



BOARD OF TRUSTEES
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**BOARD OF TRUSTEES
 MIAMI UNIVERSITY
 Minutes of the Finance and Audit Committee Meeting
 December 3, 2015
 104 Roudebush Hall**

The Finance and Audit Committee of the Miami University Board of Trustees met on December 3, 2015 in Roudebush Hall, Room 104, on the Oxford campus. The meeting was called to order by Committee Chair Mark Ridenour at 8:00 a.m., with a majority of the members present, constituting a quorum. Attending were Chair Ridenour, and Committee members John Altman, Jagdish Bhati, David Budig, C. Michael Gooden, Sharon Mitchell and Stephen Wilson, along with National Trustees Terry Hershey and Diane Perlmutter, and Student Trustee Ciara Lawson. Committee member Robert Coletti was absent.

In addition to the Trustees, David Creamer, Senior Vice President for Finance and Business Services, and Treasurer; Phyllis Callahan, Provost and Executive Vice President; Jayne Brownell, Vice President for Student Affairs; Tom Herbert, Vice President for Advancement; Michael Kabbaz, Vice President for Enrollment Management and Student Success; and Peter Natale, Vice President for Information Technology, were in attendance. Also present were; Robin Parker, General Counsel; Deedie Dowdle, Associate Vice President for Communications and Marketing; David Ellis, Associate Vice President for Budgeting and Analysis; Bruce Guiot, Chief Investment Officer; Kim Kinsel, Associate Vice President for Auxiliaries; Cody Powell, Associate Vice President for Facilities, Planning and Operations; Sarah Persinger, Controller; Dawn Fahner, interim Associate Vice President of Human Resources; Joe Bazeley, Assistant Vice President for IT, and Information Security Officer; Troy Travis, Assistant Vice President for IT, Enterprise Operations; Dr. Amit Shukla, Chair, Fiscal Priorities and Budget Planning Committee; John Seibert, Director, Planning, Architecture and Engineering; Barbara Jena, Director of Internal Audit and Consulting; Lindsay Carpenter, Manager, Academic Affairs Budgets; Claire Wagner, Director of University News and Communications; and Ted Pickerill, Secretary to the Board of Trustees.

Executive Session

On a motion duly made, seconded, and unanimously approved by the Committee, the Finance and Audit Committee adjourned to Executive Session in accordance with the Ohio Open Meetings Act, Revised Code Section 121.22 to consult with counsel and discuss personnel matters. Following adjournment of the Executive Session, the Committee convened into the Public Business Session.

Public Business Session

Chair Mark Ridenour opened the public session and welcomed everyone to the meeting.

Approval of the Minutes

On a motion duly made by Trustee Mitchell, seconded by Trustee Wilson, and unanimously approved by the Committee, the Finance and Audit Committee minutes from the previous meeting were approved.

Financial Statement and Audit Results

Matt Garvey from RSM US LLP (formerly McGladrey LLP) provided an overview of the audit stating it went very well and all filing deadlines were met. He stated there were no audit adjustments, and no items deemed past adjustments to report. He discussed the impact of the pension liability standards change, which added a new \$255 million noncurrent liability, which is discussed in footnote 7 of the Financial Report. This change necessitated reporting a one year financial statement, rather than the normal two year statement.

He added that in future years, beginning in 2018, Miami's share of the retiree healthcare benefit will also be included.

Following his public report, the Committee members met privately with RSM US LLP.

Senior Vice President Creamer then continued the financial discussion by providing a brief overview of recent financial trends for endowment and non-endowment cash and investments. He also reviewed trends in bonds payable and unrestricted net assets, trends in operating revenue, net tuition, fee revenue and state appropriations. He then reviewed revenue from investment income, foundation investment income, federal contracts, and permanent endowment additions. It was noted that Federal contracts nationally are flat, but larger research institutions are receiving greater awards, in particular universities with medical schools, thus tending to reduce awards to non-Research 1 universities. The annual expense trend and the trend in interest cost on debt, were also reviewed.

Dr. Creamer then went on to explain that revenue growth for the last five years is primarily from enrollment growth and change in the enrollment mix (resident/non-resident), not from an increase in tuition cost. The recent rising enrollment numbers are planned to level off beginning in fall 2016, and it was a matter of discussion if some enrollment growth should be incorporated into the planning going forward.

Dr. Creamer then reviewed the ten year ratio trend, primary reserve ratio, viability ratio, and net income ratio. It was then discussed how including the pension liability

impacts these ratios and necessary reserves. It was remarked that the endowment is also a consideration for strengthening these ratios.

The Financial Report, Auditor's Report, and Dr. Creamer's presentation are included as Attachment A.

Report on Facilities, Construction and Real Estate

Capital Projects

Associate Vice President Cody Powell, updated the Committee on the status of current capital projects. He outlined the progress since the last meeting, stating two major projects were completed under budget, with funds returned.

He next reported that the Gunlock Family Athletic Performance Center footer and foundation package is well underway, with steel expected in February. The North Quad renovation is also well underway, with contractors now working inside from the top floor down. The project is transforming the Martin Dining facility through a more open interior.

Shideler Hall will begin receiving furniture within the next week. The renovated facility will provide greater classroom flexibility and include exterior signage to announce to visitors that they have arrived on campus.

Senior Vice President Creamer then updated the Committee on the Clawson Hall renovation. He stated issues have been encountered that may result in the cost of the project exceeding the cost of new construction. The additional cost necessitates a reconsideration of the project, and the Committee will receive a report and alternatives at the February meeting.

Resolutions

North Quad

A resolution was proposed to proceed with preconstruction for a new, approximately 340 bed, residence hall located in North Quad on the site of the existing tennis courts. The new residence hall will help address the up to 500 bed shortfall estimated in the Housing Master Plan.

Trustee Wilson then moved, Trustee Gooden seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

Duke Utility Easement

A resolution was proposed granting a utility easement to allow work to rebuild the Bonham Road bridge. The Butler County Engineer is managing the project, and upon

completion the project is expected to provide a straighter pathway across the bridge and a pedestrian walkway that would improve pedestrian safety.

Trustee Altman then moved, Trustee Mitchell seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The presentation and resolutions are included as Attachment B.

Tuition Promise

A resolution establishing the Miami Tuition Promise was presented. Senior Vice President Creamer spoke to the resolution stating it encompasses all fees under Miami's control, going beyond tuition and the general fee, to include room and board and other fees. The Miami University Tuition Promise is expected to provide families greater certainty for planning for the cost of higher education. Ohio Legislation in 2013 paved the way for this program, resolving issues with fee caps that previously made it impossible to set tuition and fees beyond each biennium.; throughout the process of considering a tuition guarantee, students have led and advocated for the Tuition Promise, with ASG addressing the committee and student senate passing resolutions of support.

Dr. Creamer explained that while the menu of fees are frozen, the application of these fees to a student bill in any semester may be different. For example, while the business school fee is locked in for its cost per credit hour for all four years, a student taking different credit hour loads each semester will see the total fee vary semester to semester by credit hours enrolled.

Dr. Creamer also explained that regional relocating students and students transferring from other Ohio public schools are not disadvantaged under this plan. Such students would receive the lower fee structure associated with their entering cohort during the year they first began their higher education on the regionals or at another state school. He also explained that students taking graduate courses during their four years would receive the cohort pricing for their graduate studies as well.

It was commented that this was a true team effort and it is remarkable that it could be implemented with only a very modest 2.74% increase for Ohio Students, during the initial year.

Trustee Wilson then moved, Trustee Mitchell seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The presentation and resolution are provided as Attachment C.

FY 2016 Undergraduate Tuition Ordinance

Senior Vice President Creamer stated that the Tuition Promise would be submitted to the Chancellor for final approval and it would be advantageous to this

review and for prospective students to know the actual cost of tuition under the new program. The proposed undergraduate tuition ordinance does include the new cohort tuition to be published for next year. The ordinance also addresses tuition for continuing students on the Oxford campus. He further stated that summer tuition under the proposal includes a 20% discount for on-line courses.

Trustee Bhati then moved, Trustee Gooden seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The ordinance is included as Attachment D.

FY 2016 Room and Board Ordinance

Senior Vice President Creamer provided a comparison of room cost at nearby institutions, and stated the meal plan will have greater flexibility and offer students additional options. There was a question about first year students and their choice of a residence hall. It was explained that students are placed in halls based on their choice of Living Learning Community, however, the Housing Office does work with students who prioritize cost to get them into less expensive options.

Trustee Wilson then moved, Trustee Bhati seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The ordinance is included as Attachment E.

Endowment Administrative Fee

Bruce Guiot explained the resolution stating it recommends an adjustment in the language to include advancement expenses beyond just development expenses only. It is not a change in the fee itself, and the Foundation has already adopted the proposed change.

Trustee Altman then moved, Trustee Bhati seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The resolution is included as Attachment F.

Opportunity to Lower the Cost of Attending Miami University

Senior Vice President Creamer explained that this was presented to the Committee at an earlier date, in response to the State Legislature's requirement. Since defining the opportunities, the Chancellor has asked that each State University's Board of Trustees specifically adopt their plan, and this resolution is therefore submitted.

Trustee Bhati then moved, Trustee Mitchell seconded, and by unanimous voice vote, the Committee recommended approval by the full Board of Trustees.

The presentation and resolution are provided as attachment G.

Year to Date Operating Results

Senior Vice President Creamer presented the year-to-date operating results, compared to budget. He stated a strong performance is expected, due to the larger than budgeted entering class. He was asked as to the portion of the budget which is funded by the State, and replied it is approximately 9%.

Dr. Creamer was also asked about bad debt write off, and stated it is extremely small, less than 0.1%. He explained this is due in large part to the many mechanisms available to respond to past due payments, such as controlling registration, holding transcripts, and turning collectables over to the State which has the ability to garnish tax refunds.

Dr. Creamers report is included as Attachment H.

Internal Audit

Barbara Jenna, Director of Internal Audit and Consulting, updated the Committee on the annual audit plan, which was approved in September, and covers all six divisions. IT is the highest audit risk area and there will be several audits performed. A second area of high audit risk is compliance, with a focus on federal and external compliance. She informed the Committee that they had performed an audit of the registrar and of construction projects, with Kreger Hall completed, and Shideler next to be done.

She was asked where laptops appear in the audit, it is in the end user device inventory. The tracking of all end user devices is being explored, with a review of the cost benefit. The devices themselves are short-lived, and replacement is not always an issue, but also of concern is the stored data which can be of greater concern. The data portion might be addressed through security rather than inventory.

She was asked if her office is adequately staffed, and replied that it is, staffing is comparable to similar universities across state.

Ms. Jena explained the risk in academic records regarding withdrawals and grade changes. The desire is to require student and professor confirmation for post semester changes.

She was asked as to why some high risk areas remain open. She explained that the fix can sometimes be complicated, or as the initial concern is addressed, new concerns arise. It was suggested that IT could be subcategorized to best track IT items which often expand in scope and have new risks identified. It was also explained that there is a tool to assist in such tracking, and the purchase and recurring costs are being weighed.

Following her presentation, the Committee members met privately with Ms. Jena.

Ms. Jena's report is included as Attachment I.

Forward Agenda

It was requested that an update on new revenue sources be included; the Provost and Dr. Creamer will pursue placing it on the February agenda.

There was a question about addressing revenue needs with the Engineering and Computing division. It is believed that this issue is best examined through the Provost's office.

The forward agenda is included as Attachment J.

Additional Reports

The following written reports were provided for the Committee's information and review:

University Advancement Update, Attachment K
Report on Cash and Investments, Attachment L
Enrollment Report, Attachment M
Lean Project Update, Attachment N

Adjournment

With no other business coming before the Committee, the meeting adjourned the meeting at 4:30 p.m.



Theodore O. Pickerill II
Secretary to the Board of Trustees



Financial Report 2015



MIAMI UNIVERSITY

OXFORD, OH • EST. 1809



Trustees and Officers as of JUNE 30, 2015

MIAMI UNIVERSITY

Miami University Board of Trustees

Date listed is expiration of term.

David Budig, Chair
February 28, 2022

Mark Ridenour, Vice Chair
February 28, 2020

Dennis A. Lieberman, Secretary
February 28, 2018

Jagdish K. Bhati, Treasurer
February 28, 2019

Sharon J. Mitchell
February 28, 2016

Robert W. Shroder
February 28, 2021

Stephen P. Wilson
February 28, 2023

National Trustees (non-voting)

John Altman
June 30, 2016

Terry Hershey
June 30, 2016

Robert E. Coletti
June 30, 2017

Diane F. Perlmutter
June 30, 2017

C. Michael Gooden
June 30, 2018

Student Trustees (non-voting)

Mary Adeline Lewis
February 28, 2016

Ciara R. Lawson
February 28, 2017

Administrative Officers

David C. Hodge
President

Phyllis Callahan
*Provost and Executive Vice President
for Academic Affairs*

David K. Creamer
*Sr. Vice President for Finance and Business
Services/Treasurer*

Michael Kabbaz
*Vice President for Enrollment Management
and Student Success*

J. Peter Natale
Vice President for Information Technology

Jayne Brownell
Vice President for Student Affairs

Tom Herbert
Vice President for University Advancement

Robin Parker
General Counsel

Ted Pickerill
*Secretary, Board of Trustees and Executive Assistant
to the President*

Financial Services Staff

The 2015 financial report and investments report were prepared by the Miami University Controller's Office and the Treasury Services Office.

Sarah C. Persinger
Controller

Jennifer B. Morrison
Assistant Controller

Bruce A. Guiot
Chief Investment Officer and Associate Treasurer

Cynthia L. Ripberger
*Senior Associate Director of Investments and
Treasury Services*

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Treasurer's Report

Financial Highlights

For the sixth consecutive year, the University reported positive financial results. For fiscal year 2014-15, the improved financial position is reflected in total assets, which rose 4.2 percent to a total of \$1.98 billion. Net position also increased by \$112.1 million.

Undergraduate tuition and fees were increased by 2.0 percent for resident and non-resident students. On the Oxford campus, a first-year class of 3,635 students represented an increase of 0.7 percent, and surpassed the goal of 3,600 students. Total fall 2014 enrollment on the Oxford campus grew by 1,129 students while enrollment on the regional campuses decreased by 207 students. Operating revenues increased by 5.9 percent or \$28.2 million largely due to the increase in enrollment but also to modest increases in tuition, room and board rates and revenues from the second year of the winter semester. The overall increase in operating expenses of \$14.1 million or 2.8 percent was primarily a net result of a 2.5 percent salary increase for all faculty and staff offset by a decrease in health insurance claim expense. Investment portfolios were challenged during the fiscal year, resulting in a decrease of \$31.6 million in net investment income.

Future Outlook and Challenges

In prior years, the University developed a new strategic plan, The Miami 2020 Plan, which provides the overarching goal for the entire campus to contribute to a vibrant learning and discovery environment that produces extraordinary student and scholarly outcomes. During fiscal year 2015, every department and division continued to develop strategies and metrics in order to achieve the three core foundation objectives of a transformational work environment; inclusive culture, global engagement, and effective partnerships and outreach. The progress of these strategies and metrics will be tracked and presented to the Board of Trustees.

Fiscal year 2015 represented the fifth and final year for implementing the recommendations of the Strategic Priorities Task Force (SPTF), which led to over \$47 million in improvement through 2015.

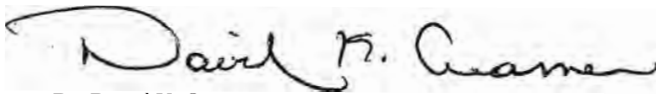
The fall 2015 first-year enrollment of approximately 3,800 on the Oxford campus surpassed the goal of 3,550 students. The academic quality of the incoming class improved for the third consecutive year with average ACT scores increasing from 27.6 to 28. Non-resident first-year enrollment is 45.0 percent as compared to 43.4 percent for the fall 2014 class. First year enrollments on the Hamilton campus decreased by 9.6 percent, while the Middletown campus decreased by 9.7 percent. The University increased tuition by 2.0 percent for the non-resident undergraduate students on all campuses.



For fiscal year 2016, Miami's state share of instruction is budgeted to increase by approximately \$4.9 million or 8.7 percent for the Oxford campus, and decrease by \$80,000 or 0.7 percent for the regional campuses.

Higher education continues to experience a high degree of change and transformation. Technology is transforming the learning environment and new models of education are continually being developed and marketed. Public accountability, the cost of tuition and student debt are dominating the conversation about higher education both nationally and in Ohio. With the completion of the Miami 2020 Strategic Plan, together with a strong commitment toward improving operating efficiencies and a dedicated and committed faculty and staff, Miami University remains well positioned to overcome these challenges and to take advantage of the opportunities that come with the change facing higher education.

Respectfully submitted,



Dr. David K. Creamer
Senior Vice President for Finance and Business Services and Treasurer



Investment report



Miami University and Miami University Foundation June 30, 2015

Investment Pools

Total investments held by Miami University and the Miami University Foundation crossed a significant milestone during the fiscal year ending June 30, 2015, finishing the year in excess of one billion dollars for the first time versus \$934 million at the previous year-end. This increase in assets is attributable to continued improvement in University operating cash flow and sustained giving levels, in spite of a difficult investment environment.

The Miami University Foundation's investment committee provides governance oversight to one unified endowment investment pool for the University and the Foundation, while the University maintains oversight of the non-endowment pool. The fiscal year-end asset values among the pools are as follows:

| Pool | Type of Funds | Invested as of June 30, 2015 |
|---|--|-------------------------------------|
| University Non-endowment | Working capital and cash reserves to support operating activities | \$516,491,000 |
| University & Foundation Endowments | Funds donated to the university and the foundation to establish endowments in perpetuity | \$ 460,141,000 |
| Trusts, Annuities, and Separately Invested Assets | Gifts managed independently of the pooled funds | \$ 26,142,000 |
| Total Investments | | \$ 1,002,774,000 |

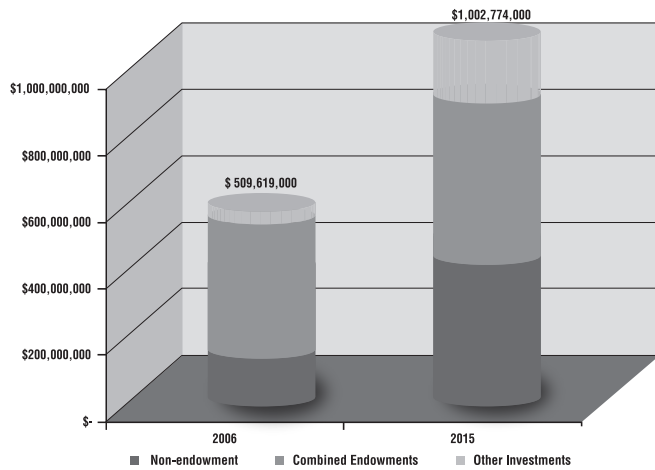
The University's non-endowment pool holds the working capital and cash reserves that fund the University's operating activities. Its balance fluctuates significantly during the course of a year based on the University's cash flow cycle of receipts and expenditures. June 30 typically marks the low point of this annual cycle.

The combined endowment pool invests endowed gifts from donors. The pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds with the confidence that economic cycles will rise and fall, but that a well diversified portfolio will provide the long-term growth necessary to preserve the purchasing power of the endowment across the generations. The investment policy governing the endowment pool recognizes that the portfolio can tolerate year-to-year fluctuations in return because of its infinite time horizon, and looks beyond short-term fluctuations toward an investment philosophy that provides the best total return over very long time periods.

The University and Foundation also hold assets given by donors in the form of trusts, annuities, insurance policies, real estate, and other assets. These funds are managed separately from the endowment pool.

Over the last decade, total investment assets have nearly doubled. The pools have increased in value through a combination of prudent fiscal management, generous support from donors, and solid investment earnings. We appreciate the enduring generosity of our alumni and friends, along with the wisdom and leadership of our trustees and directors, as we continue to navigate this period of unprecedented transformation in both higher education and the global capital markets.

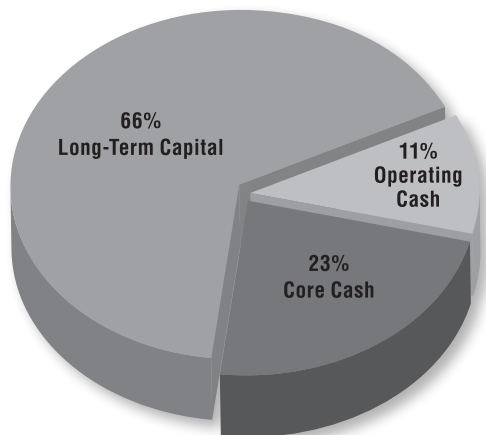
**Growth in Total Investment Assets
June 30, 2015**



Asset Allocation

The non-endowment pool has three components. Operating cash represents the University’s working capital and is invested in short-term cash equivalents, with a target balance of two to six months of average cash needs. Core cash represents short-term reserves and is invested in high quality short-term and intermediate-term fixed income investments, also with the target balance of two to six months of average cash needs. Long-term capital consists of longer-term reserves and represents the remainder of the pool. It is invested in a mix of longer maturity bonds and absolute return hedged strategies.

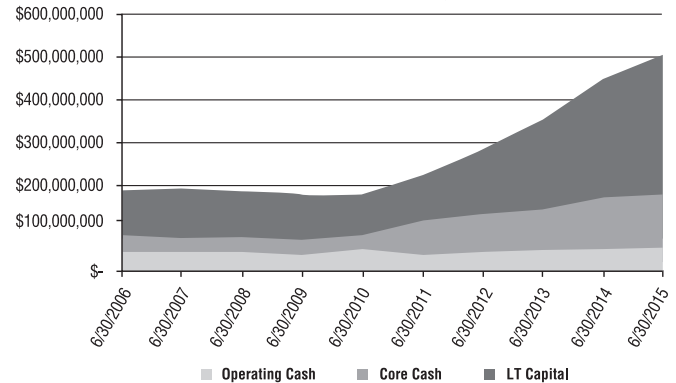
**Miami University Non-Endowment
Asset Allocation
June 30, 2015**



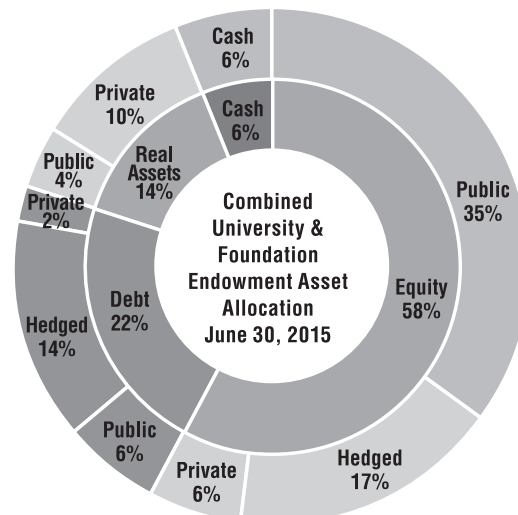
During the year, cash flow generation was again very strong due to sustained improvements in University operating efficiency. This growth in operating cash continues to present a major challenge, however, as short-term interest rates enter their seventh year near zero. Several rebalancing actions were taken during the year to reduce operating cash balances and increase the pool’s earnings potential. These moves were accomplished by initiating two new absolute return strategies and adding to one absolute

return strategy. No managers were liquidated. As a result, the allocation to long-term capital rose from sixty percent to sixty six percent versus last year. The potential for increases in interest rates have reinforced a bias toward absolute return strategies and low duration bonds.

**Miami University Non-Endowment
Asset Allocation History**



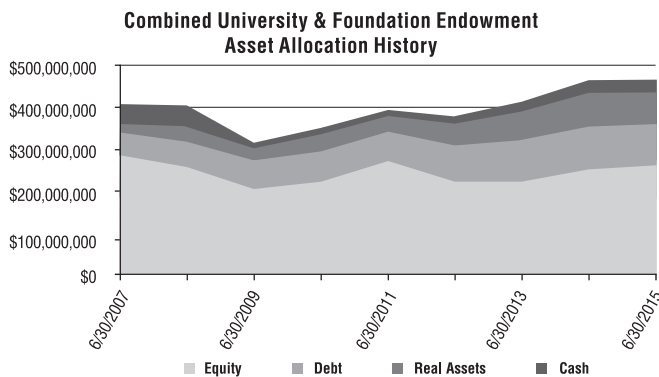
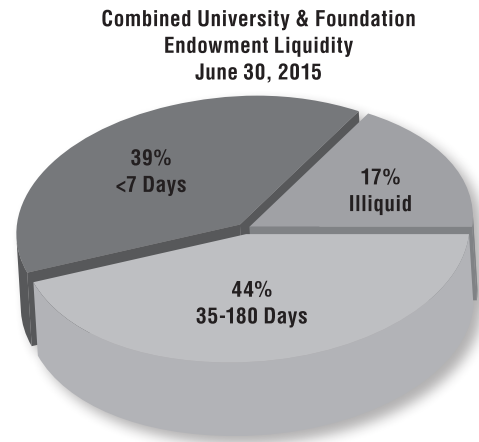
The endowment pool’s primary asset allocation strategy uses three asset categories: equity, debt, and real assets. Within each category, exposure can be attained through three types of strategies: long-only public, hedged, or private. Managers employed tend to have broad, unconstrained mandates, allowing them great flexibility to pursue opportunities. Most of these managers have a global mandate.



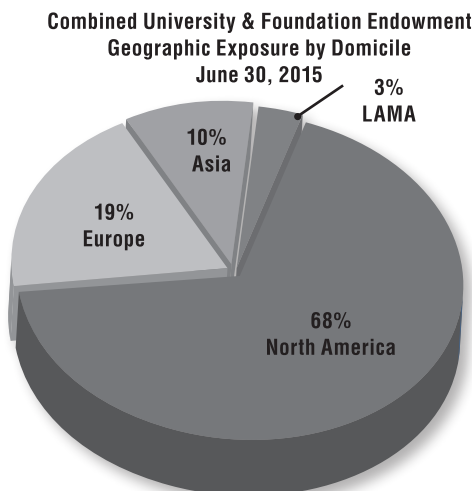
At fiscal year-end, total equity related strategies represented about fifty eight percent of the combined portfolio, up by about four percentage points during the year. The increase was due to the addition of capital to hedged equity and coupled with performance experienced in hedged equity and public equity strategies that was relatively stronger than debt and real asset strategies. The reduction in private equity was from the return of capital from mature programs. Real asset exposure decreased by two percentage points primarily due to the impact of falling commodity prices. Over the last five years, the primary allocation shift has been away from public equity and towards public real asset strategies.

| Change in Endowment Asset Allocation | | |
|--------------------------------------|---------------|---------------|
| | 2015 vs. 2014 | 2015 vs. 2010 |
| Equity | 4% | -6% |
| Public | 1% | -5% |
| Hedged | 5% | 1% |
| Private | -2% | -2% |
| Debt | -2% | -2% |
| Public | 0% | -3% |
| Hedged | -1% | 2% |
| Private | 0% | 0% |
| Real Assets | -2% | 4% |
| Public | -1% | 4% |
| Private | -1% | 0% |
| Cash | 1% | 3% |

The third measure of the endowment’s asset allocation is liquidity, or how quickly the exposure to a particular manager can be redeemed and turned into cash. About 39 percent of the portfolio could be converted to cash within seven days, while the illiquid portion, in private limited partnerships, has been shrinking with the return of capital from mature programs.



Another way to consider the endowment’s asset allocation is through geographic diversity. The portfolio emphasizes managers that invest globally, usually allowing the manager to determine the most opportune places in the world to allocate capital. The concept of geography is often difficult to quantify, since an investment might be domiciled in one country, trade in another, derive its current revenue globally, and perceive its future earnings growth to be in completely new markets. The following chart depicts the total endowment’s estimated exposure by domicile in four broad categories: North America, Europe, Asia, and LAMA (Latin America, Middle East, and Africa).



Miami treats each investment manager relationship like a partnership and, along with its external advisors, expends considerable effort on the due diligence process. The investment consultants focus on manager research, including back office due diligence, and conduct regular statistical reviews to examine the role each manager is playing in the portfolio. Staff has quarterly conversations with each manager to understand their strategic thinking and to monitor their activities. Ongoing oversight tasks include making manager site visits, attending investor conferences, reading trade publications, tracking government filings, and monitoring the managers’ service providers.

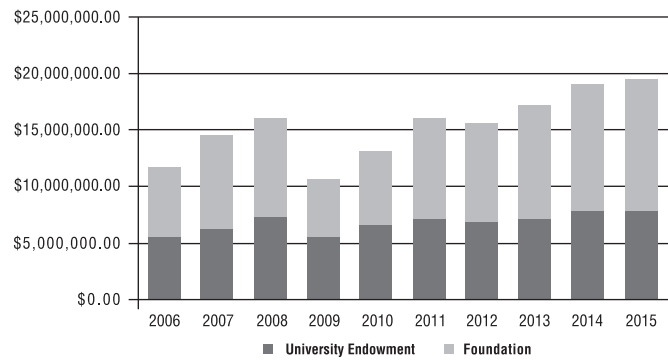
In total, the endowment employs 27 external managers, some with multiple mandates. During the year, new relationships were established with two global hedged equity managers, one global public equity manager, and one private real assets manager. Two managers, one in hedged equity and one in public equity, were terminated. In addition, two private equity funds made final liquidating distributions.

Investment Returns

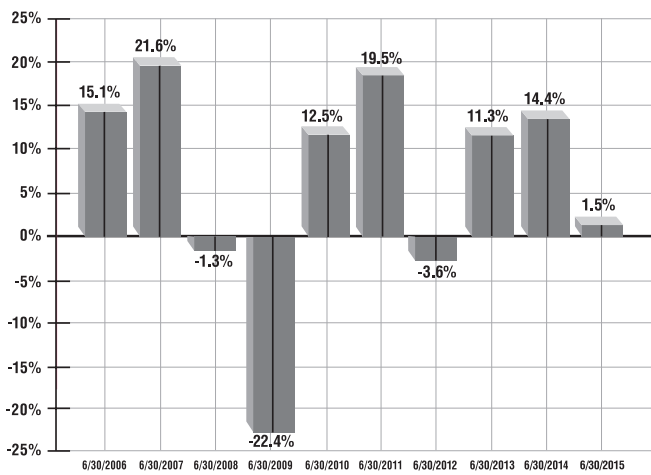
The University’s non-endowment pool earned 1.6 percent for the fiscal year ended June 30, 2015, down from the 5.2 percent earned in the previous year. Annualized performance for the trailing five years was 3.0 percent, providing annualized added return versus the 90-day Treasury bill over that period of 2.9 percentage points. The recent results were achieved in spite of sustained near zero short-term interest rates that significantly limit the earnings potential of a significant portion of this pool. The absolute return strategies in the long-term capital portion of the pool produced returns in excess of 3.2 percent for the year, and have averaged 8.6 percent over the last three years.

The endowment pools earned an estimated 1.5 percent for the fiscal year. This figure excludes the private capital portion of the portfolio that reports on a significant delay. These results follow two consecutive years of positive double digit returns. Estimated annualized performance for the trailing ten years was 5.9 percent. Hedged equity and hedged debt strategies provided the best returns for the year as managers were able to capitalize on surging volatility. While public real assets provided the highest returns over the last three years, they represented the largest drag on results for the fiscal year due to the significant decline in oil and other commodity prices.

Annual University & Foundation Endowment Actual Earnings Distributions



Combined Rates of Return FY2006 - FY2015

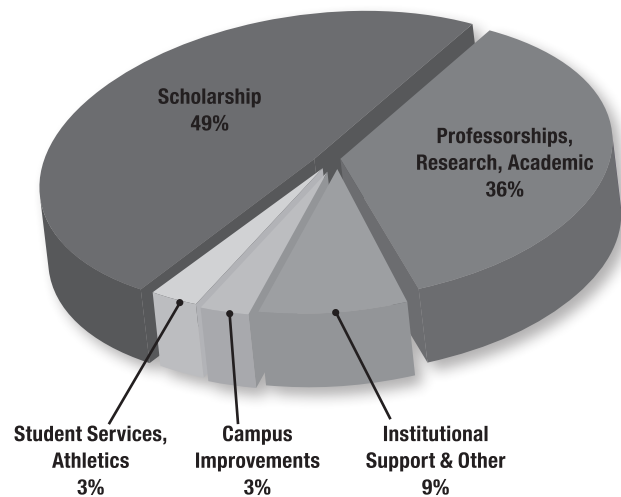


The combined distribution for fiscal year 2015 was about \$19.3 million. This amount, about \$400,000 greater than the previous year, represents the largest endowment distribution ever for Miami. Over the last ten years, the cumulative distributions have totaled almost \$157 million and have provided an important source of funding to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2015 distributions.

Program Support

Endowments provide a lasting legacy for Miami because their principal is invested in perpetuity, and an annual distribution is made to support a variety of activities of the University. The spending policies of the University and Foundation are intended to achieve a balance between the need to preserve the purchasing power of the endowment principal in perpetuity and the need to maximize current distribution of endowment earnings. Fulfilling these dual objectives is often referred to as achieving “intergenerational equity,” in which no generation of college students is advantaged in relation to other generations.

Miami University and Foundation Endowment Programs Supported by Endowments Fiscal Year 2015



The formula under which annual spending distributions are calculated is a blend of two elements: an inflation component (70 percent of the formula) that increases the prior year’s distribution by the rate of inflation, and a market factor (30 percent of the formula) that ties the distribution to the market value of the investments. This formula was adopted in fiscal year 2004 and is intended to reduce volatility caused by various market conditions, while maintaining intergenerational equity and preserving the purchasing power of the endowed principal.

Miami’s current fundraising priority, the \$100 million Miami Promise Scholarship Campaign, was launched during the fiscal year. It reinforces the institution’s continued focus on attracting high achieving students to Miami, while making the Miami experience more accessible to a wider array of students. Your support of Miami is profoundly impactful in so many ways, and is deeply appreciated by the entire Miami community.



Independent Auditor's Report

President and Board of Trustees of Miami University
Oxford, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Miami University (the University), a component unit of the State of Ohio, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Miami University as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Continued)

Emphasis of Matter

As disclosed in Note 7 of the financial statements, the University restated net position at June 30, 2014 by \$281,300,663. The restatement was required to be made for the implementation of GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3–8 as well as required supplementary data for certain retirement plan data on pages 36-37 be presented to supplement the basic financial statements. Such information, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Cleveland, Ohio
October 15, 2015

Management's Discussion and Analysis JUNE 30, 2015

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2015. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

The University's annual report consists of this Management's Discussion and Analysis, the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, the Statement of Cash Flows, and the Notes to the Financial Statements. The financial statements of the University have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the related liability has been incurred. The financial activity of the Miami University Foundation, a component unit of the University, is included through a discrete presentation as part of the University's financial statements.

The financial statements, footnotes, and this discussion have been prepared by and are the responsibility of University management.

Financial Highlights

The University reported favorable year-end results for the sixth consecutive year. Enrollment gains, a modest tuition increase and a continued focus on controlling operating costs have been important contributing factors to these successful results.

Overall the University's financial position improved at June 30, 2015. Total assets rose 4.2 percent from \$1.90 to \$1.98 billion. Liabilities increased \$236.3 million and totaled \$1.01 billion. Significant financial events during fiscal year 2015 were:

- The University implemented a 2.0 percent tuition increase for resident and non-resident undergraduate students on all campuses.
- The fall 2014 first-year enrollment was 3,635 on the Oxford campus, which represented a 0.7 percent increase over the previous year, as well as surpassing the institutional goal of 3,600 students. The academic credentials of the incoming freshmen class include an improved average ACT score, increasing from 27.5 to 27.6, as well as 34.0 percent of the incoming freshman class having graduated in the top 10 percent of their high school class. Non-resident first-year enrollment was 43.4 percent as compared to 39.5 percent for the fall 2013 class. There was a 5.8 percent decrease in transfer students but an increase of 2.6 percent in relocation students. International student enrollment comprises 8.9 percent of the fall 2014 class. The first-year class enrollment on the Hamilton campus decreased by 49 students, while the Middletown campus first-year class enrollment increased by 10 students.
- The investment portfolios were challenged during the fiscal year. Operational investments recorded a return of 1.6 percent, down from 5.2 percent achieved in the previous year. Near zero short term interest rates and the anticipation of tighter monetary policy from the Federal Reserve continued to provide imposing barriers to higher returns. The combined University and Foundation endowment pools reported estimated returns of 1.5 percent, down from 14.4 percent in the previous year. Results were hampered by an increase in volatility and the steep decline in energy and other commodity prices, triggered in part by the economic slowdown in China and other emerging economies.
- For fiscal year 2015, the University increased salaries by 2.5 percent. General fund salary and benefit expense on all three campuses increased by \$12.2 million to \$236.3 million, which was \$15.9 million below the adopted budget. Although a hiring freeze is not in effect, requests to add new positions or fill previously vacant positions are carefully scrutinized.
- As noted above, the liabilities increased \$236.3 million with the primary reason being a result of the University implementing GASB 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27, which required the University to record their proportionate share of the net pension liabilities for the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System of Ohio (OPERS), resulting in a net pension liability of \$254.7 million at June 30, 2015.

CONTINUED - *Management's Discussion and Analysis* JUNE 30, 2015**Statement of Net Position**

The Statement of Net Position presents the assets, liabilities, deferred outflows/inflows of resources, and net position of the University as of the end of the fiscal year. The difference between total assets and total liabilities, or net position, is one indicator of the overall strength of the institution. Also, the increase or decrease in total net position indicates whether the financial position of the institution is improving or declining. Except for capital assets, all other assets and liabilities are measured at a point in time using current values. Capital assets are recorded at historical cost less an allowance for depreciation.

Net position is classified into three major categories. The first category, invested in capital assets, reports the institution's net equity in property, plant, and equipment. The second major category, restricted net position, reports assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. This category is subdivided into two types: nonexpendable and expendable. Nonexpendable restricted assets are primarily endowment funds that may be invested for income and capital gains, but the endowed principal may not be spent. Expendable restricted assets may be spent by the institution, but only for the purpose specified by the donor, grantor, or other external entity. The third category, unrestricted net position, is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are set aside for a specific purpose by University policy, management, or the governing board. Unallocated unrestricted assets are available to be used for any lawful purpose of the institution.

| | |
|---------------------------------------|-------------------------|
| Assets | |
| Current assets | \$ 749,862,579 |
| Capital assets, net | 1,048,208,385 |
| Long-term investments | 174,444,558 |
| Other assets | 11,635,530 |
| Total assets | \$ 1,984,151,052 |
| Deferred Outflows of Resources | |
| | \$ 19,803,662 |
| Liabilities | |
| Current liabilities | \$ 101,336,993 |
| Noncurrent liabilities | 909,140,240 |
| Total liabilities | \$ 1,010,477,233 |
| Deferred Inflows of Resources | |
| | \$ 42,116,636 |
| Net Position | |
| Investment in capital assets | \$ 564,091,473 |
| Restricted – nonexpendable | 94,117,310 |
| Restricted – expendable | 82,437,918 |
| Unrestricted – allocated | 196,344,051 |
| Unrestricted – unallocated | 14,370,093 |
| Total net position | \$ 951,360,845 |

Total assets of the institution increased 4.7 percent or \$88.7 million in fiscal year 2015. This increase was the result of an increase in capital assets and current investments combined with a decrease in cash and cash equivalents in the amount of \$121.9 million, or 54.9 percent. Details of the \$104.6 million or 11.1 percent increase in capital assets are provided in the Capital Assets and Debt Administration section of this report.

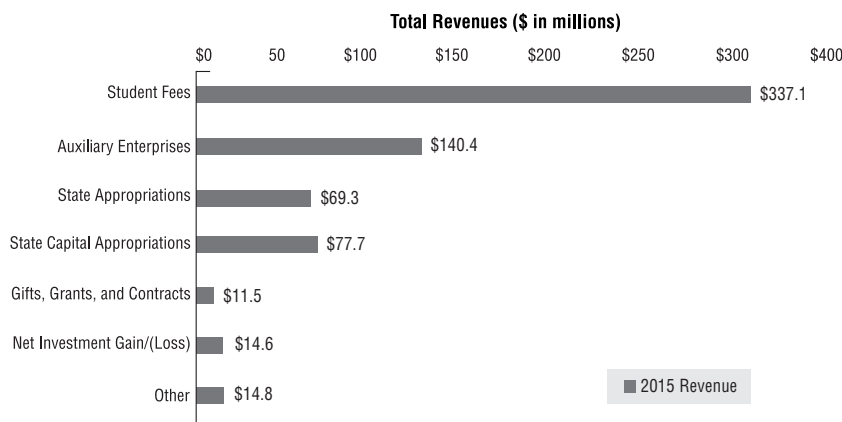
Total liabilities of the institution increased \$236.3 million, or 30.5 percent, and is primarily the result of implementing GASB Statement 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27, which required the University to record their proportionate share of the net pension liabilities for the State Teachers Retirement System of Ohio (STRS Ohio) and the Ohio Public Employees Retirement System of Ohio (OPERS). Other current and noncurrent liabilities remained relatively unchanged. Overall, net position increased by \$12.1 million.

Statement of Revenues, Expenses and Changes in Net Position

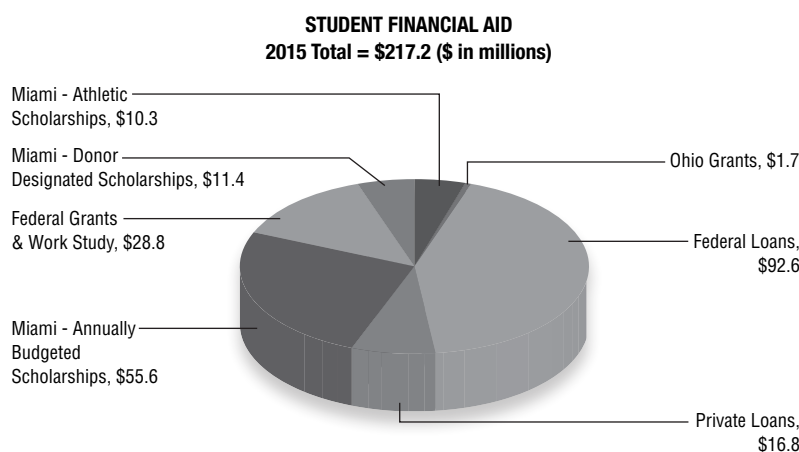
The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and constituencies of the institution. Operating expenses are incurred when goods and services are provided by vendors and employees for the overall operations of the University. Non-operating revenues include the student instructional subsidy from the State of Ohio, while other revenues include the State's capital appropriation. Investment returns are also included in non-operating revenue. Interest on debt is the primary component of non-operating expense.

In fiscal year 2015, total revenues of the institution from all sources were approximately \$665.3 million, which represents a \$4.33 million or 0.6 percent decrease from the prior year. Approximately 75.8 percent of revenues were classified as operating, and 20.0 percent were classified as non-operating revenues.

| | |
|-------------------------------|------------------------------|
| Operating revenues | \$ 504,453,710 |
| Non-operating revenues | 133,306,086 |
| Other revenues | 27,505,429 |
| Total revenues | <u>665,265,225</u> |
| Operating expenses | (524,868,419) |
| Non-operating expenses | (28,324,275) |
| Total expenses | <u>(553,192,694)</u> |
| Change in net position | <u>\$ 112,072,531</u> |



The University revenue base is shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at slightly more than 51.0 percent, while auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 21.0 percent. Gifts, grants, and contracts represent 2.0 percent, as does endowment and investment income due to factors that were previously discussed. State appropriations are 10.0 percent of the total and State capital appropriations are 12.0 percent.



The University continues to expand the merit scholarship packages for in-state and out-of-state students in order to recognize student achievement and to continue to make a high quality education more affordable for parents and students. In fiscal year 2015, Miami-funded financial aid increased by \$8.4 million or 12.2 percent. In total, financial aid awards were \$217.2 million.

CONTINUED - *Management's Discussion and Analysis* JUNE 30, 2015**Statement of Cash Flows**

The Statement of Cash Flows presents detailed information about the major sources and uses of cash by the institution for the fiscal year. The cash flow analysis is divided into four types of cash flows: operating activities, noncapital financing activities (which includes the state appropriations as well as gift revenues), capital and related financing activities (which includes debt activity), and investing activities.

| | |
|---|-----------------------|
| Net cash provided by operating activities | \$ 15,399,378 |
| Net cash provided by noncapital financing activities | 122,426,491 |
| Net cash used in capital and related financing activities | (172,198,658) |
| Net cash used in investing activities | (87,579,064) |
| Net decrease in cash and cash equivalents | (121,951,853) |
| Cash and Cash Equivalents | |
| Beginning of year | 222,217,793 |
| End of year | \$ 100,265,940 |

The net \$121.9 million decrease in the fiscal year 2015 cash and cash equivalents balance primarily relates to the utilization of bond proceeds for the construction and renovation of capital assets.

Throughout the year, cash was used for capital acquisitions, payment of debt, investment activities, and operating activities. These uses of cash were offset in part by the cash provided by tuition and fees, state appropriations, sales by auxiliary enterprises, gifts, and grants.

Capital Assets and Debt Administration

During fiscal year 2015, the University completed and capitalized several projects. These projects were funded by a combination of bond proceeds, state capital appropriations, gifts, and local funding. The bond proceeds were generated from the 2010A Series General Receipts and the 2011 Series General Receipts Revenue Bonds totaling \$86.6 million. Major projects capitalized in 2015 include renovation projects at Beechwoods Hall, Hillcrest Hall, Stonebridge Hall, Kreger Hall, the Yager Indoor Practice Facility, Millett Hall, Phelps Hall, and Johnston Hall. See Note 4 for additional information concerning capital assets and accumulated depreciation.

The University's bond rating remained the same with a rating of Aa3 from Moody's Investors Services and a rating of AA from Fitch Ratings. For more detailed information on current outstanding debt, see Note 5 and 6.

On July 30, 2015, the University issued \$52,335,000 of Series 2015 General Receipts and Refunding Bonds through a direct bank purchase process. The proceeds of the Series 2015 Bonds will be used to refund the Miami University Series 2005 General Receipts and Refunding Bonds.

Economic Factors That Will Affect the Future

Similar to the national conversation, affordability and efficiency are the most talked about issues confronting higher education in Ohio. Over the last decade Ohio is the only state in the nation where four year public universities have held increases in tuition below inflation, but Ohio's public universities continue to have the twelfth highest average cost for in-state tuition and mandatory fees. In order to make further progress in improving affordability, the Ohio General Assembly in June 2015 legislated that resident tuition and mandatory fees are to be frozen at the fall 2014 amount for fall 2015 and fall 2016. To help offset the lost tuition revenue, the state appropriation was increased by 4.7 percent for fiscal year 2016 and 4.0 percent for fiscal year 2017.

Political efforts aimed at improving affordability and efficiency did not end there, as legislation was also passed requiring all of Ohio's public colleges and universities to develop strategies for enabling students to lower their cost of attendance by at least 5 percent. A task force was appointed by Governor Kasich to identify recommendations for operating Ohio's colleges and universities more efficiently and directing the resulting savings to improving student affordability or services that improve the likelihood that students will graduate on-time or early.

In response to these directives, Miami University appointed an advisory committee on affordability and efficiency to provide ideas and recommendations to the Governor's task force and to develop the Miami University plan for providing its students the opportunity to lower their cost of attendance by the stated 5 percent goal. Given the increased focus on affordability, Miami University has also developed a guaranteed tuition proposal that is expected to be considered by its Board of Trustees during fiscal year 2016.

MIAMI UNIVERSITY

Recognizing the ongoing significance of these issues, the University intends to form a standing committee devoted to affordability and efficiency to assist in identifying further improvements beyond these initial efforts. This committee is expected to pattern its work after the Strategic Priorities task force that developed a five year plan for new revenue strategies and improved operating efficiency in 2010 that led to over \$47 million in improvement through fiscal year 2015.

While efficiency and affordability are dominating the external discussion about higher education, enrollment continues to be a strategic priority at the University. The fall 2015 first-year enrollment is approximately 3,800 on the Oxford campus, which surpassed the goal of 3,550 students. This is the largest incoming class in Miami's history and is approximately 80 students above the previous year. For the third consecutive year, the academic quality of the incoming class improved with average ACT scores increasing from 27.6 to 28. Non-resident first-year enrollment is 45.0 percent as compared to 43.4 percent for the fall 2014 class.

First-year enrollments at the Hamilton campus and the Middletown campus decreased by 9.6 percent and 9.7 percent, respectively. New academic program offerings and improved enrollment strategies are in development for the regional campuses in response to the negative enrollment trend facing many less selective campuses in Ohio and around the nation.

For fiscal year 2016, the University's state share of instruction is budgeted to increase by approximately \$4.9 million or 8.7 percent for the Oxford campus and decrease by \$80,000 or 0.7 percent for the regional

campuses. The overall change for Miami University is an increase of \$4.8 million or 7.1 percent or about 3.4 percent more than the statewide increase in the appropriation.

The University kicked off its Graduating Champions campaign in April, 2015. This fundraising campaign is focused on increasing scholarship support and improving athletic facilities, to realize the vision for "what Miami Athletics can and should be" in the words of David Saylor, Director of Intercollegiate Athletics. The University also continued the Miami Promise Scholarship campaign, launched in 2014 with a \$100 million goal over five years.

Finally, in May 2015, Dr. David Hodge announced that his tenure as president of Miami University would come to an end in July 2016 after ten years. A presidential search process was immediately initiated by the Board of Trustees and is expected to culminate in the appointment a highly qualified leader for the University by the summer of 2016.

Higher education continues to experience a high degree of change and transformation. Technology is transforming the learning environment and new models of education are continually being developed and marketed. Public accountability, the cost of tuition and student debt are dominating the conversation about higher education both nationally and in Ohio. With the completion of the Miami 2020 Strategic Plan, together with a strong commitment toward improving operating efficiencies and a dedicated and committed faculty and staff, Miami University remains well positioned to overcome these challenges and to take advantage of the opportunities that come with the change facing higher education.



Miami has been one of the Kiplinger's 100 Best Values in Public Colleges every year since 1998.

Statement of Net Position

JUNE 30, 2015

MIAMI UNIVERSITY

Assets and Deferred Outflows

| | Miami University | University Foundation |
|--|-------------------------|-----------------------|
| Current Assets | | |
| Cash and cash equivalents (includes bond proceeds of \$35.4 million) | \$ 100,265,940 | \$ 32,642,953 |
| Investments | 591,269,861 | 0 |
| Accounts, pledges and notes receivable, net | 50,450,366 | 11,115,039 |
| Inventories | 3,300,278 | 0 |
| Prepaid expenses and deferred charges | 4,576,134 | 0 |
| Total current assets | 749,862,579 | 43,757,992 |
| Noncurrent Assets | | |
| Restricted cash and cash equivalents | 0 | 2,910,569 |
| Investments | 174,444,558 | 446,145,617 |
| Pledges and notes receivable, net | 11,385,011 | 29,116,132 |
| Net pension asset | 250,519 | 0 |
| Nondepreciable capital assets | 132,113,966 | 0 |
| Depreciable capital assets, net | 916,094,419 | 0 |
| Total noncurrent assets | 1,234,288,473 | 478,172,318 |
| Total assets | \$ 1,984,151,052 | \$ 521,930,310 |
| Deferred Outflows of Resources | | |
| Deferred loss on refunding | 214,575 | 0 |
| Pensions (Note 7) | 19,589,087 | 0 |
| Total deferred outflows of resources | \$ 19,803,662 | \$ 0 |

Liabilities and Deferred Inflows

| | | |
|--|-------------------------|-----------------------|
| Current Liabilities | | |
| Accounts payable | \$ 35,351,593 | \$ 16,201,846 |
| Accrued salaries and wages | 15,501,467 | 0 |
| Accrued compensated absences | 1,492,386 | 0 |
| Unearned revenue | 10,912,157 | 0 |
| Deposits | 10,721,326 | 0 |
| Long-term debt - current portion | 27,358,064 | 0 |
| Other current liabilities | 0 | 635,373 |
| Total current liabilities | 101,336,993 | 16,837,219 |
| Noncurrent Liabilities | | |
| Accrued compensated absences | 17,061,788 | 0 |
| Bonds payable | 628,373,926 | 0 |
| Capital leases payable | 2,403,000 | 0 |
| Federal Perkins loan program | 6,552,992 | 0 |
| Net pension liability | 254,748,534 | 0 |
| Other noncurrent liabilities | 0 | 182,946,264 |
| Total noncurrent liabilities | 909,140,240 | 182,946,264 |
| Total liabilities | \$ 1,010,477,233 | \$ 199,783,483 |
| Deferred Inflows of Resources | | |
| Deferred gains on refunding | 870,615 | 0 |
| Pensions (Note 7) | 41,246,021 | 0 |
| Total deferred inflows of resources | \$ 42,116,636 | \$ 0 |

Net Position

| | | |
|------------------------------|-----------------------|-----------------------|
| Investment in capital assets | \$ 564,091,473 | \$ 0 |
| Restricted: | | |
| Nonexpendable | 94,117,310 | 187,600,989 |
| Expendable | 82,437,918 | 133,829,531 |
| Unrestricted | 210,714,144 | 716,307 |
| Total net position | \$ 951,360,845 | \$ 322,146,827 |

See Notes to Financial Statements

Statement of Revenues, Expenses and Changes in Net Position

JUNE 30, 2015

MIAMI UNIVERSITY

| | <u>Miami University</u> | <u>University Foundation</u> |
|---|-------------------------|------------------------------|
| OPERATING REVENUES | | |
| Tuition, fees, and other student charges | \$ 416,605,293 | \$ 0 |
| Less allowance for student scholarships | (79,552,497) | 0 |
| Net tuition, fees, and other student charges | 337,052,796 | 0 |
| Sales and services of auxiliary enterprises | 145,843,355 | 0 |
| Less allowance for student scholarships | (5,451,244) | 0 |
| Net sales and services of auxiliary enterprises | 140,392,111 | 0 |
| Federal contracts | 11,520,909 | 0 |
| Gifts | 0 | 17,735,567 |
| Sales and services of educational activities | 1,888,479 | 0 |
| Private contracts | 2,425,950 | 0 |
| State contracts | 727,481 | 0 |
| Local contracts | 204,709 | 0 |
| Other | 10,241,275 | 0 |
| Total operating revenues | 504,453,710 | 17,735,567 |
| OPERATING EXPENSES | | |
| Education and General | | |
| Instruction and departmental research | 178,334,980 | 0 |
| Separately budgeted research | 13,789,283 | 0 |
| Public service | 3,607,350 | 0 |
| Academic support | 54,723,216 | 0 |
| Student services | 23,217,533 | 0 |
| Institutional support | 44,214,921 | 0 |
| Operation and maintenance of plant | 32,876,467 | 0 |
| Scholarships and fellowships | 19,283,546 | 0 |
| Auxiliary enterprises | 107,586,374 | 0 |
| Depreciation | 43,292,502 | 0 |
| Other | 3,942,247 | 0 |
| Total operating expenses | 524,868,419 | 0 |
| Net operating (loss) income | (20,414,709) | 17,735,567 |
| Non-Operating Revenues (Expenses) | | |
| State appropriations | 69,284,263 | 0 |
| Gifts, including those from the University Foundation | 28,866,651 | 0 |
| Federal grants | 20,684,821 | 0 |
| Net investment income, net of investment expense of \$2,407,107 for the University and \$3,317,961 for the Foundation in FY15 | 10,680,607 | 1,869,822 |
| State grants | 1,151,262 | 0 |
| Interest on debt | (28,324,275) | 0 |
| Payments to Miami University | 0 | (25,407,833) |
| Other non-operating revenues | 2,638,482 | (250,018) |
| Net non-operating revenues (expenses) | 104,981,811 | (23,788,029) |
| Income (loss) before other revenues, expenses, and gains or losses | 84,567,102 | (6,052,462) |
| Other Revenues, Expenses, Gains or Losses | | |
| State capital appropriation | 14,558,787 | 0 |
| Capital grants and gifts | 12,115,252 | 0 |
| Additions to permanent endowments | 831,390 | 11,744,736 |
| Total other revenues, expenses, gains, or losses | 27,505,429 | 11,744,736 |
| CHANGE IN NET POSITION | 112,072,531 | 5,692,274 |
| Total net position at beginning of year, as restated (Note 7) | 839,288,314 | 316,454,553 |
| Total net position at end of year | \$ 951,360,845 | \$ 322,146,827 |

See Notes to Financial Statements

Statement of Cash Flows

JUNE 30, 2015

MIAMI UNIVERSITY

| | |
|---|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Tuition, fees, and other student charges | \$ 415,534,846 |
| Sales and services of auxiliary enterprises | 147,880,719 |
| Contracts | 12,131,811 |
| Other operating receipts | 12,016,528 |
| Payments for employee compensation and benefits | (324,092,263) |
| Payments to vendors for services and materials | (143,782,452) |
| Student scholarships | (104,288,947) |
| Loans issued to students and employees | (1,972,947) |
| Collection of loans from students and employees | 1,972,083 |
| Net cash flows provided by operating activities | <u>15,399,378</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| State share of instruction funds | 71,653,709 |
| Grants for noncapital purposes | 21,836,083 |
| Gifts | 28,936,699 |
| Net cash flows provided by noncapital financing activities | <u>122,426,491</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| State capital appropriation | 12,127,296 |
| Grants for capital purposes | 11,204,235 |
| Other capital and related receipts | 514,976 |
| Payments to construct, renovate, or purchase capital assets | (144,313,371) |
| Principal paid on outstanding debt | (21,398,801) |
| Interest paid on outstanding debt | (30,332,993) |
| Net cash flows used in capital and related financing activities | <u>(172,198,658)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from sale of investments | 147,525,086 |
| Purchases of investments | (247,369,631) |
| Endowment income | 136,535 |
| Other investment income | 12,128,946 |
| Net cash flows used in investing activities | <u>(87,579,064)</u> |
| Net decrease in cash and cash equivalents | <u>(121,951,853)</u> |
| CASH AND CASH EQUIVALENTS | |
| Beginning | <u>222,217,793</u> |
| Ending | <u>\$ 100,265,940</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS USED IN OPERATING ACTIVITIES | |
| Operating loss | \$ (20,414,709) |
| Adjustments to reconcile net operating loss to net cash provided by operating activities: | |
| Depreciation expense | 43,292,502 |
| Net gain on disposal of capital assets | 36,973 |
| Accounts receivable bad debt adjustments | 208,966 |
| Adjustments to reconcile change in net position to net cash provided by operating activities: | |
| Accounts receivable | (3,806,397) |
| Inventories | 842,416 |
| Prepaid expenses and deferred charges | (281,925) |
| Notes receivable | (18,622) |
| Net pension asset | (40,300) |
| Deferred outflows of pension resources | (19,589,086) |
| Accounts payable | (3,225,889) |
| Accrued salaries and wages | 1,044,397 |
| Compensated absences | 1,440,312 |
| Unearned revenue and deposits | 1,349,598 |
| Federal Perkins loans | 77,468 |
| Net pension liability | (19,435,778) |
| Deferred inflows of pension resources | 33,919,452 |
| Net cash flows provided by operating activities | <u>\$ 15,399,378</u> |
| Supplemental Disclosure of NonCash Information: | |
| Property and equipment included in accounts payable | <u>\$ 17,399,945</u> |
| Property and equipment acquired by gifts in kind | <u>\$ 911,018</u> |

See Notes to Financial Statements

Notes to Financial Statements

JUNE 30, 2015

MIAMI UNIVERSITY

(1) Summary of Significant Accounting Policies

Miami University (the University) is a land grant institution chartered by the State of Ohio in 1809 and governed by a Board of Trustees (the board). The board consists of up to 17 members, including two student members and up to six non-voting national trustees. Voting members are appointed one each year for nine-year terms by the governor with the advice and consent of the state senate. The two student non-voting members are appointed for two-year staggered terms by the governor with the advice and consent of the senate, and the national trustees are appointed by the voting members and can serve for no more than two consecutive three-year terms.

The Governmental Accounting Standards Boards (GASB) Statement No. 39 sets forth criteria to determine whether certain organizations for which the University is not financially accountable should be reported as component units based on the nature and significance of their relationship with the University. The Miami University Foundation (the Foundation), which is a separate not-for-profit foundation, meets this criteria due to the significance of their operational or financial relationships with the University. Note 10 provides additional information on the Foundation. Certain disclosures concerning the Foundation are not included because it has been audited separately for the year ended June 30, 2015 and reports have been issued under separate cover.

The University's financial statements are included as a discretely presented component unit in the State of Ohio's Comprehensive Annual Financial Report.

Basis for Presentation

The financial statements of the University have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded when the related liability has been incurred. For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities as defined by GASB Statement No. 34 and 35.

Recent and Pending Accounting Pronouncements

Effective July 1, 2014, the University adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*—an amendment of GASB Statement No. 27. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The adoption of this statement, further detailed in Note 7, required a restatement of prior year net position to conform to the 2015 presentation.

Effective July 1, 2014, the University adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The Statement is effective for periods beginning after December 15, 2013. There has been no impact to the University financial statements due to the adoption of Statement No. 69.

Effective July 1, 2014, the University adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The objective of this Statement is to address contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability. The impact of the adoption of Statement No. 71 has been reflected in Note 7.

In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements, including but not limited to, providing guidance for determining fair value measurements for financial reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The University has not yet determined the impact this Statement will have on the financial statements.

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria. This Statement is effective for periods beginning with the University's year ending June 30, 2016, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the University beginning with its year ended June 30, 2017. The University feels this Statement will not have an impact on the financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for periods beginning after June 15, 2016. The University feels this Statement will not have an impact on the financial statements.

CONTINUED - **Notes to Financial Statements** JUNE 30, 2015

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement is effective for the University beginning with its year ending June 30, 2018. The University has not yet determined the impact this Statement will have on the financial statements, however, expects the impact to be material.

In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement supersedes GASB Statement No. 55 and reduces the existing hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within the source of authoritative GAAP. The requirements of this Statement are effective for reporting periods beginning after June 15, 2015. The University believes this Statement will not have an impact on the financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) the reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. For financial reporting purposes, tax abatement is defined as resulting from an agreement between a government and an individual or entity in which the government promised to forgo tax revenues and the individual or entity subsequently take specific action to contribute to the economic development or other benefits of the government. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The University believes this Statement will not have an impact on the financial statements.

Cash and Cash Equivalents

Cash consists primarily of cash in banks and money market accounts. Cash equivalents are short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less.

Investments

Investments that are market traded, such as equity and debt securities, mutual funds, and cash equivalents, are recorded at fair value based on quoted market prices, as established by the major securities markets. The value of holdings of commingled funds investing in publicly traded stocks and bonds and not having a readily determined market value for fund units is based on the funds' net asset value as supplied by the investment manager. Investments in real estate are recorded at appraised value at the date of donation.

Investment income is recorded on the accrual basis and purchases and sales of investments are recorded on a trade-date basis. Investment transactions occurring on or before June 30 that settle after such date are recorded as receivables or payables.

Inventories

The University bookstore inventories are stated at the lower of first-in, first-out cost or net realizable value. The supply room inventories are stated at the weighted average value. All other inventories, including the Culinary Support Center and Goggin Ice Center, are stated at the last price paid value.

Capital Assets

Land, buildings, and equipment are recorded at cost at date of acquisition or market value at date of donation in the case of gifts. Intangible assets include patents, trademarks, land rights and computer software. Land, collections of works of art and historical treasures are capitalized but not depreciated. Any collection that is not capitalized is charged to operations at the time of purchase. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are 50 years for buildings; 25 years for infrastructure, library books and land improvements; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. Intangible assets are depreciated based on the estimated life of each asset. The University's capitalization threshold is the lower of 5 percent of the original building cost or \$100,000 for building renovations and \$5,000 for other capitalized items. The capitalization threshold for intangible assets is \$100,000 except for internally generated computer software which has a threshold of \$500,000.

Unearned Revenue

Tuition and fees relating to summer sessions that are conducted in July and August are recorded in the accompanying statement of net position as unearned revenue. Unearned revenue also includes the amounts received from grant and contract sponsors that have not yet been earned and amounts received from a tuition payment service for payments received for the next fiscal year. These will be recorded as revenue in the following fiscal year.

Pensions

For purposes of measuring the net pension liability or assets, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about the fiduciary net position of the Ohio Public Employees Retirement System (OPERS) Traditional and Combined Plans as well as the State Teachers Retirement System of Ohio (STRS Ohio) (collectively referred to as "the Plans") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Operating and Non-operating Revenue

The University defines operating activities, for purposes of reporting on the Statement of Revenues, Expenses, and Changes in Net Position, as those activities that generally result from exchange transactions such as payments received for providing services and payments made for services or goods received. Substantially all of the University's expenses are from exchange transactions. Certain significant revenue streams relied upon for operations are recorded as non-operating revenues, as defined by GASB Statement No. 35, including state appropriations, gifts, and investment income.

Bond Premiums, Discounts and Issuance Costs

Bond premiums and discounts costs are deferred and amortized over the life of the bonds using the straight line method. Bond issuance costs are recognized as an expense in the period incurred.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net positions by the University that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net positions by the University that is applicable to a future reporting period.

Compensated Absences

Full-time unclassified staff earn vacation at rates of 18 to 22 days per year, based on the term of their employment contract, with a maximum accrual of 52 days. Classified employees earn vacation at rates up to 25 days per year, based on years of service and hours reported, with a maximum accrual equivalent to the amount earned in three years. Upon retirement, termination, or death, the employee is compensated at the final rate of pay for unused vacation up to a maximum of 40 days. Faculty accrue no vacation benefits.

Full-time faculty, unclassified staff, and classified staff earn 15 days of sick leave per year and individuals who work less than full-time earn sick leave on a pro-rata basis. There is no limit on the number of sick leave hours that can be accumulated. Upon retirement a staff member with 10 or more years of Ohio public service is paid for one-fourth the value of earned but unused sick leave not to exceed 30 days, based on the employee's rate of pay at the time of retirement. The termination payment method is used to compute the liability for sick leave. Employees transferring to or from another State of Ohio agency may transfer any unused accumulated sick leave entitlement to/from the new agency. Persons leaving employment for reasons other than retirement are not compensated for unused sick leave.

Net positions

Net positions are divided into three major categories. The first category, investment in capital assets, which does not include unspent bond proceeds, reports the institution's net equity in property, plant, and equipment. The second major category is restricted net position. This category contains assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted assets is available for investment purposes only. The expendable restricted assets may be expended by the institution, but must be spent only for the purpose as determined by a donor or external entity. The income generated from the nonexpendable restricted investments and the expendable restricted funds may be used for student loans, scholarships and fellowships, instruction, research, and other needs to support the operation of the University. The third category is unrestricted net position and is separated into two types: allocated and unallocated. Allocated unrestricted assets are available to the institution, but are allocated for a specific purpose within the institution by University policy, management, or the governing board. The allocated unrestricted net assets were \$196,344,051 as of June 30, 2015. Unallocated unrestricted net assets are available to be used for any lawful purpose of the institution.

Tax Status

The University is exempt from federal income taxes under Section 115 of the Internal Revenue Code. As such, the University is subject to federal income taxes only on unrelated business income, if any, under the provisions of Section 511 in the Internal Revenue Code.

Estimates

Management has made, where necessary, estimates and judgments that affect certain amounts reported in the financial statements. The estimates and judgments are based on current available information, and actual results could differ from those estimates.

Subsequent Events

The University has evaluated events occurring between the end of our most recent fiscal year and October 15, 2015, the date the financial statements were issued.

CONTINUED - **Notes to Financial Statements** JUNE 30, 2015**(2) Cash and Investments**

The University's cash and investment activities are governed by policies adopted by the board in accordance with authority granted by the Ohio Revised Code. Such policies are implemented by the treasurer and overseen by the board's finance and audit committee.

The University's investment strategy incorporates financial instruments that involve varying elements of risk including market risk, credit risk, interest rate risk, and custodial credit risk. The University's investment policies and procedures establish risk guidelines for each of the two primary investment pools, the non-endowment pool and endowment pool. Diversification is a fundamental risk management strategy for both pools.

Cash and Cash Equivalents

At year-end, the carrying amount of the University's cash and cash equivalents was approximately \$100.3 million in 2015. Cash and cash equivalents consists primarily of cash in banks, money market accounts and the State Treasury Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. STAR Ohio, a 2a7 - like pooled fund, is a statewide fund managed by the State Treasurer of Ohio.

Approximately \$0.5 million of cash and cash equivalents was covered by federal depository insurance; \$53.6 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the University may not be able to recover its deposits or collateral securities. The University maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Investments

Investments held by the University at June 30, 2015 are presented below, categorized by investment type and credit quality rating. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's investment management procedures establish guidelines for average credit quality ratings in the portfolios. Moody's Investors Services and Fitch Ratings have assigned AAA credit ratings to U.S. Treasury obligations. On August 6, 2011, Standard & Poor's lowered its credit rating on long-term U.S. Treasury related debt obligations from AAA to AA+.

The investments as of June 30, 2015 are summarized as follows:

| Investment Type | Fair Value | Not Rated | AAA | AA, A and BBB | Below BBB |
|-----------------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|
| U.S. Treasury bonds | \$ 64,988,673 | \$ 0 | \$ 64,988,673 | \$ 0 | \$ 0 |
| U.S. Agency bonds | 98,755,662 | 0 | 98,755,662 | 0 | 0 |
| Strips | 2,666,342 | 0 | 2,666,342 | 0 | 0 |
| Government-backed bonds | 74,964,393 | 0 | 74,964,393 | 0 | 0 |
| Corporate bonds | 23,077,473 | 0 | 0 | 23,077,473 | 0 |
| Municipal bonds | 2,830,923 | 0 | 0 | 2,830,923 | 0 |
| International bonds | 492,562 | 0 | 0 | 492,562 | 0 |
| Common and preferred stocks | 575,736 | 575,736 | 0 | 0 | 0 |
| Commingled funds | 497,051,776 | 431,255,444 | 20,910,842 | 33,425,296 | 11,460,194 |
| Real estate and other | 310,879 | 310,879 | 0 | 0 | 0 |
| Total investments | \$ 765,714,419 | \$ 432,142,059 | \$ 262,285,912 | \$ 59,826,254 | \$ 11,460,194 |

Due to significantly higher cash flows at certain times during the year, the amount of the University's investment in each of the above investment categories may be substantially higher during the year than at year-end.

The University's bond investments are exposed to interest rate risk, which is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest rate risk is managed primarily by adjusting portfolio duration.

Bond investments by length of maturity as of June 30, 2015 are summarized as follows:

| Investment Type | Fair Value | Less than 1 Year | 1 to 5 Years | 6 to 10 Years | More than 10 Years |
|-------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| U.S. Treasury bonds | \$ 64,988,673 | \$ 4,923,673 | \$ 53,462,876 | \$ 5,593,317 | \$ 1,008,807 |
| U.S. Agency bonds | 98,755,662 | 34,885,707 | 62,818,331 | 661,039 | 390,585 |
| Strips | 2,666,342 | 0 | 2,666,342 | 0 | 0 |
| Government-backed bonds | 74,964,393 | 28,128 | 73,508,292 | 1,337,382 | 90,591 |
| Corporate bonds | 23,077,473 | 1,064,565 | 13,120,060 | 8,504,529 | 388,319 |
| Municipal bonds | 2,830,923 | 101,368 | 982,557 | 680,364 | 1,066,634 |
| International bonds | 492,562 | 0 | 0 | 492,562 | 0 |
| Commingled bond funds | 65,796,331 | 3,453,266 | 31,075,492 | 24,922,130 | 6,345,443 |
| Total bonds | \$ 333,572,359 | \$ 44,456,707 | \$ 237,633,950 | \$ 42,191,323 | \$ 9,290,379 |

All of the University's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of University assets. Investments include approximately \$151.0 million as of June 30, 2015, managed by global managers, and such international investments are exposed to foreign currency risk. The University's investments that are exposed to concentration risk consist of securities issued by the U.S. Treasury and other agencies or instrumentalities of the U.S. government which represents 31.0% of investments. No other single issuer represents more than 5% of investments. Commingled bond funds held by the University include a wide range of investments, including hedge funds. The University's objective for investing in these hedge funds is to provide stable, absolute returns that are uncorrelated to fluctuations in the stock and bond markets.

Fair values were determined based on prices of established securities markets, with the exception of some hedge funds and alternative investments whose fair values were provided by the funds' managements. Alternative investments generally represent investments that are less liquid than publicly traded securities and include private equity, investments in real assets, and other strategies. Hedge funds may include, but are not limited to, long and short investments in domestic and international equity securities, distressed securities, fixed income securities, currencies, commodities, options, futures, and other derivatives. Many of these securities are intended to reduce market risk, credit risk, and interest rate risk.

Endowment Funds

The Miami University Foundation (Foundation) manages the Foundation and University endowment and quasi-endowment funds in a single investment pool (Pooled Fund). The University investment is maintained as a separate fund on the financial system of the Foundation and receives a proportionate share of the Pooled Fund's activity. The Foundation owns the assets of the Pooled Fund; the University has an interest in the Pooled Fund, which is considered an external investment pool to the University. The Foundation's Pooled Fund is not registered with the Securities and Exchange Commission as an

investment company. The Foundation's Board of Directors appoints an Investment Committee, which is responsible for oversight of the Pooled Fund in accordance with Foundation policies. University investments include \$173.6 million managed by the Foundation as of June 30, 2015. The fair value of the University's position in the Pooled Fund is based on the University's proportional share of the Pooled Fund, which is marked-to-market annually. Note 10 provides additional information on the Foundation and the Pooled Fund.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the State of Ohio provides statutory guidelines for prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations. The University's interpretation of its fiduciary responsibilities for donor-restricted endowments under UPMIFA requirements, barring the existence of any donor-specific provisions, is to preserve intergenerational equity to the extent possible and to produce maximum total return without assuming inappropriate risks. The investment policies governing these funds look beyond short-term fluctuations in economic cycles toward an investment philosophy that provides the best total return over very long time periods.

The University employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets. The University Board has approved an endowment spending policy whereby distributions in accordance with donor restrictions are calculated according to a formula which gives a 30% weight to market value and a 70% weight to inflation. Annually the University establishes a spending formula that defines the total amount of dividends, interest and realized gains to be distributed from the endowment assets to other funds. The authorized spending amount was \$8,588,113 in 2015. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of \$8,226,822 was distributed for expenditure for 2015. Donor restricted endowments with insufficient accumulated earnings did not make a current year distribution.



Business Insider ranks Miami 31st among the "105 Smartest Public Colleges in America."

CONTINUED - *Notes to Financial Statements* JUNE 30, 2015**(3) Accounts, Pledges and Notes Receivable**

The accounts, pledges and notes receivable as of June 30, 2015 are summarized as follows:

| | | |
|---------------------------------------|--|----------------------|
| Accounts Receivable | | |
| Student receivables | | \$ 11,358,366 |
| University Foundation | | 16,025,647 |
| State capital appropriations | | 9,402,804 |
| Grants and contracts | | 3,916,343 |
| Other receivables | | 2,453,317 |
| Total accounts receivable | | 43,156,477 |
| Less allowances for doubtful accounts | | (1,285,000) |
| Net accounts receivable | | \$ 41,871,477 |
| Pledges Receivable | | |
| Pledges receivable | | \$ 10,937,933 |
| Less allowance for doubtful pledges | | (564,167) |
| Net pledges receivable | | \$ 10,373,766 |
| Notes Receivable | | |
| Federal loan programs | | \$ 6,958,467 |
| University loan programs | | 4,497,667 |
| Total notes receivable | | 11,456,134 |
| Less allowance for doubtful notes | | (1,866,000) |
| Net notes receivable | | 9,590,134 |
| Total | | \$ 61,835,377 |

(4) Capital Assets

The capital assets and accumulated depreciation as of June 30, 2015 are summarized as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance |
|--|-----------------------|-----------------------|-----------------------|-------------------------|
| Capital Assets | | | | |
| Land | \$ 5,792,226 | \$ 0 | \$ 0 | \$ 5,792,226 |
| Collections of works of art and historical treasures | 8,162,939 | 767,270 | 0 | 8,930,209 |
| Construction in progress | 108,689,382 | 133,075,629 | 124,373,480 | 117,391,531 |
| Total nondepreciable capital assets | 122,644,547 | 133,842,899 | 124,373,480 | 132,113,966 |
| Land improvements | 40,796,480 | 2,103,276 | 0 | 42,899,756 |
| Buildings | 1,008,030,154 | 127,946,096 | 254,359 | 1,135,721,891 |
| Infrastructure | 144,679,451 | 3,916,261 | 0 | 148,595,712 |
| Machinery and equipment | 106,355,711 | 2,762,982 | 12,466,022 | 96,652,671 |
| Library books and publications | 67,629,889 | 1,325,881 | 0 | 68,955,770 |
| Vehicles | 8,496,199 | 367,978 | 489,695 | 8,374,482 |
| Intangible assets | 16,946,161 | 0 | 0 | 16,946,161 |
| Total depreciable capital assets | 1,392,934,045 | 138,422,474 | 13,210,076 | 1,518,146,443 |
| Total capital assets | 1,515,578,592 | 272,265,373 | 137,583,556 | 1,650,260,409 |
| Less accumulated depreciation: | | | | |
| Buildings | 380,487,155 | 29,720,416 | 217,386 | 409,990,185 |
| Infrastructure | 59,208,614 | 5,347,779 | 0 | 64,556,393 |
| Land improvements | 13,940,005 | 1,444,764 | 0 | 15,384,769 |
| Machinery and equipment | 51,101,848 | 3,714,013 | 12,466,022 | 42,349,839 |
| Library books and publications | 44,381,095 | 2,159,624 | 0 | 46,540,719 |
| Vehicles | 6,664,130 | 375,447 | 489,695 | 6,549,882 |
| Intangible assets | 16,149,778 | 530,459 | 0 | 16,680,237 |
| Total accumulated depreciation | 571,932,625 | 43,292,502 | 13,173,103 | 602,052,024 |
| Total capital assets, net | \$ 943,645,967 | \$ 228,972,871 | \$ 124,410,453 | \$ 1,048,208,385 |

(5) Long-term Liabilities

The long-term liabilities as of June 30, 2015 are summarized as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Current Portion |
|---------------------------------------|-----------------------|---------------------|----------------------|-----------------------|----------------------|
| Bonds and Leases Payable | | | | | |
| Bonds payable | \$ 641,065,000 | \$ 0 | \$ 21,280,000 | \$ 619,785,000 | \$ 25,195,000 |
| Capital leases payable | 2,640,600 | 0 | 118,800 | 2,521,800 | 118,800 |
| Premiums | 37,872,454 | 0 | 2,044,264 | 35,828,190 | 2,044,264 |
| Total bonds and leases payable | 681,578,054 | 0 | 23,443,064 | 658,134,990 | 27,358,064 |
| Other Liabilities | | | | | |
| Compensated absences | 17,113,862 | 9,478,750 | 8,038,438 | 18,554,174 | 1,492,386 |
| Federal Perkins loans | 6,475,524 | 345,879 | 268,411 | 6,552,992 | 0 |
| Total other liabilities | 23,589,386 | 9,824,629 | 8,306,849 | 25,107,166 | 1,492,386 |
| Total | \$ 705,167,440 | \$ 9,824,629 | \$ 31,749,913 | \$ 683,242,156 | \$ 28,850,450 |

Additional information regarding the bonds and capital leases is included in Note 6.

(6) Indebtedness

There was no new debt issued by the University in the year ended June 30, 2015.

During the year ended June 30, 2014, the University issued \$135,035,000 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2015 to 2040. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities.

During the year ended June 30, 2013, the University issued \$116,065,000 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2015 to 2038. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities.

During the year ended June 30, 2012, the University issued \$148,775,000 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2012 to 2036. The proceeds are being used to provide continued funding for the multi-phase effort to renovate all campus student housing and dining facilities. A part of the proceeds were also used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2003. The net change in cash flows related to the refunding was approximately \$2.1 million and the net present value savings was approximately \$1.6 million. In fiscal year 2012, the University defeased a portion of the Series 2003 bonds by placing some of the proceeds from the Series 2011 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds was \$28,755,000 as of June 30, 2015.

The December 21, 2011 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of \$1,209,192. The unamortized difference of \$870,615 at June 30, 2015, is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2024.

During the year ended June 30, 2011, the University issued \$125,000,000 in General Receipts Revenue Bonds consisting of \$105,445,000 Series 2010A (Federally Taxable Build America Bonds – Direct Payment) and \$19,555,000 Series 2010B (Tax-Exempt Bonds). Interest rates range from 4.81 percent to 6.77 percent for the Series 2010A bonds and from 2.00 percent to 5.00 percent for the Series 2010B bonds. Maturities range from 2017 to 2035 for the Series 2010A bonds and from 2011 to 2016 for the Series 2010B bonds. The Series 2010 bond proceeds were used to provide funding for the first phase of planned improvements to student housing and dining facilities and the first phase of construction of the Armstrong Student Center.

There was no new debt issued by the University in the years ended June 30, 2010, 2009 or 2008.

During the year ended June 30, 2007, the University issued \$83,210,000 in General Receipts Revenue Bonds with interest rates ranging from 3.25 percent to 5.25 percent and maturities from 2010 to 2026. The proceeds were used to fund capital asset additions.

During the year ended June 30, 2005, the University issued \$98,455,000 in General Receipts Revenue and Refunding Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2006 to 2025. The proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 1998 and for the funding of additional capital assets. In 2005, the University defeased a portion of the Series 1998 bonds by placing some of the proceeds from the Series 2005 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds was \$6,880,000 as of June 30, 2015.

The March 1, 2005 bond refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$863,535. The unamortized difference of \$214,575 at June 30, 2015, is reported in the accompanying financial statements as a deferred outflow of resources and is being amortized through the year 2019.

CONTINUED - *Notes to Financial Statements* JUNE 30, 2015

The University incurred total interest costs of \$28,305,013 as of June 30, 2015. The interest costs that were capitalized were \$1,374,692 as of June 30, 2015.

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2015 are as follows:

| | Maturity Dates | Interest Rates | Outstanding Debt |
|---------------------------------|-----------------------|-----------------------|-------------------------|
| Bonds Payable | | | |
| Series 2014 general receipts | 2016 – 2040 | 3.00% - 5.00% | \$ 135,035,000 |
| Series 2012 general receipts | 2015 – 2038 | 3.00% - 5.00% | 112,815,000 |
| Series 2011 general receipts | 2015 – 2037 | 2.00% - 5.00% | 137,850,000 |
| Series 2010A general receipts | 2018 – 2036 | 4.81% - 6.77% | 105,445,000 |
| Series 2010B general receipts | 2015 – 2017 | 2.00% - 5.00% | 7,150,000 |
| Series 2007 general receipts | 2015 – 2027 | 3.25% - 5.25% | 63,525,000 |
| Series 2005 general receipts | 2015 – 2025 | 3.63% - 5.00% | 57,965,000 |
| Total bonds payable | | | 619,785,000 |
| Bond premiums | | | 35,828,190 |
| Total bonds payable, net | | | \$ 655,613,190 |

The principal and interest payments for the bonds in future years are as follows:

| | Principal | Interest | Total |
|--------------|-----------------------|-----------------------|-----------------------|
| 2016 | \$ 25,195,000 | \$ 29,391,860 | \$ 54,586,860 |
| 2017 | 26,295,000 | 28,325,210 | 54,620,210 |
| 2018 | 27,345,000 | 27,161,998 | 54,506,998 |
| 2019 | 29,310,000 | 25,854,918 | 55,164,918 |
| 2020 | 29,755,000 | 24,471,727 | 54,226,727 |
| 2021-2025 | 164,775,000 | 98,656,324 | 263,431,324 |
| 2026-2030 | 116,225,000 | 62,825,377 | 179,050,377 |
| 2031-2035 | 121,155,000 | 42,643,982 | 163,798,982 |
| 2036-2041 | 79,730,000 | 5,803,050 | 85,533,050 |
| Total | \$ 619,785,000 | \$ 345,134,446 | \$ 964,919,446 |

See Note 14 for details relating to borrowings and retirements of bond obligations subsequent to year-end.

The University has \$2,251,800 in capitalized lease obligations that have varying maturity dates through 2032 and carry implicit interest rates ranging from 2.65 percent to 6.38 percent. The scheduled maturities of these leases as of June 30, 2015, are:

| | |
|-------------------------------------|---------------------|
| 2016 | \$ 194,020 |
| 2017 | 194,586 |
| 2018 | 194,768 |
| 2019 | 194,583 |
| 2020 | 194,091 |
| 2021-2025 | 969,872 |
| 2026-2030 | 962,842 |
| 2031-2032 | 384,038 |
| Total minimum lease payments | 3,288,800 |
| Less amount representing interest | (767,000) |
| Net minimum lease payments | \$ 2,521,800 |

Buildings and computer equipment are financed with capital leases. The carrying amount related to these capital leases as of June 30, 2015 are \$2,611,440 for buildings.

(7) Net Pension Liability

For the year ended June 30, 2015, Miami University implemented the provisions of GASB's Statement No. 68, Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. Among other changes, these Statements changed the manner in which governments account for their proportionate share of the net pension liability and deferred outflows of resources relating to contributions made by government employers. As a result of implementing these Statements, Miami University was required to restate net position to the earliest period presented. The effect of the restatement on net position is as follows:

| | 2014 |
|---|-----------------------|
| Net position as previously reported, June 30 | \$ 1,120,588,977 |
| Adjustment for net pension liability and deferred outflows of resources | (281,300,663) |
| Net position as restated, June 30 | \$ 839,288,314 |

Substantially all non-student employees are covered by one of three retirement plans. The University faculty is covered by the State Teachers Retirement System of Ohio (STRS Ohio). Non-faculty employees are covered by the Ohio Public Employees Retirement System of Ohio (OPERS). Employees may opt out of STRS Ohio and OPERS and participate in the Alternative Retirement Plan (ARP).

STRS Ohio and OPERS both offer three separate retirement plans: the defined benefit plan, the defined contribution plan, and a combined plan.

Defined Benefit Plans

Both STRS Ohio and OPERS are cost-sharing multiple-employer defined benefit pension plans. Both plans provide retirement, disability, postretirement health care coverage, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute.

STRS Ohio and OPERS issue stand-alone financial reports. Copies of these reports may be obtained by writing to STRS, 275 East Broad Street, Columbus, OH 43215-3771 or to OPERS, 277 East Town Street, Columbus, OH 43215-4642.

Contribution rates for STRS Ohio are established by the State Teachers Retirement Board, not to exceed statutory maximum rates of 14 percent for members and 14 percent for employers. Contribution rates for fiscal year 2014 were 11 percent for employees and 14 percent for employers. For the fiscal years ended June 30, 2014, and June 30, 2013, the Retirement Board allocated employer contributions equal to 1.0 percent of covered payroll to post-employment health care (Note 9).

During calendar year 2014, employees covered by the OPERS system were required by state statute to contribute 10.0 percent of their salary to the plan. The University was required to contribute 14.0 percent of covered payroll. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan. For these employees, the University was required to contribute 18.1 percent of covered payroll. Effective January 1, 2013, the member contribution rate for law enforcement members increased to 13.0 percent. The member contribution rate for all other employees and the University's contribution rate remained unchanged. The portion of employer contributions to OPERS allocated to health care for members in the Traditional Plan was 2.0 percent from January 1 through December 31, 2014 (Note 9). Effective January 1, 2015, the portion of employer contributions allocated to health care remained at 2.0 percent.

The payroll for employees covered by STRS Ohio for the year ended June 30, 2015, was approximately \$67,064,000. The payroll for employees covered by OPERS for the year ended June 30, 2015, was approximately \$86,845,000.

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

At June 30, 2015, the University reported a liability of \$254,748,534 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of \$79,877,382 and \$174,871,152, respectively. The net pension liability was measured as of December 31, 2014 for the OPERS traditional plan and June 30,

2014 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date for each plan. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Traditional plan and STRS Ohio plan to be a reliable approximation of long term contribution effort to the two plans. At the measurement date, the University's proportion was 0.662272 percent for OPERS Traditional and 0.71894026 percent for STRS Ohio.

At June 30, 2015, the University reported an asset of \$250,519 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The amount used to allocate the net pension liability, deferred inflows/outflows and pension expense was based on the contributions during the measurement period which was determined by the OPERS Combined plan and to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was 0.650661 percent for OPERS Combined plan.

For the year ended June 30, 2015, the University recognized net negative pension expense of \$5,145,797 consisting of negative pension expenses of \$4,389,877 for the OPERS Traditional plan, \$637,869 for the STRS Ohio plan and \$118,051 for the OPERS Combined plan, respectively.

At June 30, 2015, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual actuarial experience – OPERS Traditional and Combined | \$ 0 | \$ 1,479,732 |
| Differences between expected and actual actuarial experience – STRS Ohio | 1,683,515 | 0 |
| Net difference between projected and actual earnings on pension plan investments – OPERS Traditional and Combined | 4,277,306 | 0 |
| Net difference between projected and actual earnings on pension plan investments – STRS Ohio | 0 | 32,351,826 |
| Changes in proportion and differences between University contributions and proportionate share of contributions – OPERS Traditional and Combined | 783 | 7,414,463 |
| University contributions subsequent to the measurement date – OPERS Traditional and Combined | 4,910,727 | 0 |
| University contributions subsequent to the measurement date – STRS Ohio | 8,716,756 | 0 |
| Total | \$ 19,589,087 | \$ 41,246,021 |

CONTINUED - **Notes to Financial Statements** JUNE 30, 2015

Deferred outflows of resources includes \$13,627,483 of University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | STRS Ohio | OPERS Traditional | OPERS Combined | Total |
|---------------------|----------------|----------------------|-------------------|----------------|
| Year ended June 30: | | | | |
| 2016 | \$ (7,667,078) | \$ 418,022 | \$ (5,269) | \$ (7,254,325) |
| 2017 | (7,667,078) | 418,022 | (5,269) | (7,254,325) |
| 2018 | (7,667,078) | 957,181 | (5,269) | (6,715,166) |
| 2019 | (7,667,078) | 1,065,504 | (5,269) | (6,606,843) |
| 2020 | 0 | 0 | (5,269) | (5,269) |
| Thereafter | 0 | 0 | (30,985) | (30,985) |

Actuarial assumptions – STRS Ohio

The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|-----------------------------------|--|
| Inflation | 2.75 percent |
| Projected salary increases | 12.25 percent at age 20 to 2.75 percent at age 70 |
| Investment rate of return | 7.75 percent, net of investment expenses |
| Cost-of-living adjustments (COLA) | 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA paid on fifth anniversary of retirement date. |

Mortality Rates

Rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

Experience Studies

Actuarial assumptions used in the June 30, 2014, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

Investment Return Assumptions

The 10 year expected real rate of return on pension plan investments was determined by STRS Ohio's investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and long term expected real rate of return for each major asset class are summarized as follows:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|----------------------|--|
| Domestic Equity | 31.00 % | 8.00 % |
| International Equity | 26.00 | 7.85 |
| Alternatives | 14.00 | 8.00 |
| Fixed Income | 18.00 | 3.75 |
| Real Estate | 10.00 | 6.75 |
| Liquidity Reserves | 1.00 | 3.00 |
| Total | 100.00 % | |

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2014. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2014. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2014.

Pension Plan Fiduciary Net Position – STRS Ohio

STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 927-7877, or by visiting the STRS web site at www.strsoh.org.

Actuarial assumptions – OPERS Traditional and Combined Plans

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuations are presented below.

| | |
|----------------------------|---|
| Valuation date | December 31, 2014 |
| Experience study | 5 year period ended December 31, 2010 |
| Actuarial cost method | Individual entry age |
| Investment rate of return | 8.00% |
| Wage inflation | 3.75% |
| Projected salary increases | 4.25% - 10.05% (includes wage inflation at 3.75%) |
| Cost of living adjustments | 3.00% simple |

Mortality Rates

Mortality rates are the RP-2000 mortality table projected 20 years using Projection Scale AA. For males, 105% of the combined healthy male mortality rates were used. For females, 100% of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males, 120% of the disabled female mortality rates were used, set forward two years. For females, 100% of the disabled female mortality rates were used. The discount rate used to measure the total pension liability was 8.0% for both the Traditional Pension Plan and the Combined Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for both the Traditional Pension Plan and the Combined Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Return Assumptions

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board as outline in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The following table displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|------------------------|-------------------|--|
| Fixed income | 23.00 % | 23.31 % |
| Domestic equities | 19.90 | 5.84 |
| Real estate | 10.00 | 4.25 |
| Private equity | 10.00 | 9.25 |
| International equities | 19.10 | 7.40 |
| Other investments | 18.00 | 4.59 |
| Total | 100.00 % | |

The long term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. OPERS manages investments in four investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, the I15 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan, and the VEBA Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio.

Pension Plan Fiduciary Net Position – OPERS Traditional and Combined

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report; Additional information supporting the preparation of the Schedules of Collective Pension Amounts and Employer Allocations (including the disclosure of the net pension liability/(asset), required supplementary information on the net pension liability/(asset), and the unmodified audit opinion on the combined financial statements) is located in OPERS 2014 CAFR. This CAFR is available at www.opers.org or by contacting OPERS at: OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (800) 222-7377.

CONTINUED - **Notes to Financial Statements** JUNE 30, 2015**Sensitivity of the University's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following table presents the University's proportionate share of the net pension liability calculated using the current period discount rate assumption, as well as what the University's proportionate share of the net pension liability 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:

| | University's Proportionate Share |
|---------------------|---|
| STRS Ohio | 0.72% |
| OPERS - Traditional | 0.66% |
| OPERS - Combined | 0.65% |

| | Net Pension Liability Calculated | | |
|---------------------|--|--|---|
| | Current Period Discount Rate Assumption | One-Percentage Point Lower Assumption | One-Percentage Point Higher Assumption |
| STRS Ohio | 7.75% | \$ 174,871,152 | 6.75% \$ 250,347 |
| OPERS - Traditional | 8.00% | 79,877,382 | 7.00% 146,951,492 |
| OPERS - Combined | 8.00% | (250,519) | 7.00% 32,533 |
| | | <u>\$ 254,498,015</u> | <u>\$ 147,234,372</u> |
| | | | <u>\$ 133,953,717</u> |

(8) Retirement Plans

Defined contribution plan: Full-time faculty and unclassified employees are eligible to participate in the Alternative Retirement Plan (ARP) offered by STRS Ohio and OPERS. The board has established the employer contribution as an amount equal to the amount which the University would have contributed to the respective state retirement system in which the employee would participate, less any amounts required to be remitted to the state retirement systems. ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits, or death benefits to plan members and beneficiaries.

The payroll for employees electing the alternative retirement program for the year ended June 30, 2015 was approximately \$63,346,000.

Combined plans: STRS Ohio offers a combined plan with features of both a defined contribution plan and a defined benefit plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. Employees electing the combined plan receive postretirement health care benefits.

OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. OPERS also provides retirement, disability, survivor, and postretirement health care benefits to qualified members. The portion of employer contributions to OPERS allocated to health care for members in the Combined Plan was 2.0 percent from January 1 through December 31, 2014 and remained at 2.0 percent effective January 1, 2015 (Note 9).

Retirement plan funding: The Ohio Revised Code provides statutory authority for employee and employer contributions. The University's contributions each year are equal to its required contributions. University contributions for the current and two preceding years are summarized below.

| | Employer Contribution | | |
|------|------------------------------|---------------|---------------------------------|
| | STRS Ohio | OPERS | Alternative Programs |
| 2015 | \$ 9,388,961 | \$ 12,227,238 | \$ 6,861,634 |
| 2014 | 8,850,145 | 12,333,960 | 6,330,661 |
| 2013 | 8,718,108 | 11,981,743 | 6,283,457 |

(9) Other Postemployment Benefits

In addition to the pension benefits described in Note 8, STRS Ohio and OPERS provide postretirement health care coverage to retirees and their dependents. Health care coverage for disability recipients and primary survivor recipients is also provided. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. A portion of the employer contribution is allocated to fund the health care benefits (Note 8).

OPERS health care benefits are advance-funded on an actuarially determined basis. The amount of employer contributions made to fund post-employment benefits for the year ended June 30, 2015, were approximately \$1,746,000.

(10) Related Organization

The Miami University Foundation (the Foundation) is a separate not-for-profit entity organized for the purpose of promoting educational and research activities of the University. Since the resources held by the Foundation can be used only by and 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.

The Foundation board is comprised of at least fifteen directors that are elected by the Board and seven directors that are appointed by Miami University. At least two-thirds of the elected directors are required to be alumni or former students of Miami University. The Foundation issues reports using standards issued by the Financial Accounting Standards Board.

Amounts received by the University from the Foundation are restricted and are included in gifts in the accompanying financial statements. The Foundation values its investments at fair value.

Summary financial information for the Foundation as of June 30, 2015, the date of its most recent audited financial report, is as follows:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-----------------------------------|--------------|------------------------|------------------------|----------------|
| Net assets at end of year | \$ 716,307 | \$ 133,829,531 | \$ 187,600,989 | \$ 322,146,827 |
| Change in net assets for the year | (309,467) | (5,852,823) | 11,854,564 | 5,692,274 |
| Distributions to Miami University | 25,407,833 | 0 | 0 | 25,407,833 |

Cash and Cash Equivalents

Cash and cash equivalents consists primarily of cash in banks, money market accounts, BlackRock Liquidity Federal Trust Fund, and the State Treasury Asset Reserve of Ohio (STAR Ohio and STAR Plus) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution. The carrying amounts of these items are a reasonable estimate of their fair value.

Investments

Investments that are market traded, such as equity and debt securities and mutual funds, are recorded at fair value based primarily on quoted market prices, as established by the major securities markets. The value of holdings of commingled funds investing in publicly traded stocks and bonds that do not have a readily determined market value for fund units is based on the funds' net asset value as supplied by the investment manager's administrator. The values are reviewed and evaluated by Foundation management. Investments in real estate are recorded at appraised value at the date of donation. The issuing insurance companies determine the cash surrender value of the life insurance policies annually.

Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some valuations are determined as of June 30, while the remaining valuations are determined based on March 31 information when June 30 information is not yet available, and adjusted by cash receipts, cash disbursements, and securities distributions through June 30. The Foundation believes that the carrying amounts are reasonable estimates of fair value as of year-end. Because these investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have

been used had a ready market for the investments existed. Such differences could be material. The amount of gain or loss associated with these investments is reflected in the accompanying financial statements using the equity method of accounting.

All donor-restricted endowment investments and unrestricted board-designated endowments are managed in a unitized investment pool (Pooled Funds), unless donor-restricted endowment gift agreements require that they be held separately. For the Pooled Funds, the fair value of the investments is determined at the end of each quarter and the incremental fair value increase or decrease is allocated to the individual fund accounts based on the number of shares the fund owns at the beginning of the quarter.

Investment income is recorded on the accrual basis and purchases and sales of investments are recorded on a trade-date basis. Investment transactions occurring on or before June 30, which settle after such date, are recorded as receivables or payables. Net dividend and interest income as well as gains/losses are allocated based on the number of shares owned.

Long-term Investments

Investments held by the Foundation as of June 30, 2015 were:

| Investment Description | Fair Value |
|--|-----------------------|
| Domestic public equities | \$ 31,122,745 |
| Global public equities | 136,020,546 |
| International public equities | 10,257,373 |
| Domestic public fixed income | 2,490,323 |
| Global public fixed income | 26,807,206 |
| Hedge funds | 143,933,946 |
| Limited partnerships and non-public equities | 79,309,360 |
| Split-Interest Funds | |
| Charitable remainder trusts | 10,154,938 |
| Charitable gift annuities | 3,275,443 |
| Pooled income funds | 552,028 |
| Total | \$ 443,923,908 |

CONTINUED - **Notes to Financial Statements** JUNE 30, 2015

The Foundation maintains a diversified investment portfolio for the Pooled Funds, intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. The Foundation's investment objectives are guided by its asset allocation policy and are achieved in partnership with external investment managers operating through a variety of investment vehicles including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio includes publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of Foundation assets. As of June 30, 2015, the Foundation has made commitments to limited partnerships of approximately \$21.1 million that have not yet been funded, some of which management expects may not be called by the partnerships due to the life-cycle of the partnership.

The 2015 dividend and interest income of \$2,435,996, as reported in the Statement of Activities, is net of fees from external investment managers totaling \$345,225.

Fair Value Measurements

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. Subsequent changes in fair value are recorded as an adjustment to earnings.

Pledges Receivable

As of June 30, 2015, contributors to the Foundation have made unconditional pledges totaling \$43,411,061 with 17 pledges accounting for over 50 percent of that total. Net pledges receivable have been discounted using interest rates to a net present value of \$40,948,848 at June 30, 2015. Discount rates ranged from 1.20 percent to 6.00 percent. Management has set up an allowance for uncollectible pledges of \$1,198,980 at June 30, 2015. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified time or donor imposed stipulations.

The Foundation had also been notified of revocable pledges, bequests, and other indications of intentions to give. These potential contributions are not permitted to be recorded as they are deemed intentions to give and not promises to give.

Split-interest Agreements

The Foundation's split-interest agreements with donors consist primarily of charitable gift annuities, pooled income funds and irrevocable charitable remainder trusts for which the Foundation serves as trustee. Assets are invested and payments are made to donors and/or other beneficiaries in accordance with the respective agreements. Assets held for these agreements are included in investments.

Endowment

UPMIFA provides statutory guidelines for prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations.

The Foundation's interpretation of its fiduciary responsibilities for donor-restricted endowments under UPMIFA requirements, barring the existence of any donor-specific provisions, is to preserve intergenerational equity to the extent possible and to produce maximum total return without assuming inappropriate risks. The investment policies governing these funds look beyond short-term fluctuations in economic cycles toward an investment philosophy that provides the best total return over very long time periods.

UPMIFA specifies that unless stated otherwise in the gift agreement, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure by the institution. Barring the existence of specific donor instruction, the Foundation's policy is to report (a) the historical value for such endowment as permanently restricted net assets and (b) the net accumulated appreciation as temporarily restricted net assets. In this context, historical value represents (a) the original value of initial gifts restricted as permanent endowments plus (b) the original value of subsequent gifts along with (c) if applicable, the value of accumulations made in accordance with specific donor instruction.

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as unrestricted net assets until such time as the fair value equals or exceeds historical value; such deficiencies were \$47,736 as of June 30, 2015. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

Net Asset Classification

Resources of the Foundation are classified for reporting purposes into net asset classes based on the existence or absence of donor-imposed restrictions and state law. Unrestricted net assets represent the portion of funds over which the Foundation has discretionary control as there are no donor-imposed purposes or time restrictions on how the funds may be spent. Temporarily restricted net assets are limited as to use by donor-imposed stipulations that expire with the passage of time or the incurrence of expenditures that fulfill the donor-imposed restrictions. These net assets are primarily restricted for student pledges, split-interest agreements, and board-designated endowment funds; such funds are primarily restricted for student financial aid, educational and research activities, and capital improvements for the University. Expirations of restrictions on net assets, i.e., the passage of time and/or fulfilling donor-imposed stipulations, are reported as net assets released from restrictions between the applicable classes of net assets in the statement of activities. Permanently restricted net assets, or endowment funds, represent amounts received from donors with the restriction that the principal is invested in perpetuity. Generally, the donors of these assets permit the Foundation to transfer a portion of the income earned on related investments to the University for such purpose as specified by the donor.

The Foundation issues separate financial statements. Copies of these reports may be obtained from Treasury Services, 107 Roudebush Hall, Miami University, Oxford, Ohio, 45056.

(11) Commitments

At June 30, 2015, the University is committed to future contractual obligations for capital expenditures of approximately \$124 million. These commitments are being funded from the following sources:

| | |
|--|-----------------------|
| Contractual Obligations | |
| Approved state appropriations not expended | \$ 17,077,851 |
| University funds and bond proceeds | 106,949,238 |
| Total | \$ 124,027,089 |

(12) Risk Management

The University's employee health insurance program is a self-insured plan. Administration of the plan is provided by Humana Inc. through December 31, 2014 (with a run-out period extending through December 31, 2015). United Medical Resources, a United Healthcare company, began administration of the plan January 1, 2015. Employees are offered two plan options, a Traditional PPO Plan or a High Deductible Health Plan with a Health Savings Account.

Health insurance claims are accrued based upon estimates of the claims liabilities. These estimates are based on past experience, current claims outstanding, and medical inflation trends. As a result, the actual claims experience may differ from the estimate. An estimate of claims incurred but not reported in the amount of \$2,056,600 is included in the accrued salaries and wages as of June 30, 2015. The change in the total liability for actual and estimated claims is summarized below:

| | |
|---|---------------------|
| Liability at beginning of year | \$ 2,440,852 |
| Claims incurred | 27,109,201 |
| Claims paid | (26,834,919) |
| Decrease in estimated claims incurred but not reported | (52,500) |
| Liability at end of year | \$ 2,662,634 |

To reduce potential loss exposure, the University has established a reserve for health insurance stabilization of \$15.0 million.

The University participates in a consortium with all other Ohio state-assisted universities (excluding The Ohio State University) for the acquisition of commercial property and liability insurance. The name of the consortium is the IUC-Insurance Consortium. The commercial property program's loss limit is \$1.0 billion and the general/auto liability loss limit is \$50 million. The property insurance program has been in place for 20 years during which time Miami University has had one material loss above the insurance policy deductible of \$350,000. The property pool deductible for individual universities is \$100,000. The liability program has been in place for 15 years during which time Miami University has had three losses above the pool deductible. The current self-insured retention for the liability program is \$10 million. The educator's legal liability loss limit is \$25 million. The University also participates with the other consortium universities for the purchase of commercial insurance for other risks. Over the past six years, settlement amounts related to insured risks have not exceeded the University's coverage amounts.

(13) Contingencies

The University receives grants and contracts from certain federal, state, and local agencies to fund research and other activities. The costs, both direct and indirect, that have been charged to the grants or contracts are subject to examination and approval by the granting agency. It is the opinion of the University's administration that any disallowance or adjustment of such costs would not have a material effect on the financial statements.

The University is presently involved as a defendant or codefendant in various matters of litigation. The University's administration believes that the ultimate disposition of any of these matters would not have a material adverse effect upon the financial condition of the University.

(14) Subsequent Events

On July 30, 2015, Miami University issued \$52,335,000 of Series 2015 General Receipts and Refunding Bonds through a direct bank purchase process. The bonds carry a 1.88% coupon and mature between 9/1/2016 – 9/1/2024. All of the proceeds of the Series 2015 Bonds will be used to refund the Miami University Series 2005 General Receipts and Refunding Bonds.

On September 1, 2015, Miami University called all outstanding Series 2005 General receipts and Refunding Bonds at par. Par value of the called bonds was \$52,220,000.

For six years in a row, U.S. News & World Report has ranked Miami among the top five universities nationally for best teaching of undergraduates. In the most recent report, Miami ranks in the top two among public universities, just after William and Mary.

Supplementary Information

JUNE 30, 2015

MIAMI UNIVERSITY

| Retirement Plan Data | STRS Ohio | OPERS Traditional | OPERS Combined |
|---|----------------|----------------------|-------------------|
| Year Ended June 30, 2015: | | | |
| University's proportion of the net pension liability (asset) | 0.72% | 0.66% | 0.65% |
| University's proportionate share of the net pension liability (asset) | \$ 174,871,152 | \$ 79,877,382 | \$ (250,519) |
| University's covered-employee payroll | 67,064,006 | 80,131,382 | 2,327,431 |
| University's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 260.76% | 99.68% | 10.76% |
| Plan fiduciary net position as a percentage of the total pension liability | 74.70% | 86.45% | 114.83% |

| Retirement Plan Data Year Ended June 30, 2015 (In Thousands) | STRS Ohio | | | | |
|--|---|--|--|--|---|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
| 2006 | \$ 9,539 | \$ 9,539 | \$ 0 | \$ 68,135 | 14.0% |
| 2007 | 9,597 | 9,597 | 0 | 68,552 | 14.0% |
| 2008 | 9,478 | 9,478 | 0 | 67,702 | 14.0% |
| 2009 | 9,587 | 9,587 | 0 | 68,482 | 14.0% |
| 2010 | 9,271 | 9,271 | 0 | 66,222 | 14.0% |
| 2011 | 9,062 | 9,062 | 0 | 64,727 | 14.0% |
| 2012 | 8,825 | 8,825 | 0 | 63,038 | 14.0% |
| 2013 | 8,718 | 8,718 | 0 | 62,272 | 14.0% |
| 2014 | 8,850 | 8,850 | 0 | 63,215 | 14.0% |
| 2015 | 9,389 | 9,389 | 0 | 67,064 | 14.0% |

| Retirement Plan Data Year Ended June 30, 2015 (In Thousands) | OPERS Traditional and Combined | | | | |
|--|---|--|--|--|---|
| | Contractually Required Contribution | Contributions in Relation to the Contractually Required Contribution | Contribution Deficiency (Excess) | University's Covered- Employee Payroll | Contributions as a Percentage of Covered- Employee Payroll |
| 2006 | \$ 11,303 | \$ 11,303 | \$ 0 | \$ 86,551 | 13.1% |
| 2007 | 11,882 | 11,882 | 0 | 86,585 | 13.7% |
| 2008 | 13,004 | 13,004 | 0 | 93,251 | 13.9% |
| 2009 | 13,480 | 13,480 | 0 | 95,880 | 14.1% |
| 2010 | 12,304 | 12,304 | 0 | 87,443 | 14.1% |
| 2011 | 11,842 | 11,842 | 0 | 84,585 | 14.0% |
| 2012 | 11,863 | 11,863 | 0 | 84,266 | 14.1% |
| 2013 | 11,982 | 11,982 | 0 | 85,101 | 14.1% |
| 2014 | 12,334 | 12,334 | 0 | 87,598 | 14.1% |
| 2015 | 12,227 | 12,227 | 0 | 86,845 | 14.1% |

Statement of Nondiscrimination

Miami University is committed to providing equal opportunity and an educational and work environment free from discrimination on the basis of sex, race, color, religion, national origin, disability, age, sexual orientation, gender identity, military status, or veteran status. Miami shall adhere to all applicable state and federal equal opportunity/affirmative action statutes and regulations.

The university is dedicated to ensuring access and equal opportunity in its educational programs, related activities, and employment. Retaliation against an individual who has raised claims of illegal discrimination or cooperated with an investigation of such claims is prohibited.

Students and employees should bring questions or concerns to the attention of the Office of Equity and Equal Opportunity, Hanna House, 529-7157 (V/TTY) and 529-7158 (fax). Students and employees with disabilities may contact the Office of Disability Resources, 19 Campus Avenue Building, 529-1541 (V/TTY) and 529-8595 (fax).

EthicsPoint

EthicsPoint is an anonymous method for reporting illegal, unethical, or other conduct that violates Miami's policies. Miami (along with many other universities) has contracted with EthicsPoint to provide this service. Reports may be filed at www.EthicsPoint.com



MIAMI UNIVERSITY

Miami University: Equal opportunity in education and employment.

Produced by University Communications and Marketing 0.3K1215

Miami University

Report to the Finance and Audit Committee
October 15, 2015



Assurance ■ Tax ■ Consulting

McGladrey LLP



October 15, 2015

Finance and Audit Committee
Miami University
Oxford, Ohio

We are pleased to present this report related to our audit of the financial statements of Miami University (the University) for the year ended June 30, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Miami University's financial reporting process.

This report is intended solely for the information and use of the Finance and Audit Committee and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to Miami University.

McGladrey LLP

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| Summary of Significant Accounting Estimates | 3-4 |
| Exhibit A—Significant Written Communications Between Management and Our Firm | |
| Representation Letter | |

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

| Area | Comments |
|--|---|
| Our Responsibilities With Regard to the Financial Statement Audit | Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated April 30, 2015. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter. |
| Overview of the Planned Scope and Timing of the Financial Statement Audit | We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement during our meeting on April 30, 2015. |
| Accounting Policies and Practices | <p>Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the University. In the current year, the University adopted Government Accounting Standards Board (GASB) Statement No. 68, <i>Accounting and Financial Reporting for Pensions— an amendment of GASB Statement No. 27</i>. The adoption of GASB No. 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The University also adopted GASB Statement No. 71, <i>Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68</i>. The objective of this Statement is address contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit plan after the measurement date of the government's beginning net pension liability. The adoption of GASB No. 68 and 71 had a significant impact on the University's financial statements.</p> <p>Upcoming Pronouncements Reference "Basis of Presentation" footnote for a listing of upcoming GASB pronouncements with discussion of potential impact on the University.</p> <p>Management's Judgments and Accounting Estimates Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p> |
| Audit Adjustments | There were no audit adjustments proposed by our Firm. University management made closing entries in the normal course of business to the original trial balance presented to us to begin our audit. |

| Area | Comments |
|---|--|
| Disagreements With Management | We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements. |
| Consultations With Other Accountants | We are not aware of any consultations management had with other accountants about accounting or auditing matters. |
| Significant Issues Discussed With Management | No significant issues arising from the audit were discussed with or the subject of correspondence with management. |
| Significant Difficulties Encountered in Performing the Audit | We did not encounter any significant difficulties in dealing with management during the audit. |
| Significant Written Communications Between Management and Our Firm | Copies of significant written communications between our firm and the management of the University, including the representation letter provided to us by management, are attached as Exhibit A. |

Miami University Summary of Significant Accounting Estimates Year Ended June 30, 2015

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the University's June 30, 2015, financial statements.

| Estimate | Accounting Policy | Management's Estimation Process | Basis for Our Conclusions on Reasonableness of Estimate |
|--|---|--|--|
| Allowance for uncollectible student, pledges and loans receivable | The allowance for uncollectible accounts is based on management's estimate of the collectability of identified receivables, as well as aging of accounts. | The University calculates a specific percent reserve on the aging of the accounts based on historical experiences and by identifying specific accounts which are doubtful of collection. | We tested the underlying information supporting the allowance. We concluded management's estimate is reasonable. |
| Investments | Investments are recorded at fair value | Investments that are market traded are recorded at fair value based on quoted market prices, as established by the major securities markets. The value of holdings of commingled funds not having a readily determined market value is based on the net asset value as supplied by the investment manager. Investments in real estate are recorded at appraised value at the date of the donation. | We tested the propriety of the information provided by a third party and found it to be consistent with fair values we obtained from another third party source. The methodology is appropriate and reasonable. As it relates to the fair value of the investments in alternative investments we corroborated the information to documentation obtained directly from fund management of the alternative investment funds and found it to be appropriate and reasonable. |
| Depreciable Life | Property and equipment are recorded at cost and then depreciated over the estimated useful lives of the assets. | Estimated useful lives are 50 years for buildings; 25 years for infrastructure, library books and land improvements; 20 years for improvements to buildings; and 5 to 7 years for equipment, vehicles, and furniture. | We believe the estimates and process used by the University are appropriate based upon our testing, which included substantive and analytical procedures. |

| Estimate | Accounting Policy | Management's Estimation Process | Basis for Our Conclusions on Reasonableness of Estimate |
|-----------------------------|---|---|---|
| Compensated absences | Vacation and sick time is accrued for employees based upon the term of their employment contract or years of service. | Unused vacation and sick time are determined by current rates, terms of employment and subject to maximum accruals. | We tested the detail listing of accrued vacation and sick time at June 30, 2015 and noted the amounts accrued are reasonable based on the policy. |

Exhibit A—Significant Written Communications between Management and Our Firm

*Office of the Controller*

107 Roudebush Hall
Oxford, OH 45056
(513) 529-6110 office
(513) 529-6124 fax
MiamiOH.edu

October 15, 2015

McGladrey LLP
1001 Lakeside Avenue, Suite 200
Cleveland, OH 44114

This representation letter is provided in connection with your audit of the basic financial statements of Miami University (the University), a component unit of the State of Ohio, as of and for the year ended June 30, 2015 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 30, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take. The appropriateness of the measurement process, including related assumptions and models, used by management in determining the accounting estimate.
5. Related-party transactions, including those with the State of Ohio the primary government having accountability for Miami University, and component units for which Miami University is accountable, other organizations for which the nature and significance of their relationship with Miami University are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which Miami University has an interest and as defined in Section 2100 of the Government Accounting Standards Board's "Codification of Governmental Accounting and Financial Reporting Standards", and jointly governed organizations in which Miami University participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements, and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

McGladrey LLP
October 15, 2015
Page 2

7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. We are not aware of any pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial statements in accordance with the Contingencies Topic of the Accounting Standards Codification (ASC) 450 and/or GASB Statement No. 10.
9. The University is a defendant in various lawsuits arising in the ordinary course of business. Although the outcome of the lawsuits cannot be determined with certainty, management believes the ultimate disposition of such matters will not have a material effect on the University's financial statements.
10. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.

Information Provided

11. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the Board of Trustees and the Finance and Audit Committee.
12. All transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have no knowledge of allegations of fraud or suspected fraud, affecting the University's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the University's financial statements received in communications from employees, former employees, analysts, regulators, or others.
15. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
16. We have disclosed to you the identity of the University's related parties and all the related-party relationships and transactions of which we are aware.
17. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the University's ability to record, process, summarize, and report financial data.
18. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. Tax exempt bonds issued have retained their tax-exempt status.
20. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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October 15, 2015
Page 3

21. The University has complied, in all material respects with the 2015 Ohio Compliance Supplement.
22. We have complied with all debt covenants, including nonfinancial, included in all debt agreements.
23. We have reviewed the user control considerations of the compliance Attestation Examination of the Title IV Student Financial Assistance Programs of Education Computer Systems, Inc. as of June 30, 2015 and we believe all applicable controls are in place as of June 30, 2015.
24. The University has outstanding commitments for future contractual obligations for capital expenditures of approximately \$124 million at June 30, 2015.
25. The University has no intention of withdrawing from OPERS, STRS, and ARP or taking any other actions that could result in an effective termination or reportable event for any of our plans. The University is not aware of any occurrences that could result in the termination of any of the plans to which it contributes.

Compliance Considerations

In connection with your audit, conducted in accordance with Government Auditing Standards, we confirm:

26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the University.
27. We have identified and disclosed to you:
 - a. All laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
 - b. There are no violations (or possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.
28. We have no knowledge of fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that has been reported.
29. We have a process to track the status of all audit findings and recommendations.
30. We have no knowledge for your previous audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective action taken to address significant findings and recommendations.

In connection with your audit of federal awards conducted in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, we confirm

31. We are responsible for complying, and we have complied, with the requirements of OMB Circular A-133.
32. We are responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of Miami University's federal programs and have complied, in all material respects, with those requirements.
33. We are responsible for establishing and maintaining, and we have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on our federal programs.

McGladrey LLP
October 15, 2015
Page 4

34. We have prepared the schedule of expenditures of federal awards in accordance with Circular A-133 and have included expenditures made during the period being audited for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance. We further acknowledge that:
 - a. The methods of measurement or presentation have not materially changed from those used in the prior period.
 - b. We are responsible for understanding and complying with the compliance requirements related to the preparation of the schedule.
35. We have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
36. We have made available all contracts and grant agreements (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
37. There are no amounts of questioned costs and no known noncompliance with the direct and material compliance requirements of federal awards.
38. We believe that we have complied with the direct and material compliance requirements.
39. We have made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
40. We have provided you our interpretations of any compliance requirements that are subject to varying interpretations.
41. We have disclosed to you there are no communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of your report.
42. There are no findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of your report.
43. There are no corrective actions on audit findings of any compliance audits.
44. There are no prior audit findings by federal awarding agencies and pass-through entities.
45. There are no subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
46. There is no known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by your report.
47. There are no changes in internal control over compliance or other factors that might significantly affect internal control have occurred subsequent to the date as of which compliance is audited.
48. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
49. We did participate in CFDA 12.901 – Mathematical Sciences Grants Program, CFDA 15.650 – Research Grants (Generic), CFDA 15.807 – Earthquake Hazards Research Grants which were not previously listed in the preliminary schedule of expenditures of federal awards.
50. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.


McGladrey LLP
October 15, 2015
Page 5

51. We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133.
52. We have issued management decisions timely after the receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and we have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
53. We have considered the results of subrecipient audits and have made any necessary adjustments to our own books and records.
54. We have charged costs to federal awards in accordance with applicable cost principles.
55. We are responsible for, and have accurately prepared, the summary schedule of prior audit findings.
56. We will accurately complete the appropriate sections of the data collection form. We further acknowledge our responsibility for the complete, accurate, and timely filing of the data collection form with the Federal Audit Clearinghouse.
57. We have disclosed all contracts or other agreements with service organizations.
58. We have received no communications from service organizations relating to noncompliance at those organizations.

Supplementary Information

59. With respect to schedule of expenditures of federal awards as required by OMB Circular A-133 to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
60. With respect to the management discussion and analysis as required by the Governmental Accounting Standards Board to supplement the basic financial statements:
 - a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
61. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.


Miami University



Dr. David C. Hodge
President



Ms. Sarah Persinger
Controller



Dr. David K. Creamer
Senior Vice President for Finance and
Business Services and Treasurer

Financial Statements and Audit Results

December 3, 2015

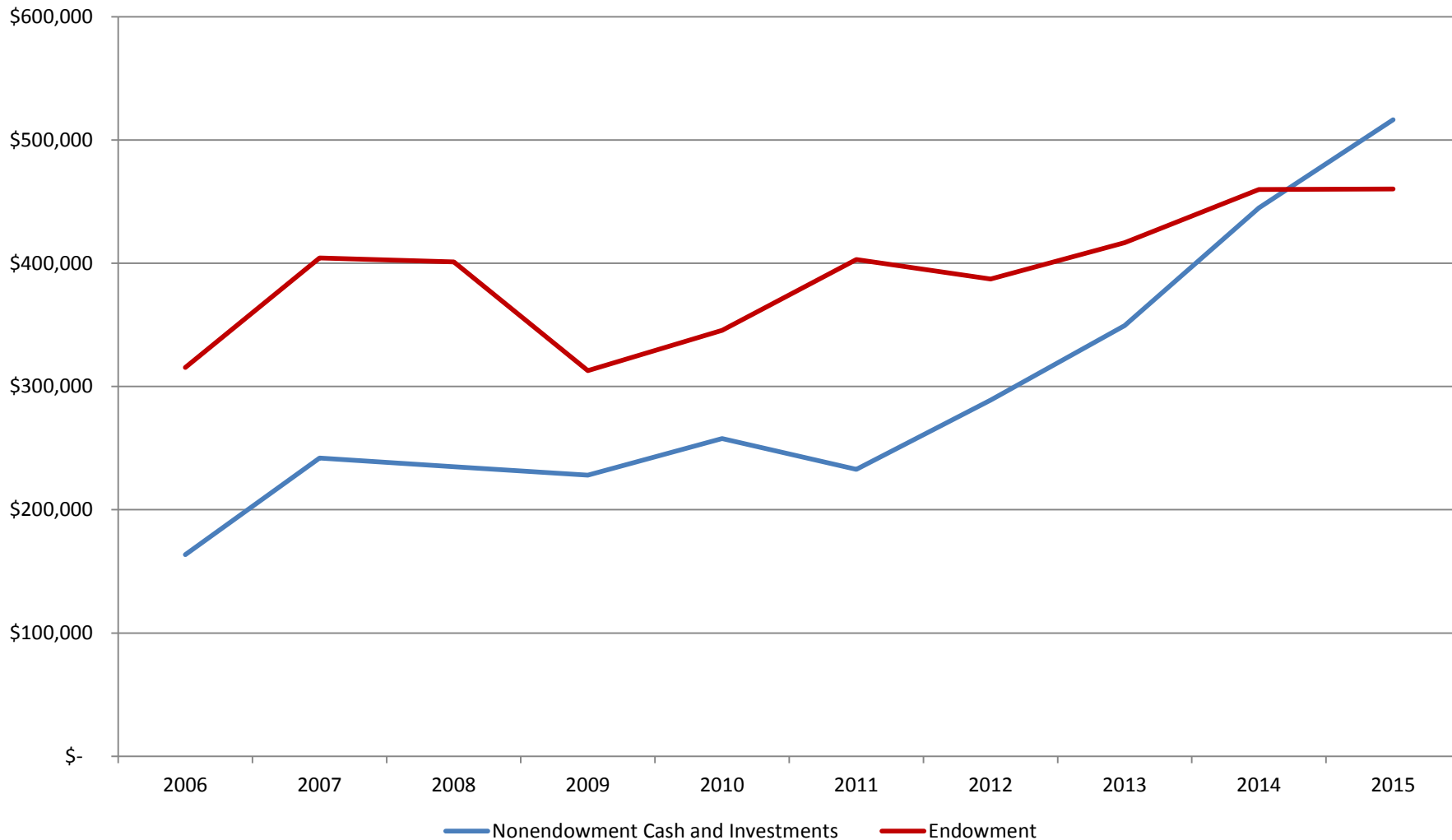


Financial Statement Dashboards

Endowment and Non-endowment Cash and Investments

Balance Sheet

(000)

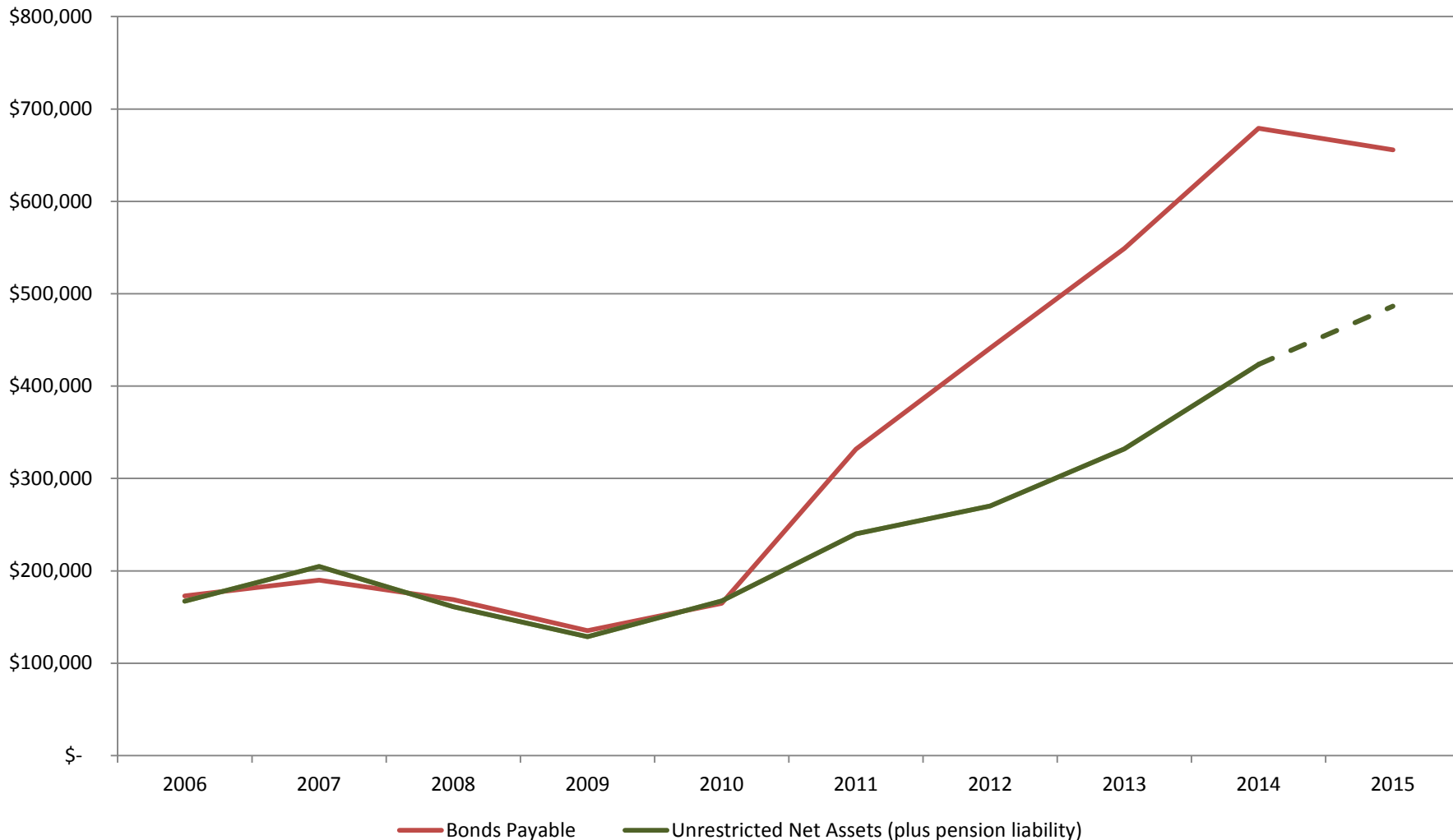


Financial Statement Dashboards

Bonds Payable and Unrestricted Net Assets (plus pension liability)

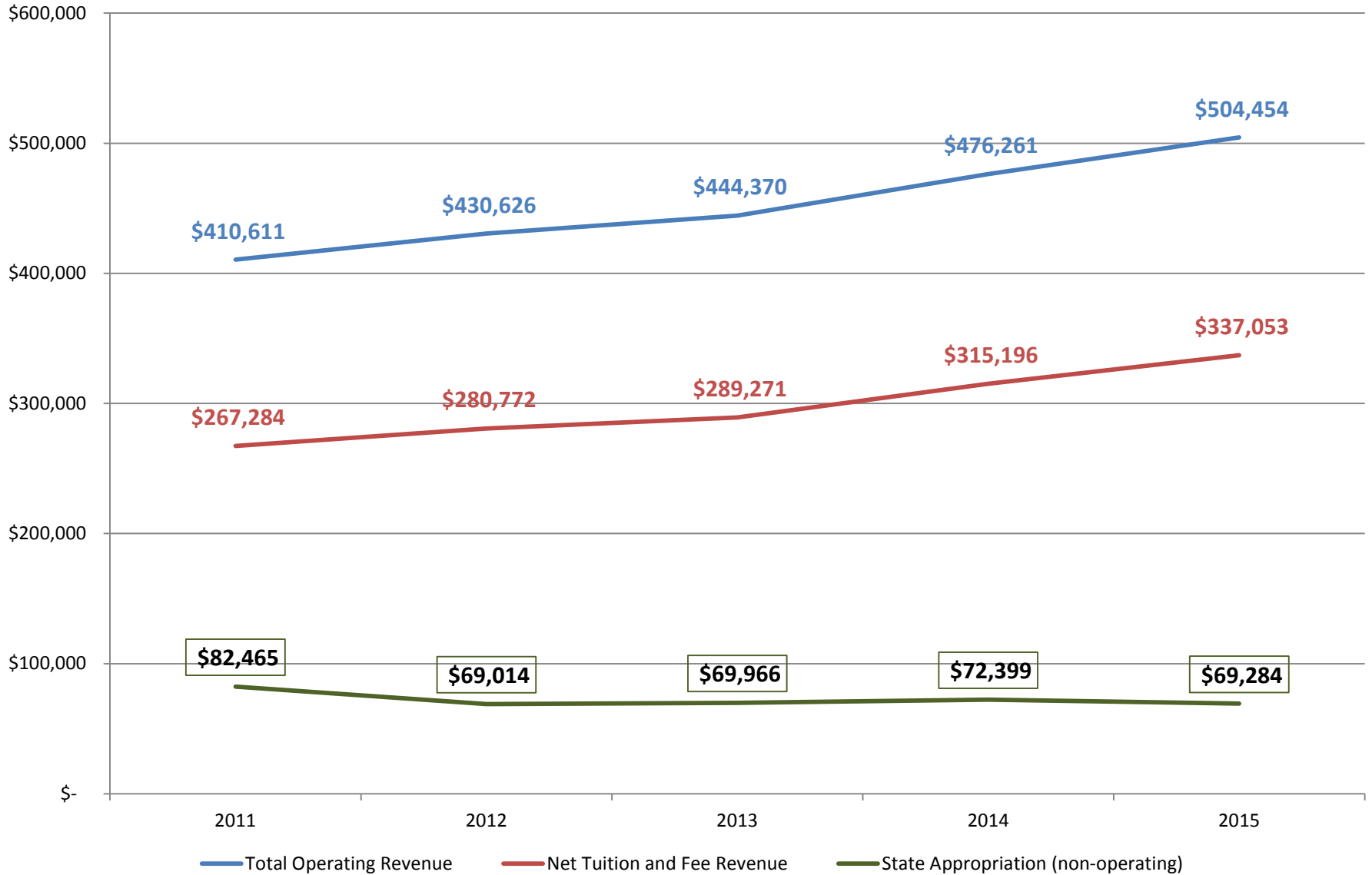
Balance Sheet

(000)



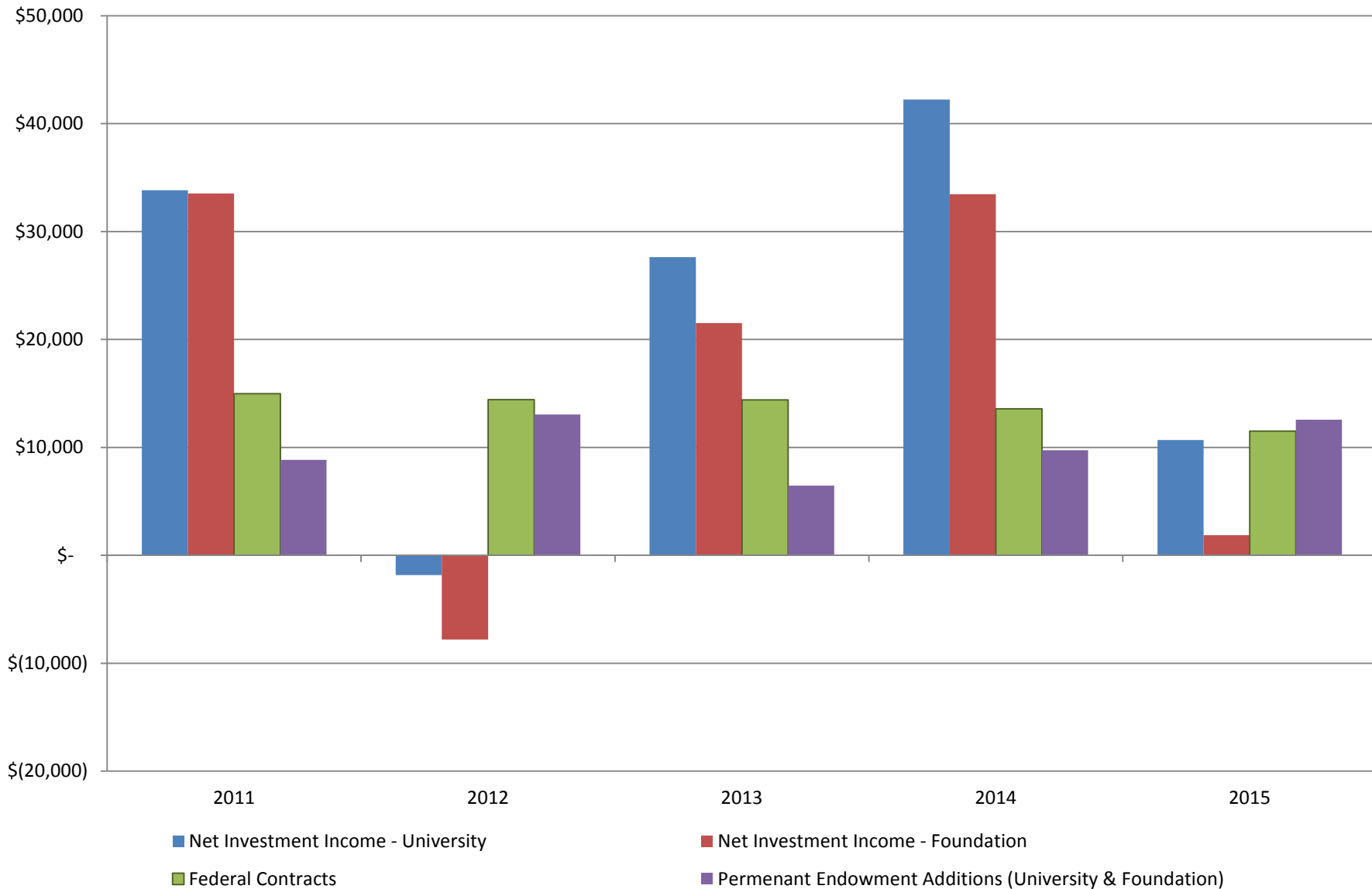
Financial Statement Dashboards

Revenues



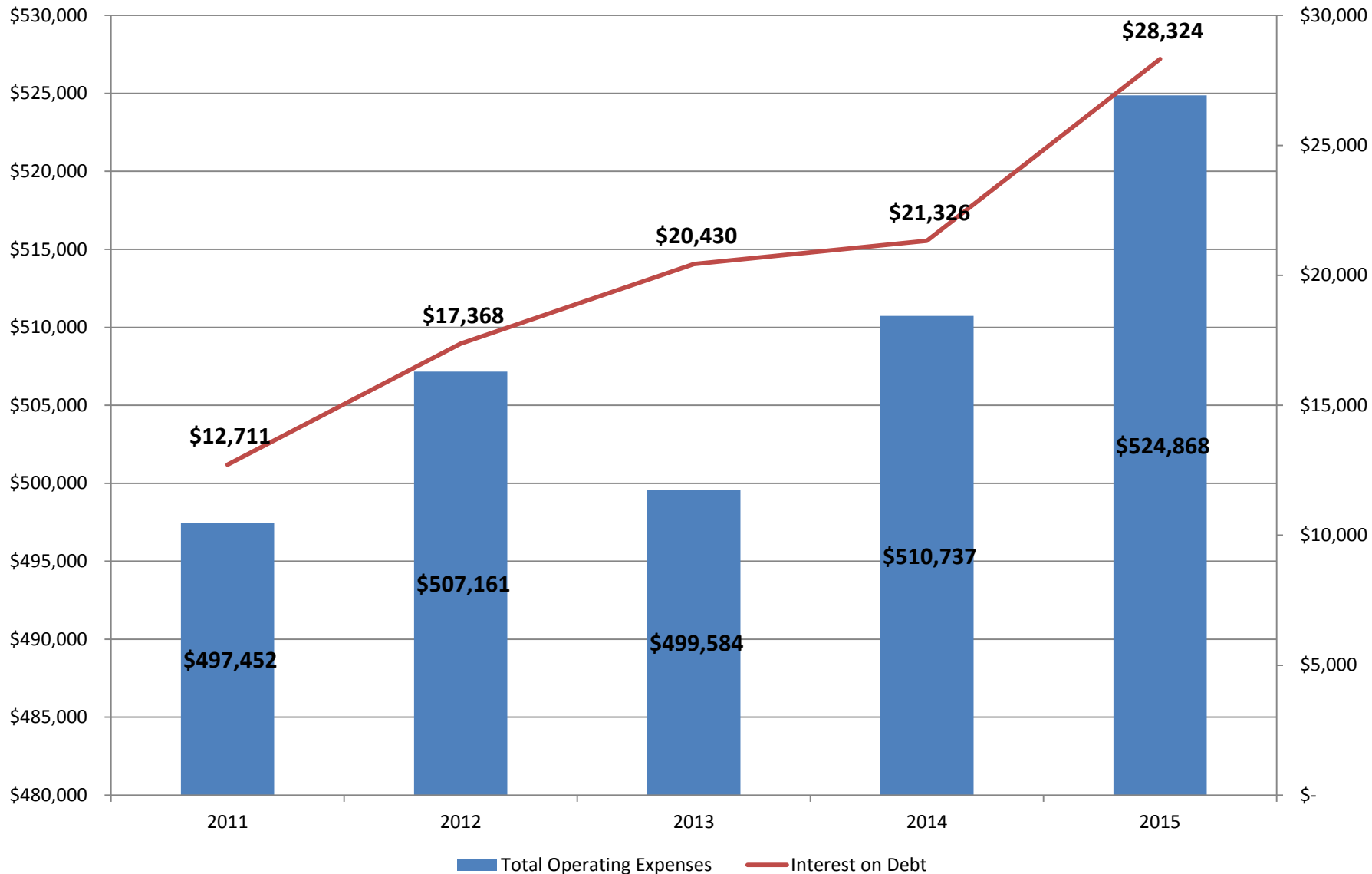
Financial Statement Dashboards

Revenues (continued)



Financial Statement Dashboards

Expenses



How were the operating surpluses created?

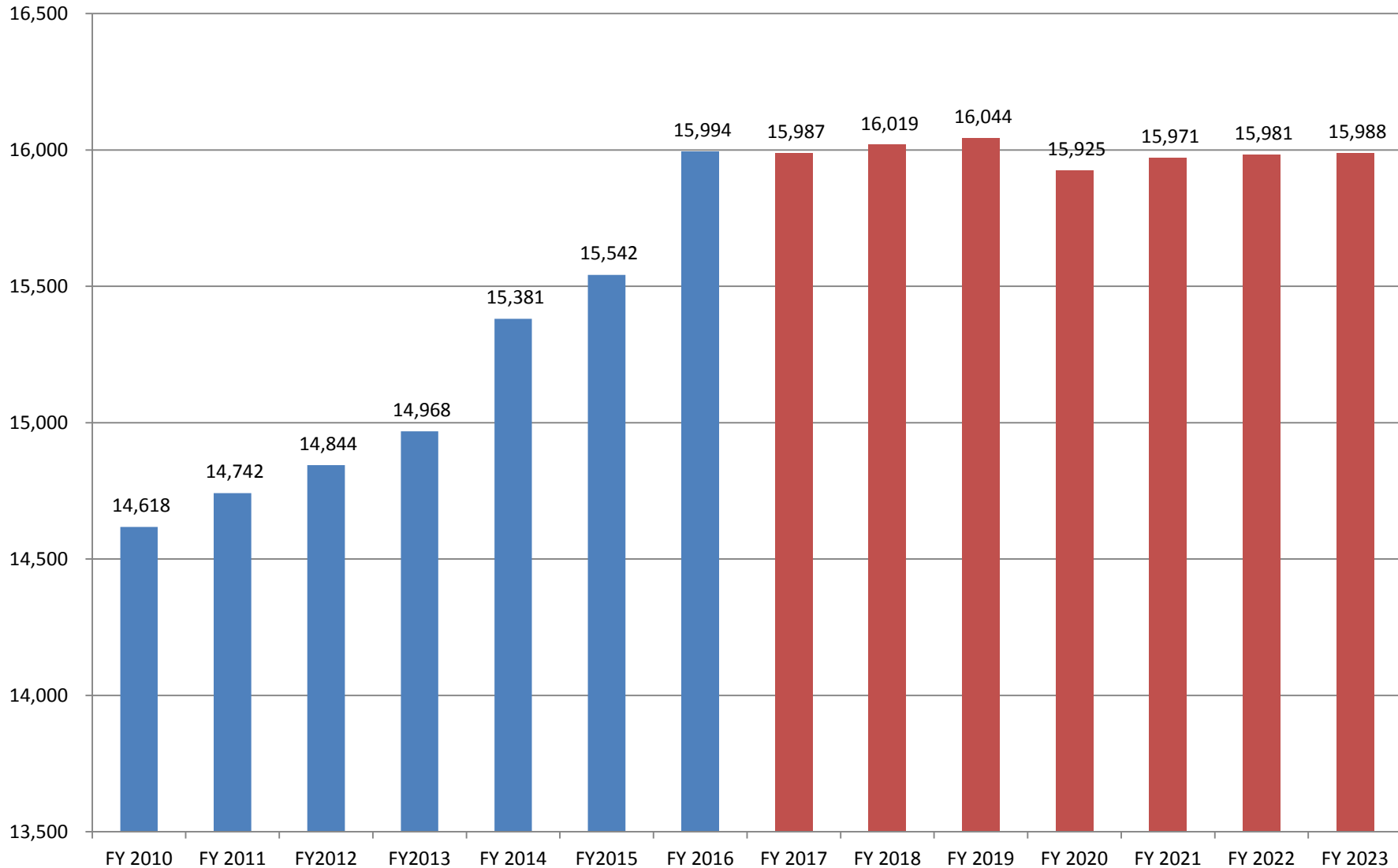
| | Fall 2009 FTE | % of Total | Fall 15 FTE | % of Total | Annual Tuition | FY 2010 Revenue | FY 2016 Revenue | Impact |
|--|---------------|------------|-------------|------------|----------------|-----------------|-----------------|----------------|
| Resident | 9,731 | 68.0% | 9,276 | 57.7% | \$ 13,533 | \$ 131,689,623 | \$ 125,532,108 | \$ (6,157,515) |
| Non Resident | 4,587 | 32.0% | 6,798 | 42.3% | \$ 30,233 | \$ 138,677,854 | \$ 205,522,574 | \$ 66,844,721 |
| New Revenue From Enrollment Growth and Mix | | | | | | \$ 270,367,477 | \$ 331,054,682 | \$ 60,687,206 |
| Winter Term Net Revenue | | | | | | | | \$ 7,100,000 |
| Strategic Priorities- Expense Reductions | | | | | | | | \$ 30,807,163 |
| 2020 Productivity Goal | | | | | | | | \$ 1,441,496 |
| Auxiliary Revenue from Enrollment Growth | | | | | | | | \$ 10,703,000 |
| Auxiliary Expense Reductions | | | | | | | | \$ 7,100,000 |
| Total Productivity Improvement | | | | | | | | \$ 117,838,865 |

* Additional budget reductions totaling \$32,055,324 were accomplished in FY 2010 and FY 2011 prior to Strategic Priorities and 2020 initiatives.

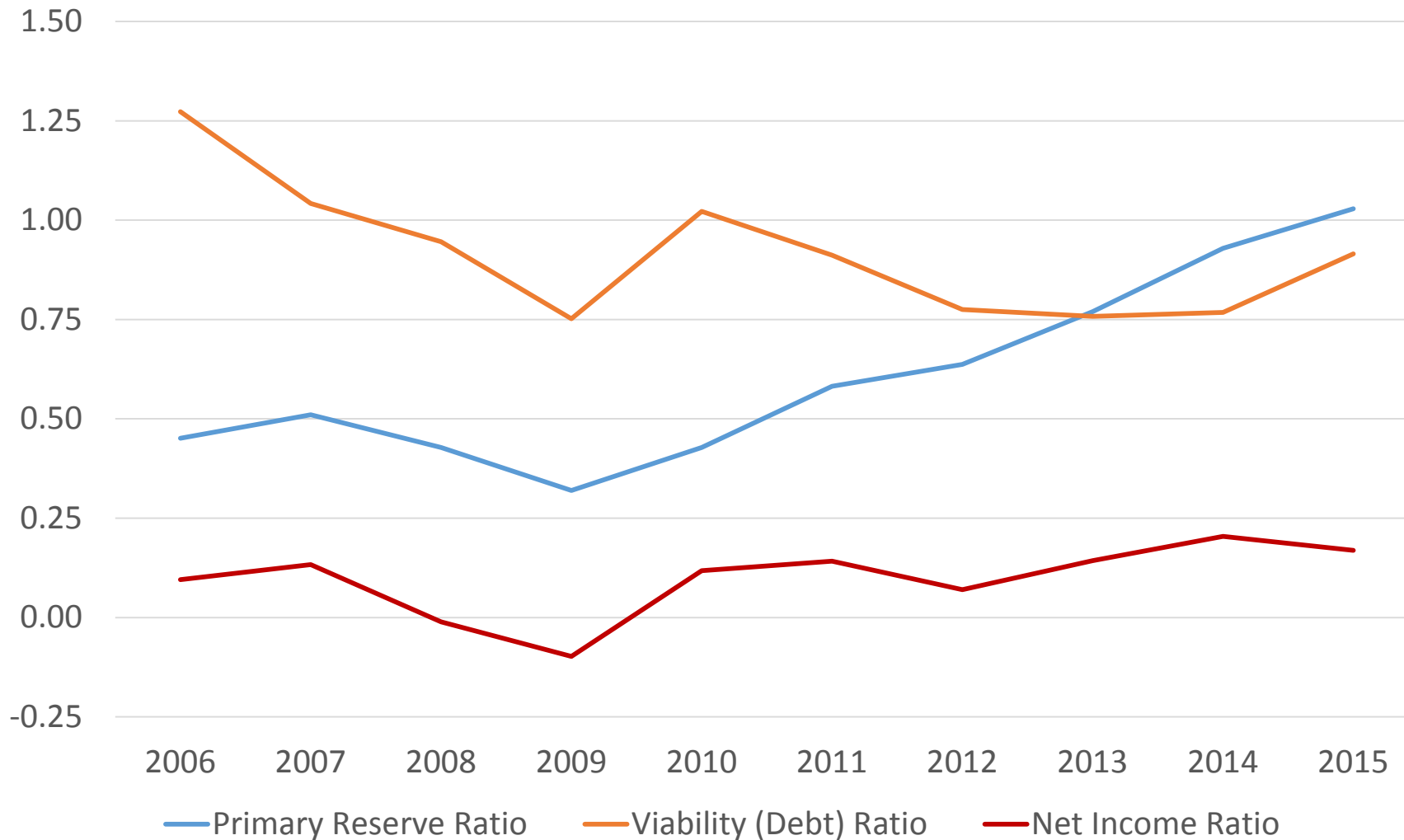
Long Range Budget Model

Projected Undergraduate Enrollment

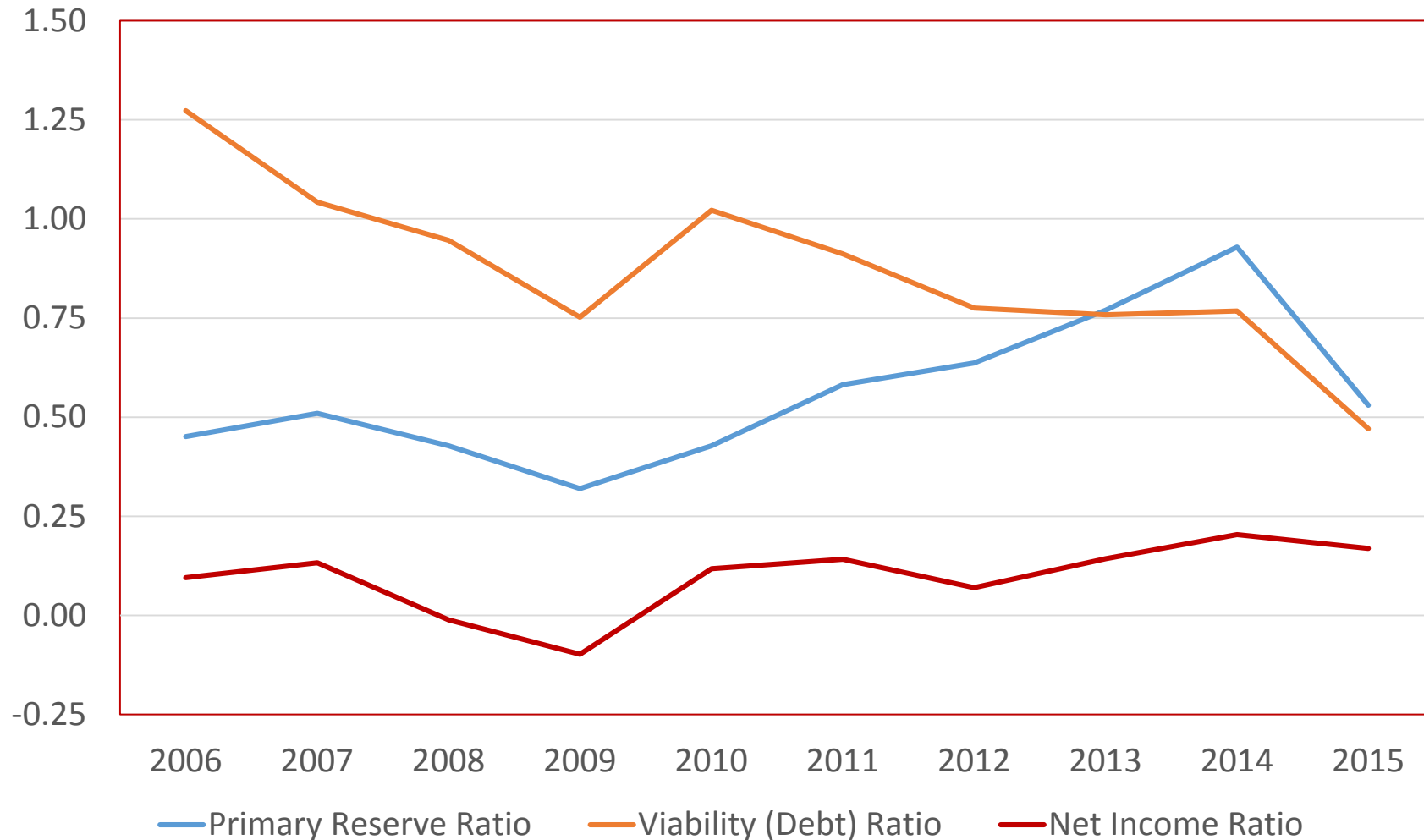
(Assumes Classes of 3,650 and 300 ACE)



Ten Year Ratio Trend (without Pension Liability)



Ten Year Ratio Trend (with Pension Liability)



Status of Capital Projects Updates

December 3, 2015



Gunlock Family Athletic Performance Center

- Project Cost: \$23,000,000
- Completion Date/% Comp: November 2016/8%
- Contingency/Balance: \$650,000/95%

Cost of Work: \$19,200,000

Project Delivery Method: Construction Manager at Risk



North Quad Renovation

- Project Cost: \$98,300,000
- Completion Date/% Comp: August 2016/50%
- Contingency/Balance: \$8,397,813/95%

Cost of Work: \$79,380,873

Project Delivery Method: Design Build



North Quad Renovation



Shideler Hall

- Project Cost: \$25,000,000 Cost of Work: \$20,039,255
- Completion Date: January 2016/99% Project Delivery Method: Construction Manager at Risk
- Contingency/Balance: \$1,417,394/8%



Shideler Hall



Shideler Hall





BOARD OF TRUSTEES
ROUDEBUSH HALL ROOM 212
OXFORD, OHIO 45056
(513) 529-6225 MAIN
(513) 529-3911 FAX
WWW.MIAMIOH.EDU

December 4, 2015
Finance and Audit

RESOLUTION R2015-14

WHEREAS, the 2009 Housing Master Plan called for 7100 beds on the Oxford campus upon completion of the plan; and

WHEREAS, on-campus housing demand has continued to grow during implementation of the Housing Master Plan's first and second phases creating overflow conditions and leasing of off-campus housing in excess of 300 beds; and

WHEREAS, a recent Housing Master Plan update anticipates a demand of 8000 beds by 2017 generating a shortfall of up to 500 beds on campus; and

WHEREAS, construction of a new residence hall is needed to provide sufficient housing options for students; and

WHEREAS, the New North Quad Residence Hall project will provide approximately 340 beds on the existing site of the Inter-Collegiate Athletics varsity tennis courts for occupancy in fall semester 2018; and

WHEREAS, the relocation of the varsity tennis courts to the west side of Yager Stadium will support the Athletic Master Plan and is necessary to complete this project; and

WHEREAS, Miami University has determined that reduced costs, speed of implementation, and coordination may be gained by using the Design Build project delivery method; and

WHEREAS, Miami University has identified bond funds in the amount of \$3,500,000 to advance the design, cost estimating, early site development needs, and other preconstruction services required to develop a Guaranteed Maximum Price (GMP) for the new residence hall; and

WHEREAS, the Board of Trustees desires to award a contract to the most responsive and responsible design builder;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer, in accordance with all State guidelines, to proceed with the award of a contract for the preconstruction phase of the New North Quad Residence Hall project which is to include planning, design, estimating and all related preconstruction services necessary to prepare the Guaranteed Maximum Price (GMP) for a budget not to exceed \$3,500,000.

*Approved by the Board of Trustees
December 4, 2015*

T. O. Pickerill II
Secretary to the Board of Trustees

Executive Summary
for the
New Residence Hall
December 3, 2015

The 2009 Housing Master Plan included the construction of new residence halls on campus providing swing space for renovating existing residence halls, replacement beds for buildings not continued and replacement beds for the loss of beds from renovation projects. Upon completion of the multi-year plan, the housing capacity was expected to provide 7100 beds – essentially the same capacity prior to the master plan. At the time this was considered an aggressive bed count given the incoming class had declined significantly over the previous year. Success in enrollment goals since then, improved student retention, growth of new international programs, and continued interest of upper-class students in living in on-campus housing has required modification to the original bed count plan as enrollment on campus has reached a record level.

Throughout the implementation of the earlier phases of the Housing Master Plan, additional beds have been designed into the projects. For the recent East Quad Renovations, nearly 100 additional beds were added beyond the original Housing Master Plan estimates. The Board of Trustees also approved an addition to Hahne Hall as part of the North Quad Renovation project adding another 100 beds.

Efforts have also been made to reduce the need for new beds by creating triples where appropriate sized rooms are available (approximately 75 were incorporated into the three new residence halls on Western Campus).

Availability of on-campus housing for upper-class students has also been reduced over time to accommodate the growing demand by freshmen and sophomores. Finally, modest use of off-campus apartments has enabled the increased demand to be accommodated but leasing beds next to campus was not possible for this fall requiring some students to be housed almost 2 miles from campus.

Several potential building sites have been evaluated for constructing a new residence hall to meet the anticipated demand. The site of the Inter-Collegiate Athletics tennis courts allows for the construction of an approximately 340-bed facility. The proposed site is adjacent to the North Quad, which is currently off-line for renovations. Necessary utility improvements to accommodate a new residence hall are now being made and will not require further disruption. The site offers close proximity to Martin Dining Hall (currently under renovation with The North Quad Renovations project) and the Garden Commons dining facility. The Campus Planning Committee has approved this location for a new residence hall.

Funding for this project will be from bond funds for the Long Range Housing Master Plan.

| <u>Project component:</u> | <u>Budget:</u> | <u>Funding Source:</u> |
|---------------------------|------------------|------------------------|
| Est. Consulting Services: | \$3,100,000 | Bond Series 2014 |
| Est. Cost of Work: | \$30,000,000 | Bond Series 2014 |
| Est. Owner's Costs: | \$1,300,000 | Bond Series 2014 |
| Owner's Contingency: | \$2,100,000 | Bond Series 2014 |
| Total: | \$36,500,000 | Bond Series 2014 |



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December 4, 2015
Finance and Audit

RESOLUTION 2016-16

WHEREAS, On September 25, 2015 the Board granted a TEMPORARY EASEMENT and the EASEMENT FOR ROAD PURPOSES to the Butler County Board Commissioners (“Butler County”) to allow for planned improvements to Bonham Road that include the replacement of the bridge over Four Mile Creek and the installation of pedestrian walkways from the Miami University east stadium parking lot to Yager Stadium Drive (“Bonham Road Improvements”);

WHEREAS, the Bonham Road Improvements necessitate the relocation of overhead electrical transmission lines, which requires that the University grant a new utility easement to Duke Energy of Ohio, Inc. to construct and maintain these lines, a copy of which is attached to this Resolution and incorporated herein (“Utility Easement”);

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees approves the Utility Easement, subject to the terms and conditions set forth therein.

BE IT FURTHER RESOLVED that the Senior Vice President for Finance and Business Services be authorized to sign the Utility Easement, and perform those acts necessary to carry out and perform the terms thereof.

*Approved by the Board of Trustees
December 4, 2015*

A handwritten signature in black ink, appearing to read 'T. O. Pickerill II', with a long horizontal flourish extending to the right.

T. O. Pickerill II
Secretary to the Board of Trustees

GRANT OF EASEMENT

(Pt. Parcel # H4100009000004)

In consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, **THE TRUSTEES OF MIAMI UNIVERSITY**, (hereinafter referred to as "Grantor"), hereby grant(s) unto **DUKE ENERGY OHIO, INC.**, an Ohio corporation, with a mailing address of 139 East Fourth Street, Cincinnati, OH 45202 and its successors and assigns (hereinafter referred to as "Grantee"), a perpetual, non-exclusive easement, to construct, reconstruct, operate, patrol, maintain, repair, replace, relocate, add to, modify and remove electric and/or telecommunication overhead line or lines, including but not limited to, all necessary and convenient supporting structures (such as poles), wires, cables, guy wires with anchors, grounding systems, counterpoises, and all other appurtenances, fixtures and equipment (hereinafter referred to as the "Facilities") for the transmission and distribution of electrical energy, and for technological purposes (including but not limited to telecommunications), in, upon, over, along, under, through and across the following described real estate:

Situate in Section 23, Town 5, Range 1 East of the Miami Meridian, in Oxford Township, Butler County, Ohio, being part of Lot 4 of the Subdivision of Lands of the Miami University as shown on the plat of survey recorded in Plat Volume 54, Page 17, and being that property conveyed to THE STATE OF OHIO, FOR THE USE OF THE PRESIDENT AND TRUSTEES OF THE MIAMI UNIVERSITY OF OXFORD, OHIO from ELSIE B. RIGLING AND RALPH R. RIGLING by deed dated June 26, 1968, and recorded in **Deed Book 896, Page 391** in the Office of the Recorder of Butler County, Ohio (hereinafter referred to as "Grantor's Property").

Said easement being that area indicated, relative to landmarks and property lines, as shown on a drawing marked Exhibit "A", attached hereto and becoming a part hereof, and shall be further evidenced by the Facilities where constructed on Grantor's Property (hereinafter referred to as "the Easement Area").

This easement grant shall include, but not be limited to, the following respective rights and duties of Grantor and Grantee:

1. Grantee shall have the right of ingress and egress over the Easement Area, and over the adjoining land of Grantor's Property (using lanes, driveways, and adjoining public roads where practical as determined by Grantee).

2. Grantee shall have the right to cut down, clear, trim, remove, and otherwise control any trees, shrubs, overhanging branches, and/or other vegetation upon or over the Easement Area. Grantee shall also have the right to cut down, clear, trim, remove, and otherwise control any trees, shrubs, overhanging branches, and/or other vegetation which are adjacent to the Easement Area but only to the extent such vegetation may endanger, as reasonably determined by Grantee, the safe or reliable operation of the Facilities, or where such vegetation is trimmed consistent with generally accepted arboricultural practices.

3. Grantee shall have the right to allow third parties (a) to attach equipment to Grantee's Facilities and (b), to trench with Grantee's Facilities, and with either (a) or (b), any such equipment shall include, but not be limited to, wires, cables, and other fixtures; provided, that Grantor shall pursue any claim with the third party and not Grantee, if any such claim arises out of any third party's attachment.

4. To the best of Grantor's knowledge, the Easement Area and the adjoining land of Grantor's Property, have never been used to release, discharge, generate or store any toxic, hazardous, corrosive, radioactive or otherwise harmful substance or material.

5. Grantor shall not place, or permit the placement of, any obstructions, which may interfere with the exercise of the rights granted herein to Grantee. Grantee shall have the right to remove any such obstruction.

6. Grantee shall have the right to pile dirt and other material and to operate equipment upon the surface of the Easement Area and the adjoining land of Grantor's Property, *but only* during those times when Grantee is constructing, reconstructing, maintaining, repairing, replacing, relocating, adding to, modifying, or removing the Facilities.

7. Excluding the removal of vegetation and obstructions as provided herein, any physical damage to the surface area of the Easement Area and the adjoining land of Grantor's Property resulting from the exercise of the rights granted herein to Grantee, shall be promptly paid by Grantee, or repaired or restored by Grantee to a condition which is reasonably close to the condition it was in prior to the damage, all to the extent such damage is caused by Grantee or its contractors or employees. In the event that Grantee does not, in the opinion of Grantor, satisfactorily repair any damage, Grantor must, within ninety (90) days after such damage occurs, file a claim for such damage with Grantee at (a) 139 East Fourth Street, Cincinnati, OH 45202 Attn: Right of Way Services, or (b) by contacting an authorized Right of Way Services representative of Grantee.

8. Grantor shall have the right to use the Easement Area and the adjoining land of Grantor's Property in any manner which is consistent with the rights granted herein to Grantee, and shall comply with all applicable codes when making use of the land near the Facilities.

9. Notwithstanding anything to the contrary contained herein, Grantor shall not without the prior written consent of Grantee (a) construct or install, or permit the construction or installation of any building, house, or other above-ground structure, or portion thereof, upon the Easement Area; or (b) excavate or place, or permit the excavation or placement of any dirt or other material upon or below the Easement Area; or (c) cause, by excavation or placement of material, either on or off the Easement Area, a pond, lake, or similar containment vehicle that would result in the permanent retention of water in any manner within the Easement Area. This Grant does not prohibit Grantor from constructing a paved road, curbs, sidewalks, poured in-place mulch, retaining walls and paved parking surface upon the Easement Area.

10. Grantor warrants that it has the necessary authority and title to Grantor's Property to grant this easement to Grantee, and shall defend and hold Grantee harmless from the claim of any third party that Grantor does not have such authority or title.

11. The respective rights and duties herein of Grantor and Grantee shall inure to the benefit of, and shall be binding upon the respective successors, assigns, heirs, personal representatives, lessees, licensees, and/or tenants of Grantor and Grantee. Easement, Grantor and Grantee, as used herein, shall be deemed to be plural, when required to be so. The exercise of any or all of the rights and privileges of Grantee set forth herein, shall be at the sole discretion of Grantee.

IN WITNESS WHEREOF, Grantor has caused this Grant of Easement to be signed by its duly authorized representative(s), effective the _____ day of _____, 2015.

THE TRUSTEES OF MIAMI UNIVERSITY, Grantor

By: _____ By: _____

Name: _____ Name: _____

Title: _____ Title: _____

STATE OF _____)
) SS:
COUNTY OF _____)

Personally appeared before me this day _____ and _____, duly authorized representative(s) of Grantor and acknowledged the signing of this Grant of Easement by _____ to be a voluntary act and deed for and on behalf of Grantor, and having been duly sworn/affirmed, state(s) that any representations contained therein are true to the best of _____ personal knowledge.

WITNESS my hand and notarial seal, this _____ day of _____, 2015.

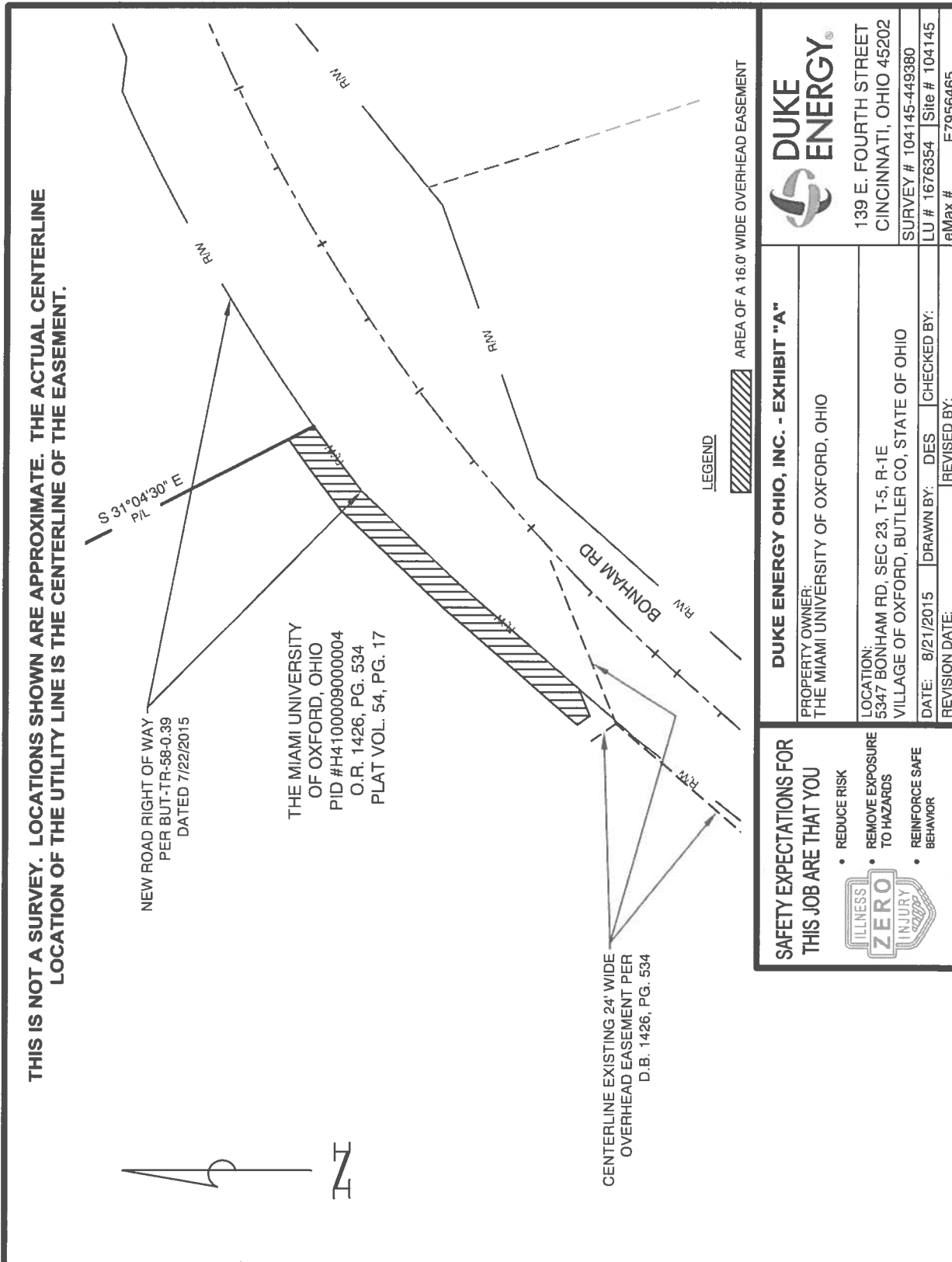
My Commission Expires: _____ Signed Name: _____

My County of Residence: _____ Printed Name: _____

This Instrument Prepared by Janice L. Walker, Attorney-at-Law, 139 E. Fourth St. Cincinnati, OH 45202.

For Grantee's Internal Use:

*Emax #: E7956465
LU#1676354
Pole: BTO-14981
Prep/Chk: TLM/_____ Exec/Rec: _____
Prepared Date: November 2, 2015*



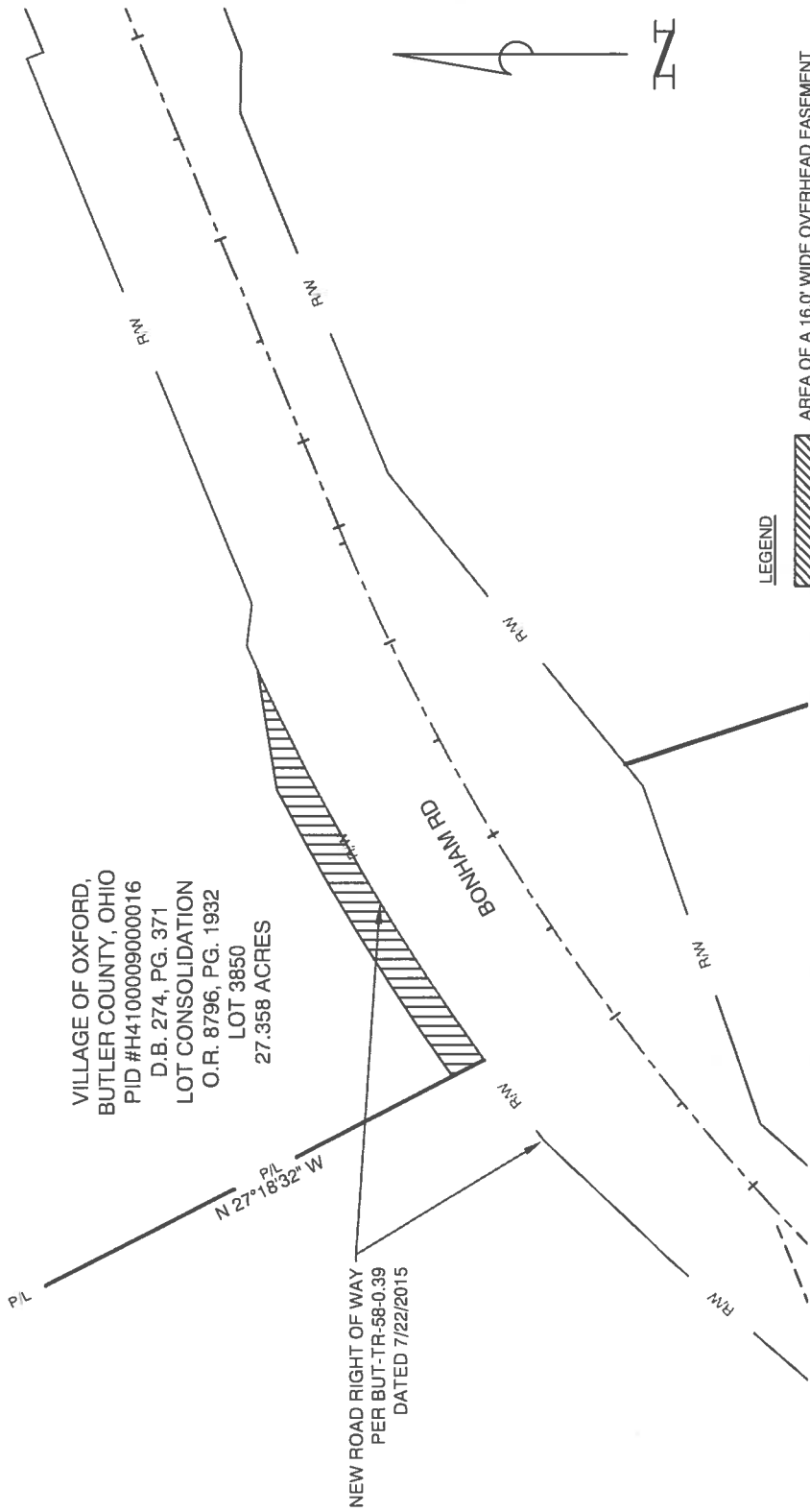
139 E. FOURTH STREET
CINCINNATI, OHIO 45202
SURVEY # 104145-449380
LU # 1676354 | Site # 104145
eMax # E7956465

| | |
|---|---------------|
| DUKE ENERGY OHIO, INC. - EXHIBIT "A" | |
| PROPERTY OWNER: THE MIAMI UNIVERSITY OF OXFORD, OHIO | |
| LOCATION: 5347 BONHAM RD, SEC 23, T-5, R-1E VILLAGE OF OXFORD, BUTLER CO, STATE OF OHIO | |
| DATE: 8/21/2015 | DRAWN BY: DES |
| REVISION DATE: | CHECKED BY: |
| | REVISOR BY: |

SAFETY EXPECTATIONS FOR THIS JOB ARE THAT YOU

- REDUCE RISK
- REMOVE EXPOSURE TO HAZARDS
- REINFORCE SAFE BEHAVIOR

THIS IS NOT A SURVEY. LOCATIONS SHOWN ARE APPROXIMATE. THE ACTUAL CENTERLINE LOCATION OF THE UTILITY LINE IS THE CENTERLINE OF THE EASEMENT.



LEGEND

AREA OF A 16.0' WIDE OVERHEAD EASEMENT

DUKE ENERGY
 139 E. FOURTH STREET
 CINCINNATI, OHIO 45202
 SURVEY # 104145-449381
 LU # 1676353 | Site # 104145
 eMax # E7956465

| | |
|---|---|
| DUKE ENERGY OHIO, INC. - EXHIBIT "A" | |
| PROPERTY OWNER: | VILLAGE OF OXFORD |
| LOCATION: | BONHAM RD, SEC 23, T-5, R-1E VILLAGE OF OXFORD, BUTLER CO, STATE OF OHIO |
| DATE: | 8/21/2015 |
| DRAWN BY: | DES |
| CHECKED BY: | |
| REVISION DATE: | |
| REVISOR: | |

SAFETY EXPECTATIONS FOR THIS JOB ARE THAT YOU

- REDUCE RISK
- REMOVE EXPOSURE TO HAZARDS
- REINFORCE SAFE BEHAVIOR

Tuition Promise

Finance and Audit Committee

December 3, 2015



MIAMI UNIVERSITY

Miami Tuition Promise

- Is a *guaranteed tuition* program for first-time, degree-seeking undergraduate students on the Oxford campus.
- Would *include tuition* (instructional and general fee) as well as *room and board*
- Would establish a single *all-in* amount *guaranteed for 4 years* for each academic year's entering *cohort*

Included: Special Purpose Fees (i.e., CEC major fees; Architecture, Interior Design and Music major fees in CCA); Course Fees (e.g., per-credit-hour FSB course fee, laboratory fees).

Not Included: Service Charges and fines, such as vehicle registration and library and parking fines. Workshops, student health insurance, textbooks and supplies



Tuition Promise – Why?

Supported by students, parents, high school counselors

- June, 2013: Ohio General Assembly legislation enables universities to set tuition for four years
- April 2014: ASG passes resolution urging adoption of guaranteed tuition program (SR020411)
- Feb, Apr 2014: Discuss options with Finance and Audit Committee of the Board of Trustees
- 2014-15: ASG passes two additional resolutions reaffirming support (SR021501 and SR021529)
- Aug, 2015: Fiscal Priorities Committee indicates unanimous support for Tuition Promise for Oxford Campus
- Fall, 2015: Creation of Miami University Tuition Promise for the Oxford Campus discussed with Senate, Faculty Assembly and Finance and Audit Committee of Board of Trustees



Tuition Guarantee Program

Miami University versus Ohio University

| | <u>Program Attributes</u> | <u>Miami University</u> | <u>Ohio University</u> |
|-----|--|--------------------------------|-------------------------------|
| 1. | Initial Rate of Increase for Ohio Residents | 2.9% | 5.0% |
| 2. | Mandatory for New Undergraduate degree seeking students | Yes | Yes |
| 3. | Guarantee for four years | Yes | Yes |
| 4. | Guarantee applies to regional campus students relocating to main campus | Yes | Yes |
| 5. | Non-degree students excluded from guarantee | Yes | Yes |
| 6. | Allows students to complete as many credit hours, degrees and minors in four years as desired | Yes | Yes |
| 7. | Guarantee includes tuition, all general fees, course and program fees and room and board | Yes | Yes |
| 8. | Course and program fees are a level amount | No | Yes |
| 9. | Transfer students from an Ohio public community or technical college are treated like students relocating from a regional campus | Yes | No |
| 10. | Tuition guarantee also applies to designated graduate courses completed during the four year period | Yes | No |
| 11. | Students enrolled in programs requiring more than four years will have their guarantee extended | Yes | Yes |
| 12. | Students who take more than four years are assigned to the next oldest cohort | Yes | Yes |
| 13. | Extended time is provided for extraordinary circumstances | Yes | Yes |



December 4, 2015
 Finance and Audit

RESOLUTION R2016-12
 Miami Tuition Promise

WHEREAS, the Ohio General Assembly appropriated additional funding for public higher education in Ohio for the explicit purpose of freezing tuition for resident undergraduate students for academic year 2015-6 and academic year 2016-17; and

WHEREAS, the Miami University Board of Trustees (Board) intends to adopt an ordinance freezing tuition at the fall 2014 level for all returning resident undergraduate students on all campuses and first time resident undergraduate students on the regional campuses; and

WHEREAS, the Board desires to offer resident undergraduate students enrolling on the Oxford Campus for the first time the effect of the same tuition freeze while also providing them greater certainty about the cost of tuition for all four years they are expected to enroll on the Oxford Campus; and

WHEREAS, Ohio law (Ohio Revised Code §3345.48) authorizes universities to establish an Undergraduate Tuition Guarantee Program (Program) by adopting a rule for the governance of the Program; and

WHEREAS, such rule must be submitted to the Chancellor of the Ohio Department of Higher Education for approval; and

WHEREAS, the Board believes that a tuition guarantee program when combined with guaranteed room and board rates and other instructional fees will provide students and their families with the certainty that the cost of their education will not increase over the four academic years of their Miami experience; and

WHEREAS, the Board is convinced that by holding these costs constant, the Miami Tuition Promise will provide the confidence and certainty that families need to more effectively plan for the cost of a college education; and

WHEREAS, in establishing the initial price for tuition under the Program the Board intends that the cost of tuition be no more than the effect of a tuition freeze in the first year of the four year guarantee and annual increases of 2% for the remaining three years of the guarantee;

NOW THEREFORE BE IT RESOLVED, that the Board of Trustees adopts the Miami University Tuition Promise attached hereto as Exhibit A for the governance of the Program; and

BE IT FURTHER RESOLVED, that the President and the Senior Vice President for Finance and Business Services are authorized to submit the Miami University Tuition Promise to the Chancellor of the Ohio Department of Higher Education for approval as required by Ohio

Revised Code 3345.48 and are further authorized to modify the Program as may be appropriate to obtain the approval by the Chancellor; and

BE IT FURTHER RESOLVED, the Miami University Tuition Promise shall become effective with the approval of the Chancellor of the Ohio Department of Higher Education and shall be implemented beginning with the 2016-2017 academic year.

Approved by the Board of Trustees

December 4, 2015



T. O. Pickerill II
Secretary to the Board of Trustees

MIAMI UNIVERSITY TUITION PROMISE

A. TUITION PROMISE

1. The Miami University Tuition Promise is an Oxford campus, cohort-based, guaranteed undergraduate tuition program adopted in accordance with Ohio Revised Code §3345.48. Miami University's Tuition Promise provides all First-Time Students and their families the certainty that Tuition, Special Purpose and Course Fees and Room and Board charges will not increase over the ensuing four academic year period from their first enrollment as a degree seeking student. The Tuition Promise will apply to all First-Time, degree-seeking undergraduate students enrolling on the Oxford campus. Tuition and fees will be set annually for returning students on the Oxford Campus, Miami's regional campuses, Luxembourg campus and for the Voice of America Center. Participation in the program is required for all First-Time, degree-seeking undergraduate students enrolling on the Miami University Oxford campus for the first time in fall semester of 2016 or later.
2. The four academic years of the Tuition Promise includes eight consecutive semesters, four (4) winter and four (4) summer terms. The four academic year term is guaranteed regardless of the student's enrollment status (full- or part-time or not enrolled) during that time.
3. Tuition is set by the Board of Trustees each academic year and guaranteed for eight consecutive semesters for each entering Cohort. Winter and summer terms are charged separately based on the guaranteed Cohort per-credit-hour rate.

B. TERMS

1. First-Time Student

A First-Time Student is any undergraduate, degree-seeking student enrolled on Miami University's Oxford campus for the first time on or after fall 2016. First-Time Students include students who enroll at Miami after graduating from high school, transfer students who enroll from another college or postsecondary institution, and non-traditional students who enroll on the Oxford campus for the first time. First-Time Students do not include non-degree-seeking students or conditionally admitted students such as students enrolled in the American Culture and English (ACE) Program, College Credit Plus or Advanced High School; exchange students; and other students participating in other pre-enrollment or postsecondary option programs.

2. Returning Students

Students enrolled at the Miami University Oxford campus prior to summer term 2016 and who are enrolled in fall term 2016 or later are considered Returning Students for purposes of assessing tuition and other fees and are not covered by the Miami Tuition Promise. Tuition and other fees are set annually by the Board of Trustees for these students.

3. Cohort

- a) First-Time Students are assigned to a Cohort (group) based on the semester in which the student first enrolls as a degree-seeking student. Each academic year contains one fall semester Cohort and one spring semester Cohort.
- Any Oxford campus degree-seeking, undergraduate student who is registered for classes for the first time as of the fifteenth day of the fall or spring term will be assigned to that Cohort year for purposes of determining Tuition, Special Purpose and Course Fees and Room and Board for the four academic years covered by the guaranteed Cohort price. Each Cohort commences with the first semester of enrollment and the pricing remains constant for four academic years (e.g., fall 2016 through summer 2020 or spring 2017 through winter 2021).
 - Students may complete as many undergraduate degrees, majors, minors, and/or certificates as they choose within their Cohort period.
 - Students may enroll in graduate-level coursework for programs offered on the Oxford campus at their guaranteed tuition rate until their Cohort period expires..

4. Tuition (Instructional and General Fee)

Tuition is the sum of the Instructional Fee and General Fee. For non-Ohio-resident students, Tuition also includes a tuition surcharge. Under the Tuition Promise, Tuition is set each academic year for eight consecutive semesters for each entering fall and spring Cohort. Winter and summer terms are charged separately based on the guaranteed Cohort per-credit-hour rate.

a) Instructional Fee

These are the guaranteed instructional costs that First-Time, degree-seeking students will pay. Non-Ohio-resident students also pay a tuition surcharge. Each incoming Cohort is charged its unique, guaranteed resident or non-resident rate for eight consecutive semesters. Full-time students pay no additional Tuition regardless of the number of hours enrolled. Part-time students pay Instructional Fees on a pro-rated, per-credit-hour basis.

b) General Fee

These are campus fees charged to all students for non-instructional services and programs on campus, such as orientation, health education and services, recreation, athletics, transportation, access to technology, graduation, the Armstrong Student Center, other student-life facilities and student activities.

5. Room and Board Charges

Room and Board charges are the guaranteed rates for Miami's housing and meal plan options. Students pay a fee based on the housing and meal plan selected. The schedule of fees and options are guaranteed for each Cohort for eight consecutive semesters. Miami University requires first- and second-year students to reside in University-provided housing and to purchase a meal plan.

6. Additional Tuition Promise Guaranteed Fees

a) Special Purpose Fees

Special Purpose Fees are additional per-semester charges that vary by college within the University and support specialized academic programs and instruction in that specific college (i.e., the College of Engineering and Computing major fees and the Architecture, Interior Design and Music major fees in the College of Creative Arts). These fees are charged as applicable and are guaranteed for each Cohort.

b) Course Fees

Course Fees are per-credit-hour charges for certain courses or course-related costs and vary based on the course (e.g., the per-credit-hour Farmer School of Business course fee, laboratory fees). These fees are charged as applicable and are guaranteed for each Cohort.

7. Charges and Fines Not Included in the Tuition Promise

a) Service Charges and Fines

These are charges and fines incurred by students such as vehicle registration and library and parking fines. These charges and fines will vary from year to year and are not included in Miami's Tuition Promise.

b) Workshops, student health insurance, textbooks and supplies are not included in the Tuition Promise.

C. DISSEMINATION

The terms of the Tuition Promise, along with Miami University Board of Trustees' approved guaranteed Cohort prices, will be widely disseminated including publication on the Miami University Admission, One Stop for Student Success Services and other student service websites and in the Miami University Policy Library.

D. ADDITIONAL PROVISIONS

1. Summer/Winter Term Start

Students whose first enrollment is a summer or winter term will pay the continuing student/non-degree-seeking student tuition rate for the initial term, but will be assigned to the entering semester Cohort that immediately follows. Summer start students are typically students who have confirmed their enrollment and will be matriculating for the first time for the fall semester immediately following the summer term. By being assigned to the following semester Cohort, these students will receive the benefit of guaranteed tuition for four full years after completing the initial term.

2. Students Enrolled on Both Oxford and Regional Campuses

In addition to students who take all of their credit hours during an academic year (fall, winter, spring or summer) on either the regional campuses or the Oxford campus, some students take classes at the regional campuses and the Oxford campus during the same semester or academic year. Historically, these students have been assessed the tuition applicable to the “campus of the student” for all credit hours taken. Miami University will continue to use the “campus of the student” to determine the tuition applicable for all hours enrolled by the student during an academic year.

3. Exception for Relocating Students and Students Transferring from Ohio’s Public Community and Technical Colleges

When a student transfers from one of Ohio’s public community or technical colleges or relocates from one of Miami University’s regional campuses to the Oxford campus, the student will be assigned to the lowest unexpired Cohort for the duration of that Cohort. The Cohort will be assigned based on the earliest date of enrollment as a full-time undergraduate student at the qualifying institution. When the assigned Cohort expires the student will automatically be placed into the Cohort that went into effect the year after their assigned Cohort (Cohort +1). The student will remain in that Cohort for up to one year and if still enrolled after that Cohort expires, will be placed into the next Cohort (Cohort +2) for the next year and so on until the student is no longer enrolled. (Students admitted for College Credit Plus or other conditional admissions are not considered to be fully admitted).

If four (4) or more academic years have elapsed since the student’s first date of enrollment as a full-time undergraduate student at the qualifying institution, then the student transferring from one of Ohio’s public community or technical colleges or relocating from one of Miami University’s regional campuses will be assigned to the oldest unexpired Cohort on the Oxford campus.

For Oxford campus students relocating to the regional campuses, these students will pay the current tuition and other fees in effect on the regional campuses. These students may relocate back to the Oxford campus at any time and pay tuition and other fees associated with their original Cohort.

4. Non-Degree Students

Students admitted or enrolled as non-degree-seeking students (students who are not pursuing an undergraduate degree or have not been admitted as a degree-seeking student at Miami University) are not covered by the Tuition Promise and will not be assigned to a Cohort unless the student is subsequently admitted and enrolls as a degree-seeking student. Tuition for these students will continue to be set annually by the Board of Trustees. This includes non-degree-seeking students or conditionally admitted students such as students enrolled in the American Culture and English (ACE) Program, College Credit Plus or Advanced High School; exchange students, and other students participating in other pre-enrollment or postsecondary option programs. Once a student is admitted as a First-Time, degree-seeking student, the student will be assigned to the Cohort based on the semester in which the student first enrolled as a degree-seeking student.

5. Re-Enrolling Students

Re-enrolling students who were admitted in a degree-seeking program prior to fall 2016 are not covered by the Tuition Promise and will pay tuition and other fees associated with Returning Students.

When a student originally assigned to a Cohort seeks to re-enroll after any period of non-attendance and not more than four (4) academic years have elapsed since the student's initial degree-seeking enrollment, then the student will be assigned to the student's original Cohort for the balance of the Cohort period. If four (4) or more academic years have elapsed, then the re-enrolling student is assigned to the oldest unexpired Cohort on the Oxford campus.

E. EXCEPTIONS TO STANDARD LENGTH OF COHORT

The Miami University Tuition Promise is for four (4) academic years commencing with either the fall or spring semester. Some students may require additional academic periods beyond the four (4) academic years to complete their baccalaureate degree and will continue to attend the Oxford campus beyond their Cohort period. When certain exceptions are met (as described in Section L of this document) students may extend their guaranteed Cohort price beyond their guaranteed Cohort period. A student must apply for an exception no later than one semester prior to the expiration of their Cohort. Students with approved exceptions will be granted additional courses at their guaranteed Cohort price. The specific courses or length of the exception will be determined as part of any approval.

F. ACADEMIC COSTS INCLUDED IN THE MIAMI UNIVERSITY TUITION PROMISE

1. Tuition (Instructional and General Fee)

Tuition is the sum of the Instructional Fee and General Fee. For non-Ohio resident students, Tuition also includes a tuition surcharge. Under Miami's Tuition Promise, Tuition is set each academic year and guaranteed for eight consecutive semesters for each entering Cohort. Winter and summer terms are charged separately based on the guaranteed Cohort per-credit-hour rate.

a) Instructional Fee

These are the guaranteed, instructional costs that all First-Time, degree-seeking students will pay. Non-Ohio resident students will also pay a tuition surcharge. Each incoming Cohort is charged its unique, guaranteed resident or non-resident rate for eight consecutive semesters. Full-time students pay no additional Tuition regardless of the number of hours enrolled. Part-time students pay instructional fees on the Cohort pro-rated, per-credit-hour basis. The Tuition Promise does not include workshops.

b) General Fee

These are campus fees charged to all students for non-instructional services and programs on campus, such as recreation, athletics, transportation, technology, the Armstrong Student Center, other student-life facilities and student activities.

c) Special Purpose Fees

Special Purpose Fees are additional per-semester fees that vary by college within the University and support specialized academic programs and instruction in that specific college (i.e., the College of Engineering and Computing major fees and the Architecture, Interior Design and Music major fees in the College of Creative Arts). These fees are charged as applicable and are guaranteed for each Cohort.

d) Course Fees

Course Fees are per-credit-hour fees for certain courses or course-related costs and vary based on the course (e.g., the per-credit-hour Farmer School of Business course fee, laboratory fees). These fees are charged as applicable and are guaranteed for each Cohort.

G. OTHER STUDENT COSTS INCLUDED IN THE MIAMI UNIVERSITY TUITION PROMISE

The goal of the Tuition Promise is to provide a comprehensive set of costs for completing an undergraduate degree at Miami University. The following costs are also included in the Miami University Tuition Promise:

1. Housing Rates (Room)

The Tuition Promise includes a guaranteed price schedule for housing that represents the various housing options available to undergraduate students. The rate charged to the student is based upon the student's selected or assigned residence type, (e.g., single room, double room, triple occupancy, new construction and renovated hall). If a student changes from one room or hall type to another during the Cohort period, the housing rate charged to the student will be adjusted based on the guaranteed price schedule that is in effect throughout the student's Cohort period.

Student requests to reside in on-campus housing beyond the second year are subject to room availability. If space is available for a student who has already met the residency requirement, the established Cohort rate schedule for student rooms continues throughout the period covered by the guaranteed Cohort price.

2. Meal Plan Rates (Board)

The Tuition Promise includes a number of meal plan options from which the student may choose depending on whether the student is residing on- or off- campus. A meal plan is required for students residing in university housing. A Cohort menu of meal plans and rates is included as part of the Cohort pricing and the actual meal plan cost will be based on the meal plan selected by the student. While the meal plan price will remain guaranteed during the Cohort period, individual meal items and merchandise in retail locations are subject to

price changes.

H. OTHER STUDENT COSTS NOT INCLUDED IN THE MIAMI UNIVERSITY TUITION PROMISE

All other fees, fines, and costs related to attending Miami University not specifically identified as part of the Tuition Promise are excluded from the guaranteed Cohort price and are subject to price changes. These exclusions include credit workshops, student health insurance and textbooks. While such costs are excluded, Miami University will seek to limit increases to the extent feasible.

I. COHORT PRICING BEYOND THE INITIAL YEAR

1. Once the initial Cohort Tuition is established, subsequent Cohort increases in Tuition will be based on:
 - a) The average rate of inflation, as measured by the consumer price index prepared by the Bureau of Labor Statistics of the United States Department of Labor (all urban consumers, all items), for the previous sixty-month period; and
 - b) The percentage amount the Ohio General Assembly restrains increases on in-state undergraduate Instructional and General Fees for the applicable fiscal year. If the General Assembly does not enact a limit on the increase of in-state undergraduate instructional and general fees, then no limit shall apply under this section for the Cohort that first enrolls in any academic year for which the General Assembly does not prescribe a limit.
 - c) This rate of increase will be benchmarked against other State of Ohio four-year residential research institutions' four-year rolling cost averages to account for the impact of the Cohort pricing model on tuition changes. If Miami University's Cohort Tuition for Ohio residents falls significantly below these institutions, Miami University may elect to submit for approval by the Chancellor of the Department of Higher Education an increase in the forthcoming Cohort Tuition pricing in excess of the stated limitation for Ohio residents.
2. Other increases in Cohort pricing, including the Non-Resident Tuition Surcharge, Special Purpose Fees, Course Fees and Room and Board charges are not subject to the pricing formula set forth above and will be determined by the Miami University Board of Trustees.

J. STUDENTS WHO STOP OUT/WITHDRAW AND RETURN

If a student takes a leave, withdraws, or is judicially suspended from the University for one or more academic semesters, the four (4) academic year period covered by the guaranteed Cohort price will not be extended. As a result, the student will lose the term(s) of eligibility while absent within the four (4) academic year Cohort period. When the student re-enrolls, if four (4) academic years have not lapsed since the student's initial degree-seeking enrollment, then the student will be charged the guaranteed rate based on his or her original Cohort for the balance of the Cohort

period. If four (4) or more academic years have passed, then the re-enrolling student is assigned to the oldest unexpired Cohort on the Oxford campus (as defined in section K).

K. STUDENTS WHO REQUIRE LONGER THAN THEIR COHORT PERIOD TO GRADUATE

Students who do not complete their undergraduate degree requirements and are not eligible for an exception (as defined below) by the end of their assigned Cohort term, will automatically be placed into the Cohort that went into effect the year after their assigned Cohort (Cohort +1). The student will remain in that Cohort for up to one year and if still enrolled after that Cohort expires, will be placed into the next Cohort (Cohort +2) for the next year and so on until the student is no longer enrolled.

L. EXCEPTIONS FOR STUDENTS WHO REQUIRE LONGER THAN THEIR COHORT PERIOD TO GRADUATE

There will be some students who will take longer than their guaranteed Cohort period to graduate due to circumstances beyond their control. No later than one semester prior to the expiration of their guaranteed Cohort term, a student may request, an extension of their guaranteed Cohort price. Each case will be evaluated on its own merits to determine whether an extension should be granted and if so, the nature and duration of any extension.

1. A Tuition Promise Appeals Committee will evaluate requests for exceptions. The appeal must fall within extenuating circumstances established by the Appeals Committee as described below.
 - a) If the Appeals Committee finds that the student cannot complete the degree program within the four (4) academic years of the student's Cohort due solely to a lack of available classes or space in classes provided by the University, the University will provide the student with an opportunity to take the necessary course or courses without requiring the payment of tuition.
 - b) Other circumstances will be considered for an extension of the guaranteed Cohort price beyond the four academic years depending on the validity and impact of the circumstances including:
 - Enrollment in a degree program requiring more than 128 hours to graduate
 - Illness or Injury
 - Disability that necessitates a reduced course load as a reasonable accommodation
 - Medical Leave of Absence
 - Victim of Interpersonal Violence or Crime while enrolled
 - c) If the Appeals Committee determines that the student has provided sufficient documentation of extenuating circumstances that were outside the control of the student and prevented the student from completing the student's program of study during the assigned Cohort period, the Committee will determine the appropriate period of time or number of courses to extend the guaranteed Cohort price.

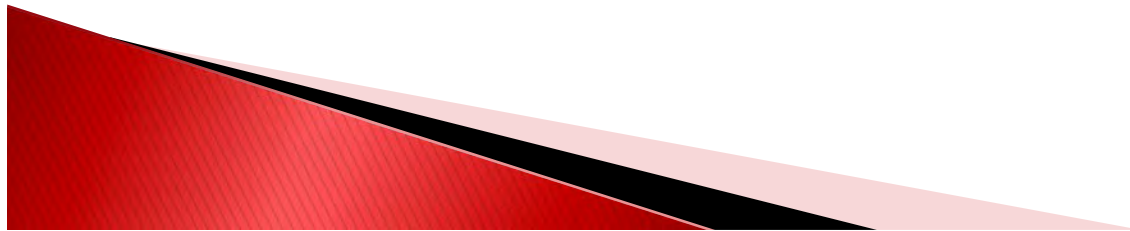
- d) Any student called to active duty in the United States Armed Services will be given an automatic extension of their guaranteed Cohort price based upon the number of academic terms impacted by the student's active duty absence.

M. GRADUATE COURSES

Students may enroll in graduate-level coursework for designated programs offered on the Oxford campus at their guaranteed tuition rate until their Cohort period expires. Students pursuing this option must meet all university requirements for admission to the program or to enroll in such courses. Following the expiration of their original Cohort, tuition for graduate level coursework will be assessed at the current Oxford campus graduate student rate applicable to the program of study.

Undergraduate Tuition Ordinance Oxford Campus

December 3, 2015



**Oxford Campus
Undergraduate Tuition
Fall 2016
Continuing Students
Ohio Residents**

Academic Year Full-Time (12 or more credit hours per semester)

| | <u>Semester-On</u> | | | <u>Semester-Off</u> | | |
|-------------------------------------|--------------------|-------------------|-----------------|---------------------|-------------------|-----------------|
| | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,766.50 | | \$6,766.50 | \$6,766.50 | |
| Other General Fees: | | | | | | |
| Technology Fee | 114.00 | 114.00 | | 168.00 | 168.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | <u>110.00</u> | <u>110.00</u> | | <u>110.00</u> | <u>110.00</u> | |
| Tuition | <u>\$7,116.50</u> | <u>\$7,116.50</u> | <u>0%</u> | <u>\$7,170.50</u> | <u>\$7,170.50</u> | <u>0%</u> |

Academic Year Part-Time (Per credit hour up to 11 hours)

| | <u>Semester-On</u> | <u>Semester-Off</u> |
|-------------------------------------|--------------------|---------------------|
| | <u>Campus</u> | <u>Campus</u> |
| | <u>2016-17</u> | <u>2016-17</u> |
| Basic Instructional and General Fee | \$563.88 | \$563.88 |
| Other General Fees: | | |
| Technology Fee | 9.50 | 14.00 |
| Facilities Fee | 5.00 | 5.00 |
| Transit Fee | 5.50 | 5.50 |
| Armstrong Student Center Fee | <u>9.16</u> | <u>9.16</u> |
| Tuition | <u>\$593.04</u> | <u>\$597.54</u> |

Summer and Winter Term- Part Time (per credit hour)

| | |
|-------------------------------------|----------------------------|
| Basic Instructional and General Fee | <u>2016-17</u> \$535.60 |
| Armstrong Student Center Fee | <u>9.16</u> |
| | <u>\$544.76</u> |

Nonresidents

Academic Year Full-Time (12 or more credit hours per semester)

| | <u>Semester-On</u> | | | <u>Semester-Off</u> | | |
|-------------------------------------|--------------------|--------------------|-----------------|---------------------|--------------------|-----------------|
| | <u>Campus</u> | | | <u>Campus</u> | | |
| | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,766.50 | | \$6,766.50 | \$6,766.50 | |
| Other General Fees: | | | | | | |
| Technology Fee | 114.00 | 114.00 | | 168.00 | 168.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | 110.00 | 110.00 | | 110.00 | 110.00 | |
| Nonresident Surcharge | <u>8349.90</u> | <u>8652.50</u> | | <u>8349.90</u> | <u>8652.50</u> | |
| Tuition | <u>\$15,466.40</u> | <u>\$15,769.00</u> | <u>1.96%</u> | <u>\$15,520.40</u> | <u>\$15,823.00</u> | <u>1.96%</u> |

Academic Year Part-Time (Per credit hour up to 11 credit hours)

| | <u>Semester-On</u> | | <u>Semester-Off</u> | |
|-------------------------------------|--------------------|--|---------------------|--|
| | <u>Campus</u> | | <u>Campus</u> | |
| | <u>2016-17</u> | | <u>2016-17</u> | |
| Basic Instructional and General Fee | 563.88 | | \$563.88 | |
| Other General Fees: | | | | |
| Technology Fee | 9.50 | | 14.00 | |
| Facilities Fee | 5.00 | | 5.00 | |
| Transit Fee | 5.50 | | 5.50 | |
| Armstrong Student Center Fee | 9.16 | | 9.16 | |
| Nonresident Surcharge | <u>721.04</u> | | <u>721.04</u> | |
| Tuition | <u>\$1,314.08</u> | | <u>\$1,318.58</u> | |

Summer and Winter Term- Part Time (per credit hour)

| | |
|-------------------------------------|----------------------------|
| Basic Instructional and General Fee | <u>2016-17</u> \$535.60 |
| Armstrong Student Center Fee | 9.16 |
| Nonresident Surcharge | <u>\$721.04</u> |
| | <u>\$1,265.80</u> |

**Oxford Campus
Undergraduate Tuition
Fall 2016
Miami University Tuition Promise
Academic Year Full-Time (12 or more credit hours per semester)**

| | <u>Ohio</u> | | | <u>Nonresident</u> | | |
|-------------------------------------|-------------------|-------------------|-----------------|--------------------|--------------------|-----------------|
| | <u>2015-2016</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-2016</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,963.00 | | \$6,766.50 | \$6,963.00 | |
| Other General Fees: | | | | | | |
| Technology Fee | 141.00 | 141.00 | | 141.00 | 141.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | 110.00 | 110.00 | | 110.00 | 110.00 | |
| Matriculation Fee | 28.00 | 28.00 | | 28.00 | 28.00 | |
| Nonresident Surcharge | <u>N/A</u> | <u>N/A</u> | | <u>8349.90</u> | <u>8909.50</u> | |
| Tuition | <u>\$7,171.50</u> | <u>\$7,368.00</u> | <u>2.74%</u> | <u>\$15,521.40</u> | <u>\$16,277.50</u> | <u>4.87%</u> |

Academic Year Part-Time (Per credit hour up to 11 credit hours)

| | <u>Ohio</u> | | <u>Nonresident</u> |
|---|------------------|------------------|--------------------|
| | <u>2016-2017</u> | <u>2016-2017</u> | <u>2016-2017</u> |
| Basic Instructional and General Fee | \$580.25 | | \$580.25 |
| Other General Fees: | | | |
| Technology Fee ¹ | 11.75 | | 11.75 |
| Facilities Fee | 5.00 | | 5.00 |
| Transit Fee | 5.50 | | 5.50 |
| Armstrong Student Center Fee ² | 9.16 | | 9.16 |
| Matriculation Fee | 2.33 | | 2.33 |
| Nonresident Surcharge | <u>N/A</u> | | <u>742.46</u> |
| Tuition | <u>\$613.99</u> | | <u>\$1,356.45</u> |

¹ The technology fee is no longer assessed at a different rate for on-campus and off-campus students. The average cost of the previous fee is unchanged.

² The matriculation fee was previously billed separately as an orientation, alcohol education and graduation fee and not included in tuition. For increased transparency these fees are now being billed as part of tuition but at no increased cost to the student.

Summer and Winter Term- Part Time (Per credit hour)

| | <u>Ohio</u> <u>Resident</u> <u>2016-17</u> | <u>Nonresident</u> <u>2016-17</u> |
|-------------------------------------|--|--------------------------------------|
| Basic Instructional and General Fee | \$551.25 | 551.25 |
| Armstrong Student Center Fee | 9.16 | 9.16 |
| Nonresident Surcharge | <u>N/A</u> | <u>\$742.46</u> |
| | <u>\$560.41</u> | <u>1302.87</u> |



December 4, 2015
Finance and Audit

ORDINANCE 2016-01
Undergraduate Student Tuition
2016-2017 Academic Year

WHEREAS, the Ohio General Assembly appropriated additional funding for public higher education in Ohio for the explicit purpose of freezing tuition for resident undergraduate students for academic years 2015-16 and 2016-17; and

WHEREAS, the Miami University Board of Trustees recognizes the difficult budget choices that this action required and expresses its gratitude to the Governor, the President of the Senate, the Speaker of the House and members of the Ohio General Assembly for its investment in Ohio's future and improving affordability for our students; and

WHEREAS, through this ordinance tuition will be frozen for all returning Ohio undergraduate students at the fall 2014 level for s second consecutive year; and

WHEREAS, predictability in the cost of higher education is another important step to improving affordability for students and families; and

WHEREAS, tuition predictability has historically been difficult to provide since legislation governing the setting of tuition only covered a two year period precluding Ohio's public colleges and universities from setting tuition beyond each biennium; and

WHEREAS, Ohio Revised Code 3345.48 now authorizes universities to establish an Undergraduate Tuition Guarantee Program that sets tuition for each new entering cohort for four years; and

WHEREAS, the Miami University Board of Trustees has adopted the Miami University Tuition Promise in accordance with Ohio Revised Code 3345.48 and intends to submit the rules governing the plan to the Chancellor of the Ohio Department of Higher Education for approval; and

WHEREAS, to assist prospective students and their families in their planning for attending Miami University beginning with the fall of 2016, the University desires to set tuition for degree-seeking students covered by the Miami University Tuition Promise and continuing students who will continue to have tuition set annually; and

WHEREAS, the Ohio General Assembly has directed that Ohio's public universities not to increase tuition (instructional and general fees) for Ohio resident undergraduate students for the 2015-16 and 2016-2017 academic years and the University intends to include the effect of the tuition freeze for Ohio resident undergraduate degree-seeking students under the Miami University Tuition Promise; and

WHEREAS, the Miami University Tuition Promise will cover four academic years with the rate of increase for undergraduate students who are Ohio residents being a zero increase for the first year (2016-2017) and a 2% increase in years two, three and four resulting in a weighted overall increase of 2.74% for the four year period to be applied in year one with no further increase in tuition for the remaining three years of the guarantee; and

WHEREAS, for non- Ohio resident undergraduate students a 2.0% increase was assumed for all four years resulting in a 4.87% increase over the current, overall non-resident tuition rate; and

WHEREAS, for continuing students who are Ohio residents there will be no tuition increase for fall 2016 and for nonresident continuing students the basic instructional and general fee will increase by 2%; and

WHEREAS, for continuing students the fall 2016 tuition rates are subject to increases in future years;

NOW THEREFORE BE IT ORDAINED: that the Miami University Board of Trustees adopts the accompanying schedule for Tuition for undergraduates on the Oxford Campus, effective Fall Semester 2016; and

BE IT FURTHER ORDAINED: that the accompanying schedule for tuition for summer and winter terms for resident undergraduates on the Oxford campus shall be discounted by 20% for online courses taken during these academic terms in accordance with the plan to "lower their cost of attendance by at least five (5) percent;" and

BE IT FURTHER ORDAINED: that the guaranteed Tuition and Fees under the Miami University Tuition Promise are contingent on the approval of Miami University's Guaranteed Tuition Program by the Chancellor of the Ohio Department of Education.

*Approved by the Board of Trustees
December 4, 2015*



T. O. Pickerill II
Secretary to the Board of Trustees

Ordinance
Oxford Campus
Undergraduate Tuition
Fall 2016
Continuing Students
Ohio Residents

Academic Year Full-Time (12 or more credit hours per semester)

| | <u>Semester-On Campus</u> | | | <u>Semester-Off Campus</u> | | |
|-------------------------------------|---------------------------|-------------------|-----------------|----------------------------|-------------------|-----------------|
| | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,766.50 | | \$6,766.50 | \$6,766.50 | |
| Other General Fees: | | | | | | |
| Technology Fee | 114.00 | 114.00 | | 168.00 | 168.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | <u>110.00</u> | <u>110.00</u> | | <u>110.00</u> | <u>110.00</u> | |
| Tuition | <u>\$7,116.50</u> | <u>\$7,116.50</u> | <u>0%</u> | <u>\$7,170.50</u> | <u>\$7,170.50</u> | <u>0%</u> |

Academic Year Part-Time (Per credit hour up to 11 credit hours)

| | <u>Semester-On Campus</u> | <u>Semester-Off Campus</u> |
|-------------------------------------|---------------------------|----------------------------|
| | <u>2016-17</u> | <u>2016-17</u> |
| Basic Instructional and General Fee | \$563.88 | \$563.88 |
| Other General Fees: | | |
| Technology Fee | 9.50 | 14.00 |
| Facilities Fee | 5.00 | 5.00 |
| Transit Fee | 5.50 | 5.50 |
| Armstrong Student Center Fee | <u>9.16</u> | <u>9.16</u> |
| Tuition | <u>\$593.04</u> | <u>\$597.54</u> |

Summer and Winter Term- Part Time (Per credit hour)

| | <u>2016-17</u> |
|-------------------------------------|-----------------|
| Basic Instructional and General Fee | \$535.60 |
| Armstrong Student Center Fee | <u>9.16</u> |
| | <u>\$544.76</u> |

Nonresidents**Academic Year Full-Time (12 or more credit hours per semester)**

| | <u>Semester-On Campus</u> | | | <u>Semester-Off Campus</u> | | |
|-------------------------------------|---------------------------|--------------------|-----------------|----------------------------|--------------------|-----------------|
| | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-16</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,766.50 | | \$6,766.50 | \$6,766.50 | |
| Other General Fees: | | | | | | |
| Technology Fee | 114.00 | 114.00 | | 168.00 | 168.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | 110.00 | 110.00 | | 110.00 | 110.00 | |
| Nonresident Surcharge | <u>8349.90</u> | <u>8652.50</u> | | <u>8349.90</u> | <u>8652.50</u> | |
| Tuition | <u>\$15,466.40</u> | <u>\$15,769.00</u> | <u>1.96%</u> | <u>\$15,520.40</u> | <u>\$15,823.00</u> | <u>1.96%</u> |

Academic Year Part-Time (Per credit hour up to 11 credit hours)

| | <u>Semester-On Campus</u> | <u>Semester-Off Campus</u> |
|-------------------------------------|---------------------------|----------------------------|
| | <u>2016-17</u> | <u>2016-17</u> |
| Basic Instructional and General Fee | 563.88 | \$563.88 |
| Other General Fees: | | |
| Technology Fee | 9.50 | 14.00 |
| Facilities Fee | 5.00 | 5.00 |
| Transit Fee | 5.50 | 5.50 |
| Armstrong Student Center Fee | 9.16 | 9.16 |
| Nonresident Surcharge | <u>721.04</u> | <u>721.04</u> |
| Tuition | <u>\$1,314.08</u> | <u>\$1,318.58</u> |

Summer and Winter Term- Part Time (Per Credit Hour)

| | <u>2016-17</u> |
|-------------------------------------|-------------------|
| Basic Instructional and General Fee | \$535.60 |
| Armstrong Student Center Fee | 9.16 |
| Nonresident Surcharge | <u>\$721.04</u> |
| | <u>\$1,265.80</u> |

**Oxford Campus
Undergraduate Tuition
Fall 2016
Miami University Tuition Promise**

Academic Year Full-Time (12 or more credit hours per semester)

| | <u>Ohio Resident</u> | | | <u>Nonresident</u> | | |
|-------------------------------------|----------------------|-------------------|-----------------|--------------------|--------------------|-----------------|
| | <u>2015-2016</u> | <u>2016-17</u> | <u>% Change</u> | <u>2015-2016</u> | <u>2016-17</u> | <u>% Change</u> |
| Basic Instructional and General Fee | \$6,766.50 | \$6,963.00 | | \$6,766.50 | \$6,963.00 | |
| Other General Fees: | | | | | | |
| Technology Fee | 141.00 | 141.00 | | 141.00 | 141.00 | |
| Facilities Fee | 60.00 | 60.00 | | 60.00 | 60.00 | |
| Transit Fee | 66.00 | 66.00 | | 66.00 | 66.00 | |
| Armstrong Student Center Fee | 110.00 | 110.00 | | 110.00 | 110.00 | |
| Matriculation Fee | 28.00 | 28.00 | | 28.00 | 28.00 | |
| Nonresident Surcharge | <u>N/A</u> | <u>N/A</u> | | <u>8349.90</u> | <u>8909.50</u> | |
| Tuition | <u>\$7,171.50</u> | <u>\$7,368.00</u> | <u>2.74%</u> | <u>\$15,521.40</u> | <u>\$16,277.50</u> | <u>4.87%</u> |

Academic Year Part-Time (Per credit hour up to 11 credit hours)

| | <u>Ohio Resident</u> | <u>Nonresident</u> |
|---|----------------------|--------------------|
| | <u>2016-2017</u> | <u>2016-2017</u> |
| Basic Instructional and General Fee | \$580.25 | \$580.25 |
| Other General Fees: | | |
| Technology Fee ¹ | 11.75 | 11.75 |
| Facilities Fee | 5.00 | 5.00 |
| Transit Fee | 5.50 | 5.50 |
| Armstrong Student Center Fee ² | 9.16 | 9.16 |
| Matriculation Fee | 2.33 | 2.33 |
| Nonresident Surcharge | <u>N/A</u> | <u>742.46</u> |
| Tuition | <u>\$613.99</u> | <u>\$1,356.45</u> |

¹ The technology fee is no longer assessed at a different rate for on-campus and off-campus students. The average cost of the previous fee is unchanged.

² The matriculation fee was previously billed separately as an orientation, alcohol education and graduation fee and not included in tuition. For increased transparency these fees are now being billed as part of tuition but at no increased cost to the student.

Summer and Winter Term- Part Time (Per credit hour)

| | <u>Ohio Resident</u> | <u>Nonresident</u> |
|-------------------------------------|-----------------------------|---------------------------|
| | <u>2016-17</u> | <u>2016-17</u> |
| Basic Instructional and General Fee | \$551.25 | 551.25 |
| Armstrong Student Center Fee | 9.16 | 9.16 |
| Nonresident Surcharge | <u>N/A</u> | <u>\$742.46</u> |
| | <u>\$560.41</u> | <u>1302.87</u> |

Room and Board Ordinance

December 3, 2015



Room Comparison

Returning Students

| | 2016-17 | | | 2015-16 | | | |
|------------------|--------------|------------|-----------|-----------|-----------|---------------|----------------|
| | <u>Miami</u> | <u>OSU</u> | <u>OU</u> | <u>UC</u> | <u>UD</u> | <u>Xavier</u> | <u>Indiana</u> |
| Standard Double | \$3,150 | \$3,065 | \$3,185 | \$3,215 | \$3,655 | \$3,150 | \$2,862 |
| Renovated Double | \$3,550 | \$3,280 | \$3,394 | N/A | N/A | \$3,490 | \$3,272 |
| New Double | \$3,900 | \$3,938 | N/A | \$3,698 | \$4,250 | N/A | \$4,048 |

Meal Plan Comparison (Full-Time Meal Plan) Returning Students

| | 2016-17 | | 2015-16 | | | | |
|----------|--------------|------------|-----------|-----------|-----------|---------------|----------------|
| | <u>Miami</u> | <u>OSU</u> | <u>OU</u> | <u>UC</u> | <u>UD</u> | <u>Xavier</u> | <u>Indiana</u> |
| Minimum | \$1,850 | \$1,850 | \$2,094 | \$2,160 | N/A | \$2,420 | \$2,650 |
| Standard | \$2,350 | \$2,258 | \$2,236 | N/A | \$2,440 | \$2,520 | \$3,250 |
| Premium | \$2,850 | N/A | \$3,088 | N/A | N/A | N/A | \$4,250 |

Room and Board Comparison

Returning Students

Per Semester

| | 2016-17 | | | 2015-16 | | | |
|---|--------------|------------|-----------|-----------|-----------|---------------|----------------|
| | <u>Miami</u> | <u>OSU</u> | <u>OU</u> | <u>UC</u> | <u>UD</u> | <u>Xavier</u> | <u>Indiana</u> |
| Standard Room + Board + Residential Fee | \$5,900 | \$5,323 | \$5,421 | \$5,375 | \$6,095 | \$5,670 | \$6,112 |

Room and Board Comparison 2016-17

| <u>Type</u> | Miami Tuition Promise | Ohio Guarantee | <u>Difference</u> |
|--------------------|-----------------------|----------------|-------------------|
| | <u>2016-17</u> | <u>2015-16</u> | |
| Standard Double | \$3,230 | \$3,185 | \$45 |
| Renovated Double | \$3,650 | \$3,394 | \$256 |
| Minimum Meal Plan | \$1,900 | \$2,104 | (\$204) |
| Standard Meal Plan | \$2,400 | \$2,247 | \$153 |
| Premium Meal Plan | \$2,925 | \$3,103 | (\$178) |
| Residential Fee | \$400 | \$0 | \$400 |



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December 4, 2015
 Finance and Audit

Room and Board Ordinance O2016-02

Returning Students

BE IT ORDAINED: that the Board of Trustees hereby establishes the following charges to be levied and collected for returning undergraduate students beginning with the first semester of the academic year 2016-2017 unless otherwise indicated; and

I. Residence Halls (per semester per student)

| | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|---|----------------|----------------|-----------------|
| A. Fall/Spring Semesters- | | | |
| Traditional Halls (Non-renovated) | | | |
| <i>(A rate deduction of \$150 per room per semester will be provided for non-air conditioned rooms)</i> | | | |
| Single | \$4021 | \$4021 | 0.00% |
| Double | \$2924 | \$3150 | 7.73% |
| Triple | \$2879 | \$3100 | 7.68% |
| Quad | \$2879 | \$3100 | 7.68% |
| Renovated Halls | | | |
| Single | \$4275 | \$4275 | 0.00% |
| Double | \$3150 | \$3550 | 12.70% |
| Triple | \$3014 | \$3200 | 6.17% |
| New Halls | | | |
| Single | \$4813 | \$4813 | 0.00% |
| Double | \$3724 | \$3900 | 4.73% |
| Modified Double | \$3150 | \$3250 | 3.17% |
| Modified Triple | \$3150 | \$3250 | 3.17% |
| Miami Inn | \$3961 | \$3961 | 0.00% |
| Heritage Commons | \$4982 | \$4982 | 0.00% |

II. Meal Plans (per semester per student)

| | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|---|----------------------------|----------------------|-----------------|
| A. Diplomat Meal Plan | | | |
| Most Common Declining Balance Meal Plan | \$1200 | N/A | N/A |
| Minimum | N/A | \$1850 | N/A |
| Standard | N/A | \$2350 | N/A |
| Premium | N/A | \$2850 | N/A |
| B. Summer | | | |
| Envoy Account Meal Plan | \$100 min. initial deposit | \$100 min. int. dep. | N/A |

| | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|---------------------------|----------------|----------------|-----------------|
| III. Residential Fee | | | |
| Fall and Spring Residents | \$1625 | \$400 | (-75.4%) |

IV. Residence & Meal Plan Comparison

| (Common Experience) | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|----------------------------------|----------------|----------------|-----------------|
| Traditional Double + Board + Fee | \$5749 | \$5900 | 2.63% |
| Renovated Double + Board + Fee | \$5975 | \$6300 | 5.44% |
| New Double + Board + Fee | \$6549 | \$6650 | 1.54% |
| Miami Inn + Board + Fee | \$6786 | \$6711 | -1.11% |

V. Summer Housing Weekly

| | | | |
|-------------------------------------|-------|-------|-------|
| Double Occupancy | \$117 | \$122 | 4.27% |
| Single Occupancy (double as single) | \$173 | \$179 | 3.47% |

VI. Winter Term Housing Block Rate (24 days)

| | | | |
|--|-------|-------|-------|
| (Available for students enrolled in class) | \$466 | \$466 | 0.00% |
|--|-------|-------|-------|

VII. Sorority Suites

| | | | |
|-------------------------|--------|--------|-------|
| Less than 800 sq. ft. | \$2999 | \$2999 | 0.00% |
| 800-1,200 sq. ft. | \$5243 | \$5243 | 0.00% |
| 1,200-1,300 sq. ft. | \$5677 | \$5677 | 0.00% |
| 1,300-1,400 sq. ft. | \$6253 | \$6253 | 0.00% |
| 1,400-1,500 sq. ft. | \$7046 | \$7046 | 0.00% |
| More than 1,500 sq. ft. | \$7503 | \$7503 | 0.00% |

Miami Tuition Promise Students

BE IT FURTHER ORDAINED: that the Board of Trustees further establishes the following charges to be levied for the fall and spring 2016-2017 cohorts the following charges to be collected beginning first semester of the academic year and to remain in effect for four (4) years as part of the Miami Tuition Promise unless otherwise indicated.

I. Residence Halls (per semester per student)

| | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|---|----------------|----------------|-----------------|
| A. Fall/Spring Semesters- | | | |
| Traditional Halls (Non-renovated) | | | |
| <i>(A rate deduction of \$150 per room per semester will be provided for non-air conditioned rooms)</i> | | | |
| Single | \$4021 | \$4021 | 0.00% |
| Double | \$2924 | \$3230 | 10.47% |
| Triple | \$2879 | \$3175 | 10.28% |
| Quad | \$2879 | \$3175 | 10.28% |
| Renovated Halls | | | |
| Single | \$4275 | \$4275 | 0.00% |
| Double | \$3150 | \$3650 | 15.87% |
| Triple | \$3014 | \$3275 | 8.66% |
| New Halls | | | |
| Single | \$4813 | \$4813 | 0.00% |
| Double | \$3724 | \$4000 | 7.41% |
| Modified Double | \$3150 | \$3300 | 4.76% |
| Modified Triple | \$3150 | \$3300 | 4.76% |
| Miami Inn | \$3961 | \$4000 | 0.98% |
| Heritage Commons | \$4982 | \$4982 | 0.00% |

II. Meal Plans (per semester per student)

| A. Diplomat Meal Plan | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|-------------------------|----------------------------|----------------------|-----------------|
| Most Common Meal Plan | \$1200 | | |
| Minimum | N/A | \$1900 | |
| Standard | N/A | \$2400 | |
| Premium | N/A | \$2925 | |
| B. Summer | | | |
| Envoy Account Meal Plan | \$100 min. initial deposit | \$100 min. int. dep. | N/A |

| III. Residential Fee | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|-----------------------------|----------------|----------------|-----------------|
| Fall and Spring Residents | \$1625 | \$400 | (-75.4%) |

IV. Residence & Meal Plan Fall/Spring Increase
(Common Experience)

| | <u>2015-16</u> | <u>2016-17</u> | <u>% change</u> |
|----------------------------------|----------------|----------------|-----------------|
| Traditional Double + Board + Fee | \$5749 | \$6030 | 4.89% |
| Renovated Double + Board + Fee | \$5975 | \$6450 | 7.95% |
| New Double + Board + Fee | \$6549 | \$6800 | 3.83% |
| Miami Inn + Board + Fee | \$6786 | \$6800 | 0.21% |

V. Summer Housing Weekly

| | | | |
|-------------------------------------|-------|-------|-------|
| Double Occupancy | \$117 | \$122 | 4.27% |
| Single Occupancy (double as single) | \$173 | \$179 | 3.47% |

VI. Winter Term Housing Block Rate (24 days)

| | | | |
|--|-------|-------|-------|
| (Available for students enrolled in class) | \$466 | \$466 | 0.00% |
|--|-------|-------|-------|

VII. Sorority Suites

| | | | |
|-------------------------|--------|--------|-------|
| Less than 800 sq. ft. | \$2999 | \$2999 | 0.00% |
| 800-1,200 sq. ft. | \$5243 | \$5243 | 0.00% |
| 1,200-1,300 sq. ft. | \$5677 | \$5677 | 0.00% |
| 1,300-1,400 sq. ft. | \$6253 | \$6253 | 0.00% |
| 1,400-1,500 sq. ft. | \$7046 | \$7046 | 0.00% |
| More than 1,500 sq. ft. | \$7503 | \$7503 | 0.00% |

All Students**VII. Residence Halls Room Refund Policy**

The refund policy for room rent and residential fee for first and second semester will be as follows:

- | | | |
|-----|--|--------------------|
| (1) | Withdrawal during the first five days of the term | 100 % of room rent |
| (2) | Withdrawal during the sixth through eighth days of the term | 90 % of room rent |
| (3) | Withdrawal during the ninth through twentieth days of the term | 50 % of room rent |
| (4) | Withdrawal during the twenty-first through thirtieth days of the term | 35 % of room rent |
| (5) | Withdrawal during the thirty-first through the fortieth days of the term | 25 % of room rent |
| (6) | Withdrawal after fortieth day of the term | No Refund |

The refund policy for room rent for the summer terms will be as follows:

- | | | |
|-----|--|-------------------|
| (1) | Withdrawal during the first three days of the term | 100% of room rent |
| (2) | Withdrawal during the fourth through eighth days of the term | 50% of room rent |
| (3) | Withdrawal during the ninth through fifteenth days of the term | 25% of room rent |
| (4) | Withdrawal after the fifteenth day of the term | No Refund |

Provided further that no room rental charges will be returned upon withdrawal until thirty days have elapsed from the date of withdrawal. In the event of an emergency, the Vice President for Finance and Business Services or his designee is authorized to make exceptions to the above stated refund policy.

An advance Oxford Campus enrollment deposit of \$330.00 and an admission fee of \$95.00 are charged to all incoming first year resident students. The \$330.00 fee would be applied retroactively toward the student's final term fees.

VIII. Meal Plan Change and Refund Policy

Diplomat dollars remaining at the end of each semester roll forward to the next semester. When a student moves off campus, any remaining Diplomat dollars are converted to the Express Meal Plan for off campus students. Upon graduation or withdrawal, any remaining Express Meal Plan or Diplomat declining balance dollars are forfeited. Meal Plan holders who withdraw from the university on or before the fortieth day of the term will receive a refund of 80% of any remaining Express Meal Plan or Diplomat declining balance dollars.

Diplomat Meal Plan holders are permitted to change their selected level until the 1st day of class during each semester. Meal plan holders may continue to add additional money at any time, but are not permitted to lower their plan level after the 1st day of class.

*Approved by the Board of Trustees
December 4, 2015*



T. O. Pickerill II
Secretary to the Board of Trustees



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December 4, 2015
Finance and Audit

RESOLUTION R2016-15

WHEREAS: Miami University incurs certain expenses related to advancement and investment management costs of the Miami University endowment fund; and

WHEREAS: Resolution R2011-65 currently authorizes the Miami University endowment to reimburse Miami University for development and investment management expenses incurred on its behalf by establishing an annual Administrative Fee to be calculated against the previous fiscal year's March 31st value of the endowment's assets; and

WHEREAS: Resolution R2011-65 also charged the Miami University Finance and Audit Committee with the responsibility of annually reviewing the administrative fee plan and rate; and

WHEREAS: The Miami University Finance and Audit Committee met and discussed broadening the description of how the fee should be used to include any advancement related expenses along with investment management related expenses; and

WHEREAS: The Miami University Finance and Audit Committee has determined certain amendments to the Administrative Fee Plan are necessary to broaden the description of the use of the fee; and

WHEREAS: The proposed Administrative Fee Plan is hereby attached;

NOW THEREFORE BE IT RESOLVED: The Miami University Board of Trustees adopts the amended Administrative Fee Plan; and

BE IT FURTHER RESOLVED: Resolution R2011-65 is hereby rescinded.

*Approved by the Board of Trustees
December 4, 2015*

A handwritten signature in black ink, appearing to read 'T. O. Pickerill II', written over a horizontal line.

T. O. Pickerill II
Secretary to the Board of Trustees

MIAMI UNIVERSITY
Administrative Fee Plan
December 2015

OBJECTIVE

The objective of the Administrative Fee Plan is to reimburse Miami University to support certain expenses related to the advancement and investment of the Miami University endowment fund and annual fund.

REVENUE

An administrative fee of 1.00 percent will be calculated against the market value of the Miami University endowment investment pool as of March 31st (in conjunction with the annual spending distribution calculation). This amount will be distributed to the University Education & General Fund before the end of the fiscal year and used to offset certain costs incurred in that fiscal year as described below.

EXPENSES

The administrative fee revenue shall be used to offset expenses as follows:

- **Advancement:** A portion of the Administrative Fee shall be used to fund advancement related expenses including but not limited to the salaries, operating, travel, and entertainment expenses of university advancement staff as determined by the Vice President for University Advancement
- **Investment:** A portion of the administrative fee shall be used to fund investment related expenses, including but not limited to the salaries of finance and business services staff related to investment and administration of endowment funds, travel and registration expenses related to external investment manager meetings and conferences, external audit fees, and external investment consulting fees as determined by the Senior Vice President for Finance and Business Services

Any Administrative Fee balance not spent in the current fiscal year may be accumulated and carried forward to a future fiscal year.

This plan and the administrative fee rate will be reviewed on an annual basis by the Miami University Finance and Audit Committee.

Opportunities for Lowering the Cost of Attending Miami

December 3, 2015

House Bill 64 Section 369.600

All public colleges and universities in Ohio are to develop and implement a plan to provide in-state, undergraduate students the opportunity to reduce their cost of earning a degree (cost of attendance) by five (5) percent.

Cost of Attendance (AY 2015-16)

| | |
|--|-----------|
| Tuition and Fees | \$14,288 |
| Books and Supplies | 1,140 |
| Room and Board | 11,644 |
| Transportation and Miscellaneous | 2,342 |
| Subtotal | \$29,414 |
| Time to Graduate (First Time, Full Time) | 4.1 years |
| Total Cost of Attendance | \$120,597 |

Miami Plan to Reduce Cost of Attendance

| | |
|--|-------------|
| Reduction in hours to graduate (4) | 1.5% |
| Reduced online tuition for nonstandard terms | 1.6% |
| Reduced textbook costs | 1.0% |
| Increased scholarships | <u>4.8%</u> |
| | <u>8.9%</u> |

Total Possible Cost Savings for Students Early Graduation Option

Summary Table B
Pathways Leading to Reduced Time to Degree by 1-2 semesters

| Option offered by the institution | Tuition and Fee Savings (Dollar Amount) | Room, Board and Other Savings (Dollar Amount) | Percentage of Cost of Attendance Saved | Additional Earnings*** (Dollar Amount) | Total Dollar Savings (Dollar Amount) | Percentage of Cost of Attendance Saved |
|--|---|---|--|--|--------------------------------------|--|
| No Overload Fee - 16 Cr.Hrs. | \$7,144 | \$6,993 | 11.7% | \$24,850 | \$38,987 | 32.3% |
| - 32 Cr.Hrs. | \$14,288 | \$13,986 | 23.4% | \$49,700 | \$77,974 | 64.7% |
| Nonstandard Term- 16 Cr.Hrs. | 0 | \$6,993 | 5.8% | \$24,850 | \$31,843 | 26.4% |
| - 32 Cr.Hrs. | 0 | \$13,986 | 11.6% | \$49,700 | \$63,686 | 52.8% |
| College Credit Plus- 16 Cr.Hrs. | \$7,144 | \$6,993 | 11.7% | \$24,850 | \$38,987 | 32.3% |
| Blended Path**** - 16 Cr.Hrs. | N/A | N/A | | N/A | N/A | N/A |
| - 32 Cr.Hrs. | N/A | N/A | | N/A | N/A | N/A |

***Additional earnings are based on Payscale.com earnings information for Miami student early career earnings.

****The savings achieved per the Blended Path will vary from 26.4% to 65.0% depending on the actual pathway.



Resolution

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December 4, 2015
Finance and Audit

RESOLUTION R2016-13

WHEREAS, House Bill 64 Section 369.600 required all public colleges and universities, in Ohio to prepare plans that offer students the opportunity to lower their cost of earning a degree by at least five (5) percent; and

WHEREAS, President Hodge appointed a committee chaired by Amit Shukla and Christopher Makaroff to draft a plan for Miami University; and

WHEREAS, the plan prepared by the committee has been shared with the University Senate and through university forums for further input; and

WHEREAS, the plan was reviewed with the Finance and Audit Committee of the Board of Trustees at their September meeting prior to being submitted to the Chancellor of the Ohio Department of Higher Education on October 15, 2015; and

WHEREAS, the Chancellor has requested that the boards of trustees at Ohio's public colleges and universities formally adopt the plans that have been developed;

NOW THEREFORE BE IT RESOLVED, the Miami University Board of Trustees adopts the plan attached hereto "Opportunity to Lower the Cost of Attending Miami University;" and

BE IT FURTHER RESOLVED, that the Miami University Board of Trustees directs the university's administration to proceed to implement the plan; and

BE IT FURTHER RESOLVED, that the Miami University Board of Trustees directs that the Chancellor of the Ohio Department of Higher Education be informed of the adoption of the plan.

*Approved by the Board of Trustees
December 4, 2015*



T. O. Pickerill II
Secretary to the Board of Trustees

Opportunity to Lower the Cost of Attending Miami University

Name of Institution: Miami University

Legislative Requirements

House Bill 64 Section 369.600 requires all public colleges and universities in Ohio to develop and implement a plan to provide in-state, undergraduate students the opportunity to reduce their cost of earning a degree (or cost of attendance) by five percent.

Plans are due to the Chancellor by October 15, 2015. The following is the Miami University plan.

Miami University Background and Student Profile

Miami University and the State of Ohio have enjoyed a successful partnership for 206 years. Miami's vision is to provide the best undergraduate experience in the nation, enhanced by superior, select graduate programs. Students are immersed in high-quality academic and co-curricular experiences. Miami is a residential university with faculty who are dedicated to learning and discovery. A liberal education core provides the foundation for the more specialized major studies. Miami offers bachelor's degrees in 120 areas of study.

Miami University, *on its Oxford campus*, attracts a highly motivated and driven student body that has an average ACT score of 28 with 33% of the entering class scoring a 30 or higher. About 37% of Miami's entering first year students already have college credit with the average credit hours completed exceeding 17 or slightly more than one semester. Entering freshmen enroll for an average of 15.7 credit hours, and 91% of our first year students are retained into their sophomore year. Miami's four-year graduation rate of 68.3% ranks 13th among all public colleges and universities in the U.S. and 1st among public universities in Ohio.

Miami is one of 11 Ohio colleges and universities sharing a five-year, \$3.5 million National Science Foundation grant to help increase underrepresented student success in science, technology, engineering, and mathematic (STEM) disciplines. The Miami Access Initiative ensures that academically competitive students from an Ohio Family with an income of \$35,000 or less pay no tuition and fees. For the fall 2015 class all entering students with financial need received offers of financial aid.

The average time to a degree for an entering first year student at Miami is 4.1 years or the shortest for any public university in Ohio. Students also pay no additional tuition for credit hours

enrolled beyond 12 per semester, making their degrees more affordable and attainable in a shorter time period.

Miami students not only graduate faster but also actively participate in study abroad, undergraduate research and other activities, including double majors and minors. The average number of credit hours completed at graduation is 153. With about 38% of Miami undergraduate students studying abroad by the time they graduate, Miami is ranked 2nd among public doctoral institutions nationwide. Approximately 64% of Miami students are involved in internships, field work or co-ops and 39% are engaged in independent research.

In other words, Miami's students accomplish a great deal in their four years which makes them extremely attractive to prospective employers, as well as to professional and graduate schools. Nearly twice as many employers recruit at Miami as at other universities its size. PayScale.com ranked Miami 41st in the nation for mid-career salary potential. Miami graduates applying to medical school are accepted 62% of the time as compared to 45% nationally. Acceptance to law school is 94% compared to an 83% national average.

Reducing Cost of Attendance: Our Approach

As already noted, Miami's student profile differs from most other public colleges and universities. Our students are academically better prepared than at most other public universities; they arrive with more college credit already completed; they enroll in a larger course load each semester; they graduate with more credit hours and accomplishments that include multiple majors, minors and other experiences, and they graduate within four years at a rate faster than almost all other public universities and faster than any other Ohio public university. As ideas for accomplishing the mandate legislated by House Bill 64 were considered, ideas that aligned best with the goals of students enrolling at Miami were adopted and included in this proposal.

The plan developed in response to the legislative mandate has been divided into two components: options for students that directly lower the cost of attending Miami and options that enable a student to graduate within three (3) years or 3.5 years. Both components individually exceed the target that was legislated and greatly exceed the target collectively. The added advantage of the changes that will better enable students to graduate one or two semesters early is that these students will not only lower their cost of attendance but accelerate their employment and earnings opportunities. The improved earnings from early graduation further enhance the financial benefit of this option for students. This outcome also provides enhanced benefits for the State of Ohio as those students who graduate earlier become contributors to Ohio's economy faster.

Because the second part of this proposal, which is a shortened time to graduation, is not as easily summarized under the form developed by the Department of Higher Education for presenting an institution's proposal, the following is provided to better explain the options for accelerating graduation and the financial benefits that would accrue to students achieving early graduation.

Already over 60% of all majors offered at Miami include a 3-year path to degree completion. Better advising and other support services identify these pathways and help students stay on a course to graduate within a shortened time frame. Effective, proactive and personalized advising is a key to student success, and our approach is to provide opportunities for student success based on their goals and aspirations.

Three pathways already exist at Miami University for graduating in a shorter time frame: no tuition for credit hours enrolled above 12, significant college credit earned before enrolling at Miami and the completion of far more hours towards graduation than the minimum required. In addition to these existing pathways, the following improvements will be provided to students to better communicate these options and to better support students who desire to graduate in less than four years, or the 4.1 years that is the average time to a degree today.

1. Utilize data-driven, predictive modeling programs in conjunction with more intentional/proactive and personalized advising to better ensure students are on a timely path to graduate. These advising sessions will assist students in selecting an appropriate major and path to graduation including options for accelerated graduation. Students “at risk” to graduate or to stay on an accelerated path to graduation will benefit from being identified early and offered additional resources and support to assist them in achieving their graduation goal.
2. Offer highly demanded and bottleneck courses during nonstandard terms, such as winter and summer. These critical courses will be available in multiple formats including hybrid or online modes. The increased availability and flexibility of these key courses will provide an alternate path for students to graduate early. Additionally, this will help those students who get off a timely graduation schedule, perhaps due to a change in major, to get back on schedule and graduate on time. During these terms, courses will be offered at a subsidized or a reduced tuition rate (20%) to encourage participation and make accelerated paths to graduation even more affordable. Also, this will allow Miami to utilize academic resources and university facilities more efficiently throughout the summer and during periods between semesters.
3. Improve student familiarity with existing options that offer them the opportunity to graduate earlier. Miami is one of only two public colleges and universities in Ohio that assesses no fee for credit hours enrolled above twelve (12). Students enrolling in 18 credit hours per term can graduate one semester early, which lowers their cost of attendance by at least 12%. By enrolling in just one course (3 credit hours) during each of the “nonstandard” terms, a Miami student can also reduce their time to graduation by a full semester; this lowers the cost of attendance by about 12% as well. About 37% of Miami’s entering first year students have an average of more than 17 hours of college credit already earned. These students, through utilization of either or both overload credit and nonstandard terms, have the potential to reduce

their time to graduate by an entire year lowering their cost of attendance by 24% or more.

Additionally, college affordability can be further improved if State of Ohio can incentivize student behavior by reforming Ohio College Opportunity Grant to reward those students who enroll for enough credit hours to reflect graduation in four years or less. At the institutional level, Miami University will implement a comprehensive suite of loan counseling tools to assist and inform students of their overall loan indebtedness. Some examples of these tools include:

- Clear, bi-annual presentation of students' total loan debt to-date and estimated monthly repayment costs.
- Display of loan indebtedness prior to accepting their loans for the school year.
- Data-driven, targeted outreach to students who have borrowed in excess of "standard" or "normal" limits in their first and second years.

While the changes just summarized will better enable Miami to support students who desire to graduate faster, it is important to remember that many students prefer to stay for all four years than graduate sooner because of the enhanced value these added educational experiences offer them. However, options that expand the pathways for students to graduate earlier also can provide improved scheduling flexibility for students who prefer to enrich their educational experience in other ways. In other words, all students will benefit by these improvements whether they use them to accelerate graduation or to further enrich their educational experience.

Total Cost of Attendance at Institution

Please provide a breakdown of average tuition, fees, room, board, textbooks, etc, for a full-time student, living on campus. (Add explanation as necessary)

| Type of Cost | Average Cost (Dollar Amount) |
|--|------------------------------|
| Total Cost of Attendance | |
| Tuition and Fees | \$14,288 |
| Books and Supplies | \$1,140 |
| Room and Board | \$11,644 |
| Transportation and Miscellaneous | \$2,342 |
| | <i>Total</i> |
| | \$29,414 |
| Time to Graduation (First-Time, Full-Time) | 4.1 years |
| | Total: |
| | \$120,597 |

Outline Options for reducing costs:

(1) Reducing the credit hours required to complete a baccalaureate degree offered by the institution

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---------------------------------------|--|---|
| Reduce hours to graduate by four (4). | \$1,786 | 1.5% |

(2) Offering a tuition discount or rebate to any student that completes a full load of coursework, as determined by the board of trustees. ("Tuition" means the instructional and general fees charged by a state institution of higher education.)

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| No options recommended since students already enroll for an average of 15.7 credit hours in their freshman year | N/A | N/A |

(3) Offering a tuition discount or rebate or reduced tuition option to students enrolling in a summer or winter term (nonstandard term). ("Tuition" means the instructional and general fees charged by a state institution of higher education.)

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Reduce summer and winter term online tuition by 20% (assume 18 credit hours completed). | \$1,928 | 1.6% |

(4) Offering online courses or degrees

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Make highly demanded and bottleneck courses available for summer and winter terms in online, flexible format. | See Summary Table B | See Summary Table B |

(5) Reducing the cost of textbooks using cost-saving measures identified and implemented by the board of trustees

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Shift textbook sales from on-campus store to online provider. | \$701 | 0.6% |
| Move 10% of course sections to open educational resources. | <u>\$467</u> | <u>0.4%</u> |
| <i>Total</i> | \$1,168 | 1.0% |

(6) Incorporation of remediation in the coursework and curriculum of credit-bearing courses

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Remedial coursework is not offered by Miami at its Oxford Campus. | N/A | N/A |

(7) Offering a fixed rate of instructional and general fees for any additional credits taken by students above a full course load, as determined by the board of trustees

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| All credit hours above 12 are at no additional cost. | See Summary Table B | See Summary Table B |

(8) Offering fast-track degree completion programs

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| Over 60% of all undergraduate degrees can be completed in three (3) years. | See Summary Table B | See Summary Table B |

(9) Eliminating, reducing or freezing auxiliary fees ("Auxiliary fees" mean charges assessed by a state institution of higher education to a student for various educational expenses including, but not limited to, course-related fees, laboratory fees, books and supplies, room and board, transportation, enrollment application fees, and other miscellaneous charges. "Auxiliary fees" do not include instructional or general fees uniformly assessed to all students.)

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| Provide a tuition guarantee to all degree seeking students. | See Summary Table B | See Summary Table B |
| Provide reduced room costs to students during summer and winter terms. | See Summary Table B | See Summary Table B |

(10) Increased participation in the college credit plus program

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Average credit hours completed grew from 16.9 to 17.4 in fall 2015. | See Summary Table B | See Summary Table B |

(11) Offering programs to reduce or eliminate the need for remediation coursework

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| Students do not enroll in remediation coursework on the Oxford campus. | N/A | N/A |

(12) Other options offered by the institution - Increase student scholarships with an emphasis on need based student financial aid.

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| Additional (new) student financial aid offered to students entering in fall 2015. | \$1,344 (per student) | 1.1% |

Options offered in previous academic years:

Please be sure to quantify savings as they roll forward into the current academic year. *(For instance, a tuition freeze last year would result in \$X and Y% cost avoidance to students in this academic year).* Add additional fields and details as necessary.

(13) Academic Year 2013-2014

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| Additional (new) student financial aid offered to students entering in fall 2013 | \$4,119 (per student) | 3.4% |
| | | |
| | | |

(14) Academic Year 2014-2015

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|--|--|---|
| Additional (new) student financial aid offered to students entering in fall 2014 | \$31 (per student) | 0.03% |
| | | |
| | | |

Total Possible Cost Savings for Students Without Early Graduation Option

Summary Table A
Recommendations Leading to Direct Reductions in the Cost of Attendance

| Option offered by the institution | Cost savings to student (Dollar Amount) | Percentage of total cost of attendance |
|---|--|---|
| 1. Reduction in credit hours to graduate. | \$1,786 | 1.5% |
| 2. Rebate for full load. | N/A | N/A |
| 3. Tuition discount for nonstandard terms. | \$1,928 | 1.6% |
| 4. Online courses and degrees. | N/A* | N/A* |
| 5. Reducing the costs of textbooks. | \$1,168 | 1.0% |
| 6. Remediation coursework. | N/A | N/A |
| 7. Reduction for course overload. | N/A* | N/A* |
| 8. Fast-track degree completion. | N/A* | N/A* |
| 9. Eliminating, reducing or freezing auxiliary fees. | N/A* | N/A* |
| 10. Increased participation in College Credit Plus program. | N/A* | N/A* |
| 11. Reduce or eliminate need for remediation coursework. | N/A | N/A |
| 12. Increase in student scholarships for students enrolling in fall 2015 and later. | \$1,,344 | 1.1% |
| 13. Academic Year 2013-2014 | \$4,119 | 3.4% |
| 14. Academic Year 2014-2015 | \$31 | 0.03% |
| Total | \$10,375 | 8.6% |

*Options for achieving these savings are being made available to help shorten a student's time to degree. The calculation of the dollars and percentage savings from these options are summarized under Summary Table B.

**Total Possible Cost Savings for Students (continued)
Early Graduation Option****

**Summary Table B
Pathways Leading to Reduced Time to Degree by 1-2 semesters**

| Option offered by the institution | Tuition and Fee Savings (Dollar Amount) | Room, Board and Other Savings (Dollar Amount) | Percentage of Cost of Attendance Saved | Additional Earnings*** (Dollar Amount) | Total Dollar Savings (Dollar Amount) | Percentage of Cost of Attendance Saved |
|--|--|--|---|---|---|---|
| No Overload Fee - 16 Cr.Hrs. | \$7,144 | \$6,993 | 11.7% | \$24,850 | \$38,987 | 32.3% |
| - 32 Cr.Hrs. | \$14,288 | \$13,986 | 23.4% | \$49,700 | \$77,974 | 64.7% |
| Nonstandard Term- 16 Cr.Hrs. | 0 | \$6,993 | 5.8% | \$24,850 | \$31,843 | 26.4% |
| - 32 Cr.Hrs. | 0 | \$13,986 | 11.6% | \$49,700 | \$63,686 | 52.8% |
| College Credit Plus- 16 Cr.Hrs. | \$7,144 | \$6,993 | 11.7% | \$24,850 | \$38,987 | 32.3% |
| Blended Path**** - 16 Cr.Hrs. | N/A | N/A | | N/A | N/A | N/A |
| - 32 Cr.Hrs. | N/A | N/A | | N/A | N/A | N/A |

**The following savings are in addition to the savings summarized in Table A. Each option for early graduation offers a unique cost savings for the student.

***Additional earnings are based on Payscale.com earnings information for Miami student early career earnings.

****The savings achieved per the Blended Path will vary from 26.4% to 65.0% depending on the actual pathway.

Miami University
Finance and Audit Committee
FY 2016 Forecasted Operating Results
Projections Based upon Activity through September 30, 2015

OXFORD

The projection for the Oxford General Fund based on performance through September is a surplus of approximately \$26.8 million. Details of the specific items are highlighted below.

Revenues

The Oxford campus student fee revenues (instructional, general, out-of-state, and other) are forecast to be approximately \$7.3 million over the \$381.6 million budget. Gross instructional revenue (including the out-of-state surcharge) is forecast to be \$7.1 higher than budget and financial aid is forecast to be on budget. The projections include billing from summer and fall. The favorable performance compared to budget is attributable to a larger than expected incoming class, improved retention rates for continuing students and more ACE students than assumed in the budget. The forecast may change based on the final performance of the winter, spring, and summer of calendar year 2016 terms.

The forecast for the Oxford campus state appropriations are forecast to be \$2.5 million over the \$58.5 million budget. The original university budget was based on the Governor's introduced budget. The estimates included in this report are based on the final Conference Committee budget signed by the Governor which incorporated additional resources to help offset the impact of the state imposed tuition freeze on resident tuition. Revised assumptions for the state appropriation are expected to become available in December once revisions have been made by the Ohio Department of Higher Education that incorporate updated degree and enrollment information from each of the campuses.

Investment income booked through September 30, 2014 was approximately \$336,500. This amount does not include an estimate of the year end mark-to-market, which is difficult to predict at this time. If we had marked the portfolio to market as of September 30, an unrealized loss of \$7,501,000 would have been recorded. Given the volatility of the current market, this number could change as the year progresses. Therefore, we are forecasting investment income to be equal to budget.

Other revenue categories are projected as budgeted.

Expenditures and Transfers

Employee salaries and staff benefits are projected to on budget. The healthcare expense is also projected on budget. Through the first three months of the fiscal year medical claims, including high cost claims, were lower than budget. Prescription drugs costs for regular claims were below budget while high cost claims for prescription drugs were slightly above budget. Healthcare expense is difficult to estimate due to the volatility of high cost claims. Graduate assistant fee waivers were less than budgeted for fall term resulting in a year end projection of \$537,500 below the \$30.8 million budget.

Savings in departmental support expenditures and salaries are projected on budget; therefore the forecast does not include a transfer to departmental budgetary carryforward. At the end of FY15, departments on the Oxford Campus underspent these categories by \$12.3 million.

Beginning with this report, the operating unit financial analysis table has been amended to show the Dolibois European Center in Luxemburg as a separate operational unit. The Dolibois European Center has a budget of \$2 million, with \$1.6 million allocated for salaries and benefits and \$386,220 allocated for utilities and other support costs. While the Dolibois European Center is not a responsibility center under the new budget model, the Center generated gross instructional revenue of \$2.3 million in FY15 and is forecast to generate \$2.5 million in FY16.

HAMILTON & MIDDLETOWN

The Hamilton campus student fee revenue (instructional, out-of-state, general, and other) is estimated to be \$1.5 below budget. The instructional fee, out-of-state surcharge, general fee and other student revenue for the Middletown campus are forecast to be \$384,587 above budget. The performance of Middletown revenues is attributable to higher than budget enrollments by international students. Expenditures on both campuses are currently forecast on budget.

The state subsidy for the Hamilton is expected to be \$9,091 below budget and Middletown campuses forecast to be \$252,248 above budget based on the state Conference Committee adopted state budget. As noted above, the forecast will be updated in December when the Ohio Board of Regents provides revised mid-year estimates for the fiscal year.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a \$1.8 million deficit while the Middletown campus is projected to have an operating surplus of approximately \$636,836.

VOICE OF AMERICA LEARNING CENTER

The Voice of America Learning Center (VOALC) is projected to end the fiscal year on budget. As in the prior fiscal year, the funding support for the VOALC has been separately displayed for all three campuses and the VOALC. This transfer represents the budgeted financial support from each campus for funding the VOALC administrative operations.

MIAMI UNIVERSITY
FY2016 Forecast
Oxford General Fund Only
As of September 30, 2015

| | Original Budget | September End-of-Year Forecast | September Budget to Forecast |
|---|------------------------------------|--------------------------------------|------------------------------------|
| REVENUES: | | | |
| Instructional & OOS Surcharge | \$ 340,112,881 | \$ 347,252,223 | \$ 7,139,342 |
| Less Cohort Financial Aid Discount | \$ 58,947,656 | \$ 58,947,656 | \$ - |
| Net Instructional Fee & Out-of-State Surcharge | \$ 281,165,225 | \$ 288,304,567 | \$ 7,139,342 |
| General | \$ 32,539,258 | \$ 32,724,106 | \$ 184,848 |
| Other Student Revenue | \$ 3,601,500 | \$ 3,601,500 | \$ - |
| <i>Tuition, Fees and Other Student Charges</i> | <u>\$ 317,305,983</u> | <u>\$ 324,630,173</u> | <u>\$ 7,324,190</u> |
| State Appropriations | \$ 58,489,038 | \$ 60,978,762 | \$ 2,489,724 |
| Investment Income | \$ 4,325,000 | \$ 4,325,000 | \$ - |
| Other Revenue | \$ 1,444,000 | \$ 1,444,000 | \$ - |
| Total Revenues | <u>\$ 381,564,021</u> | <u>\$ 391,377,935</u> | <u>\$ 9,813,914</u> |
| EXPENDITURES: | | | |
| Salaries | \$ 168,085,747 | \$ 168,085,747 | \$ - |
| Benefits | \$ 32,480,774 | \$ 32,480,774 | \$ - |
| Healthcare Expense | \$ 29,545,024 | \$ 29,545,024 | \$ - |
| Graduate Assistant, Fellowships & Fee Waivers | \$ 30,779,703 | \$ 30,242,203 | \$ (537,500) |
| Undergraduate Scholarships & Student Waivers | \$ 12,608,758 | \$ 12,608,758 | \$ - |
| Utilities | \$ 13,314,644 | \$ 13,314,644 | \$ - |
| Departmental Support Expenditures | \$ 27,883,845 | \$ 27,883,845 | \$ - |
| Multi-year Expenditures | \$ 5,671,742 | \$ 5,671,742 | \$ - |
| Total Expenditures | <u>\$ 320,370,237</u> | <u>\$ 319,832,737</u> | <u>\$ (537,500)</u> |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | \$ (30,151,928) | \$ (30,151,928) | \$ - |
| Capital, Renewal & Replacement | \$ (7,980,000) | \$ (7,980,000) | \$ - |
| Debt Service | \$ (5,222,213) | \$ (5,222,213) | \$ - |
| Support for VOALC (50%) | \$ (577,383) | \$ (577,383) | \$ - |
| Other Miscellaneous Operational Transfers | \$ (849,727) | \$ (849,727) | \$ - |
| Total Debt Service and Transfers | <u>\$ (44,781,251)</u> | <u>\$ (44,781,251)</u> | <u>\$ -</u> |
| <i>Net Revenues/(Expenditures) Before Adjustments</i> | \$ 16,412,533 | \$ 26,763,947 | \$ 10,351,414 |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Savings | \$ - | \$ - | \$ - |
| Departmental Budgetary Carryforward | \$ - | \$ - | \$ - |
| Reserve for Investment Fluctuations | \$ - | \$ - | \$ - |
| Reserve for Future Budgets | \$ - | \$ - | \$ - |
| Net Increase/(Decrease) in Fund Balance | <u><u>\$ 16,412,533</u></u> | <u><u>\$ 26,763,947</u></u> | <u><u>\$ 10,351,414</u></u> |

MIAMI UNIVERSITY
FY2016 Forecast
Hamilton General Fund Only
As of September 30, 2015

| | Original <u>Budget</u> | September End-of-Year <u>Forecast</u> | September Budget to <u>Forecast</u> |
|---|---------------------------|---|---|
| REVENUES: | | | |
| Instructional & OOS Surcharge | \$ 18,297,106 | \$ 17,301,506 | \$ (995,600) |
| Less Continuing & New Scholarships | \$ 723,638 | \$ 1,138,593 | \$ 414,955 |
| Net Instructional Fee & Out-of-State Surcharge | \$ 17,573,468 | \$ 16,162,913 | \$ (1,410,555) |
| General | \$ 1,072,238 | \$ 1,004,831 | \$ (67,407) |
| Other Student Revenue | \$ 193,500 | \$ 193,500 | \$ - |
| <i>Tuition, Fees and Other Student Charges</i> | \$ 18,839,206 | \$ 17,361,244 | \$ (1,477,962) |
| State Appropriations | \$ 7,134,467 | \$ 7,125,376 | \$ (9,091) |
| Investment Income | \$ 50,000 | \$ 50,000 | \$ - |
| Other Revenue | \$ 79,500 | \$ 79,500 | \$ - |
| Total Revenues | \$ 26,103,173 | \$ 24,616,120 | \$ (1,487,053) |
| EXPENDITURES: | | | |
| Salaries | \$ 14,148,308 | \$ 14,148,308 | \$ - |
| Allowance for Unspent Salaries | \$ (552,558) | \$ (552,558) | \$ - |
| Benefits | \$ 2,649,355 | \$ 2,649,355 | \$ - |
| Allowance for Unspent Benefits | \$ (206,325) | \$ (206,325) | \$ - |
| Healthcare Expense | \$ 2,222,218 | \$ 2,222,218 | \$ - |
| Graduate Assistant Fee Waivers | \$ - | \$ - | \$ - |
| Utilities | \$ 696,000 | \$ 696,000 | \$ - |
| Departmental Support Expenditures | \$ 4,895,627 | \$ 4,895,627 | \$ - |
| Multi-year Expenditures | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 23,852,625 | \$ 23,852,625 | \$ - |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | \$ (435,461) | \$ (435,461) | \$ - |
| Capital, Renewal & Replacement | \$ - | \$ - | \$ - |
| Unrestricted Allocated Funds | \$ - | \$ - | \$ - |
| Debt Service | \$ - | \$ - | \$ - |
| Support for VOALC (25%) | \$ (288,691) | \$ (288,691) | \$ - |
| Support for Middletown | \$ (1,827,697) | \$ (1,827,697) | \$ - |
| Other Miscellaneous Operational Transfers | \$ - | \$ - | \$ - |
| Total Debt Service and Transfers | \$ (2,551,849) | \$ (2,551,849) | \$ - |
| <i>Net Revenues/(Expenditures) Before Adjustments</i> | \$ (301,301) | \$ (1,788,354) | \$ (1,487,053) |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Savings | \$ - | \$ - | \$ - |
| Departmental Budgetary Carryforward | \$ - | \$ - | \$ - |
| Reserve for Investment Fluctuations | \$ - | \$ - | \$ - |
| Reserve for Future Budgets | \$ - | \$ - | \$ - |
| Net Increase/(Decrease) in Fund Balance | \$ (301,301) | \$ (1,788,354) | \$ (1,487,053) |

MIAMI UNIVERSITY
FY2016 Forecast
Middletown General Fund Only
As of September 30, 2015

| | Original <u>Budget</u> | September End-of-Year <u>Forecast</u> | September Budget to <u>Forecast</u> |
|---|---------------------------|---|---|
| REVENUES: | | | |
| Instructional & OOS Surcharge | \$ 11,250,720 | \$ 11,477,799 | \$ 227,079 |
| Less Continuing & New Scholarships | \$ 865,638 | \$ 677,675 | \$ (187,963) |
| Net Instructional Fee & Out-of-State Surcharge | \$ 10,385,082 | \$ 10,800,124 | \$ 415,042 |
| General | \$ 630,283 | \$ 599,828 | \$ (30,455) |
| Other Student Revenue | \$ 80,700 | \$ 80,700 | \$ - |
| <i>Tuition, Fees and Other Student Charges</i> | \$ 11,096,065 | \$ 11,480,652 | \$ 384,587 |
| State Appropriations | \$ 4,753,491 | \$ 5,005,739 | \$ 252,248 |
| Investment Income | \$ 50,000 | \$ 50,000 | \$ - |
| Other Revenue | \$ 70,402 | \$ 70,402 | \$ - |
| Total Revenues | \$ 15,969,958 | \$ 16,606,793 | \$ 636,835 |
| EXPENDITURES: | | | |
| Salaries | \$ 10,554,776 | \$ 10,554,776 | \$ - |
| Allowance for Unspent Salaries | \$ (977,394) | \$ (977,394) | \$ - |
| Benefits | \$ 2,115,923 | \$ 2,115,923 | \$ - |
| Allowance for Unspent Benefits | \$ (377,274) | \$ (377,274) | \$ - |
| Healthcare Expense | \$ 1,581,503 | \$ 1,581,503 | \$ - |
| Graduate Assistant Fee Waivers | \$ - | \$ - | \$ - |
| Utilities | \$ 453,500 | \$ 453,500 | \$ - |
| Departmental Support Expenditures | \$ 3,745,301 | \$ 3,745,301 | \$ - |
| Multi-year Expenditures | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 17,096,335 | \$ 17,096,335 | \$ - |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | \$ (157,837) | \$ (157,837) | \$ - |
| Capital, Renewal & Replacement | \$ - | \$ - | \$ - |
| Unrestricted Allocated Funds | \$ - | \$ - | \$ - |
| Debt Service | \$ (254,792) | \$ (254,792) | \$ - |
| Support for VOALC (25%) | \$ (288,691) | \$ (288,691) | \$ - |
| Support From Hamilton | \$ 1,827,697 | \$ 1,827,697 | \$ - |
| Other Miscellaneous Operational Transfers | \$ - | \$ - | \$ - |
| Total Debt Service and Transfers | \$ 1,126,377 | \$ 1,126,377 | \$ - |
| <i>Net Revenues/(Expenditures) Before Adjustments</i> | \$ - | \$ 636,835 | \$ 636,835 |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Savings | \$ - | \$ - | \$ - |
| Departmental Budgetary Carryforward | \$ - | \$ - | \$ - |
| Reserve for Investment Fluctuations | \$ - | \$ - | \$ - |
| Reserve for Future Budgets | \$ - | \$ - | \$ - |
| Net Increase/(Decrease) in Fund Balance | \$ - | \$ 636,835 | \$ 636,835 |

MIAMI UNIVERSITY
 FY2016 Forecast
Voice of America Learning Center General Fund Only
As of September 30, 2015

| | Original Budget | September End-of-Year Forecast | September Budget to Forecast |
|---|--------------------|--------------------------------------|------------------------------------|
| REVENUES: | | | |
| Instructional & OOS Surcharge | \$ - | \$ - | \$ - |
| Less Continuing & New Scholarships | \$ - | \$ - | \$ - |
| Net Instructional Fee & Out-of-State Surcharge | \$ - | \$ - | \$ - |
| General | \$ - | \$ - | \$ - |
| Other Student Revenue | \$ - | \$ - | \$ - |
| <i>Tuition, Fees and Other Student Charges</i> | \$ - | \$ - | \$ - |
| State Appropriations | \$ - | \$ - | \$ - |
| Investment Income | \$ - | \$ - | \$ - |
| Other Revenue | \$ 35,000 | \$ 35,000 | \$ - |
| Total Revenues | \$ 35,000 | \$ 35,000 | \$ - |
| EXPENDITURES: | | | |
| Salaries | \$ 230,955 | \$ 230,955 | \$ - |
| Benefits | \$ 48,982 | \$ 48,982 | \$ - |
| Healthcare Expense | \$ 44,555 | \$ 44,555 | \$ - |
| Graduate Assistant Fee Waivers | \$ - | \$ - | \$ - |
| Utilities | \$ 59,900 | \$ 59,900 | \$ - |
| Departmental Support Expenditures | \$ 288,323 | \$ 288,323 | \$ - |
| Multi-year Expenditures | \$ - | \$ - | \$ - |
| Total Expenditures | \$ 672,715 | \$ 672,715 | \$ - |
| DEBT SERVICE AND TRANSFERS: | | | |
| General Fee | \$ - | \$ - | \$ - |
| Capital, Renewal & Replacement | \$ (35,300) | \$ (35,300) | \$ - |
| Unrestricted Allocated Funds | \$ - | \$ - | \$ - |
| Debt Service | \$ (481,750) | \$ (481,750) | \$ - |
| Support for VOALC Transfers | \$ 1,154,765 | \$ 1,154,765 | \$ - |
| Other Miscellaneous Operational Transfers | \$ - | \$ - | \$ - |
| Total Debt Service and Transfers | \$ 637,715 | \$ 637,715 | \$ - |
| <i>Net Revenues/(Expenditures) Before Adjustments</i> | \$ - | \$ - | \$ - |
| ADJUSTMENTS: | | | |
| Departmental Budgetary Savings | \$ - | \$ - | \$ - |
| Departmental Budgetary Carryforward | \$ - | \$ - | \$ - |
| Reserve for Investment Fluctuations | \$ - | \$ - | \$ - |
| Reserve for Future Budgets | \$ - | \$ - | \$ - |
| Net Increase/(Decrease) in Fund Balance | \$ - | \$ - | \$ - |

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

| | FY2014 | FY2015 | FY16 | Thru September Year To Date | | | FY 2016 | |
|---|----------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| <u>College of Arts & Sciences</u> | | | | | | | | |
| Salary | \$ 48,100,556 | \$ 49,577,235 | \$ 53,009,961 | \$ 8,049,115 | \$ 7,871,880 | \$ 7,680,308 | 15% | 2% |
| Benefits | \$ 12,682,905 | \$ 13,531,242 | \$ 17,854,044 | \$ 2,690,917 | \$ 2,584,750 | \$ 2,475,375 | 15% | 4% |
| Scholarships & Fellowships | \$ 9,103,717 | \$ 8,688,453 | \$ 10,674,846 | \$ 1,647,200 | \$ 17,008 | \$ 2,215,325 | 15% | 9585% |
| Departmental Support Expenses | \$ 4,221,714 | \$ 2,887,680 | \$ 7,121,064 | \$ 1,024,830 | \$ 660,226 | \$ 817,022 | 14% | 55% |
| Total Expenses | \$ 74,108,892 | \$ 74,684,610 | \$ 88,659,915 | \$ 13,412,062 | \$ 11,133,864 | \$ 13,188,030 | 15% | 20% |
| <u>College of Education, Health, and Society</u> | | | | | | | | |
| Salary | \$ 12,132,366 | \$ 12,660,948 | \$ 13,618,903 | \$ 2,103,125 | \$ 2,146,911 | \$ 2,040,818 | 15% | -2% |
| Benefits | \$ 3,149,679 | \$ 3,555,743 | \$ 4,683,030 | \$ 710,788 | \$ 710,512 | \$ 997,543 | 15% | 0% |
| Scholarships & Fellowships | \$ 1,716,761 | \$ 1,607,878 | \$ 2,091,474 | \$ 230,385 | \$ 32,788 | \$ - | 11% | 603% |
| Departmental Support Expenses | \$ 1,474,216 | \$ 1,051,840 | \$ 2,545,220 | \$ 315,014 | \$ 169,155 | \$ 171,540 | 12% | 86% |
| Total Expenses | \$ 18,473,022 | \$ 18,876,409 | \$ 22,938,627 | \$ 3,359,312 | \$ 3,059,366 | \$ 3,209,901 | 15% | 10% |
| <u>College of Engineering and Computing</u> | | | | | | | | |
| Salary | \$ 6,565,594 | \$ 6,622,190 | \$ 6,617,666 | \$ 1,275,507 | \$ 1,222,997 | \$ 1,203,179 | 19% | 4% |
| Benefits | \$ 1,879,312 | \$ 1,954,333 | \$ 2,482,294 | \$ 462,855 | \$ 433,277 | \$ 492,644 | 19% | 7% |
| Scholarships & Fellowships | \$ 619,839 | \$ 505,709 | \$ 597,564 | \$ 38,093 | \$ - | \$ - | 6% | 0% |
| Departmental Support Expenses | \$ 697,737 | \$ 525,757 | \$ 611,159 | \$ 172,133 | \$ 96,048 | \$ 242,678 | 28% | 79% |
| Total Expenses | \$ 9,762,482 | \$ 9,607,989 | \$ 10,308,683 | \$ 1,948,588 | \$ 1,752,322 | \$ 1,938,501 | 19% | 11% |
| <u>Farmer School of Business</u> | | | | | | | | |
| Salary | \$ 17,708,566 | \$ 20,391,366 | \$ 19,570,620 | \$ 3,936,878 | \$ 3,695,872 | \$ 3,284,111 | 20% | 7% |
| Benefits | \$ 6,002,199 | \$ 5,990,636 | \$ 7,587,531 | \$ 1,364,967 | \$ 1,255,111 | \$ 1,167,077 | 18% | 9% |
| Scholarships & Fellowships | \$ 505,930 | \$ 494,014 | \$ 896,346 | \$ 36,306 | \$ - | \$ 84 | 4% | 0% |
| Departmental Support Expenses | \$ 2,036,979 | \$ 1,176,750 | \$ 3,301,666 | \$ 471,929 | \$ 282,033 | \$ 252,134 | 14% | 67% |
| Total Expenses | \$ 26,253,674 | \$ 28,052,766 | \$ 31,356,163 | \$ 5,810,080 | \$ 5,233,016 | \$ 4,703,406 | 19% | 11% |
| <u>College of Creative Arts</u> | | | | | | | | |
| Salary | \$ 8,985,802 | \$ 9,117,628 | \$ 9,629,033 | \$ 1,506,962 | \$ 1,499,735 | \$ 1,469,665 | 16% | 0% |
| Benefits | \$ 2,481,081 | \$ 2,692,484 | \$ 3,523,179 | \$ 529,340 | \$ 516,532 | \$ 497,014 | 15% | 2% |
| Scholarships & Fellowships | \$ 1,385,329 | \$ 1,273,236 | \$ 1,548,234 | \$ 180,875 | \$ 1,607 | \$ 213,741 | 12% | 11155% |
| Departmental Support Expenses | \$ 1,471,030 | \$ 722,677 | \$ 1,202,567 | \$ 235,651 | \$ 118,539 | \$ 141,259 | 20% | 99% |
| Total Expenses | \$ 14,323,242 | \$ 13,806,025 | \$ 15,903,013 | \$ 2,452,828 | \$ 2,136,413 | \$ 2,321,679 | 15% | 15% |
| <u>Dolibois European Center - Luxemburg</u> | | | | | | | | |
| Salary | \$ 1,027,975 | \$ 929,736 | \$ 1,223,639 | \$ 121,682 | \$ 113,986 | \$ 128,853 | 10% | 7% |
| Benefits | \$ 275,645 | \$ 261,895 | \$ 446,785 | \$ 56,645 | \$ 51,212 | \$ 54,027 | 13% | 11% |
| Scholarships & Fellowships | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0% | 0% |
| Utilities | \$ 49,101 | \$ 27,203 | \$ 35,220 | \$ 5,357 | \$ 1,766 | \$ 1,746 | 15% | 203% |
| Departmental Support Expenses | \$ 328,037 | \$ 228,264 | \$ 351,000 | \$ 118,553 | \$ 51,561 | \$ 68,506 | 34% | 130% |
| Total Expenses | \$ 1,680,758 | \$ 1,447,098 | \$ 2,056,644 | \$ 302,237 | \$ 218,525 | \$ 253,132 | 15% | 38% |

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

| | FY2014 | | | FY2015 | | | FY16 | | | Thru September Year To Date | | | FY 2016 | |
|--|----------|-------------|--------|-------------|--------|-------------|----------|------------|--------|-----------------------------|--------|------------|-----------------|-----------------------|
| | Year-end | Actual | Budget | Year-end | Actual | Budget | Year-end | Actual | Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Graduate School | | | | | | | | | | | | | | |
| Salary | \$ | 1,580,813 | \$ | 2,420,009 | \$ | 2,361,004 | \$ | 586,626 | \$ | 580,409 | \$ | 403,355 | 25% | 1% |
| Benefits | \$ | 495,789 | \$ | 495,082 | \$ | 587,467 | \$ | 158,432 | \$ | 167,349 | \$ | 145,328 | 27% | -5% |
| Scholarships & Fellowships | \$ | 13,879,476 | \$ | 14,873,780 | \$ | 12,808,216 | \$ | 10,964,322 | \$ | 13,404,187 | \$ | 10,357,368 | 86% | -18% |
| Departmental Support Expenses | \$ | 309,072 | \$ | 252,783 | \$ | 548,851 | \$ | 95,861 | \$ | 81,187 | \$ | 48,367 | 17% | 18% |
| Total Expenses | \$ | 16,265,150 | \$ | 18,041,654 | \$ | 16,305,538 | \$ | 11,805,241 | \$ | 14,233,132 | \$ | 10,954,418 | 72% | -17% |
| Other Provost Departments | | | | | | | | | | | | | | |
| Salary | \$ | 8,211,049 | \$ | 7,848,019 | \$ | 8,985,298 | \$ | 2,109,773 | \$ | 2,033,225 | \$ | 2,017,991 | 23% | 4% |
| Benefits | \$ | 2,390,578 | \$ | 2,709,275 | \$ | 3,615,269 | \$ | 834,202 | \$ | 769,112 | \$ | 755,194 | 23% | 8% |
| Scholarships & Fellowships | \$ | 1,245,328 | \$ | 528,507 | \$ | 109,910 | \$ | 49,877 | \$ | - | \$ | 52,500 | 45% | 0% |
| Utilities | \$ | 308 | \$ | 395 | \$ | - | \$ | - | \$ | 2,272 | \$ | 20 | 0% | -100% |
| Departmental Support Expenses | \$ | 5,474,550 | \$ | 5,912,645 | \$ | 6,424,579 | \$ | 3,050,702 | \$ | 2,951,244 | \$ | 2,671,364 | 47% | 3% |
| Total Expenses | \$ | 17,321,813 | \$ | 16,998,841 | \$ | 19,135,056 | \$ | 6,044,554 | \$ | 5,755,853 | \$ | 5,497,069 | 32% | 5% |
| Total Provost Office | | | | | | | | | | | | | | |
| Salary | \$ | 104,312,721 | \$ | 109,567,131 | \$ | 115,016,124 | \$ | 19,689,668 | \$ | 19,165,015 | \$ | 18,228,280 | 17% | 3% |
| Benefits | \$ | 29,357,188 | \$ | 31,190,690 | \$ | 40,779,599 | \$ | 6,808,146 | \$ | 6,487,855 | \$ | 6,584,202 | 17% | 5% |
| Scholarships & Fellowships | \$ | 28,456,380 | \$ | 27,971,577 | \$ | 28,726,590 | \$ | 13,147,058 | \$ | 13,455,590 | \$ | 12,839,018 | 46% | -2% |
| Utilities | \$ | 49,409 | \$ | 27,598 | \$ | 35,220 | \$ | 5,357 | \$ | 4,038 | \$ | 1,766 | 15% | 33% |
| Departmental Support Expenses | \$ | 16,013,335 | \$ | 12,758,396 | \$ | 22,106,106 | \$ | 5,484,673 | \$ | 4,409,993 | \$ | 4,412,870 | 25% | 24% |
| Total Expenses | \$ | 178,189,033 | \$ | 181,515,392 | \$ | 206,663,639 | \$ | 45,134,902 | \$ | 43,522,491 | \$ | 42,066,136 | 22% | 4% |
| Physical Facilities | | | | | | | | | | | | | | |
| Salary | \$ | 11,617,710 | \$ | 11,940,718 | \$ | 12,794,937 | \$ | 3,014,328 | \$ | 3,067,482 | \$ | 2,861,706 | 24% | -2% |
| Benefits | \$ | 3,641,987 | \$ | 3,741,925 | \$ | 5,130,523 | \$ | 1,208,534 | \$ | 1,193,612 | \$ | 1,120,018 | 24% | 1% |
| Utilities | \$ | 12,886,292 | \$ | 13,159,466 | \$ | 13,279,424 | \$ | 3,265,830 | \$ | 3,291,725 | \$ | 3,332,991 | 25% | -1% |
| Scholarships & Fellowships | \$ | 6,930 | \$ | 2,423 | \$ | 27,162 | \$ | - | \$ | - | \$ | 21 | 0% | 0% |
| Departmental Support Expenses | \$ | 771,857 | \$ | 781,433 | \$ | 300,562 | \$ | 106,693 | \$ | 288,186 | \$ | 47,539 | 35% | -63% |
| Total Expenses | \$ | 28,924,776 | \$ | 29,625,965 | \$ | 31,532,608 | \$ | 7,595,385 | \$ | 7,841,005 | \$ | 7,362,275 | 24% | -3% |
| Other Finance & Business Services Departments | | | | | | | | | | | | | | |
| Salary | \$ | 7,788,857 | \$ | 8,035,713 | \$ | 8,203,199 | \$ | 1,804,534 | \$ | 1,959,410 | \$ | 1,881,058 | 22% | -8% |
| Benefits | \$ | 2,417,137 | \$ | 2,470,382 | \$ | 3,311,193 | \$ | 726,218 | \$ | 784,496 | \$ | 737,751 | 22% | -7% |
| Departmental Support Expenses | \$ | 1,910,247 | \$ | 1,201,466 | \$ | 2,201,227 | \$ | 641,704 | \$ | 329,243 | \$ | 497,844 | 29% | 95% |
| Total Expenses | \$ | 12,116,241 | \$ | 11,707,561 | \$ | 13,715,619 | \$ | 3,172,456 | \$ | 3,073,149 | \$ | 3,116,653 | 23% | 3% |
| Enrollment Management & Student Success | | | | | | | | | | | | | | |
| Salary | \$ | 4,980,451 | \$ | 6,139,014 | \$ | 6,826,677 | \$ | 1,581,090 | \$ | 1,327,796 | \$ | 1,181,930 | 23% | 19% |
| Benefits | \$ | 1,560,108 | \$ | 1,943,430 | \$ | 2,754,236 | \$ | 636,728 | \$ | 516,110 | \$ | 477,739 | 23% | 23% |
| Scholarships & Fellowships | \$ | 55,511,208 | \$ | 62,640,323 | \$ | 72,548,488 | \$ | 34,839,010 | \$ | 30,491,652 | \$ | 27,598,141 | 48% | 14% |
| Departmental Support Expenses | \$ | 2,688,059 | \$ | 2,713,887 | \$ | 3,581,483 | \$ | 1,205,310 | \$ | 828,260 | \$ | 566,088 | 34% | 46% |
| Total Expenses | \$ | 64,739,826 | \$ | 73,436,654 | \$ | 85,710,884 | \$ | 38,262,138 | \$ | 33,163,818 | \$ | 29,823,898 | 45% | 15% |

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
FY2016 / FY2015 / FY2014

| | FY2014 | FY2015 | FY16 | Thru September Year To Date | | | FY 2016 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------------|----------------------|----------------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| <u>President</u> | | | | | | | | |
| Salary | \$ 3,864,846 | \$ 4,060,901 | \$ 4,219,652 | \$ 1,008,131 | \$ 951,686 | \$ 882,995 | 24% | 6% |
| Benefits | \$ 1,196,472 | \$ 1,230,793 | \$ 1,705,869 | \$ 405,128 | \$ 370,379 | \$ 344,811 | 24% | 9% |
| Departmental Support Expenses | \$ 5,182,721 | \$ 3,957,743 | \$ 3,960,578 | \$ 808,512 | \$ 521,280 | \$ 1,238,759 | 20% | 55% |
| Total Expenses | \$ 10,244,039 | \$ 9,249,437 | \$ 9,886,099 | \$ 2,221,771 | \$ 1,843,345 | \$ 2,466,565 | 22% | 21% |
| <u>Student Affairs</u> | | | | | | | | |
| Salary | \$ 5,220,016 | \$ 5,031,600 | \$ 6,624,312 | \$ 1,275,689 | \$ 1,336,851 | \$ 1,241,764 | 19% | -5% |
| Benefits | \$ 1,540,516 | \$ 1,550,085 | \$ 2,494,316 | \$ 496,696 | \$ 503,820 | \$ 467,722 | 20% | -1% |
| Scholarships & Fellowships | \$ 953,072 | \$ 907,265 | \$ 1,033,877 | \$ 85,629 | \$ 1,471 | \$ 44,635 | 8% | 5721% |
| Departmental Support Expenses | \$ (1,281,496) | \$ (1,788,320) | \$ (1,675,187) | \$ (416,386) | \$ (429,896) | \$ 691,937 | 25% | -3% |
| Total Expenses | \$ 6,432,108 | \$ 5,700,630 | \$ 8,477,318 | \$ 1,441,628 | \$ 1,412,246 | \$ 2,446,058 | 17% | 2% |
| <u>University Advancement</u> | | | | | | | | |
| Salary | \$ 4,018,665 | \$ 4,127,538 | \$ 4,406,315 | \$ 1,068,914 | \$ 1,033,489 | \$ 990,088 | 24% | 3% |
| Benefits | \$ 1,313,240 | \$ 1,312,412 | \$ 1,780,629 | \$ 427,093 | \$ 408,056 | \$ 388,557 | 24% | 5% |
| Departmental Support Expenses | \$ 641,339 | \$ 350,349 | \$ 410,520 | \$ 79,920 | \$ 221,496 | \$ 272,754 | 19% | -64% |
| Total Expenses | \$ 5,973,244 | \$ 5,790,299 | \$ 6,597,464 | \$ 1,575,927 | \$ 1,663,041 | \$ 1,651,399 | 24% | -5% |
| <u>Information Technology</u> | | | | | | | | |
| Salary | \$ 7,759,854 | \$ 7,195,604 | \$ 8,705,000 | \$ 1,759,576 | \$ 1,845,274 | \$ 1,910,881 | 20% | -5% |
| Benefits | \$ 2,489,482 | \$ 2,278,002 | \$ 3,525,525 | \$ 711,711 | \$ 741,788 | \$ 759,271 | 20% | -4% |
| Departmental Support Expenses | \$ 2,585,768 | \$ 1,714,435 | \$ 3,208,904 | \$ 1,765,062 | \$ 1,997,104 | \$ 2,222,376 | 55% | -12% |
| Total Expenses | \$ 12,835,104 | \$ 11,188,041 | \$ 15,439,429 | \$ 4,236,349 | \$ 4,584,166 | \$ 4,892,528 | 27% | -8% |
| <u>Centrally Budgeted Funds</u> | | | | | | | | |
| Salary | \$ - | \$ 626 | \$ 1,289,530 | \$ 3,690 | \$ - | \$ - | 0% | 0% |
| Benefits | \$ 5,537 | \$ 11,123 | \$ 543,908 | \$ 2,219 | \$ - | \$ - | 0% | 0% |
| Departmental Support Expenses | \$ 819,405 | \$ 849,447 | \$ 5,700,655 | \$ 688,441 | \$ 803,880 | \$ 712,578 | 12% | -14% |
| Total Expenses | \$ 672,155 | \$ 861,196 | \$ 7,534,093 | \$ 694,350 | \$ 803,880 | \$ 712,578 | 9% | -14% |
| <u>Grand Total</u> | | | | | | | | |
| Salary | \$ 149,563,120 | \$ 156,098,845 | \$ 168,085,746 | \$ 31,205,620 | \$ 30,687,003 | \$ 29,178,702 | 19% | 2% |
| Benefits | \$ 43,521,667 | \$ 45,728,842 | \$ 62,025,798 | \$ 11,422,473 | \$ 11,006,116 | \$ 10,880,071 | 18% | 4% |
| Scholarships & Fellowships | \$ 84,927,590 | \$ 91,521,588 | \$ 102,336,117 | \$ 48,071,697 | \$ 43,948,713 | \$ 40,481,815 | 47% | 9% |
| Utilities | \$ 12,935,701 | \$ 13,187,064 | \$ 13,314,644 | \$ 3,271,187 | \$ 3,295,763 | \$ 3,334,757 | 25% | -1% |
| Departmental Support Expenses | \$ 29,331,235 | \$ 22,538,836 | \$ 34,123,106 | \$ 10,363,929 | \$ 7,670,987 | \$ 9,786,301 | 30% | 35% |
| Admin Service Charge | \$ (7,639,099) | \$ (8,079,403) | \$ (8,106,724) | \$ (2,026,681) | \$ (2,030,600) | \$ (1,911,859) | 25% | 0% |
| Multi Year Accounts | \$ 4,680,725 | \$ 5,110,493 | \$ 5,671,742 | \$ 981,594 | \$ 1,298,559 | \$ 876,444 | 0% | -24% |
| Total Expenses | \$ 317,320,939 | \$ 326,106,265 | \$ 377,450,429 | \$ 103,289,819 | \$ 95,876,541 | \$ 92,626,231 | 27% | 8% |

Note: Excludes Transfers

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Residence & Dining Halls | | | | | | | | |
| Revenue | 88,831,152 | 95,376,089 | 99,106,340 | 50,836,265 | 49,404,131 | 45,607,702 | 51% | 3% |
| General Fee Support | - | - | - | - | - | - | | |
| Total Sources | 88,831,152 | 95,376,089 | 99,106,340 | 50,836,265 | 49,404,131 | 45,607,702 | 51% | 3% |
| Salary | 15,344,766 | 15,732,386 | 14,198,818 | 3,523,569 | 3,913,862 | 3,489,906 | 25% | -10% |
| Benefits | 3,938,126 | 4,046,864 | 4,470,242 | 1,228,822 | 1,301,194 | 1,206,878 | 27% | -6% |
| Utilites | 5,614,894 | 6,179,598 | 6,191,844 | 1,356,666 | 1,391,005 | 1,152,460 | 22% | -2% |
| Charge Outs | (407,594) | (2,695,243) | (2,668,480) | 83,114 | (219,481) | 108,294 | -3% | -138% |
| Operating Expenses | 29,339,543 | 33,518,415 | 37,369,828 | 9,204,738 | 7,822,036 | 4,882,334 | 25% | 18% |
| Inventory Purchases | | 13,939 | 44,500 | 654 | - | 121 | 1% | |
| Debt Service | 22,303,542 | 30,866,290 | 33,909,606 | 8,568,421 | 7,725,834 | 5,457,620 | 25% | 11% |
| Total Uses | 76,133,276 | 87,662,249 | 93,516,358 | 23,965,984 | 21,934,450 | 16,297,612 | 26% | 9% |
| Net Transfers | (12,261,837) | (7,706,422) | (5,589,982) | (1,509,937) | (1,860,244) | - | 27% | -19% |
| Net Total | 436,036 | 7,417 | - | 25,360,344 | 25,609,437 | 29,310,090 | | -1% |
| Shriver Center | | | | | | | | |
| Revenue | 25,637,661 | 26,044,832 | 27,031,621 | 9,382,576 | 8,301,434 | 9,373,197 | 35% | 13% |
| General Fee Support | 855,000 | 855,000 | 872,081 | 218,020 | 213,750 | 213,750 | 25% | 2% |
| Total Sources | 26,492,661 | 26,899,832 | 27,903,702 | 9,600,596 | 8,515,184 | 9,586,947 | 34% | 13% |
| Salary | 4,714,092 | 4,232,203 | 4,330,943 | 969,213 | 1,103,079 | 1,362,917 | 22% | -12% |
| Benefits | 1,080,457 | 1,046,556 | 1,362,910 | 322,517 | 351,434 | 413,658 | 24% | -8% |
| Utilities | 508,405 | 413,065 | 455,429 | 126,249 | 288,865 | 298,776 | 28% | -56% |
| Charge Outs | (20,371) | (688,444) | (637,937) | (203,980) | (49,445) | - | 32% | 313% |
| Operating Expenses | 3,354,456 | 5,247,135 | 5,012,470 | 872,548 | 823,494 | 712,075 | 17% | 6% |
| Inventory Purchases | 14,371,431 | 14,127,443 | 14,348,714 | 5,313,098 | 5,091,813 | 5,487,684 | 37% | 4% |
| Debt Service | 57,760 | 47,326 | 47,196 | 11,932 | 11,959 | - | 25% | 0% |
| Total Uses | 24,066,231 | 24,425,284 | 24,919,725 | 7,411,577 | 7,621,199 | 8,275,110 | 30% | -3% |
| Net Transfers | (2,303,909) | (2,416,642) | (2,983,977) | (644,564) | (203,910) | - | 22% | 216% |
| Net Total | 122,521 | 57,906 | - | 1,544,455 | 690,076 | 1,311,837 | | 124% |

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|----------------------------------|-------------------|-------------------|-------------------|------------------|--------------------|--------------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Marcum Conference Center | | | | | | | | |
| Revenue | 2,058,362 | 1,428,869 | 1,511,562 | 384,105 | 360,103 | 542,611 | 25% | 7% |
| General Fee Support | - | - | - | - | - | - | | |
| Total Sources | 2,058,362 | 1,428,869 | 1,511,562 | 384,105 | 360,103 | 542,611 | 25% | 7% |
| Salary | 955,142 | 535,093 | 568,490 | 114,569 | 167,025 | 267,904 | 20% | -31% |
| Benefits | 203,847 | 144,168 | 178,235 | 39,286 | 55,218 | 91,069 | 22% | -29% |
| Utilities | 176,623 | 137,654 | 207,448 | 43,189 | 46,060 | 46,450 | 21% | -6% |
| Charge Outs | (7,087) | (43,000) | 46,652 | - | - | (6,250) | 0% | |
| Operating Expenses | 631,942 | 454,496 | 485,314 | 112,503 | 70,918 | 161,430 | 23% | 59% |
| Inventory Purchases | 5,198 | 24,525 | 1,500 | 544 | 52 | 138 | 36% | 956% |
| Debt Service | 5,092 | - | - | - | - | 1,278 | | |
| Total Uses | 1,970,757 | 1,252,936 | 1,487,639 | 310,090 | 339,274 | 562,019 | 21% | -9% |
| Net Transfers | (18,533) | (141,119) | (23,923) | (5,981) | (22,780) | - | 25% | -74% |
| Net Total | 69,071 | 34,813 | - | 68,034 | (1,951) | (19,408) | | -3587% |
| Intercollegiate Athletics | | | | | | | | |
| Revenue | 5,383,708 | 5,987,974 | 6,385,883 | 2,951,009 | 1,853,685 | 1,556,236 | 46% | 59% |
| General Fee Support | 15,735,046 | 16,107,965 | 17,370,318 | 4,142,580 | 3,954,492 | 3,948,761 | 24% | 5% |
| Designated Revenue | 383,955 | 692,406 | 590,374 | 150,756 | 280,308 | 164,909 | 26% | -46% |
| Restricted Revenue | 1,226,906 | 1,112,975 | 1,877,805 | 402,043 | 220,731 | 236,173 | 21% | 82% |
| Total Sources | 22,729,614 | 23,901,320 | 26,224,380 | 7,646,388 | 6,309,216 | 5,906,079 | 29% | 21% |
| Salary | 7,688,808 | 7,618,940 | 7,692,515 | 1,833,742 | 1,848,119 | 1,831,306 | 24% | -1% |
| Benefits | 2,373,843 | 2,314,442 | 2,979,737 | 709,907 | 708,231 | 709,312 | 24% | 0% |
| Utilities | 8,800 | 9,869 | 2,500 | 560 | 111 | 1,313 | 22% | 405% |
| Charge Outs | (117,760) | (123,173) | - | - | - | - | | |
| Operating Expenses | 12,088,308 | 13,628,179 | 13,309,551 | 5,128,939 | 4,910,985 | 4,455,203 | 39% | 4% |
| Inventory Purchases | - | - | - | - | - | - | | |
| Debt Service | - | - | - | - | - | - | | |
| Designated Expense | 436,248 | 746,950 | 590,374 | 303,996 | 117,364 | 115,977 | 51% | 159% |
| Restricted Expense | 1,392,619 | 1,349,553 | 1,877,805 | 307,555 | 207,941 | 287,541 | 16% | 48% |
| Total Uses | 23,870,866 | 25,544,760 | 26,452,482 | 8,284,699 | 7,792,751 | 7,400,651 | 31% | 6% |
| Net Transfers | 1,632,054 | 895,565 | 228,102 | 187,500 | 207,500 | 100,000 | 82% | -10% |
| Net Total | 490,802 | (747,875) | - | (450,811) | (1,276,035) | (1,394,572) | | -65% |

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|--------------------------|-----------------|-----------------|-----------------|--------------|-----------|-----------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Recreation Center | | | | | | | | |
| Revenue | 2,820,137 | 3,191,209 | 3,157,940 | 977,603 | 1,037,706 | 949,796 | 31% | -6% |
| General Fee Support | 4,501,401 | 3,706,729 | 3,754,534 | 938,633 | 926,683 | 1,125,350 | 25% | 1% |
| Total Sources | 7,321,538 | 6,897,938 | 6,912,474 | 1,916,236 | 1,964,389 | 2,075,146 | 28% | -2% |
| Salary | 2,569,186 | 2,660,057 | 2,824,883 | 633,845 | 632,419 | 599,018 | 22% | 0% |
| Benefits | 532,432 | 599,473 | 784,656 | 178,965 | 173,630 | 168,471 | 23% | 3% |
| Utilities | 758,041 | 717,230 | 746,260 | 237,754 | 195,916 | 200,224 | 32% | 21% |
| Charge Outs | - | - | 336,436 | - | - | - | 0% | |
| Operating Expenses | 1,059,016 | 1,429,918 | 1,125,212 | 248,349 | 239,442 | 251,340 | 22% | 4% |
| Inventory Purchases | 187,544 | 312,791 | 248,000 | 74,638 | 70,061 | 23,520 | 30% | 7% |
| Debt Service | 1,393,469 | - | - | - | - | 349,772 | | |
| Total Uses | 6,499,687 | 5,719,468 | 6,065,447 | 1,373,550 | 1,311,467 | 1,592,343 | 23% | 5% |
| Net Transfers | (726,064) | (1,105,247) | (847,027) | (212,407) | (201,311) | - | 25% | 6% |
| Net Total | 95,786 | 73,223 | - | 330,278 | 451,611 | 482,803 | | -27% |
| Goggin Ice Arena | | | | | | | | |
| Revenue | 3,518,776 | 3,529,955 | 3,463,860 | 1,571,209 | 1,268,377 | 1,311,974 | 45% | 24% |
| General Fee Support | 2,238,736 | 2,182,739 | 2,201,527 | 550,383 | 545,684 | 559,684 | 25% | 1% |
| Total Sources | 5,757,512 | 5,712,694 | 5,665,387 | 2,121,592 | 1,814,061 | 1,871,658 | 37% | 17% |
| Salary | 1,225,713 | 1,156,649 | 1,238,055 | 264,538 | 268,833 | 280,125 | 21% | -2% |
| Benefits | 309,369 | 323,471 | 419,513 | 96,624 | 96,686 | 100,777 | 23% | 0% |
| Utilities | 997,729 | 950,515 | 1,082,318 | 298,811 | 259,293 | 304,662 | 28% | 15% |
| Charge Outs | - | - | - | - | - | - | | |
| Operating Expenses | 356,378 | 414,371 | 461,340 | 78,612 | 71,103 | 76,517 | 17% | 11% |
| Inventory Purchases | 221,049 | 203,240 | 170,000 | 25,762 | 70,001 | 89,799 | 15% | -63% |
| Debt Service | 2,043,168 | 2,039,936 | 2,030,650 | 558,692 | 515,802 | 519,240 | 28% | 8% |
| Total Uses | 5,153,404 | 5,088,182 | 5,401,876 | 1,323,040 | 1,281,718 | 1,371,121 | 24% | 3% |
| Net Transfers | (557,937) | (579,832) | (263,511) | (66,528) | (66,141) | - | 25% | 1% |
| Net Total | 46,171 | 44,681 | - | 732,025 | 466,202 | 500,537 | | 57% |

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|--|-----------------|-----------------|-----------------|--------------|-------------|-------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| <u>Parking and Transportation</u> | | | | | | | | |
| Revenue | 4,130,539 | 3,999,221 | 4,521,824 | 1,842,975 | 1,726,264 | 1,749,670 | 41% | 7% |
| General Fee Support | 200,000 | 200,003 | 199,000 | 49,750 | 50,000 | 50,000 | 25% | -1% |
| Total Sources | 4,330,539 | 4,199,224 | 4,720,824 | 1,892,725 | 1,776,264 | 1,799,670 | 40% | 7% |
| Salary | 448,533 | 429,872 | 454,048 | 94,632 | 107,111 | 120,093 | 21% | -12% |
| Benefits | 132,777 | 130,932 | 166,395 | 35,913 | 40,865 | 46,897 | 22% | -12% |
| Utilities | - | - | - | - | - | - | - | - |
| Charge Outs | (15,575) | (19,603) | (17,500) | (44,654) | (10,047) | (5,361) | 255% | 344% |
| Operating Expenses | 1,798,245 | 1,903,328 | 2,046,390 | 314,404 | 313,869 | 353,880 | 15% | 0% |
| Inventory Purchases | - | - | - | - | - | - | - | - |
| Debt Service | 1,937,403 | 1,716,098 | 1,710,121 | 460,676 | 434,206 | 435,398 | 27% | 6% |
| Total Uses | 4,301,383 | 4,160,626 | 4,359,454 | 860,971 | 886,005 | 950,907 | 20% | -3% |
| Net Transfers | 11,171 | (64,355) | (361,370) | (90,343) | (16,090) | - | 25% | 461% |
| Net Total | 40,327 | (25,758) | - | 941,411 | 874,168 | 848,763 | | 8% |
| <u>Utility Enterprise</u> | | | | | | | | |
| Revenue | - | - | - | - | - | - | - | - |
| Total Sources | - | - | - | - | - | - | - | - |
| Salary | 1,154,576 | 1,258,056 | 1,417,016 | 320,500 | 292,319 | 262,107 | 23% | 10% |
| Benefits | 382,306 | 425,303 | 570,474 | 128,850 | 117,998 | 105,857 | 23% | 9% |
| Utilities | 10,821,135 | 10,470,089 | 12,159,507 | 2,050,493 | 1,880,318 | 1,887,587 | 17% | 9% |
| Charge Outs | - | - | (40,000) | - | - | (177) | 0% | - |
| Expense Recovery | (22,515,171) | (23,175,972) | (23,734,159) | (5,965,676) | (5,888,707) | (5,777,368) | 25% | 1% |
| Operating Expenses | 1,384,738 | 1,216,450 | 1,723,506 | 319,978 | 354,551 | 393,225 | 19% | -10% |
| Inventory Purchases | 331 | - | - | - | - | - | - | - |
| Debt Service | 2,428,526 | 2,407,322 | 2,406,788 | 617,983 | 609,085 | 620,690 | 26% | 1% |
| Total Uses | (6,343,559) | (7,398,751) | (5,496,868) | (2,527,871) | (2,634,437) | (2,508,080) | 46% | -4% |
| Net Transfers | (6,274,088) | (6,964,248) | (5,496,868) | (1,374,217) | (1,349,858) | - | 25% | 2% |
| Net Total | 69,471 | 434,503 | - | 1,153,654 | 1,284,579 | 2,508,080 | | -10% |

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|------------------------------------|-----------------|-----------------|-----------------|--------------|-----------|----------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Student Health Services | | | | | | | | |
| Revenue | 1,736,418 | 1,853,078 | 2,252,538 | 422,552 | 141,211 | 396,945 | 19% | 199% |
| General Fee Support | 624,649 | 477,049 | - | - | 119,263 | - | - | -100% |
| Total Sources | 2,361,067 | 2,330,127 | 2,252,538 | 422,552 | 260,474 | 396,945 | 19% | 62% |
| Salary | 985,363 | 865,807 | 726,763 | 167,956 | 209,427 | 259,486 | 23% | -20% |
| Benefits | 305,503 | 274,447 | 294,343 | 68,022 | 84,597 | 104,636 | 23% | -20% |
| Utilities | 1,682 | 5,398 | 5,892 | 1,065 | 841 | - | 18% | 27% |
| Charge Outs | - | - | - | - | - | - | - | - |
| Operating Expenses | 500,155 | 723,080 | 1,075,347 | 110,658 | 183,028 | 89,148 | 10% | -40% |
| Inventory Purchases | 133,673 | 109,335 | 140,000 | 19,008 | 31,090 | 28,636 | 14% | -39% |
| Debt Service | - | - | - | - | - | - | - | - |
| Total Uses | 1,926,377 | 1,978,067 | 2,242,345 | 366,710 | 508,984 | 481,906 | 16% | -28% |
| Net Transfers | (83,411) | (165,439) | (10,193) | (2,548) | (16,360) | - | 25% | -84% |
| Net Total | 351,279 | 186,621 | - | 53,294 | (264,870) | (84,961) | | -120% |
| Armstrong - Student Affairs | | | | | | | | |
| Revenue | 1,690,773 | 3,778,234 | 3,915,177 | 1,803,238 | 1,759,025 | - | 46% | 3% |
| General Fee Support | - | 699,997 | 841,160 | 210,290 | 175,000 | - | 25% | 20% |
| Total Sources | 1,690,773 | 4,478,231 | 4,756,337 | 2,013,528 | 1,934,025 | - | 42% | 4% |
| Salary | 141,593 | 334,192 | 388,710 | 75,757 | 80,068 | - | 19% | -5% |
| Benefits | 36,952 | 66,444 | 85,837 | 17,177 | 20,236 | - | 20% | -15% |
| Utilities | 140,881 | 275,395 | 324,692 | 66,628 | 61,290 | - | 21% | 9% |
| Charge Outs | - | - | - | - | - | - | - | - |
| Operating Expenses | 185,098 | 701,089 | 724,448 | 431,533 | 80,757 | 3,840 | 60% | 434% |
| Inventory Purchases | - | - | - | - | - | - | - | - |
| Debt Service | 553,299 | 2,407,128 | 2,454,491 | 613,623 | - | - | 25% | - |
| Total Uses | 1,057,823 | 3,784,248 | 3,978,178 | 1,204,717 | 242,351 | 3,840 | 30% | 397% |
| Net Transfers | (581,623) | (647,121) | (778,159) | (194,540) | (192,940) | - | 25% | 1% |
| Net Total | 51,327 | 46,862 | - | 614,270 | 1,498,734 | (3,840) | | -59% |

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2016/FY2015/FY2014

| | FY2014 | FY2015 | FY2016 | Thru Sep YTD | | | FY 2016 | |
|------------------------|-----------------|-----------------|-----------------|--------------|-------------|-------------|-----------------|-----------------------|
| | Year-end Actual | Year-end Actual | Original Budget | FY2016 | FY2015 | FY2014 | % of '16 Budget | % Change from '15 YTD |
| Other Auxiliary | | | | | | | | |
| Revenue | 184,396 | 193,706 | 181,106 | 39,221 | 27,641 | 30,379 | 22% | 42% |
| General Fee Support | 4,541,070 | 5,163,646 | 920,294 | 230,073 | 230,074 | 2,687,028 | 25% | 0% |
| Total Sources | 4,725,466 | 5,357,353 | 1,101,400 | 269,294 | 257,715 | 2,717,407 | 24% | 4% |
| Salary | 67,328 | 66,003 | 71,061 | 17,159 | 17,106 | 16,541 | 24% | 0% |
| Benefits | 17,139 | 18,744 | 23,270 | 5,807 | 5,646 | 5,480 | 25% | 3% |
| Utilities | - | - | - | - | - | - | - | - |
| Charge Outs | - | - | - | - | - | - | - | - |
| Operating Expenses | 465,205 | 815,995 | 539,058 | 189,610 | 328,415 | 163,392 | 35% | -42% |
| Inventory Purchases | - | - | 100 | - | - | - | 0% | - |
| Debt Service | 349,947 | 345,510 | 345,255 | 94,308 | 87,365 | 88,892 | 27% | 8% |
| Total Uses | 899,618 | 1,246,252 | 978,744 | 306,885 | 438,531 | 274,305 | 31% | -30% |
| Net Transfers | (3,972,012) | (4,486,650) | (122,656) | 47,311 | (30,000) | (2,661,501) | -39% | -258% |
| Net Total | (146,163) | (375,550) | - | 9,721 | (210,816) | (218,399) | - | -105% |
| Total Auxiliary | | | | | | | | |
| Revenue | 137,079,353 | 145,383,166 | 151,527,851 | 70,210,754 | 65,879,576 | 61,518,510 | 46% | 7% |
| General Fee Support | 28,695,902 | 29,393,128 | 26,158,914 | 6,339,729 | 6,095,683 | 8,584,574 | 24% | 4% |
| Designated Revenue | 383,955 | 692,406 | 590,374 | 150,756 | 280,308 | 164,909 | 26% | -46% |
| Restricted Revenue | 1,226,906 | 1,112,975 | 1,877,805 | 402,043 | 220,731 | 236,173 | 21% | 82% |
| Total Sources | 167,386,115 | 176,581,676 | 180,154,944 | 77,103,282 | 72,476,297 | 70,504,165 | 43% | 6% |
| Salary | 35,349,959 | 34,889,259 | 33,911,302 | 8,015,482 | 8,639,368 | 8,489,403 | 24% | -7% |
| Benefits | 9,330,996 | 9,390,845 | 11,335,612 | 2,831,889 | 2,955,736 | 2,953,032 | 25% | -4% |
| Utilities | 19,913,727 | 19,158,812 | 21,175,890 | 4,181,415 | 3,864,405 | 3,586,810 | 20% | 8% |
| Expense Recovery | (22,515,171) | (23,175,972) | (23,734,159) | (5,965,676) | (5,888,707) | (5,777,368) | 25% | 1% |
| Charge Outs | (568,387) | (3,569,463) | (2,980,829) | (165,520) | (278,972) | 96,683 | 6% | -41% |
| Operating Expenses | 51,199,848 | 60,052,456 | 63,872,464 | 17,011,871 | 15,198,597 | 11,542,385 | 27% | 12% |
| Inventory Purchases | 14,919,226 | 14,791,271 | 14,952,814 | 5,433,705 | 5,263,017 | 5,629,898 | 36% | 3% |
| Debt Service | 31,072,206 | 39,829,612 | 42,904,107 | 10,925,634 | 9,384,250 | 7,472,889 | 25% | 16% |
| Designated Expense | 436,248 | 746,950 | 590,374 | 303,996 | 117,364 | 115,977 | 51% | 159% |
| Restricted Expense | 1,392,619 | 1,349,553 | 1,877,805 | 307,555 | 207,941 | 287,541 | 16% | 48% |
| Total Uses | 140,531,273 | 153,463,323 | 163,905,380 | 42,880,352 | 39,463,001 | 34,397,249 | 26% | 9% |
| Net Transfers | (25,215,609) | (23,381,510) | (16,249,564) | (3,866,255) | (3,752,134) | (2,561,501) | 24% | 3% |
| Net Total | 1,639,233 | (263,157) | - | 30,356,675 | 29,261,163 | 33,545,415 | - | 4% |

To: Finance and Audit Committee *Barbara K. Jena*

From: Barbara K. Jena, Director of Internal Audit and Consulting Services

Subject: **Internal Audit & Consulting Services - November 2015 Report**

Date: November 06, 2015

The following presents the Internal Audit and Consulting Services (IACS) annual plan and scope of internal audit activities, a summary of Internal Audit issues raised in reports, and IACS staffing and budget for fiscal year 2016.

1. Annual plan and scope of internal audit activities

The Internal Audit Plan is based on a risk analysis of key areas across the University. It was reviewed and approved by Mark Ridenour and is now presented to the full Committee for approval and any comments you may have. Information Technology is considered the highest audit risk and is an ongoing focus area. IACS scheduled an audit of Windows file share security, as well as follow-up audits concerning end-user device inventory, securing confidential information, and network penetration testing. Another area of audit focus is compliance with federal regulations and other external requirements. The audit plan includes compliance reviews of:

- Academic record updates, student refunds, and exit counseling
- Clery Act crime statistics and VAWA required notification
- Construction projects
- Confucius Institute

Please see page 2 for the complete audit plan.

2. Internal Audit issues

The report on pages 3 – 10 summarizes all open audit issues (including those from prior years) and is sorted by risk level, high to low. The following table shows that since the June 2015 report to the Committee, 14 issues were added and 22 closed. Four new high risk issues arose in an audit of academic record updates on the Oxford and regional campuses. Three of these recommendations for improvement pertain to student withdrawals and one pertains to grade changes (pages 4-5). Added issues at the moderate risk level pertain to the fuel dispensing system (page 7), as well as departmental deposit policies and procedures (page 8). The closed issues are summarized on pages 11 - 14.

Audit Issue Status

| Risk Level | Open audit | Added | Closed | Open audit |
|--------------|--------------------|-----------|-----------|---------------------|
| | issues 6/5/2015 | | | issues 11/6/2015 |
| High | 4 | 4 | 0 | 8 |
| Moderate | 6 | 8 | 1 | 13 |
| Low | 29 | 2 | 21 | 10 |
| Total | 39 | 14 | 22 | 31 |

3. IACS staffing and budget

IACS is now fully staffed with a Director, two full-time Associate Auditors, and two Interns. The FY 2016 total budget is \$359K. Personnel costs account for \$335K, or 93% of the budget. Expenditures are running under budget as of September 30, 2015.

Attachments

Cc: David K. Creamer

**Internal Audit and Consulting Services
FY 2016 Audit Plan**

| Reference to Audit Risk Analysis | Division | Audit Area | Audit Project | Status | July 1 | Aug 2 | Sept 3 | Oct 4 | Nov 5 | Dec 6 | Jan 7 | Feb 8 | Mar 9 | Apr 10 | May 11 | June 12 |
|-------------------------------------|---------------------------|---------------------------|---|------------|-----------|----------|-----------|----------|----------|----------|----------|----------|----------|-----------|-----------|------------|
| 3; 6 | Enrollment Mgt & SS | Registrar | Academic Record Updates | Completed | | | | | | | | | | | | |
| 8 | Finance & Bus. Svc. | Physical Facilities Dept. | Physical inventory audit - Central Stores | Completed | | | | | | | | | | | | |
| 45 | Finance & Bus. Svc. | HDRBS | Physical inventory audit - Rec Center | Completed | | | | | | | | | | | | |
| 8 | Finance & Bus. Svc. | Physical Facilities Dept. | Fuel Dispensing System Audit | Completed | | | | | | | | | | | | |
| 43 | Finance & Bus. Svc. | HDRBS | MITech Repair Center - Control of Computers | Completed | | | | | | | | | | | | |
| 18 | Student Affairs | OESCR | VAWA required notification - agreed upon procedures | Completed | | | | | | | | | | | | |
| 12 | Finance & Bus. Svc. | Treasury Services | Departmental Deposit Policies and Procedures | Completed | | | | | | | | | | | | |
| 44; 52 | University-wide | University-wide | Change fund follow-up audits | Completed | | | | | | | | | | | | |
| 11; 13; 26 | Academic Affairs | Deans - CAS, CEHS, CEC | Expense Account Audits - follow-up | Completed | | | | | | | | | | | | |
| 14 | Finance & Bus. Svc. | University-wide | McGladrey Coordination | In process | | | | | | | | | | | | |
| 25; 30 | Enrollment Mgt & SS | Enrollment Management | International Enrollment Management - follow-up | In process | | | | | | | | | | | | |
| 46 | Finance & Bus. Svc. | HDRBS | Physical inventory audit - Goggins Ice Center follow-up | In process | | | | | | | | | | | | |
| 1A; 1D | IT Services | IT Services | Consulting - IT | On-going | | | | | | | | | | | | |
| | Finance & Bus. Svc. | IACS | Training/CPE | On-going | | | | | | | | | | | | |
| 24 | University-wide | University-wide | EthicsPoint Reporting System with General Counsel | On-going | | | | | | | | | | | | |
| 14; 19; 23 | Finance & Bus. Svc. | Human Resources | Consulting - HR | In process | | | | | | | | | | | | |
| 10 | University Advancement | Advancement Services | Gift Processing | In process | | | | | | | | | | | | |
| 1G | IT Services | University-wide | End User Device Inventory - follow-up | In process | | | | | | | | | | | | |
| | Finance & Bus. Svc. | IACS | LEAN Project - website update | In process | | | | | | | | | | | | |
| 15 | Finance & Bus. Svc. | Police | Clery Act Crime Statistics - agreed upon procedures | Completed | | | | | | | | | | | | |
| 3 | Academic Affairs | Middletown Campus | Middletown Business Office follow-up audit | In process | | | | | | | | | | | | |
| 2 | Finance & Bus. Svc. | Physical Facilities Dept. | Construction Project - Kreger Hall | In process | | | | | | | | | | | | |
| 11; 49 | Academic Affairs | Arts and Science | Speech and Hearing Clinic follow-up audit | Completed | | | | | | | | | | | | |
| 1A; 1B | IT Services | Information Security | Windows file share security | Scheduled | | | | | | | | | | | | |
| 30 | Academic Affairs | Global Initiatives | International Workshops Audit | Scheduled | | | | | | | | | | | | |
| 2 | Finance & Bus. Svc. | Physical Facilities Dept. | Construction Project - Shideler Hall | Scheduled | | | | | | | | | | | | |
| 36 | Finance & Bus. Svc. | Accounts Payable | Reimbursements Paid | In process | | | | | | | | | | | | |
| | University-wide | University-wide | Enterprise Risk Assessment | On-going | | | | | | | | | | | | |
| 30 | Academic Affairs | Global Initiatives | Confucius Institute | Scheduled | | | | | | | | | | | | |
| 3; 6 | Enrollment Mgt & SS | Registrar | Academic Record Updates - follow-up | Scheduled | | | | | | | | | | | | |
| | University-wide | University-wide | Enterprise Risk Management - Compliance | On-going | | | | | | | | | | | | |
| 9; 25 | Enrollment Mgt & SS | Bursar & SFA | Compliance with fed. regs - refunds and exit counseling - follow-up | Scheduled | | | | | | | | | | | | |
| 5 | Intercollegiate Athletics | Intercollegiate Athletics | Football attendance - agreed upon procedures | Scheduled | | | | | | | | | | | | |
| 1A; 1B | IT Services | Information Security | Securing Confidential Information - follow-up | Scheduled | | | | | | | | | | | | |
| 10; 53 | University Advancement | WCAA | Western College Alumnae Association financial audit | Scheduled | | | | | | | | | | | | |
| 1A; 1B | IT Services | Information Security | Network Penetration Testing - follow-up | In process | | | | | | | | | | | | |
| 25 | Enrollment Mgt & SS | Bursar | Fee Waiver Audit follow-up | Scheduled | | | | | | | | | | | | |
| 20; 21 | Academic Affairs | Deans - FSB, CCA | Academic Admin. Expense Account Audits | Scheduled | | | | | | | | | | | | |
| 43 | Finance & Bus. Svc. | HDRBS | MITech Repair Center - Control of Computers follow-up | Scheduled | | | | | | | | | | | | |
| 1A | IT Services | ISO | Review of Identity Theft Prevention Program (Red Flags) | Scheduled | | | | | | | | | | | | |

Open Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Date Due | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|--|-------------|-----------|------------|-------------|---|--|---|
| 1 | 95.1 - Network Penetration Testing - 3/2014 | 3/20/2014 | 11/1/2015 | High | IT Services | IACS outsourced a network vulnerability assessment and penetration test to CBTS. The goal of the assessment was to identify gaps in controls and defenses that could allow an attacker to compromise Miami University's systems, expose sensitive data, and cause damage to the University. One high level recommendation was to require that all servers be managed by IT Services and updates pushed from a central location. Vulnerabilities were categorized as high, medium, or low and specific recommendations made to address the identified risks. | Joe Bazeley, Assistant VP for Security, Compliance & Risk Management | In a 9/2015 status update, Joe Bazeley stated, "All high and critical findings in the initial report have been remediated. A process is being finalized to categorize given risks to Miami's data, to communicate the need for patching to the relevant IT support function, and to validate the patch after it has been applied. The process will include specific guidance for identifying which medium vulnerabilities need to be remediated and which can be accepted. In a 11/2015 update, Joe Bazeley stated, "The current vulnerability scanning process has been updated to line up with the revised vulnerability management standard. The process is being used, and we will approach IACS in March 2016 to assess our adherence to the standard. We are also still pursuing funding to purchase an improved vulnerability scanning tool." IACS continues to monitor the status of this issue. |
| 2 | 94.1 - End User Device Inventory 4/2014 | 4/1/2014 | 9/1/2015 | High | IT Services | It is recommended that IT Services explore tracking all University-owned end user devices. Tracking these devices could reduce or avoid cost by enabling IT Services to: <ul style="list-style-type: none"> • reduce the risk of copyright infringement as a result of a negative software licensing audit; • reduce the risk that devices and any stored data are lost or stolen with employee turnover; • increase the efficiency gained through automation of deployment; • improve scheduling for replacement devices; and • provide management with the data needed to establish a control limiting the number of devices per employee, if management chose to implement such a control. At their 6/2014 Finance and Audit Committee meeting, the Board directed IT Services and Academic Affairs to implement internal control of University-owned end user devices. | Troy Travis, Asst VP for Enterprise Operations; Phyllis Callahan, Provost & Exec. VP for Academic Affairs | Troy Travis submitted a report 11/3/2015 recommending tools for inventorying and tracking end user devices, as well as an update to purchasing policy. This appears responsive to the audit recommendation. IACS plans to meet with Troy to get a better understanding of the recommended tools, costs, and implementation process. |
| 3 | 117.1 - Securing Confidential Information-Procedure Review- 1/2015 | 1/16/2015 | 11/1/2015 | High | IT Services | It is recommended that IT Services work with Human Resources and Academic Personnel management to: <ul style="list-style-type: none"> • require that all new employees (including students) receive appropriate training regarding Miami's information security practices; • require that all employees (including students) receive appropriate updates on information security annually; • provide appropriate employees with clear documentation detailing the approved mediums for communicating Personally Identifiable Information; and, • establish procedures to hold employees who have received training accountable by receiving appropriate disciplinary action for violating Miami's information security practices. | Joe Bazeley, Assistant VP for Security, Compliance & Risk Management | In his 1/2015 response, Joe Bazeley stated, "Management agrees with the finding. Performing the first 3 recommended security training actions will require additional funding, while the 4th should not. Joe Bazeley will generate a list of options with associated costs for performing the first 3 recommended actions by the end of February 2015. IT Services did not budget for any of these expenses, and they will likely be annual expenses." As of 4/2015, Joe Bazeley estimated training costs of approximately \$18K annually (\$2.50/user/year). This estimate excludes AFSCME staff and includes student workers. In a 5/2015 update, Joe stated a funding source needs to be identified and he is putting together a business case for this item and other needed security resources. In a 11/2015 update, Joe Bazeley stated that the business case was presented on 10/16/2015 and he is waiting for a response on whether the requested funds will be made available. IACS continues to monitor the status of this issue. |

Open Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Date Due | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|---|-------------|-----------|------------|---|--|--|---|
| 4 | 117.2 - Securing Confidential Information- Procedure Review- 1/2015 | 1/16/2015 | 11/1/2015 | High | IT Services | It is recommended that IT Services management continue to investigate and implement methods to detect and correct exposed Personally Identifiable Information (PII). IT Services should work with General Counsel to define PII. | Joe Bazeley, Assistant VP for Security, Compliance & Risk Management | <p>"Management agrees with the finding. IT Services will begin researching possible solutions in February 2015, and plans on having a comprehensive solution for scanning all file servers and web servers housed at Miami and managed by IT Services by the end of June 2015." In a 5/15 update, Joe Bazeley stated, "Work on the proof of concept is underway, and we expect to have a process in production by end of June 2015."</p> <p>Joe Bazeley states in his 9/15 update, "Proof of concept of in-house solution using open source software found to have numerous deficiencies. Incorporating commercial software into the overall security business case as funding will be required."</p> <p>In a 11/2015 update, Joe Bazeley stated that the business case was presented on 10/16/2015 and he is waiting for a response on whether the requested funds will be made available. IACS continues to monitor the status of this issue.</p> |
| 5 | 104.1 - Audit of Academic Record Updates - 7/2015 | 7/28/2015 | 1/1/2016 | High | Enrollment Management & Student Success | IACS recommends that the Office of the University Registrar work with the Office of Student Financial Assistance to revise current procedures for determining withdrawal dates to align with federal regulation 34 CFR § 668.22. The University Registrar should work with the Office of the Provost to enforce the procedures as needed. | David Sauter, University Registrar | <p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current procedures are insufficient to comply with the regulation to determine withdrawal dates...a Lean initiative is nearly completed which will automate and standardize the University withdrawal process. Full compliance will occur no later than January 1, 2016."</p> <p>In a 10/2015 update, management stated, "(1) Photorooster (faculty class list) provides information as to student (a) attending or (b) last attended/never attended; (2) University Lean Initiative will provide policy and process changes to require one online form, notification and signatory workflow, and process improvements across the University for all academic and medical withdrawals." In response to IACS's question whether the University is on track to be in full compliance by 1/1/2016, management reported that the Lean initiative is just moving forward as an IT project and there is no estimate of when it will be placed into production.</p> <p>IACS will meet with the Registrar to discuss interim measures that may be able to be taken for determining withdrawal dates in alignment with federal regulation.</p> |
| 6 | 104.2 - Audit of Academic Record Updates - 7/2015 | 7/28/2015 | 1/1/2016 | High | Enrollment Management & Student Success | IACS recommends that appropriate policies and procedures be established to document if a student began attendance in any class. In order to obtain and maintain such documentation consistently and timely, the Office of the University Registrar should work with the Office of Student Financial Assistance and the Office of the Provost in designing and enforcing the policies and procedures. | David Sauter, University Registrar | <p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current procedures are insufficient to comply with the regulation to determine if a student began attendance in a class...Full compliance will occur no later than January 1, 2016."</p> <p>In a 10/2015 update, management stated that policies and procedures are under development that will document if a student began attendance in any class. More specifically, plans are to discontinue student web class drops once classes begin in order to record attendance information from faculty, using the photo roster drop process. COAD is reviewing the proposed new drop date policy and class attendance policy at 11/4/15 meeting, then to APC/University Senate for implementation August 2016.</p> <p>Given the need to comply with federal regulation to determine if a student began attendance in a class, IACS will ask the Registrar if these procedural changes could be implemented 1/25/2016 (first day of class Spring Term 2016), rather than 8/2016.</p> |

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| 7 | 104.3 - Audit of Academic Record Updates - 7/2015 | 7/28/2015 | 10/31/2015 | High | Enrollment Management & Student Success | <p>IACS recommends the Office of the University Registrar:</p> <p>a. Standardize and improve withdrawal policies and procedures as follows:</p> <p>i. Create a standardized withdrawal form for all campuses and withdrawal scenarios. The form should include information such as reason for withdrawal, last date of attendance or never attended information, registrar's date of receipt, processor and date posted. This form should be completed by registrar staff if not provided otherwise and supporting documentation attached.</p> <p>ii. Retain all withdrawal documents in a central location either electronically or in paper form.</p> <p>iii. Process withdrawal requests in the timeframe required by departmental procedures.</p> <p>b. Define Withdrawal and Enrollment Status codes and their use to improve input accuracy and consistency.</p> <p>c. Retrain employees who process withdrawals, including the Office of Student Financial Assistance and Global Initiatives, to gain proficiency in the established policies and procedures, and to minimize inaccurate input, incomplete documentation and non-execution of required procedures.</p> | David Sauter, University Registrar | <p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that current withdrawal policies and procedures are insufficient and need to be standardized and improved. As stated in Management Response #1, a Lean initiative is nearly completed which will automate and standardize the University withdrawal process...Full compliance is anticipated early Fall 2015, including real-time electronic processing and review and redefining as needed the Enrollment Status codes and training for all users on the process."</p> <p>In a 10/2015 update, management reported: a.i. and a.ii. Per 104.1, the University LEAN project will include a standardized on-line form, stored electronically for appropriate University access. The Lean initiative is just moving forward as an IT project and there is no estimate of when it will be placed into production.</p> <p>a.iii. Processing will occur within a timeframe established during the LEAN project and in accordance with federal regulations. Based on the current draft LEAN project, the process will require a time length appropriate to secure various signatures and, last dates of attendance, and notifications. This is under discussion by the LEAN project participants as they acknowledge the various types of withdrawals across the University.</p> <p>b. Banner codes have been updated and are stored in the appropriate Banner table.</p> <p>c. Three senior level managers will be re-trained, and each in turn will re-train her/his staff.</p> |
| 8 | 104.4 - Audit of Academic Record Updates - 7/2015 | 7/28/2015 | 10/31/2015 | High | Enrollment Management & Student Success | <p>IACS recommends the Office of the University Registrar continue working with IT Services to automate the grade change process. The automated process should be used by all campuses and include these features:</p> <p>a. email confirmations to the student and the instructor of record b. workflow approvals c. required fields such as the reason for the change d. capability to attach supporting documentation if applicable e. audit trail data such as registrar's date of receipt, processor and date posted f. trend analysis to detect possible fraud</p> | David Sauter, University Registrar | <p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the finding that the process of automating grade changes continues until completed and that it be used across the University. This automation has been under development and with minor adjustments will be put into production. The automated process includes workflow approvals, fields to indicate reason(s) for the change, Google document capability, and audit trail data. The process concludes by sending both the instructor and the student e-mail notification that the grade has been changed for a class. Trend analysis can be reviewed via Business Intelligence model under development, either academic-unit-specific (e.g., department, individual faculty member) or administrative offices (e.g., Provost). Full compliance is anticipated early Fall 2015."</p> <p>In a 10/2015 update, management reported that EMSS submitted the grade change automation project request to IT Services on 10/26/15. It is on the EMSS priority list, now awaiting assignment of IT resources.</p> |

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| 9 | 53.2 - Inventory Audits - 7/31/2012 | 7/31/2012 | 6/30/2016 | Moderate | Finance & Business Services | Accounting adjustments should be booked monthly in Banner to recognize changes in inventory balances throughout the year as well as cost of goods sold/distributed, shrinkage, or markdowns. Current accounting procedures require units (such as Culinary Support, Central Stores, and the Bookstore) to charge inventory purchases throughout the year to expense (157XXX) accounts. It is only at yearend that the inventory asset accounts are adjusted in Banner. This practice masks shrinkage and markdowns. | Sarah Persinger, Controller | <p>Purchasing conducted an RFI in December 2014. This was the response from the Chief Procurement Officer, "We had only two responses that were more about maintenance inventory systems. The scope of the RFI was comprehensive to include virtually all inventories on campus and consider a single platform. We are left to conclude there is not a one size fits all solution. At this time I am not contemplating any further sourcing action." The Controller added, "This topic will be revisited during FY16 in light of the Purchasing lack of response to the RFI in order to encompass inventories into a single system."</p> <p>In a 11/2015 update, the Controller stated that a meeting has been set up between HDRBS and General Accounting to discuss and determine next steps forward to implementing the recommendation of IACS for periodic inventory counts.</p> |
| 10 | 110.1 - Audit of Fee Waivers- 1/2015 | 1/28/2015 | 1/28/2015 | Moderate | Enrollment Management and Student Success | Where documented authorization to waive fees cannot be located, it is recommended that the Bursar's Office obtain such authorization from the Treasurer. Documented authorization for waiving all fees should be maintained by the Bursar's Office going forward. | Kriss Cassano, Bursar | In a 10/2015 update, management stated, "All waiver documentation is current and up to date." IACS scheduled a follow-up review fourth quarter, FY 2016. |
| 11 | 110.2 - Audit of Fee Waivers- 1/2015 | 1/28/2015 | 8/24/2015 | Moderate | Enrollment Management and Student Success | To strengthen internal controls over the University's fee waiver process, it is recommended that the Bursar's Office verify that all waivers are in compliance with waiver agreements before applying them. | Kriss Cassano, Bursar | In a 10/2015 update, management stated, "No student is added to a waiver unless we have documented information regarding the waiver and the number of students included (listed)." IACS scheduled a follow-up review fourth quarter, FY 2016. |
| 12 | 127.1 - Audit of Title IV Federal Student Aid Refunds- 4/2015 | 4/27/2015 | 4/27/2015 | Moderate | Enrollment Management & Student Success | It is recommended that the Office of the Bursar comply with federal regulation 34 CFR § 668.164(e) and issue student refunds within the 14 day requirement. Additional training and process improvements should be considered. | Kriss Cassano, Bursar | In a 10/2015 update, the Bursar stated, "We have updated refunding procedures to refund all TIV accounts during the weekly refunding and a second time during the week as a cross check." IACS scheduled a follow-up review third quarter, FY 2016. |
| 13 | 127.2 - Audit of Required Exit Counseling for Borrowers - 5/2015 | 5/11/2015 | 5/11/2015 | Moderate | Enrollment Management & Student Success | It is recommended that the Office of Student Financial Assistance verify that procedures are in place to consistently comply with federal regulation 34 CFR § 682.604(a)(1) that requires exit counseling for applicable student borrowers. | Brent Shock, Director of Student Financial Assistance | <p>Management concurred 5/2015, stating, "Student Financial Assistance (SFA) has modified internal processes and procedures to resolve this issue...While SFA failed to meet the 30 day requirement, it should be noted that all exit materials were sent. Recent reports from schools that have undergone Federal Program Reviews indicate citations were issued for missed exit counseling, with no reports of citations for late exit counseling."</p> <p>In a 11/2015 update, management stated, "SFA developed and implemented a series of reports and processes to ensure compliance. We continue to review records for students that stop out, withdraw or otherwise leave the University. As stated in our response, we do this every two weeks, even during periods of class fluctuations and before enrollment is considered "set" for the term. All exit information is sent via the US postal system."</p> <p>IACS scheduled a follow-up audit FY 2016 to verify appropriate action has been taken to close this issue.</p> |

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| 14 | 121.1 - Audit of Fuel Dispensing System-7/2015 | 7/10/2015 | 6/30/2016 | Moderate | Finance & Business Services | <p>IACS recommends PFD management explore options for updating to a reliable, adequately controlled fuel dispensing system. Desirable features include capabilities to:</p> <ul style="list-style-type: none"> • interface with PFD's inventory management system, thus reducing manual processing currently required to post fuel transactions from Gasboy to WebTMA. • produce customizable electronic reports to facilitate real-time inventory analysis, monitoring of fueling activity, and management of user access. • provide administrative access control including unique usernames, passwords and audit logs that detail updates to the system. • increase control of unauthorized fuel dispensing. | Sandra Mohr, Director of Operations Center/Facility Central Stores | <p>Management concurred 7/2015 stating, "We agree. Cody Powell has asked our Director of IT Services to lead a team to replace the fuel dispensing system. The new system selected will provide all the above functionalities (and perhaps more). The connection between Gasboy and TMA and/or Banner would be a project that would have to be approved and supported by IT Services."</p> <p>In a 11/2015 update, management reported, "We have two vendors who will be coming to campus soon to show how their systems work. We have gone through a lengthy RFP process prior to these vendors coming to campus. We initiated a lean team, developed a current and future state, and created the fuel system RFP addressing the future state needs. The RFP responses have been received. We are hosting the respondents on campus prior to making a final determination. We hope to have a new vendor selected by the end of January. We hope to have the system running by the end of the fiscal year but that will depend on how long it takes to develop a communication plan, modify the vehicles and fuel containers and update the software."</p> |
| 15 | 121.2 - Audit of Fuel Dispensing System-7/2015 | 7/10/2015 | 9/30/2015 | Moderate | Finance & Business Services | <p>IACS recommends PFD management require written supervisory approval before adding users and fuel cards to the fuel dispensing database. Additionally, verify users having such authorization, the index code charged for fuel, and the related vehicles and equipment with supervisors at least annually. The fuel dispensing authorization form and annual verification procedures should be documented.</p> | Sandra Mohr, Director of Operations Center/Facility Central Stores | <p>Management concurred 7/2015 stating, "We agree. A form was sent to all Building Points of Contact on May 12, 2015, informing departments that moving forward, no one would be issued a fuel card without written consent from the department head. Since that date, we have been requiring this form before a user is added. The fuel dispensing authorization form and annual verification procedures will be documented by 9/30/15."</p> <p>In a 11/2015 update, management reported, "The new software will validate the user by using the employee's Miami ID card. No employees will be added to the database without an email with specific date from the department head."</p> |
| 16 | 121.3 - Audit of Fuel Dispensing System-7/2015 | 7/10/2015 | 9/1/2015 | Moderate | Finance & Business Services | <p>IACS recommends PFD management establish and document standard naming conventions and other procedures. Naming conventions should uniquely identify employees, departments, vehicles and equipment. In addition, procedures should address handling lost fuel cards, forgotten access PINs, employee department changes and vehicle replacements.</p> | Sandra Mohr, Director of Operations Center/Facility Central Stores | <p>Management concurred 7/2015 stating, "We agree. Because many different staff members have worked with this system over the years, the processes for adding new departments and employees has not been consistent. A process will be defined and documented that will outline naming conventions and other procedures that will make it easier to manage the data. This document will be completed by 9/1/15."</p> <p>In a 11/2015 update, management reported, "Since the audit, we have been using the SS# field to add the employee's unique id in the current Gasboy system because we are unable to edit the current records. The new system will be set up to use the unique id along with first and last names. When an employee leaves the university their card is inactivated."</p> |
| 17 | 121.4 - Audit of Fuel Dispensing System-7/2015 | 7/10/2015 | 8/10/2015 | Moderate | Finance & Business Services | <p>IACS recommends interdepartmental fuel expenses be charged-out monthly, in accordance with General Accounting's Banner Finance monthly close schedule.</p> | Sandra Mohr, Director of Operations Center/Facility Central Stores | <p>Management concurred 7/2015 stating, "Agreed. All fuel transactions will be processed at the end of each month."</p> <p>In a 11/2015 update, management reported, "All fuel charges are being added to TMA and billed out monthly." IACS will perform a follow-up audit after management has resolved the other issues included in this report.</p> |

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| 18 | 104.5 - Audit of Academic Record Updates - 7/2015 | 7/28/2015 | 12/31/2015 | Moderate | Academic Affairs | <p>In order to further minimize the number of missing grades, IACS recommends the Office of the University Registrar:</p> <p>a. Continue to analyze data of missing grades each semester and identify instructors who repeatedly miss the grade submission deadline. Chronic offenders should be highlighted and submitted to the Provost with a complete list of faculty missing the deadline. An additional communication to the delinquent faculty could reiterate the ramifications of failing to meet the grade submission deadline and add a "drop dead" deadline; and</p> <p>b. Request the Provost issue guidance on taking delinquent grade submissions into consideration during faculty reviews and salary increment recommendations.</p> | David Sauter, University Registrar | <p>Management concurred 7/2015 stating, "The Office of the University Registrar concurs with the findings to continue to analyze missing and late grades, including additional/differentiated communications to offenders, and for the Provost to review this as a criterion for faculty reviews. The Office will develop a proposal for Provost review, requiring grade submission by the deadlines stated on the Academic Calendar. The Office will request that the Provost send a stand-alone email to all faculty and academic administrators stating the Policy as well as the importance of timely submissions and the ramifications of late submissions (prior examples of communications already exist). Full compliance is anticipated for Fall 2015."</p> <p>In a 10/2015 update, management stated: (1) Provost Newsletters in November and December 2015 will contain a Provost reminder of upcoming final grade submission, and email to all faculty will be sent by Provost on December 3, 2015. The same process will be followed each of the four terms. (2) Issues were presented, discussed, and supported at September 23, 2015 COAD meeting.</p> <p>Work continues toward 100% timely submission, with emails of missing grades and data gathering of grades/faculty continuing to be developed and provided to academic units and the Provost.</p> |
| 19 | 103.1 - Audit of Departmental Deposit Policies and Procedures - 10/2015 | 10/27/2015 | 12/31/2015 | Moderate | Finance & Business Services | IACS recommends update to the cash handling, depositing, and credit card policies and procedures to remove repetitive and conflicting information. The policies should be consolidated where appropriate and communicated widely within the University. | Cyndi Ripberger, Associate Director of Investments and Treasury Services | On 10/26/2015, management concurred stating, "Treasury management agrees with this recommendation. As a first step, I have been in contact with the Enrollment Center (bursar) staff; together we are working to remove the document they have posted on the One Stop and instead, linking to the appropriate Treasury web page. The information on the Hub already is a link to Treasury documents—so whenever our documents are updated, their documents are automatically updated. I have also initiated contact with IT security to determine why we have a conflict in the language concerning paper retention. Once we have resolution of the conflict the intention is to make the policies consistent. The Treasury web design is part of the Finance and Business Services Lean project on web design; as such, we will be reviewing, consolidating, and making changes throughout this Lean project." |
| 20 | 103.2 - Audit of Departmental Deposit Policies and Procedures - 10/2015 | 10/27/2015 | 11/30/2015 | Moderate | Finance & Business Services | IACS recommends Treasury Services send confirmation receipts to department contacts after booking departmental ACH deposits. Additionally, maintain current department contact information, as well as financial account information for booking departmental ACH deposits. | Cyndi Ripberger, Associate Director of Investments and Treasury Services | On 10/26/2015, management concurred stating, "Treasury management agrees with the recommendation. Beginning immediately Treasury will send an email to department contacts when an ACH payment has been received and posted. A spreadsheet will be maintained in our shared file that will contain department contacts along with Banner FOAPAL. This information will be updated as new ACH/EFT requests are received." |
| 21 | 103.3 - Audit of Departmental Deposit Policies and Procedures - 10/2015 | 10/27/2015 | 11/30/2015 | Moderate | Finance & Business Services | IACS recommends Treasury Services work with General Accounting and the Office for Advancement of Research and Scholarship to revise the online deposit survey. Required information describing what was sold and the purpose of the sale should be added to assist the Tax and Compliance Coordinator in determining if the proceeds were subject to sales tax. | Cyndi Ripberger, Associate Director of Investments and Treasury Services | On 10/26/2015, management concurred stating, "As a user of the deposit survey created by the office of Advancement of Research and Scholarship in conjunction with University Advancement, Treasury will continue to modify the survey as needed to provide useful information to all departments using the data collected. Dialogue has been initiated with the General Accounting staff to determine what additional information might be needed to meet their needs concerning collection of sales tax information. To date, no response has been received. Action will be taken once a response has been received and approved by the Lean team that developed the survey." |

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| 22 | 23.2 - Audit of Student Health Services -1/2010 | 1/26/2010 | 12/31/2015 | Low | Finance & Business Services | It is recommended that correct coding be used for the Bursar interface related to the transfer of the receivable balance from the insurance company to the student; the credit should be posted to the insurance receivable account rather than revenue for a second time. In addition, the insurance provider allowance write-off recognized should be supported by PyraMed detail. Finally, the PyraMed and Banner systems should be reconciled monthly, rather than annually. | Sarah Persinger, Controller | IACS performed follow-up audits closing the first and second parts of the recommendation. The final part of the recommendation concerning reconciling PyraMed and Banner remains open given ongoing unreconciled differences. In a 5/2015 update, the Controller stated that the EPIC system is currently in use for new activity in SHS and no old activity will be transferred into the new system. In a 11/2015 update, the Controller stated, "There continues to be collection activity and receipts received for the prior outstanding A/R balance from SHS in the Pyramed system due to rebilling actions by the Tri-Health staff. As long as the collection activity is successful, the A/R balance will not be written off. At the point there are no more collections to be received from the prior balances, the remaining amount will be written off." |
| 23 | 114.1 - Goggin Pro Shop Inventory - 8/2014 | 8/22/2014 | 6/30/2015 | Low | Finance & Business Services | It is recommended that management analyze inventory turnover to measure its inventory management efficiency, ensure inventory is current, and benchmark this data to other operations. | Kevin Ackley, Sr Dir of Goggin Ice Center | IACS performed a follow-up of this issue at the 6/30/15 fiscal year-end. Although efforts were made in this area, the cost numbers used in calculations were drawn from a malfunctioning report using the prior CLASS system. In a 11/2015 update, management reported that relevant reports for turnover calculations are not yet available in the new system, MaxGalaxy. As such this issue remains open. |
| 24 | 78.1a - Middletown Business Office Audit - 9/2014 | 9/4/2014 | 10/4/2014 | Low | Academic Affairs | In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office segregate duties by having an independent person separate from cash receiving prepare the bank deposit. | Chris Connell, Senior Director of Administration | On days when we have a full staff of three, we will have two staff receive payments and the third staff member will prepare the deposit. Days when the office is down to two staff, both will receive payments and both will prepare the deposit slip (and initial it) together. Management reported that the new procedures were implemented on 10/20/14 for both the Middletown and Hamilton Business/Cashier Offices on days when the office is down to two staff. IACS has a follow-up audit in process 11/2015. |
| 25 | 78.1b - Middletown Business Office Audit - 9/2014 | 9/4/2014 | 10/4/2014 | Low | Academic Affairs | In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office have the Cashier Supervisor review all voids and any on-site refunds for validity. | Chris Connell, Senior Director of Administration | Management concurred 9/2014 and stated, "A policy will be implemented immediately mandating that any cashier issuing a void or a refund must print the second page of the TGACREV screen and give the hard copy to the Cashier Supervisor. The Cashier Supervisor will initial, date and file each void/refund in a separate folder for each cashier, in order to investigate (if needed) or to track the frequency of all voids/refunds. It is agreed that tracking this information would help identify problem areas (if any arise)." In a 10/2014 update, management reported that the new procedure was implemented for both campuses 9/10/14. IACS has a follow-up audit in process 11/2015. |
| 26 | 78.1c - Middletown Business Office Audit - 9/2014 | 9/4/2014 | 11/4/2014 | Low | Academic Affairs | In order to strengthen controls surrounding cash handling, it is recommended that the Middletown Business Office deposit cash receipts within the required one business day for deposits exceeding \$1K or within three days if the deposit is \$1K or less. | Chris Connell, Senior Director of Administration | In a 10/2014 update, management reported that as of 10/01/14 Dunbar Armed Services began 5 days per week pick ups at both MUM & MUH Campuses. IACS has a follow-up audit in process 11/2015 to verify that this change resolved the issue. |
| 27 | 78.2 - Middletown Business Office Audit - 9/2014 | 9/4/2014 | 10/4/2014 | Low | Academic Affairs | It is recommended that the Middletown Campus periodically read the cellular tower's electricity meter and compare the reading to the electricity costs recovered from Cincinnati Bell. | Chris Connell, Senior Director of Administration | Management agreed and stated that effective 10/1/14, that Steve Brown (MUM PFD) is taking a picture of the cellular tower's electricity meter and sending it to Tony Ferraro (Energy Management Engineer, Oxford) who is doing the comparison of the meter reading to the electricity costs recovered from Cincinnati Bell. IACS has a follow-up audit in process 11/2015 to verify that this issue has been resolved. |

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| 28 | 78.3 - Middletown Business Office Audit - 9/2014 | 9/4/2014 | 10/4/2014 | Low | Academic Affairs | It is recommended that the Middletown Business Office periodically reconcile the change fund and document key change fund information to enable another employee to perform important tasks when needed. Topics covered should include the employee or position responsible for the fund, where the fund is located, how often to reconcile it in total, how to return portions of the change fund, and what to do when there is an overage or shortage. | Chris Connell, Senior Director of Administration | Management agreed and stated that key change fund information has been documented and effective 9/4/14, the Cashier Office at both MUM & MUH began counting the funds every two weeks and recording the totals in a book that is kept in the Cashier Office. IACS has a follow-up audit in process 11/2015. |
| 29 | 113.1d - Recreational Sports Center Pro Shop Inventory Audit - 9/2014 | 9/4/2014 | 6/30/2015 | Low | Finance & Business Services | In order to strengthen internal controls over inventory, it is recommended that management analyze inventory turnover to measure its inventory management efficiency, ensure inventory is current, and benchmark this data to other operations. | Tara Britton, Dir Cust Service & Sponsorship | IACS performed another audit at fiscal year end 6/30/2015. Although efforts were made in this area, the cost numbers used in calculations were drawn from a malfunctioning report using the prior CLASS system. The new system, MaxGalaxy, has yet to develop relevant reports for turnover calculations and this issue remains open. In a 10/2015 update, management reported, "The new system, MaxGalaxy, is still developing the necessary reports to complete Inventory Turnover Ratio, but they are in active development by the company." |
| 30 | 116.2 - Review of First-Year International Student Enrollment- 1/2015 | 1/6/2015 | 8/1/2015 | Low | Academic Affairs | To improve communication with international students, it is recommended that International Student and Scholar Services (ISSS) management within Global Initiatives further consider implementing online pre-orientation modules. Use of online modules rather than the orientation email series may improve efficiency and effectiveness of communication. Email and other forms of communication could also be used to reinforce important information. | Cheryl Young, Assistant Provost | Management concurred stating, "We agree with this recommendation. Modules available to international students online, covering all of the critical topics communicated in the series of e-mails and perhaps others, is a goal we will work toward. There are some roadblocks in this, the most significant of which is the "Great Firewall of China" which blocks any Google related websites, and other American and European websites and servers. For this project, this is not insurmountable, and we will go into the development of these modules with this in mind and work toward delivery of the modules in an internet environment that is accessible for students and their parents." In a 10/15 update, management stated, "ISSS staff have been working with the provider developing the modules from our content. There are three parts - Part 1 is at the narration stage and will launch on 11/30/15 for new and transfer students coming in the spring. Part 2 is in editing, and Part 3 will go to editing on 10/25/15 and will launch by 12/15/15." |
| 31 | 130.1 - MiTech Repair Center – Control of Computers | 8/18/2015 | 11/18/2015 | Low | Finance & Business Services | In response to a police investigation regarding theft of computers, IACS reviewed internal controls at the Miami University Bookstore's MiTech Repair Center. IACS reviewed the repair center's procedures and made six recommendations to strengthen internal control of both client owned computers and University loaner computers. | Joseph Martin, Dir Tech Sales Serv Bookstore | Management agreed with all points to strengthen internal control. As of 10/2015, management believes that they have addressed all the audit recommendations except for number 6, related to maintaining a list of Miami loaner computers recycled and sent for disposal in accordance with University procedure. Plans are to write and implement a policy to address this. IACS has a follow-up review scheduled for fourth quarter, FY 2016. |

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| Line | Audit Name And Date | Date Opened | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|---|-------------|------------|---|---|--|--|
| 1 | 116.1 - Review of First-Year International Student Enrollment- 1/2015 | 1/6/2015 | Moderate | Enrollment Management & Student Success | Upon confirmation of enrollment, it is recommended that the Office of the Bursar work with International Student and Scholar Services (ISSS) within Global Initiatives to provide detailed billing and payment information to international students and/or their families. This should include information about all forms of payment and note how billing is managed (currently only on myMiami). | Kriss Cassano, Bursar | IACS performed a follow-up review and confirmed that the Office of the Bursar worked with International Student and Scholar Services within Global Initiatives to provide detailed billing and payment information for international students. Comment closed 9/21/2015. |
| 2 | 83.1c - Parking Garage Cash Handling - 6/2013 | 6/17/2013 | Low | Finance & Business Services | It is recommended Parking Services strengthen internal controls over cash handling by having management: c. Ensure deposits are made on a timely basis in compliance with the Ohio Revised Code and the Departmental Cash Handling Policy. This will also improve cash flow and reduce the risk of loss. | George MacDonald, Assistant Director Parking and Transportation Services | IACS met with George MacDonald and Tommy Jessie on 6/23/2015 to review deposits made during 1/1/2015 - 5/31/2015. Twelve deposit samples were reviewed and all were made on a timely basis in compliance with Ohio Revised Code and the Departmental Cash Handling Policy. It appears procedures are now in place to make timely deposits. Comment closed 6/29/2015. |
| 3 | 76.2b - Audit of Speech & Hearing Clinic - 2/2014 | 2/17/2014 | Low | Academic Affairs | It is recommended the Clinic comply with the Departmental Cash Handling Policy to strengthen internal controls over cash handling as follows. B. Ensure deposits are made timely in compliance with University and legal requirements. | Cheryl Stewart, Coordinator/Speech Path Audio Clinic | Status 10/27/2015: IACS performed an audit of the Speech and Hearing Clinic and issued the original report in February 2014. The focus of the review was financial receipt processing procedures and management of accounts receivable. The audit issues have all been closed except for this issue pertaining to making timely deposits in accordance with ORC 9.38 and the University Cash Handling Policy. Although the Clinic Coordinator agreed to comply and stated that procedures were implemented for making timely deposits, follow-up audits indicate they have not been successful. In the most recent (fifth) follow-up audit performed 10/7/15, two out of twelve exceptions were noted. Given this is a compliance matter, the issue was referred to General Counsel's Office. General Counsel would like to meet with Director of IACS, the department Chair and the Clinic Coordinator to discuss the need for compliance. Status 11/4/2015: General Counsel, the Director of IACS, the department Chair and the Clinic Coordinator met 11/4/2015. The Clinic Coordinator provided assurance that daily deposits will be made and backups are in place as needed. Given that the matter has been reviewed with General Counsel and management has provided assurance of compliance, this comment was closed 11/4/2015. |
| 4 | 97.1a - Audit of Expense Accounts – Dean of Education, Health, & Society - 4/2014 | 4/22/2014 | Low | Academic Affairs | It is recommended the Office of Education, Health, and Society comply with the MU Purchasing Card Policy and Procedure by using the University P-Card to purchase airline tickets and other travel related expenses, rather than requesting reimbursement after using a personal card. | Michael Dantley, College of Education Health & Society, Dean & Professor | Dean Feyten concurred 4/14 and responded, "Personnel in the EHS Dean's office will be made aware immediately that all travel expenses need to be paid on a university credit card. Personnel that travel frequently will be issued a university P-Card. We will have P-Cards in place for frequent travelers by July 1, 2014. EHS Dean's office will make our five departments aware of issues found during audit so departments are in compliance." In a 10/14 update, the Interim Dean stated, "A P-card was issued to each chair/dean's staff etc and they will use that card instead of a personal credit card." Based on a follow-up audit of the period 11/1/2014 - 6/30/2015, the Office of Education, Health, and Society appears in compliance. One exception out of twelve travel expenses tested was noted and appropriate action was taken to address it. Comment closed 11/6/2015. |
| 5 | 97.1b - Audit of Expense Accounts – Dean of Education, Health, & Society - 4/2014 | 4/22/2014 | Low | Academic Affairs | It is recommended the Office of Education, Health, and Society comply with §4.11 of the University Purchasing and Payments Handbook by obtaining prior approval from IT Services for purchases of software. Software selling for over \$100 should be processed by a Request for Purchase Order requisition and forwarded to IT Services for review and approval. | Michael Dantley, College of Education Health & Society, Dean & Professor | Dean Feyten concurred 4/2014 and responded, "The EHS Coordinator of Technology and Computer Support has already implemented an email process to gain prior approval from IT services for software under \$500. If software purchase is approved by IT, we will place a copy of email with credit card order. All other requests for software will be processed through Buyway." In a 10/2014 update, EHS IT stated that they are following this procedure, where all purchases over \$100 are routed through IT Services for approval to purchase or purchase through their office. IACS completed a follow-up audit 11/2015 concluding controls appear in place. Comment closed 11/6/2015. |

Closed Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|---|-------------|------------|---------------------|---|--|---|
| 6 | 97.2b - Audit of Expense Accounts – Dean of College of Arts and Science - 5/2014 | 5/15/2014 | Low | Academic Affairs | It is recommended the College of Arts and Science comply with §4.05 and §4.11 of the University Purchasing and Payments Handbook by obtaining prior approval from IT Services for purchases of IT assets and software. Software selling for over \$100 should be processed by a Request for Purchase Order requisition and forwarded to IT Services for review and approval. | Christopher Makaroff, Dean, College of Arts and Science | Dean Callahan agreed and provided the following action plan: Action: CAS will comply with policy and procedure. Dean will remind chairs/directors to obtain prior approval before acquiring any IT assets. Also, ask chairs/directors to have administrative assistants to ascertain the use of the card before allowing faculty to use it and only release it for appropriate use. In a 10/2014 update, Dean Callahan stated, "Reminders are given to chairs and directors periodically, and particularly after we seek equipment requests and when tech fee proposals are funded." IACS completed a follow-up audit 11/2015. It appears appropriate action has been taken to address this issue. Comment closed 11/6/2015. |
| 7 | 97.2a - Audit of Expense Accounts – Dean of College of Arts and Science - 5/2014 | 5/15/2014 | Low | Provost | It is recommended the College of Arts and Science comply with the MU Purchasing Card Policy and Procedure by using the University P-Card to purchase airline tickets and other travel related expenses, rather than requesting reimbursement after using a personal card. | Christopher Makaroff, Dean, College of Arts and Science | IACS performed a follow-up audit 7/2015 reviewing documentation for twelve travel related expenditures recorded in Banner between 10/1/2014-5/31/2015. In ten cases, a University P-Card was appropriately used to purchase airline tickets and other travel related expenses, rather than requesting reimbursement after using a personal card. The two cases where a P-Card was not used appear reasonable. It appears appropriate action has been taken by the College of Arts and Science to comply with the Miami University's Purchasing Card Policy and Procedure. Comment closed 7/21/2015. |
| 8 | 97.3a - Audit of Expense Accounts – Dean of College of Engineering and Computing - 5/2014 | 5/27/2014 | Low | Academic Affairs | It is recommended the College of Engineering and Computing comply with §4.05 and §4.11 of the University Purchasing and Payments Handbook by obtaining prior approval from IT Services for purchases of IT assets and software. Software selling for over \$100 should be processed by a Request for Purchase Order requisition and forwarded to IT Services for review and approval. | Marek Dollar, Dean of College of Engineering & Computing | IACS performed a follow-up audit for the period 9/1/2014-5/31/2015, reviewing IT equipment purchases (greater than \$1,500) and software purchases (greater than \$100). It appears CEC is obtaining the approval of IT Services as required. Comment closed 9/21/2015. |
| 9 | 97.3b - Audit of Expense Accounts – Dean of College of Engineering and Computing - 5/2014 | 5/27/2014 | Low | Academic Affairs | It is recommended the College of Engineering and Computing comply with the MU Purchasing Card Policy and Procedure by discontinuing the purchase of restricted items unless an exception to the policy is received from the Chief Procurement Officer. In addition, P-Cards should be used to purchase items listed as "other travel related expenses", rather than requesting reimbursement after using a personal card. | Marek Dollar, Dean of College of Engineering & Computing | IACS performed a follow-up audit for the period 9/1/2014 - 5/31/2015. No restricted item purchases were noted; however, a personal credit card was used rather than a University P-Card as required by the Purchasing Card Policy and Procedure. Corrective action was implemented, as verified in a subsequent review of 9/2015 travel. Comment closed 11/6/2015. |
| 10 | 97.3c - Audit of Expense Accounts – Dean of College of Engineering and Computing - 5/2014 | 5/27/2014 | Low | Academic Affairs | It is recommended the College of Engineering and Computing charge expenses to the correct account code as defined on General Accounting's website (Chart of Accounts). In addition, comply with §7.00 of the Hosting Policies and Procedures by completing required documentation for hosting expenditures. | Marek Dollar, Dean of College of Engineering & Computing | IACS performed a follow-up audit for the period 9/1/2014 - 5/31/2015. Based on this review, it appears CEC charges expenses to the correct account codes and completes the required documentation for hosting expenditures. Comment closed 9/21/2015. |
| 11 | 113.1b - Recreational Sports Center Pro Shop Inventory Audit - 9/2014 | 9/4/2014 | Low | Finance & Bus. Svc. | In order to strengthen internal controls over inventory, it is recommended that management perform random cyclical counts for all types of inventory held and correct any discrepancies in the system. | Tara Britton, Dir Cust Service & Sponsorship | IACS performed a follow-up audit at fiscal year-end 6/30/2015. Based on a review of count sheets dated from February to June 2015, cycle counts were conducted at least monthly and different categories of items were counted each time. Therefore, this issue was closed 7/16/2015. |
| 12 | 113.1c - Recreational Sports Center Pro Shop Inventory Audit - 9/2014 | 9/4/2014 | Low | Finance & Bus. Svc. | In order to strengthen internal controls over inventory, it is recommended that management review inventory items for unreasonable costs in system reports to detect and correct input errors. | Tara Britton, Dir Cust Service & Sponsorship | IACS reviewed the reasonableness of unit costs in the 6/30/2015 year-end inventory valuation report and noted 40 out of 763 items with no (\$0) unit cost. These errors were subsequently corrected when brought to management's attention. Management stated that the errors were caused by oversight when data was entered into the new system that an ongoing review of the unit costs is in place. IACS will continue to monitor the item costs in system reports when following up on another open audit issue (113.1d) related to turnover analysis. For this reason, this issue was closed 7/16/2015. |

Closed Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|---|-------------|------------|-----------------------------|--|--|---|
| 13 | 112.1a - Central Stores Inventory Report - 9/2014 | 9/17/2014 | Low | Finance & Bus. Svc. | In order to strengthen internal controls over inventory, it is recommended that management perform regular cyclical counts of inventory to compare what they do have in stock with what they should have in stock. | Sandra Mohr, Director of Operations Center/Facility Central Stores | IACS performed a follow-up audit at fiscal year-end 6/30/2015. A student employee position was filled 5/11/2015 to dedicate at least 15 hours per week to cycle count items not vendor managed by Grainger. The vendor-managed items are counted on a weekly basis. Given that management states the student position will be maintained and dedicated to at least 15 hours per week of cycle counting, this comment was closed 7/14/2015. |
| 14 | 112.1b - Central Stores Inventory Report - 9/2014 | 9/17/2014 | Low | Finance & Bus. Svc. | In order to strengthen internal controls over inventory, it is recommended that management analyze relevant data to measure its efficiency over inventory, ensure that inventory is current, forecast buying needs, and benchmark to other operations. | Sandra Mohr, Director of Operations Center/Facility Central Stores | IACS performed a follow-up audit at fiscal year-end 6/30/2015. Central Stores identified and removed a large quantity of obsolete parts during FY15, and has begun identifying more parts to dispose during FY16. It appears procedures were implemented for analyzing inventory trends and addressing obsolete and excess parts. Comment closed 7/14/2015. |
| 15 | 112.2 - Central Stores Inventory Report - 9/2014 | 9/17/2014 | Low | Finance & Bus. Svc. | It is recommended that management further investigate valuing the physical inventory in accordance with the procedures issued by General Accounting. | Sandra Mohr, Director of Operations Center/Facility Central Stores | IACS performed a follow-up audit at fiscal year-end 6/30/2015. Management reported that TMA continues to work on improving the functionality of the software (including inventory valuation) but adding FIFO valuation will take time to accomplish. The FY15 inventory was reported using average cost. Given that General Accounting's procedure is to confirm Central Stores' valuation method each year and include an appropriate inventory footnote in the University financial report, comment closed 7/14/2015. |
| 16 | 115.3a - Audit of Change Funds- Library- 10/2014 | 11/7/2014 | Low | Academic Affairs | It is recommended that management: A. Ensure deposits are made on a timely basis in compliance with the Ohio Revised Code and the Departmental Cash Handling Policy. | Belinda Barr, Associate Librarian | IACS performed a follow-up to review deposits made between 1/1/2015-6/1/2015 and found that deposits were made timely as required. Comment closed 8/17/2015. |
| 17 | 115.3d - Audit of Change Funds- Library- 10/2014 | 11/7/2014 | Low | Academic Affairs | It is recommended that management: D. Collect and account for sales tax as required by working with the Tax and Compliance Coordinator in the Controller's Office. | Belinda Barr, Associate Librarian | IACS performed a follow-up audit and verified that the Library has implemented proper procedures for collecting and accounting for sales tax in partnership with the Tax and Compliance Coordinator in the Controller's Office. Comment closed 8/18/2015. |
| 18 | 115.1a - Audit of Change Funds- Shriver Center- 10/2014 | 11/7/2014 | Low | Finance & Business Services | It is recommended that management ensure vending deposits are made intact and include supporting documentation. In addition, management should work with Treasury Services in the future to adjust funds as needed. | James W. Baker Jr., Associate Director of Shriver Center | IACS performed a follow-up audit and verified that vending deposits now include supporting documentation that is reviewed by the HDRBS Auxiliary Business Office. If change funds need adjustment, management's procedure is to work with Treasury Services. Comment closed 9/29/2015. |
| 19 | 115.2a - Audit of Change Funds- Shriver Center- 10/2014 | 11/7/2014 | Low | Finance & Business Services | To strengthen internal controls over the vending portion of the change fund, it is recommended that management: A. Document how the change fund is distributed by location and work with Treasury Services to increase the balance recorded in Banner to reflect the fund's current amount. | James W. Baker Jr., Associate Director of Shriver Center | IACS performed a follow-up audit and verified that Vending Services has documented how the change fund is distributed by location. The total agrees with Treasury Services detail of the balance recorded in Banner. Comment closed 9/29/2015. |
| 20 | 115.2b - Audit of Change Funds- Shriver Center- 10/2014 | 11/7/2014 | Low | Finance & Business Services | To strengthen internal controls over the vending portion of the change fund, it is recommended that management: B. Balance the fund each day there is activity in or out of the fund and at least weekly. | James W. Baker Jr., Associate Director of Shriver Center | IACS performed a follow-up audit and verified that Vending Services is now using a change fund verification sheet and counting the safe regularly. Comment closed 9/29/2015. |
| 21 | 115.1b - Audit of Change Funds- Print Center- 11/2014 | 11/14/2014 | Low | Finance & Business Services | It is recommended that the Print Center deposit cash receipts in accordance with Miami University's cash handling policy and the Ohio Revised Code. Amounts greater than \$1000 should be deposited by the following business day. Amounts \$1000 and less have up to three business days following the day of receipt to be deposited, if properly safeguarded. | Kristin Kieffer, Assistant Director of IT Communications | IACS performed a follow-up audit requesting documentation for twelve randomly selected deposits made by the Print Center between 3/10/2015 - 5/31/2015. All sampled deposits were made on a timely basis. It appears the Print Center has procedures in place to deposit cash receipts in accordance with Miami University's cash handling policy and the Ohio Revised Code. Comment closed 7/6/2015. |

Closed Internal Audit Issues

| Line | Audit Name And Date | Date Opened | Risk Level | Division | Recommendation | Responsible Person | Management Response and Status |
|------|---|-------------|------------|-----------------------------|--|--|--|
| 22 | 112.1 - Audit of Central Stores Physical Inventory - 7/2015 | 7/23/2015 | Low | Finance & Business Services | <p>IACS recommends Central Stores management establish and document departmental procedures for performing year-end physical inventory. The procedures should include the following.</p> <ul style="list-style-type: none"> •Take the physical inventory count as close to June 30 as possible, adjusting as needed for any transactions (including fuel) to reflect quantities as of midnight June 30. •Double count all inventory counts and/or have a supervisor spot check counts and adjustments. •Run the inventory report and check extensions and totals. Repeat this process if count corrections are required. •Communicate the valuation method (FIFO or other) to General Accounting | Sandra Mohr, Director of Operations Center/Facility Central Stores | Management concurred stating, "Management agrees to all recommendations and will establish and document the departmental procedures by 9/30/2015." IACS reviewed a 11/4/2015 Inventory Process document and it appears management has established and documented departmental procedures for performing year-end physical inventory. Comment closed 11/4/2015. |

| DRAFT | | | | | |
|---|--------------------------------------|--|-------------------------------------|---|--|
| Forward Twelve Month Agenda | | | | | |
| <u>Agenda Item</u> | <u>December Fall Meeting</u> | <u>February Winter Meeting</u> | <u>April Spring Meeting</u> | <u>June End of Year Meeting</u> | <u>September Beginning of Year Meeting</u> |
| <u>Committee Structure:</u> | | | | | |
| • Committee Priority Agenda | x | x | x | x | x |
| • Committee Self-Assessment | | | | x | |
| <u>Strategic Matters and Significant Topics Affecting Miami:</u> | | | | | |
| • Annual Campaign Update | | | x | | |
| • Annual Report on the State of IT | | | x | | |
| • Health Benefit Strategic Indicators | | | x | | |
| • Guaranteed Tuition | x | | | | |
| • Strategic Update on Enrollment Planning | | | | | x |
| <u>Regular Agenda Items:</u> | | | | | |
| • Enrollment Report | x | x | x | x | x |
| • Report on Year-to-Date Operating Results | x | x | x | x | |
| • Approval of Minutes of Previous Meeting | x | x | x | x | x |
| • Annual Report on Operating Results | | | | | x |
| <u>Finance and Accounting Agenda:</u> | | | | | |
| • Budget Planning for New Year | | x | x | | |
| • Appropriation Ordinance (Budget) | | | | x | |
| • Tuition and Fee Ordinance | x | | | x | |
| • Miscellaneous Fee Ordinance | | | x | | |
| • Room and Board Ordinance | x | | | | |
| • Review of Financial Statements | | x | | | |
| • Annual State of Ohio Fiscal Watch Report | | | x | x | |
| • PMBA Tuition Proposal | | | | | |
| • Regional Campuses Long-term Budget Plan | | | | x | x |
| • Update the Long-term Budget Plan--Oxford Campus | | | | x | x |
| <u>Audit and Compliance Agenda:</u> | | | | | |
| • Planning Meeting with Independent Auditors | | | x | | |
| • Management Letter and Other Required Communications | x | | | | |
| • Annual Planning Meeting with Internal Auditor | x | | | | |
| • Annual Report by Internal Auditor | | | | x | |
| • Annual Compliance Report | | | x | | |
| • Risk Assessment Report | | | x | | |

(over)

| DRAFT | | | | | |
|--|--------------------------------------|--|-------------------------------------|---|--|
| Forward Twelve Month Agenda | | | | | |
| <u>Agenda Item</u> | <u>December Fall Meeting</u> | <u>February Winter Meeting</u> | <u>April Spring Meeting</u> | <u>June End of Year Meeting</u> | <u>September Beginning of Year Meeting</u> |
| <u>Investment Agenda:</u> | | | | | |
| • Semi-Annual Review of Investment Performance | | | x | | x |
| • Non-Endowment Return Objectives | | | | x | |
| <u>Facilities Agenda:</u> | | | | | |
| • Approval of Six-Year Capital Plan (every other year) | | | | | x |
| • Facilities Condition Report | | | x | | |
| • Annual Report of Gift-Funded Projects | | | | | x |
| • Status of Capital Projects | x | x | x | x | x |
| <u>Routine Reports:</u> | | | | | |
| • University Advancement Update | x | x | x | x | x |
| • Cash and Investments Report | x | x | x | x | x |
| • Lean Project Summary | x | x | x | x | x |

Board of Trustees

December 4, 2015



MIAMI UNIVERSITY

University Advancement Report

Tom Herbert, J.D.

*Vice President, University Advancement
Executive Director, Miami University Foundation*



MIAMI UNIVERSITY

Topics

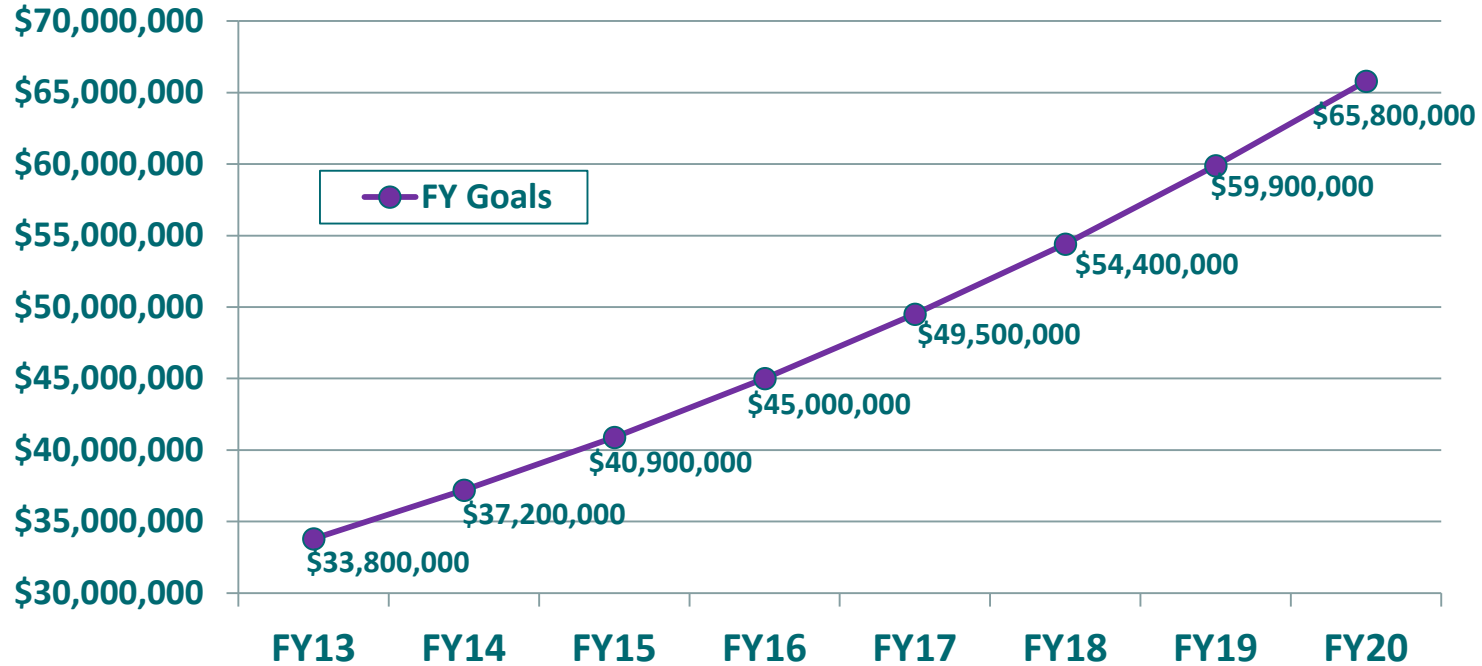
- 2020 Plan Fundraising Update
- Fundraising Focus in FY'16
- Update of New Advancement Initiatives



2020 Plan Fundraising Update



2020 Plan Fundraising Update



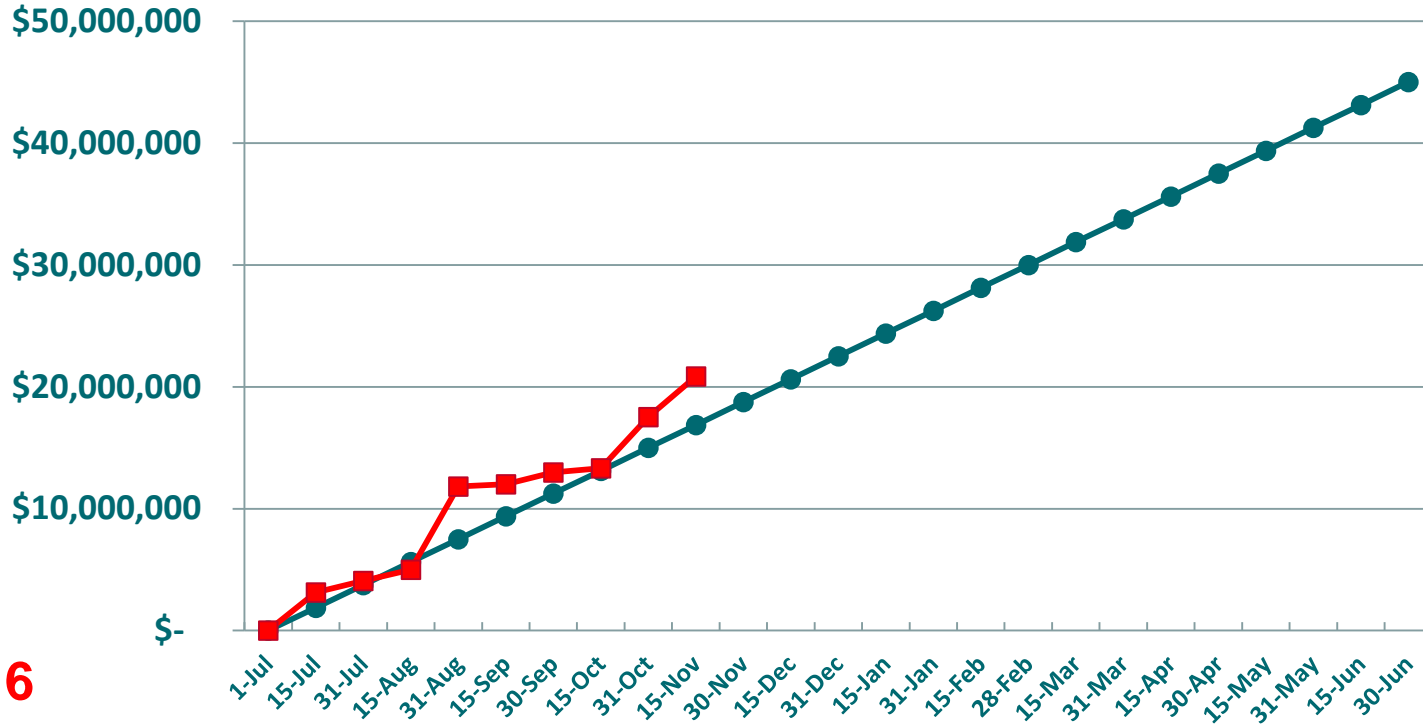
2020 Plan Fundraising Update

FY'16:

- Goal : \$45,000,000
- Raised to date: \$20,865,000 (46% of goal)

2020 Plan Fundraising Update

FY'16



Fundraising Focus FY'16



MoveInMiami

- Goal: 2,019 donors on Move In Day (20 hours, 19 minutes)
- Total: **3,281 donors, \$672,757** (2014: \$506,371)



Miami Promise Scholarship Campaign

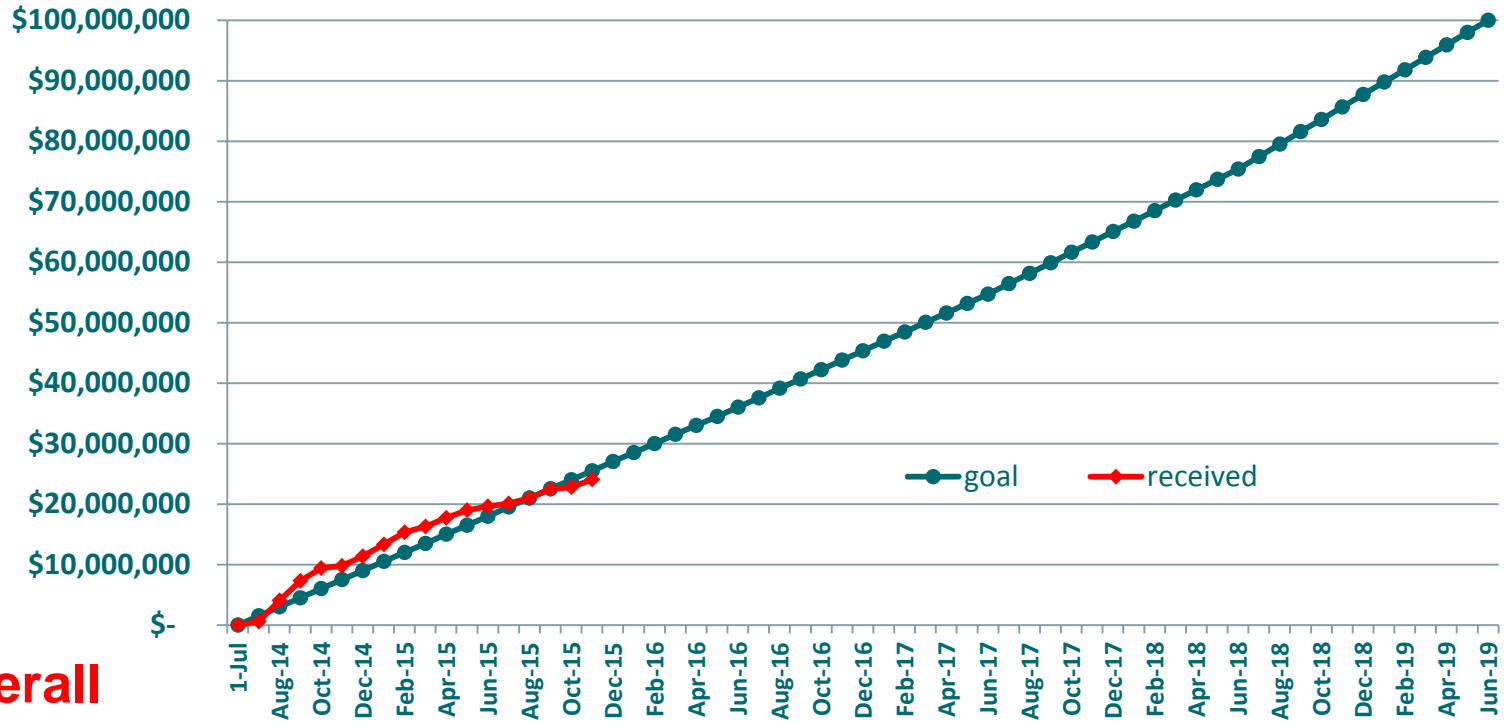
- Publicly launched Fall '14
- \$100 million goal over 5 years
- Matching programs developed
- Scholarship stewardship upgraded

Miami Promise Scholarship Campaign FY goals

- FY'15: \$18.0 million -- \$19.8 million raised
- FY'16: \$18.0 million -- \$4.3 million received to date
- FY'17: \$18.7 million
- FY'18: \$20.7 million
- FY'19: \$24.6 million

Miami Promise Scholarship Campaign

Overall

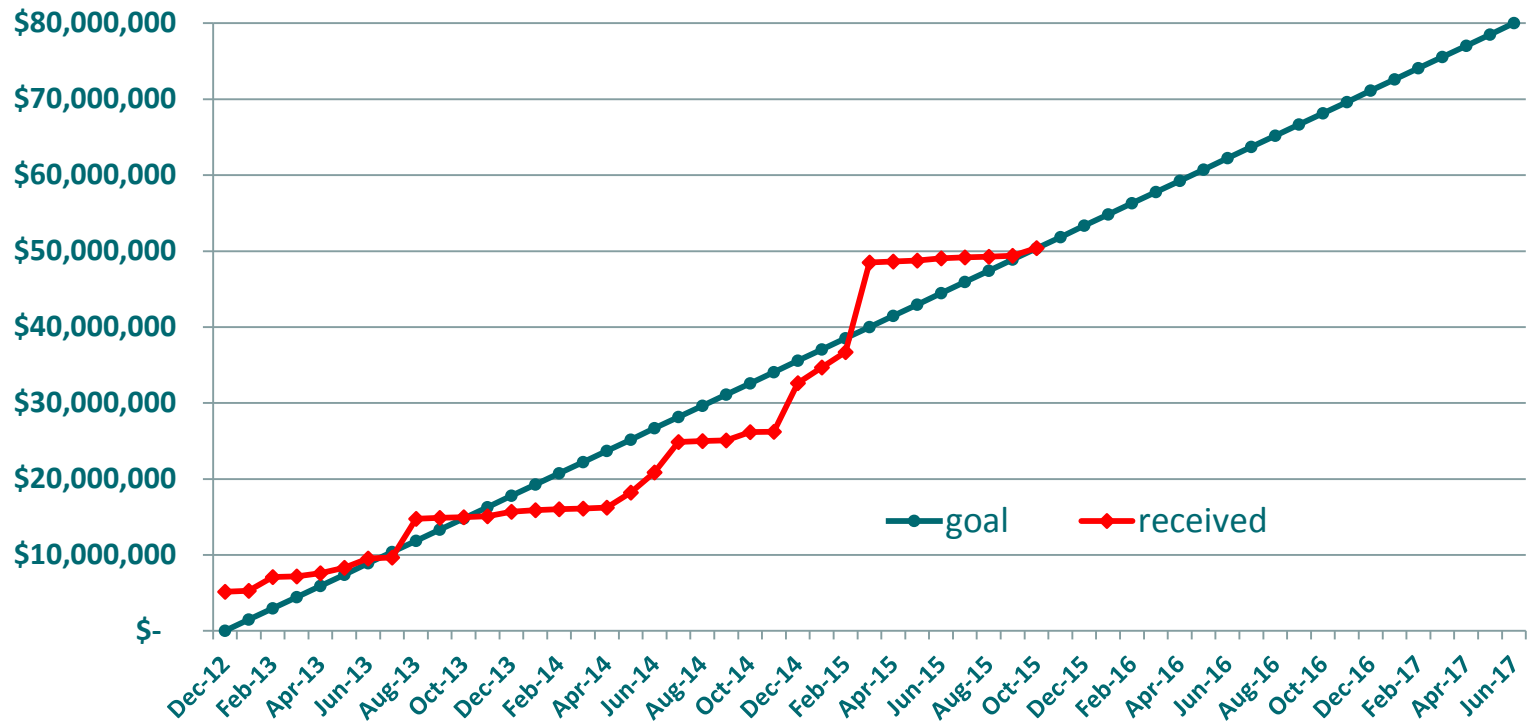


Campaign for Intercollegiate Athletics

- \$80 million campaign publicly announced
- Raised \$50.4 million to date



Campaign for Intercollegiate Athletics



Armstrong Student Center East Wing

- Fundraising target: \$6 million for East Wing
- \$5.2 million raised to date
- In discussions for a \$2 million commitment

The Humanities Center

- Fundraising target: \$1.5 million (NEH Challenge Grant, by July 2019)
- FY'15 Fundraising goal of \$150,000 achieved
- Raised to date: \$246,000
- Goal to qualify for \$150,000 FY'16 match: \$450,000

New Advancement Initiatives

- What is next?
 - Wealth Screening
 - Refreshed info on entire database late November
 - Crowdsourcing Implementation
 - Allows for student projects to receive donor funding through a direct web interface
 - Staff Additions
 - IT, Alumni Relations, Communications



Pride of Case V Awards

#MoveInMiami

- Gold/Platinum finalist – Best Practices in Fundraising
- Gold – Best Program in Annual Giving

Graduating Champions Campaign Case Statement

- Gold – Best Program in Cultivation Publications

Be Mine Miami, tumblr

- Gold – Best Use of Social Media

Pride of Case V Awards

#MUThankU (Day Without Donors)

- Bronze – Best Collaborative Program

Endowment Annual Report

- Bronze – Best Program in Donor Recognition

Giving Tribute

- Bronze – Best Tabloid/Newsletter

Thank you!



REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
December 3, 2015

Non-Endowment Fund

For the first fiscal quarter ending September 30, 2015, the non-endowment fund returned -1.3% due to volatility in some absolute return and global debt strategies. The return for the past year was +0.3%. A summary of performance is attached.

At September 30, the operating cash balance was over \$129.2 million, with receipt of first semester tuition. Short-term interest rates near zero continue to limit the earnings potential from both the operating cash and core cash portions of the pool.

| Current Funds | Fair Value | % of Portfolio |
|---------------------------------------|----------------------|-----------------------|
| Operating Cash: | | |
| Short-term Investments* | \$129,188,328 | 22.2% |
| Core Cash: | | |
| Intermediate-term Investments | \$121,319,657 | 20.8% |
| Long-Term Capital: | | |
| Debt Investments | \$107,530,270 | 18.5% |
| Absolute Return | <u>\$223,949,104</u> | <u>38.5%</u> |
| Total Long-Term Capital | \$331,479,374 | 57.0% |
| Total Current Fund Investments | \$581,987,359 | 100.0% |

*includes bank account balances not included on performance report

Endowment Fund

The endowment fund preliminary return was -6.7% for the first fiscal quarter ending September 30, 2015. This figure excludes the September quarter results for the private capital investments, which report on a significant time lag. The final performance for the 2015 fiscal year, after receiving all the private capital valuations, was +1.0%. Results during the recent quarter reflected significant volatility in the global public equity market and continued drawdowns in the global natural resources market.

The Miami University Foundation Investment Committee met on November 4, 2015 in Oxford. Please see the attached performance report for additional endowment related details. At this meeting, the committee adopted a new strategic allocation policy

which will use new investment classifications and strategic ranges. This approach attempts to organize investments by return drivers and risk factors.

Bond Project Funds

Construction activity continued steadily through the summer and fall. Approximately \$23.5 million in draws were made during the September quarter. As of September 30, 2015, the balances were as follows:

Plant Funds

| | |
|-------------------------------|----------------------|
| Series 2011 Bond Project Fund | \$ 5,281,893 |
| Series 2012 Bond Project Fund | \$ 15,653,105 |
| Series 2014 Bond Project Fund | <u>\$126,102,020</u> |
| Total Plant Funds | \$147,037,018 |

Attachments

Non-endowment Performance Summary as of 9/30/2015
MUF Treasurer's Report as of 9/30/2015

Miami University Non-Endowment

Summary of Investment Performance

Report for Periods Ending September 30, 2015

| | Annualized | | | | | | | Since Inception | Date | Market Value |
|--|--------------|--------------|-------------|-------------|-------------|-------------|-------------|--------------------|-------|---------------|
| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | | | |
| Total Composite | -1.3% | -0.1% | 0.3% | 2.3% | 2.4% | 2.1% | 2.3% | 3.3% | 6/02 | \$572,901,760 |
| Operating Cash | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.3 | 1.6 | 1.7 | 6/02 | 120,102,730 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 1.2 | 1.3 | | |
| BlackRock | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | - | - | 0.1 | 10/08 | 464,111 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | - | - | 0.1 | | |
| Star Ohio | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 1.7 | 1.8 | 6/02 | 44,135,883 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 1.2 | 1.3 | | |
| Chase Savings | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | - | - | 0.2 | 10/08 | 60,416,209 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | - | - | 0.1 | | |
| STAROhio Plus | 0.1 | 0.1 | 0.1 | 0.2 | - | - | - | 0.2 | 7/12 | 15,086,527 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| Core Cash | 0.6 | 1.3 | 1.9 | 1.1 | 2.0 | 3.1 | 3.2 | 3.2 | 6/02 | 121,319,657 |
| Barclays 1-3 Yr U.S. Gov't Bond Index | 0.3 | 1.0 | 1.2 | 0.7 | 0.8 | 1.6 | 2.6 | 2.5 | | |
| Bartlett A | 0.3 | 0.9 | 1.1 | 0.5 | 0.8 | 1.7 | 2.5 | 2.4 | 6/02 | 23,131,424 |
| Barclays 1-3 Yr U.S. Gov't Bond Index | 0.3 | 1.0 | 1.2 | 0.7 | 0.8 | 1.6 | 2.6 | 2.5 | | |
| Bartlett B | 1.0 | 1.7 | 2.7 | 1.2 | 2.3 | 4.2 | 4.1 | 4.0 | 6/02 | 30,493,078 |
| Barclays 1-3 Yr U.S. Gov't Bond Index | 0.3 | 1.0 | 1.2 | 0.7 | 0.8 | 1.6 | 2.6 | 2.5 | | |
| Commonfund Intermediate Bond Fund | 0.3 | 1.1 | 1.3 | 1.2 | 2.1 | 2.5 | 2.2 | 2.5 | 6/02 | 6,310,832 |
| Barclays 1-5 Yr Treasury Index | 0.7 | 1.6 | 2.1 | 0.9 | 1.2 | 2.2 | 3.2 | 3.1 | | |
| M.D. Sass - 3 Year | 0.9 | 1.7 | 2.6 | 1.5 | - | - | - | 2.8 | 1/11 | 30,315,765 |
| Barclays Intern. Gov't Bond Index | 1.2 | 2.0 | 3.0 | 1.1 | - | - | - | 2.3 | | |
| M.D. Sass - 2 Year | 0.3 | 0.9 | 1.3 | 1.2 | - | - | - | 1.2 | 9/12 | 31,068,558 |
| Barclays Intern. Gov't Bond Index | 1.2 | 2.0 | 3.0 | 1.1 | - | - | - | 1.1 | | |
| Long Term Capital | -2.3 | -0.3 | 0.2 | 4.3 | 4.3 | 3.0 | 2.4 | 4.6 | 6/02 | 331,479,373 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 6.4 | | |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 4.7 | | |

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| | Annualized | | | | | | | Since Inception | Date | Market Value |
|---|--------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------------|------|---------------|
| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | | | |
| Public Debt | -1.5% | -0.7% | -0.4% | 2.2% | 3.6% | 6.1% | 5.3% | 5.2% | 6/02 | \$107,530,270 |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 4.7 | | |
| Bartlett C | 1.4 | 1.8 | 3.2 | 1.6 | 2.9 | 5.1 | 4.8 | 4.8 | 6/02 | 22,400,924 |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 4.7 | | |
| Beach Point Loan Fund | 0.1 | 2.7 | 3.2 | - | - | - | - | 3.9 | 1/13 | 27,624,456 |
| CS Leveraged Loan Index | -1.2 | 1.6 | 1.2 | - | - | - | - | 3.2 | | |
| Commonfund High Quality Bond Fund | 0.8 | 1.1 | 2.6 | 2.5 | 4.0 | 6.6 | 5.5 | 5.6 | 6/02 | 27,230,505 |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 4.7 | | |
| Templeton Global Total Return Fund | -6.8 | -6.7 | -8.2 | 0.7 | - | - | - | 1.9 | 5/11 | 30,274,385 |
| Barclays Multiverse | 0.5 | -2.4 | -3.6 | -1.5 | - | - | - | 0.4 | | |

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| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|------|---------------|
| Absolute Return | -2.6% | 0.0% | 0.5% | 6.4% | 5.1% | 1.3% | 0.8% | 3.6% | 6/02 | \$223,949,103 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 6.4 | | |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 4.7 | | |
| ABS Investment Management | -2.7 | 1.4 | 5.3 | 9.0 | 6.1 | - | - | 6.4 | 5/09 | 26,202,577 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | - | - | 9.4 | | |
| HFRI Fund of Funds Index | -3.3 | -0.7 | 0.3 | 4.3 | 2.7 | - | - | 3.5 | | |
| Beach Point Total Return Fund | -3.1 | 0.6 | -3.0 | - | - | - | - | 3.2 | 3/13 | 22,672,744 |
| ML High Yield Bond Index | -4.9 | -2.5 | -3.6 | - | - | - | - | 1.7 | | |
| HFRI Event Driven Index | -5.5 | -3.2 | -4.6 | - | - | - | - | 2.4 | | |
| Evanston Weatherlow Fund | -4.4 | 0.3 | 1.4 | 6.8 | 5.1 | - | - | 6.5 | 5/09 | 25,182,246 |
| HFRI FOF: Diversified Index | -3.1 | -0.8 | 0.2 | 4.3 | 2.9 | - | - | 3.6 | | |
| S&P 500 Index | -6.4 | -5.3 | -0.6 | 12.4 | 13.3 | - | - | 14.7 | | |
| GEM Realty Securities LP | -3.6 | - | - | - | - | - | - | -5.1 | 4/15 | 23,727,190 |
| MSCI U.S. REIT Index | 1.8 | - | - | - | - | - | - | -3.4 | | |
| HFRI Equity Hedge Index | -5.8 | - | - | - | - | - | - | -5.8 | | |
| Lighthouse Diversified Fund | -2.1 | 1.1 | 2.5 | 7.0 | 5.8 | - | - | 5.7 | 5/10 | 25,955,860 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | - | - | 8.5 | | |
| HFRI Fund of Funds Index | -3.3 | -0.7 | 0.3 | 4.3 | 2.7 | - | - | 3.0 | | |
| Rimrock High Income PLUS Fund | -1.3 | 0.1 | 0.1 | - | - | - | - | 0.1 | 9/14 | 25,014,183 |
| Barclays U.S. Corporate High Yield Index | -4.9 | -2.5 | -3.4 | - | - | - | - | -3.4 | | |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | - | - | - | - | 2.9 | | |
| Sandler Offshore | 1.4 | 4.1 | 8.6 | - | - | - | - | 3.5 | 3/13 | 25,959,694 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | - | - | - | - | 4.5 | | |
| HFRI Equity Hedge Index | -5.8 | -2.2 | -2.2 | - | - | - | - | 3.3 | | |
| SCS Opportunities | -1.7 | -0.8 | -0.6 | 6.0 | 4.2 | - | - | 4.5 | 5/09 | 25,019,323 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | - | - | 9.4 | | |
| HFRI Fund of Funds Index | -3.3 | -0.7 | 0.3 | 4.3 | 2.7 | - | - | 3.5 | | |
| SkyBridge Series G | -6.2 | -3.3 | -4.1 | 6.3 | - | - | - | 7.8 | 4/12 | 24,215,286 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | - | - | - | 6.7 | | |
| HFRI Fund of Funds Index | -3.3 | -0.7 | 0.3 | 4.3 | - | - | - | 3.8 | | |

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Footnotes:

* Performance returns are net of investment management fees.

* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

* Manager and index data represent the most current available at the time of report publication.

* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.

* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

* The fiscal year ends in June.

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| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|--|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-----------------|-------|---------------|
| Total Composite | -5.6% | -3.0% | -3.7% | 5.2% | 5.6% | 4.8% | 4.8% | 9.0% | 4/93 | \$431,258,272 |
| MUF Custom Index ¹ | -7.0 | -5.3 | -6.0 | 4.2 | 5.4 | 4.9 | 4.6 | - | | |
| CPI + 5.5% | 1.2 | 4.4 | 5.3 | 6.5 | 7.3 | 6.7 | 7.3 | 7.8 | | |
| Total Composite ex. Private Capital | -6.7 | -4.0 | -4.0 | 4.9 | 4.9 | 5.3 | 4.6 | 5.9 | 12/96 | 357,211,158 |
| Total Equity | -6.2 | -2.5 | -0.8 | 7.0 | 6.5 | 5.8 | 5.4 | 6.0 | 3/95 | 233,328,888 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 6.3 | | |
| S&P 500 Index | -6.4 | -5.3 | -0.6 | 12.4 | 13.3 | 9.7 | 6.8 | 8.8 | | |
| Public Equity | -8.4 | -5.1 | -3.7 | 5.7 | 5.6 | 5.4 | 4.2 | 5.5 | 12/96 | 146,177,967 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 5.4 | | |
| S&P 500 Index | -6.4 | -5.3 | -0.6 | 12.4 | 13.3 | 9.7 | 6.8 | 7.2 | | |
| Barings | -9.6 | -3.7 | -1.4 | - | - | - | - | 7.3 | 12/12 | 24,106,426 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | - | - | - | - | 6.5 | | |
| Harris Oakmark Global Fund | -10.8 | -9.7 | -6.9 | - | - | - | - | -1.9 | 10/13 | 17,709,297 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | - | - | - | - | -0.1 | | |
| Lateef Investment Management | -7.9 | -4.3 | 1.4 | 9.8 | 12.1 | 10.2 | - | 5.7 | 10/07 | 17,453,499 |
| Russell 3000 Index | -7.2 | -5.4 | -0.5 | 12.5 | 13.3 | 9.9 | - | 5.2 | | |
| Lone Cascade | -9.5 | -2.5 | 1.0 | - | - | - | - | 0.2 | 12/13 | 4,375,991 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | - | - | - | - | -1.8 | | |
| PIMCO RAE Fundamental Global Inst'l | -10.3 | - | - | - | - | - | - | -10.1 | 3/15 | 24,246,899 |
| MSCI AC World Index | -9.5 | - | - | - | - | - | - | -9.1 | | |
| Virtus Emerging Opportunities | -10.1 | -9.7 | -12.3 | -2.4 | - | - | - | 0.1 | 8/11 | 9,224,405 |
| MSCI Emerging Markets Index | -17.9 | -15.5 | -19.3 | -5.3 | - | - | - | -3.9 | | |
| Virtus Global Opportunities | -3.4 | -0.1 | 2.4 | 8.3 | - | - | - | 10.5 | 10/11 | 29,225,312 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | - | - | - | 7.7 | | |
| William Blair Global Leaders Fund | -8.7 | -4.1 | -1.3 | - | - | - | - | 2.4 | 10/13 | 19,836,138 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | - | - | - | - | -0.1 | | |

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| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-------|--------------|
| Hedged Equity | -3.2% | 0.9% | 4.8% | 6.9% | 4.8% | 4.6% | 4.8% | 4.8% | 12/01 | \$62,152,046 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 5.5 | | |
| HFRI Equity Hedge Index | -5.8 | -2.2 | -2.2 | 5.0 | 3.6 | 4.3 | 3.6 | 4.8 | | |
| Evanston Weatherlow Fund | -4.4 | 0.3 | 1.4 | 6.9 | 5.0 | 5.1 | 6.0 | 6.2 | 3/04 | 23,007,980 |
| HFRI FOF: Diversified Index | -3.1 | -0.8 | 0.2 | 4.3 | 2.9 | 2.4 | 2.5 | 3.0 | | |
| S&P 500 Index | -6.4 | -5.3 | -0.6 | 12.4 | 13.3 | 9.7 | 6.8 | 6.9 | | |
| JHL Capital | -3.5 | -6.4 | - | - | - | - | - | -1.2 | 11/14 | 9,587,908 |
| DJ/CS HFI Long/Short Equity | -1.5 | 1.9 | - | - | - | - | - | 2.3 | | |
| S&P 500 Index | -6.4 | -5.3 | - | - | - | - | - | -5.5 | | |
| Marble Arch Offshore Fund | -1.8 | 11.5 | - | - | - | - | - | 19.8 | 10/14 | 11,457,769 |
| S&P 500 Index | -6.4 | -5.3 | - | - | - | - | - | -3.0 | | |
| Sandler Capital | 1.3 | 4.2 | 8.7 | 4.3 | - | - | - | 3.2 | 4/12 | 11,318,878 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | - | - | - | 6.7 | | |
| HFRI Equity Hedge Index | -5.8 | -2.2 | -2.2 | 5.0 | - | - | - | 4.2 | | |
| Starboard Value | -7.8 | -6.5 | 5.9 | 9.6 | - | - | - | 8.5 | 4/12 | 6,779,511 |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | - | - | - | 6.7 | | |
| HFRI Equity Hedge Index | -5.8 | -2.2 | -2.2 | 5.0 | - | - | - | 4.2 | | |
| Private Equity | 0.0 | 5.8 | 5.0 | 13.1 | 13.7 | 9.7 | 11.5 | 10.3 | 3/95 | 24,998,875 |
| Thomson One All Private Equity Index | 0.0 | 6.2 | 8.9 | 13.1 | 12.7 | 9.0 | 11.0 | 14.5 | | |
| MSCI AC World Index | -9.5 | -7.0 | -6.7 | 7.0 | 6.8 | 6.0 | 4.6 | 6.3 | | |
| Buyout Composite | 0.0 | 6.0 | 5.2 | 13.6 | 14.2 | 9.9 | 12.0 | 7.2 | 3/95 | 24,399,768 |
| Commonfund International Private Equity III | 0.0 | 13.2 | 12.1 | 4.3 | 5.1 | 4.7 | 10.7 | 3.1 | 6/00 | 85,733 |
| Commonfund Private Equity IV | 0.0 | 2.8 | 8.2 | 11.9 | 16.8 | 13.3 | 14.8 | 10.1 | 6/00 | 112,565 |
| Commonfund Private Equity V | 0.0 | 12.1 | 20.5 | 13.7 | 13.9 | 10.8 | 11.3 | -2.3 | 3/02 | 618,871 |
| Goldman Sachs Private Equity Offshore 2004 | 0.0 | -1.1 | 1.0 | 11.3 | 10.6 | 7.4 | - | -3.9 | 11/05 | 1,697,628 |
| Goldman Sachs Private Equity Partners IX | 0.0 | 12.0 | 10.6 | 14.9 | 13.5 | 4.4 | - | -0.6 | 8/07 | 7,636,715 |
| Hamilton Lane Co-Investment Fund II | 0.0 | 4.2 | 1.5 | 20.8 | 21.7 | 13.2 | - | 2.9 | 2/08 | 8,844,884 |
| Hamilton Lane Secondary Fund II | 0.0 | 2.6 | 3.8 | 10.1 | 12.9 | - | - | 9.4 | 10/08 | 3,563,481 |
| Pomona Capital VI | 0.0 | 2.5 | 5.0 | 3.5 | 6.9 | 2.6 | -5.1 | -5.1 | 9/05 | 1,839,891 |

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| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|---|-------------|--------------|--------------|--------------|-------------|-------------|-------------|-----------------|--------------|--------------------|
| <u>Venture Capital Composite</u> | 0.0% | -1.9% | -1.4% | -1.6% | 2.5% | 1.9% | 5.0% | 11.1% | <i>4/96</i> | <i>\$599,107</i> |
| Commonfund Venture Capital IV | 0.0 | -0.1 | -2.7 | -0.4 | 4.3 | 4.7 | 7.1 | 3.4 | <i>3/99</i> | <i>255,863</i> |
| Commonfund Venture Capital V | 0.0 | -3.4 | -0.2 | -0.2 | 1.9 | 0.1 | 2.4 | -5.8 | <i>1/00</i> | <i>343,244</i> |
| <u>Total Debt</u> | -3.0 | -0.2 | -0.7 | 6.2 | 6.5 | 8.1 | 6.1 | 6.5 | <i>12/96</i> | <i>113,816,756</i> |
| Barclays Multiverse Index | 0.5 | -2.4 | -3.6 | -1.5 | 0.9 | 3.5 | 3.8 | - | | |
| <u>Public Debt</u> | -3.6 | -2.6 | -3.2 | 1.4 | 3.4 | 6.1 | 5.1 | 5.8 | <i>12/96</i> | <i>28,077,910</i> |
| Barclays Multiverse Index | 0.5 | -2.4 | -3.6 | -1.5 | 0.9 | 3.5 | 3.8 | - | | |
| <u>Beach Point Loan Fund</u> | 0.1 | 2.7 | 3.2 | - | - | - | - | 3.9 | <i>1/13</i> | <i>10,883,864</i> |
| CS Leveraged Loan Index | -1.2 | 1.6 | 1.2 | - | - | - | - | 3.2 | | |
| <u>Commonfund High Quality Bond Fund</u> | 0.8 | 1.0 | 2.4 | 2.4 | 3.8 | 6.5 | 5.4 | 6.0 | <i>10/00</i> | <i>2,490,920</i> |
| Barclays U.S. Aggregate Bond Index | 1.2 | 1.1 | 2.9 | 1.7 | 3.1 | 4.8 | 4.6 | 5.3 | | |
| <u>Templeton Global Total Return</u> | -6.8 | -6.6 | -8.2 | 0.7 | - | - | - | 3.2 | <i>10/10</i> | <i>14,703,126</i> |
| Barclays Multiverse Index | 0.5 | -2.4 | -3.6 | -1.5 | - | - | - | 0.7 | | |
| <u>Hedged Debt</u> | -3.1 | 0.8 | 0.2 | 8.1 | 7.6 | 10.7 | - | 8.0 | <i>6/06</i> | <i>77,253,752</i> |
| HFRI Relative Value Index | -2.5 | 0.0 | -0.9 | 4.5 | 4.9 | 6.4 | - | 5.5 | | |
| <u>Beach Point Total Return</u> | -2.9 | 0.6 | -2.8 | 5.0 | - | - | - | 5.3 | <i>8/12</i> | <i>11,731,273</i> |
| ML High Yield Bond Index | -4.9 | -2.5 | -3.6 | 3.5 | - | - | - | 3.8 | | |
| HFRI Event Driven Index | -5.5 | -3.2 | -4.6 | 4.4 | - | - | - | 4.7 | | |
| <u>Canyon</u> | -3.8 | -1.6 | -1.0 | 7.0 | 6.8 | 9.9 | - | 7.6 | <i>6/06</i> | <i>25,561,950</i> |
| ML High Yield Bond Index | -4.9 | -2.5 | -3.6 | 3.5 | 5.9 | 9.9 | - | 7.3 | | |
| HFRI Event Driven Index | -5.5 | -3.2 | -4.6 | 4.4 | 4.0 | 5.1 | - | 4.0 | | |
| <u>GoldenTree</u> | -1.9 | 3.4 | 4.2 | 11.3 | 9.6 | 12.4 | - | 9.1 | <i>6/06</i> | <i>29,094,283</i> |
| ML High Yield Bond Index | -4.9 | -2.5 | -3.6 | 3.5 | 5.9 | 9.9 | - | 7.3 | | |
| HFRI Event Driven Index | -5.5 | -3.2 | -4.6 | 4.4 | 4.0 | 5.1 | - | 4.0 | | |
| <u>Strategic Value Partners</u> | -4.8 | 0.1 | -3.6 | - | - | - | - | 5.3 | <i>2/13</i> | <i>10,866,246</i> |
| ML High Yield Bond Index | -4.9 | -2.5 | -3.6 | - | - | - | - | 2.0 | | |
| HFRI ED: Distressed/Restructuring Index | -4.7 | -4.2 | -7.9 | - | - | - | - | 1.8 | | |

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| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|---|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-----------------|-------|--------------|
| Private Debt | 0.0% | -0.4% | -0.5% | 10.8% | 9.3% | 6.6% | 6.8% | 7.8% | 6/03 | \$8,485,094 |
| Thomson One Distressed Index | 0.0 | 3.0 | 3.3 | 10.3 | 10.0 | 10.8 | 10.5 | 12.5 | | |
| Commonfund Distressed Debt II | 0.0 | -7.3 | -7.4 | 4.0 | 3.2 | 3.0 | 3.9 | 5.5 | 6/03 | 576,563 |
| Commonfund Distressed Debt III | 0.0 | 1.7 | 1.0 | 8.6 | 7.4 | 5.0 | - | 1.1 | 5/06 | 2,648,026 |
| Goldman Sachs Distressed Opportunities | 0.0 | -0.8 | -0.5 | 12.6 | 11.2 | 7.1 | - | 5.2 | 6/08 | 5,260,505 |
| Total Real Assets | -9.8 | -10.5 | -19.1 | -0.4 | 2.6 | -1.8 | 0.6 | 5.3 | 9/95 | 54,305,094 |
| Public Real Assets | -30.3 | -32.3 | -42.3 | -4.4 | - | - | - | 1.7 | 10/11 | 13,741,949 |
| CPI + 5% | 1.0 | 4.0 | 4.8 | 6.0 | - | - | - | 6.3 | | |
| Eagle Global MLP | -29.5 | -31.6 | -39.8 | 0.4 | - | - | - | 5.5 | 10/11 | 9,961,305 |
| Alerian MLP Index | -22.1 | -30.7 | -39.2 | -3.6 | - | - | - | 0.6 | | |
| RS Global Natural Resources | -32.2 | -34.0 | -47.8 | - | - | - | - | -24.9 | 6/13 | 3,780,644 |
| S&P North America Nat'l Resources Index | -19.5 | -22.9 | -33.6 | - | - | - | - | -9.7 | | |
| Private Real Assets | 0.0 | 0.2 | -6.7 | 1.9 | 3.6 | -1.1 | 1.1 | 5.5 | 9/95 | 40,563,145 |
| Thomson One Private Real Estate Index | 0.0 | 6.3 | 11.6 | 13.7 | 12.8 | 2.3 | 6.4 | 10.2 | | |
| S&P GSSI Natural Resources Index | -19.5 | -22.9 | -33.6 | -7.7 | -1.4 | -1.1 | 1.4 | - | | |
| NCREIF Timberland Index | 0.8 | 3.1 | 9.3 | 9.8 | 6.3 | 4.2 | 7.9 | 7.8 | | |
| Private Real Estate Composite | 0.0 | 2.9 | 4.3 | 7.8 | 7.6 | -5.6 | - | -14.1 | 5/06 | 13,817,709 |
| Metropolitan Real Estate Partners IV | 0.0 | 0.4 | 3.8 | 7.3 | 3.4 | -1.5 | - | -13.3 | 5/06 | 2,381,582 |
| Penn Square Global Real Estate | 0.0 | 0.9 | -0.5 | 4.2 | 5.5 | 0.1 | - | -4.8 | 1/08 | 4,524,889 |
| Penn Square Global Real Estate II | 0.0 | 6.6 | 11.0 | 14.0 | -56.7 | - | - | -74.5 | 2/10 | 2,969,338 |
| WCP Real Estate IV | 0.0 | - | - | - | - | - | - | 3.0 | 3/15 | 3,941,900 |

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 Report for Periods Ending September 30, 2015

Annualized

| | Qtr | CYTD | 1Yr | 3Yr | 5Yr | 7Yr | 10Yr | Since Inception | Date | Market Value |
|--|-------------|--------------|---------------|--------------|-------------|-------------|-------------|-----------------|-------|--------------|
| Private Natural Resources Composite | 0.0% | -1.2% | -11.5% | -0.8% | 1.5% | 1.2% | 5.5% | 7.8% | 9/95 | \$26,745,436 |
| Commonfund Energy III | 0.0 | 8.5 | -5.4 | 6.8 | 12.0 | 6.9 | 14.0 | 15.1 | 9/95 | 97,684 |
| Commonfund Natural Resources V | 0.0 | -6.6 | -26.5 | -0.6 | 4.3 | 2.9 | 7.7 | -9.2 | 9/03 | 1,430,569 |
| Commonfund Natural Resources VI | 0.0 | -2.2 | -17.5 | 5.1 | 7.1 | 5.6 | 6.2 | 6.2 | 9/05 | 1,201,735 |
| Commonfund Natural Resources VII | 0.0 | -1.8 | -18.9 | 3.2 | 6.6 | 1.5 | - | -9.7 | 1/07 | 2,384,458 |
| Commonfund Natural Resources VIII | 0.0 | 0.5 | -11.5 | 0.5 | 0.0 | - | - | 0.1 | 11/08 | 7,123,476 |
| Goldman Sachs Concentrated Energy | 0.0 | -4.5 | -23.7 | -14.7 | -5.6 | -4.1 | - | -4.1 | 4/08 | 3,223,746 |
| Timbervest II | 0.0 | -0.7 | -0.8 | 2.7 | 0.6 | 0.5 | - | 0.3 | 5/07 | 7,769,832 |
| Timbervest III | 0.0 | 0.8 | 2.0 | 6.9 | - | - | - | 4.8 | 12/10 | 3,513,936 |
| Cash | 0.0 | 0.1 | 0.1 | 0.1 | - | - | - | 0.1 | 6/11 | 29,807,534 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| Star Ohio MUF | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | 6/11 | 22,365,368 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| Star Ohio University | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | 6/11 | 114,238 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| BlackRock Cash | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | 6/11 | 32,814 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| Chase University | 0.0 | 0.2 | 0.3 | 0.2 | - | - | - | 0.2 | 6/11 | 2,673,078 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |
| Chase MUF | 0.1 | 0.2 | 0.3 | 0.2 | - | - | - | 0.2 | 6/11 | 4,622,036 |
| U.S. 91-Day Treasury Bills | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | 0.0 | | |

Footnotes:

* Performance returns are net of investment management fees.

* Calculated returns may differ from the manager's due to differences in security pricing and/or cash flows.

* Manager and index data represent the most current available at the time of report publication.

* Hedge fund and private capital manager market values and rates of return may be based on estimates and may be revised until completion of an annual audit by the manager.

* For managers and indices that report returns on a lag, 0.0% is utilized for the most recent time period until the actual return data are reported.

* The fiscal year ends in June.

¹ MUF Custom Index is composed of: 60.0% MSCI AC World Index, 10.0% Barclays U.S. Aggregate Bond Index, 10.0% NCREIF Property Index, 10.0% Barclays Multiverse TR, 5.0% Bloomberg Commodity Index, and 5.0% S&P North America Nat Resources Index.



ADMISSION UPDATE

Board of Trustees Meeting

December 3, 2015

Susan K. Schaurer

Assistant Vice President & Director of Admission
Enrollment Management & Student Success



Fall 2015 First-Year Enrollment

Final Data

- » Total confirmations: 4,093
- » Final first-year class: 3,806
 - » Count as of 10/15/15
- » Final melt: 7.0% or 287 students
 - » Fall 2014 melt was 6.9%



Key Enrollment Metrics

Fall 2015 vs. Fall 2014

- » Average ACT: 28.0 vs. 27.6
- » Average GPA: 3.75 vs. 3.70
- » Rigor of HS Curriculum: 13.7 vs. 13.2
- » Non-Resident: 44.1% vs. 43.3%
- » International: 7.8% vs. 6.9%
- » Domestic Diversity: 13.7% vs. 13.0%
- » Alumni Connection: 32.0 % vs. 33.1%
- » Countries: 30 vs. 44
- » States: 39 vs. 38
- » High Schools: 1,243 vs. 1,142



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Other Enrollment Goals

Fall 2015

American Culture and English (ACE) Program

- » Fall 2015 enrollment goal was 150 first-year students
- » 299 confirmed students or a 37% YTD increase vs. Fall 2014

Transfers

- » Fall 2015 enrollment goal was 300 students
- » 218 confirmed students or a 9% YTD decrease vs. Fall 2014

TOP (Pathways)

- » 67 enrolled students on the regional campuses or a 49% YTD increase over Fall 2014
- » Spring 2016 Oxford enrollment goal is 40



Key Enrollment Goals

Fall 2016

First-Year Objectives

- » 3,650 first-year target
- » Manage divisional enrollment targets
- » Maintain quality
- » Increase selectivity
- » Increase non-resident enrollment
- » Increase ethnic/racial diversity

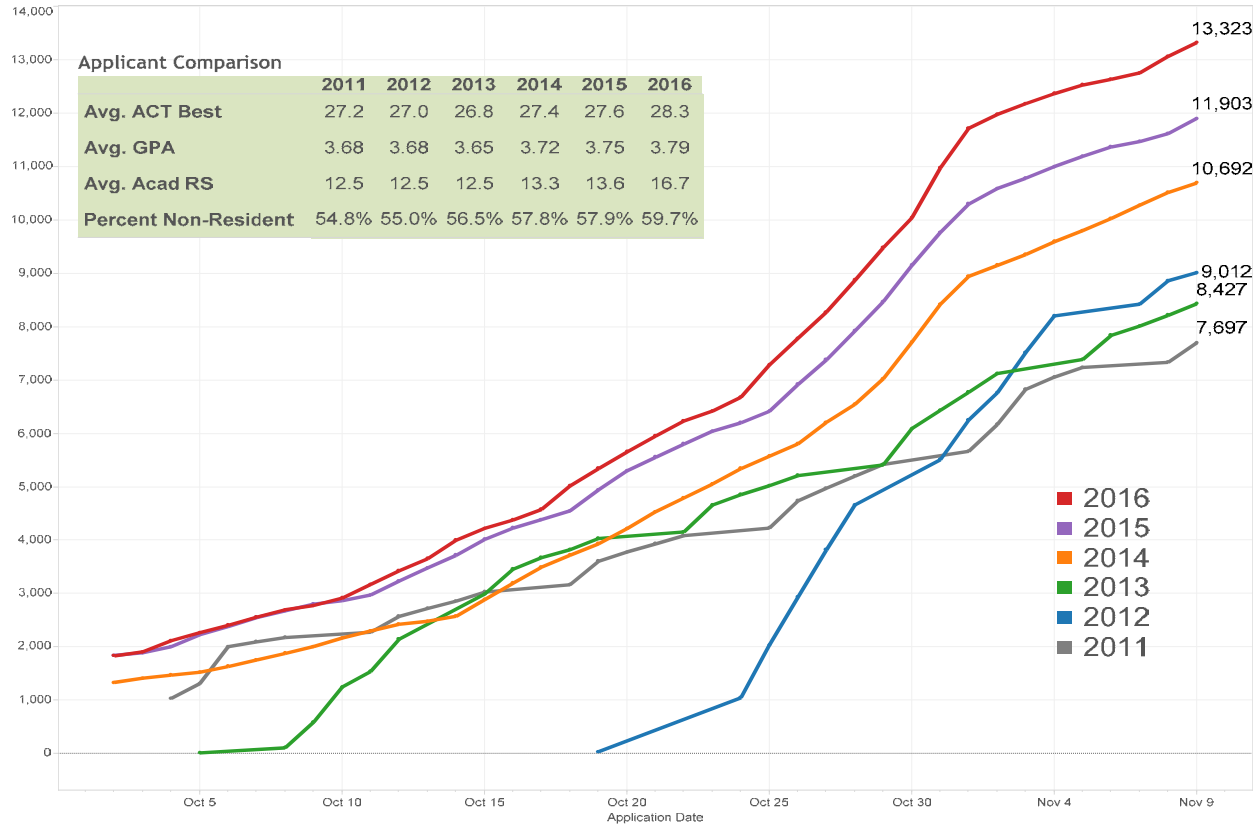
Other Enrollment Objectives

- » Maintain ACE Program enrollment
- » Maintain transfer enrollment
- » Meet Net Tuition Revenue targets



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Fall 2016 First-Year Applications



Enrollment Research and Analysis

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Data as of 11.10.2015

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**Lean Project Update
as of 11/3/2015**

Reporting Update
Item 4

| MU-Lean Project Status Totals | | | | | Completed Projects | | | |
|--------------------------------------|------------|------------|-----------|------------|---------------------------|--------------------|--------------------|---------------------|
| Division | Active | Completed | Future | Total | Cost Avoidance | Cost Reduction | Revenue Generated | Total |
| Finance and Business Services | 161 | 631 | 51 | 843 | \$11,091,693 | \$4,987,145 | \$4,201,712 | \$20,280,550 |
| Procurement Realized* | | | | | \$8,352,993 | \$3,239,808 | \$906,727 | \$12,499,528 |
| President+Intercollegiate Athletics | 1 | 1 | 0 | 2 | \$2,540 | \$150,000 | \$1,015 | \$153,555 |
| Advancement | 3 | 8 | 1 | 12 | \$37,000 | \$213,790 | \$100,000 | \$350,790 |
| Enrollment | 11 | 24 | 0 | 35 | \$329,878 | \$0 | \$37,705 | \$367,583 |
| Information Technology Services | 7 | 12 | 1 | 20 | \$421,113 | \$0 | \$4,180 | \$425,293 |
| Provost (including regionals) | 11 | 4 | 0 | 15 | \$2,223 | \$0 | \$0 | \$2,223 |
| Lean Project Total - MU | 194 | 680 | 53 | 927 | \$20,237,440 | \$8,590,743 | \$5,251,339 | \$34,079,522 |

*Procurement Realized through September 30, 2015. Procurement increment reported quarterly- July 2015 through September 2015.

| MU-Lean Project Changes since 9-1-15 report | | | | | Newly Completed Projects since 9-1-15 report | | | |
|--|--------------|-----------------|--------------|-----------|---|--------------------|-----------------------|--------------------|
| Division | Newly Active | Newly Completed | Newly Future | New Total | New Cost Avoidance | New Cost Reduction | New Revenue Generated | New Total |
| Finance and Business Services* | -4 | 31 | -3 | 24 | \$460,613 | \$394,775 | \$10,200 | \$865,588 |
| Procurement Realized* | | | | | \$232,089 | \$323,434 | \$71,826 | \$627,349 |
| President+Intercollegiate Athletics | 1 | 0 | 0 | 1 | \$0 | \$0 | \$0 | \$0 |
| Advancement | 0 | 0 | 0 | 0 | \$0 | \$0 | \$0 | \$0 |
| Enrollment | 1 | 1 | 0 | 2 | \$0 | \$0 | \$0 | \$0 |
| Information Technology Services | -1 | 0 | 1 | 0 | \$0 | \$0 | \$0 | \$0 |
| Provost (including regionals) | 3 | 0 | 0 | 3 | \$0 | \$0 | \$0 | \$0 |
| Lean Project Total - MU | 0 | 32 | -2 | 30 | \$692,702 | \$718,209 | \$82,026 | \$1,492,937 |