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Chairman of the Board
and President

David A. Daugherty
Managing Director

Rick L. Hansing
Managing Director

Carl H. Holliday
Managing Director

Edward A. Krei
Managing Director

Mike W. Mackey
Managing Director

Robert H. Northwood, Jr.
Managing Director

J. Steven Porter
Managing Director

Craig H. Stanley
Managing Director

Philip C. Stenseth, C.F.A.
Managing Director

Daniel R. Tonseth
Managing Director

Jim C. Wolfe
Partner

Tim Beloit
Associate Partner

John Goodman
Associate Partner

Ryan Hayhurst
Associate Partner

Eric Harland
Associate Partner

Terry McElwee
Associate Partner

Greg Nieto
Director
Public Finance Division

Brian Bates
Vice President

Mike Crake
Vice President

Susan K. Evans
Vice President and
Chief Financial Officer

Skoshi Heron
Vice President

L. Keith Lindell
Vice President

Ruth McLean
Vice President

Valle L. McGinnis
Vice President

Todd Mettenbrink
Vice President

Lester F. Murray
Vice President

Jeff Oakes
Vice President

Dan Pilcher
Vice President

Gerry Skousen
Vice President

Jon Virostek
Vice President

Janice VonHolten
Vice President



2004 STATEMENT OF FINANCIAL CONDITION

JUNE 30, 2004

(UNAUDITED)



James Baker & Associates

INDUSTRY RESPONSIVE
A LIMITED PARTNERSHIP

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Indianapolis
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James Baker & Associates

INDUSTRY RESPONSIVE
A LIMITED PARTNERSHIP

JAMES BAKER & ASSOCIATES A LIMITED PARTNERSHIP STATEMENT OF FINANCIAL CONDITION JUNE 30, 2004

ASSETS

Cash	\$ 247,147
Cash and securities segregated under federal and other regulations	140,245
Receivable from brokers-dealers and clearing organizations	57,124
Receivable from customers	2,819,124
Securities owned, at market	11,290,608
Furniture and equipment, less accumulated depreciation of \$1,662,314.....	257,276
Cash surrender value of life insurance policies	943,585
Prepaid expenses and other assets.....	377,574
TOTAL	\$ 16,132,683

LIABILITIES AND PARTNERS' CAPITAL

Liabilities:

Payable to clearing bank.....	\$ 1,318,344
Payable to broker-dealers	3,055,013
Payable to customers.....	144,403
Accrued liabilities.....	2,235,989
Total liabilities	6,753,749

Commitments

Partners Capital

General Partner and Limited Partners	9,378,934
TOTAL	\$ 16,132,683

NOTES TO FINANCIAL STATEMENTS AS OF JUNE 30, 2004

1. ORGANIZATION AND OPERATIONS

James Baker & Associates, A Limited Partnership (the "Partnership") is registered under the Securities Exchange Act of 1934 (the "Act") as a general securities broker and dealer. The Partnership's customer base consists primarily of community banks. The Partnership is also registered as an investment adviser under the Investment Adviser Act of 1940.

2. NET CAPITAL REQUIREMENTS

The Partnership is subject to the Uniform Net Capital Rule (15c3-1) under the Securities Exchange Act which requires the maintenance of minimum net capital. Rule 15c3-1 also limits the amount of capital withdrawals that can be made within any 30-day period without notification and/or approval of the Securities and Exchange Commission. The Partnership has elected to use the alternative method, permitted by the rule, which requires the Partnership to maintain minimum net capital, as defined, equal to the greater of \$250,000 or two percent of aggregate debit balances arising from customer transactions, as defined. At June 30, 2004 the Partnership had net capital of \$8,508,076 which was 297% of aggregate debit balances and \$8,258,076 in excess of required net capital.