponding subscription liability. The subscription liability is measured as the present value of future SBITA payments expected to be made during the subscription term, while the subscription asset will equal the liability plus payments made to SBITA vendors prior to the commencement of the subscription term, as well as capitalizable implementation costs, less any incentives received from the SBITA vendor. As the subscription asset is classified as an intangible asset, the University is required to amortize the value of the subscription asset as an outflow of resources over the subscription term. In addition, amortization of the discount on the subscription liability is recognized as interest expense.

GASB 96 allows for professional judgment to determine if the provisions of this new standard apply to the accounting and financial reporting of a particular SBITA. As such, the University has determined a threshold to recognize individual SBITAs if the value of the total agreement is $1 million or greater.

Ball State University has entered into various SBITAs to provide support for students, faculty, administration, and overall campus operations. These subscription agreements generally include annual installments, with either fixed payments or variable payments that are fixed in substance, and terms ranging from three to ten years. GASB 96 also requires the disclosure of outflows for variable subscriptions payments and other payments, such as termination penalties, not previously included in the measurement of the subscription liability. For the fiscal year ended June 30, 2025, the University recognized $0 in variable subscription payments not included in the measurement of the subscription liability. For the fiscal year ended June 30, 2024, variable subscription payments totaled $19,437. The University did not recognize any other payments that were not previously included in the measurement of the subscription liability in fiscal year ended June 30, 2025 or June 30, 2024.

Subscription Assets

Please see the table below for the related details of Ball State University's Subscription Assets, including the amount of the subscription assets and the related accumulated amortization.

	Book Value June 30, 2024	Additions	Deductions	Book Value June 30, 2025
Subscription Assets	$ 13,099,394	$ 2,461,416	$ 131,489	$ 15,429,321
Less Accumulated Amortization	4,090,901	2,354,282	—	6,445,183
Subscription Assets, Net	$ 9,008,493	$ 107,134	$ 131,489	$ 8,984,138

	Book Value June 30, 2023	Additions	Deductions	Book Value June 30, 2024
Subscription Assets	$ 7,728,145	$ 6,624,463	$ 1,253,214	$ 13,099,394
Less Accumulated Amortization	3,533,409	1,664,359	1,106,867	4,090,901
Subscription Assets, Net	$ 4,194,736	$ 4,960,104	$ 146,347	$ 9,008,493

Subscription Liabilities

A maturity analysis of the University's subscription liability balance is presented below. The schedule projects the undiscounted cash flows to be made in the future, separated by principal and interest.

Maturity Analysis of Subscription Liabilities
As of June 30, 2025

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2026	$ 2,041,275	$ 295,647	$ 2,336,922
2027	990,796	223,899	1,214,695
2028	632,215	170,040	802,255
2029	547,268	143,532	690,800
2030	586,060	118,556	704,616
2031-2035	2,011,714	187,822	2,199,536
	$ 6,809,328	$ 1,139,496	$ 7,948,824

Maturity Analysis of Subscription Liabilities
As of June 30, 2024

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2025	$ 1,995,751	$ 299,842	$ 2,295,593
2026	1,796,695	250,488	2,047,183
2027	678,439	179,266	857,705
2028	648,736	153,519	802,255
2029	561,754	129,046	690,800
2030-2034	2,630,051	274,102	2,904,153
	$ 8,311,426	$ 1,286,263	$ 9,597,689

We Fly Fest / Brown Family Amphitheater

Note P – Restatement

Certain restatements were made to the June 30, 2024 statements for comparative purposes. The net effect of the restatements is outlined below.

	6/30/2024 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2024 As Restated
Statement of Net Position:				
Assets:				
Current Assets:				
Accounts Receivable, Net, and Unbilled Costs	$ 23,591,075	$ 50,000	$ —	$ 23,641,075
Total Current Assets	126,969,649	50,000	—	127,019,649
Total Assets	1,485,033,757	50,000	—	1,485,083,757
Total Assets and Deferred Outflows of Resources	1,591,137,170	50,000	—	1,591,187,170
Liabilities:				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	34,201,438	—	3,473,675	37,675,113
Total Current Liabilities	66,634,246	—	3,473,675	70,107,921
Noncurrent Liabilities:				
Liability for Compensated Absences	4,024,850	—	(2,727,271)	1,297,579
Total Noncurrent Liabilities	371,850,162	—	(2,727,271)	369,122,891
Total Liabilities	438,484,408	—	746,404	439,230,812
Total Liabilities and Deferred Inflows of Resources	620,138,141	—	746,404	620,884,545
Net Position:				
Unrestricted	184,076,958	50,000	(746,404)	183,380,554
Total Net Position	970,999,029	50,000	(746,404)	970,302,625
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,591,137,170	$ 50,000	$ —	$ 1,591,187,170

	6/30/2024 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2024 As Restated
Statement of Revenues, Expenses and Changes in Net Position:				
Operating Expenses:				
Benefits	$ 90,792,551	$ —	$ 664,572	$ 91,457,123
Total Operating Expenses	476,338,062	—	664,572	477,002,634
Operating (Loss)	(205,826,547)	—	(664,572)	(206,491,119)
Non-Operating Revenues/(Expenses):				
Other Non-Operating Revenue	7,599,494	50,000	—	7,649,494
Net Non-Operating Revenues/(Expenses)	268,085,952	50,000	—	268,135,952
Income Before Other Revenues, Expenses, Gains or Losses	62,259,405	50,000	(664,572)	61,644,833
Increase in Net Position	84,039,932	50,000	(664,572)	83,425,360
Prior Period Adjustment for Change in Accounting Principle	—	—	(81,832)	(81,832)
Net Position – End of Year	$ 970,999,029	$ 50,000	$ (746,404)	$ 970,302,625

	6/30/2024 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2024 As Restated
Statement of Cash Flows:				
Reconciliation of Net Operating Revenues/(Expenses) to				
Net Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	$ (205,826,547)	$ —	$ (664,572)	$ (206,491,119)
Adjustments to Reconcile Income/(Loss) to Net Cash				
Provided/(Used) by Operating Activities:				
Changes in Assets and Liabilities:				
Accounts Payable	(4,153,133)	—	540,255	(3,612,878)
Compensated Absences	$ 263,748	$ —	$ 124,317	$ 388,065

A The University failed to record an accounts receivable for a textbook scholarship/donation that was to be received from Barnes & Noble during the fiscal year ended June 30, 2024.

B The University adopted GASB Statement No. 101, Compensated Absences, in the fiscal year ended June 30, 2025. Adoption requires restatement of prior periods presented in the financial statements. More information on this new standard can be found in Note A.

Ball State University
Required Supplemental Information
June 30, 2025

Schedule of Ball State University's Proportionate Share of the

Net Pension Liability

Public Employees' Defined Benefit Account (PERF DB)

Last 10 Fiscal Years

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability*
2024	0.0069607	$ 28,058,476	$ 46,753,186	60.0%	79.5%
2023	0.0073251	$ 25,852,724	$ 46,052,603	56.1%	80.8%
2022	0.0078909	$ 24,886,573	$ 45,413,453	54.8%	82.5%
2021	0.0084321	$ 11,095,359	$ 46,489,506	23.9%	92.5%
2020	0.0094006	$ 28,393,518	$ 50,750,122	55.9%	81.4%
2019	0.0099076	$ 32,745,249	$ 51,619,288	63.4%	80.1%
2018	0.0102797	$ 34,920,606	$ 52,452,970	66.6%	78.9%
2017	0.0104320	$ 46,542,821	$ 51,754,607	89.9%	72.7%
2016	0.0106414	$ 48,295,404	$ 50,999,766	94.7%	71.2%
2015	0.0106374	$ 43,325,088	$ 50,950,992	85.0%	73.3%

Measurement date is June 30 for each year.

**2015-2017 were adjusted to reflect Defined Benefit activity only due to the Defined Benefit/Defined Contribution split effective January 1, 2018.*

Schedule of Ball State University's Proportionate Share of the

Net Pension Liability

Teachers' 1996 Defined Benefit Account (TRF 1996 DB)

Last 10 Fiscal Years

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability*
2024	0.0066837	$ 10,996,107	$ 29,729,365	37.0%	83.6%
2023	0.0066191	$ 7,190,668	$ 27,873,800	25.8%	87.7%
2022	0.0062799	$ 4,135,012	$ 24,642,131	16.8%	91.9%
2021	0.0063773	$ (2,996,005)	$ 23,242,712	(12.9)%	106.2%
2020	0.0067518	$ 526,240	$ 23,290,949	2.3%	98.8%
2019	0.0073054	$ (1,049,488)	$ 23,816,767	(4.4)%	102.4%
2018	0.0075972	$ 842,621	$ 23,874,193	3.5%	98.0%
2017	0.0068661	$ 4,546,709	$ 20,731,715	21.9%	88.0%
2016	0.0063119	$ 4,926,567	$ 18,180,579	27.1%	84.9%
2015	0.0059797	$ 3,148,778	$ 16,389,126	19.2%	88.9%

Measurement date is June 30 for each year.

**2015-2017 were adjusted to reflect Defined Benefit activity only due to the Defined Benefit/Defined Contribution split effective January 1, 2018.*

Schedule of Ball State University's Proportionate Share of the

Net Pension Liability

Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996 DB)

Last 10 Fiscal Years

Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Portion of the Non-Employer Contributing Entities Total Proportionate Share (Amount) of the Collective NPL Associated with the University	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability*
2024	—	$ —	100.00%	$ 475,645,000	N/A	67.1%
2023	—	$ —	100.00%	$ 521,286,000	N/A	61.8%
2022	—	$ —	100.00%	$ 575,523,000	N/A	36.4%
2021	—	$ —	100.00%	$ 625,812,000	N/A	35.4%
2020	—	$ —	100.00%	$ 693,965,000	N/A	26.2%
2019	—	$ —	100.00%	$ 753,355,000	N/A	26.1%
2018	—	$ —	100.00%	$ 824,770,000	N/A	25.4%
2017	—	$ —	100.00%	$ 912,685,000	N/A	23.1%
2016	—	$ —	100.00%	$ 989,093,000	N/A	22.6%
2015	—	$ —	100.00%	$ 1,074,827,000	N/A	23.6%

Measurement date is June 30 for each year.

**2015-2017 were adjusted to reflect Defined Benefit activity only due to the Defined Benefit/Defined Contribution split effective January 1, 2018.*

Schedule of Ball State University's Contributions

Public Employees' Defined Benefit Account (PERF DB)

Last 10 Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 5,150,716	$ 5,150,716	$ —	$ 46,753,186	11.02%
2023	$ 5,085,053	$ 5,085,053	$ —	$ 46,052,603	11.04%
2022	$ 5,024,182	$ 5,024,182	$ —	$ 45,413,453	11.06%
2021	$ 5,142,978	$ 5,142,978	$ —	$ 46,489,506	11.06%
2020	$ 5,623,552	$ 5,623,552	$ —	$ 50,750,122	11.08%
2019	$ 5,641,447	$ 5,641,447	$ —	$ 51,619,288	10.93%
2018	$ 5,859,623	$ 5,859,623	$ —	$ 52,452,970	11.17%
2017	$ 5,745,383	$ 5,745,383	$ —	$ 51,754,607	11.10%
2016	$ 5,689,277	$ 5,689,277	$ —	$ 50,999,766	11.16%
2015	$ 5,504,427	$ 5,504,427	$ —	$ 50,950,992	10.80%

Measurement date is June 30 for each year.

Schedule of Ball State University's Contributions

Teachers' 1996 Defined Benefit Account (TRF 1996 DB)

Last 10 Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 1,772,028	$ 1,772,028	$ —	$ 29,729,365	5.96%
2023	$ 1,671,833	$ 1,671,833	$ —	$ 27,873,800	6.00%
2022	$ 1,353,895	$ 1,353,895	$ —	$ 24,642,131	5.49%
2021	$ 1,272,852	$ 1,272,852	$ —	$ 23,242,712	5.48%
2020	$ 1,272,972	$ 1,272,972	$ —	$ 23,290,949	5.47%
2019	$ 1,772,451	$ 1,772,451	$ —	$ 23,816,767	7.44%
2018	$ 1,643,410	$ 1,643,410	$ —	$ 23,874,193	6.88%
2017	$ 1,555,479	$ 1,555,479	$ —	$ 20,731,715	7.50%
2016	$ 1,366,970	$ 1,366,970	$ —	$ 18,180,579	7.52%
2015	$ 1,304,966	$ 1,304,966	$ —	$ 16,389,126	7.96%

Measurement date is June 30 for each year.

Schedule of Ball State University's Contributions

Teachers' Pre-1996 Defined Benefit Account (TRF Pre-1996)

Last 10 Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2024	$ 75,784	$ 75,784	$ —	$ 1,521,438	4.98%
2023	$ 88,498	$ 88,498	$ —	$ 1,733,741	5.10%
2022	$ 88,075	$ 88,075	$ —	$ 1,854,963	4.75%
2021	$ 106,152	$ 106,152	$ —	$ 2,018,150	5.26%
2020	$ 129,150	$ 129,150	$ —	$ 2,364,075	5.46%
2019	$ 179,501	$ 179,501	$ —	$ 2,546,007	7.05%
2018	$ 204,795	$ 204,795	$ —	$ 2,896,105	7.07%
2017	$ 222,186	$ 222,186	$ —	$ 3,097,835	7.17%
2016	$ 230,716	$ 230,716	$ —	$ 3,275,322	7.04%
2015	$ 230,667	$ 230,667	$ —	$ 3,335,080	6.92%

Measurement date is June 30 for each year.

Closed plan - the contributions would need to be calculated and provided by the actuaries.

Schedule of Ball State University's Changes in Net OPEB Liability (Asset) and Related Ratios Multi-year

Health Care Plan

Last 10 Fiscal Years (which may be built prospectively)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	$ 3,874,580	$ 4,706,390	$ 7,230,250	$ 8,123,943	$ 8,156,166	$ 7,611,987	$ 6,830,783	$ 6,599,790
Interest on the Total OPEB Liability	12,476,713	14,944,314	20,036,152	20,582,629	22,695,850	21,470,286	19,577,788	18,399,968
Changes of Benefit Terms	—	—	—	—	—	—	—	—
Difference Between Expected and Actual Experience*	(15,801,285)	(43,872,818)	(94,794,529)	(24,611,487)	(36,345,287)	(10,137,052)	9,434,332	(4,229,345)
Change of Assumptions **	—	—	—	1,093,830	36,372,491	9,074,176	487,135	9,175,625
Benefit Payments, Including Refunds of Employee Contributions ^	(16,054,425)	(16,922,879)	(15,224,936)	(12,475,101)	(11,616,354)	(10,943,209)	(9,161,538)	(8,982,186)
Net change in Total OPEB Liability	$(15,504,417)	$(41,144,993)	$(82,753,063)	$ (7,286,186)	$19,262,866	$17,076,188	$27,168,500	$20,963,852
Total OPEB Liability - Beginning	214,035,147	255,180,140	337,933,203	345,219,389	325,956,523	308,880,335	281,711,835	260,747,983
Total OPEB Liability - Ending (a)	$198,530,730	$214,035,147	$255,180,140	$337,933,203	$345,219,389	$325,956,523	$308,880,335	$281,711,835
Plan Fiduciary Net Position:								
Employer Contributions ^	$16,054,425	$16,922,879	$15,224,936	$12,475,101	$11,616,354	$10,943,209	$ 9,161,538	$15,482,186
Nonemployer Contributing Entities Contributions	—	—	—	—	—	—	—	—
Employee Contributions	—	—	—	—	—	—	—	—
OPEB Plan Net Investment Income	55,049,209	36,263,174	(45,152,031)	86,867,318	8,464,978	12,501,466	21,850,871	34,411,338
Benefit Payments, Including Refunds of Employee Contributions ^	(16,054,425)	(16,922,879)	(15,224,936)	(12,475,101)	(11,616,354)	(10,943,209)	(9,161,538)	(8,982,186)
OPEB Plan Administrative Expense	—	—	—	—	—	—	—	—
Other	—	—	—	(9)	—	—	—	—
Net Change in Plan Fiduciary Net Position	$55,049,209	$36,263,174	$(45,152,031)	$86,867,309	$ 8,464,978	$12,501,466	$21,850,871	$40,911,338
Plan Fiduciary Net Position - Beginning	386,673,001	350,409,827	395,561,858	308,694,549	300,229,571	287,728,105	265,877,234	224,965,896
Plan Fiduciary Net Position - Ending (b)	$441,722,210	$386,673,001	$350,409,827	$395,561,858	$308,694,549	$300,229,571	$287,728,105	$265,877,234
Net OPEB Liability (Asset) - Ending (a) - (b)	$(243,191,480)	$(172,637,854)	$(95,229,687)	$(57,628,655)	$36,524,840	$25,726,952	$21,152,230	$15,834,601
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	222.50 %	180.66 %	137.32 %	117.05 %	89.42 %	92.11 %	93.15 %	94.38 %
Covered-Employee Payroll	$151,217,350	$159,952,437	$173,704,657	$173,741,219	$202,031,009	$206,811,806	$203,494,948	$194,729,643
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(160.82)%	(107.93)%	(54.82)%	(33.17)%	18.08 %	12.44 %	10.39 %	8.13 %

Notes to Schedule:

**For 2020 and later, includes the effect of change in the medical trend.*

***Represents the effect of the change in the mortality improvement scale, and for 2020, also includes assumption changes resulting from the recent experience study. The effect of the change in medical trend is included for 2019 and earlier.*

^Includes amount being paid outside of trust.

Schedule of Ball State University's Changes in Net OPEB Liability (Asset) and Related Ratios Multi-year

OPEB 115 Plan (Life)

Last 10 Fiscal Years (which may be built prospectively)

Fiscal year ending June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:								
Service Cost	$ 297,511	$ 303,530	$ 330,387	$ 353,933	$ 301,802	$ 305,397	$ 299,665	$ 289,531
Interest on the Total OPEB Liability	1,596,354	1,608,402	1,606,438	1,638,838	1,662,984	1,643,677	1,532,799	1,557,695
Changes of Benefit Terms *	—	—	—	—	—	—	—	(407,528)
Difference Between Expected and Actual Experience	442,987	(294,283)	(101,250)	(651,055)	202,820	(10,643)	337,477	(421,297)
Change of Assumptions**	—	—	—	(96,840)	3,086,070	142,956	976,135	—
Benefit Payments, Including Refunds of Employee Contributions ^	(1,846,931)	(1,783,949)	(1,794,880)	(1,751,318)	(1,694,069)	(1,624,704)	(1,501,416)	(1,259,902)
Net Change in Total OPEB Liability	$ 489,921	$ (166,300)	$ 40,695	$ (506,442)	$ 3,559,607	$ 456,683	$ 1,644,660	$ (241,501)
Total OPEB Liability - Beginning	27,380,611	27,546,911	27,506,216	28,012,658	24,453,051	23,996,368	22,351,708	22,593,209
Total OPEB Liability - Ending (a)	$27,870,532	$27,380,611	$27,546,911	$27,506,216	$28,012,658	$24,453,051	$23,996,368	$22,351,708
Plan Fiduciary Net Position:								
Employer Contributions ^	$ 89,705	$ 1,783,949	$ 615,982	$ 605,981	$ 597,740	$ 566,552	$ 468,068	$ 418,438
Nonemployer Contributing Entities Contributions	—	—	—	—	—	—	—	—
Employee Contributions	—	—	—	—	—	—	—	—
OPEB Plan Net Investment Income	3,903,147	2,325,232	(3,288,095)	6,793,390	574,901	1,194,030	2,071,247	2,943,702
Benefit Payments, Including Refunds of Employee Contributions ^	(1,846,931)	(1,783,949)	(1,794,880)	(1,751,318)	(1,694,069)	(1,624,704)	(1,501,416)	$ (1,259,902)
OPEB Plan Administrative Expense	—	—	—	—	—	—	—	—
Other	—	—	—	(137,977)	—	—	—	—
Net Change in Plan Fiduciary Net Position	$ 2,145,921	$ 2,325,232	$ (4,466,993)	$ 5,510,076	$ (521,428)	$ 135,878	$ 1,037,899	$ 2,102,238
Plan Fiduciary Net Position - Beginning	29,573,429	27,248,197	31,715,190	26,205,114	26,726,542	26,590,664	25,552,765	23,450,527
Plan Fiduciary Net Position - Ending (b)	$31,719,350	$29,573,429	$27,248,197	$31,715,190	$26,205,114	$26,726,542	$26,590,664	$25,552,765
Net OPEB Liability (Asset) - Ending (a) - (b)	$ (3,848,818)	$ (2,192,818)	$ 298,714	$ (4,208,974)	$ 1,807,544	$ (2,273,491)	$ (2,594,296)	$ (3,201,057)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	113.81 %	108.01 %	98.92 %	115.30 %	93.55 %	109.30 %	110.81 %	114.32 %
Covered Payroll	$209,144,125	$201,781,447	$197,333,796	$194,070,076	$202,031,009	$206,811,806	$203,494,948	$194,729,643
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(1.84)%	(1.09)%	0.15 %	(2.17)%	0.89 %	(1.10)%	(1.27)%	(1.64)%

Notes to Schedule:

**Represents the effect of the change in plan provisions (retiree contributions).*

***Represents the effect of the change in the mortality improvement scale. For 2020, also includes assumption changes resulting from the recent experience study.*

^Includes amount being paid outside of trust.

Schedule of the Net OPEB Liability (Asset) Multiyear

Health Care Plan

Last 10 Fiscal Years*

FY Ending June 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)	Plan Net Position as a % of Total OPEB Liability	Covered Payroll	Net OPEB Liability (Asset) as a % of Covered Payroll
2024	$ 198,530,730	$ 441,722,210	$ (243,191,480)	222.50%	$ 151,217,350	(160.82)%
2023	$ 214,035,147	$ 386,673,001	$ (172,637,854)	180.66%	$ 159,952,437	(107.93)%
2022	$ 255,180,140	$ 350,409,827	$ (95,229,687)	137.32%	$ 173,704,657	(54.82)%
2021	$ 337,933,203	$ 395,561,858	$ (57,628,655)	117.05%	$ 173,741,209	(33.17)%
2020	$ 345,219,389	$ 308,694,549	$ 36,524,840	89.42%	$ 202,031,009	18.08%
2019	$ 325,956,523	$ 300,229,571	$ 25,726,952	92.11%	$ 206,811,806	12.44%
2018	$ 308,880,335	$ 287,728,105	$ 21,152,230	93.15%	$ 203,494,948	10.39%
2017	$ 281,711,835	$ 265,877,234	$ 15,834,601	94.38%	$ 194,729,643	8.13%

OPEB 115 Plan

Last 10 Fiscal Years*

FY Ending June 30,	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)	Plan Net Position as a % of Total OPEB Liability	Covered Payroll	Net OPEB Liability (Asset) as a % of Covered Payroll
2024	$ 27,870,532	$ 31,719,350	$ (3,848,818)	113.81%	$ 209,144,125	(1.84)%
2023	$ 27,380,611	$ 29,573,429	$ (2,192,818)	108.01%	$ 201,781,447	(1.09)%
2022	$ 27,546,911	$ 27,248,197	$ 298,714	98.92%	$ 197,333,796	0.15%
2021	$ 27,506,216	$ 31,715,190	$ (4,208,974)	115.30%	$ 194,070,076	(2.17)%
2020	$ 28,012,658	$ 26,205,114	$ 1,807,544	93.55%	$ 202,031,009	0.89%
2019	$ 24,453,051	$ 26,726,542	$ (2,273,491)	109.30%	$ 206,811,806	(1.10)%
2018	$ 23,996,368	$ 26,590,664	$ (2,594,296)	110.81%	$ 203,494,948	(1.27)%
2017	$ 22,351,708	$ 25,552,765	$ (3,201,057)	114.32%	$ 194,729,643	(1.64)%

Notes to Schedule:

** The ten year schedule will be built over time. Measurement date is June 30 for each year.*

Ball State Cheer / Cardinal Walk

Schedule of Ball State University's OPEB Contributions Multi-year

Health Care Plan

Last 10 Fiscal Years*

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution ^	Contribution Deficiency (Excess)	Covered Payroll #	Actual Contribution as a Percentage of Covered Payroll
2024	$ —	$ 16,054,425	$ (16,054,425)	$ 151,217,350	10.62%
2023	$ —	$ 16,922,879	$ (16,922,879)	$ 159,952,437	10.58%
2022	$ 1,738,334	$ 15,224,936	$ (13,486,602)	$ 173,704,657	8.76%
2021	$ 11,846,667	$ 12,475,101	$ (628,434)	$ 173,741,219	7.18%
2020	$ 10,431,022	$ 11,616,354	$ (1,185,332)	$ 202,031,009	5.75%
2019	$ 9,449,906	$ 10,943,209	$ (1,493,303)	$ 206,811,806	5.29%
2018	$ 8,202,596	$ 9,161,538	$ (958,942)	$ 203,494,948	4.50%
2017	$ 8,888,232	$ 15,482,186	$ (6,593,954)	$ 194,729,643	7.95%

OPEB 115 Plan (Life Insurance)

Last 10 Fiscal Years*

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution ^	Contribution Deficiency (Excess)	Covered Payroll #	Actual Contribution as a Percentage of Covered Payroll
2024	$ 95,169	$ 89,705	$ 5,465	$ 209,144,125	0.04%
2023	$ 379,767	$ 1,783,949	$ (1,404,182)	$ 201,781,447	0.88%
2022	$ —	$ 615,982	$ (615,982)	$ 197,333,796	0.31%
2021	$ 551,000	$ 605,981	$ (54,981)	$ 194,070,076	0.31%
2020	$ 142,988	$ 597,740	$ (454,752)	$ 202,031,009	0.30%
2019	$ 128,901	$ 566,552	$ (437,651)	$ 206,811,806	0.27%
2018	$ 86,343	$ 468,068	$ (381,725)	$ 203,494,948	0.23%
2017	$ 261,383	$ 418,438	$ (157,055)	$ 194,729,643	0.21%

Notes to Schedule:

** The ten year schedule will be built over time. Measurement date is June 30 for each year.*

^ Includes amount being paid outside of trust.

Whitinger Business Building

Ball State University
Notes to Required Supplemental Information
June 30, 2025

To assist in the review of the PERF and TRF schedules, please see plan amendments, assumption changes, and actuarial assumptions per year on the tables below, as reported on the Indiana Public Retirement System (INPRS) Annual Comprehensive Financial Reports (ACFR):

Schedules of Changes in Net Pension Liability per Fiscal Year

For the Year Ended June 30, 2024:

Plan Amendments

In 2024, there were no plan amendments.

Assumption Changes

In 2024, there were no changes to the actuarial assumptions during the fiscal year.

For the Year Ended June 30, 2023:

Plan Amendments

In 2023, for PERF DB, TRF Pre-'96 DB, and TRF '96 DB the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

Assumption Changes

In 2023, there were no changes to assumptions that impacted the NPL during the fiscal year.

For the Year Ended June 30, 2022:

Plan Amendments

In 2022, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

In 2022, there were no changes to assumptions that impacted the NPL during the fiscal year.

For the Year Ended June 30, 2021:

Plan Amendments

In 2021, HEA 1001-2021 granted a 1% COLA for PERF DB, TRF Pre-'96 DB, and TRF '96 DB, effective January 1, 2022.

Assumption Changes

In 2021, several assumptions were updated. These assumption changes include a decrease in the investment rate of return, inflation assumption, and wage inflation assumption.

For the Year Ended June 30, 2020:

Plan Amendments

In 2020, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

In 2020, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, dependent spouse assumptions, and future salary increase assumptions.

For the Year Ended June 30, 2019:

Plan Amendments

In 2019, PERF DB, TRF Pre-1996 DB, and TRF 1996 DB were modified pursuant to HEA 1059. Previously, statute generally required PERF and TRF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

Assumption Changes

In 2019, there were no changes to assumptions that impacted the NPL during the fiscal year.

For the Year Ended June 30, 2018:

Plan Amendments

In 2018, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

In 2018, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS now assumed that the COLA will be replaced by a thirteenth check for 2020 and 2021. The COLA assumption thereafter, would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

For the Year Ended June 30, 2017:

Plan Amendments

In 2017, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

In 2017, a second mortality table was added creating both the healthy and disabled mortality tables. There were no other changes made during the current year that materially impacted Net Pension Liability during the fiscal year.

For the Year Ended June 30, 2016:

Plan Amendments

In 2016, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

In 2016, there were no changes to the assumptions that impacted the Net Pension Liability during the fiscal year.

For the Year Ended June 30, 2015:

Plan Amendments

In 2015, there were no changes to the plan that impacted the pension benefits during the fiscal year.

Assumption Changes

An experience study was performed in April of 2015 resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions (PERF & TRF only), dependent assumptions, future salary increase assumptions, inflation assumptions and COLA assumptions. For further details refer to the Actuarial Section of the INPRS ACFR.

Actuarial Assumptions per Fiscal Year

PERF DB

Fiscal Year	Experience Study Date	Investment Rate of Return (Accounting)	Cost of Living Increases (COLA)	Future Salary Increases, including Inflation	Inflation
2024	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	2025 - 13th check, Beginning July 1, 2025 - For members retired before 7/1/2025 - indexed 13th check, For members retired on or after 7/1/2025 - 1% COLA	2.65% - 8.65%	2.00%
2023	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2026 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.65% - 8.65%	2.00%
2022	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.65% - 8.65%	2.00%
2021	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.65% - 8.65%	2.00%
2020	Period of five years ended June 30, 2019	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.75% - 8.75%	2.25%
2019	Period of four years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.50% - 4.25%	2.25%
2018	Period of four years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2019-2020 - 13th check, 2021-2032 - 0.40%, 2033-2037 - 0.50%, 2038 and on - 0.60%	2.50% - 4.25%	2.25%
2017	Period of four years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	1.00%	2.50% - 4.25%	2.25%
2016	Period of four years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 4.25%	2.25%
2015	Period of four years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 4.25%	2.25%

Actuarial Assumptions per Fiscal Year- Mortality

PERF DB

Fiscal Year	Mortality-Healthy Employees and Retirees		Mortality-Disabled		Mortality-Beneficiaries		Mortality-Improvement -All Tables
	Base Table	M/F Set Forward	Base Table	Load	Base Table	M/F Set Forward	Generational Improvement Scale
2024	PubG-2010	+3/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2023	PubG-2010	+3/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2022	PubG-2010	+3/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2021	PubG-2010	+3/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2020	PubG-2010	+3/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2019	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2018	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2017	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2016	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A		N/A
2015	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2016		N/A		N/A		N/A

Actuarial Assumptions per Fiscal Year

TRF 1996 DB

Fiscal Year	Experience Study Date	Investment Rate of Return (Accounting)	Cost of Living Increases (COLA)	Future Salary Increases, including Inflation	Inflation
2024	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	2025 - 13th check, Beginning July 1, 2025 - For members retired before 7/1/2025 - indexed 13th check, For members retired on or after 7/1/2025 - 1% COLA	2.65% - 11.90%	2.00%
2023	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2026- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.65% - 11.90%	2.00%
2022	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.65% - 11.90%	2.00%
2021	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.65% - 11.90%	2.00%
2020	Period of five years ended June 30, 2019	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.75% - 12.00%	2.25%
2019	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.50% - 12.50%	2.25%
2018	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2019-2020 - 13th check, 2021-2032 - 0.40%, 2033-2037 - 0.50%, 2038 and on - 0.60%	2.50% - 12.50%	2.25%
2017	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	1.00%	2.50% - 12.50%	2.25%
2016	Period of three years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 12.50%	2.25%
2015	Period of three years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 12.50%	2.25%

Actuarial Assumptions per Fiscal Year- Mortality

TRF 1996 DB

Fiscal Year	Mortality-Healthy Employees and Retirees: Base Table	Mortality-Healthy Employees and Retirees: M/F Set Forward	Mortality-Disabled: Base Table	Mortality-Disabled: Load	Mortality-Beneficiaries: Base Table	Mortality-Beneficiaries: M/F Set Forward	Mortality-Improvement-All Tables: Generational Improvement Scale
2024	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2023	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2022	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2021	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2020	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2019	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2018	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2017	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2016	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A		N/A
2015	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2016		N/A		N/A		N/A

Actuarial Assumptions per Fiscal Year

TRF Pre-1996 DB

Fiscal Year	Experience Study Date	Investment Rate of Return (Accounting)	Cost of Living Increases (COLA)	Future Salary Increases, including Inflation	Inflation
2024	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	2025 - 13th check, Beginning July 1, 2025 - For members retired before 7/1/2025 - indexed 13th check, For members retired on or after 7/1/2025 - 1% COLA	2.65% - 11.90%	2.00%
2023	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2026- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.65% - 11.90%	2.00%
2022	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024- 0.40%, Beginning Jan. 1, 2034- 0.50%, Beginning Jan. 1, 2039- 0.60%	2.65% - 11.90%	2.00%
2021	Period of five years ended June 30, 2019	6.25%, includes inflation and net of investment expenses	Beginning Jan. 1, 2024 - 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.65% - 11.90%	2.00%
2020	Period of five years ended June 30, 2019	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.75% - 12.00%	2.25%
2019	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2020-2021 - 13th check, Beginning Jan. 1, 2022- 0.40%, Beginning Jan. 1, 2034 - 0.50%, Beginning Jan. 1, 2039 - 0.60%	2.50% - 12.50%	2.25%
2018	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	2019-2020 - 13th check, 2021-2032 - 0.40%, 2033-2037 - 0.50%, 2038 and on - 0.60%	2.50% - 12.50%	2.25%
2017	Period of three years ended June 30, 2014	6.75%, includes inflation and net of investment expenses	1.00%	2.50% - 12.50%	2.25%
2016	Period of three years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 12.50%	2.25%
2015	Period of three years ended June 30, 2014	6.75%, net of investment expense, including inflation	1.00%	2.50% - 12.50%	2.25%

Actuarial Assumptions per Fiscal Year- Mortality

TRF Pre-1996 DB

	Mortality-Healthy Employees and Retirees		Mortality-Disabled		Mortality-Beneficiaries		Mortality-Improvement -All Tables
Fiscal Year	**Base Table**	**M/F Set Forward**	**Base Table**	**Load**	**Base Table**	**M/F Set Forward**	**Generational Improvement Scale**
2024	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2023	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2022	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2021	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2020	PubT-2010	+1/+1	PubG-2010	140%	PubCS-2010	+0/+2	MP-2019
2019	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2018	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2017	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A
2016	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006		N/A		N/A		N/A
2015	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2016		N/A		N/A		N/A

Notes to Required Supplementary Information

Changes to OPEB Benefit Terms

June 30, 2024, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

June 30, 2023, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

June 30, 2022, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

June 30, 2021, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation. The self-insured premiums charged to active employees and retirees were increased three percent.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

June 30, 2020, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation. The self-insured premiums charged to active employees and retirees were increased three percent.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

July 1, 2019, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation. The self-insured premiums charged to active employees and under age 65 retirees were increased two percent.

The retiree healthcare plan was closed to new hires effective January 1, 2020.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

July 1, 2018, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation. The self-insured premiums charged to active employees and under age 65 retirees were increased two percent.

OPEB 115 Plan - Life Insurance:

There were no changes in the life insurance benefit eligibility requirements, retiree contributions or plan benefits since the previous valuation.

July 1, 2017, changes in benefits since the prior valuation include:

Health Care Plan - Health Insurance:

There were no changes in the health care benefit eligibility requirements, deductibles, coinsurance, or plan maximums since the previous valuation. The self-insured premiums charged to active employees and under age 65 retirees were increased two percent.

OPEB 115 Plan - Life Insurance:

Retiree contributions increased to $0.2267 per $1,000 effective January 1, 2017. Previously, it was $0.173 per $1,000.

Changes in OPEB Assumptions

June 30, 2024, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Assumed health care trend rates were reset to reflect anticipated plan experience.

June 30, 2023, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Assumed health care trend rates were extended over 15 years and reset to reflect anticipated plan experience.

June 30, 2022, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Assumed health care trend rates were reset by one year.

June 30, 2021, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Separate trend rates were set for pre-65/post-65 participants, which start at 7.5% and 6.25% respectively decreasing to an ultimate trend rate of 3.5%

The mortality improvement scale was changed from MP-2020 to MP-2021

June 30, 2020, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Rates of retirement and withdrawal were changed to reflect actual experience.

Assumed future increases in medical benefits changed from 7.75 percent for the fiscal year ending June 30,2021, grading down to 3.5 percent in the next nine years for all participants to new rates for pre-65/post-65, which are more reflective of anticipated plan experience.

The mortality assumption was changed from fully generational RP-2014, from base year 2006, projected forward from 2006 using MP-2019 to fully generational Pub-2010 headcount-weighted General plan tables, projected forward from 2010 using MP-2020.

The interest rate was changed from 7.00 percent to 6.00 percent.

The salary increase/payroll growth assumption was changed from 3.50 percent to 3.25 percent per year.

July 1, 2019, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Assumed future increases in medical benefits changed from 7.75 percent for the fiscal year ending June 30, 2020, grading down to 3.5 percent in the next nine years, to 8.25 percent for the fiscal year ending June 30, 2019, grading down to 3.5 percent in the next ten years.

The mortality improvement projection scale was changed from MP-2018 to MP-2019

July 1, 2018, changes in assumptions since the prior valuation include:

Claim costs were updated based on current plan experience and future expectations.

Assumed future increases in medical benefits changed from 7.75 percent for the fiscal year ending June 30, 2019, grading down to 3.5 percent in the next nine years, to 8.25 percent for the fiscal year ending June 30, 2019, grading down to 3.5 percent in the next ten years.

The mortality improvement projection scale was changed from MP-2015 to MP-2018

July 1, 2017, changes in assumptions since the prior valuation include:

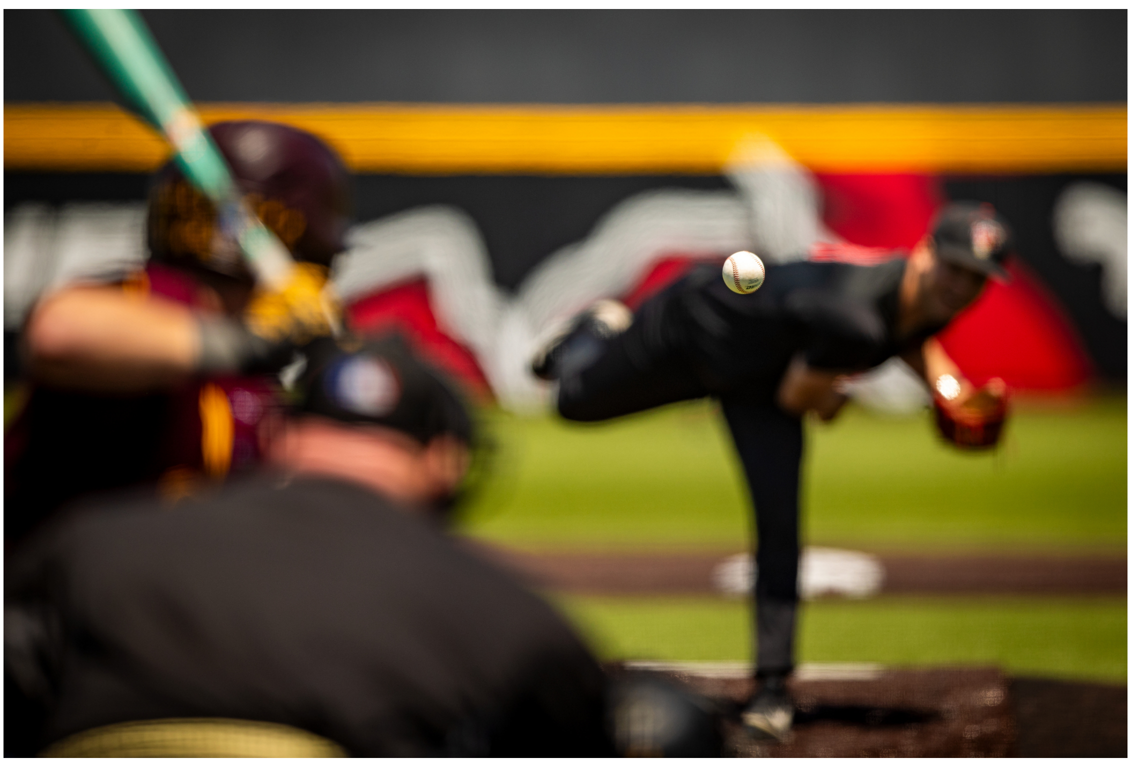
Claim costs were updated based on current plan experience and future expectations.

Assumed future increases in medical benefits changed from 7.75 percent for the fiscal year ending June 30, 2018, grading down to 3.5 percent in the next nine years, to 8.25 percent for the fiscal year ending June 30, 2018, grading down to 3.5 percent in the next ten years.

Methods and Assumptions Used to Determine OPEB Contribution Amounts for the Fiscal Year Ending:

	June 30, 2024	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**	**June 30, 2017**
Valuation Date:	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Notes:	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.	Actuarially determined contribution rates are calculated annually as of June 30. The valuation date is 12 months prior to the fiscal year end.
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method:	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed	Level Dollar, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed
Remaining Amortization Period:	14 years	15 years	16 years	17 years	18 years	19 years	20 years	21 years
Asset Valuation Method:	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets	Market value of assets
Price Inflation:	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used	No explicit price inflation assumption used
Salary Increases:	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.25% per year	3.5% per year	3.5% per year	3.5% per year
Investment Rate of Return:	6.0%, net of OPEB plan investment expense, including inflation	6.0%, net of OPEB plan investment expense, including inflation	6.0%, net of OPEB plan investment expense, including inflation	6.0%, net of OPEB plan investment expense, including inflation	6.0%, net of OPEB plan investment expense, including inflation	7.0%, net of OPEB plan investment expense, including inflation	7.0%, net of OPEB plan investment expense, including inflation	7.0%, net of OPEB plan investment expense, including inflation
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition	Experience-based table of rates that are specific to the type of eligibility condition
Mortality:	Fully generational Pub-2010 General tables for healthy employees and annuitants, projected forward from 2010 using Projection Scale MP-2021	Fully generational Pub-2010 General tables for healthy employees and annuitants, projected forward from 2010 using Projection Scale MP-2021.	Fully generational Pub-2010 General tables for healthy employees and annuitants, projected forward from 2010 using Projection Scale MP-2021.	Fully generational Pub-2010 headcount-weighted General tables, projected forward from 2010 using Projection Scale MP-2020.	Fully generational Pub-2010 headcount-weighted General tables, projected forward from 2010 using Projection Scale MP-2020.	Fully generational RP-2014 Mortality Table for health employees and annuitants, with 2006 base rates projected forward from 2006 using Projection Scale MP-2018, with no collar adjustment.	Fully generational RP-2014 Mortality Table for health employees and annuitants, with 2006 base rates projected forward from 2006 using Projection Scale MP-2018, with no collar adjustment.	Fully generational RP-2014 Mortality Table for health employees and annuitants, with 2006 base rates projected forward from 2006 using Projection Scale MP-2015, with no collar adjustment.

Health Care Trend Rates:	Separate trend rates were set for pre-65/ post-65 participants, which can be found on page E-6 of the funding report.	Separate trend rates were set for pre-65/ post-65 participants, which can be found on page E-6 of the funding report.	Separate trend rates were set for pre-65/ post-65 participants, which can be found on page E-6 of the funding report.	Separate trend rates were set for pre-65/ post-65 participants, which start at 7.5% and 6.25% respectively decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 7.75% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 8.25% and gradually decreasing to an ultimate trend rate of 3.5%
Dental Trend Rates:	Initial trend starting at 4.50% and gradually decreasing to an ultimate trend rate of 3.50%.	Initial trend starting at 4.50% and gradually decreasing to an ultimate trend rate of 3.5%. Note that first year trend of 0.0% increase was reflected due to known dental premiums.	Initial trend starting at 0% in first year before increasing to 4.25% and then gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 4.5% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 4.5% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 4.5% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 4.5% and gradually decreasing to an ultimate trend rate of 3.5%	Initial trend starting at 4.5% and gradually decreasing to an ultimate trend rate of 3.5%
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death."	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"



Ball State Baseball / Shebek Stadium