



**BALL STATE  
UNIVERSITY**

# **Financial Report**

**Year Ended June 30, 2024**

**FILED**  
12/26/2024



*Peace Plaza*

*(Front Cover) Beneficence during total solar eclipse*

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To  
The President and Board of Trustees  
Ball State University

This financial report presents  
the financial position of  
Ball State University at June 30, 2024  
and the results of activities for  
the year then ended.

Alan T. Finn  
Vice President for Business Affairs  
and Treasurer

Ball State University's Report Date.....October 31, 2024

# Report of the President

It is my privilege to present the *Annual Financial Report of Ball State University* for the year ended June 30, 2024. 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, 2024, 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.

Our University continues to demonstrate that the post-COVID-19 strategies we have implemented to increase our enrollment and retain our students have been effective. As we develop the next iteration of our strategic plan, 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 \$84 million to total net assets of \$971 million. Additionally, we continue to be rated by S&P and Moody's as AA-/Stable and Aa3 stable, respectively.
- Our total Fall 2024 enrollment—for new undergraduate students, returning undergraduate students, new graduate students, and returning graduate students—has grown to approximately 20,000 students, which is 1,100 more students than just two years ago.
- For the sixth year in a row, our alumni and benefactors contributed more than \$30 million in new philanthropic commitments to our University. The \$79.1 million we received in new gifts and commitments this past fiscal year represents an all-time record in the 106-year history of our institution.

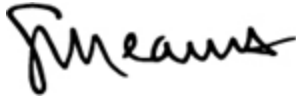
We also continued the implementation of our campus master plan. Featured projects include:

- Continued renovations to Cooper Science Building, which include a new rooftop observatory. These renovations represent the third and final phase of our University's comprehensive plan to expand and renovate our STEM and health professions facilities.
- Continued progress implementing our ambitious plan to revitalize The Village, the commercial district located adjacent to campus. Construction begins in Fall 2024 on the Performing Arts Center and attached Tapestry Hotel by Hilton. Another site featured in the plan is our new Center for Innovation, which will become a central hub of collaboration and experimentation. Construction on this building also begins in Fall 2024.
- Designs for the renovations to several academic buildings as part of our North Campus project. This project includes renovations to the College of Architecture and Planning Building, the University Theatre Building, the Arts and Communication Building, and the Hargreaves Music Building. The University received more than \$81 million from the state to complete these important projects.
- Approval from our Board of Trustees for the design and construction of our new Eric Foss Championship Performance Center. This new strength and conditioning facility is named after Mr. Foss, a 1980 Ball State graduate who contributed \$4 million for the project.

On our flight path to a bright future, we also continue to implement the strategic imperatives outlined in our strategic plan, while we develop the next iteration of our long-term plan.

Because of our strong operating performance and our stable financial position, we have the capacity to invest in our people and in the programs necessary to achieve our ambitious long-term goals.

Sincerely,

A handwritten signature in black ink that reads "G. Mearns". The signature is written in a cursive, flowing style.

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.*

*\* GAAP require 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 discrimination and being inclusive of 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, or protected veteran 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 and, through its affirmative action program, seeks to expand its efforts to guarantee equality of opportunity in employment. Affirmative action is taken to attract and recruit diversity, including underrepresented minority groups, females, protected veterans or individuals with disabled veteran status, and otherwise qualified persons with disabilities. Ball State will hire, transfer, recruit, train, promote, assign work, compensate, layoff and/or terminate based upon the tenets of this policy.

The University President affirms the commitment to equal opportunity and accepts responsibility for the implementation of the affirmative action program along with the vice presidents, deans, directors and heads of units. 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 and Affirmative Action has been specifically designated to be responsible for overall compliance with all federal and state laws and regulations regarding nondiscrimination and for implementation and coordination of the University's affirmative action program. Information concerning the University's affirmative action program can be obtained from the Director of Employee Relations and Affirmative Action, Ball State University, Muncie, IN 47306.

To ensure equal employment 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 and Affirmative Action 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. As a part of this system, the President will review the University's equal opportunity and affirmative action policy and program at least once each year, measure progress against the objectives stated in the affirmative action program, and report findings and conclusions to the Board of Trustees.

Revised by the Board of Trustees July 24, 2024

# Ball State University Board of Trustees and President

## 2023-2024

Hope Churchill, Muncie, IN  
(appointed July 1, 2023)

E. Renae Conley, Chicago, IL

Brian Gallagher, Chevy Chase, MD

Julie Griffith, Carmel, IN

Henry O. Hall, Fort Wayne, IN

Richard J. Hall, Carmel, IN

Mark Hardwick, Yorktown, IN

William Craig Dobbs, Carmel, IN  
(appointed January 1, 2024)

Mike McDaniel, Indianapolis, IN

Matthew Momper, Fort Wayne, IN  
(completed term December 31, 2023)

### Officers

- Richard J. Hall.....Chair
- Brian Gallagher.....Vice Chair
- Mike McDaniel.....Secretary
- Julie Griffith.....Assistant Secretary
- Alan T. Finn.....Treasurer

**University President**  
Geoffrey S. Mearns



## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit 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 aggregate remaining fund information of Ball State University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2024 and 2023, 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 report 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 aggregate remaining fund information of the University, as of June 30, 2024 and 2023, 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. (Foundation) or the Muncie Community Schools (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, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and the School Corporation, is based solely on the report of the other auditors.

#### **Basis for Opinions**

We conducted our audit 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 Audit 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 audit. 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, the University adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*, in fiscal year 2024. Our opinion is not modified with respect to this matter.

As discussed in Note A and P to the financial statements, the University presented a prior period adjustment at June 30, 2023, to the business-type activities net position to restate unrestricted net position related to the University's net OPEB asset to restricted net position. The University also presented a prior period adjustment at June 30, 2023, to the business-type activities to restate current assets, noncurrent assets, current liabilities, noncurrent liabilities, deferred inflows of resources, net position, operating revenues, operating expenses, non-operating revenues and expenses, and the statement of cash flows to reflect the implementation of GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to these matters.

### ***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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. 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 report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, 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, CPA, CFE  
Deputy State Examiner

October 31, 2024

# Ball State University

## Management's Discussion and Analysis

### June 30, 2024

#### 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, Burriss, 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 2023 enrollment of 20,440 students was comprised of 14,874 undergraduate and 5,566 graduate students. Approximately 88 percent of the University's on-campus students are characterized as Indiana residents; however, all 50 states, the District of Columbia, one U.S. territory, and 78 foreign nations are represented in the student body. As of the beginning of the 2023-2024 academic year, the University's staff and faculty (not including student employees and graduate assistants) totaled approximately 2,950 full-time and over 350 part-time personnel. The campus facilities include approximately 135 buildings totaling over 7.6 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, 2024, with selected comparative information for the two fiscal years ended June 30, 2023 and 2022. 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 which 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 2023-2024 increased by \$84.0 million compared to the 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 \$14.4 million decrease in unrestricted net position and a \$3.4 million decrease in net position restricted for construction. A more detailed discussion of the change in net position can be found later in this report. For fiscal year 2022-2023, the total net position of the University increased by \$47.7 million as compared to fiscal year 2021-2022, due primarily to a \$39.5 million increase in net investment in capital assets, a \$33.4 million increase in net position restricted for other post-employment benefits, and a \$12.7 million increase in unrestricted net position, partially offset by a \$38.9 million decrease in net position restricted for construction.



*School of Music Showcase Concert*

## **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, 2024, 2023, and 2022			
	2024	2023	2022
		Restated	Restated
<b>Assets:</b>			
Current Assets	\$ 126,969,649	\$ 148,332,815	\$ 163,560,131
<b>Noncurrent Assets:</b>			
Capital Assets, Net of Depreciation	891,365,633	894,988,633	878,349,258
Other	466,698,475	346,335,099	334,699,495
Deferred Outflows of Resources	106,103,413	135,214,463	85,566,207
Total Assets and Deferred Outflows of Resources	<u>\$1,591,137,170</u>	<u>\$1,524,871,010</u>	<u>\$1,462,175,091</u>
<b>Liabilities:</b>			
Current Liabilities	\$ 66,634,246	\$ 70,380,394	\$ 78,438,228
Noncurrent Liabilities	371,850,162	392,326,549	401,081,081
Deferred Inflows of Resources	181,653,733	175,204,970	143,374,812
Total Liabilities and Deferred Inflows of Resources	<u>\$ 620,138,141</u>	<u>\$ 637,911,913</u>	<u>\$ 622,894,121</u>
<b>Net Position:</b>			
Net Investment in Capital Assets	\$ 582,990,633	\$ 562,688,633	\$ 523,224,258
Restricted	203,931,438	125,772,378	130,275,783
Unrestricted	184,076,958	198,498,086	185,780,929
Total Net Position	<u>\$ 970,999,029</u>	<u>\$ 886,959,097</u>	<u>\$ 839,280,970</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$1,591,137,170</u>	<u>\$1,524,871,010</u>	<u>\$1,462,175,091</u>

## Current and Noncurrent Assets

Current assets, such as cash and cash equivalents, accounts receivable, and inventories, support the current operations of the University. Current assets decreased \$21.4 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. The decreases in short term investments and cash and cash equivalents are attributed primarily to a shift from shorter duration to longer duration assets for strategic purposes.

In fiscal year 2022-2023, current assets decreased \$15.2 million, or 9.3 percent, from the previous year, primarily due to a decrease in cash and cash equivalents of \$22.3 million, partially offset by an increase in accounts receivable, net and unbilled costs of \$3.6 million and an increase in short term investments of \$2.8 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, 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. The increase in net OPEB asset is a normal fluctuation based on actuarial valuations. The increase in investments is related to the strategic shift from shorter duration to longer duration noted above.

Noncurrent assets at June 30, 2023, showed a \$28.3 million, or 2.3 percent, increase over the previous year. The net increase is made up primarily of the combination of a \$33.4 million increase in net OPEB asset and a \$16.6 million increase in capital assets, net of depreciation, partially offset by a \$21.2 million decrease in investments and a \$1.3 million decrease in subscription assets, net.



*Sponsored Projects Administration Student Symposium*

### **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) and net Other Post-Employment Benefits (OPEB) liability (total OPEB liability less the fiduciary net position). 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, 2024, was a \$29.1 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 \$6.4 million increase over the prior year. The changes and differences to deferred outflows at June 30, 2023, was a \$49.6 million increase, while changes and differences to deferred inflows was a \$31.8 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, 2023, for the 2023-2024 financial report, and June 30, 2022, for the 2022-2023 financial report.

### **Current and Noncurrent Liabilities**

Current liabilities consist primarily of accounts payable, interest payable, accrued compensation and related benefits, as well as 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 2023-2024, the University's current liabilities decreased by \$3.7 million, or 5.3 percent. The net decrease was primarily due to a decrease in accounts payable and accrued liabilities of \$4.5 million, partially offset by an increase in subscription liability of \$0.9 million. In fiscal year 2022-2023, the University's current liabilities decreased by \$8.1 million, primarily due to decreases in accounts payable and accrued liabilities of \$8.4 million and deposits of \$0.9 million, partially offset by an increase in the current portion of long-term liabilities of \$1.1 million.

Noncurrent liabilities are predominantly comprised of bonds payable, pension and OPEB liabilities, liability for compensated absences, and the Perkins loan program. Total noncurrent liabilities decreased by \$20.5 million, or 5.2 percent, in fiscal year

2023-2024. Bonds payable (long term liabilities, net) accounted for a decrease equal to \$26.9 million over the previous fiscal year due to regularly scheduled debt payments. Expected fluctuations in both the net pension and net OPEB liabilities amounted to a net increase of \$3.7 million. Additionally, subscription liability increased by \$3.7 million while the Perkins loan program decreased by \$0.9 million.

In fiscal year 2022-2023, total noncurrent liabilities decreased \$8.8 million. Bonds payable (long term liabilities, net) decreased \$28.6 million due to regularly scheduled payments. Fluctuations in both the net pension and net OPEB liabilities amounted to net increases of \$20.9 million and \$0.3 million, respectively. The Perkins loan program decreased by \$1.2 million while subscription liability 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, 2024, the University had \$308.4 million of capital-related bond indebtedness outstanding, compared to \$332.3 million and \$355.1 million outstanding as of June 30, 2023 and June 30, 2022, respectively. The decrease in indebtedness is due to regularly scheduled debt payments. All of the University's bonds are fixed-rate, tax-exempt issuances that are secured by student fees or auxiliary revenues, 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 noted the University's solid operating performance, healthy financial resource ratios relative to the rating category, solid management team, and consistent financial support from the State of Indiana, while Moody's also noted the excellent capital and operating support from the State of Indiana, solid market position and brand strength, and financial oversight and prudent debt management. 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 September 2023.

## **Capital Assets**

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 the current fiscal year. All of these amounts reflect cost of construction rather than replacement cost. As of June 30, 2023, the University had \$562.7 million invested in capital assets, net of accumulated depreciation of \$569.7 million and related debt of \$332.3 million. Depreciation charges related to capital assets totaled \$31.8 million for fiscal year 2022-2023.

Significant capital additions in the current fiscal year included the Cooper Science Complex, the new Performing Arts Center, and the North Campus Building Renovations.

## **Net Position**

At June 30, 2024, total net position for the University was \$971.0 million, up \$84.0 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 \$583.0 million as of June 30, 2024. 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 \$0.9 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 \$78.1 million in fiscal year 2023-2024, totaling \$203.0 million as of June 30, 2024. Funds restricted for other post-employment benefits is the largest component of restricted expendable net position at \$174.8 million, an increase of \$79.6 million over the prior year. Elsewhere in restricted expendable funds, funds restricted for construction decreased by \$3.4 million to \$16.0 million due to spending of bond proceeds for the renovation and partial demolition of Cooper Science Complex. The remaining restricted expendable net position is comprised of \$10.7 million for external grants and \$1.5 million for student loans.

Aside from capital assets and restricted net position, the remaining \$184.1 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 2023-2024, unrestricted net position decreased \$14.4 million. Additional information regarding the adjustments required by the GASB Statements are discussed within the Notes to Financial Statements.

At June 30, 2023, the University's net position was \$887.0 million. Approximately \$562.7 million was comprised of net investment in capital assets, net of accumulated depreciation and related debt. Additionally, the University had other net positions totaling \$324.3 million as of June 30, 2023, of which \$125.8 million was restricted net position. The \$125.8 million restricted net position was comprised of: \$0.9 million in nonexpendable endowment restricted for student scholarships, \$1.2 million restricted for student loans, \$19.4 million restricted for construction, \$9.1 million restricted for external grants, and \$95.2 million restricted for other post-employment benefits. Unrestricted net position at June 30, 2023, was \$198.5 million, an increase of \$12.7 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, 2024, 2023, and 2022

	2024	2023 Restated	2022 Restated
Operating Revenues	\$ 270,511,515	\$ 250,923,143	\$ 240,679,223
Operating Expenses	476,338,062	461,781,169	478,145,906
Net Operating Income/(Loss)	\$ (205,826,547)	\$ (210,858,026)	\$ (237,466,683)
Net Non-Operating Revenues	268,085,952	252,294,641	243,712,341
Other Revenue – Capital Appropriations and Gifts	21,780,527	6,241,025	8,475,985
Increase in Net Position	\$ 84,039,932	\$ 47,677,640	\$ 14,721,643
Net Position - Beginning of Year	886,959,097	839,280,970	824,398,120
Change in Accounting Policy		487	161,207
Net Position - End of Year	\$ 970,999,029	\$ 886,959,097	\$ 839,280,970

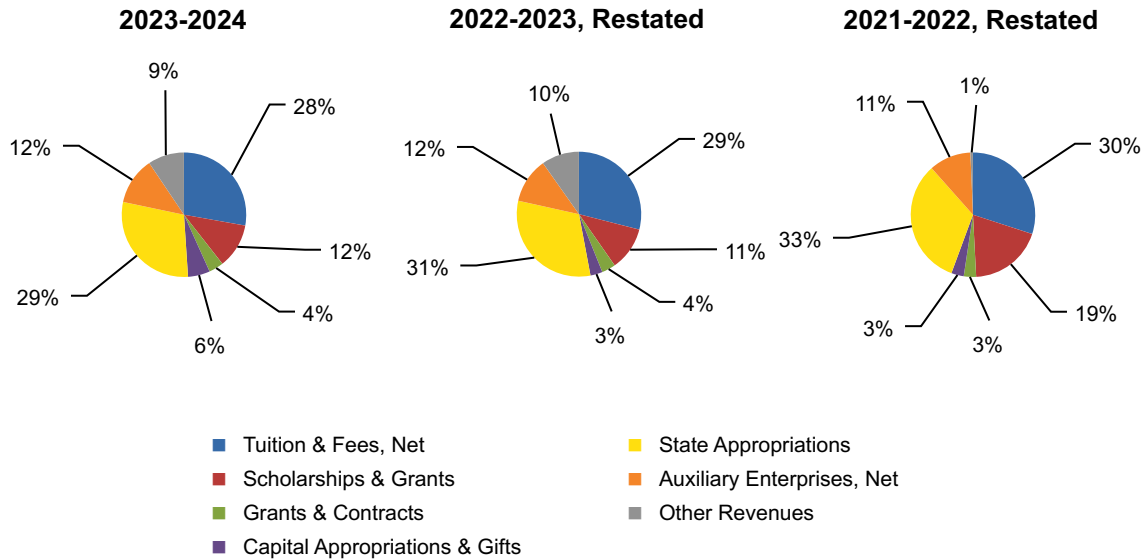
## Operating Revenues

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 auxiliary enterprises are reported net of allowances for scholarships.

Total operating revenues increased \$19.6 million, or 7.8 percent, in fiscal year 2023-2024. Compared to the prior year, tuition and fees revenue increased by a net \$8.1 million while revenue from residential life increased by \$5.1 million and other auxiliary revenue increased by \$4.1 million. These increases were the result of a variety of factors including, but not limited to, an increase in the rates for tuition, mandatory fees, and some program and course fees as well as an increase in overall headcount, particularly within the out-of-state student population. Grants and contracts revenue also increased by \$3.1 million, while sales and services revenue decreased \$1.0 million.

In fiscal year 2022-2023, total operating revenues increased \$10.2 million, or 4.3 percent. When compared to the prior year, revenue from residential life increased by \$4.9 million, sales and services revenue increased \$2.1 million, and other auxiliary revenue increased by \$0.9 million. However, tuition and fees revenue decreased by a net \$1.2 million when compared to fiscal year 2021-2022, as changing demographics, college attendance rates, and increased competition for in-state students led to a decrease in enrollment. Grants and contracts revenue increased by \$2.5 million.

### Total Revenues by Source

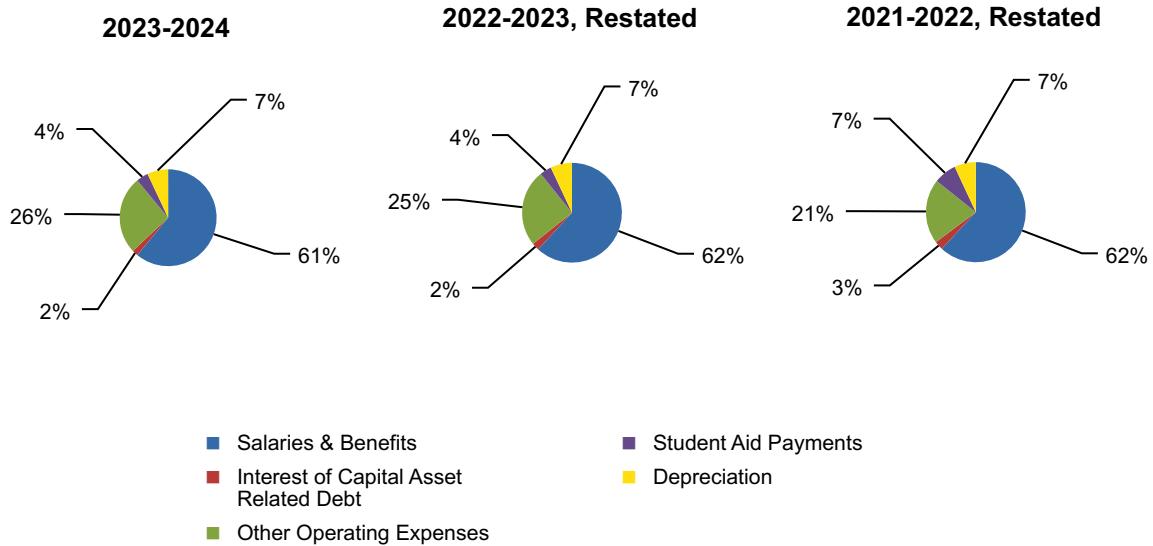


### Operating Expenses

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 2023-2024, operating expenses increased \$14.6 million, or 3.2 percent. Personnel services and benefits account for 62.2 percent of total operating expenses. In fiscal year 2023-2024, personnel services increased by \$15.0 million while benefits expense decreased by \$0.5 million. The increase in personnel services was primarily related to a three percent annual salary increase and improved employee retention 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. All activity related to the self-insured health and life insurance plans for qualified retirees is reported in the OPEB benefits line item. 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 increased a combined \$11.0 million, related to an increase in renovations, projects, inflation and assignment of Perkins Loans. Student aid increased by \$1.8 million, or 9.7 percent, as a result of re-engaging with the Midwest Student Exchange Program (MSEP) and increased scholarships and grants from both the University and the Foundation.

Operating expenses in fiscal year 2022-2023 decreased \$16.4 million, or 3.4 percent. Personnel services decreased \$0.1 million, while benefits increased by \$14.1 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 \$15.6 million, while student aid, which includes financial aid and scholarships, decreased by \$18.5 million which represents a return to normal activity after the two previous years that were greatly increased primarily due to increases in CARES Act Emergency Funds and Higher Education Emergency Relief Funding (HEERF) awards to students. Depreciation and amortization also decreased \$0.5 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 2023-2024, net non-operating revenues and expenses increased \$15.8 million, or 6.3 percent. Investment income increased by \$8.2 million compared to the prior year due to higher overall interest rates. Additionally, federal and state scholarships increased \$7.6 million, and state appropriations increased \$4.1 million. Private gifts also increased by \$0.7 million. Offsetting these positive changes were decreases in other non-operating income of \$3.2 million and state pension contributions of \$1.6 million.

In fiscal year 2022-2023, net non-operating revenues and expenses increased by \$8.6 million, or 3.5 percent. Investment income increased by \$51.2 million compared to the prior year due to market changes. Additionally, interest on capital asset related debt decreased by \$2.6 million, and private gifts increased by \$2.2 million. As a partial offset, federal and state scholarships and grants decreased by \$38.2 million, state pension contributions decreased by \$5.7 million, and state appropriations decreased by \$2.6 million, as the State of Indiana restored appropriations to their pre-pandemic levels. Additionally, other non-operating income decreased \$1.0 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 2023-2024 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.

For fiscal year 2022-2023 capital appropriations remained unchanged from the prior year. Capital gifts received from Ball State University Foundation decreased \$2.2 million, primarily due to the large amount of gifts received in the prior year for construction of the Scheumann Family Indoor Practice Facility.

## **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.



*Shafer Bell Tower*

## Ball State University Statement of Net Position

As of June 30, 2024 and 2023

	2024	2023 Restated
<b>Assets:</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 55,647,983	\$ 59,056,245
Short Term Investments	41,670,969	58,732,083
Accrued Interest Receivable - Leases	3,799	3,319
Accounts Receivable, Net, and Unbilled Costs	23,591,075	24,336,232
Inventories	1,385,132	1,550,378
Notes Receivable, Net	742,474	854,697
Lease Receivable	319,184	320,346
Prepaid Expenses	3,609,033	3,479,515
Total Current Assets	\$ 126,969,649	\$ 148,332,815
Noncurrent Assets:		
Accounts and Notes Receivable, Net	\$ 1,461,966	\$ 2,281,887
Lease Receivable	1,129,550	1,118,208
Net OPEB Asset	174,830,672	95,229,687
Investments	280,094,012	243,046,836
Capital Assets, Net	891,365,633	894,988,633
Subscription Assets, Net	9,008,493	4,194,736
Leased Assets, Net	173,782	463,745
Total Noncurrent Assets	\$ 1,358,064,108	\$ 1,241,323,732
Total Assets	\$ 1,485,033,757	\$ 1,389,656,547
<b>Deferred Outflows of Resources:</b>		
Pension Contributions	\$ 23,145,894	\$ 20,356,362
OPEB Contributions	82,957,519	114,858,101
Total Assets and Deferred Outflows of Resources	\$ 1,591,137,170	\$ 1,524,871,010
<b>Liabilities:</b>		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	\$ 34,201,438	\$ 38,659,739
Subscription Liability	1,995,751	1,134,855
Lease Payable	124,403	354,599
Deposits	5,992,295	5,676,856
Unearned Revenue	500,359	379,345
Notes Payable - Current Portion	250,000	250,000
Long Term Liabilities – Current Portion	23,570,000	23,925,000
Total Current Liabilities	\$ 66,634,246	\$ 70,380,394
Noncurrent Liabilities:		
Liability for Compensated Absences	\$ 4,024,850	\$ 3,761,103
Notes Payable	—	250,000
Subscription Liability	6,315,675	2,655,430
Lease Payable	58,208	131,840
Net Pension Liability	33,043,392	29,021,585
Net OPEB Liability	—	298,714
Perkins Loan Program – Federal Capital Contribution	2,277,930	3,217,731
Long Term Liabilities, Net	326,130,107	352,990,146
Total Noncurrent Liabilities	\$ 371,850,162	\$ 392,326,549
Total Liabilities	\$ 438,484,408	\$ 462,706,943

## Ball State University Statement of Net Position

As of June 30, 2024 and 2023

	2024	2023 Restated
<b>Deferred Inflows of Resources:</b>		
Deferred Inflows Related to Leases	1,190,853	1,161,502
Pension Contributions	5,434,988	7,692,678
OPEB Contributions	175,027,892	166,350,790
Total Liabilities and Deferred Inflows of Resources	\$ 620,138,141	\$ 637,911,913
<b>Net Position:</b>		
Net Investment in Capital Assets	\$ 582,990,633	\$ 562,688,633
Restricted for:		
Nonexpendable Scholarships	937,248	900,396
Expendable:		
Debt Service	—	—
Loans	1,471,132	1,231,959
Construction	16,001,511	19,356,022
External Grants	10,690,875	9,054,314
Other Post-Employment Benefits	174,830,672	95,229,687
Unrestricted	184,076,958	198,498,086
Total Net Position	\$ 970,999,029	\$ 886,959,097
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,591,137,170	\$ 1,524,871,010

*See accompanying Notes to Financial Statements*

**Ball State University Foundation, Inc.**  
**Combined and Consolidated Statements of Financial Position**  
**June 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 35,809,979	\$ 2,617,539
Contributions receivable, net	25,501,754	22,595,387
Investments	334,983,702	296,146,187
Investments held in split-interest agreements	1,370,572	1,313,153
Asset held for sale	—	5,000,000
Beneficial interest in remainder trusts	42,212	207,300
Other assets	287,070	452,903
Right-of-use-assets - operating leases	991,418	1,117,640
Cash surrender value of life insurance	2,082,558	2,077,646
Property and equipment	6,760,199	6,759,117
Beneficial interest in perpetual trusts	3,347,496	3,034,346
Total assets	<u>\$ 411,176,960</u>	<u>\$ 341,321,218</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 213,894	\$ 340,039
Accrued expenses	829,256	1,124,730
Operating lease liability	991,418	1,117,640
University payable	171,422	203,260
Term notes payable	9,075,000	9,775,000
Annuity obligations	1,757,245	2,091,110
Trust obligations	633,750	573,812
Total liabilities	<u>13,671,985</u>	<u>15,225,591</u>
<b>NET ASSETS</b>		
Without donor restrictions	38,426,762	28,166,890
With donor restrictions	359,078,213	297,928,737
Total net assets	<u>397,504,975</u>	<u>326,095,627</u>
Total liabilities and net assets	<u>\$ 411,176,960</u>	<u>\$ 341,321,218</u>

See Note A in Notes to Financial Statements

**Muncie Community Schools, Indiana**

## Statement of Net Position

June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Assets</b>		
Cash and investments	\$ 31,507,914	\$ 32,665,303
Receivables (net):		
Taxes receivable	5,256,688	5,162,572
Intergovernmental receivable	6,666,656	8,024,244
Accounts	54,899	50,657
Interest	59	—
Prepaid expenses	291,167	168,939
Restricted assets:		
Cash and investments	7,591,914	5,970,268
Capital assets:		
Land and construction in progress	4,782,267	15,611,655
Other capital assets, net of depreciation	80,048,955	56,444,030
Total assets	<u>136,200,519</u>	<u>124,097,668</u>
<b>Deferred Outflows of Resources</b>		
Pension related amounts	9,036,002	7,741,885
Total deferred outflows of resources	<u>9,036,002</u>	<u>7,741,885</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Liabilities</b>		
Accounts payable	3,022,765	4,294,998
Accrued wages	1,964,409	1,718,439
Interest payable	561,672	471,653
Claims payable	366,503	129,162
Due within one year:		
Compensated absences	128,093	133,568
Bonds payable	9,530,000	7,650,000
Loans payable	2,200,000	1,280,000
Subscription liability	49,519	63,948
Due in more than one year:		
Loans payable	6,840,000	9,040,000
Bonds payable (net of premiums)	16,783,901	20,186,516
Compensated absences	384,278	400,703
Subscription liability	54,584	104,103
Net pension liabilities	8,712,067	6,205,756
Total liabilities	<u>50,597,791</u>	<u>51,678,846</u>
<b>Deferred Inflows of Resources</b>		
Pension related amounts	2,597,029	2,982,773
Total deferred inflows of resources	<u>2,597,029</u>	<u>2,982,773</u>

**Muncie Community Schools, Indiana**

Statement of Net Position  
June 30, 2024 and 2023

	<b>2024</b>	<b>2023</b>
	<b>Governmental Activities</b>	<b>Governmental Activities</b>
<b>Net Position</b>		
Net investment in capital assets	59,913,753	46,395,165
Restricted for:		
Instruction	859,908	17,228,264
Support services	2,103,821	2,984,843
Building acquisition and construction	—	1,589,215
Other	453,026	434,629
Debt service	7,030,242	3,321,615
Unrestricted	21,680,951	5,224,203
Total net position	<u>\$ 92,041,701</u>	<u>\$ 77,177,934</u>

See Note A in Notes to Financial Statements

**Ball State University**  
**Statements of Fiduciary Net Position**  
**Fiduciary Funds**

As of June 30, 2024 and 2023

	2024			2023		
	VEBA	OPEB 115	Totals	VEBA	OPEB 115	Totals
	Trust	Trust		Trust	Trust	
<b>Assets:</b>						
<b>Current Assets:</b>						
Cash and Cash Equivalents	\$ 5,264,045	\$ 76,707	\$ 5,340,752	\$ 1,499,732	\$ 137,849	\$ 1,637,581
Short Term Investments	—	—	—	—	—	—
Accrued Interest and Dividend Receivable	1,995,796	78,759	2,074,555	392,382	53,433	445,815
Total Current Assets	<u>\$ 7,259,841</u>	<u>\$ 155,466</u>	<u>\$ 7,415,307</u>	<u>\$ 1,892,114</u>	<u>\$ 191,282</u>	<u>\$ 2,083,396</u>
<b>Investments, at Fair Value:</b>						
Fixed Income	\$129,067,971	\$ 9,698,724	\$138,766,695	\$ 63,987,167	\$ 5,466,830	\$ 69,453,997
Domestic Equity	192,964,139	11,954,274	204,918,413	224,213,616	13,029,203	237,242,819
International Equity	82,922,514	8,117,378	91,039,892	68,935,442	8,506,666	77,442,108
Real Estate Investments	29,579,917	1,801,751	31,381,668	27,692,386	2,384,209	30,076,595
Total Investments	<u>\$434,534,541</u>	<u>\$ 31,572,127</u>	<u>\$466,106,668</u>	<u>\$384,828,611</u>	<u>\$ 29,386,908</u>	<u>\$414,215,519</u>
Total Assets	<u>\$441,794,382</u>	<u>\$ 31,727,593</u>	<u>\$473,521,975</u>	<u>\$386,720,725</u>	<u>\$ 29,578,190</u>	<u>\$416,298,915</u>
<b>Liabilities:</b>						
<b>Current Liabilities:</b>						
Accrued Expenses and Other Liabilities	\$ 72,172	\$ 8,243	\$ 80,415	\$ 47,724	\$ 4,761	\$ 52,485
Total Liabilities	<u>\$ 72,172</u>	<u>\$ 8,243</u>	<u>\$ 80,415</u>	<u>\$ 47,724</u>	<u>\$ 4,761</u>	<u>\$ 52,485</u>
<b>Net Position:</b>						
<b>Restricted for:</b>						
Postemployment Benefits Other Than Pensions	<u>\$441,722,210</u>	<u>\$ 31,719,350</u>	<u>\$473,441,560</u>	<u>\$386,673,001</u>	<u>\$ 29,573,429</u>	<u>\$416,246,430</u>

See Note A in Notes to Financial Statements

## Ball State University

### Statement of Revenues, Expenses and Changes in Net Position

Years Ended June 30, 2024 and 2023

	2024	2023 Restated
<b>Operating Revenues:</b>		
Student Tuition and Fees	\$ 241,239,529	\$ 226,581,770
Scholarship Allowances	(82,260,979)	(75,659,954)
Net Student Tuition and Fees	\$ 158,978,550	\$ 150,921,816
Federal Grants and Contracts	12,403,023	9,847,820
State & Local Grants and Contracts	3,441,817	3,541,309
Non-Governmental Grants and Contracts	5,963,184	5,342,659
Sales and Services of Educational Departments	8,610,985	9,608,591
Auxiliary Enterprises:		
Residential Life (Net of Scholarships and Allowances 2024- \$16,790,169; 2023- \$14,612,033)	54,206,423	49,129,090
Other	16,047,120	11,905,870
Other Operating Revenues	10,860,413	10,625,988
Total Operating Revenues	\$ 270,511,515	\$ 250,923,143
<b>Operating Expenses:</b>		
Personnel Services	\$ 244,631,915	\$ 229,591,897
Benefits	90,792,551	91,253,108
OPEB Benefits	(39,322,015)	(26,975,645)
Utilities	14,828,579	15,498,913
Repairs and Maintenance	24,553,594	18,855,579
Other Supplies and Expenses	87,569,334	81,610,436
Student Aid	19,852,756	18,098,580
Depreciation and Amortization	33,431,348	33,848,301
Total Operating Expenses	\$ 476,338,062	\$ 461,781,169
Operating (Loss)	\$ (205,826,547)	\$ (210,858,026)
<b>Non-Operating Revenues/(Expenses):</b>		
Federal and State Scholarships and Grants	\$ 66,529,422	\$ 58,968,458
State Appropriations	167,724,930	163,652,460
Investment Income	23,350,666	15,142,691
Interest on Capital Asset Related Debt	(11,426,618)	(11,421,037)
Interest Income	53,280	48,961
Private Gifts	10,899,871	10,178,313
State Pension Contributions	3,354,907	4,954,898
Other Non-Operating Income	7,599,494	10,769,897
Net Non-Operating Revenues/(Expenses)	\$ 268,085,952	\$ 252,294,641
Income Before Other Revenues, Expenses, Gains or Losses	\$ 62,259,405	\$ 41,436,615
Capital Appropriations	17,282,654	2,917,359
Capital Gifts	4,497,873	3,323,666
Increase in Net Position	\$ 84,039,932	\$ 47,677,640
Net Position – Beginning of Year	886,959,097	839,280,970
Prior Period Adjustment for Change in Accounting Principle	\$ —	\$ 487
Net Position – End of Year	\$ 970,999,029	\$ 886,959,097

See accompanying Notes to Financial Statements

**Ball State University Foundation, Inc.**  
**Combined and Consolidated Statements of Activities**  
**Years Ended June 30, 2024 and 2023**

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support</b>						
Contributions of cash and other financial assets	\$ 2,188,404	\$ 61,661,219	\$ 63,849,623	\$ 1,765,744	\$ 23,279,865	\$ 25,045,609
Contributions of nonfinancial assets	—	1,074,817	1,074,817	—	1,190,244	1,190,244
Promotional activities and other revenue	2,310,677	—	2,310,677	2,569,630	—	2,569,630
Investment income (loss), net of fees	12,725,537	20,999,725	33,725,262	26,151,975	(3,395,491)	22,756,484
Change in value of split-interest agreements	—	414,966	414,966	—	(208,262)	(208,262)
Rental income, losses on sales of property and other	538,869	(400,000)	138,869	553,633	(1,500,000)	(946,367)
Operating support fees	4,020,010	(4,020,010)	—	3,848,213	(3,848,213)	—
	21,783,497	79,730,717	101,514,214	34,889,195	15,518,143	50,407,338
Net assets released from restrictions	18,406,241	(18,406,241)	—	14,596,821	(14,596,821)	—
Total revenues, gains and other support	40,189,738	61,324,476	101,514,214	49,486,016	921,322	50,407,338
<b>Expenses and Losses</b>						
University programs	19,291,896	—	19,291,896	14,762,544	—	14,762,544
Management and general	3,272,144	—	3,272,144	3,341,082	—	3,341,082
Fund raising	7,365,826	—	7,365,826	6,698,064	—	6,698,064
Total expenses	29,929,866	—	29,929,866	24,801,690	—	24,801,690
Uncollectible contribution receivable	—	175,000	175,000	—	8,327,500	8,327,500
Total expenses and losses	29,929,866	175,000	30,104,866	24,801,690	8,327,500	33,129,190
<b>Change in Net Assets</b>	10,259,872	61,149,476	71,409,348	24,684,326	(7,406,178)	17,278,148
<b>Net Assets, Beginning of Year</b>	28,166,890	297,928,737	326,095,627	3,482,564	305,334,915	308,817,479
<b>Net Assets, End of Year</b>	<u>\$ 38,426,762</u>	<u>\$359,078,213</u>	<u>\$397,504,975</u>	<u>\$ 28,166,890</u>	<u>\$297,928,737</u>	<u>\$326,095,627</u>

See Note A in Notes to Financial Statements

**Muncie Community Schools, Indiana**

Statement of Activities

Years Ended June 30, 2024 and 2023

Functions/Programs	2024					2023				
	Expenses	Program Revenues		Net (Expenses) Revenues and		Expenses	Program Revenues		Net (Expenses) Revenues and	
		Charges for Services	Grants and Contributions	Operating	Changes in Net Position		Charges for Services	Grants and Contributions	Operating	Changes in Net Position
				Governmental Activities					Governmental Activities	
Governmental activities:										
Instruction	\$46,788,601	\$ 585,446	\$ 25,735,618	\$ (20,467,537)	\$40,658,569	\$ 311,321	\$ 40,180,514	\$ (166,734)		
Support services	27,699,347	228,839	1,769,563	(25,700,945)	22,661,557	254,425	1,583,301	(20,823,831)		
Community services	7,766,619	—	—	(7,766,619)	10,279,369	—	58,091	(10,221,278)		
Facilities acquisition and construction	175,396	—	—	(175,396)	4,703,657	—	—	(4,703,657)		
Interest on long term debt	1,090,918	—	—	(1,090,918)	1,091,510	—	—	(1,091,510)		
Nonprogrammed charges	79,385	—	—	(79,385)	16,653,145	94,228	—	(16,558,917)		
<b>Total governmental activities</b>	<b>\$83,600,266</b>	<b>\$ 814,285</b>	<b>\$ 27,505,181</b>	<b>(55,280,800)</b>	<b>\$96,047,807</b>	<b>\$ 659,974</b>	<b>\$ 41,821,906</b>	<b>(53,565,927)</b>		
General revenues:										
Property taxes				12,226,301				11,995,654		
State aid				47,357,214				41,844,388		
Grants and contributions not restricted to specific programs				8,211,398				11,018,821		
Investment income				899,177				703,707		
Sale of property				2,749				7,692		
Miscellaneous				1,447,728				1,272,300		
<b>Total general revenues</b>				<b>70,144,567</b>				<b>66,842,562</b>		
Change in net position				14,863,767				13,276,635		
<b>Net Position, Beginning</b>				<b>77,177,934</b>				<b>63,901,299</b>		
<b>Net Position, Ending</b>				<b>\$ 92,041,701</b>				<b>\$ 77,177,934</b>		

See Note A in Notes to Financial Statements

**Ball State University**  
**Statements of Changes in Fiduciary Net Position**  
**Fiduciary Funds**

As of June 30, 2024 and 2023

	2024			2023		
	VEBA	OPEB 115	Totals	VEBA	OPEB 115	Totals
	Trust	Trust		Trust	Trust	
Additions:						
Investment Earnings:						
Interest and Dividends from Investments	\$ 9,004,878	\$ 822,281	\$ 9,827,159	\$ 7,147,173	\$ 554,972	\$ 7,702,145
Net Gain from Sale of Investments	24,295,859	2,347,680	26,643,539	1,401,184	(38,753)	1,362,431
Unrealized Gain (Loss) from Market Appreciation/(Depreciation)	22,243,965	739,242	22,983,207	28,253,595	1,842,793	30,096,388
Total Investment Earnings (Losses)	<u>\$ 55,544,702</u>	<u>\$ 3,909,203</u>	<u>\$ 59,453,905</u>	<u>\$ 36,801,952</u>	<u>\$ 2,359,012</u>	<u>\$ 39,160,964</u>
Less Investment Expenses:						
Investment Custodial Fees	\$ 67,771	\$ 5,110	\$ 72,881	\$ 92,934	\$ 4,654	\$ 97,588
Investment Management Fees	427,722	946	428,668	445,844	29,126	474,970
Total Investment Expenses	<u>495,493</u>	<u>6,056</u>	<u>501,549</u>	<u>538,778</u>	<u>33,780</u>	<u>572,558</u>
Net Investment Earnings (Losses)	<u>\$ 55,049,209</u>	<u>\$ 3,903,147</u>	<u>\$ 58,952,356</u>	<u>\$ 36,263,174</u>	<u>\$ 2,325,232</u>	<u>\$ 38,588,406</u>
Total Additions (Deductions)	<u>\$ 55,049,209</u>	<u>\$ 3,903,147</u>	<u>\$ 58,952,356</u>	<u>\$ 36,263,174</u>	<u>\$ 2,325,232</u>	<u>\$ 38,588,406</u>
Deductions:						
Premiums Paid from Trust	\$ —	\$ 1,757,226	\$ 1,757,226	\$ —	\$ —	\$ —
Total Deductions	<u>\$ —</u>	<u>\$ 1,757,226</u>	<u>\$ 1,757,226</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>\$ 55,049,209</u>	<u>\$ 2,145,921</u>	<u>\$ 57,195,130</u>	<u>\$ 36,263,174</u>	<u>\$ 2,325,232</u>	<u>\$ 38,588,406</u>
Net Position Restricted for Fiduciary Funds:						
Net Position - Beginning of Year	386,673,001	29,573,429	416,246,430	350,409,827	27,248,197	377,658,024
Net Position - End of Year	<u>\$441,722,210</u>	<u>\$ 31,719,350</u>	<u>\$473,441,560</u>	<u>\$386,673,001</u>	<u>\$ 29,573,429</u>	<u>\$416,246,430</u>

See Note A in Notes to Financial Statements

## Ball State University Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023 Restated
<b>Sources/(Uses) of Cash:</b>		
<b>Operating Activities:</b>		
Tuition and Fees	\$ 159,713,434	\$ 134,331,510
Grants and Contracts	20,666,351	33,552,386
Payments to Suppliers	(87,215,621)	(79,251,632)
Payments for Maintenance and Repair	(24,553,594)	(18,855,579)
Payments for Utilities	(14,828,579)	(15,498,913)
Payments for Personnel Services	(244,322,067)	(238,057,901)
Payments for Benefits	(88,764,716)	(89,967,346)
Payments for Scholarships and Fellowships	(19,852,756)	(18,098,580)
Auxiliary Enterprise Charges:		
Room and Board	53,147,143	48,889,389
Other	16,065,891	11,717,831
Sales and Services of Educational Activities	8,971,621	9,402,803
Other Receipts/Disbursements/Advances	11,912,274	8,462,886
Net Cash (Used) by Operating Activities	\$ (209,060,619)	\$ (213,373,146)
<b>Non-Capital Financing Activities:</b>		
Federal and State Scholarships and Grants	\$ 66,224,971	\$ 59,026,942
State Appropriations	167,724,930	163,652,460
William D. Ford Direct Lending Receipts	103,817,527	101,514,655
William D. Ford Direct Lending Disbursements	(103,817,527)	(101,514,655)
Private Gifts	11,016,454	8,169,811
Foundation Receipts	332,296	6,974,062
Foundation Disbursements	(332,296)	(6,974,062)
Other Non-Operating Revenue	7,599,494	10,769,897
Net Cash Provided by Non-Capital Financing Activities	\$ 252,565,849	\$ 241,619,110
<b>Capital Financing Activities:</b>		
Proceeds from Capital Debt	\$ —	\$ 15,293,516
Capital Appropriations	17,282,654	2,917,359
Capital Gifts	4,497,873	3,323,666
Purchases of Capital Assets	(31,769,195)	(49,559,703)
Principal Paid on Capital Debt	(25,672,879)	(44,446,343)
Interest Paid on Capital Debt	(15,021,826)	(12,459,313)
Payments Received on Lease Receivable	323,126	192,187
Interest Received on Lease Receivable	52,800	51,965
Increase in Lease Deferred Income	29,351	509,623
Net Cash (Used) by Capital Financing Activities	\$ (50,278,096)	\$ (84,177,043)
<b>Investing Activities:</b>		
Proceeds from Sales and Maturities of Investments	\$ 1,409,820,842	\$ 1,103,719,209
Interest on Investments	4,199,678	(20,827,454)
Purchase of Investments	(1,410,655,916)	(1,049,284,352)
Net Cash Provided by Investing Activities	\$ 3,364,604	\$ 33,607,403
Net Increase/(Decrease) in Cash	\$ (3,408,262)	\$ (22,323,676)
Cash – Beginning of the Year	59,056,245	81,379,921
Cash – End of the Year	\$ 55,647,983	\$ 59,056,245

## Ball State University Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023 Restated
<b>Reconciliation of Net Operating Revenues/(Expenses) to</b>		
<b>Net Cash Provided/(Used) by Operating Activities:</b>		
Operating Income/(Loss)	\$ (205,826,547)	\$ (210,858,026)
Adjustments to Reconcile Income/(Loss) to Net Cash		
Provided/(Used) by Operating Activities:		
Depreciation Expense	33,431,348	33,848,301
Equipment Retired	3,402,245	635,064
GIK Donations	1,063,316	831,816
Pensions Covered by State of Indiana	3,354,907	4,954,898
Changes in Assets and Liabilities:		
Operating Receivables, Net	(463,597)	(3,410,049)
Inventories	165,246	(47,017)
Other Assets	(129,519)	(627,768)
Net OPEB Asset	(79,600,985)	(33,392,058)
Accounts Payable	(4,153,133)	(7,211,269)
Unearned Revenue	121,015	(168,447)
Deposits Held for Others	(624,362)	(2,072,689)
Compensated Absences	263,748	317,904
Net Pension Liability	4,021,807	20,922,231
Net OPEB Liability	(298,714)	298,714
Deferred Outflows	29,111,050	(49,648,256)
Deferred Inflows	6,419,412	30,668,656
Accounts and Notes Receivable	932,144	1,084,849
Notes Payable	(250,000)	500,000
Net Cash (Used) by Operating Activities	\$ (209,060,619)	\$ (213,373,146)
<b>Non-Cash Transactions</b>		
TRF Pre-1996 Pension Expense Covered by State of Indiana	\$ 3,354,907	\$ 4,954,898
Gifts in Kind Donations	\$ 1,063,316	\$ 831,816
Subscription Obligations Incurred for New SBITAs	\$ (5,919,637)	\$ (1,188,497)
Interest Payable Related to Subscription Obligations and Leases	\$ 8,353	\$ (30,128)
Lease Obligation Incurred for New ROU Lease Assets	\$ (45,555)	\$ (260,874)
Interest Receivable Related to Leases	\$ 480	\$ 3,319
Lease Receivable Related to Leases	\$ 333,306	\$ 953,952

See accompanying Notes to Financial Statements

# Ball State University

## Notes to Financial Statements

### June 30, 2024

#### 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. All non-payroll financial activity is reported by the Foundation in its financial statements. Payroll and benefit expenses remain as expenses on the University's statements.

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](mailto: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. It is a nonprofit corporation and exempt from tax as a 501(c)(3). BSIC had little to no activity during fiscal years 2023 and 2024. The BSIC is reported as a blended component unit of the University and is consolidated within the University's financial statements.

### **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. Once the VEBA is adequately funded in relation to the actuarial accrued liability of the benefit, the trust will begin to cover a portion of the costs for this OPEB plan. The University has the discretion to pay the premiums from 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, 2024 and 2023 were \$30,829,510 and \$31,481,307, 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, 2024 and June 30, 2023 were \$14,201,414 and \$12,295,031, 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, 2024 and June 30, 2023 were \$581,000 and \$557,000, 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 recorded for all unused vacation and sick leave balances that are payable upon employee termination in accordance with University policy. Accumulation of vacation and sick leave are dependent upon a University employee's job classification. 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. 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.

## 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 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.

## Funds Held in Trust for Others

The University adopted the CARES Act provision which allows for the deferral of the employer's share of Social Security taxes. The first payment was processed by the December 2021 due date, and the final payment was processed by the December 2022 due date.

## 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.

## Service Concession Agreements

The University has entered into agreements with various vendors. Some of these arrangements are considered to be Service Concession Agreements with Ball State University as the transferor and each of these entities recognized as an operator under GASB Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. However, none of the agreements have resulted in significant deferred inflows or outflows of resources that would require further disclosure as of June 30, 2024 and June 30, 2023.



*Journalism, Media and Communications Conference (JDAY+ / CCIM+)*

## New Accounting Pronouncements: Adoption of New Standard

GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62 was effective for fiscal year ended June 30, 2024. The objective of this Statement is to enhance the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The remaining portion of the GASB Statement No. 99, *Omnibus 2022*, was effective June 30, 2024 and fiscal years thereafter. The final portion of GASB Statement No. 99 addresses the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53.

The remaining pronouncements effective for the June 30, 2023 reporting had no effect on the University's Financial Statements.

## Restatement

### Restatement - Error Correction

A restatement for the correction of an error in financial reporting was necessary for the fiscal year ended June 30, 2023. According to GASB, the University must reclassify an amount from Unrestricted Net Position to Restricted Expendable Net Position in an amount equal to the OPEB assets. This change does not take into account any amounts shown for Deferred Inflows of Resources for OPEB as they are not deemed related. This restatement has no effect on the overall Net Position balance. See Note P.

### Restatement - Change in Accounting Principle

GASB Statement No. 87, *Leases*, was implemented for fiscal year ended June 30, 2022. The lease transactions and balances were immaterial to the University's financial statements. No entries or adjustments were made to the financial statements for these amounts, but the required disclosure was contained in the Notes. For fiscal year ended June 30, 2024 and restated for June 30, 2023, adjustments have been made to the financial statements. These adjustments remain immaterial to the financial statements as a whole. See note P.

## Reclassifications

Certain reclassifications have been made to prior year statements for comparative purposes and to improve clarity and readability to the financial statements. Due to the volatility of the OPEB plan valuations and the impact on Benefits shown on the Statement of Revenues, Expenses, and Changes in Net Position, a new line item has been added for OPEB Benefits.

Other reclassifications are performed for minor changes to align the presentation and format. The fiscal year 2023 Restated Cash Flows has minor presentation changes to the William D. Ford Direct Lending Receipts and Disbursements as well as the Foundation Receipts and Disbursement line items.

There are no financial impacts from the combination of these changes.

## Note B – Capital Assets

	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	<u>\$ 88,816,146</u>	<u>\$ 25,125,454</u>	<u>\$ —</u>	<u>\$ (3,288,411)</u>	<u>\$ 110,653,189</u>
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	<u>\$ 1,375,913,003</u>	<u>\$ 5,937,360</u>	<u>\$ 20,331,721</u>	<u>\$ 3,288,411</u>	<u>\$ 1,364,807,053</u>
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	<u>\$ 569,740,516</u>	<u>\$ 31,283,569</u>	<u>\$ 16,929,476</u>	<u>\$ —</u>	<u>\$ 584,094,609</u>
Capital Assets, Net	<u>\$ 894,988,633</u>	<u>\$ (220,755)</u>	<u>\$ 3,402,245</u>	<u>\$ —</u>	<u>\$ 891,365,633</u>
	<b>Book Value June 30, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>CIP Transfers</b>	<b>Book Value June 30, 2023</b>
Assets Not Being Depreciated:					
Land	\$ 37,861,398	\$ 3,087,924	\$ —	\$ —	\$ 40,949,322
Construction In Progress	10,346,414	43,208,957	—	(5,688,547)	47,866,824
Total Capital Assets Not Being Depreciated	<u>\$ 48,207,812</u>	<u>\$ 46,296,881</u>	<u>\$ —</u>	<u>\$ (5,688,547)</u>	<u>\$ 88,816,146</u>
Other Capital Assets:					
Land Improvements	\$ 53,516,102	\$ —	\$ —	\$ 692,928	\$ 54,209,030
Infrastructure	113,236,959	—	857,381	—	112,379,578
Educational Buildings	498,557,232	—	56,588	4,743,711	503,244,355
Utility Buildings	42,559,220	—	15,332	—	42,543,888
Educational Equipment	57,919,818	2,323,553	1,470,535	—	58,772,836
Auxiliary Enterprise Buildings	569,192,229	—	3,355,020	251,908	566,089,117
Auxiliary Enterprise Equipment	18,742,101	406,225	290,696	—	18,857,630
Other Property	3,467,647	—	—	—	3,467,647
Software	16,348,922	—	—	—	16,348,922
Total Other Capital Assets	<u>\$ 1,373,540,230</u>	<u>\$ 2,729,778</u>	<u>\$ 6,045,552</u>	<u>\$ 5,688,547</u>	<u>\$ 1,375,913,003</u>
Less Accumulated Depreciation:					
Land Improvements	\$ 32,809,475	\$ 1,650,179	\$ —	\$ —	\$ 34,459,654
Infrastructure	46,676,312	4,067,976	517,627	—	50,226,661
Educational Buildings	204,730,831	10,051,010	50,794	—	214,731,047
Utility Buildings	16,455,956	852,965	13,801	—	17,295,120
Educational Equipment	47,837,372	2,751,405	1,454,523	—	49,134,254
Auxiliary Enterprise Buildings	162,760,303	11,223,939	3,088,646	—	170,895,596
Auxiliary Enterprise Equipment	15,478,326	876,250	285,097	—	16,069,479
Other Property	544,336	68,453	—	—	612,789
Software	16,105,873	210,043	—	—	16,315,916
Total Accumulated Depreciation, Other Capital Assets	<u>\$ 543,398,784</u>	<u>\$ 31,752,220</u>	<u>\$ 5,410,488</u>	<u>\$ —</u>	<u>\$ 569,740,516</u>
Capital Assets, Net	<u>\$ 878,349,258</u>	<u>\$ 17,274,439</u>	<u>\$ 635,064</u>	<u>\$ —</u>	<u>\$ 894,988,633</u>

## Note C – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2024 and 2023:

	June 30, 2024	Restated June 30, 2023
Accrued Payroll	\$ 3,621,001	\$ 3,374,426
Accrual for Compensated Absences	2,946,665	3,123,255
Interest Payable	7,342,169	7,647,337
Vendor and Other Payables	20,291,603	24,514,721
Total Accounts Payable and Accrued Liabilities	<u>\$ 34,201,438</u>	<u>\$ 38,659,739</u>

## Note D – Other Liabilities

Other liability activity for the fiscal years ended June 30, 2024 and 2023 is summarized below as follows:

	Restated				
	Balance July 1, 2023	Additions	Reductions	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	6,884,358	1,521,069	1,433,912	6,971,515	2,946,665
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	<u>\$ 424,404,297</u>	<u>\$ 24,304,668</u>	<u>\$ 44,681,945</u>	<u>\$ 404,027,020</u>	<u>\$ 32,176,858</u>

	Restated			Restated	
	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current
Notes Payable	\$ —	\$ 500,000	\$ —	\$ 500,000	\$ 250,000
Subscription Liability	4,978,782	—	1,188,497	3,790,285	1,134,855
Lease Payable	523,411	260,874	297,846	486,439	354,599
Long Term Liabilities	407,871,668	20,135,000	47,801,483	380,205,185	27,215,039
Liability for Compensated Absences	6,848,678	1,579,575	1,543,895	6,884,358	3,123,255
Net Pension Liability	8,099,354	27,300,308	6,378,077	29,021,585	—
Net OPEB Liability	—	298,714	—	298,714	—
Perkins Loan Program - Federal Capital Contribution	4,374,327	1,668,337	2,824,933	3,217,731	—
Other Liabilities	<u>\$ 432,696,220</u>	<u>\$ 51,742,808</u>	<u>\$ 60,034,731</u>	<u>\$ 424,404,297</u>	<u>\$ 32,077,748</u>

## 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 are being amortized over the life of each series and reduce the recorded interest expense. The deferred costs represent 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			Balance June 30, 2024	Current Portion
	June 30, 2023	Increases	Decreases		
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
<b>Total Debt-Related Liabilities</b>	<b>\$ 380,205,185</b>	<b>\$ —</b>	<b>\$ 27,215,039</b>	<b>\$ 352,990,146</b>	<b>\$ 26,860,039</b>

Debt-Related Liabilities	Balance			Balance June 30, 2023	Current Portion
	June 30, 2022	Increases	Decreases		
Bonds Payable					
Revenue Bonds	\$ 131,320,000	\$ 20,135,000	\$ 27,785,000	\$ 123,670,000	\$ 8,025,000
Student Fee Bonds	223,805,000	—	15,175,000	208,630,000	15,900,000
Total Bonds Payable	\$ 355,125,000	\$ 20,135,000	\$ 42,960,000	\$ 332,300,000	\$ 23,925,000
Net Unamortized Premiums and Deferred Costs	52,746,668	—	4,841,483	47,905,185	3,290,039
<b>Total Debt-Related Liabilities</b>	<b>\$ 407,871,668</b>	<b>\$ 20,135,000</b>	<b>\$ 47,801,483</b>	<b>\$ 380,205,185</b>	<b>\$ 27,215,039</b>

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.



Frank A. Bracken Administration Building

With the exception of the Housing and Dining Series 2023 bond shown in the table below, all of the University's outstanding bonds were issued through a public offering. The 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 University had no new direct placement debt for the fiscal years ended June 30, 2024 and none other than the Series 2023 bond in the fiscal year ended June 30, 2023. Please see Note F for additional information.

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
<b>Revenue Bonds Issued Under Authority of IC 21-35-3:</b>									
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
<b>Student Fee Bonds Issued Under Authority of IC 21-34-6:</b>									
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
<b>Total Bonds Payable</b>						<b>\$380,205,185</b>	<b>\$27,215,039</b>	<b>\$352,990,146</b>	<b>\$ 26,860,039</b>

Issue	Description	Interest Rates	Date of Issue	Final Maturity	Original Issue	Outstanding June 30, 2022	Retired 2022-2023	Outstanding June 30, 2023	Current Portion Outstanding June 30, 2023
<b>Revenue Bonds Issued Under Authority of IC 21-35-3:</b>									
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	\$ 23,135,000	\$21,600,000	\$ 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	\$ 36,360,000	\$ 3,400,000	\$ 32,960,000	\$ 3,565,000
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	\$ 71,825,000	\$ 2,785,000	\$ 69,040,000	\$ 2,925,000
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	\$ —
<b>Student Fee Bonds Issued Under Authority of IC 21-34-6:</b>									
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	\$ 19,375,000	\$ 2,300,000	\$ 17,075,000	\$ 2,415,000
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	\$ 88,735,000	\$ 7,705,000	\$ 81,030,000	\$ 8,045,000
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	\$ 71,720,000	\$ 3,750,000	\$ 67,970,000	\$ 3,945,000
Series T	Fund renovation and partial demolition of the Cooper Science Complex	5.00%	6/16/21	7/1/40	\$ 47,495,000	\$ 43,975,000	\$ 1,420,000	\$ 42,555,000	\$ 1,495,000
Subtotal Bonds Payable					\$475,925,000	\$355,125,000	\$42,960,000	\$332,300,000	\$ 23,925,000
Net Unamortized Premiums and Costs						52,746,668	4,841,483	47,905,185	3,290,039
<b>Total Bonds Payable</b>						<b>\$407,871,668</b>	<b>\$47,801,483</b>	<b>\$380,205,185</b>	<b>\$ 27,215,039</b>

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

<b>Bonds Payable</b>						
<b>As of June 30, 2024</b>						
<b>Fiscal Year</b>	<b>All Debt Except Direct Placements</b>			<b>Direct Placements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	<u>\$ 288,240,000</u>	<u>\$ 99,784,983</u>	<u>\$ 388,024,983</u>	<u>\$ 20,135,000</u>	<u>\$ 3,167,292</u>	<u>\$ 23,302,292</u>

<b>Bonds Payable</b>						
<b>As of June 30, 2023</b>						
<b>Fiscal Year</b>	<b>All Debt Except Direct Placements</b>			<b>Direct Placements</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 23,925,000	\$ 14,514,413	\$ 38,439,413	\$ —	\$ 309,587	\$ 309,587
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
2029-2033	94,050,000	36,665,856	130,715,856	10,500,000	1,148,802	11,648,802
2034-2038	86,850,000	14,962,525	101,812,525	2,285,000	34,006	2,319,006
2039-2043	21,465,000	1,025,625	22,490,625	—	—	—
Total	<u>\$ 312,165,000</u>	<u>\$ 114,299,396</u>	<u>\$ 426,464,396</u>	<u>\$ 20,135,000</u>	<u>\$ 3,476,879</u>	<u>\$ 23,611,879</u>

### **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's outstanding defeased debt for the fiscal years ended June 30, 2024 and 2023 is shown below:

<b>Issue</b>	<b>Final Maturity/ Call Date</b>	<b>Amount Outstanding</b>	
		<b>June 30, 2024</b>	<b>June 30, 2023</b>
H&D Series 2013	7/1/2023	\$ —	\$ 20,135,000

## Note G – Leases

As a result of the University implementation of GASB 87, *Leases*, there is no more differentiation between operating and capital leases. This standard adopts a single model that all leases represent financings. Lessees are required to concurrently recognize a right-of-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-of-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 that is measured at the present value of lease payments expected to be received during the lease term, and the deferred inflow of resources that are 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 new 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 both arrangements, the University is the lessee of a building and/or certain spaces within buildings under a five-year term with both fixed and variable lease payments. The University sublets the same spaces for two to five year terms with fixed payments.

As the lessee, the University paid a total of \$165,809 for the fiscal year ended June 30, 2024 and \$155,908 for the fiscal year ended June 30, 2023. As a lessor, the University received \$192,926 in both fiscal years 2024 and 2023.

### Lease Receivables

The lease receivables include agricultural land, residential property, and buildings with lease terms greater than one year. Some lease terms are indeterminate and continue until a request to terminate is presented. The agricultural land payments are scheduled for twice a year. Lease payments for residential property and buildings are typically a fixed monthly amount.

For the fiscal year ended June 30, 2024, the total lease receivable was \$1,448,734, and for the year ended June 30, 2023, the total lease receivable was \$1,438,554.

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. For the fiscal year ended June 30, 2023, the University recognized total lease revenue of \$421,604 and total interest revenue related to leases of \$48,961. The deferred inflows were \$1,190,853 for June 30, 2024 and \$1,161,502 for June 30, 2023.



## Lease Payables

Ball State University is a lessee of various equipment, vehicles, and buildings. These leases generally have monthly fixed payments for lease terms that range from three years for vehicles, five to ten years for equipment, and one to three years with likely renewals for additional periods for building and leased spaces. 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.

Lease Classification	June 30, 2024			June 30, 2023		
	Net Asset	Accumulated Amortization	Gross Asset	Net Asset	Accumulated Amortization	Gross Asset
Building Total	\$ 64,414	\$ 1,861,577	\$ 1,925,991	\$ 356,638	\$ 1,432,707	\$ 1,789,345
Equipment Total	63,753	128,401	192,154	95,926	96,228	192,154
Vehicle Total	45,615	63,691	109,306	11,181	41,314	52,495
Totals	<u>\$ 173,782</u>	<u>\$ 2,053,669</u>	<u>\$ 2,227,451</u>	<u>\$ 463,745</u>	<u>\$ 1,570,249</u>	<u>\$ 2,033,994</u>

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, 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			
	<u>\$ 547,010</u>	<u>\$ 18,844</u>	<u>\$ 565,854</u>

### Maturity Analysis of Lease Payables

As of June 30, 2023

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2024	\$ 469,799	\$ 15,878	\$ 485,677
2025	96,280	2,704	98,984
2026	18,934	1,010	19,944
2027	16,626	302	16,928
2028	—	—	—
2029-2033			
	<u>\$ 601,639</u>	<u>\$ 19,894</u>	<u>\$ 621,533</u>

Lease expense recognized for the year was not included in the measurement of lease liabilities. For the year ended June 30, 2024, the total lease expense recognized was \$497,096, and the total interest expense related to leases recognized was \$13,677. For the year ended June 30, 2023, the totals recognized were \$522,147 in lease expense and \$21,712 in interest expense related to leases.

## 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, 2024 and 2023, the University held deposits and investments, including endowment funds, as reflected below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and Cash Equivalents	\$ 55,647,983	\$ 59,056,245
Short Term Investments	41,670,969	58,732,083
Long Term Investments	280,094,012	243,046,836
Total	<u>\$ 377,412,964</u>	<u>\$ 360,835,164</u>



Freshman class at Chirp! Chirp! (Tradition Event)

## 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 at June 30, 2024:

Investment Type	Fair Value		Maturities (in years)			
	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	—	—
<b>Total</b>	<b>\$ 267,981,869</b>	<b>\$</b>	<b>50,944,440</b>	<b>\$ 83,969,505</b>	<b>\$ 55,362,424</b>	<b>\$ 77,705,500</b>

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
<b>Total deposits and investments</b>	<b>\$ 377,412,964</b>

The University held deposits and investments with the following maturities at June 30, 2023:

Investment Type	Fair Value		Maturities (in years)			
	June 30, 2023		Less than 1	1 - 5	6 - 10	More than 10
Corporate Debt	\$ 134,933,031	\$	18,278,473	\$ 41,141,657	\$ 31,654,742	\$ 43,858,159
U.S. Government Obligations	97,561,310		34,813,352	15,579,807	12,749,573	34,418,578
Foreign Obligations	17,038,082		6,381,945	6,207,779	2,251,573	2,196,785
Municipal Bonds	727,937		727,937	—	—	—
<b>Total</b>	<b>\$ 250,260,360</b>	<b>\$</b>	<b>60,201,707</b>	<b>\$ 62,929,243</b>	<b>\$ 46,655,888</b>	<b>\$ 80,473,522</b>

Deposits and investments not subject to interest rate risk:

U.S. equities	\$ 37,119,817
Money market funds	17,176,783
International equities	15,562,605
All other	40,715,599
<b>Total deposits and investments</b>	<b>\$ 360,835,164</b>

## 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 \$7,722,294 with balances subject to custodial risk in the amount of \$1,220,883 at June 30, 2024.

## 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.



*Teachers College*

## 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, 2024 and 2023, University deposits and investments reflected the respective credit ratings as illustrated below:

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	—	—	—	—
<b>Total</b>	<b>\$ 275,804,578</b>	<b>\$ 9,201,220</b>	<b>\$ 2,896,636</b>	<b>\$ 18,426,130</b>	<b>\$ 95,275,422</b>	<b>\$ 28,340,259</b>	<b>\$ 29,885,990</b>	<b>\$ 1,655,405</b>	<b>\$ 90,123,516</b>
<b>Percentage subject to credit risk</b>		<b>3.34 %</b>	<b>1.05 %</b>	<b>6.68 %</b>	<b>34.54 %</b>	<b>10.28 %</b>	<b>10.84 %</b>	<b>0.60 %</b>	<b>32.67 %</b>
<b>Not subject to credit risk</b>	<b>\$ 101,608,386</b>								
<b>Total deposits and investments</b>	<b>\$ 377,412,964</b>								

Investment Type	Fair Value								
	June 30, 2023	A-2	AAA	AA	A	BBB	BB	Below BB	Not Rated
Corporate Obligations	\$ 134,933,031	\$ 1,298,518	\$ 14,343,151	\$ 19,533,173	\$ 23,825,366	\$ 34,452,706	\$ 3,382,396	\$ —	\$ 38,097,721
U.S. Government Obligations	97,561,310	—	131,941	77,352,231	—	—	—	—	20,077,138
Money Market Index Funds	17,176,783	—	—	—	—	—	—	—	17,176,783
Foreign Obligations	17,038,082	—	—	574,443	9,834,671	4,294,629	—	—	2,334,339
Municipal Bonds	727,937	—	727,937	—	—	—	—	—	—
<b>Total</b>	<b>\$ 267,437,143</b>	<b>\$ 1,298,518</b>	<b>\$ 15,203,029</b>	<b>\$ 97,459,847</b>	<b>\$ 33,660,037</b>	<b>\$ 38,747,335</b>	<b>\$ 3,382,396</b>	<b>\$ —</b>	<b>\$ 77,685,981</b>
<b>Percentage subject to credit risk</b>		<b>0.49 %</b>	<b>5.68 %</b>	<b>36.44 %</b>	<b>12.59 %</b>	<b>14.49 %</b>	<b>1.26 %</b>	<b>— %</b>	<b>29.05 %</b>
<b>Not subject to credit risk</b>	<b>\$ 93,398,021</b>								
<b>Total deposits and investments</b>	<b>\$ 360,835,164</b>								

## 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 radiography and respiratory therapy students in labs at Methodist Hospital in Indianapolis*

## 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, 2024:

<u>Investments by Fair Value Level</u>	<u>June 30, 2024</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>
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
<b>Total Investments by Fair Value Level</b>	<b>\$ 338,861,161</b>	<b>\$ 72,168,118</b>	<b>\$ 266,693,043</b>
 <u>Non-Classified Assets</u>			
Deposit with Bond Trustee	\$ 30,829,510		
Money Market Savings Accounts	7,722,293		
Swap Client Owned Cash Collateral	—		
<b>Total Investments measured at fair value</b>	<b>\$ 377,412,964</b>		

The University had the following recurring fair value measurements as of June 30, 2023:

<u>Investments by Fair Value Level</u>	<u>June 30, 2023</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets</u>	<u>Significant Other Observable Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>
Corporate Debt	\$ 133,463,408	\$ —	\$ 133,463,408
U.S. Treasuries	68,638,728	68,638,728	—
Mutual Funds - Equity	52,682,422	—	52,682,422
U.S. Government Agencies	28,922,582	—	28,922,582
Money Market Index Funds	17,176,783	17,176,783	—
Foreign Obligations	17,038,082	—	17,038,082
Municipal Bonds	727,937	—	727,937
<b>Total Investments by Fair Value Level</b>	<b>\$ 318,649,942</b>	<b>\$ 85,815,511</b>	<b>\$ 232,834,431</b>
 <u>Non-Classified Assets</u>			
Deposit with Bond Trustee	\$ 31,481,307		
Money Market Savings Accounts	9,234,292		
Swap Client Owned Cash Collateral	1,469,623		
<b>Total Deposits and Investments</b>	<b>\$ 360,835,164</b>		

## 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 \$937,248 in endowment funds as of June 30, 2024, of which \$17,131 were in cash and cash equivalents, \$222,670 were in short term investments, and \$697,447 were in long term investments. At June 30, 2023, endowments held by the University were \$902,396.

### 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](http://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 70 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 and the INPRS Board 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. In 2020, an experience study was performed resulting in an update to several assumptions. The assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, dependent spouse assumptions, and future salary increase assumptions. 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, 2023, participating employers were required to contribute 11.2 percent for PERF DB and three percent for PERF DC, of covered payroll for members employed by the state. For the fiscal year ended June 30, 2024, there were 1,039 employees with an annual pay of \$46,737,080 participating in PERF DB. In comparison, there were 1,043 employees participating in PERF DB with an annual pay equal to \$46,051,487 for the fiscal year ended June 30, 2023. The University's contribution to the PERF DB and PERF DC accounts for the years ended June 30, 2024 and 2023 were \$6,547,579 and \$6,458,680, respectively. The University contributed 100.0 percent of required contributions for each of the fiscal years.



*Pride of Mid-America Marching Band*

## 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 70 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, 2024, there were 362 employees participating in TRF 1996 DB with annual pay equal to \$29,987,824. The University recorded 391 employees participating in TRF 1996 DB with annual pay equal to \$28,030,899 for fiscal year ended June 30, 2023. The University contributes at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.0 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 and the INPRS Board. 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, 2024 and 2023 were \$2,686,856 and \$2,521,407, 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 70 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 \$4,235.0 million in fiscal year ended June 30, 2023, to TRF Pre-1996. The actuarially determined contribution (ADC) for TRF Pre-1996 was \$4,237.4 million. Employers contributed \$2.5 million in fiscal year ended June 30, 2023.

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, 2024, the University shows 12 employees participating in the TRF Pre-1996 DB with annual payroll equal to \$1,521,438. The University made contributions of \$113,676 which included payments to the TRF DC on behalf of the members. For the fiscal year ended June 30, 2023, the University showed 15 employees participating in the TRF Pre-1996 DB with annual payroll equal to \$1,733,741. The University's contributions to the TRF Pre-1996 DB for fiscal year ended June 30, 2023, were \$132,746.

## 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](http://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 and the INPRS Board 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, 2024, the University reported a liability of \$33,043,392 for its proportionate share of the net pension liability, as compared to \$29,021,585 for the year ended June 30, 2023. The net pension liability reported by the University was measured as of June 30, 2023 for fiscal year 2023-2024 and as of June 30, 2022 for fiscal year 2022-2023 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, 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

June 30, 2022:	PERF DB	TRF-1996 DB	TRF Pre-1996 DB	Aggregate
Proportionate Share	0.0078909	0.0062799	—	
Net Pension Liability/(Asset)	\$ 24,886,573	\$ 4,135,012	\$ —	\$ 29,021,585
Deferred Outflow of Resources	\$ 7,041,191	\$ 6,451,565	\$ —	\$ 13,492,756
Deferred Inflow of Resources	\$ 4,239,537	\$ 3,453,141	\$ —	\$ 7,692,678
Pension Expense/(Income)	\$ 1,101,902	\$ 1,424,825	\$ 4,954,898	\$ 7,481,625

The University recognized expenses of \$9,254,080 at June 30, 2024 and \$7,481,625 at June 30, 2023. 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 \$40,009,886 at June 30, 2023 and \$81,183,172 at June 30, 2022. The total net pension liability for the TRF Pre-1996 DB Account at June 30, 2023, was \$5,230,392,278, compared to \$8,946,001,192 at June 30, 2022. 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 \$3,354,907 for June 30, 2024 and \$4,954,898 at June 30, 2023. 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.



*Honors College, Health Professions Building, & Foundational Sciences Building*

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

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Average Remaining Service Life for 2022:	PERF DB 3.73 Years		TRF 1996 DB 10.13 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	\$ 536,644	\$ 94,647	\$ 1,274,086	\$ 842,065	\$ —
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	3,071,267	—	1,313,880	—	—
Change of Assumptions	3,370,762	1,064,731	3,432,013	1,426,147	—
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	62,518	3,080,159	431,586	1,184,929	—
Contributions Subsequent to the Measurement Date	5,094,170	—	1,680,938	—	88,498
Total	\$ 12,135,361	\$ 4,239,537	\$ 8,132,503	\$ 3,453,141	\$ 88,498

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, 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

## As of June 30, 2023

Amortization of Net Deferred Outflows/(Inflows) of Resources - Debit/(Credit)	PERF DB	TRF 1996 DB
2023	\$ (587,294)	\$ 236,758
2024	895,478	279,862
2025	(755,333)	(42,625)
2026	3,248,803	1,449,415
2027	—	141,496
Thereafter	—	933,518
Total	\$ 2,801,654	\$ 2,998,424

**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, 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		

Description	PERF DB	TRF Pre-1996 DB	TRF 1996 DB
Asset Valuation Date	June 30, 2022		
Liability Valuation Date	June 30, 2021 - Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 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, 2024 - 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, 2023		Geometric Basis at June 30, 2022	
	Long Term Expected Rate of Return	Target Asset Allocation	Long Term Expected Rate of Return	Target Asset Allocation
Public Equity	3.7%	20.0%	3.6%	20.0%
Private Markets	6.4%	15.0%	7.7%	15.0%
Fixed Income - Ex Inflation-Linked	2.2%	20.0%	1.4%	20.0%
Fixed Income - Inflation-Linked	0.5%	15.0%	(0.3)%	15.0%
Commodities	1.1%	10.0%	0.9%	10.0%
Real Assets	3.4%	10.0%	3.7%	10.0%
Absolute Return	1.6%	5.0%	2.1%	5.0%
Risk Parity	5.9%	20.0%	3.8%	20.0%
Cash & Cash Overlay	—	N/A	(1.7)%	N/A

**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, 2023 and June 30, 2022. 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, 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)

## Discount Rate Sensitivity - Liability / (Asset) at June 30, 2022

## 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)%
\$42,042,532	\$24,886,573	\$10,577,255	\$13,163,990	\$4,135,012	\$(3,155,574)

**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:

	2024	2023	2022
Contributions	\$ 12,420,315	\$ 12,344,533	\$ 12,608,826
Number of Participating Members	1,341	1,440	1,398
Related Payroll	\$ 128,121,742	\$ 125,258,278	\$ 125,023,011

## 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.

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, 2024, 1,259 retirees were enrolled in life insurance coverage, and 2,068 retirees, spouses and surviving spouses were enrolled in health insurance coverage. As of June 30, 2024, out of a

total of 2,905 (2,843 in 2023) benefits eligible active employees, 614 (631 in 2023) 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,	<u>2023</u>	<u>2022</u>
Retirees with Life Insurance Coverage	1,256	1,257
Retirees, Spouses and Surviving Spouses with Health Insurance	2,088	2,150

**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, 2024, retirees contributed \$3.7 million (\$3.7 million in 2023) in premiums for health care coverage while the University contributed \$9.2 million (\$10.1 million in 2023). Retirees not eligible for Medicare were limited to one plan option in calendar year 2024, the PPO Health Plan. Monthly premiums paid by retirees not eligible for Medicare ranged from \$126.44 for single coverage to \$328.26 for family coverage. Medicare-eligible retirees and spouses each paid \$129.84 for medical and prescription drug coverage. Both non-Medicare and Medicare-eligible retirees and spouses paid \$13.05 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, 2024, retirees contributed \$120.5 thousand (\$118.7 thousand in 2023) in premiums for life insurance coverage to fulfill their 25.0 percent of total premium requirement, while the University contributed \$334.8 thousand (\$365.9 thousand in 2023) 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. A qualified actuary uses completion factors that were developed using an eighteen month period of historical claim experience. These completion factors, when applied to claims paid, produce projected incurred claims by month. These projected claims less actual amounts paid produce the incurred but not paid claim liability as of the valuation date.

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 over a number of years.

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, 2024, and 2023 are shown below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Reserve for Unreported Claims	\$ 3,596,347	\$ 4,894,059
Reserve for Self-Insurance	\$ 7,199,000	\$ 7,128,000
Reserve for Post-Retirement Health	\$ 8,874,479	\$ 9,583,845



**Net OPEB Liability (Asset)**

At June 30, 2024, the University reported a Net OPEB Asset of \$174,830,672. The Net OPEB Asset reported in fiscal year 2023-2024 is from both the retiree health care plan and the OPEB 115 Plan. When trust assets exceed the liability, an asset is reported on the financial statements. In fiscal year 2022-2023, the University reported a Net OPEB Asset of \$95,229,687 for the health care plan and a Net OPEB Liability of \$298,714 for the OPEB 115 Plan for retiree life insurance.

- The measurement date is June 30, 2023.
- The measurement period for the OPEB plans is July 1, 2022 through June 30, 2023.
- The reporting period is July 1, 2023 through June 30, 2024.
- Net OPEB Liability (Asset) was measured as of June 30, 2023.
- 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, 2023 and June 30, 2022, the components of the Net OPEB Liability (Asset) of the University (sponsor) were as follows:

	<b>June 30, 2023</b>	
	<b>Health Care Plan</b>	<b>OPEB 115 Plan</b>
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	<u>\$ (172,637,854)</u>	<u>\$ (2,192,818)</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability June 30, 2023	<u>180.66 %</u>	<u>108.01 %</u>
	<b>June 30, 2022</b>	
	<b>Health Care Plan</b>	<b>OPEB 115 Plan</b>
Total OPEB Liability	\$ 255,180,140	\$ 27,546,911
Plan Fiduciary Net Position	(350,409,827)	(27,248,197)
Net OPEB Liability (Asset) June 30, 2022	<u>\$ (95,229,687)</u>	<u>\$ 298,714</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability June 30, 2022	<u>137.32 %</u>	<u>98.92 %</u>

**Actuarial Assumptions.** The Total OPEB Liability was determined by actuarial valuations for June 30, 2023, and June 30, 2022, using the following actuarial assumptions:

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

	June 30, 2023	June 30, 2022
Valuation Date:	June 30, 2022	June 30, 2021
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:	15 years	16 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 3.5%.	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 now works with an OCIO (previously external investment consultants) 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. A new policy was approved at the end of this fiscal 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**

Asset Class	Target Allocation	June 30, 2024
		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	<u>100.0 %</u>	

## Asset Allocations for the Combined VEBA and OPEB 115 Trusts

Asset Class	Target Allocation	June 30, 2023
		Long-Term Expected Return
US Equity	40.0 %	9.3 %
International Equity	15.0 %	8.3 %
Emerging Market Equity	5.0 %	10.1 %
Fixed Income and Cash	30.0 %	3.9 %
Real Estate	10.0 %	8.6 %
	Total	<b>100.0 %</b>

## Notes:

- There were no investments identified at June 30, 2023 and June 30, 2022 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 14.0 percent for June 30, 2024 and 10.5 percent for June 30, 2023. 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, 2023 actuarial study. The municipal bond rate is 3.86 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 3.69 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, 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)

Health Care Plan	June 30, 2022		
	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Beginning Balance	\$ 337,933,203	\$ 395,561,858	\$ (57,628,655)
Changes for the Year:			
Service Cost	\$ 7,230,250	\$ —	\$ 7,230,250
Interest	20,036,152	—	20,036,152
Difference Between Expected and Actual Experience	(94,794,529)	—	(94,794,529)
Changes in Assumptions	—	—	—
Contributions - Employer	(15,224,936)	15,224,936	(30,449,872)
Net Investment Income	—	(45,152,031)	45,152,031
Benefit Payments, Including Refunds	—	(15,224,936)	15,224,936
Other	—	—	—
Net Changes	\$ (82,753,063)	\$ (45,152,031)	\$ (37,601,032)
Balances at June 30, 2022	\$ 255,180,140	\$ 350,409,827	\$ (95,229,687)

## Changes in Net OPEB Liability - Life

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)

OPEB 115 Plan	June 30, 2022		
	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability(Asset)
Beginning Balance	\$ 27,506,216	\$ 31,715,190	\$ (4,208,974)
Changes for the Year:			
Service Cost	\$ 330,387	\$ —	\$ 330,387
Interest	1,606,438	—	1,606,438
Changes in Benefit Terms	—	—	—
Difference Between Expected and Actual Experience Loss (Gain)	(101,250)	—	(101,250)
Changes in Assumptions	—	—	—
Contributions - Employer	(1,794,880)	615,982	(2,410,862)
Net Investment Income	—	(3,288,095)	3,288,095
Benefit Payments, Including Refunds	—	(1,794,880)	1,794,880
Other	—	—	—
Net Changes	\$ 40,695	\$ (4,466,993)	\$ 4,507,688
Balances at June 30, 2022	\$ 27,546,911	\$ 27,248,197	\$ 298,714

**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**

<b>June 30, 2023</b>	<b>Health Care Plan</b>		
	<b>1% Decrease 5.00%</b>	<b>Current SDR Assumption 6.00%</b>	<b>1% Increase 7.00%</b>
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)	<u><u>\$(145,650,747)</u></u>	<u><u>\$(172,637,854)</u></u>	<u><u>\$(195,100,744)</u></u>

<b>June 30, 2022</b>	<b>Health Care Plan</b>		
	<b>1% Decrease 5.00%</b>	<b>Current SDR Assumption 6.00%</b>	<b>1% Increase 7.00%</b>
Total OPEB Liability	\$ 288,766,356	\$ 255,180,140	\$ 227,384,187
Plan Net Position	350,409,827	350,409,827	350,409,827
Net OPEB Liability (Asset)	<u><u>\$( 61,643,471)</u></u>	<u><u>\$( 95,229,687)</u></u>	<u><u>\$(123,025,640)</u></u>

**Sensitivity of Net OPEB Liability to the Single Discount Rate Assumption**

<b>June 30, 2023</b>	<b>OPEB 115 Plan</b>		
	<b>1% Decrease 5.00%</b>	<b>Current SDR Assumption 6.00%</b>	<b>1% Increase 7.00%</b>
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)	<u><u>\$ 1,800,608</u></u>	<u><u>\$( 2,192,818)</u></u>	<u><u>\$( 5,428,086)</u></u>

<b>June 30, 2022</b>	<b>OPEB 115 Plan</b>		
	<b>1% Decrease 5.00%</b>	<b>Current SDR Assumption 6.00%</b>	<b>1% Increase 7.00%</b>
Total OPEB Liability	\$ 31,605,912	\$ 27,546,911	\$ 24,265,057
Plan Net Position	27,248,197	27,248,197	27,248,197
Net OPEB Liability (Asset)	<u><u>\$ 4,357,715</u></u>	<u><u>\$ 298,714</u></u>	<u><u>\$( 2,983,140)</u></u>

**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**

<b>June 30, 2023</b>	<b>1% Decrease</b>	<b>Current Health Care Cost Trend Rate Assumption</b>	<b>1% Increase</b>
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)	<u>\$ (195,086,910)</u>	<u>\$ (172,637,854)</u>	<u>\$ (145,378,061)</u>

**Health Care Plan**

<b>June 30, 2022</b>	<b>1% Decrease</b>	<b>Current Health Care Cost Trend Rate Assumption</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 225,184,803	\$ 255,180,140	\$ 291,873,727
Plan Net Position	350,409,827	350,409,827	350,409,827
Net OPEB Liability (Asset)	<u>\$ (125,225,024)</u>	<u>\$ (95,229,687)</u>	<u>\$ (58,536,100)</u>



*Bachelor of Fine Arts/Bachelor of Arts Senior Capstone Exhibition*

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

The University posted a Net OPEB Asset of \$174,830,672 for both the health care plan and the OPEB 115 Plan for retiree life insurance for fiscal year ended June 30, 2024. The Net OPEB Liability and Asset were actuarially determined and measured as of June 30, 2023 for fiscal year 2023-2024.

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:

<u>June 30, 2023</u>	<u>Health Care Plan</u>	<u>OPEB 115 Plan</u>	<u>Aggregate</u>
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)

<u>June 30, 2022</u>	<u>Health Care Plan</u>	<u>OPEB 115 Plan</u>	<u>Aggregate</u>
Net OPEB Liability (Asset)	\$ (95,229,687)	\$ 298,714	\$ (94,930,973)
Deferred Outflow of Resources	\$ 105,940,503	\$ 8,917,598	\$ 114,858,101
Deferred Inflow of Resources	\$ 162,480,481	\$ 3,870,309	\$ 166,350,790
OPEB Expense (Revenue)	\$ (9,115,976)	\$ 847,159	\$ (8,268,817)

On June 30, 2024, and June 30, 2023, 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 2023:****5.91 Years**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Net Outflows (Inflows) of Resources</u>
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	<u>\$ 77,803,118</u>	<u>\$ 171,580,687</u>	<u>\$ (93,777,569)</u>

**Health Care Plan****Average Remaining Service Life for 2022:****6.43 Years**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Net Outflows (Inflows) of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,266,042	\$ 121,473,093	\$ (119,207,051)
Assumption Changes	25,094,649	—	25,094,649
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	61,656,933	41,007,388	20,649,545
Subtotal	89,017,624	162,480,481	(73,462,857)
Contributions Subsequent to the Measurement Date	16,922,879	—	16,922,879
Total	<u>\$ 105,940,503</u>	<u>\$ 162,480,481</u>	<u>\$ (56,539,978)</u>

**OPEB 115 Plan****Average Remaining Service Life for 2023:**

	<b>6.95 Years</b>		<b>Net Outflows (Inflows) of Resources</b>
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	
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	<u>\$ 5,154,401</u>	<u>\$ 3,447,205</u>	<u>\$ 1,707,196</u>

**OPEB 115 Plan****Average Remaining Service Life for 2022:**

	<b>7.26 Years</b>		<b>Net Outflows (Inflows) of Resources</b>
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	
Differences Between Expected and Actual Experience	\$ 221,265	\$ 641,507	\$ (420,242)
Assumption Changes	2,158,782	70,568	2,088,214
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	4,753,602	3,158,234	1,595,368
Subtotal	7,133,649	3,870,309	3,263,340
Contributions Subsequent to the Measurement Date	1,783,949	—	1,783,949
Total	<u>\$ 8,917,598</u>	<u>\$ 3,870,309</u>	<u>\$ 5,047,289</u>

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

<b>Year Ending June 30</b>	<b>As of June 30, 2023</b>	
	<b>Health Care Plan</b>	<b>OPEB 115 Plan</b>
	<b>Net Deferred Outflow of Resources</b>	<b>Net Deferred Outflows of Resources</b>
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	<u>\$ (109,831,994)</u>	<u>\$ 1,617,491</u>

Year Ending June 30	As of June 30, 2022	
	Health Care Plan	OPEB 115 Plan
	Net Deferred Outflow of Resources	Net Deferred Outflows of Resources
2023	\$ (12,276,331)	\$ 841,624
2024	(14,906,971)	755,933
2025	(18,225,139)	376,169
2026	(4,463,715)	1,377,374
2027	(17,223,902)	(32,460)
Thereafter	(6,366,799)	(55,300)
Total	<u>\$ (73,462,857)</u>	<u>\$ 3,263,340</u>

### Note J – Included Entities

The University operates Burriss 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 cash balance of the Ball State Innovation Corporation (BSIC), a blended component unit, is included in the University's financial statements. The component unit had no activity during the fiscal year.

### 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 \$89,299,634 at June 30, 2024.



United Way Day of Action

## Note L – Risk Management

The University is exposed to risks of loss related to:

- 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 handles these risks of loss through combinations of risk retention, self-insurance, and commercial insurance. The risk per incident for buildings and contents is \$250,000 for water or flood damage and \$100,000 for all other hazards. 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 medical benefits.

Separate funds and accounts have been established to measure the results of the various combinations of risk retention and commercial insurance. Periodically (in some cases annually), after reviewing exposures with insurance consultants and actuaries, adjustments are made to reflect potential liabilities arising from risk retention. The University has had no settlements in excess of insurance coverage for each of the past three fiscal years.

The University is self-insured for employee and retiree health care and maintains various reserve funds and stop loss insurance to mitigate the risk of catastrophic claim experience. The Reserve for Claims Unreported or claims Incurred but Not Paid (IBNP) and the Reserve of Self-Insurance are actuarially determined each year by external consultants.

This estimated liability for IBNP at June 30, 2024 and June 30, 2023 for both active employees and retirees was \$3.6 million and \$4.9 million, respectively, as determined by the University's actuarial consultants. Claims activity for each year was as follows:

<b>June 30, 2024</b>	
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

<b>June 30, 2023</b>	
Unpaid Health Claims at July 1, 2022	4,729,854
Claims Incurred	59,477,536
Claims Paid	59,313,332
Unpaid Health Claims at June 30, 2023	\$ 4,894,058

## Note M – Functional Expenses

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

	Functional Classification						Total
	Personnel Services	Benefits	Student Aid	Utilities	Supplies and Expenses Repairs and Maintenance	Depreciation	
Instruction	\$ 112,010,706	\$ 17,821,095	\$ 366,116	\$ 1,736	\$ 13,852,384	\$ —	\$ 144,052,037
Research	6,635,543	907,419	335,278	82	5,316,186	—	13,194,508
Public Service	5,590,125	962,320	147,688	29,119	5,418,376	—	12,147,628
Academic Support	29,447,217	5,242,999	654,619	5,409	18,110,732	—	53,460,976
Student Services	10,427,454	1,814,786	42,799	5,707	8,937,673	—	21,228,419
Institutional Support	35,214,595	11,625,121	173,052	66,140	16,568,548	—	63,647,456
Oper & Maint of Physical Plant	13,630,641	3,511,266	—	13,673,639	4,153,365	—	34,968,911
Scholarships & Fellowships	1,988,565	253,778	9,759,127	—	317,705	—	12,319,175
Auxiliary Enterprises	29,687,069	9,331,752	8,374,077	1,046,747	39,447,959	—	87,887,604
Depreciation	—	—	—	—	—	33,431,348	33,431,348
Total Operating Expenses	<u>\$ 244,631,915</u>	<u>\$ 51,470,536</u>	<u>\$ 19,852,756</u>	<u>\$ 14,828,579</u>	<u>\$ 112,122,928</u>	<u>\$ 33,431,348</u>	<u>\$ 476,338,062</u>

The University's operating expenses by functional classification were as follows for fiscal year ended June 30, 2023:

	Restated Functional Classification						Total
	Personnel Services	Benefits	Student Aid	Utilities	Supplies and Expenses Repairs and Maintenance	Depreciation	
Instruction	\$ 107,185,342	\$ 17,539,045	\$ 363,351	\$ 8,121	\$ 13,937,399	\$ —	\$ 139,033,258
Research	6,052,626	902,812	203,820	(13)	5,290,620	—	12,449,865
Public Service	4,664,600	859,210	116,305	55,407	4,365,657	—	10,061,179
Academic Support	28,360,140	5,270,374	538,425	1,493	11,019,409	—	45,189,841
Student Services	9,705,368	1,766,380	47,486	5,622	9,572,686	—	21,097,542
Institutional Support	30,249,821	23,094,736	152,592	55,101	15,168,027	—	68,720,277
Oper & Maint of Physical Plant	13,110,067	3,466,464	—	14,313,257	4,552,536	—	35,442,324
Scholarships & Fellowships	2,113,357	249,313	9,042,373	—	291,617	—	11,696,660
Auxiliary Enterprises	28,150,576	11,129,129	7,634,228	1,059,925	36,268,064	—	84,241,922
Depreciation	—	—	—	—	—	33,848,301	33,848,301
Total Operating Expenses	<u>\$ 229,591,897</u>	<u>\$ 64,277,463</u>	<u>\$ 18,098,580</u>	<u>\$ 15,498,913</u>	<u>\$ 100,466,015</u>	<u>\$ 33,848,301</u>	<u>\$ 461,781,169</u>

## Note N – Subsequent Event

There are no material subsequent events to be reported at the date of this report.

## 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. The new standard 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 judgement 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, 2024, the University recognized \$19,437 in variable subscription payments not included in the measurement of the subscription liability. For the fiscal year ended June 30, 2023, variable subscription payments totaled \$198,809. 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, 2024 or June 30, 2023.

### 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.

	<b>Book Value</b>			<b>Book Value</b>
	<b>June 30, 2023</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2024</b>
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	<u>\$ 4,194,736</u>	<u>\$ 4,960,104</u>	<u>\$ 146,347</u>	<u>\$ 9,008,493</u>

	<b>Book Value</b>			<b>Book Value</b>
	<b>June 30, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2023</b>
Subscription Assets	\$ 7,397,973	\$ 330,172	\$ —	\$ 7,728,145
Less Accumulated Amortization	1,938,003	1,595,406	—	3,533,409
Subscription Assets, Net	<u>\$ 5,459,970</u>	<u>\$ (1,265,234)</u>	<u>\$ —</u>	<u>\$ 4,194,736</u>

## 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, 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
	<u>\$ 8,311,426</u>	<u>\$ 1,286,263</u>	<u>\$ 9,597,689</u>

### Maturity Analysis of Subscription Liabilities

As of June 30, 2023

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2024	\$ 1,134,855	\$ 142,972	\$ 1,277,827
2025	1,327,773	99,505	1,427,278
2026	1,020,669	48,072	1,068,741
2027	184,755	8,974	193,729
2028	122,233	2,767	125,000
2029-2033	—	—	—
	<u>\$ 3,790,285</u>	<u>\$ 302,290</u>	<u>\$ 4,092,575</u>



## Note P – Restatement

Certain restatements and reclassifications were made to the June 30, 2023 statements for comparative purposes. The net effect of the restatements is outlined below.

	6/30/2023 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2023 As Restated
<b>Statement of Net Position:</b>				
<b>Assets:</b>				
Current Assets:				
Accrued Interest Receivable - Leases	\$ —	\$ —	\$ 3,319	\$ 3,319
Lease Receivable	—	—	320,346	320,346
Noncurrent Assets:				
Lease Receivable	—	—	1,118,208	1,118,208
Leased Assets, Net	—	—	463,745	463,745
<b>Liabilities:</b>				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	38,655,184	—	4,555	38,659,739
Lease Payable	—	—	354,599	354,599
Noncurrent Liabilities:				
Lease Payable	—	—	131,840	131,840
<b>Deferred Inflows of Resources:</b>				
Deferred Inflows Related to Leases	—	—	1,161,502	1,161,502
<b>Net Position:</b>				
Restricted for:				
Expendable: Other Post-Employment Benefits	\$ —	\$ 95,229,687	\$ —	\$ 95,229,687
Unrestricted	293,474,651	(95,229,687)	253,122	198,498,086

	6/30/2023 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2023 As Restated
<b>Statement of Revenues, Expenses and Changes in Net Position:</b>				
<b>Operating Revenues:</b>				
Sales and Services of Educational Departments	\$ 9,736,717	—	\$ (128,126)	\$ 9,608,591
Auxiliary Enterprises:				
Other	11,917,998	—	(12,128)	11,905,870
Other Operating Revenues	10,484,480	—	141,508	10,625,988
<b>Operating Expenses:</b>				
Other Supplies and Expenses	82,335,242	—	(724,806)	81,610,436
Depreciation and Amortization	33,347,627	—	500,674	33,848,301
<b>Non-Operating Revenues/(Expenses):</b>				
Interest on Capital Asset Related Debt	(11,399,325)	—	(21,712)	(11,421,037)
Interest Income	—	—	48,961	48,961
<b>Prior Period Adjustment for Change in Accounting Principle</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 487</b>	<b>\$ 487</b>

	6/30/2023 As Previously Reported	Error Correction (A)	Change in Accounting Principle (B)	6/30/2023 As Restated
<b>Statement of Cash Flows:</b>				
<b>Sources/(Uses) of Cash:</b>				
<b>Operating Activities:</b>				
Payments to Suppliers	\$ (79,976,438)	\$ —	\$ 724,806	\$ (79,251,632)
Auxiliary Enterprise Charges:				
Other	11,729,959	—	(12,128)	11,717,831
Sales and Services of Educational Activities	9,530,929	—	(128,126)	9,402,803
Other Receipts/Disbursements/Advances	9,275,330	—	(812,444)	8,462,886
<b>Capital Financing Activities:</b>				
Purchases of Capital Assets	(49,356,831)	—	(202,872)	(49,559,703)
Principal Paid on Capital Debt	(44,148,497)	—	(297,846)	(44,446,343)
Interest Paid on Capital Debt	(12,434,148)	—	(25,165)	(12,459,313)
Payments Received on Lease Receivable	—	—	192,187	192,187
Interest Received on Lease Receivable	—	—	51,965	51,965
Increase in Lease Deferred Income	—	—	509,623	509,623
<b>Reconciliation of Net Operating Revenues/(Expenses) to</b>				
<b>Net Cash Provided/(Used) by Operating Activities:</b>				
<b>Adjustments to Reconcile Income/(Loss) to Net Cash</b>				
<b>Provided/(Used) by Operating Activities:</b>				
Depreciation Expense	33,347,627	—	500,674	33,848,301
Operating Receivables, Net	(2,456,097)	—	(953,952)	(3,410,049)
<b>Non-Cash Transactions</b>				
Interest Payable Related to Subscription Obligations and Leases	(25,573)	—	(4,555)	(30,128)
Lease Obligation Incurred for New ROU Lease Assets	—	—	(260,874)	(260,874)
Interest Receivable Related to Leases	—	—	3,319	3,319
Lease Receivable Related to Leases	\$ —	\$ —	\$ 953,952	\$ 953,952

**A** Restating Net Position related to OPEB Asset as Restricted for Expendable Post-Employment Benefits.

GASB Statement No. 87, *Leases*, was implemented for fiscal ended June 30, 2022. The standard had no material impact on our statements so a note only disclosure was done. Due to new agreements, a financial statement presentation was implemented. This change is preferable as it satisfies

**B** understandability, reliability and comparability.

# Ball State University

## Required Supplemental Information

### June 30, 2024

**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*
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%
2014	0.0099214	\$ 26,072,795	\$ 48,439,081	53.8%	81.1%

Measurement date is June 30 for each year.

\*2013-2017 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*
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%
2014	0.0072770	\$ 346,027	\$ 18,832,391	1.8%	98.8%

Measurement date is June 30 for each year.

\*2013-2017 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*
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%
2014	—	\$ —	100.00%	\$ 1,262,828,000	N/A	25.9%

Measurement date is June 30 for each year.

\*2013-2017 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
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%
2014	\$ 5,409,794	\$ 5,409,794	\$ —	\$ 48,439,081	11.17%

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
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%
2014	\$ 1,321,375	\$ 1,321,375	\$ —	\$ 18,832,391	7.02%

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
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%
2014	\$ 441,356	\$ 441,356	\$ —	\$ 4,370,814	10.10%

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,	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service Cost	\$ 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	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*	(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 ^	(16,922,879)	(15,224,936)	(12,475,101)	(11,616,354)	(10,943,209)	(9,161,538)	(8,982,186)
<b>Net change in Total OPEB Liability</b>	<b>\$(41,144,993)</b>	<b>\$(82,753,063)</b>	<b>\$(7,286,186)</b>	<b>\$19,262,866</b>	<b>\$17,076,188</b>	<b>\$27,168,500</b>	<b>\$20,963,852</b>
<b>Total OPEB Liability - Beginning</b>	<b>255,180,140</b>	<b>337,933,203</b>	<b>345,219,389</b>	<b>325,956,523</b>	<b>308,880,335</b>	<b>281,711,835</b>	<b>260,747,983</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$214,035,147</b>	<b>\$255,180,140</b>	<b>\$337,933,203</b>	<b>\$345,219,389</b>	<b>\$325,956,523</b>	<b>\$308,880,335</b>	<b>\$281,711,835</b>
<b>Plan Fiduciary Net Position:</b>							
Employer Contributions ^	\$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	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 ^	(16,922,879)	(15,224,936)	(12,475,101)	(11,616,354)	(10,943,209)	(9,161,538)	(8,982,186)
OPEB Plan Administrative Expense	—	—	—	—	—	—	—
Other	—	—	(9)	—	—	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$36,263,174</b>	<b>\$(45,152,031)</b>	<b>\$86,867,309</b>	<b>\$ 8,464,978</b>	<b>\$12,501,466</b>	<b>\$21,850,871</b>	<b>\$40,911,338</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>350,409,827</b>	<b>395,561,858</b>	<b>308,694,549</b>	<b>300,229,571</b>	<b>287,728,105</b>	<b>265,877,234</b>	<b>224,965,896</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$386,673,001</b>	<b>\$350,409,827</b>	<b>\$395,561,858</b>	<b>\$308,694,549</b>	<b>\$300,229,571</b>	<b>\$287,728,105</b>	<b>\$265,877,234</b>
<b>Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<b>\$(172,637,854)</b>	<b>\$(95,229,687)</b>	<b>\$(57,628,655)</b>	<b>\$36,524,840</b>	<b>\$25,726,952</b>	<b>\$21,152,230</b>	<b>\$15,834,601</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	180.66 %	137.32 %	117.05 %	89.42 %	92.11 %	93.15 %	94.38 %
<b>Covered-Employee Payroll</b>	\$159,952,437	\$173,704,657	\$173,741,219	\$202,031,009	\$206,811,806	\$203,494,948	\$194,729,643
<b>Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</b>	(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,	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service Cost	\$ 303,530	\$ 330,387	\$ 353,933	\$ 301,802	\$ 305,397	\$ 299,665	\$ 289,531
Interest on the Total OPEB Liability	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	(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 ^	(1,783,949)	(1,794,880)	(1,751,318)	(1,694,069)	(1,624,704)	(1,501,416)	(1,259,902)
<b>Net Change in Total OPEB Liability</b>	<b>\$ (166,300)</b>	<b>\$ 40,695</b>	<b>\$ (506,442)</b>	<b>\$ 3,559,607</b>	<b>\$ 456,683</b>	<b>\$ 1,644,660</b>	<b>\$ (241,501)</b>
<b>Total OPEB Liability - Beginning</b>	<b>27,546,911</b>	<b>27,506,216</b>	<b>28,012,658</b>	<b>24,453,051</b>	<b>23,996,368</b>	<b>22,351,708</b>	<b>22,593,209</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$27,380,611</b>	<b>\$27,546,911</b>	<b>\$27,506,216</b>	<b>\$28,012,658</b>	<b>\$24,453,051</b>	<b>\$23,996,368</b>	<b>\$22,351,708</b>
<b>Plan Fiduciary Net Position:</b>							
Employer Contributions ^	\$ 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	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 ^	(1,783,949)	(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)	—	—	—	—
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 2,325,232</b>	<b>\$(4,466,993)</b>	<b>\$ 5,510,076</b>	<b>\$ (521,428)</b>	<b>\$ 135,878</b>	<b>\$ 1,037,899</b>	<b>\$ 2,102,238</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>27,248,197</b>	<b>31,715,190</b>	<b>26,205,114</b>	<b>26,726,542</b>	<b>26,590,664</b>	<b>25,552,765</b>	<b>23,450,527</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$29,573,429</b>	<b>\$27,248,197</b>	<b>\$31,715,190</b>	<b>\$26,205,114</b>	<b>\$26,726,542</b>	<b>\$26,590,664</b>	<b>\$25,552,765</b>
<b>Net OPEB Liability (Asset) - Ending (a) - (b)</b>	<b>\$(2,192,818)</b>	<b>\$ 298,714</b>	<b>\$(4,208,974)</b>	<b>\$ 1,807,544</b>	<b>\$(2,273,491)</b>	<b>\$(2,594,296)</b>	<b>\$(3,201,057)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	108.01 %	98.92 %	115.30 %	93.55 %	109.30 %	110.81 %	114.32 %
<b>Covered Payroll</b>	\$201,781,447	\$197,333,796	\$194,070,076	\$202,031,009	\$206,811,806	\$203,494,948	\$194,729,643
<b>Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll</b>	(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\***

<u>FY Ending June 30,</u>	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability (Asset)</u>	<u>Plan Net Position as a % of Total OPEB Liability</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability (Asset) as a % of Covered Payroll</u>
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\***

<u>FY Ending June 30,</u>	<u>Total OPEB Liability</u>	<u>Plan Net Position</u>	<u>Net OPEB Liability (Asset)</u>	<u>Plan Net Position as a % of Total OPEB Liability</u>	<u>Covered Payroll</u>	<u>Net OPEB Liability (Asset) as a % of Covered Payroll</u>
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.



We Fly Track & Field Challenge

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

**Health Care Plan**

**Last 10 Fiscal Years\***

<b>FY Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution ^</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll #</b>	<b>Actual Contribution as a Percentage of Covered Payroll</b>
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\***

<b>FY Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution ^</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll #</b>	<b>Actual Contribution as a Percentage of Covered Payroll</b>
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.



Miller College of Business E-Day

# Ball State University

## Notes to Required Supplemental Information

### June 30, 2024

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, 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.

**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.

In 2014, HB 1075 impacted the Public Employees' Retirement Fund, the Teachers' Retirement Fund Pre-1996 Account, and the Teachers' Retirement Fund 1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015, the rate is 4.5%. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

**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.

**For the Year Ended June 30, 2014:****Plan Amendments**

In 2014, HB 1075 impacted the Public Employees' Retirement Fund, the Teachers' Retirement Fund Pre-1996 Account, and the Teachers' Retirement Fund 1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015, the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider.

**Assumption Changes**

In 2015, there were no changes to the plan that impacted the pension benefits during the fiscal year for PERF, TRF Pre-1996, or TRF 1996.

## Actuarial Assumptions per Fiscal Year

## PERF DB

Fiscal Year	Experience Study Date	Investment Rate of Return (Accounting)	Cost of Living Increases (COLA) or "Ad Hoc" COLA	Future Salary Increases, including Inflation	Inflation
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%
2014	Period of five years ended June 30, 2010	6.75%, net of investment expense, including inflation	1.00%	3.25% - 4.50%	3.00%

## Actuarial Assumptions per Fiscal Year- Mortality

## PERF DB

Fiscal Year	Mortality- Healthy Employees and Retirees		Mortality- Disableds		Mortality- Beneficiaries		Mortality-Improvement -All Tables
	Base Table	M/F Set Forward	Base Table	Load	Base Table	M/F Set Forward	Generational Improvement Scale
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
2014	N/A		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) or "Ad Hoc" COLA	Future Salary Increases, including Inflation	Inflation
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%
2014	Period of four years ended June 30, 2011	6.75%, net of investment expense, including inflation	1.00%	3.00% - 12.50%	3.00%

## Actuarial Assumptions per Fiscal Year- Mortality

## TRF 1996 DB

Fiscal Year	Mortality- Healthy Employees and Retirees		Mortality- Disableds		Mortality- Beneficiaries		Mortality-Improvement -All Tables
	Base Table	M/F Set Forward	Base Table	Load	Base Table	M/F Set Forward	Generational Improvement Scale
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
2014	N/A		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) or "Ad Hoc" COLA	Future Salary Increases, including Inflation	Inflation
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%
2014	Period of four years ended June 30, 2011	6.75%, net of investment expense, including inflation	1.00%	3.00% - 12.50%	3.00%

## Actuarial Assumptions per Fiscal Year- Mortality

## TRF Pre-1996 DB

Fiscal Year	Mortality- Healthy Employees and Retirees		Mortality- Disableds		Mortality- Beneficiaries		Mortality-Improvement -All Tables
	Base Table	M/F Set Forward	Base Table	Load	Base Table	M/F Set Forward	Generational Improvement Scale
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
2014	N/A		N/A		N/A		N/A

**Notes to Required Supplementary Information**

**Changes to OPEB Benefit Terms**

**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, 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, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	
Valuation Date:	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	
Amortization Method:	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:	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	
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	
Salary Increases:	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	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	
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 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 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 3.5%. 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"