MIAMI UNIVERSITY
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BOARD OF TRUSTEES
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BOARD OF TRUSTEES
MIAMI UNIVERSITY
Minutes of the Finance and Audit Committee Meeting
December 12, 2019
Room 180-6, Marcum Conference Center

Committee Chair Michael Armstrong was absent, and it was arranged with Board Chair David Budig for Trustee Mark Ridenour to serve as acting Chair. The meeting was called to order by Trustee Ridenour at 2:00 p.m., with a majority of members present, constituting a quorum. Roll was called; attending with acting Chair Ridenour, were Committee members; Trustees David Budig, Sandra Collins, and Rod Robinson; and National Trustees Robert Coletti, and Mark Sullivan. Also attending were Trustees Zachary Haines, John Pascoe, Mary Schell, and Robert Shroder, along with National Trustee Diane Perlmutter, and Student Trustees Megan Cremeans and Will Kulis. Committee Chair, Michael Armstrong, was absent.

In addition to the Trustees, President Gregory Crawford, Provost Jason Osborne, Senior Vice President David Creamer, Senior Vice President Tom Herbert; Vice Presidents Jayne Brownell, David Seidl, Brent Shock (interim), Ron Scott, and Michele Sparks; General Counsel Robin Parker, Director of Athletics David Sayler, and Director of Institutional Relations Randi Thomas, were present. Also present to address or assist the Committee were; David Ellis, Associate Vice President for Budgeting and Analysis; Cody Powell, Associate Vice President for Facilities Planning and Operations; Bruce Guiot, Chief Treasury Officer; Gary Cornett, Controller; Jennifer Morrison, Associate Controller; Matt Garvey, independent auditor from RSM US LLP; and Ted Pickerill, Executive Assistant to the President, and Secretary to the Board of Trustees; along with many members of the Miami University community who were in attendance to observe, present and/or assist.

<u>Public Business Session</u>

Acting Chair Ridenour welcomed everyone and opened the meeting.

Approval of the Minutes

Trustee Robinson moved, Trustee Collins seconded and by unanimous voice vote, with all voting in favor and none opposed, the minutes from the prior meeting of the Finance and Audit Committee were approved.

Financial Statements and Audit Results

Matt Garvey, from RSM US LLP, provided highlights from the independent audit results. He stated there were no new or significant accounting changes this year, unlike the pension accounting changes in previous years.

He then walked the Committee through the audit report and informed the Committee that no audit adjustments were required and no significant issues were noted. He then took any questions from the Committee.

The independent audit report from RSM US LLP, along with Miami University's annual financial report, and the Miami University Foundation's annual financial report are included as Attachment A.

Budget Reallocation Plan

Senior Vice President Creamer presented the original budget reallocation plan and, then updated the Committee on changes to the plan to increase and accelerate the amount of the reallocation. He stated that two of the years would be doubled and, where possible, the reallocations were accelerated into earlier years. It was also noted that several areas were able to complete all of their budget reductions by FY2021. Such acceleration not only provides for earlier reallocation of recurring budget dollars, but also makes available one-time dollars which were originally budgeted to be spent for as long as four more years.

He informed the Committee that he anticipated bringing the budget to the Board in June after the Admission cycle was complete, to allow a fuller, better forecast of anticipated net tuition revenue.

Associated materials are included as Attachment B.

Report on Facilities, Construction and Real Estate

Capital Improvement Plan and Funding Request

Five resolutions were presented to the Committee for consideration. Senior Vice President Creamer and Associate Vice President Cody Powell addressed each, beginning with the Capital Improvement Plan and Funding Request. They informed the Committee that the State, as part of the biennial capital appropriation, asks each of Ohio's public universities and colleges to submit a six-year capital improvements plan and a biennial funding request. They explained that the resolution presented is to approve the 2021-2026 Capital Improvement Plan and the 2021-2022 funding request, and to authorize SVP Creamer to amend each as necessary to conform to allocations made by the State of Ohio.

Trustee Collins then moved, Trustee Budig seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

High Street Safety

Senior Vice President Creamer and Associate Vice President Cody Powell explained that there is a great deal of student pedestrian traffic crossing High Street throughout each school day. The proposed project is to control pedestrian crossings and improve pedestrian safety. The proposal is similar to the Patterson Street project and will also use islands to limit crossable areas and to provide a safety haven mid street. Also similar to the Patterson Avenue project, the University will work in partnership with the City of Oxford. Work will be managed by the State of Ohio, and is planned for completion by the start of the Fall 2020 semester.

Trustee Robinson then moved, Trustee Collins seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

Dodds Hall Renovation

The Committee was reminded that the renovation of Dodds Hall was previously scheduled to begin last summer, but was delayed to provide increased housing capacity to better accommodate the large number of incoming first-year students during academic year 2019-2020.

Trustee Robinson then moved, Trustee Collins seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

Harris Hall Renovation

Vice President Creamer explained that at one time Harris Hall was one of a number of peripherally located dining halls, before the campus plan has shifted dining locations towards the center of campus to better meet student needs and desires. The Harris dining hall has not been operated for several years, and this resolution proposes its transition to swing space for the health center, assuming construction of the Clinical Health Science building is approved. Following the completion of this project, Harris Hall will be used as swing space for future projects such as Bachelor Hall.

Trustee Collins then moved, Trustee Budig seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

Declaration of Official Intent

Senior Vice President Creamer explained that this resolution addresses the use of potential future bond proceeds. It is not a debt authorization itself, but states the intention of use, which can be referenced by a later debt issue. The declaration essentially allows today’s spending to be funded by a future bond issue.

Trustee Budig then moved, Trustee Collins seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

The associated resolutions are included as Attachment C.

Year to Date Operating Results

Senior Vice President Creamer presented the year to date operating results. He stated there are no significant issues, and he expects a modest amount above what was originally anticipated from the State of Ohio. He added that Winter term revenue appears to be a little less that predicted, but that overall the University is essentially on budget.

Associated materials are included as Attachment D.

State of Ohio Efficiency Report

Associate Vice President David Ellis addressed the annual efficiency report. He explained that it is an annual filing required by the State of Ohio. Several categories are required to be addressed within the report, including; operating efficiencies, opportunities to generate or increase revenue in areas other than tuition, savings enjoyed directly by students (such as textbook cost), and the reinvestment of savings to benefit students (grouped with direct savings to students within the report).

AVP Ellis then highlighted several areas of savings, such as health care benefits for which strategic pricing contracts were recently pursued, and managing prescription costs. He stated new revenue was generated through the sale of several university owned residential properties in Oxford. Enhanced advising and informational tools were implemented to better consul students regarding debt. He also relayed that investments were made in financial aid to students, and in academic facilities.

The resolution accepting and authorizing submission of the report was then considered. Trustee Collins moved, Trustee Budig seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

The resolution and associated materials are included as Attachment E.

Farmer School of Business Graduate Tuition Ordinance

Senior Vice President Creamer explained the ordinance establishes the level of tuition for graduate programs with unique costs and market conditions, within the Farmer School of Business – the Professional MBA, and the MS in Business Analytics. He noted that based upon an evaluation of the PMBA's program's competitive positon, it is recommended that the tuition for the PMBA remain unchanged.

Trustee Robinson then moved, Trustee Collins seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the ordinance by the full Board of Trustees.

The ordinance is included as Attachment F.

Investment Subcommittee

Subcommittee Chair Ridenour relayed that Strategic Investment group (SIG) gave a third quarter investment update, and reviewed the long-term capital portfolio investment performance.

Bruce Guiot then presented a resolution proposing changes to the non-endowment investment policy. He explained there are two primary changes, first that the Tier 2, target allocation be adjusted to be based on the reserve for investment fluctuations. And, second, the expenditure policy be revised to tie the long term bonds more closely to the reserve funds (Tier 2).

Trustee Robinson then moved, Trustee Budig seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

Associate Treasurer Guiot then informed the Committee of a discussion on ESG (Environmental, Social, and Corporate Governance), with regards to investing. He stated there was consensus among the members of the Investment Subcommittee that language should be proposed for the investment policy statement to provide a framework for ESG responsible investing. He will go back to the Foundation for further consideration and that ultimately, he believes it likely there will be a proposed statement to be added to the investment policy.

Guiot next informed the Subcommittee of a proposed quasi-endowment which would be funded by annual non-designated gift funds, with the annual distribution from the quasi- endowment to be used primarily to support scholarships.

Trustee Robinson then moved, Trustee Budig seconded, and by unanimous voice vote, with all in favor and none opposed, the Committee recommended approval of the resolution by the full Board of Trustees.

Discussion of Investment Subcommittee items concluded with an update on employee retirement investment plans. Mr. Guiot stated that Miami had worked with a consultant to implement changes beginning in January. He stated Miami has selected four options from the state approved set of eight investment venders. He also informed the Committee that the changes implemented will simplify the menu of options, add mutual funds (rather than annuities only) as investment options, and will reduce fees, the savings from which will flow to the employees.

The resolutions, and the minutes from the meeting of the Investment Subcommittee are included as Attachment G.

Forward Agenda

For the February meeting, the Committee will consider the construction phase of the Clinical Health Sciences Building.

In June the committee will receive the FY2021 budget for consideration.

Additional Reports

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

Cash and Investments, Attachment H
Internal Audit Reporting Update, Attachment I
Enrollment Update, Attachment J
Lean Project Update, Attachment K
Advancement Update, Attachment L

Adjournment

With no more business to come before the Committee, following a motion by Trustee Robinson, a second by Trustee Budig, and unanimous voice vote, with all in favor and none opposed, the Committee adjourned at 4:30 p.m.

Theodore O. Pickerill II
Secretary to the Board of Trustees

Miami University

Report to the Finance and Audit Committee
December 12, 2019

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December 12, 2019

Finance and Audit Committee
Miami University
Oxford, OH

We are pleased to present this report related to our audit of the financial statements of Miami University (the University) as of and for the year ended June 30, 2019. 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.

RSM US LLP

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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 *Government Auditing Standards*, issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated May 16, 2019. 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 dated May 16, 2019 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.
Accounting Policies and Practices	**Adoption of, or Change in, Accounting Policies** Management has the ultimate responsibility for the appropriateness of the accounting policies used by the University. The University adopted a number of Government Accounting Standards Board (GASB) pronouncements in the current year as illustrated in Note 1 of the financial report, however, these did not have a material impact on the financial statements for the year ending June 30, 2019. **Upcoming Pronouncements** Reference "Basis of Presentation" footnote for a listing of upcoming GASB pronouncements with discussion of potential impact on the University. **Significant or Unusual Transactions** We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. **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.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We are not aware of any uncorrected misstatements other than misstatement that are clearly trivial.

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 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.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	We have separately issued a report on internal control over financial reporting and on compliance and other matters based on our audit of the financial statements, as required by *Government Auditing Standards* and the Uniform Guidance. This communication is included within the compliance report for the University for the year ended June 30, 2019.
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.

Summary of Significant Accounting Estimates

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, 2019 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	The majority of 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 per share as supplied by the investment manager. Investments in real estate are recorded at estimated fair value.	For market traded investments, we tested the fair value information provided by management and found it to be consistent with fair values we obtained from another third party source. For 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.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
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.
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, 2019 and noted the amounts accrued are reasonable based on the policy.
Net Pension Asset/Liability	The University has net pension assets (liabilities) for two retirement plans administered by the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS). The University relies on STRS and OPERS plan actuaries and auditors to determine the University's proportionate share of the net pension asset (liability) and its components, based on the percentage of contributions to the retirement plans compared to other participating employers in the respective retirement plans.	Management relies on STRS and OPERS actuaries and auditors to determine the University's net pension asset (liability) and pension expense. Management records the University's proportionate share in the financial statements.	We tested the payroll information submitted to STRS and OPERS, obtained the actuarial reports, and audited pension allocation schedules. We also utilized an RSM actuarial specialist to review the significant assumptions and conclusions used by the plans' actuaries. We concluded the process used by management and the estimates recorded are reasonable.

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Other Post-Employment Benefits (OPEB)	The University has two other post-employment benefit plans administered by the State Teachers Retirement System of Ohio (STRS) and the Ohio Public Employees Retirement System (OPERS). The University relies on STRS and OPERS plan actuaries and auditors to determine the University's proportionate share of the net OPEB liability and its components, based on the percentage of contributions to the post-employment benefit plans compared to other participating employers in the respective post-employment benefit plans.	Management relies on STRS and OPERS actuaries and auditors to determine the University's net OPEB liability and OPEB expense. Management records the University's proportionate share in the financial statements.	We tested the payroll information submitted to STRS and OPERS, obtained the actuarial reports, and audited OPEB allocation schedules. We also utilized an RSM actuarial specialist to review the significant assumptions and conclusions used by the plans' actuaries. We concluded the process used by management and the estimates recorded are reasonable

Exhibit A—Significant Written Communications Between Management and Our Firm

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

Office of the Controller

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October 15, 2019

RSM US LLP
1001 Lakeside Avenue, Suite 200
Cleveland, OH 44114

This representation letter is provided in connection with your audits of the basic financial statements of Miami University (the University), a component unit of the State of Ohio, as of and for the years ended June 30, 2019 and 2018 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 of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated May 16, 2019, 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.

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, 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. There are no events subsequent to the date of the financial statements, which requires adjustment or disclosure in accordance with U.S. GAAP.

7. There are no known actual or possible litigation and claims to be accounted for and disclosed in accordance with U.S. GAAP.

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8. We are not aware of any material 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 maters 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.

11. We have no knowledge of any uncorrected misstatements in the financial statements. We have excluded the amounts and disclosure requirements of the Ohio Public Employees Retirement System (OPERS) of Ohio defined contribution plan as the balances are not material to the financial statements nor exclusion of these items deemed to be misleading to the users of the financial statements.

Information Provided

12. 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 audits;

    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and

    d. Minutes of the meetings of the Board of Trustees and Finance and Audit Committee.

13. All transactions have been recorded in the accounting records and are reflected in the financial statements.

14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

15. 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 internal control.

    c. Others where the fraud could have a material effect on the financial statements.

16. 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, regulators or others.

17. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18. 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.

19. 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.

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20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

21. Tax exempt bonds issued have retained their tax-exempt status.

22. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

23. We have complied with all debt covenants, including nonfinancial, included in debt agreements.

24. We have reviewed the user control consideration of the compliance Attestation Examination of the Title IV Student Financial Assistance Programs of Education Computer Systems, Inc. as of June 30, 2019 and we believe all applicable controls are in place as of June 30, 2019.

25. The University has outstanding commitments for future contractual obligations for capital expenditures of approximately $67.2 million at June 30, 2019.

26. 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 that management:

27. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

28. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the University.

29. Disclosed no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

30. Disclosed no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts

31. Disclosed no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements

32. Is responsible 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.

33. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

34. Has a process to track the status of audit findings and recommendations.

35. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.

36. The University has complied, in all material respects with the 2019 Ohio Compliance Supplement.

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In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we confirm:

37. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.

38. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.

39. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the University is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs in existence prior to December 26, 2014, as well as for funding increments and new awards obtained after that date.

40. Management has prepared the schedule of expenditures of federal awards in accordance with the Uniform Guidance and has 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.

41. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.

42. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program. Management has further identified each award resulting from programs in existence prior to December 26, 2014 and funding increments or new awards obtained after that date.

43. Management has made available all federal awards (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.

44. Management has disclosed to the auditor there are no amounts questioned nor any known noncompliance with the direct and material compliance requirements of federal awards or stated that there was no such noncompliance.

45. Management believes that the University has complied with the direct and material compliance requirements.

46. Management has 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.

47. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.

48. Management has disclosed to the auditor any communications from federal awarding agencies 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 the auditor's report.

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49. 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 the auditor's report.

50. There are no prior audit findings by federal awarding agencies and pass-through entities.

51. 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.

52. There is no known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report.

53. There are no changes in internal control over compliance or other factors that might significantly affect internal control, including any subsequent to the period covered by the auditor's report.

54. 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.

55. Management has monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

56. Management has considered the results of subrecipient monitoring and audits, and has made any necessary adjustments to the auditee's own books and records.

57. Management has charged costs to federal awards in accordance with applicable cost principles and the Uniform Guidance.

58. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings, if any, required to be included by Uniform Guidance.

59. The reporting package does not contain protected personally identifiable information.

60. Management has accurately completed the appropriate sections of the data collection form.

61. Management has disclosed all contracts or other agreements with service organizations.

62. Management has disclosed to the auditor there are no communications from service organizations relating to noncompliance at those organizations.

Supplementary Information

63. With respect the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* :

    a. We acknowledge our responsibility for the presentation of such required supplementary information.

    b. We believe such information, including its form and content, is fairly presented in accordance with guidelines prescribed by accounting principles generally accepted in the United States of America.

    c. The methods of measurement or presentation are in accordance with the requirements of the Uniform Guidance.

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64. With respect to the management discussion and analysis, pension plan and OPEB plan information presented 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.

65. During the course of your audits, 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

Gregory P. Crawford

Dr. Gregory P. Crawford
President

David K. Creamer

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

Gary Cornett

Mr. Gary Cornett
Controller

Ms. Jennifer Morrison
Chief Accounting Officer

2019 Financial Report

MIAMI UNIVERSITY

OXFORD, OH • EST. 1809

Senior Vice President for Finance and Business Services

MIAMI UNIVERSITY

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(513) 529-4226

Treasurer's Report

Financial Highlights

For the tenth consecutive year, the University reported positive financial results. For fiscal year 2018-19, the improved financial position is reflected in total assets, which rose 3 percent to a total of $2.39 billion. Net position increased by $82.0 million.

Operating revenues improved once again increasing by $5.87 million or 1.06 percent largely due to modest enrollment growth and resulting increases in tuition and room and board revenues. The non-endowment investment portfolios posted a positive return of 3.0 percent resulting in net investment income of $29.8 million for the year. Total revenues from all sources increased from the prior year by 0.3 percent or $1.8 million. The overall increase in operating expenses of $105.0 million or 20.14 percent, resulted from an increase of 6.81 percent in Miami-funded scholarships and fellowships, a 3.0 percent salary increase for faculty and staff, plus a $74.8 million increase as compared to the non-recurring reduction in FY18 pension expense due to changes in actuarial assumptions.

Future Outlook and Challenges

For the foreseeable future, the higher education landscape will continue to be influenced by disruption from technological change, the national conversation regarding affordability and efficiency, and economic and demographic issues. In Ohio, the issues mirror those of much of the nation.

In October 2018, President Greg Crawford appointed a 14-person steering committee to lead Miami's strategic planning efforts. The president identified six areas of focus: academic excellence; research and scholarly success; transformative student experience; diversity, equity and inclusion; financial sustainability; and Miami as a national university. The committee's work was based on the principle that success will depend on broad input from the entire Miami community.

The committee's charge from President Crawford was to develop a five-year strategic plan that builds on the many strengths of Miami University, while recognizing the need for change and innovation. The charge to the committee was to take a hard look at our current approaches and recommend transformational change. We believe that incremental changes to our current strategy and tactics—as valuable as they have been—will not prepare Miami for the new world of higher education.

As further noted in the new strategic plan, the world is moving too fast to explore one strategy at a time, so coordination and communication have never been more important across the Miami community. Higher education is changing so quickly that Miami already has launched several strategic initiatives to address some of the issues raised in this strategic plan including a new development campaign, the creation of a $50 million "Boldly Creative" investment fund, a review of all academic programs, and a feasibility assessment for new academic buildings.

Higher Education across the nation continues to experience rapid change. However, Miami's strong commitment to undergraduate teaching, the demand for its programs not only in Ohio but around the nation and the world, its improved operating efficiencies, and its dedicated and committed faculty and staff, position it well to respond to these challenges and to maintain its financial performance in the face of transformational change.

Respectfully submitted,

Dr. David K. Creamer

Senior Vice President for Finance and Business Services and Treasurer

INVESTMENT REPORT

MIAMI UNIVERSITY

Miami University and Miami University Foundation
June 30, 2019

INVESTMENT POOLS

Total investment assets for Miami University and Miami University Foundation approached $1.25 billion at fiscal year-end, up from $1.19 billion the previous year. The University's non-endowment pool, its working capital and reserves, grew to $668.6 million from $628.6 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, grew assets to $558.6 million from $534.7 million. The fiscal year-end asset values among the pools are as follows:

Pool	Type of Funds	Invested as of June 30, 2019
University Non-Endowment	Working capital and cash reserves to support operating activities	$668,582,000
Pooled Investment Fund (University & Foundation Endowments)	Funds donated to the University and the Foundation to establish endowments in perpetuity	$558,618,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$ 22,341,000
Total Investments		**$1,249,540,000**

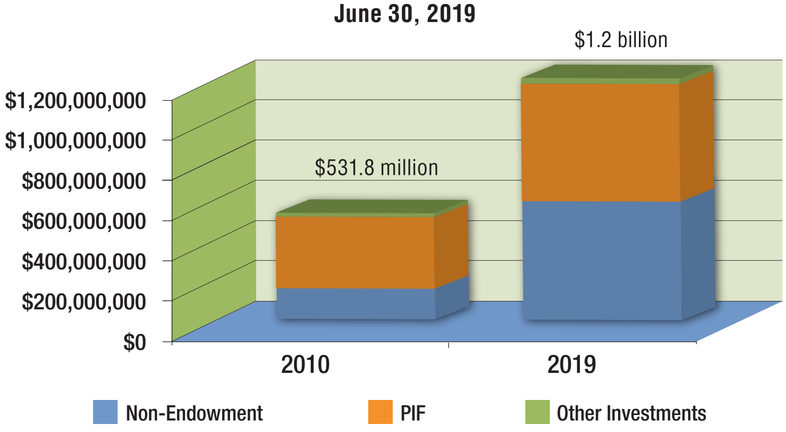
The Investment Committee of the Miami University Foundation's Board of Directors provides governance oversight to the PIF, while the Miami University Board of Trustees maintains oversight of the non-endowment pool.

In 2018, the Boards outsourced investment management discretion of the PIF and non-endowment to an external firm, Strategic Investment Group (SIG). Much of the past year was spent implementing the investment governance and infrastructure changes related to this transition. SIG's focus has been on implementing the new investment policy statements adopted by the Boards. In addition, the establishment of a new master custody platform with Northern Trust was completed for the investment assets in both pools.

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. As the size of this pool has grown, the long-term portion of the pool has an investment profile similar to the endowment, except for the exclusion of less liquid asset classes.

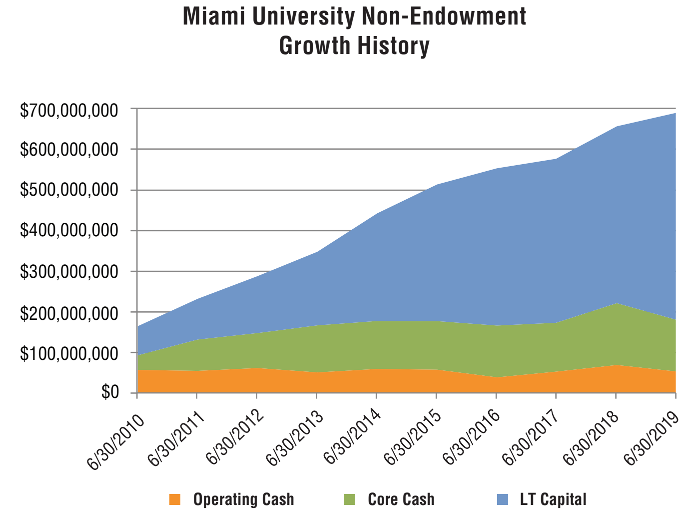
The PIF invests endowed gifts from donors and quasi-endowments established by the boards. The pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds with the understanding 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 generations. The investment policy governing the endowment pool recognizes that the portfolio can tolerate year-to-year fluctuations in returns 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.

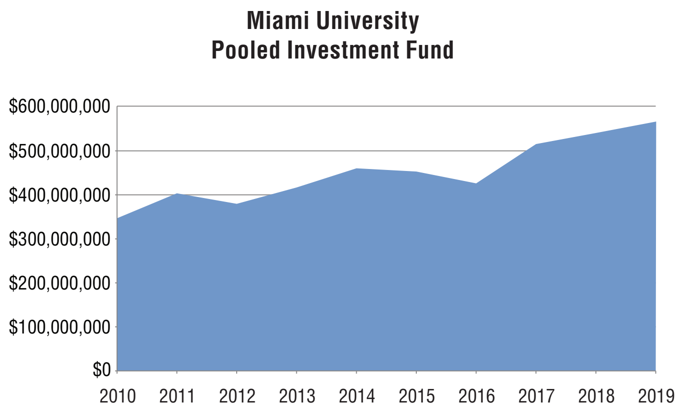
Growth in Total Investment Assets
June 30, 2019



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, by necessity, managed separately from the endowment pool.

Over the last ten years, Miami's total investment assets have more than doubled. The past decade now marks the longest U.S. economic recovery on record. Unprecedented monetary and fiscal stimulus by governments and central banks globally has aided economic growth over that period and provided a sturdy boost to prices across the asset classes. Against that macroeconomic backdrop, prudent fiscal discipline, modest enrollment growth, and the wise leadership of our trustees have led to the quadrupling in size of the non-endowment. Concurrently, the enthusiastic support of our alumni and friends along with the guidance of our directors have pushed the endowment pool to new heights, growing in size by about 62 percent over that period. These resources will help Miami University weather the myriad of significant challenges expected in higher education in the coming years.

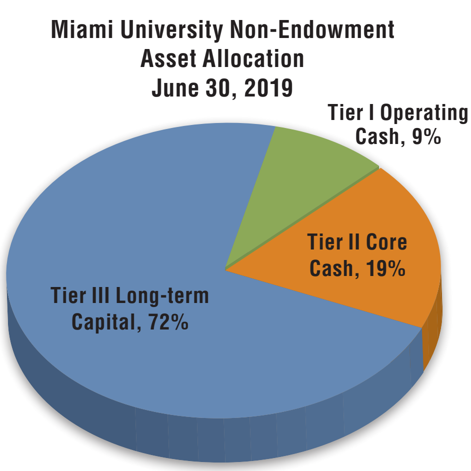




Cash flow generation was again strong for the University due to a large incoming first year class of students and continued emphasis on operating efficiencies. Two rebalancing actions were taken during the year which resulted in $40 million being reallocated from operating cash to core cash ($25 million) and long-term capital ($15 million). In addition, $1.9 million in new quasi-endowments were created. All of the Tier II and Tier III managers were liquidated during the year as SIG assumed investment discretion and began implementing a new investment policy adopted by the Board of Trustees. The new policy reduces the target weight held in Tier II in favor of Tier III and changes the investment mix within the long-term capital segment to be invested in a well-diversified portfolio with an endowment-like mandate that excludes illiquid investments. Within Tier II, the credit quality was enhanced and the duration reduced.

ASSET ALLOCATION

The non-endowment pool has three components. Tier I 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. Tier II core cash represents short-term reserves along with funds set aside by the Board of Trustees for special initiatives. Tier II is invested in U.S. Treasury securities with maturities generally under two years. Tier III long-term capital consists of longer-term reserves. At fiscal year-end, it was invested in a mix of global public equity, various types of fixed income securities, and absolute return hedged strategies.



The PIF's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. Under the new investment policy adopted by the Foundation Board of Directors at the end of fiscal year 2018 and implemented during fiscal year 2019, this pool's primary strategic allocation categories were public equity, consisting of exposures to U.S., non-U.S., and global equity strategies; alternatives, consisting of private equity and absolute return hedged strategies; real assets, comprised of timber and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, consisting of private credit strategies. Each category has a long-term strategic target weight and SIG has discretion to make tactical shifts within approved ranges.

At fiscal year-end, equity related strategies remained the largest exposure at about fifty two percent, up from last year's level of forty two percent. Public equity is elevated in part as a temporary bridge until a higher private equity exposure can be implemented over the next few years.

Pooled Investment Fund Investment Policy Target Allocation, Ranges, & Benchmarks						
Asset Category	**Policy Allocation**	**Policy Ranges Min.**	**Max.**	**Policy Ranges -**	**+**	**Benchmark Indicies**
Equities	**40%**	**30%**	**50%**	**-10%**	**+10%**	
U.S. Equities	16%	6%	26%	-10%	+10%	*Russell 3000 Index*
Non-U.S. Equities	12%	2%	22%	-10%	+10%	*MSCI World ex-US Investable Market Index (IMI) (Net)*
Emerging Markets Equities	12%	2%	22%	-10%	+10%	*MSCI Emerging Markets Index (Net)*
Alternatives (Net)	**33%**	**20%**	**43%**	**-13%**	**+10%**	
Private Equities	20%	10%	25%	-10%	+5%	*Private Equity Index*
Hedge Funds (Net Exposure)	13%	0%	23%	-13%	+10%	*HFRX Equal Weighted Strategies Index*
Hedge Funds (Gross Exposure)	*20%*	0%	25%	-20%	+5%	
Portable Alpha Overlay	*7%*	0%	17%	-7%	+10%	
Real Assets	**7%**	**0%**	**17%**	**-7%**	**+10%**	
Real Estate	3%	0%	8%	-3%	+5%	*NCREIF Fund Index – Open End Diversified Core Equity Index*
Timber	0%	0%	6%	0%	+6%	*Thomson Reuters Cambridge Timber Index*
Commodities	2%	0%	8%	-2%	+6%	*S&P GSCI Total Return Index*
TIPS	2%	0%	8%	-2%	+6%	*Bloomberg Barclays 1-10 Year U.S. TIPS Index*
Fixed Income	**20%**	**10%**	**30%**	**-10%**	**+10%**	
U.S. Investment Grade Fixed Income	18%	3%	28%	-15%	+10%	*Bloomberg Barclays U.S. Aggregate Index*
U.S. High Yield	2%	0%	12%	-2%	+10%	*BofA Merrill Lynch High Yield Cash Pay Index*
Non-U.S. Fixed Income	0%	0%	10%	0%	+10%	*Citigroup Non-USD World Government Bond Index Hedged*
Opportunistic	**0%**	**0%**	**10%**	**0%**	**+10%**	
Cash	**0%**	**0%**	**20%**	**0%**	**+20%**	*Citigroup 3 Month Treasury Bill Index*
TOTAL	**100%**					

Liquidity measures how quickly the exposure to a particular manager can be redeemed and turned into cash. The portfolio ended the year with an overweight to cash which reflected the ongoing liquidation of some legacy managers redeemed during the fiscal year. About sixty percent of the portfolio could be converted to cash within a month, while about three quarters of the portfolio could be redeemed within a quarter.

During the year, SIG liquidated all external investment manager holdings, with the exception of the private capital funds which are illiquid and will be allowed to run-off over time. Several of the legacy hedged strategies were not yet completely liquidated at year end due to redemption limits and restrictions, but are expected to be fully redeemed over the next year. The new portfolio allows SIG to achieve precise statistical exposures in accordance with Miami's strategic investment policy and SIG's tactical emphasis.

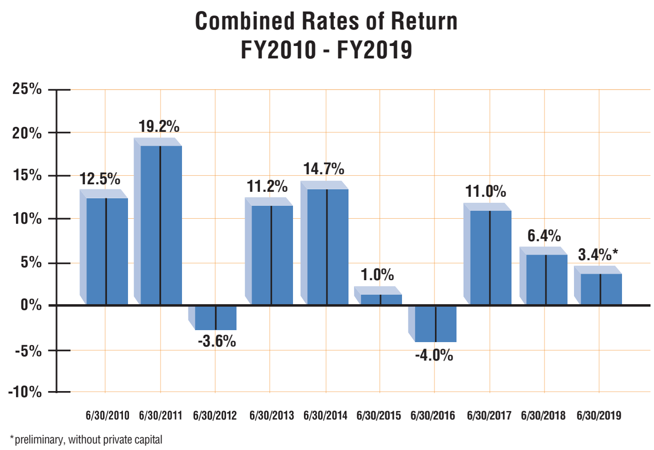
Pooled Investment Fund Change in Asset Allocation		
	2018	**2019**
Equity	41.7%	52.3%
Alternatives	18.5%	19.2%
Real Assets	11.4%	7.4%
Fixed Income	12.4%	11.7%
Opportunistic	3.3%	4.0%
Cash, Accruals, & Pending Trades	12.7%	5.4%
Total	100.0%	100.0%

INVESTMENT RETURNS

Global capital markets experienced dramatic swings in volatility during the fiscal year. Much of the swings in market activity focused on the direction of interest rate policy by the U.S. Federal Reserve. After nine rate increases since 2015, policy makers communicated an intention to pause, while bond markets subsequently priced in expected rate cuts. The current economic cycle in the United States is in its tenth year of expansion and has set a new record for duration. Plenty of threats persist, including softening corporate earnings, an inverted yield curve, and continued uncertainty over tariffs and trade wars.

The University's non-endowment pool posted a gain of 3.4 percent for the fiscal year ended June 30, 2019, up slightly from a return of 3.0 percent earned in the previous year. Annualized performance for the trailing ten years was 3.0 percent, providing annualized added return over the 90-day Treasury bill during that period of 2.5 percentage points. Results were driven by U.S. fixed income investments, up 6.5 percent for the year in the long-term capital portion.

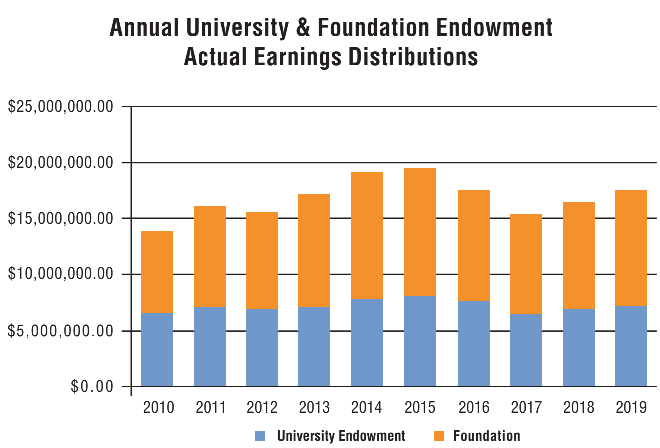
The pooled investment fund also earned an estimated 3.4 percent for the fiscal year, down from the 6.4 percent gain posted for the previous year. The FY2019 is estimated since returns for the private capital portion of the portfolio that reports on a significant delay were not yet available. Estimated annualized performance for the trailing ten years was 6.9 percent. The main driver of results for the fiscal year was the largest first half of a calendar year advance in the Standard & Poor's 500 Index in two decades, 18.5%.



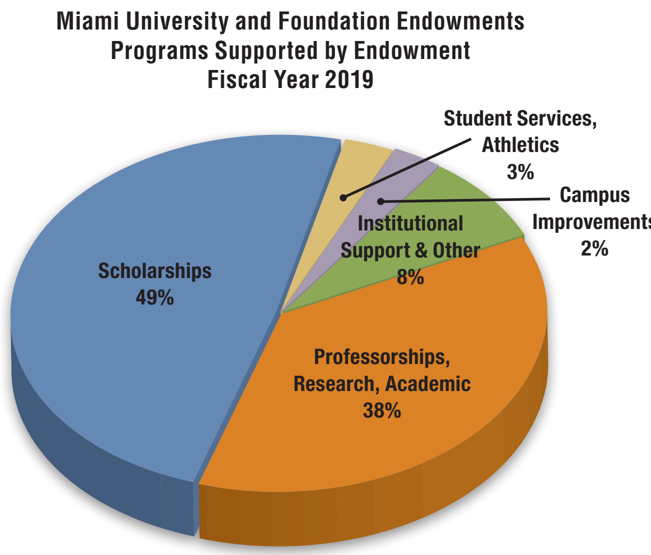
PROGRAM SUPPORT

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.

The endowment spending policies for both the University and Foundation, adopted by the boards in fiscal year 2017, distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The policies are intended to provide consistent, predictable, and sustainable annual distributions, while maintaining intergenerational equity and preserving the purchasing power of the endowed principal.



The combined endowment distribution for fiscal year 2019 was about $17.5 million, about $0.8 million more than the previous year. Over the last ten years, the cumulative distributions have totaled over $170 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 2019 distributions.



Higher education faces many obstacles ranging from unfavorable demographic trends to stagnant state support and increasing sensitivity to tuition cost. Miami University's Strategic Planning Steering Committee presented a new strategic plan to the President and Board of Trustees at the end of the fiscal year to help chart a course through these difficulties. Miami appreciates the support from our alumni and friends that has helped position the institution to address these challenges. This generosity will continue to be a critical source of funding for Miami's students and faculty as it implements the new strategic plan.

PRODUCED BY UNIVERSITY COMMUNICATIONS AND MARKETING 0.5K1019

RSM US LLP

Independent Auditor's Report

President and Board of Trustees of Miami University

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 years ended June 30, 2019 and 2018, 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 audits. We conducted our audits 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, 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, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 9-16 as well as required supplementary data for certain retirement plan data and other postemployment benefits (OPEB) data on pages 62-65 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 in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our 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.

RSM US LLP

Cleveland, Ohio
October 15, 2019

Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2019 and 2018. 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 Statements of Net Position, the Statements of Revenues, Expenses, and Changes in Net Position, the Statements 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 tenth 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, 2019. Total assets rose 3 percent from $2.32 to $2.39 billion. Liabilities were flat and totaled $1.19 billion. Significant financial events during fiscal year 2019 were:

- The University's fall 2018 cohort, at a confirmed size of 3,937 first-year resident undergraduate students, was the third enrolled cohort under the Miami Tuition Promise program. Each year of their enrollment, the incoming cohort of first-year first-time undergraduate resident students at the Oxford campus will have a guaranteed tuition amount due each year of their full-time enrollment for the four years of the guarantee. Total undergraduate enrollment declined 0.8 percent to 21,594 students for fall 2018 compared to 21,763 total undergraduate students in the fall 2017 class. Graduate enrollment for fall 2018 increased by 1.9 percent to a total of 2,568 compared to 2,519 graduate students in the fall 2017 class.

- The University's commitment to increase selectivity, diversity, and maintain quality with strong academic credentials in enrollment goals was evidenced by a confirmed ACT average in excess of 28.0 and a confirmed GPA average in excess of 3.76 for the fall 2018 class. The profile of the incoming class for fall 2018 consisted of 39.3 percent non-resident, and 17.4 percent students of color. The fall 2018 categories of transfer students and relocation students increased by 2 students. The Hamilton campus incoming class size decreased from 582 students from fall 2017 to 491 for fall 2018, and the Middletown campus decreased from 334 students to 296 first time incoming students for the fall 2018 class.

Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Financial Highlights (Continued)

- The investment portfolios produced positive but modest results during the fiscal year. Operational investments, which underwent a significant transition to its allocation and exposures during the year, earned 3.4 percent, a slight improvement from the previous year's gain of 3.0 percent. The pooled investment fund, which includes the University and Foundation endowments, posted an estimated gain of 3.4 percent, down from the 6.4% realized in the previous year. Global capital markets experienced dramatic swings in volatility during the fiscal year. Much of the swings in market activity focused on the direction of interest rate policy by the U.S. Federal Reserve. After nine rate increases since 2015, policy makers communicated an intention to pause, while bond markets subsequently priced in expected rate cuts. The current economic cycle in the United States is in its tenth year of expansion, and has set a new record for duration. Plenty of threats persist, including softening corporate earnings, an inverted yield curve, and continued uncertainty over tariffs and trade wars.

- For fiscal year 2019, the University increased salaries by 3.0 percent. Salary and benefit expense on all three campuses increased by $6.4 million to $272.5 million, which was $14.3 million below the adopted budget. Although a hiring freeze is not in affect, requests to add new positions or fill previously vacant positions are carefully scrutinized.

Statements of Net Position

The Statements 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.

The net position is classified into three major categories. The first category, net investment 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.

Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Statements of Net Position (Continued)

		2019		2018		2017
Assets:						
Current assets	$	742,064	$	742,497	$	756,058
Capital assets, net		1,406,278		1,355,726		1,266,306
Long-term investments		227,443		214,570		211,096
Other assets		16,064		5,409		6,877
Total assets		2,391,849		2,318,202		2,240,337
Deferred outflows of resources		104,215		92,676		102,572
Total assets and deferred outflows of resources	$	2,496,064	$	2,410,878	$	2,342,909
Liabilities:						
Current liabilities	$	121,668	$	118,973	$	116,596
Noncurrent liabilities		1,066,770		1,072,362		1,122,705
Total liabilities		1,188,438		1,191,335		1,239,301
Deferred inflows of resources		49,326		43,215		3,414
Net Position:						
Net investment in capital assets		748,383		710,249		682,581
Restricted – nonexpendable		98,579		95,227		91,156
Restricted – expendable		62,283		60,503		41,966
Unrestricted – allocated		338,042		295,022		264,322
Unrestricted – unallocated		11,013		15,327		20,169
Total net position		1,258,300		1,176,328		1,100,194
Total liabilities, deferred inflows of resources and net position	$	2,496,064	$	2,410,878	$	2,342,909

Total assets of the institution increased 3.2 percent or $73.6 million in fiscal year 2019. This increase was the primary result of an increase in capital assets of $50.6 million. Details of the increase in capital assets are provided in the Capital Assets and Debt Administration section of this report.

Total liabilities decreased $2.9 million in fiscal year 2019. This decrease was due to Debt principal payments of $31.7 million, nearly offset by increases in Net Pension and OPEB liabilities and several others totaling $28.8 million.

Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Statements of Revenues, Expenses and Changes in Net Position

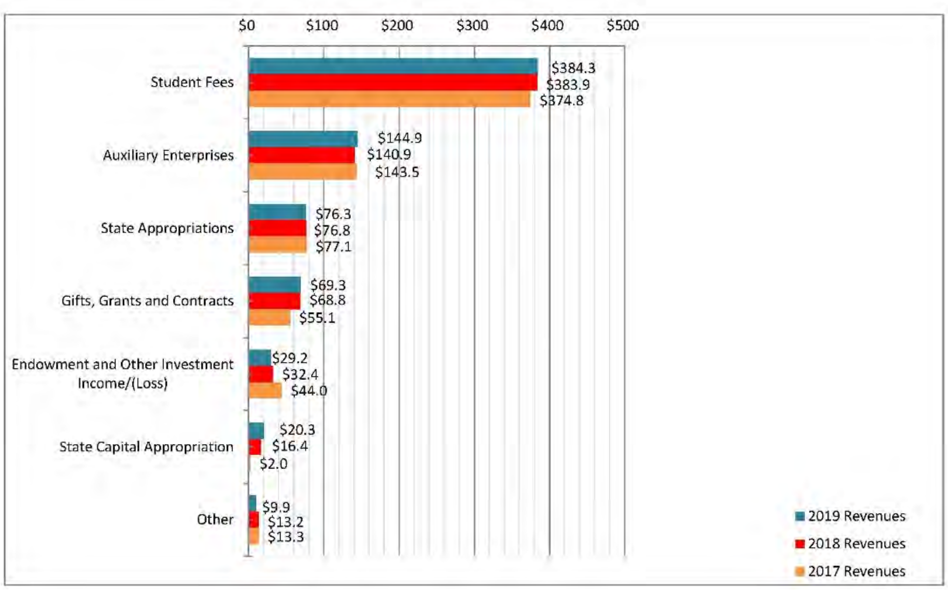
The Statements of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and 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 losses and returns are also included in non-operating revenue. Interest on debt is the primary component of non-operating expense.

In fiscal year 2019, total revenues of the institution from all sources were approximately $734.2 million, which represents a $1.8 million or 0.3 percent increase from the prior year. Approximately 75.9 percent of revenues were classified as operating, and 24.1 percent were classified as non-operating or other revenues.

	2019	2018	2017
Operating revenues	$ 557,561	$ 551,696	$ 544,553
Non-operating revenues	146,784	156,723	158,059
Other revenues	29,893	23,972	7,087
Total revenues	734,238	732,391	709,699
Operating expenses	(626,094)	(521,118)	(599,516)
Non-operating expenses	(26,172)	(26,725)	(26,455)
Total expenses	(652,266)	(547,843)	(625,971)
Change in net position	$ 81,972	$ 184,548	$ 83,728

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 52.3 percent, while auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount at 19.7 percent. State appropriations are 10.4 percent of the total. Gifts, grants, and contracts represent 9.4 percent, and net endowment and investment income contributed 4.0 percent to the total. State capital appropriations are 2.8 percent.

Total Revenues ($ in Millions)

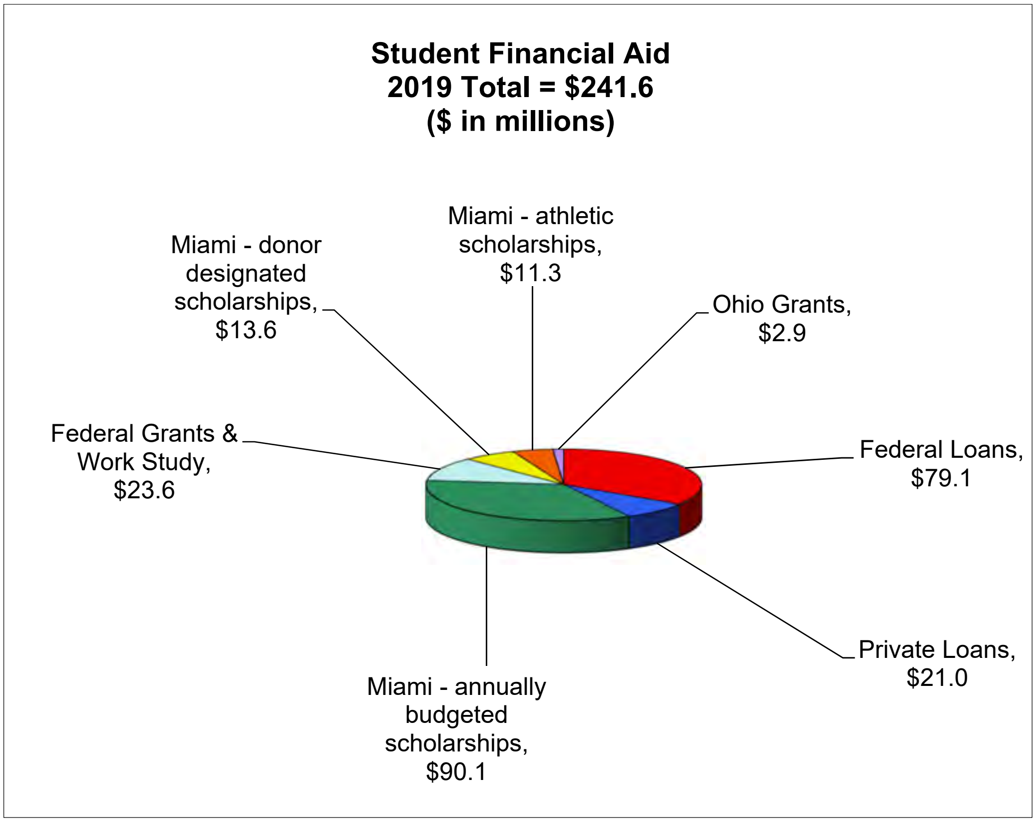


Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Statements of Revenues, Expenses and Changes in Net Position (Continued)

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 making a high-quality education more affordable for parents and students. In fiscal year 2019, Miami-funded financial aid increased by $9.8 million or 4.2 percent. In total, financial aid awards were $241.6 million.



Capital Assets and Debt Administration

During fiscal year 2019, 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 2014 and 2017 Series General Receipts Revenue Bonds totaling $54.7 million combined. Major projects completed in 2019 include renovation projects to Art Education, Campus Avenue, Ecology Research Barn, Glos Center, Harrison Hall, Hoyt Hall, Upham Hall, Harris Hall, Shriver Center and Mosler Hall, located on the Hamilton Campus. The addition of two new resident halls included Withrow Hall and Presidents Hall. Other infrastructure improvements included US 27 South Corridor Enhancements. 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.

No new debt was issued in fiscal year 2019.

Economic Factors That Will Affect the Future

The higher education landscape continues to be influenced by disruptive forces resulting from technological change, the national conversation regarding affordability and efficiency, and economic and demographic issues. In Ohio, the issues mirror those of much of the nation.

The focus of the Ohio General Assembly continues to be on improving affordability, graduation rates, and job placement and starting salaries of graduates at Ohio's public colleges and universities. Ohio's demographic trends are a barrier to both Miami's goal of growing its enrollment and Ohio's desire to increase the number of Ohio residents with a college degree. The number of high school graduates in Ohio continues to decline and will continue to decline in the next decade. Similar declines in high school graduation numbers in the surrounding states and the northeastern United States will also negatively impact Miami's Oxford Campus as these regions have historically contributed students to Miami's incoming freshmen classes.

Ohio's demographic trends are also expected to negatively affect future state support for higher education as the proportion of the state's population in the workforce declines and the aged population increases the financial burden on state programs like Medicaid. Miami's state funding for 2020 in nominal dollars is about 8 percent below what the University received in 2001.

Economic Factors That Will Affect the Future (Continued)

The Oxford Campus' fall 2019 class continued the recent pattern of larger classes and more academically prepared students. As of the first day of classes, there were 4,358 new freshmen with an average ACT score of 28.0 which is 10 percent larger than the fall 2018 class on the first day. The nonresident composition of the new class rose from 39 percent to 41 percent largely as a result of a 27 percent (343 students) increase in Domestic Non-residents, offset by 40 percent decline in international enrollment. Overall the enrollment on the Oxford Campus declined slightly, from 18,364 to 18,251 students. The decline in international enrollments generally occurred across all institutions of higher education as a result of policy changes in Washington and increased global competition for students. Future international enrollment trends, especially from China are difficult to predict given the current national conversation but are unlikely to return to recent levels anytime soon.

Enrollment at Miami's regional campuses for fall 2019 increased slightly by 1.2 percent to 4,342 as enrollment on these campuses is stabilized after declining during this decade. Lackluster enrollment results over the last five years for these campuses reflects the national enrollment trend for open enrollment campuses as employment in the region and the nation has improved. New academic program offerings, a tuition guarantee program, and new enrollment strategies are continuing to be implemented for these campuses in response to the downward enrollment trend.

Strategic Plan

On June 28, 2019, Miami's Board of Trustees received the Strategic Plan from Miami's Strategic Planning Steering Committee. The plan is designed to provide a bold blueprint to move Miami forward and sustain the University's long history of excellence. The plan includes 30 strategic recommendations in four categories: innovate, invest, invigorate, and implement. The executive summary of the plan is shown below.

Honoring Miami's Past and Present

The world for an entering Miami University first-year student is different from any previous generation. Today's first-year student walks onto campus with the same hopes and dreams as students have done throughout our history. Excitement about learning, career expectations, contributions to community and the possibilities of tomorrow abound. Miami University's challenge is to support the aspirations of students and to prepare them for lifelong learning, even as the world around them continues to change. This strategic plan will position Miami to ensure that our students of today and tomorrow will continue to have the chance to pursue their dreams, opportunities Miami has helped students fulfill for more than two centuries.

Planning Miami's Future

In October 2018, President Greg Crawford appointed a 14-person steering committee to lead Miami's strategic planning efforts. The president identified six areas of focus: academic excellence; research and scholarly success; transformative student experience; diversity, equity and inclusion; financial sustainability; and Miami as a national university. The committee's work was based on the principle that success will depend on broad input from the entire Miami community.

The committee's charge from President Crawford: "We are asking the committee to develop a five-year strategic plan that builds on the many strengths of Miami University, but recognizes the need for change and innovation. Our charge to the committee is to take a hard look at our current approaches and to recommend transformational change. We believe that incremental changes to our current strategy and tactics—as valuable as they have been—will not prepare Miami for the new world of higher education.... "

Miami University

Management's Discussion and Analysis
June 30, 2019
(Dollars in Thousands)

Strategic Recommendations

As we present our recommendations, it is important to recognize the context of our work. Higher education is changing so quickly that Miami already has launched several strategic initiatives to address some of the issues raised in this strategic plan. A new development campaign, a feasibility assessment for new buildings, regional campus reform including a major shift to offering both two-year and four-year degrees in the traditional classroom setting and online and even changes to our budget model all are in process. The world is moving too fast to explore one strategy at a time, so coordination and communication have never been more important across the Miami community.

We know that Miami University is living in a new era of financial accountability. As you will read throughout this report, Miami cannot afford every program or service we might wish to provide. Every decision we make must be fully informed by the financial implications. It is imperative that we manage our resources wisely, develop diversified revenue streams to reduce dependence on tuition and align every resource with the University’s broader strategic initiatives. In today’s world of higher education, this is the job of every Miami division, department and administrative unit.

We observe a common theme across the various recommendations in this report. Our current decision-making processes are too often decentralized and disconnected, and it will be important moving forward to rethink our strategic planning as a process that can make these connections in real time. As we seek to create a transformational experience for students, we must strengthen the connections between academic and co-curricular decision-making. A standing Strategic Planning Committee can help to make these connections while also providing strategic direction for the University.

In this context, we offer the following recommendations categorized into four groups that include cross-cutting strategies. We will innovate to position Miami to thrive in a rapidly changing environment. We will invest in proactive solutions. We will invigorate our process and culture to clear pathways for creative solutions. And we will act decisively to implement the reforms envisioned in this plan. We recognize that Miami cannot act upon all of the recommendations at once, so this plan is a living document that will require constant adaptation as higher education continues to evolve.

Miami University

Statements of Net Position
June 30, 2019 and 2018
(Dollars in Thousands)

	Miami University		University Foundation	
Assets	2019	2018	2019	2018
Current assets:				
Cash and cash equivalents	$ 120,763	$ 85,064	$ 19,663	$ 25,392
Investments	565,197	609,414	-	-
Accounts, pledges and notes receivable, net	46,184	39,963	7,464	10,099
Inventories	2,871	2,104	-	-
Prepaid expenses	7,049	5,952	-	-
Total current assets	742,064	742,497	27,127	35,491
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	28,606	38,891
Investments	227,443	214,570	510,217	479,129
Pledges and notes receivable, net	2,830	4,477	37,991	33,598
Net pension asset	755	932	-	-
Net OPEB asset	12,479	-	-	-
Nondepreciable capital assets	190,063	212,691	-	-
Depreciable capital assets, net	1,216,215	1,143,035	-	-
Total noncurrent assets	1,649,785	1,575,705	576,814	551,618
Total assets	2,391,849	2,318,202	603,941	587,109
Deferred outflows of resources:				
Pensions	95,698	85,137	-	-
OPEB	8,517	7,539	-	-
Total deferred outflows of resources	104,215	92,676	-	-
Total assets and deferred outflows of resources	$ 2,496,064	$ 2,410,878	$ 603,941	$ 587,109
Liabilities				
Current liabilities:				
Accounts payable	$ 45,588	$ 43,134	$ 16,360	$ 14,825
Accrued salaries and wages	17,458	16,834	-	-
Accrued compensated absences	1,148	1,379	-	-
Unearned revenue	12,186	12,719	-	-
Deposits	12,567	12,529	-	-
Current portion of long-term debt	31,965	31,577	-	-
Other current liabilities	756	801	559	575
Total current liabilities	121,668	118,973	16,919	15,400
Noncurrent liabilities:				
Accrued compensated absences	16,550	16,844	-	-
Bonds payable, net	625,403	659,572	-	-
Capital leases payable	1,760	2,030	-	-
Federal Perkins loan program	3,541	3,287	-	-
Net pension liability	338,370	287,503	-	-
Net OPEB liability	81,146	103,126	-	-
Other noncurrent liabilities	-	-	232,040	219,539
Total noncurrent liabilities	1,066,770	1,072,362	232,040	219,539
Total liabilities	1,188,438	1,191,335	248,959	234,939
Deferred inflows of resources:				
Deferred gains on refunding	973	1,129	-	-
Beneficial interest in perpetual trust	1,946	-	-	-
Pensions	20,229	32,777	-	-
OPEB	26,178	9,309	-	-
Total deferred inflows of resources	49,326	43,215	-	-
Net position:				
Net investment in capital assets	748,383	710,249	-	-
Restricted:				
Nonexpendable - permanent endowments	98,579	95,227	232,186	222,824
Expendable - gift and grant programs	62,283	60,503	119,806	128,722
Unrestricted	349,055	310,349	2,990	624
Total net position	1,258,300	1,176,328	354,982	352,170
Total liabilities, deferred inflows and net position	$ 2,496,064	$ 2,410,878	$ 603,941	$ 587,109

See notes to financial statements.

Miami University

Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2019 and 2018
(Dollars in Thousands)

	Miami University		University Foundation	
	2019	2018	2019	2018
Operating revenues:				
Tuition, fees, and other student charges	$ 488,244	$ 481,191	$ -	$ -
Less allowance for student scholarships	(103,955)	(97,323)	-	-
Net tuition, fees, and other student charges	384,289	383,868	-	-
Sales and services of auxiliary enterprises	150,927	147,079	-	-
Less allowance for student scholarships	(6,004)	(6,158)	-	-
Net sales and services of auxiliary enterprises	144,923	140,921	-	-
Federal grants	10,600	12,321	-	-
Gifts	-	-	5,932	2,531
Sales and services of educational activities	2,117	2,801	-	-
Private grants	3,211	2,912	-	-
State grants	1,560	1,314	-	-
Local grants	116	100	-	-
Other	10,745	7,459	-	-
Total operating revenues	557,561	551,696	5,932	2,531
Operating expenses:				
Education and general:				
Instruction and departmental research	198,420	193,026	-	-
Separately budgeted research	13,391	13,038	-	-
Public service	2,758	2,721	-	-
Academic support	63,369	61,220	-	-
Student services	29,328	28,603	-	-
Institutional support	64,670	60,056	-	-
Operation and maintenance of plant	31,264	32,666	-	-
Scholarships and fellowships	28,734	20,394	-	-
Auxiliary enterprises	107,147	113,971	-	-
Depreciation	63,613	59,810	-	-
Pension and other postemployment benefit expense (revenue)	9,368	(74,847)	-	-
Other	14,032	10,460	-	-
Total operating expenses	626,094	521,118	-	-
Net operating (loss) income	(68,533)	30,578	5,932	2,531
Non-operating revenues (expenses):				
State appropriations	76,277	76,832	-	-
Gifts, including those from the University Foundation	26,035	27,266	-	-
Federal grants	18,192	18,276	-	-
Net investment income, net of investment expense of $2,342,028 for the University and $3,125,104 for the Foundation in FY 19 $2,602,537 for the University and $3,293,612 for the Foundation in FY 18	27,604	29,764	8,392	16,171
State grants	1,607	1,671	-	-
Interest on debt	(26,172)	(26,725)	-	-
Payments to Miami University	-	-	(23,093)	(18,181)
Other non-operating (expenses) revenues	(2,931)	2,914	(102)	(80)
Net non-operating revenues (expenses)	120,612	129,998	(14,803)	(2,090)
Income (loss) before other revenues, expenses, gains or losses	52,079	160,576	(8,871)	441
Other revenues, expenses, gains or losses:				
State capital appropriation	20,308	16,433	-	-
Capital grants and gifts	7,958	4,895	-	-
Additions to permanent endowments	1,627	2,644	11,683	12,346
Total other revenues, expenses, gains or losses	29,893	23,972	11,683	12,346
Change in net position	81,972	184,548	2,812	12,787
Total net position at beginning of year	1,176,328	991,780	352,170	339,383
Total net position at end of year	$ 1,258,300	$ 1,176,328	$ 354,982	$ 352,170

See notes to financial statements.

Miami University

Statements of Cash Flows
Years Ended June 30, 2019 and 2018
(Dollars in Thousands)

	2019	2018
Cash flows from operating activities:		
Tuition, fees, and other student charges	$ 487,961	$ 482,450
Sales and services of auxiliary enterprises	150,504	145,750
Contracts	16,417	18,232
Other operating receipts	13,039	10,343
Payments for employee compensation and benefits	(376,913)	(365,631)
Payments to vendors for services and materials	(139,462)	(145,734)
Student scholarships	(138,693)	(123,882)
Loans issued to students and employees	(176)	(3,951)
Collection of loans from students and employees	1,377	1,683
Net cash flows provided by operating activities	14,054	19,260
Cash flows from noncapital financing activities:		
State share of instruction funds	78,746	78,995
Grants for noncapital purposes	19,799	19,947
Gifts	27,975	26,657
Net cash flows provided by noncapital financing activities	126,520	125,599
Cash flows from capital and related financing activities:		
State capital appropriation	20,308	16,433
Grants for capital purposes	7,899	4,662
Other capital and related (expenditures) receipts	(5,550)	617
Payments to construct, renovate, or purchase capital assets	(118,823)	(147,632)
Principal paid on outstanding debt	(31,727)	(29,964)
Interest paid on outstanding debt	(30,576)	(31,958)
Net cash flows used in capital and related financing activities	(158,469)	(187,842)
Cash flows from investing activities:		
Proceeds from sale of investments	823,285	259,774
Purchases of investments	(773,756)	(221,161)
Endowment (fees) income	(219)	1,095
Other investment income	4,284	11,016
Net cash flows provided by investing activities	53,594	50,724
Net increase in cash and cash equivalents	35,699	7,741
Cash and cash equivalents:		
Beginning	85,064	77,323
Ending	$ 120,763	$ 85,064

(Continued)

Miami University

Statements of Cash Flows (Continued)
Years Ended June 30, 2019 and 2018
(Dollars in Thousands)

	2019	2018
Reconciliation of operating (loss) income to net cash flows provided by operating activities:		
Operating (loss) income	$ (68,533)	$ 30,578
Adjustments to reconcile net operating (loss) income to net cash flows provided by operating activities:		
Depreciation expense	63,613	59,810
Net gain on retirements of capital assets	6,909	-
Accounts receivable bad debt adjustments	98	87
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Accounts receivable	1,757	2,060
Inventories	(767)	(232)
Prepaid expenses	(945)	(90)
Notes receivable	1,023	744
Net pension asset	177	(562)
Net OPEB asset	(12,479)	-
Deferred outflows of pension resources	(10,560)	17,435
Deferred outflows of OPEB resources	(978)	(7,539)
Accounts payable	1,719	2,990
Accrued salaries and wages	624	482
Accrued compensated absences	(525)	(650)
Unearned revenue and deposits	(495)	(203)
Federal Perkins loans	209	(1,469)
Net pension liability	50,867	(118,841)
Net OPEB liability	(21,980)	(5,287)
Deferred inflows of pension resources	(12,548)	30,638
Deferred inflows of OPEB resources	16,868	9,309
Net cash flows provided by operating activities	$ 14,054	$ 19,260
Supplemental disclosures of noncash information:		
Capital assets included in accounts payable	$ 24,437	$ 23,296
Capital assets acquired by gifts in kind	$ 59	$ 233

See notes to financial statements.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 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.

In accordance with Governmental Accounting Standards Board (GASB) Codification Section 2100: *Defining the Financial Reporting Entity*, the University's financial statements are included as a discretely presented component unit in the State of Ohio's Comprehensive Annual Financial Report.

Furthermore, in accordance with GASB Codification Section 2600: *Reporting Entity and Component Unit Presentation and Disclosure*, the Miami University Foundation (the Foundation) is included as a discretely presented component unit in a separate column in the University's financial statements to emphasize that it is legally separate from the University. The Foundation, which is a separate not-for-profit foundation, meets this criteria set forth in the Codification Section 2600 due to the significance of its operational and financial relationship 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 and reports have been issued under separate cover. Copies of these reports may be obtained from Treasury Services, 107 Roudebush Hall, Miami University, Oxford, Ohio, 45056.

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 Nos. 34 and 35.

Recent and pending accounting pronouncements: Effective July 1, 2018, the University adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations. An asset retirement obligation is defined as a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to tangible capital assets should recognize a liability based on the guidance in this Statement. There was no material impact on the University's financial statements due to the adoption of Statement No. 83.

Effective July 1, 2018, the University adopted, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The required disclosure was included in Note 5.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and the focus of the criteria generally is on (1) whether the government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The University has not yet determined the impact this statement will have on the financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The University has not yet determined the impact this statement will have on the financial statements.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The University has not yet determined the impact this statement will have on the financial statements.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The University has not yet determined the impact this statement will have on the financial statements.

In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The University has not yet determined the impact this statement will have 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 at the time of purchase.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Investments: Investments that are market traded are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The value of holdings of commingled or non-publicly traded funds is based on the funds' net asset value as supplied by the investment manager. Investments in real estate are recorded at estimated fair value.

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.

Accounts, pledges and notes receivable allowance: The allowance for doubtful accounts is determined based on management's judgment of potential uncollectible amounts, based on historical experience, analysis of the aging of payment schedules and type of receivable.

Inventories: The University reports inventories at the lower of first-in, first out cost or market.

Capital assets: Land, buildings, and equipment are recorded at cost at the date of acquisition. In the case of gifts or other donated capital assets, they are recorded at acquisition value. Acquisition value is the price that would be paid to acquire an asset in an orderly market transaction at the acquisition date. Acquisition value is a market-based entry price. 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 publications; 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 for building renovations and $5 for other capitalized items. The capitalization threshold for intangible assets is $100 except for internally generated computer software which has a threshold of $500. Interest on construction projects is capitalized until substantial completion of the project.

Unearned revenue: Tuition and fees relating to summer sessions that are conducted in July and August are recorded in the accompanying Statements 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 asset, 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 Retirement Plan (STRS Ohio) (collectively referred to as, the Pension Plans) any additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension 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.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

Postemployment benefits other than pensions (OPEB): For purposes of measuring the OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to healthcare costs, and employer OPEB expense, information about the fiduciary net position of the OPERS OPEB Plan as well as the STRS Ohio OPEB Plan (collectively referred to as, the OPEB 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 OPEB Plans. For this purpose, deductions are recorded when the liability is incurred and revenues are recognized when earned. OPEB plan liabilities are recognized when due and payable in accordance with the health care terms. Investments are reported at fair value.

Operating and non-operating revenue: The University defines operating activities, for purposes of reporting on the Statements 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 Codification 2200: *Comprehensive Annual Financial Report*, including state appropriations, gifts, and investment income.

Revenue recognition: The University recognizes tuition, fees and other student charges as goods and services are provided to customers and constituencies of the institution. State appropriations are recognized when received or made available. Restricted funds are recognized as revenue as expenditures are incurred for cost reimbursement grants and contracts when earned. Gifts are recognized when received.

Allowance for student scholarships: Allowances for student tuition and fee revenues, and certain other revenues from students, are reported in the Statements of Revenues, Expenses, and Changes in Net Position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship allowance.

Bond premiums, discounts and issuance costs: Bond premiums and discounts costs are deferred and amortized over the life of the bonds using the effective interest 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 position by the University that is applicable to a future reporting period. Deferred outflows of resources of the University consist of certain changes in the net pension liability and net OPEB liability not included in pension expense and OPEB expense, respectively. Employer contributions to the pension plan and OPEB plan subsequent to the measurement date of the net pension liability and OPEB liability, respectively, are also required to be reported as a deferred outflow of resources of the University. Deferred inflows of resources are an acquisition of net positions by the University that is applicable to a future reporting period. Deferred inflows of resources consist of deferred gains on debt refundings, the University's share of interests in perpetual trusts, and certain changes in net pension liability not included in pension expense and net OPEB liability not included in OPEB expense.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 1. Summary of Significant Accounting Policies (Continued)

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, net investment in capital assets included property, plant and equipment, net of accumulated depreciation and net of capital related debt and capital related deferred inflows of resources. Capital related debt is offset by unspent bond proceeds, if any. The second major category is restricted net position. This category contains assets that are owned by the institution (offset by liabilities payable from those assets, if any), 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 position was $338,042 and $295,022 as of June 30, 2019 and 2018, respectively, and is to be used for loans, scholarships, investments and capital projects. Unallocated unrestricted net positions are available to be used for any lawful purpose of the institution. Generally, it is the University's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted resources are available.

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.

Reclassifications: Certain items in the 2018 financial statements have been reclassified to conform to the 2019 presentation. These reclassifications had no impact on total assets, liabilities, net position, or change in net position.

Subsequent events: The University has evaluated subsequent events occurring between the end of our most recent fiscal year and October 15, 2019, the date the financial statements were available to be issued.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 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 $120,800 and $85,100 in 2019 and 2018, respectively. Cash and cash equivalents consists primarily of cash in banks, money market accounts and the State Treasury Asset 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 is a statewide fund managed by the State Treasurer of Ohio with the carrying amount of the assets reported at amortized cost.

Approximately $22,449 and $22,000 in 2019 and 2018, respectively, of cash and cash equivalents was covered by federal depository insurance; $49,843 and $53,600 in 2019 and 2018, respectively, 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 remaining $48,508 and $9,500 was not collateralized or insured for the years ending June 30, 2019 and 2018, respectively, leaving it exposed to credit risk. 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, 2019 and 2018 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. During fiscal year 2019, management of the University's investments has been delegated by the Board to an external investment firm. The external investment firm has discretion to manage the University's investments within the framework of the investment policy statement. The University's formal investment policy does not specifically address interest rate risk, credit risk, custodial credit risk, or concentration risk, though these risks are monitored and managed by the external investment firm as part of their management and due diligence process. The external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The University's investment management policy establishes guidelines for average credit quality ratings in the portfolios. Investments in Tier II of the policy include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. Investments in Tier III of the policy include diversified global equity and fixed income securities, along with absolute return strategies. 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+. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The University has credit risk associated with counterparty nonperformance. However, credit risk associated with exchange-traded contracts are typically perceived to be less because exchanges typically provide clearing house arrangements in which the collective credit of the managers of the exchange is pledged to support the financial integrity of the exchange. Margins, which may be subject to loss in the event of a default, are generally required in exchange trading and further mitigate credit risk. All of the future contracts held by the University at June 30, 2019 were exchange traded contracts.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 2. Cash and Investments (Continued)

The credit ratings are based on Moody's investor services and are summarized as follow as of June 30:

2019					
Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 171,564	$ -	$ 171,564	$ -	$ -
U.S. Agency bonds	1,152	-	1,152	-	-
U.S. Treasury strips	1,571	-	1,571	-	-
U.S. Treasury inflation protection securities	20,949	-	20,949	-	-
Government-backed bonds	1,010	-	1,010	-	-
Common and preferred stocks	752	752	-	-	-
Exchanged traded funds	15,808	15,808	-	-	-
Commingled funds	579,497	579,497	-	-	-
Real estate and other	337	337	-	-	-
Total investments	$ 792,640	$ 596,394	$ 196,246	$ -	$ -

2018					
Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 77,024	$ -	$ 77,024	$ -	$ -
U.S. Agency bonds	44,362	-	44,362	-	-
U.S. Treasury strips	2,341	-	2,341	-	-
Government-backed bonds	77,783	-	77,783	-	-
Corporate bonds	24,372	-	1,450	22,922	-
Municipal bonds	1,876	-	-	1,876	-
Common and preferred stocks	575	575	-	-	-
Commingled funds	595,310	525,914	2,879	55,296	11,221
Real estate and other	341	341	-	-	-
Total investments	$ 823,984	$ 526,830	$ 205,839	$ 80,094	$ 11,221

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 are summarized as follows:

2019					
Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 171,564	$ 65,728	$ 85,380	$ 20,456	$ -
U.S. Agency bonds	1,152	901	251	-	-
U.S. Treasury strips	1,571	-	1,571	-	-
U.S. Treasury inflation protection securities	20,949	-	14,231	6,718	-
Government-backed bonds	1,010	304	337	-	369
Total bonds	$ 196,246	$ 66,933	$ 101,770	$ 27,174	$ 369

2018					
Investment Type	Fair Value	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years
U.S. Treasury bonds	$ 77,024	$ 39,196	$ 25,164	$ 11,748	$ 916
U.S. Agency bonds	44,362	21,308	19,273	3,164	618
U.S. Treasury strips	2,341	-	1,463	-	879
Government-backed bonds	77,783	6,245	20,072	22,139	29,326
Corporate bonds	24,372	2,017	17,204	3,848	1,303
Municipal bonds	1,876	-	1,144	324	407
Commingled bond funds	69,396	7,654	21,216	38,558	1,968
Total bonds	$ 297,154	$ 76,420	$ 105,536	$ 79,781	$ 35,417

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 2. Cash and Investments (Continued)

Fair value of financial instruments: Fair value is defined in the accounting standards as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management utilizes valuation techniques that maximize the use of observable inputs (Levels 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

Level 1: Quoted prices in active markets for identical assets as of the report date. The quoted market prices are from those securities traded on an active exchange such as the New York Stock Exchange, NASDAQ or an active over-the-counter market.

Level 2: Significant other observable inputs including prices quoted in active markets for similar assets.

Level 3: Inputs that are unobservable including the University's own assumptions in determining the fair value of investments or liabilities. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The following table presents the investments by fair value hierarchy as of June 30:

	2019			
	Level 1	Level 2	Level 3	Total
Investment assets:				
U.S. Treasury bonds	$ -	$ 171,564	$ -	$ 171,564
U.S. Agency bonds	-	1,152	-	1,152
U.S. Treasury strips	-	1,571	-	1,571
U.S. Treasury inflation protection securities	-	20,949	-	20,949
Government-back bonds	-	1,010	-	1,010
Common and preferred stocks	702	-	50	752
Exchanged traded funds	15,808	-	-	15,808
Real estate and other	-	-	337	337
Miami University Foundation investment pool	-	-	226,404	226,404
	$ 16,510	$ 196,246	$ 226,791	$ 439,547
Funds reported at fair value based on net asset value per share:				
Non-publicly traded funds [a]				
Cintrifuse Syndicate Fund II, LLC				$ 114
Strategic SPC Alpha Segregated Portfolio				81,735
Strategic U.S. Equity Trust				61,205
Strategic Global Equity Trust				22,489
Strategic Developed Markets ex-U.S. Equity Trust				74,015
Strategic Emerging Markets Equity Trust				42,433
Strategic Active Credit Trust				36,648
PRISA LP				2,000
Hedge funds [b]				32,454
Total investment assets				$ 792,640

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 2. Cash and Investments (Continued)

	2018			
	Level 1	Level 2	Level 3	Total
Investment assets:				
U.S. Treasury bonds	$ -	$ 77,024	$ -	$ 77,024
U.S. Agency bonds	-	44,362	-	44,362
U.S. Treasury strips	-	2,341	-	2,341
Government-back bonds	-	77,783	-	77,783
Corporate bonds	-	24,372	-	24,372
Municipal bonds	-	1,876	-	1,876
Global public debt	34,230	-	-	34,230
Common and preferred stocks	500	-	75	575
Non-public equity	-	26,164	-	26,164
Real estate and other	-	-	341	341
Miami University Foundation investment pool	-	-	213,730	213,730
	$ 34,730	$ 253,922	$ 214,146	$ 502,798
Funds reported at fair value based on net asset value per share:				
Non-publicly traded funds [(a)]				$ 65,539
Hedged funds [(b)]				255,647
Total investment assets				$ 823,984

The redemption frequency, if eligible, ranged from monthly to quarterly for the various funds reported at fair value based on net asset value per share at June 30, 2019, with a redemption notice period, if applicable, ranging from 30 day to 90 days. As of June 30, 2019, the University has made commitments to limited partnerships of approximately $883 that have not yet been funded.

Certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statements of Net Position.

(a) This class includes investments in non-publically traded funds where the underlying holdings are primarily long-only investments in publicly traded equity and bonds on a global basis.

(b) This class includes primarily investments in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis.

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 globally oriented strategies that include exposure to non-U.S. equity and debt securities. While providing a potential diversification benefit, such international investments are exposed to foreign currency risk. All direct investments and investment vehicles in the portfolios are denominated in U.S. dollars. The University's investments that are exposed to concentration risk consist of securities issued by the U.S. agencies or instrumentalities of the U.S. government which represent 24.8 percent and 24.5 percent of investments at June 30, 2019 and 2018, respectively. No other single issuer represents more than 5 percent of investments. Commingled 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. Specific investments will also be reviewed and aggregated, as available from each Manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the Manager's level, asset class level and portfolio level.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 2. Cash and Investments (Continued)

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 in 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. 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 $226,404 and $213,730 managed by the Foundation as of June 30, 2019 and 2018, respectively. The assets held on behalf of the University are included in other noncurrent liabilities on the Statements of Net Position of the Foundation. 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 policy distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The authorized spending amount was $8,288 and $7,546 in 2019 and 2018, respectively. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $6,900 and $6,726 was distributed for expenditure for 2019 and 2018, respectively. Donor restricted endowments with insufficient accumulated earnings made a partial distribution.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 3. Accounts, Pledges and Notes Receivable, Net

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

	2019	2018
Accounts receivable:		
Student receivables	$ 10,326	$ 10,670
University Foundation	16,348	14,719
Grants and contracts	3,788	3,869
Investment trade receivables	5,588	-
Other receivables	5,180	5,300
Total accounts receivable	41,230	34,558
Less allowances for doubtful accounts	(1,285)	(1,285)
Net accounts receivable	$ 39,945	$ 33,273
Pledges receivable:		
Pledges receivable	$ 2,572	$ 3,562
Less allowance for doubtful pledges	(576)	(489)
Net pledges receivable	$ 1,996	$ 3,073
Notes receivable:		
Federal loan programs	$ 4,965	$ 5,810
University loan programs	4,082	4,258
Total notes receivable	9,047	10,068
Less allowance for doubtful notes	(1,974)	(1,974)
Net notes receivable	7,073	8,094
Total	$ 49,014	$ 44,440

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 4. Capital Assets

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

	2019				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets:					
Land	$ 6,025	$ -	$ -	$ -	$ 6,025
Collections of works of art and historical treasures	9,888	272	-	-	10,160
Construction in progress	196,778	107,614	-	(130,514)	173,878
Total nondepreciable capital assets	212,691	107,886	-	(130,514)	190,063
Land improvements	60,942	2,156	-	-	63,098
Buildings	1,461,965	37	(3,011)	125,256	1,584,247
Infrastructure	170,047	3,827	-	5,258	179,132
Machinery and equipment	88,147	5,929	(8,864)	-	85,212
Library books and publications	71,995	887	-	-	72,882
Vehicles	6,863	197	(325)	-	6,735
Intangible assets	12,871	155	(366)	-	12,660
Total depreciable capital assets	1,872,830	13,188	(12,566)	130,514	2,003,966
Total capital assets	2,085,521	121,074	(12,566)	-	2,194,029
Less accumulated depreciation:					
Buildings	527,115	48,026	(3,011)	-	572,130
Infrastructure	80,514	6,369	-	-	86,883
Land improvements	21,926	2,229	-	-	24,155
Machinery and equipment	28,431	4,803	(1,955)	-	31,279
Library books and publications	52,710	1,926	-	-	54,636
Vehicles	6,228	245	(325)	-	6,148
Intangible assets	12,871	15	(366)	-	12,520
Total accumulated depreciation	729,795	63,613	(5,657)	-	787,751
Total capital assets, net	$ 1,355,726	$ 57,461	$ (6,909)	$ -	$ 1,406,278

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 4. Capital Assets (Continued)

	2018				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets:					
Land	$ 5,792	$ 233	$ -	$ -	$ 6,025
Collections of works of art and historical treasures	9,338	550	-	-	9,888
Construction in progress	131,692	132,923	-	(67,837)	196,778
Total nondepreciable capital assets	146,822	133,706		(67,837)	212,691
Land improvements	54,194	6,748	-	-	60,942
Buildings	1,406,093	966	-	54,906	1,461,965
Infrastructure	155,878	1,238	-	12,931	170,047
Machinery and equipment	86,923	5,419	(4,195)	-	88,147
Library books and publications	71,050	945	-	-	71,995
Vehicles	7,048	208	(393)	-	6,863
Intangible assets	17,069	-	(4,198)	-	12,871
Total depreciable capital assets	1,798,255	15,524	(8,786)	67,837	1,872,830
Total capital assets	1,945,077	149,230	(8,786)	-	2,085,521
Less accumulated depreciation:					
Buildings	482,142	44,973	-	-	527,115
Infrastructure	74,580	5,934	-	-	80,514
Land improvements	19,869	2,057	-	-	21,926
Machinery and equipment	28,805	3,821	(4,195)	-	28,431
Library books and publications	50,709	2,001	-	-	52,710
Vehicles	5,597	1,024	(393)	-	6,228
Intangible assets	17,069	-	(4,198)	-	12,871
Total accumulated depreciation	678,771	59,810	(8,786)	-	729,795
Total capital assets, net	$ 1,266,306	$ 89,420	$ -	$ -	$ 1,355,726

Note 5. Long-Term Liabilities

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

	2019				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and leases payable:					
Bonds payable	$ 641,815	$ -	$ (31,450)	$ 610,365	$ 31,845
Capital leases payable	2,157	-	(277)	1,880	120
Premiums	49,207	-	(2,324)	46,883	-
Total bonds and leases payable	693,179	-	(34,051)	659,128	31,965
Other liabilities:					
Compensated absences	18,223	7,779	(8,304)	17,698	1,148
Federal Perkins loans	4,088	283	(74)	4,297	756
Total other liabilities	22,311	8,062	(8,378)	21,995	1,904
Total	$ 715,490	$ 8,062	$ (42,429)	$ 681,123	$ 33,869

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 5. Long-Term Liabilities (Continued)

	2018				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and leases payable:					
Bonds payable	$ 671,655	$ -	$ (29,840)	$ 641,815	$ 31,450
Capital leases payable	2,281	-	(124)	2,157	127
Premiums	51,561	-	(2,354)	49,207	-
Total bonds and leases payable	725,497	-	(32,318)	693,179	31,577
Other liabilities:					
Compensated absences	18,873	7,951	(8,601)	18,223	1,379
Federal Perkins loans	5,558	287	(1,757)	4,088	801
Total other liabilities	24,431	8,238	(10,358)	22,311	2,180
Total	$ 749,928	$ 8,238	$ (42,676)	$ 715,490	$ 33,757

Miami University's General Receipts Revenue Bonds (Series 2010A, 2011, 2012, 2014, and 2017) related to the multi-phase effort to renovate all campus student housing and dining facilities contain subjective acceleration clauses. In the event of default, the Trustee may, upon the written request of the bond holders of not less than 25 percent (in aggregate) principal amount of the obligations outstanding shall, declare the principal of all obligation with accrued interest thereon, to be immediately due and payable on the announced accelerated maturity date.

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

Note 6. Indebtedness

During the year ended June 30, 2017, the University issued $154,635 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2017 to 2042. A part of the proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 2007. The net change in cash flows related to the refunding was approximately $5,800 and the net present value savings was approximately $5,000. In 2017, the University defeased a portion of the Series 2007 bonds by placing some of the proceeds from the Series 2017 bonds into an escrow account to provide for future debt service. The outstanding balance of defeased bonds were $41,065 and $45,165 as of June 30, 2019 and 2018, respectively.

The February 14, 2017 bond refunding resulted in a difference between the net carrying amount of the old debt and the reacquisition price of $599. The unamortized difference of $489 and $549 at June 30, 2019 and 2018 is reported in the accompanying financial statements as a deferred inflow of resources and is being amortized through the year 2028.

During the year ended June 30, 2015, the University issued $52,335 in General Receipts Revenue Bonds with a 1.88 percent coupon and maturities from 2016 to 2025. The proceeds were used to retire existing debt obligations.

During the year ended June 30, 2014, the University issued $135,035 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2015 to 2040.

During the year ended June 30, 2013, the University issued $116,065 in General Receipts Revenue Bonds with interest rates ranging from 3.00 percent to 5.00 percent and maturities from 2014 to 2038.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 6. Indebtedness (Continued)

During the year ended June 30, 2012, the University issued $148,775 in General Receipts Revenue Bonds with interest rates ranging from 2.00 percent to 5.00 percent and maturities from 2012 to 2037. A part of the proceeds were 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 $2,100 and the net present value savings was approximately $1,600. 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 were $17,575 and $20,590 as of June 30, 2019 and 2018, respectively.

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. The unamortized difference of $484 and $580 at June 30, 2019 and 2018 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 in General Receipts Revenue Bonds consisting of $105,445 Series 2010A (Federally Taxable Build America Bonds – Direct Payment) and $19,555 Series 2010B (Tax-Exempt Bonds). Interest rates range from 4.81 percent to 6.77 percent for the Series 2010A bonds and 5.00 percent for the Series 2010B bonds. Maturities range from 2017 to 2036 for the Series 2010A bonds with a final payment in 2017 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.

During the year ended June 30, 2007, the University issued $83,210 in General Receipts Revenue Bonds with interest rates ranging from 3.25 percent to 5.25 percent and maturities from 2009 to 2027. The proceeds were used to fund capital asset additions. As noted previously, a significant portion of these bonds were refunded during 2017 with the issue of the Series 2017 General Receipt Revenue Bonds and these bonds were paid in full during 2018.

The proceeds from the 2017, 2014, 2013, and 2012 issuances have been and will continue to be used to fund the multi-phase effort to renovate all campus student housing and dining facilities as well as to retire outstanding indebtedness of the University for more favorable borrowing terms as described in the proceeding paragraphs. The 2015 issuance was to refinance the 2005 issuance that was used to fund the campus student housing and dining facilities as well as the Farmer School of Business and infrastructure projects. The 2011 issuance refunded the 2003 issuance as well as fund campus student housing and dining facilities. The 2010A issuance was used to fund the Armstrong Student Center as well as campus student housing and dining facilities.

The University incurred total interest costs of $26,172 and $26,725 as of June 30, 2019 and 2018, respectively. The interest costs that were capitalized were $1,051 and $1,811 as of June 30, 2019 and 2018, respectively.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 6. Indebtedness (Continued)

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2019 are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds payable:			
Series 2017 general receipts	2020 - 2042	4.00% - 5.00%	$ 146,065
Series 2015 general receipts	2020 - 2025	1.88% - 1.88%	32,130
Series 2014 general receipts	2020 - 2040	3.50% - 5.00%	121,300
Series 2012 general receipts	2020 - 2038	3.00% - 5.00%	98,735
Series 2011 general receipts	2020 - 2037	4.00% - 5.00%	114,400
Series 2010A general receipts	2020 - 2036	5.56% - 6.77%	97,735
Total bonds payable			610,365
Bond premiums			46,883
Total bonds payable, net			$ 657,248

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

	Principal	Interest	Total
2020	$ 31,845	$ 28,233	$ 60,078
2021	33,205	26,732	59,937
2022	34,690	25,143	59,833
2023	36,190	23,499	59,689
2024	37,755	21,826	59,581
2025 - 2029	141,355	86,983	228,338
2030 - 2034	138,650	61,723	200,373
2035 - 2039	127,830	16,776	144,606
2040 - 2042	28,845	1,326	30,171
Total	$ 610,365	$ 292,241	$ 902,606

The University has $1,880 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, 2019 are:

2020	$ 179
2021	179
2022	180
2023	178
2024	179
2025 - 2029	892
2030 - 2032	532
Total minimum lease payments	2,319
Less amount representing interest	(439)
Net minimum lease payments	$ 1,880

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 6. Indebtedness (Continued)

Certain buildings are financed with capital leases. The carrying amount of the buildings related to these capital leases as of June 30, 2019 and 2018 is $2,191 and $2,442, respectively.

Note 7. Net Pension Liability / Asset

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).

OPERS offers three separate retirement plans: the defined benefit plan (traditional plan), the defined contribution plan, and a combined plan. The defined contribution plan is excluded as it is not material to the financial statements for reporting purposes.

Defined benefit plans: Both STRS Ohio and OPERS (traditional and combined plans) are cost-sharing multiple-employer statewide retirement systems. 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 visiting the STRS website at www.strsoh.org, or visiting the OPERS website at www.opers.org.

Benefits provided: STRS Ohio plan benefits are established under Chapter 3307 of the Ohio Revised Code (ORC), as amended by Substitute Senate Bill 342 in 2012, which gives the Retirement Board the authority to make future adjustments to the member contribution rate, retirement age and service requirements, and the cost-of-living adjustment as the need or opportunity arises, depending on the retirement system's funding progress.

Any member in the STRS Ohio plan may retire who has (1) five years of service credit and attained age 60; (2) 26 years of service credit and attained age 55; or (3) 31 years of service credit regardless of age. Beginning August 1, 2015, eligibility requirements for an unreduced benefit changed. The maximum annual retirement allowance, payable for life, considers years of credited service, final average salary (3-5 years) and multiplying by a factor ranging from 2.2 percent to 2.6 percent with 0.1 percent incremental increases for years greater than 30-31, depending on retirement age. Additionally, there are no cost-of-living adjustments.

A plan member with five or more years of credited service who is determined to be disabled (illness or injury preventing individual's ability to perform regular job duties for at least 12 months) may receive a disability benefit. Additionally, eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits.

A death benefit of $1,000 is payable to the beneficiary of each deceased retired member who participated in the plan. Death benefit coverage up to $2,000 can be purchased by participants in all three of the plans. Various other benefits are available to members' beneficiaries.

OPERS plan benefits are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. The requirements to retire depend on years of service (15 to 30 years) and from attaining the age of 48 to 62, depending on when the employee became a member. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit. Member retirement benefits are calculated on a formula that considers years of service (15-30 years), age (48-62 years) and final average salary, using a factor ranging from 1.0 percent to 2.5 percent.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

A plan member who becomes disabled before age 60 or at any age, depending on when the member entered the plan, and has completed 60 contributing months is eligible for a disability benefit.

A death benefit of $500 - $2,500 is determined by the number of years of service credit of the retiree. Benefits may transfer to a beneficiary upon death with 1.5 years of service credits with the plan obtained within the last 2.5 years, except for law enforcement and public safety personnel, who are eligible immediately upon employment.

Benefit terms provide for annual cost-of-living adjustments to each employee’s retirement allowance subsequent to the employee’s retirement date. The annual adjustment, if applicable, is 3 percent.

Contribution requirements: Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate and member contribution rate for fiscal year 2019 and subsequent years is 14 percent of covered payroll (for both pension and OPEB). For STRS Ohio the University contributed $10,654 and $10,397 for the years ended June 30, 2019 and 2018, respectively.

OPERS plan contributions are established under Chapter 145 of the Ohio Revised Code, as amended by Substitute Senate Bill 343 in 2012. During calendar years 2018 and 2017, 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, total pension and OPEB and the Plans determine how much to allocated to OPEB each year. Law enforcement employees who are a part of the OPERS law enforcement division contribute 13.0 percent of their salary to the plan for the calendar year 2018. For these employees, the University was required to contribute 18.1 percent of covered payroll for this same year. The member contribution rate for all other employees and the University’s contribution rate remained unchanged. The University contributed $14,046 and $13,180 for the years ended June 30, 2019 and 2018, respectively. Effective January 1, 2018 the portion of employer contributions to OPERS allocated to health care (OPEB) for members in the Traditional Plan was decreased to 0.0 percent.

The payroll for employees covered by STRS Ohio for the years ended June 30, 2019 and 2018 was approximately $76,102 and $74,262, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2019 and 2018 was approximately $99,651 and $96,874, respectively.

Pension liabilities and assets, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2019, the University reported a liability of $338,370 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $167,611 and $170,759, respectively. The net pension liability was measured as of December 31, 2018 for the OPERS traditional plan and June 30, 2018 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the same 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 .6111989 percent for OPERS Traditional, which was a decrease of .052 from its proportion measured as of December 31, 2017 and .776608 percent for STRS Ohio, which was an increase of .004 from its proportion measured as of June 30, 2017.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

At June 30, 2018, the University reported a liability of $287,503 for its proportionate share of the net pension liability for the OPERS Traditional plan and the STRS Ohio plan, in the amounts of $104,072 and $183,431, respectively. The net pension liability was measured as of December 31, 2017 for the OPERS traditional plan and June 30, 2017 for the STRS Ohio plan. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of same 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 .663383 percent for OPERS Traditional, which was a decrease of .001 from its proportion measured as of December 31, 2016 and .772173 percent for STRS Ohio, which was an increase of .009 from its proportion measured as of June 30, 2016.

At June 30, 2019, the University reported an asset of $755 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2018. The method 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 asset, 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 .674437 percent for OPERS Combined plan, which was a decrease of .010 from its proportion measured as of December 31, 2017.

At June 30, 2018, the University reported an asset of $932 for its proportionate share of the net pension asset for the OPERS Combined plan. The net pension asset was measured as of December 31, 2017. The method 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 asset, 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 .684872 percent for OPERS Combined plan, which was an increase of .019 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2019, the University recognized pension expense of approximately $51,933 consisting of pension expense of approximately $35,259 for the OPERS Traditional plan, approximately $16,454 for the STRS Ohio plan and an expense of $220 for the OPERS Combined plan.

For the year ended June 30, 2018, the University recognized pension (income) of approximately $(48,438) consisting of pension expense (income) of approximately $21,915 for the OPERS Traditional plan, approximately $(70,492) for the STRS Ohio plan and of $139 for the OPERS Combined plan.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

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

	2019		
	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 3,843	$ 8	$ 3,851
Net difference between projected and actual earnings on pension plan investments		21,122	21,122
Changes in assumptions	30,088	14,837	44,925
Changes in proportion and differences between University contributions and proportionate share of contributions	5,969	2,548	8,517
University contributions subsequent to the measurement date	10,655	6,628	17,283
Total	$ 50,555	$ 45,143	$ 95,698
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ 1,109	$ 2,580	$ 3,689
Net difference between projected and actual earnings on pension plan investments	10,607	-	10,607
Changes in proportion and differences between University contributions and proportionate share of contributions	-	5,933	5,933
Total	$ 11,716	$ 8,513	$ 20,229

	2018		
	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 6,907	$ 106	$ 7,013
Changes in assumptions	40,118	12,546	52,664
Changes in proportion and differences between University contributions and proportionate share of contributions	7,249	1,366	8,615
University contributions subsequent to the measurement date	10,397	6,448	16,845
Total	$ 64,671	$ 20,466	$ 85,137
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ 1,478	$ 2,321	$ 3,799
Net difference between projected and actual earnings on pension plan investments	5,881	22,779	28,660
Changes in proportion and differences between University contributions and proportionate share of contributions	-	318	318
Total	$ 7,359	$ 25,418	$ 32,777

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

Deferred inflows and outflows of resources related to the net difference between projected and actual earnings on pension plan investments are amortized over five years. The remaining deferred inflows and outflows of resources are amortized over the average remaining service lives of the active and inactive participants in the plan. Deferred outflows of resources includes $17,283 and $16,845, for the years ended June 30, 2019 and 2018, respectively, for University contributions subsequent to the measurement dates of the Plans and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

	STRS Ohio	OPERS	Total
Year ended June 30:			
2020	$ 17,022	$ 13,100	$ 30,122
2021	11,084	4,916	16,000
2022	1,955	1,395	3,350
2023	(1,877)	10,627	8,750
2024	-	(20)	(20)
Thereafter	-	(16)	(16)
	$ 28,184	$ 30,002	$ 58,186

<u>Actuarial assumptions used for the year-ended June 30, 2019</u>

For STRS Ohio, the total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate of return	7.45 percent
Cost-of-living adjustments (COLA)	0.00 percent

For OPERS, the total pension liability/asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	Traditional Pension Plan	Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Projected salary increases	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)	3.25 percent to 8.25 percent (includes wage inflation at 3.25 percent)
Investment rate of return and discount rate	7.20 percent	7.20 percent
Cost-of-living adjustments (COLA)	Pre January 1, 2013 retirees: 3.00 percent simple Post January 1, 2013 retirees: 3.00 percent simple through 2018, then 2.15 percent simple	Pre January 1, 2013 retirees: 3.00 percent simple Post January 1, 2013 retirees: 3.00 percent simple through 2018, then 2.15 percent simple

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

Mortality rates: STRS Ohio post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

OPERS pre-retirement mortality rates are based on RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality tables for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Experience studies: STRS actuarial assumption used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumptions used in the December 31, 2018 valuation are based on the results of an actual experience study for the period January 1, 2011 through December 31, 2015.

Investment return assumptions: STRS Ohio utilizes investment consultants to develop an estimated range for the investment return assumption based on the target allocation adopted by the respective Retirement Board of STRS Ohio.

The long-term expected rate of return on OPERS defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were 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 allocation percentage, adjusted for inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	28.00 %	7.35 %	19.00 %	6.21 %
International equity	23.00	7.55	20.00	7.83
Alternative investments	17.00	7.09	10.00	10.81
Fixed income	21.00	3.00	23.00	2.79
Real estate	10.00	6.00	10.00	4.90
Other	1.00	2.25	18.00	5.50
Total	100.00 %		100.00 %	

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.45 percent for STRS Ohio as of the measurement date (June 30, 2018). The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutorily required rates. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payments to determine the total pension liability.

The discount rate used to measure the total pension liability (asset) was 7.20 percent for OPERS as of the measurement date (December 31, 2018). This is a decrease of .30 percent from the discount rate used in the December 31, 2017 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employer contributions will be made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

Sensitivity of net pension liability (asset) to changes in discount rate: The following presents the University's proportionate share of the STRS Ohio and OPERS net pension liability (asset) calculated using a discount rate 1 percent higher and 1 percent lower than the plans' current rate.

	2019		
	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
STRS Ohio	$ 249,370	$ 170,759	$ 104,224
	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
OPERS - Traditional Plan	$ 247,611	$ 167,611	$ 101,131
OPERS - Combined Plan	(250)	(755)	(1,120)

<u>Actuarial assumptions used for the year-ended June 30, 2018</u>

For STRS Ohio, the total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate of return	7.45 percent
Cost-of-living adjustments (COLA)	0.00 percent effective July 1, 2017

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

For OPERS, the total pension liability/asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	Traditional Pension Plan	Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Projected salary increases	3.25 percent to 10.75 percent (includes wage inflation at 3.25 percent)	3.25 percent to 8.25 percent (includes wage inflation at 3.25 percent)
Investment rate of return and discount rate	7.50 percent	7.50 percent
Cost-of-living adjustments (COLA)	Pre January 1, 2013 retirees: 3.00 percent	Pre January 1, 2013 retirees: 3.00 percent

Mortality rates: STRS Ohio post-retirement mortality rates for healthy retires are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

OPERS pre-retirement mortality rates are based on RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality tables for males and females, adjusted for mortality improvement back to the observation period base year of 2006.The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Experience studies: STRS actuarial assumption used in the July 1, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumptions used in the December 31, 2017 valuation are based on the results of an actual experience study for the period January 1, 2011 through December 31, 2015.

Investment return assumptions: STRS Ohio utilizes investment consultants to develop an estimated range for the investment return assumption based on the target allocation adopted by the respective Retirement Board of STRS Ohio.

The long-term expected rate of return on OPERS defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were 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 allocation percentage, adjusted for inflation.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 7. Net Pension Liability / Asset (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	28.00 %	7.35 %	19.00 %	6.37 %
International equity	23.00	7.55	20.00	7.88
Alternative investments	17.00	7.09	10.00	8.97
Fixed income	21.00	3.00	23.00	2.20
Real estate	10.00	6.00	10.00	5.26
Other	1.00	2.25	18.00	5.26
Total	100.00 %		100.00 %	

Discount rate: The discount rate used to measure the total pension liability (asset) was 7.45 percent for STRS Ohio as of the measurement date, June 30, 2017 and 7.50 percent for OPERS as of the measurement date, December 31, 2017. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that participating employer contributions will be made at statutorily required rates. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2018.

Sensitivity of net pension liability (asset) to changes in discount rate: The following presents the University's proportionate share of the STRS Ohio and OPERS net pension liability (asset) calculated using a discount rate 1 percent higher and 1 percent lower than the plans' current rate.

	2018		
	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
STRS Ohio	$ 262,943	$ 183,431	$ 116,455
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
OPERS - Traditional Plan	$ 184,805	$ 104,072	$ 36,765
OPERS - Combined Plan	(507)	(932)	(1,226)

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 8. Defined Contribution Retirement Plans

Full-time faculty and unclassified employees are eligible to participate in the Alternative Retirement Plan (ARP) offered by STRS Ohio and OPERS. Full-time faculty and unclassified employees are eligible to choose a provider, in lieu of STRS Ohio or OPERS, from the list of six providers currently approved by the Ohio Department of Insurance and who hold agreements with the University. The University's Board of Trustees has established the employer and employee contributions requirements, which are noted below.

Eligible employees have 120 days from their date of hire to make an irrevocable election to participate in the ARP. Under this plan, employees who would have otherwise been required to be in STRS Ohio or OPERS, and who elect to participate in the ARP, must contribute the employee's share of retirement contributions to one of seven private providers approved by the Ohio Department of Insurance. The legislation mandates that the employer must contribute an amount to the state retirement system to which the employee would have otherwise belonged, based on an independent actuarial study commissioned by the Ohio Retirement Study Council and submitted to the Ohio Board of Regents. The required contribution was 4.47 percent for STRS Ohio and 2.44 percent for OPERS of covered payroll for the years ended June 30, 2019 and 2018. The employer also contributes what would have been the employer's contribution under STRS Ohio or OPERS, less the aforementioned percentages, to the private provider selected by the employee. The University plan provides these employees with vesting after one year. The pension expense for the ARP was $7,763 and $7,417 for the years ended June 30, 2019 and 2018, respectively.

ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits, or death benefits to plan members and beneficiaries. Benefits consist of the sum of contributions and investment returns earned by each participant's choice of investment options.

The payroll for employees electing the alternative retirement program for the years ended June 30, 2019 and 2018 was approximately $77,049 and $73,665, respectively.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB)

OPEB plans: STRS Ohio is a cost-sharing multiple employer statewide retirement plan. STRS Ohio provides access to health care coverage for eligible retirees who participated in the Defined Benefit or Combined Plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and reimbursement of a portion of the monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. Pursuant to the ORC, the State Teachers Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Benefit recipients contributed $329.3 million or 64% and $339.1 million or 60% of the total health care costs in fiscal 2018 and 2017, respectively (excluding deductibles, coinsurance and copayments).

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage. For the year ended June 30, 2018, STRS Ohio received $107.2 million in Medicare Part D reimbursements.

The ORC permits, but does not require, OPERS to offer post-employment health care coverage. Authority to establish and amend health care coverage is provided in Chapter 145 of the ORC. The ORC allows a portion of the employers' contributions to be used to fund health care coverage. The health care portion of the employer contribution rate for the Traditional Pension Plan and Combined Plan is comparable, as the same coverage options are provided to participants in both plants. Beginning January 1, 2015, the service eligibility criteria for health care coverage increased from 10 years to 20 years with a minimum age of 60, or 30 years of qualifying service at any age. Beginning with January 2016 premiums, Medicare-eligible retirees could select supplemental coverage, and may be eligible for monthly allowances deposited to an HRA to be used for reimbursement of eligible health care expenses. Coverage for non-Medicare retirees includes hospitalization, medical expenses and prescription drugs. The System determines the amount, if any, of the associated health care costs that will be absorbed by the System and attempts to control costs by using managed care, case management, and other programs. Additional details on health care coverage can be found in the Plan Statement in the OPERS 2018 CAFR.

The OPERS funding policy provides for periodic member and employer contributions at rates established by the Board, subject to limits set in statute. With assistance of the System's actuary and Board approval, a portion of each employer contribution to OPERS may be set aside for the funding of post-employment hath care coverage. All contribution rates were within the limits authorized by the ORC. The portion of Traditional Pension Plan and Combined Plan employer contributions allocated to health care was zero for 2018.

STRS Ohio and OPERS issue stand-alone financial reports. Copies of these reports may be obtained by visiting the STRS website at www.strsoh.org, or visiting the OPERS website at www.opers.org.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The payroll for employees covered by STRS Ohio for the years ended June 30, 2019 and 2018 was approximately $76,102 and $74,262, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2019 and 2018 was approximately $99,651 and $96,874, respectively. There were no employer contributions made to fund post-employment benefits for the year ended June 30, 2019. The employer contribution rated decreased to 0 percent effective January 1, 2018 for the Traditional and Combined Plans. For the year ended June 30, 2018, no employer allocation was made to the health care fund for STRS Ohio.

OPEB asset, OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB: At June 30, 2019, the University reported a liability of $81,146 for its proportionate share of the net OPEB liability for the OPERS plan. The net OPEB liability was measured as of December 31, 2017, rolled forward to the measurement date. The amount used to allocate the net OPEB liability, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the OPERS plan to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .622401 percent for OPERS, which was a decrease of .049 from its proportion measured as of December 31, 2017.

At June 30, 2019, the University reported an asset of $12,479 for its proportionate share of the net OPEB asset for the STRS Ohio plan. The net OPEB asset was measured as of June 30, 2018 for the STRS Ohio plan. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of that date for the plan. The amount used to allocate the net OPEB asset, deferred inflows/outflows and OPEB expense was based on the total employer (pension and OPEB) contributions during the measurement period which was determined by the STRS Ohio plan to be a reliable approximation of long term contribution effort to the plan. At the measurement date, the University's proportion was .776608 percent for STRS Ohio, which was an increase of .004 from its proportion measured as of June 30, 2017.

At June 30, 2018, the University reported a liability of $103,126 for its proportionate share of the net OPEB liability for the OPERS and STRS Ohio plan, in the amounts of $72,999 and $30,127, respectively. The net OPEB liability was measured as of December 31, 2017 for the OPERS plan and June 30, 2017 for the STRS Ohio plan. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date for each plan. The amount used to allocate the net OPEB liability, deferred inflows/outflows and OPEB expense was based on the employer contributions (pension and OPEB) during the measurement period which was determined by the OPERS 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 .67222 percent for OPERS and .772173 percent for STRS Ohio.

For the year ended June 30, 2019, the University recognized OPEB (income) of approximately $(18,569) consisting of OPEB expenses (income) of approximately $8,391 for the OPERS plan and $(26,960) for the STRS Ohio plan.

For the year ended June 30, 2018, the University recognized OPEB (income) of approximately $(3,043) consisting of OPEB expenses (income) of approximately $6,079 for the OPERS plan and $(9,122) for the STRS Ohio plan.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

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

	2019		
	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 1,449	$ 30	$ 1,479
Net difference between projected and actual earnings on OPEB plan investments	-	3,418	3,418
Changes in assumptions	-	2,822	2,822
Changes in proportion and differences between University contributions and proportionate share of contributions	496	302	798
Total	$ 1,945	$ 6,572	$ 8,517
Deferred inflows of resources:			
Differences between expected and actual actuarial experience	$ 727	$ 220	$ 947
Net difference between projected and actual earnings on OPEB plan investments	1,420	-	1,420
Changes in assumptions	16,993	-	16,993
Changes in proportion and differences between University contributions and proportionate share of contributions	-	6,818	6,818
Total	$ 19,140	$ 7,038	$ 26,178

	2018		
	STRS Ohio	OPERS	Total
Deferred outflows of resources:			
Differences between expected and actual actuarial experience	$ 1,739	$ 57	$ 1,796
Changes in assumptions	-	5,315	5,315
Changes in proportion and differences between University contributions and proportionate share of contributions	428	-	428
Total	$ 2,167	$ 5,372	$ 7,539
Deferred inflows of resources:			
Net difference between projected and actual earnings on OPEB plan investments	$ 1,287	$ 5,438	$ 6,725
Changes in assumptions	2,427	-	2,427
Changes in proportion and differences between University contributions and proportionate share of contributions	-	157	157
Total	$ 3,714	$ 5,595	$ 9,309

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Deferred inflows and outflows of resources related to the net difference between projected and actual earnings on OPEB plan investments is amortized over five years. The remaining deferred inflows and outflows of resources are amortized over the average remaining service lives of the active and inactive participants in the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

	STRS Ohio	OPERS	Total
Year ended June 30:			
2020	$ (3,072)	$ 1,312	$ (1,760)
2021	(3,072)	(1,021)	(4,093)
2022	(3,072)	(1,083)	(4,155)
2023	(2,752)	326	(2,426)
2024	(2,635)	-	(2,635)
Thereafter	(2,592)	-	(2,592)
	$ (17,195)	$ (466)	$ (17,661)

Actuarial assumptions used for the year-ended June 30, 2019

For STRS Ohio, the total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Projected payroll increases	3.00 percent
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Discount rate	7.45 percent
Health care cost trends	
Medical	
Pre-Medicare	6.00 percent initial, 4.00 percent ultimate
Medicare	5.00 percent initial, 4.00 percent ultimate
Prescription Drug	
Pre-Medicare	8.00 percent initial, 4.00 percent ultimate
Medicare	(5.23) percent initial, 4.00 percent ultimate

For OPERS, the total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	
Single discount rate	3.96 percent
Investment rate of return	6.00 percent
Municipal bond rate	3.71 percent
Inflation	3.25 percent
Projected salary increases	3.25 percent to 10.75 percent (includes wage inflation)
Health care cost trends	10.0 percent initial, 3.25 percent ultimate in 2029

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Mortality rates: For STRS Ohio healthy retirees, the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

OPERS pre-retirement mortality rates are based on RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality tables for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

Experience Studies: STRS actuarial assumption used in the July 1, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumption used in the December 31, 2018 valuation are based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

Investment return assumptions: STRS Ohio utilizes investment consultants to develop an estimated range for the investment return assumption based on the target allocation determined by the respective Retirement Board of STRS Ohio.

The long-term expected rate of return on OPERS health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were 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 allocation percentage, adjusted for inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	28.00 %	7.35 %	21.00 %	6.21 %
International equity	23.00	7.55	22.00	7.83
Alternative investments	17.00	7.09	-	-
Fixed income	21.00	3.00	34.00	2.42
Real estate	10.00	6.00	-	-
REITs	-	-	6.00	5.98
Other	1.00	2.25	17.00	5.57
Total	100.00 %		100.00 %	

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Discount rate: For STRS Ohio, the discount rate used to measure the total OPEB liability was 7.45 percent as of the measurement date, June 30, 2018. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2019.

For OPERS, a single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018, which is an increase of .11 percent since the prior measurement date. This single discount rate was based on an expected rate of return of the health care investment portfolio of 6.00 percent and a municipal bond rate of 3.71 percent based on an index of 20-year general obligation bonds with an average AA credit rating. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the OPERS health care fiduciary net position and future contributions were sufficient to finance health care costs through 2031. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2031, and the municipal bond rate was applied to all health care costs after that date.

The following presents the University's proportionate share of the STRS Ohio and OPERS net OPEB (asset) liability calculated using a discount rate 1 percent higher and 1 percent lower than the plans' current rate:

	2019		
	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
STRS Ohio	$ (10,966)	$ (12,479)	$ (13,978)
	1% Decrease (2.96%)	Current Discount Rate (3.96%)	1% Increase (4.96%)
OPERS	$ 103,816	$ 81,146	$ 63,118

Sensitivity of net OPEB (asset) liability to changes in healthcare cost trend rates: The following presents the University's proportionate share of the STRS Ohio and OPERS net OPEB (asset) liability calculated using healthcare cost trend rates 1 percent higher and 1 percent lower than the plans' current rate:

	2019		
	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
STRS Ohio	$ (13,894)	$ (12,479)	$ (11,043)
OPERS	$ 77,999	$ 81,146	$ 84,771

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

OPEB plan fiduciary net position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued STRS Ohio and OPERS financial report.

Actuarial assumptions used for the year-ended June 30, 2018

For STRS Ohio the total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

STRS Ohio	
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Discount rate	4.13 percent
Investment rate of return	7.45 percent, net of investment expenses, including inflation
Health care cost trends	6.00 percent to (11.00) percent initial, 4.50 percent ultimate
Cost-of-living adjustments (COLA)	0 percent effective July 1, 2017

For OPERS the total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

OPERS	
Single discount rate	3.85 percent
Investment rate of return	6.50 percent
Municipal bond rate	3.31 percent
Inflation	3.25 percent
Projected salary increases	3.25 percent to 10.75 percent (includes wage inflation)
Health care cost trends	7.50 percent initial, 3.25 percent ultimate in 2028

Mortality rates: For STRS Ohio healthy retirees, the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

OPERS pre-retirement mortality rates are based on RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality tables for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Experience studies: STRS actuarial assumption used in the July 1, 2017 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016. OPERS actuarial assumption used in the December 31, 2017 valuation are based on the results of an actuarial experience study for the period January 1, 2011 through December 31, 2015.

Investment return assumptions: STRS Ohio utilizes investment consultants to develop an estimated range for the investment return assumption based on the target allocation determined by the respective Retirement Board of STRS Ohio. The long-term expected rate of return on OPERS health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return were 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 allocation percentage, adjusted for inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	STRS Ohio		OPERS	
Asset Class	Target Allocation	Long-Term	Target	Long-Term Expected
Domestic equities	28.00 %	7.35 %	21.00 %	6.37 %
International equity	23.00	7.55	22.00	7.88
Alternative investments	17.00	7.09	-	-
Fixed income	21.00	3.00	34.00	1.88
Real estate	10.00	6.00	-	-
REITs	-	-	6.00	5.91
Other	1.00	2.25	17.00	5.39
Total	100.00 %		100.00 %	

Discount rate: For STRS Ohio, the discount rate used to measure the total OPEB liability was 4.13 percent as of the measurement date June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the STRS Ohio OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, a blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2018.

For OPERS, a single discount rate of 3.85 percent was used to measure the OPEB liability on the measurement date of December 31, 2018, which was a decrease of .38 percent from the previous fiscal year. This single discount rate was based on an expected rate of return of the health care investment portfolio of 6.50 percent and a municipal bond rate of 3.31percent, based on Fidelity Index's 20 year Municipal GO AA Index as of December 29, 2017. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the OPERS health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 9. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

The following presents the University's proportionate share of the STRS Ohio and OPERS net OPEB liability calculated using a discount rate 1 percent higher and 1 percent lower than the plans' current rate:

	2018		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
STRS Ohio	$ 40,445	$ 30,127	$ 21,972
	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
OPERS	$ 96,982	$ 72,999	$ 53,596

Sensitivity of net OPEB liability to changes in healthcare cost trend rates: The following presents the University's proportionate share of the STRS Ohio and OPERS net OPEB liability calculated using healthcare cost trend rates 1 percent higher and 1 percent lower than the plans' current rate:

	2018		
	1% Decrease	Current Health Care Cost Trend Rate	1% Increase
STRS Ohio	$ 20,931	$ 30,127	$ 42,231
OPERS	$ 69,844	$ 72,999	$ 76,257

OPEB plan fiduciary net position: Detailed information about the OPEB plans' fiduciary net position is available in the separately issued STRS Ohio and OPERS financial report.

Note 10. Discretely Presented Component Unit

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 (Board) is comprised of at least fifteen directors that are elected by the Board and eight 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.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 10. Discretely Presented Component Unit (Continued)

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

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at end of year	$ 2,990	$ 351,992	$ 354,982
Change in net assets for the year	2,366	446	2,812
Distributions to Miami University	23,093	-	23,093

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at end of year	$ 624	$ 351,546	$ 352,170
Change in net assets for the year	(333)	13,120	12,787
Distributions to Miami University	18,181	-	18,181

Cash and cash equivalents: Cash and cash equivalents consists primarily of cash in banks, money market accounts, 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 are recorded at fair value based primarily on quoted market prices, as established by the major securities markets.

The value of holdings of non-publicly traded funds that do not have a readily determined market value is based on the funds' estimated net asset value as supplied by the investment manager. The values are reviewed and evaluated by Foundation management. 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.

The issuing insurance companies determine the cash surrender value of the life insurance policies annually. Investments in real estate are recorded at appraised value at the date of donation.

All donor-restricted endowment investments and 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 month 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 month.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 10. Discretely Presented Component Unit (Continued)

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, 2019 were:

	Fair Value	
	2019	2018
Investment description:		
Pooled Investment Fund (PIF):		
Strategic Investment Management, LLC funds	$ 319,519	$ -
Domestic public equities	-	19,604
Global and international public equities	-	227,436
Government bonds	41,920	55,113
Global debt	-	11,949
Hedge funds	27,939	58,961
Various private capital investments	101,681	91,053
Exchange traded funds	3,486	-
Other	2,592	2,093
Split-interest funds:		
Charitable remainder trusts	10,215	10,049
Charitable gift annuities	2,281	2,297
Pooled income funds	584	574
Total	$ 510,217	$ 479,129

The Foundation maintains a diversified investment portfolio for the PIF intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. During 2019, management of the PIF (Pooled Investment Fund) has been delegated by the Board to an external investment firm, Strategic Investment Management, LLC. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio also includes publicly traded securities. The underlying holdings for certain non-publicly traded funds 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, 2019, the Foundation has made commitments to limited partnerships of approximately $125 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 respective partnerships.

For the years ending June 30, 2019 and 2018 dividend and interest income of $2,838 and $4,445, respectively, is net of fees from external investment managers totaling $197 and $284 for June 30, 2019 and 2018, respectively.

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.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 10. Discretely Presented Component Unit (Continued)

Pledges receivable: As of June 30, 2019 and 2018, contributors to the Foundation have made unconditional pledges totaling $32,199 and $34,372, respectively, with one pledge accounting for over 43 percent of that total. Net pledges receivable have been discounted using rates commensurate with the risks involved to a net present value of $30,113 and $32,984 at June 30, 2019 and 2018, respectively. Discount rates ranged from 1.20 percent to 3.40 percent. Management has set up an allowance for uncollectible pledges of $1,295 and $1,725 at June 30, 2019 and 2018, respectively. All pledges have been classified as restricted expendable net positions 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 classify as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes to the endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

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 in expendable net positions. As of June 30, 2019, funds with original gift values of $1,207, fair values of $1,187, and deficiencies of $20 were reported in expendable net positions. There were no such deficiencies of this nature as of June 30, 2018.

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 10. Discretely Presented Component Unit (Continued)

Net position classification: Resources of the Foundation are classified for reporting purposes into net positions based on the existence or absence of donor-imposed restrictions and state law. Net positions unrestricted 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. Restricted expendable net positions include gifts and grants for which donor imposed restrictions have not been met (primarily future capital projects or gifts for educational purposes), earnings from long term investments which are donor restricted, and time restricted trust activity. Restricted nonexpendable net positions include gifts which generally require, by donor restriction, that the corpus be invested in perpetuity. The donors generally permit the use of a portion of the income earned to be utilized for specific purposes based on their restrictions.

Note 11. Commitments

At June 30, the University is committed to future contractual obligations for capital expenditures of approximately $67,200 and $114,700, respectively. These commitments are being funded from the following sources:

	2019	2018
Contractual obligations:		
Approved state appropriations not expended	$ 7,480	$ 6,804
University funds and bond proceeds	59,725	107,852
Total	$ 67,205	$ 114,656

Note 12. Risk Management

The University's employee health insurance program is a self-insured plan. Administration of the plan is provided by United Medical Resources, a United Healthcare company. 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 $2,908 and $2,970 is included in the accrued salaries and wages as of June 30, 2019 and 2018, respectively. The change in the total liability for actual and estimated claims is summarized below at June 30:

	2019	2018	2017
Liability at beginning of year	$ 2,970	$ 2,369	$ 2,888
Claims incurred	42,197	38,441	33,175
Claims paid	(42,316)	(38,352)	(33,186)
Change in estimated claims incurred but not reported	57	512	(508)
Liability at end of year	$ 2,908	$ 2,970	$ 2,369

Miami University

Notes to Financial Statements
(Dollars in Thousands)

Note 12. Risk Management (Continued)

To reduce potential loss exposure, the University has established a reserve for health insurance stabilization of $15,000.

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-Risk Management & Insurance Consortium. The commercial property program’s loss limit is $1,750,000 and the general/auto liability loss limit is $50,000. The property insurance program has been in place for 24 years during which time Miami University has had two material losses above the insurance policy deductible of $350. The property pool deductible for individual universities is $100. The liability program has been in place for 19 years during which time Miami University has had three losses above the pool deductible. The current self-insured retention for the liability program is $1,000. The educator’s legal liability loss limit is $50,000. The University also participates with the other consortium universities for the purchase of commercial insurance for other risks.

The State of Ohio self-insures worker’s compensation benefits for all state employees, including University employees. Under the direction of the Ohio Bureau of Worker’s Compensation and the University, Careworks and Sheakley UniComp, Inc. assist in the administration and disposition of worker’s compensation claims.

Note 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.

Required Supplementary Information

Miami University

Retirement Plan Data
Years Ended June 30, 2019, 2018, 2017, 2016 and 2015
(In Thousands)

For the Year Ended June 30, 2019	STRS Ohio	OPERS Traditional	OPERS Combined
University's proportion of the net pension liability (asset)	0.776608%	0.661199%	0.674437%
University's proportionate share of the net pension liability (asset)	$ 170,759	$ 167,611	$ (755)
University's covered payroll	76,102	91,506	3,155
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	224.38%	183.17%	-23.93%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	74.70%	126.64%

For the Year Ended June 30, 2018			
University's proportion of the net pension liability (asset)	0.772173%	0.663383%	0.684872%
University's proportionate share of the net pension liability (asset)	$ 183,431	$ 104,072	$ (932)
University's covered payroll	74,262	89,066	2,774
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	247.01%	116.85%	-33.60%
Plan fiduciary net position as a percentage of the total pension liability	75.30%	84.66%	137.28%

For the Year Ended June 30, 2017			
University's proportion of the net pension liability (asset)	0.762848%	0.664940%	0.665441%
University's proportionate share of the net pension liability (asset)	$ 255,348	$ 150,997	$ (370)
University's covered payroll	71,889	86,004	2,679
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	355.20%	175.57%	-13.81%
Plan fiduciary net position as a percentage of the total pension liability	66.80%	77.25%	116.55%

For the Year Ended June 30, 2016			
University's proportion of the net pension liability (asset)	0.750872%	0.651198%	0.664254%
University's proportionate share of the net pension liability (asset)	$ 207,519	$ 112,796	$ (323)
University's covered payroll	67,969	83,037	2,475
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	305.31%	135.84%	-13.05%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	81.08%	116.90%

For the Year Ended June 30, 2015			
University's proportion of the net pension liability (asset)	0.718940%	0.662272%	0.650661%
University's proportionate share of the net pension liability (asset)	$ 174,871	$ 79,877	$ (251)
University's covered payroll	67,064	80,131	2,327
University's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	260.75%	99.68%	-10.79%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	86.45%	114.83%

Note: The University has presented as many years as information is available.

(Continued)

Miami University

Retirement Plan Data (Continued)
Year Ended June 30, 2019
(In Thousands)

	STRS Ohio				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	$ 8,609	$ 8,609	$ -	$ 66,222	13.0%
2011	8,415	8,415	-	64,727	13.0%
2012	8,195	8,195	-	63,038	13.0%
2013	8,095	8,095	-	62,272	13.0%
2014	8,218	8,218	-	63,215	13.0%
2015	8,718	8,718	-	67,064	13.0%
2016	9,516	9,516	-	67,969	14.0%
2017	10,064	10,064	-	71,889	14.0%
2018	10,397	10,397	-	74,262	14.0%
2019	10,654	10,654	-	76,102	14.0%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	$ 7,641	$ 7,641	$ -	$ 87,443	8.7%
2011	8,035	8,035	-	84,585	9.5%
2012	8,492	8,492	-	84,266	10.1%
2013	9,853	9,853	-	85,101	11.6%
2014	11,458	11,458	-	87,598	13.1%
2015	10,925	10,925	-	86,845	12.6%
2016	10,877	10,877	-	90,034	12.1%
2017	11,778	11,778	-	93,543	12.6%
2018	13,180	13,180	-	96,874	13.6%
2019	14,046	14,046	-	99,651	14.1%

Miami University

OPEB Plan Data
Years Ended June 30, 2019
(In Thousands)

For the year ended June 30, 2019	STRS Ohio	OPERS
University's proportion of the net OPEB (asset) liability	0.776608%	0.622400%
University's proportionate share of the net OPEB (asset) liability	$ (12,479)	$ 81,146
University's covered payroll	76,102	99,651
University's proportionate share of the net OPEB (asset) liability as a percentage of its covered payroll	-16.40%	81.43%
Plan fiduciary net position as a percentage of the total OPEB (assets) liability	176.00%	46.33%

For the year ended June 30, 2018	STRS Ohio	OPERS
University's proportion of the net OPEB liability	0.772173%	0.672220%
University's proportionate share of the net OPEB liability	$ 30,127	$ 72,999
University's covered payroll	74,262	96,874
University's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.57%	75.35%
Plan fiduciary net position as a percentage of the total OPEB liability	47.10%	54.14%

	STRS Ohio				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	$ 662	$ 662	$ -	$ 66,222	1.0%
2011	647	647	-	64,727	1.0%
2012	630	630	-	63,038	1.0%
2013	623	623	-	62,272	1.0%
2014	632	632	-	63,215	1.0%
2015	671	671	-	67,064	1.0%
2016	-	-	-	67,969	0.0%
2017	-	-	-	71,889	0.0%
2018	-	-	-	74,262	0.0%
2019	-	-	-	76,102	0.0%

	OPERS Traditional, Combined and Member-Directed				
	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2010	$ 4,663	$ 4,663	$ -	$ 87,443	5.3%
2011	3,807	3,807	-	84,585	4.5%
2012	3,371	3,371	-	84,266	4.0%
2013	2,129	2,129	-	85,101	2.5%
2014	876	876	-	87,598	1.0%
2015	1,302	1,302	-	86,845	1.5%
2016	1,801	1,801	-	90,034	2.0%
2017	1,403	1,403	-	93,543	1.5%
2018	474	474	-	96,874	0.5%
2019	-	-	-	99,651	0.0%

Note: The University has presented as many years as information is available.

Miami University

Notes to Required Supplementary Information
Year Ended June 30, 2019

Changes in assumptions (Pension): The Retirement Board of OPERS approved one change to the actuarial assumptions in 2018. The long term expected rate of return was reduced from 7.50 percent to 7.20 percent. There were no other changes in assumptions compared to the prior year. The Retirement Board of STRS Ohio made no changes in assumptions in 2018 compared to the prior year.

Changes in assumptions (OPEB): The Retirement Board of OPERS approved one change to the actuarial assumptions in 2018. The long term expected rate of return was reduced from 6.50 percent to 6.00 percent. There were no other changes in assumptions compared to the prior year for OPERS. The Retirement Board of STRS increased the discount rate from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent.

Changes to benefit terms: Effective July 1, 2017, the Cost of Living Adjustment (COLA) was reduced to zero for STRS Ohio.

Changes of assumptions: The Retirement Board of STRS Ohio approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Trustees and Officers as of JUNE 30, 2019

MIAMI UNIVERSITY

Miami University Board of Trustees

Date listed is expiration of term.

David H. Budig, Chair
February 28, 2022

Sandra D. Collins, Secretary
February 28, 2025

Rod Robinson, Treasurer
February 28, 2026

Zachary T. Haines
February 28, 2027

John C. Pascoe
February 28, 2024

Mark Ridenour
February 28, 2020

Mary Schell
February 28, 2028

Robert W. Shroder
February 28, 2021

National Trustees (non-voting)

C. Michael Armstrong
June 30, 2020

Robert E. Coletti
June 30, 2020

Diane Perlmutter
June 30, 2020

Mark Sullivan
September 18, 2022

Student Trustees (non-voting)

Megan Cremeans
February 28, 2020

Will Kulis
February 28, 2021

Administrative Officers

Gregory Crawford
President

Jason Osborne
Provost and Executive Vice President for Academic Affairs

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

Brent Shock
Interim Vice President for Enrollment Management and Student Success

Jayne Brownell
Vice President for Student Affairs

Tom Herbert
Vice President for University Advancement

Michele Gaither Sparks
Vice President for University Communications and Marketing

Robin Parker
General Councel

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

Financial Services Staff

The 2019 financial report and investments report were prepared by the Miami University Controller's Office and the Treasury Services Office.

Gary A. Cornett
Controller

Jennifer B. Morrison
Chief Accounting Officer

Bruce A. Guiot
Chief Investment/Treasury Officer and Associate Treasurer

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 2019

Miami University Foundation

Financial Report
June 30, 2019

INVESTMENT REPORT

Miami University and Miami University Foundation
June 30, 2019

INVESTMENT POOLS

Total investment assets for Miami University and Miami University Foundation approached $1.25 billion at fiscal year-end, up from $1.19 billion the previous year. The University's non-endowment pool, its working capital and reserves, grew to $668.6 million from $628.6 million. The Pooled Investment Fund (PIF), the combined University and Foundation endowment, grew assets to $558.6 million from $534.7 million. The fiscal year-end asset values among the pools are as follows:

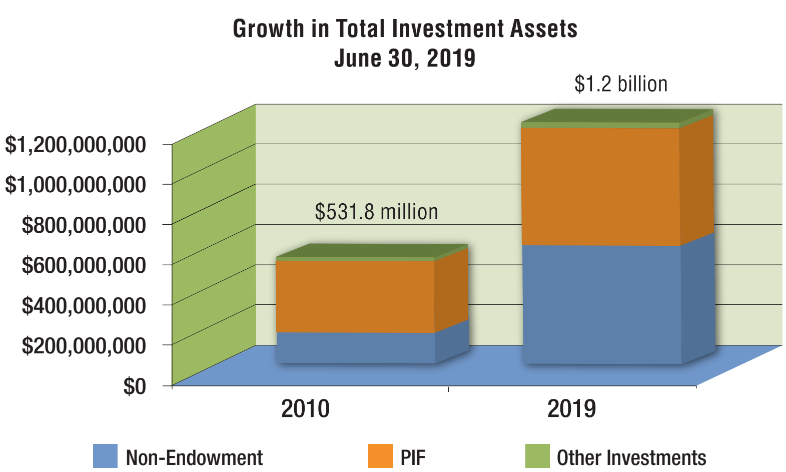
Pool	Type of Funds	Invested as of June 30, 2019
University Non-Endowment	Working capital and cash reserves to support operating activities	$668,582,000
Pooled Investment Fund (University & Foundation Endowments)	Funds donated to the University and the Foundation to establish endowments in perpetuity	$558,618,000
Trusts, Annuities, and Separately Invested Assets	Gifts managed independently of the pooled funds	$ 22,341,000
Total Investments		**$1,249,540,000**

The Investment Committee of the Miami University Foundation's Board of Directors provides governance oversight to the PIF, while the Miami University Board of Trustees maintains oversight of the non-endowment pool.

In 2018, the Boards outsourced investment management discretion of the PIF and non-endowment to an external firm, Strategic Investment Group (SIG). Much of the past year was spent implementing the investment governance and infrastructure changes related to this transition. SIG's focus has been on implementing the new investment policy statements adopted by the Boards. In addition, the establishment of a new master custody platform with Northern Trust was completed for the investment assets in both pools.

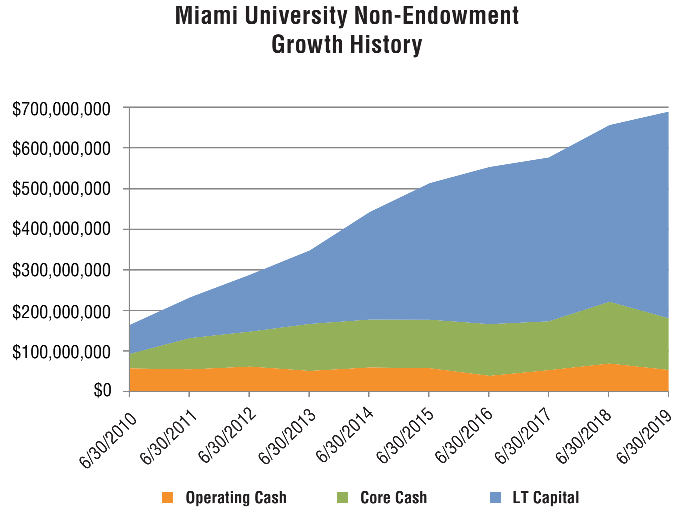
The University's non-endowment pool holds the working capital and cash reserves that fund the University's operating activities. Its balance fluctuates significantly during the course of a year based on the University's cash flow cycle of receipts and expenditures. June 30 typically marks the low point of this annual cycle. As the size of this pool has grown, the long-term portion of the pool has an investment profile similar to the endowment, except for the exclusion of less liquid asset classes.

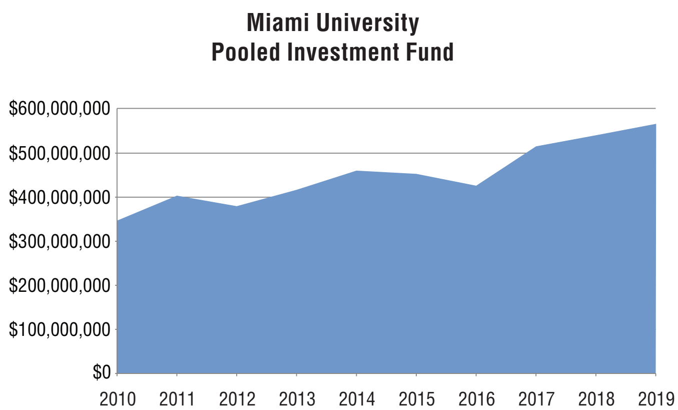
The PIF invests endowed gifts from donors and quasi-endowments established by the boards. The pool operates under the philosophy that the funds are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds with the understanding 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 generations. The investment policy governing the endowment pool recognizes that the portfolio can tolerate year-to-year fluctuations in returns 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, by necessity, managed separately from the endowment pool.

Over the last ten years, Miami's total investment assets have more than doubled. The past decade now marks the longest U.S. economic recovery on record. Unprecedented monetary and fiscal stimulus by governments and central banks globally has aided economic growth over that period and provided a sturdy boost to prices across the asset classes. Against that macroeconomic backdrop, prudent fiscal discipline, modest enrollment growth, and the wise leadership of our trustees have led to the quadrupling in size of the non-endowment. Concurrently, the enthusiastic support of our alumni and friends along with the guidance of our directors have pushed the endowment pool to new heights, growing in size by about 62 percent over that period. These resources will help Miami University weather the myriad of significant challenges expected in higher education in the coming years.

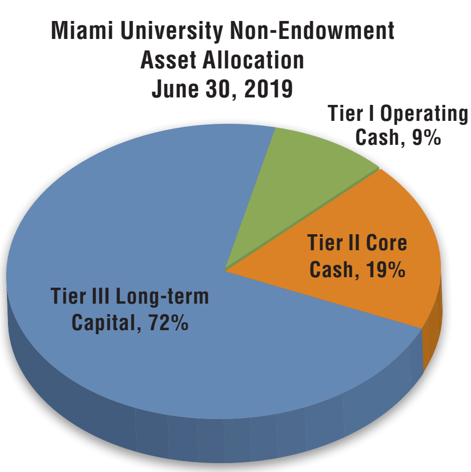




Cash flow generation was again strong for the University due to a large incoming first year class of students and continued emphasis on operating efficiencies. Two rebalancing actions were taken during the year which resulted in $40 million being reallocated from operating cash to core cash ($25 million) and long-term capital ($15 million). In addition, $1.9 million in new quasi-endowments were created. All of the Tier II and Tier III managers were liquidated during the year as SIG assumed investment discretion and began implementing a new investment policy adopted by the Board of Trustees. The new policy reduces the target weight held in Tier II in favor of Tier III and changes the investment mix within the long-term capital segment to be invested in a well-diversified portfolio with an endowment-like mandate that excludes illiquid investments. Within Tier II, the credit quality was enhanced and the duration reduced.

ASSET ALLOCATION

The non-endowment pool has three components. Tier I 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. Tier II core cash represents short-term reserves along with funds set aside by the Board of Trustees for special initiatives. Tier II is invested in U.S. Treasury securities with maturities generally under two years. Tier III long-term capital consists of longer-term reserves. At fiscal year-end, it was invested in a mix of global public equity, various types of fixed income securities, and absolute return hedged strategies.



The PIF's strategic allocation policy considers not just asset exposure, but also the sources of risk and the interaction among the various assets and strategies. Under the new investment policy adopted by the Foundation Board of Directors at the end of fiscal year 2018 and implemented during fiscal year 2019, this pool's primary strategic allocation categories were public equity, consisting of exposures to U.S., non-U.S., and global equity strategies; alternatives, consisting of private equity and absolute return hedged strategies; real assets, comprised of timber and real estate; fixed income, consisting of U.S. Treasury securities and public active credit strategies; and opportunistic, consisting of private credit strategies. Each category has a long-term strategic target weight and SIG has discretion to make tactical shifts within approved ranges.

At fiscal year-end, equity related strategies remained the largest exposure at about fifty two percent, up from last year's level of forty two percent. Public equity is elevated in part as a temporary bridge until a higher private equity exposure can be implemented over the next few years.

Pooled Investment Fund Investment Policy Target Allocation, Ranges, & Benchmarks						
Asset Category	**Policy Allocation**	**Policy Ranges Min.**	**Max.**	**Policy Ranges -**	**+**	**Benchmark Indicies**
Equities	**40%**	**30%**	**50%**	**-10%**	**+10%**	
U.S. Equities	16%	6%	26%	-10%	+10%	*Russell 3000 Index*
Non-U.S. Equities	12%	2%	22%	-10%	+10%	*MSCI World ex-US Investable Market Index (IMI) (Net)*
Emerging Markets Equities	12%	2%	22%	-10%	+10%	*MSCI Emerging Markets Index (Net)*
Alternatives (Net)	**33%**	**20%**	**43%**	**-13%**	**+10%**	
Private Equities	20%	10%	25%	-10%	+5%	*Private Equity Index*
Hedge Funds (Net Exposure)	13%	0%	23%	-13%	+10%	*HFRX Equal Weighted Strategies Index*
Hedge Funds (Gross Exposure)	*20%*	0%	25%	-20%	+5%	
Portable Alpha Overlay	*7%*	0%	17%	-7%	+10%	
Real Assets	**7%**	**0%**	**17%**	**-7%**	**+10%**	
Real Estate	3%	0%	8%	-3%	+5%	*NCREIF Fund Index – Open End Diversified Core Equity Index*
Timber	0%	0%	6%	0%	+6%	*Thomson Reuters Cambridge Timber Index*
Commodities	2%	0%	8%	-2%	+6%	*S&P GSCI Total Return Index*
TIPS	2%	0%	8%	-2%	+6%	*Bloomberg Barclays 1-10 Year U.S. TIPS Index*
Fixed Income	**20%**	**10%**	**30%**	**-10%**	**+10%**	
U.S. Investment Grade Fixed Income	18%	3%	28%	-15%	+10%	*Bloomberg Barclays U.S. Aggregate Index*
U.S. High Yield	2%	0%	12%	-2%	+10%	*BofA Merrill Lynch High Yield Cash Pay Index*
Non-U.S. Fixed Income	0%	0%	10%	0%	+10%	*Citigroup Non-USD World Government Bond Index Hedged*
Opportunistic	**0%**	**0%**	**10%**	**0%**	**+10%**	
Cash	**0%**	**0%**	**20%**	**0%**	**+20%**	*Citigroup 3 Month Treasury Bill Index*
TOTAL	**100%**					

Liquidity measures how quickly the exposure to a particular manager can be redeemed and turned into cash. The portfolio ended the year with an overweight to cash which reflected the ongoing liquidation of some legacy managers redeemed during the fiscal year. About sixty percent of the portfolio could be converted to cash within a month, while about three quarters of the portfolio could be redeemed within a quarter.

During the year, SIG liquidated all external investment manager holdings, with the exception of the private capital funds which are illiquid and will be allowed to run-off over time. Several of the legacy hedged strategies were not yet completely liquidated at year end due to redemption limits and restrictions, but are expected to be fully redeemed over the next year. The new portfolio allows SIG to achieve precise statistical exposures in accordance with Miami's strategic investment policy and SIG's tactical emphasis.

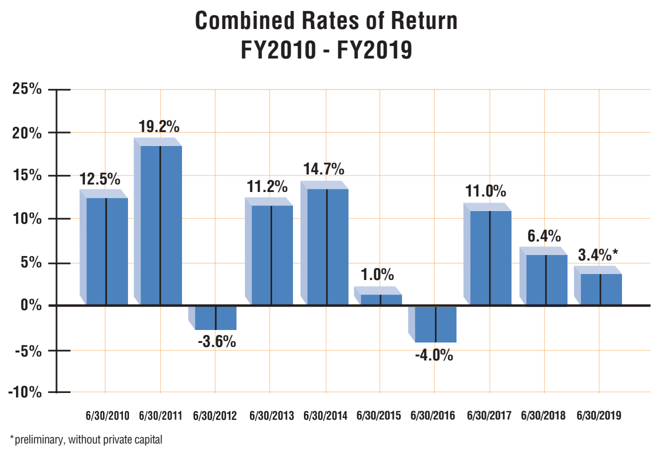
Pooled Investment Fund Change in Asset Allocation		
	2018	**2019**
Equity	41.7%	52.3%
Alternatives	18.5%	19.2%
Real Assets	11.4%	7.4%
Fixed Income	12.4%	11.7%
Opportunistic	3.3%	4.0%
Cash, Accruals, & Pending Trades	12.7%	5.4%
Total	100.0%	100.0%

INVESTMENT RETURNS

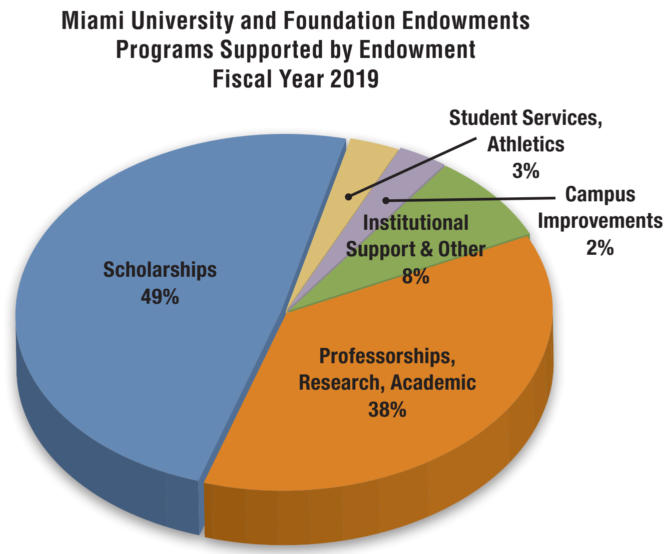
Global capital markets experienced dramatic swings in volatility during the fiscal year. Much of the swings in market activity focused on the direction of interest rate policy by the U.S. Federal Reserve. After nine rate increases since 2015, policy makers communicated an intention to pause, while bond markets subsequently priced in expected rate cuts. The current economic cycle in the United States is in its tenth year of expansion and has set a new record for duration. Plenty of threats persist, including softening corporate earnings, an inverted yield curve, and continued uncertainty over tariffs and trade wars.

The University's non-endowment pool posted a gain of 3.4 percent for the fiscal year ended June 30, 2019, up slightly from a return of 3.0 percent earned in the previous year. Annualized performance for the trailing ten years was 3.0 percent, providing annualized added return over the 90-day Treasury bill during that period of 2.5 percentage points. Results were driven by U.S. fixed income investments, up 6.5 percent for the year in the long-term capital portion.

The pooled investment fund also earned an estimated 3.4 percent for the fiscal year, down from the 6.4 percent gain posted for the previous year. The FY2019 is estimated since returns for the private capital portion of the portfolio that reports on a significant delay were not yet available. Estimated annualized performance for the trailing ten years was 6.9 percent. The main driver of results for the fiscal year was the largest first half of a calendar year advance in the Standard & Poor's 500 Index in two decades, 18.5%.



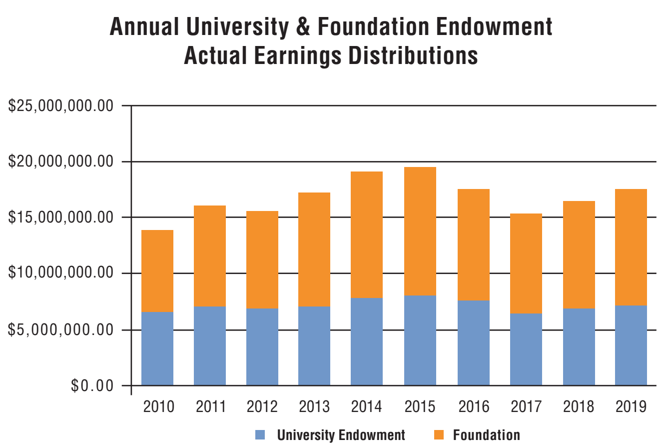
The combined endowment distribution for fiscal year 2019 was about $17.5 million, about $0.8 million more than the previous year. Over the last ten years, the cumulative distributions have totaled over $170 million and have provided an important source of funding to help offset reductions in state support. The following chart shows the proportion of programs supported by the 2019 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.

The endowment spending policies for both the University and Foundation, adopted by the boards in fiscal year 2017, distribute four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. The policies are intended to provide consistent, predictable, and sustainable annual distributions, while maintaining intergenerational equity and preserving the purchasing power of the endowed principal.



Higher education faces many obstacles ranging from unfavorable demographic trends to stagnant state support and increasing sensitivity to tuition cost. Miami University's Strategic Planning Steering Committee presented a new strategic plan to the President and Board of Trustees at the end of the fiscal year to help chart a course through these difficulties. Miami appreciates the support from our alumni and friends that has helped position the institution to address these challenges. This generosity will continue to be a critical source of funding for Miami's students and faculty as it implements the new strategic plan.

Miami University: Equal opportunity in education and employment.
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Contents

RSM

RSM US LLP

Independent Auditor's Report

Board of Directors
Miami University Foundation and
Mr. Keith Faber
Auditor of the State of Ohio

Report on the Financial Statements
We have audited the accompanying financial statements of Miami University Foundation, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

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 audit to obtain reasonable assurance about whether the financial statements are free of 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, the financial statements referred to above present fairly, in all material respects, the financial position of Miami University Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Continued)

Report on Summarized Comparative Information
We have previously audited Miami University Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 9, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Cleveland, Ohio
October 11, 2019

Miami University Foundation

Statement of Financial Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

	2019	2018
Assets		
Cash and cash equivalents	**$ 48,269,311**	$ 64,282,976
Pledges receivable, net	**28,817,280**	31,258,652
Other receivables, primarily investment related	**16,638,084**	12,439,077
Investments	**508,118,790**	477,035,567
Cash value of life insurance	**2,068,041**	2,063,101
Real estate investments	**30,000**	30,000
Total assets	**$ 603,941,506**	$ 587,109,373
Liabilities		
Accounts payable and other liabilities	**$ 16,359,967**	$ 14,824,742
Assets held for other entities	**227,155,079**	214,465,794
Deferred revenue	**1,529,075**	1,671,980
Obligations under split-interest agreements	**3,915,047**	3,976,357
Total liabilities	**248,959,168**	234,938,873
Net Assets		
Without donor restrictions	**2,989,811**	624,224
With donor restrictions	**351,992,527**	351,546,276
Total net assets	**354,982,338**	352,170,500
Total liabilities and net assets	**$ 603,941,506**	$ 587,109,373

See notes to financial statements.

Miami University Foundation

Statement of Activities
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	**2019 Total**	2018 Total
Revenues and other additions:				
Contributions	$ 313,109	$ 17,302,209	**$ 17,615,318**	$ 14,877,143
Investment income:				
Dividend and interest income, net	26,126	2,811,589	**2,837,715**	4,444,626
Net realized and unrealized gains	83,134	8,399,375	**8,482,509**	14,536,415
Net investment income	109,260	11,210,964	**11,320,224**	18,981,041
Change in value of split-interest agreements	-	394,526	**394,526**	680,812
Net assets released from restrictions due to satisfaction of donor restrictions	26,404,611	(26,404,611)	**-**	-
Reclassification of net assets	2,056,837	(2,056,837)	**-**	-
Total revenues and other additions	28,883,817	446,251	**29,330,068**	34,538,996
Expenses and other deductions:				
Distributions to Miami University (Note 6)	23,092,749	-	**23,092,749**	18,181,165
Other expenses	497,010	-	**497,010**	760,839
Administrative expenses (Note 6)	2,928,471	-	**2,928,471**	2,809,640
Total expenses and other deductions	26,518,230	-	**26,518,230**	21,751,644
Change in net assets	2,365,587	446,251	**2,811,838**	12,787,352
Net assets - beginning of year	624,224	351,546,276	**352,170,500**	339,383,148
Net assets - end of year	$ 2,989,811	$ 351,992,527	**$ 354,982,338**	$ 352,170,500

See notes to financial statements.

Miami University Foundation

Statement of Cash Flows
Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019	2018
Cash flows from operating activities:		
Payments to Miami University, net	**$ (25,346,190)**	$ (20,777,557)
Cash flows from investing activities:		
Proceeds from sale of investments	**457,216,738**	167,358,200
Purchase of investments	**(477,599,253)**	(141,535,799)
Assets held for other entities	**6,858,748**	(9,053,138)
Net cash (used in) provided by investing activities	**(13,523,767)**	16,769,263
Cash flows from financing activities:		
Contributions restricted for long-term investment	**20,021,548**	20,562,871
Dividend and interest income, restricted	**3,140,071**	4,278,622
Interest utilized for payment of split-interest obligations	**463,467**	503,489
Payments on split-interest obligations	**(768,794)**	(893,796)
Net cash provided by financing activities	**22,856,292**	24,451,186
Net (decrease) increase in cash and cash equivalents	**(16,013,665)**	20,442,892
Cash and cash equivalents:		
Beginning	**64,282,976**	43,840,084
Ending	**$ 48,269,311**	$ 64,282,976
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	**$ 2,811,838**	$ 12,787,352
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Increase in accounts payable and other liabilities	**1,172,040**	974,087
Contributions restricted for long-term investment	**(17,615,318)**	(14,877,143)
Net change in value of split-interest agreements	**(394,526)**	(680,812)
Dividends and interest income	**(2,837,715)**	(4,444,626)
Net realized and unrealized gains on investments	**(8,482,509)**	(14,536,415)
Net cash used in operating activities	**$ (25,346,190)**	$ (20,777,557)

See notes to financial statements.

Miami University Foundation

Notes to the Financial Statements

Note 1. Organization

Miami University Foundation (the Foundation) was organized on June 4, 1948 for the principal purpose of fostering the educational and research activities of Miami University. The Foundation is governed by a Board of Directors (the Board). In furtherance of its principal purpose, the Foundation is to be known as the primary fundraiser, manager and steward of donated funds to Miami University. The Foundation aspires to be a model of performance, accountability, stewardship and commitment to excellence. The income earned on the Foundation's investments is periodically transferred to Miami University to further its educational and research activities.

The Foundation Board is comprised of at least fifteen directors that are elected by the Board and eight 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.

Note 2. Summary of Significant Accounting Policies

Financial statement presentation: The financial statements of the Foundation are prepared in accordance with accounting principles generally accepted in the United States of America as more explicitly described in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

Net asset classification: Net assets comprise resources over which the Foundation has discretionary control for use in carrying out the financial and operational objectives of the Foundation and for purposes specified by donors. Activities of the Foundation are accounted for in the following net asset types:

> **Net assets without donor restrictions:** Net assets whose use has not been limited by donors for any period of time or specified purpose.
>
> **Net assets with donor restrictions:** Net assets with donor restrictions include gifts and grants for which donor imposed restrictions have not been met (primarily future capital projects or gifts for educational purposes), earnings from long term investments which are donor restricted, and time restricted trust activity. Net assets with donor restrictions also include gifts which generally require, by donor restriction, that the corpus be invested in perpetuity. The donors generally permit the use of a portion of the income earned to be utilized for specific purposes based on their restrictions.

Accounting estimates: In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management has made, where necessary, estimates and judgments based on currently available information that affect certain amounts reflected in the financial statements. Actual results could differ from those estimates.

Cash and cash equivalents: Cash and cash equivalents consists primarily of cash in banks, money market accounts, 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 carrying amounts of these items are a reasonable estimate of their fair value.

Approximately $451,000 of cash and cash equivalents was covered by federal depository insurance; $24.1 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 invested in money market funds that invest substantially all of its assets in U.S. Treasury securities and repurchase agreements. The Foundation maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Miami University Foundation

Notes to the Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Investments: The Foundation records its investments at fair value using the following methods and assumptions:

Investments that are market traded are recorded at fair value based primarily on quoted market prices, as established by the major securities markets.

The value of holdings of non-publicly traded funds that do not have a readily determined market value is based on the funds' estimated net asset value as supplied by the investment manager. The values are reviewed and evaluated by Foundation management. 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.

The issuing insurance companies determine the cash surrender value of the life insurance policies annually. Investments in real estate are recorded at appraised value at the date of donation.

All donor-restricted endowment investments and 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 month 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 month.

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.

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.

Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the dates the agreements and trusts are established, net of the liabilities for the present value of estimated future payments to be made to the donors and/or other beneficiaries. For pooled income funds, contribution revenue is recognized upon establishment of the agreement at the fair value of the estimated future receipts, discounted for the estimated time period until culmination of the agreement. Annually the Foundation records the change in value of split-interest agreements according to the fair value of the assets that are associated with each trust and recalculates the liability for the present value of the estimated future payments to be made to the donors and/or other beneficiaries.

Miami University Foundation

Notes to the Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: The Foundation is a not-for-profit organization as defined under Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes pursuant to Section 501(a) of the Code, except on unrelated business income. The Foundation has evaluated its tax positions at June 30 with respect to accounting for uncertainties in income taxes and has determined that there was no material impact to the Foundation's financial statements. The ASC provides related guidance on measurement, classification, interest and penalties and disclosure as well as prescribing a threshold of more-likely-than-not for recognition of tax positions taken or expected to be taken in a tax return. The Foundation is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. As of June 30, 2019, the Foundation has no uncertain tax positions.

Recent accounting pronouncements: In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The objective of this statement is to assist entities in evaluating whether transactions should be accounted for as contributions within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange transactions subject to other guidance and determining whether a contribution is conditional. For transactions in which an entity is the resource recipient, the statement is effective for fiscal years beginning after December 15, 2018. For transactions in which the entity serves as a resource provider, the statement is effective for fiscal years beginning after December 15, 2019.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 removes, modifies and adds certain disclosures requirements on fair value required by Topic 820. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019.

Management is currently evaluating the impact of these new standards on their financial statements.

During 2019, the Foundation adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958)*: *Presentation of Financial Statements of Not-for-Profit Entities*. This guidance intends to improve net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows.

Subsequent events: The Foundation has evaluated events occurring between the end of its most recent fiscal year and October 11, 2019, the date the financial statements were issued. No material subsequent events were identified for recognition or disclosure.

Miami University Foundation

Notes to the Financial Statements

Note 3. Pledges Receivable, Net

At June 30, 2019, contributors to the Foundation have made unconditional pledges totaling $32,198,567 with one pledge accounting for over 43% of that total. Net pledges receivable have been discounted using interest rates to a net present value of $30,112,762 at June 30, 2019. Discount rates ranged from 1.20% to 3.40%. The methodology for calculating an allowance for uncollectible pledges is based upon management's analysis of the aging of payment schedules for all outstanding pledges. At June 30, 2019, net pledges are due as follows:

Unconditional pledges expected to be collected:	
Within one year	$ 7,608,820
Between two and five years	19,302,551
In more than five years	5,287,196
Pledges receivable	32,198,567
Less discount on pledges	(2,085,805)
Less allowance for uncollectible pledges	(1,295,482)
Pledges receivable, net	$ 28,817,280

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.

Note 4. Investments

Investments held by the Foundation as of June 30, 2019 were:

Investment Description	Fair Value
Pooled Investment Fund (PIF):	
Strategic Investment Management, LLC funds	$ 319,519,491
Various private capital investments	101,681,321
Government bonds	41,919,582
Hedge funds	27,939,367
Exchange traded funds	3,485,574
Other	493,887
Split-interest funds:	
Charitable remainder trusts	10,215,426
Charitable gift annuities	2,280,514
Pooled income funds	583,628
Total	$ 508,118,790

Miami University Foundation

Notes to the Financial Statements

Note 4. Investments (Continued)

The PIF portfolio's fair value, excluding cash, was $494,545,335 at June 30, 2019. The Foundation maintains a diversified investment portfolio for the PIF intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. During 2019, management of the PIF has been delegated by the Board to an external investment firm, Strategic Investment Management, LLC. The external investment firm has discretion to manage the PIF within the framework of the investment policy statement. Additionally, the external investment firm has implemented a combination of internally and externally managed investment vehicles, including separate accounts, limited partnerships, and commingled funds. The Foundation's investment portfolio includes publicly traded securities and the underlying holdings for certain non-publicly traded funds also include 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, 2019, the Foundation has made commitments to limited partnerships of approximately $125 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 respective partnerships.

The 2019 dividend and interest income of $2,837,715, as reported in the Statement of Activities, is net of fees from external investment managers totaling $113,740.

Included in the Foundation's PIF are assets held for the Miami University Endowment, Miami University Paper Science & Engineering Foundation and a donor gift held for the benefit of three other Ohio universities. The assets held for other entities are maintained as separate funds on the financial system of the Foundation and receive a proportional share of the PIF's activity. The Foundation owns the assets in the PIF; the other entities have a financial interest in the PIF but do not own any of the underlying assets. The Foundation has recorded a liability equal to the fair value for the assets held for other entities.

Assets held for other entities as of June 30, 2019 were:

	Miami University Endowment	Miami University Paper Science & Engineering Foundation	Other	Total
Assets held for other entities at June 30, 2018	$ 213,729,749	$ 577,755	$ 158,290	$ 214,465,794
New investments	13,474,826	23,074	-	13,497,900
Earnings distribution	(6,899,952)	-	-	(6,899,952)
Dividend and interest income	2,018,826	5,414	1,428	2,025,668
Net unrealized and realized gains	4,080,881	10,372	2,751	4,094,004
Value as of June 30, 2019	226,404,330	616,615	162,469	227,183,414
Distribution payable (included in accounts payable and other liabilities)	-	(22,424)	(5,911)	(28,335)
Assets held for other entities at June 30, 2019	$ 226,404,330	$ 594,191	$ 156,558	$ 227,155,079

Miami University Foundation

Notes to the Financial Statements

Note 5. Fair Value Measurements and Disclosures

The Foundation uses fair value measurements to record the fair value of certain assets and liabilities and to determine fair value disclosures. For additional information on how the Foundation values all other assets and liabilities refer to Note 2 – Summary of Significant Accounting Policies. Financial assets and liabilities recorded on the Statement of Financial Position are categorized based on the inputs and valuation techniques as follows:

Level 1 – Quoted prices that are available in active markets as of the report date. The quoted market prices are from those securities traded on an active exchange such as the New York Stock Exchange, NASDAQ or an active over-the-counter markets.

Level 2 – Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the report date.

Level 3 – Inputs that are unobservable including the Foundation's own assumptions in determining the fair value of investments or liabilities.

If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Liabilities associated with the split-interest funds represent the present value of the expected payments to the beneficiaries over the terms of the agreements.

The Foundation assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Foundation's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

Miami University Foundation

Notes to the Financial Statements

Note 5. Fair Value Measurements and Disclosures

The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Foundation measured at fair value on a recurring basis as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Investment assets:				
Exchange traded funds	$ 3,485,574	$ -	$ -	$ 3,485,574
Government bonds	-	41,919,582	-	41,919,582
Other	280,646	28,991	184,250	493,887
Split-interest funds:				
Charitable remainder trusts	10,215,426	-	-	10,215,426
Charitable gift annuities	2,280,514	-	-	2,280,514
Pooled income funds	583,628	-	-	583,628
	$ 16,845,788	$ 41,948,573	$ 184,250	58,978,611
Funds reported at fair value based on net asset value: [a]				
Non-publicly traded funds:				
Strategic U.S. Equity Trust				86,283,097
Strategic Global Equity Trust				24,646,850
Strategic Developed Markets ex-US Equity Trust				52,651,430
Strategic Emerging Markets Equity Trust				61,773,775
Strategic Active Credit Trust				20,843,148
Strategic SPC Alpha Segregated Portfolio				73,321,191
Hedge funds				27,939,367
Various private capital investments				101,681,321
Total non-publicly traded funds reported at fair value baesd on net asset value				449,140,179
Total investment assets				$ 508,118,790
Investment liabilities:				
Split-interest funds:				
Charitable remainder trusts	$ -	$ -	$ 1,954,507	$ 1,954,507
Charitable gift annuities	-	-	1,956,120	1,956,120
Pooled income funds	-	-	4,420	4,420
Total investment liabilities	$ -	$ -	$ 3,915,047	$ 3,915,047

[a] In accordance with ASC Subtopic 820-10, certain investments that are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Financial Position.

The following table is a reconciliation of all assets and (liabilities) measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2019:

	Other	Split-Interest Funds
Balances as of July 1, 2018	$ 79,649	$ (3,976,357)
Purchases of investments	118,500	-
Net realized and unrealized (losses) gains	(13,899)	61,310
Balances as of June 30, 2019	$ 184,250	$ (3,915,047)

Miami University Foundation

Notes to the Financial Statements

Note 5. Fair Value Measurements and Disclosures (Continued)

The following table sets forth the significant terms of the agreements with non-publicy traded funds reported at fair value based on net asset value at June 30, 2019:

	Fair Value (in Millions)	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Strategic Investment Management, LLC funds				
Strategic U.S. Equity Trust [(a)]	$ 86,283,097	$ -	monthly	30 days
Strategic Global Equity Trust [(b)]	24,646,850	-	monthly	30 days
Strategic Developed Markets ex-US Equity Trust [(c)]	52,651,430	-	monthly	30 days
Strategic Emerging Markets Equity Trust [(d)]	61,773,775	-	monthly	30 days
Strategic Active Credit Trust [(e)]	20,843,148	-	monthly	30 days
Strategic SPC Alpha Segregated Portfolio [(f)]	73,321,191	-	monthly	30 days
Hedge funds [(g)]	27,939,367	-	various	90 days
Various private capital investments [(h)]				
Private equity	22,502,902	87,918,000	illiquid	not applicable
Private debt	21,650,136	18,600,000	illiquid	not applicable
Private natural resources	22,915,921	10,958,000	illiquid	not applicable
Private real estate	34,612,362	7,810,000	illiquid	not applicable
Total	$ 449,140,179	$ 125,286,000		

(a) This fund generally invests in long positions in domestic publicly traded equity securities as well as futures and options on such securities and certain stock indices. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(b) This fund generally invests in global publicly traded equity securities as well as futures and options on such securities and certain stock indices. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(c) This fund generally invests in long positions in publicly traded equity securities focusing in developed economies outside of the United States including Western Europe and Asia, as well as futures and options on such securities and certain stock indices. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(d) This fund generally invests in a diversified equity portfolio of publicly traded securities focusing in markets outside of the United States and Western Europe, including Asia and Latin America as well as Eastern Europe, Africa and the less developed Mediterranean economies. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(e) This fund invests primarily in long-only investments in publicly traded bonds and other debt securities generally with below investment grade credit ratings as well as futures and options on such securities and certain bond indices. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(f) This fund generally invests in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The various strategies collectively target a market neutral position. The fair values of the investments in this class have been estimated using the net asset value per share of the investments.

(g) This class includes primarily investments in hedge funds that invest in both long and short positions in publicly traded equity and debt securities on a global basis. Most debt securities are sub-investment grade and may be hard to price due to thin trading volumes. The fair values of the investments in this class have been estimated using the net asset value per share of the investments. Two (2) investments, valued at $9.4 and $6.6 million respectively, have a rolling 2-year lock on redemption imposed by the hedge fund manager and no redemptions are currently permitted. We are in the second year of this redemption restriction.

Miami University Foundation

Notes to the Financial Statements

Note 5. Fair Value Measurements and Disclosures (Continued)

[h] This class includes primarily investments in limited partnerships. These funds are illiquid that, in general, do not offer access to redemptions during the life of the partnership. Capital is periodically called, invested, and then returned over time. Typically these partnerships have a life exceeding ten years and may take up to twenty years before they have fully returned called capital.

Note 6. Endowment

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 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 classify as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) changes to the endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Foundation's endowment consists of approximately 1,850 separate accounts established since its inception. The following presents a summary of changes in endowment net assets for the year ended June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, July 1, 2018	$ 624,224	$ 301,890,760	$ 302,514,984
Reclassification of net assets	2,056,837	(2,056,837)	-
Contributions	313,109	11,683,434	11,996,543
Dividend and interest income, net of investment expense	26,126	2,758,174	2,784,300
Realized and unrealized gains	83,134	8,408,433	8,491,567
Net assets released from restrictions and other changes	15,728,527	(16,070,076)	(341,549)
Distributions to Miami University	(12,913,675)	-	(12,913,675)
Administrative expenses	(2,928,471)	-	(2,928,471)
Endowment net assets, June 30, 2019	$ 2,989,811	$ 306,613,888	$ 309,603,699

Miami University Foundation

Notes to the Financial Statements

Note 6. Endowment (Continued)

Endowment net asset composition by type of fund as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment:			
Historical gift value	$ -	$ 234,213,993	$ 234,213,993
Appreciation	-	72,399,895	72,399,895
Board-designated endowment	2,989,811	-	2,989,811
Total	$ 2,989,811	$ 306,613,888	$ 309,603,699

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; deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2019, funds with original gift values of $1,206,709, fair values of $1,186,899, and deficiencies of $19,810 were reported in net assets with donor restrictions.

The Foundation employs a total return policy which defines the total amount of dividends, interest and realized gains to be distributed from the endowment. The endowment spending distribution policy approved by the Board distributes four percent of the average of the previous twelve quarterly market values as of March 31st of each fiscal year. This policy is intended to provide consistency, predictability, and sustainability of the annual distributions, while maintaining intergenerational equity to preserve the purchasing power of the endowed principal.

Actual endowment return earned in excess of distributions under this policy is reinvested as part of the Foundation's endowment. For years where actual endowment return is less than distributions under the policy, the shortfall is covered by realized returns from prior years. Donor restricted accounts with insufficient accumulated earnings do not make a full current year distribution. Appropriation for expenditure of funds under the spending policy occurs on June 30 of each year.

The total calculated endowment spending amount in 2019 was $19,848,655 which includes $6,928,287 of earnings distributions to assets held for other entities as described in Note 4. Some are reinvesting all endowment earnings. As a result, $10,321,408 was distributed to Miami University from Foundation endowments. In addition to current year endowment distributions, $12,771,341 of non-endowed funds were distributed to Miami University in satisfaction of donor restrictions. The following summarizes the programs supported by the current year's distribution:

Miami University Program Supported	Spending Rate and Special Distribution	Donor Stipulated Distribution	Total Distributions to Miami University
Scholarships and fellowships	$ 5,180,900	$ 73,775	$ 5,254,675
Academic support	4,003,113	2,661,519	6,664,632
Student services/athletics	357,913	526,760	884,673
Campus improvements	94,337	7,799,468	7,893,805
Other institutional support	685,145	1,709,819	2,394,964
Total distributions to Miami University	$ 10,321,408	$ 12,771,341	$ 23,092,749

Miami University Foundation

Notes to the Financial Statements

Note 6. Endowment (Continued)

Miami University incurs certain expenses related to development and investment related expenses relative to endowment management as well as fundraising efforts for the benefit of the Foundation. Miami University is reimbursed for its expenses in the form of a maximum administrative fee of 1.0% calculated against the previous fiscal year's March 31st value of the Foundation investment pool. The administrative fee is funded from current and accumulated earnings from all funds holding shares in the Foundation investment pool, including the assets held for other entities; funds with insufficient accumulated earnings are not charged thereby reducing the maximum administrative fee payable. A total of $2,928,471 was reimbursed to Miami University in 2019 for the Foundation endowment's share of the calculated fee.

Note 7. Classification of Net Assets

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. The following summarizes the Miami University programs supported or to be supported by the net assets of the Foundation at June 30, 2019:

Miami University Program Supported	Without Donor Restrictions	With Donor Restrictions	Total
Scholarships and fellowships	$ 301,337	$ 147,759,227	$ 148,060,564
Academic support	-	120,991,327	120,991,327
Student services/athletics	-	10,350,926	10,350,926
Campus improvements	-	6,649,536	6,649,536
Institutional support and other	2,688,474	66,241,511	68,929,985
Total net assets	$ 2,989,811	$ 351,992,527	$ 354,982,338

Note 8. Functional Expenses

Expenses classified by natural classification for the year ended June 30, 2019, are summarized as follows:

	Program Services	Management and General	Fundraising	Total Expenses
Distributions to Miami University	$ 23,092,749	$ -	$ -	$ 23,092,749
Administrative expenses	-	1,499,377	1,429,094	2,928,471
Other expense	-	497,010	-	497,010
	$ 23,092,749	$ 1,996,387	$ 1,429,094	$ 26,518,230

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses required allocation on a reasonable basis that is consistently applied. The expenses that are allocated are administrative expenses, which are allocated on the basis of estimates of time and effort.

Miami University Foundation

Notes to the Financial Statements

Note 9. Availability and Liquidity

The calculation below represents financial assets available and without donor restrictions for general expenditures within one year of June 30, 2019:

Financial assets at year end:	
Cash and cash equivalents	$ 48,269,311
Pledge receivable, net	28,817,280
Other receivables, primarily investment related	16,638,084
Investments	508,118,790
Cash value of life insurance	2,068,041
Total financial assets	603,911,506
Less amounts not available to meet cash needs for general expenditures within one year:	
Contractual or donor restrictions:	
Donor restricted endowment	(306,613,888)
Donor restricted by time or purpose	(280,602,322)
Board designated endowment	(2,988,811)
Total financial assets and available resources available within one year	$ 13,706,485

The Foundation's investment portfolio seeks to maintain sufficient liquidity to meet the ongoing distribution requirements of the PIF, to meet capital calls, to rebalance the portfolio and capture tactical opportunities. The source of monies for such liquidity needs will be based on rebalancing and cost considerations.

The Foundation regularly monitors liquidity of financial assets required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations.

Supplementary Information

Miami University Foundation

Schedule of Changes in Net Assets
Year Ended June 30, 2019

	Balance July 1, 2018	Contributions	Endowment Income	Market Adjustment, Net	Transfers To Miami	Intrafund Transfers	Other	**Balance June 30, 2019**
Pooled endowment funds	$ 302,207,584	$ 11,976,093	$ 2,779,452	$ 5,546,036	$ (12,913,675)	$ (341,549)	$ -	**$ 309,253,941**
Non-pooled endowment funds	307,400	20,450	4,848	17,060	-	-	-	**349,758**
Total endowment funds	302,514,984	11,996,543	2,784,300	5,563,096	(12,913,675)	(341,549)	-	**309,603,699**
Expendable funds - donor restricted for capital projects	6,190,070	4,973,641	39,422	166	(7,799,468)	-	-	**3,403,831**
Expendable and board discretionary funds-non capital	2,148,986	3,054,689	13,993	289	(2,379,606)	233,199	(490,522)	**2,581,028**
Accumulated cash value insurance	2,063,101	555	-	4,385	-	-	-	**2,068,041**
Other investment funds	109,647	-	-	(13,898)	118,500	-	-	**214,249**
Net split-interest funds	7,714,860	31,262	-	-	(10,150)	-	391,130	**8,127,102**
Pledges receivable	31,258,652	(2,441,372)	-	-	-	-	-	**28,817,280**
Interest in trusts held by others	170,200	-	-	-	-	-	(3,092)	**167,108**
Total net assets	$ 352,170,500	$ 17,615,318	$ 2,837,715	$ 5,554,038	$ (22,984,399)	$ (108,350)	$ (102,484)	**$ 354,982,338**

Detail of Market Adjustment, Net

Net Unrealized and Realized Gains	Administrative Expense	Market Adjustment, Net
$ 8,482,509	$ 2,928,471	$ 5,554,038

Miami University Foundation

Schedule of Investments
June 30, 2019
(With Comparative Totals for June 30, 2018)

Description	2019 Fair Value	2018 Fair Value
Pooled Funds		
Strategic Investment Management, LLC funds		
Strategic U.S. Equity Trust (a)	**$ 86,283,097**	$ -
Strategic Global Equity Trust (a)	**24,646,850**	-
Strategic Developed Markets ex-US Equity Trust (a)	**52,651,430**	-
Strategic Emerging Market Equity Trust (a)	**61,773,775**	-
Strategic Active Credit Trust (a)	**20,843,148**	-
Strategic SPC Alpha Segregated Portfolio (a)	**73,321,191**	-
Total Strategic Investment Management, LLC funds	**319,519,491**	-
Domestic Public Equities		
Eagle Global Advisors (a)	**-**	19,603,939
Total domestic public equities	**-**	19,603,939
Global Public Equities		
Baring Asset Management (a)	**-**	33,849,545
Northern Trust (a)	**-**	44,952,806
Oakmark Funds (b)	**-**	23,755,574
Pimco (b)	**-**	39,254,559
Victory RS Investments (b)	**-**	5,461,930
Virtus Investment Partners (b)	**-**	23,329,210
William Blair Global Leaders (b)	**-**	29,435,891
Total global public equities	**-**	200,039,515
International Public Equities		
Highclere International Investors (a)	**-**	10,345,329
iShares Core MSCI Emerging Markets ETF (c)	**3,485,574**	-
Virtus Investment Partners (b)	**-**	17,050,831
Total international public equities	**3,485,574**	27,396,160
Domestic Public Debt		
Johnson Institutional Management (d)	**-**	4,131,909
Northern Trust (a)	**-**	50,980,712
Strategic Investment Group (U.S. Treasuries - Government Bonds)	**41,919,582**	-
Total domestic public debt	**41,919,582**	55,112,621
Global Public Debt		
Beach Point Capital Management (a)	**-**	11,948,653
Total global public debt	**-**	11,948,653
Hedge Funds (a)		
Beach Point Capital Management	**3,562,711**	13,810,843
Canyon Capital Advisors	**4,158,032**	16,232,611
Fir Tree Partners	**9,382,816**	9,964,722
GoldenTree Asset Management	**4,282,074**	4,636,564
Strategic Value Partners	**6,553,734**	14,316,707
Total hedge funds	**27,939,367**	58,961,447
Various Private Capital Investments (a)		
ARCM Feeder Fund, Ltd. - Debt	**207,680**	-
Commonfund (12 funds) - Various	**8,046,502**	11,633,427
Falcon Investment Advisors - Debt	**5,762,706**	3,821,508
GEM Realty Securities - Real Estate	**11,133,599**	10,830,706
Goldman Sachs (4 funds) - Various	**5,784,373**	7,410,062
Hamilton Lane Advisors (2 funds) - Equities	**5,697,347**	6,722,601
Huron Capital Partners - Equities	**1,658,473**	505,810
Maranon Capital, LP - Debt	**8,426,769**	8,988,714
Metropolitan - Real Estate	**1,005,220**	1,275,263
Penn Square Capital Group (2 funds) - Real Estate	**1,660,609**	2,768,931
Pomona Capital - Equities	**334,360**	668,797
Rockland Capital LLC - Natural Resources	**6,017,898**	3,006,888
Strategic Private Equity V - Equities	**6,935,441**	-
Summit Partners - Equities	**4,689,571**	2,162,828
Timbervest (2 funds) - Natural Resources	**5,136,266**	7,957,367
Venture Investment Associates - Natural Resources	**3,805,386**	2,458,071
Westport Capital Partners (2 funds) - Real Estate	**20,812,934**	18,188,836
Yukon Partners - Debt	**4,566,187**	2,554,299
Total private investments	**101,681,321**	90,954,108
Total pooled funds	**494,545,335**	464,016,443

(Continued)

Miami University Foundation

Schedule of Investments (Continued)
June 30, 2019
(With Comparative Totals for June 30, 2018)

Description	2019 Fair Value	2018 Fair Value
Separately Invested Funds		
Limited Partnerships, Non-Public Equities (a) and Separately held mutual funds (b)		
Longford Limited Partnership	**$ -**	$ 13,899
Stone Ridge	**28,991**	19,350
Student Venture Funds	**184,250**	65,750
Vanguard Short-Term Inflation-Protected Securities Index Fund, Admiral Shares	**10,000**	-
Student Managed Investment Funds	**270,646**	-
Total limited partnerships, non-public equities and separately held mutual funds	**493,887**	98,999
Total separately invested funds	**493,887**	98,999
Split-Interest Funds		
PNC Bank (b)		
Domestic public equities	**6,191,767**	6,123,902
International public equities	**1,660,433**	1,620,353
Domestic public debt	**4,665,238**	4,615,573
Global public debt	**562,130**	560,297
Total split-interest funds	**13,079,568**	12,920,125
Grand total	**$ 508,118,790**	$ 477,035,567

(a) Commingled and non-publicly traded funds
(b) Mutual funds
(c) Exchange Traded Fund
(d) Publicly traded securities managed in a separate account

Budget Reallocation Plan Update

December 12, 2019

MIAMI UNIVERSITY

Original Budget Plan						
For Fiscal Years 2020 through 2025						
Annual Budget Reductions and Reallocation Targets						
Administrative Unit Reduction (1.5%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
President's Office	$166,139	$163,647	$161,192	$158,774	$156,393	$806,144
Finance Business Services	$237,775	$234,209	$230,695	$227,235	$223,827	$1,153,741
Physical Facilities	$509,230	$501,591	$494,067	$486,656	$479,357	$2,470,902
Enrollment Mgmt & Student Success	$251,883	$248,105	$244,383	$240,717	$237,107	$1,222,195
Student Life	$112,483	$110,796	$109,134	$107,497	$105,884	$545,793
IT Services	$244,501	$240,834	$237,221	$233,663	$230,158	$1,186,377
University Advancement	$221,506	$218,183	$214,910	$211,687	$208,511	$1,074,797
CLAAS Departments	$278,320	$277,480	$276,972	$276,746	$276,852	$1,386,370
Total Administrative Unit Reductions	**$2,021,837**	**$1,994,844**	**$1,968,575**	**$1,942,975**	**$1,918,088**	**$9,846,319**
Provost Offices' Reduction (1.5%)	**$490,411**	**$483,055**	**$475,809**	**$468,672**	**$461,642**	**$2,379,587**
Academic Deans' Reduction (1.5%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
CAS Dean's Office	$59,410	$58,519	$57,641	$56,777	$55,925	$288,272
EH&S Dean's Office	$43,570	$42,916	$42,272	$41,638	$41,014	$211,410
FSB Dean's Office	$57,132	$56,275	$55,431	$54,599	$53,780	$277,216
CEC Dean's Office	$29,306	$28,866	$28,433	$28,007	$27,587	$142,200
CCA Dean's Office	$18,044	$17,773	$17,507	$17,244	$16,985	$87,554
CLAAS Dean's Office	$43,621	$43,736	$43,857	$43,984	$44,117	$219,315
Total Deans' Reductions	**$251,083**	**$248,086**	**$245,141**	**$242,249**	**$239,408**	**$1,225,967**
Auxiliary Reductions (2.0%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Intercollegiate Athletics	$382,588	$374,937	$367,438	$360,089	$352,887	$1,837,939
Recreational Sports Center	$78,566	$76,995	$75,455	$73,946	$72,467	$377,428
Goggin Ice Center	$9,436	$9,248	$9,063	$8,881	$8,704	$45,332
Shriver Center	$18,470	$18,100	$17,738	$17,384	$17,036	$88,728
Transportation Services	$4,334	$4,248	$4,163	$4,079	$3,998	$20,822
Residence Life	$34,137	$34,820	$35,516	$36,227	$36,951	$177,651
Residence & Dining Halls	$262,273	$267,519	$272,869	$278,327	$283,893	$1,364,881
Total Auxiliary Reductions	**$789,805**	**$785,866**	**$782,242**	**$778,932**	**$775,936**	**$3,912,781**
Total Reductions for All Units	**$3,553,135**	**$3,511,850**	**$3,471,767**	**$3,432,829**	**$3,395,074**	**$17,364,654**
Oxford Academic Departments	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Minimum Academic Reallocation (1.0%)	$1,502,541	$1,487,516	$1,472,641	$1,457,914	$1,443,335	$7,363,947
Desired Academic Reallocation (2.0%)	$3,005,083	$2,944,981	$2,886,081	$2,828,360	$2,771,792	$14,436,297
Regional Campuses	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Minimum Academic Reallocation (1.0%)	$233,328	$236,780	$240,322	$243,957	$247,686	$1,202,073
Desired Academic Reallocation (2.0%)	$466,656	$473,560	$480,644	$487,914	$495,373	$2,404,147

MIAMI UNIVERSITY

Revised Budget Plan for Fiscal Years 2020 through 2025 Annual Budget Reduction and Reallocation Targets						
Administrative Unit Reduction (10.5%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
President's Office	$166,139	$625,805	$161,192	$89,596	$88,251	$1,130,983
Finance Business Services	$237,775	$1,380,870	$0	$0	$0	$1,618,645
Physical Facilities	$509,230	$2,157,331	$0	$0	$800,000	$3,466,561
Enrollment Mgmt & Student Success	$251,883	$1,043,246	$314,575	$0	$104,979	$1,714,683
Student Life	$112,483	$355,396	$218,267	$79,577		$765,723
IT Services	$244,501	$481,667	$474,442	$233,663	$230,158	$1,664,432
University Advancement	$221,506	$1,286,385	$0	$0	$0	$1,507,891
CLAAS Departments	$278,320	$1,662,502	$0	$0	$0	$1,940,822
Total Administrative Unit Reductions	**$2,021,837**	**$8,993,202**	**$1,168,476**	**$402,836**	**$1,223,388**	**$13,809,739**
Provost Offices' Reduction (10.5%)	**$490,411**	**$2,848,040**	**$0**	**$0**	**$0**	**$3,338,451**
Academic Deans' Reduction (10.5%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
CAS Dean's Office	$59,410	$345,022	$0	$0	$0	$404,432
EH&S Dean's Office	$43,570	$253,029	$0	$0	$0	$296,599
FSB Dean's Office	$57,132	$331,789	$0	$0	$0	$388,921
CEC Dean's Office	$29,306	$170,194	$0	$0	$0	$199,500
CCA Dean's Office	$18,044	$104,790	$0	$0	$0	$122,834
CLAAS Dean's Office	$43,621	$263,287	$0	$0	$0	$306,908
Total Deans' Reductions	**$251,083**	**$1,468,111**	**$0**	**$0**	**$0**	**$1,719,194**
Auxiliary Reductions (14.0%)	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Intercollegiate Athletics	$382,588	$749,873	$734,876	$360,089	$352,887	$2,580,314
Recreational Sports Center	$78,566	$451,312	$0	$0	$0	$529,878
Goggin Ice Center	$9,436	$54,205	$0	$0	$0	$63,642
Shriver Center	$18,470	$106,097	$0	$0	$0	$124,567
Transportation Services	$4,334	$24,897	$0	$0	$0	$29,232
Residence Life	$34,137	$95,097	$71,033	$36,227	$11,494	$247,988
Residence & Dining Halls	$262,273	$535,038	$545,739	$278,327	$283,893	$1,905,270
Total Auxiliary Reductions	**$789,805**	**$2,016,519**	**$1,351,647**	**$674,642**	**$648,274**	**$5,480,889**
Total Reductions for All Units	**$3,553,135**	**$15,325,873**	**$2,520,123**	**$1,077,478**	**$1,871,662**	**$24,348,272**
Oxford Academic Departments	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Minimum Academic Reallocation (1.0%)	$1,502,541	$1,487,516	$1,472,641	$1,457,914	$1,443,335	$7,363,947
Desired Academic Reallocation (2.0%)	$3,005,083	$2,944,981	$2,886,081	$2,828,360	$2,771,792	$14,436,297
Regional Campuses	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**Total**
Minimum Academic Reallocation (1.0%)	$233,328	$236,780	$240,322	$243,957	$247,686	$1,202,073
Desired Academic Reallocation (2.0%)	$466,656	$473,560	$480,644	$487,914	$495,373	$2,404,147

MIAMI UNIVERSITY

Change in Reallocation Reductions For Non-Academic Departments

	FY 20	FY 21	FY 22	FY 23	FY 24	Total
Revised Plan	$3,553,135	$15,325,783	$2,520,123	$1,077,478	$1,871,662	$24,348,181
Original Plan	3,553,135	3,511,850	3,471,767	3,432,829	3,395,074	17,364,655
Annual Change	0	11,813,933	(951,644)	(2,355,351)	(1,523,412)	6,983,526
Cumulative Change One-Time Additional Savings	$0	$11,813,933	$22,676,222	$31,183,160	$38,166,686	$38,166,686

MIAMI UNIVERSITY

Questions?

MIAMI UNIVERSITY

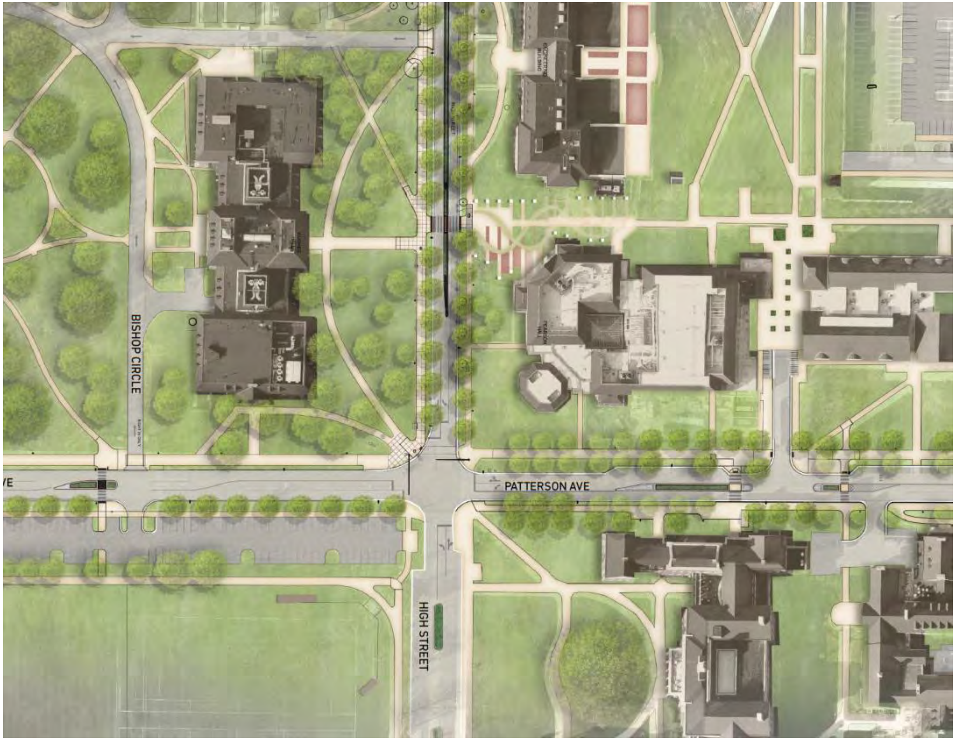
Capital Projects

December 12, 2019

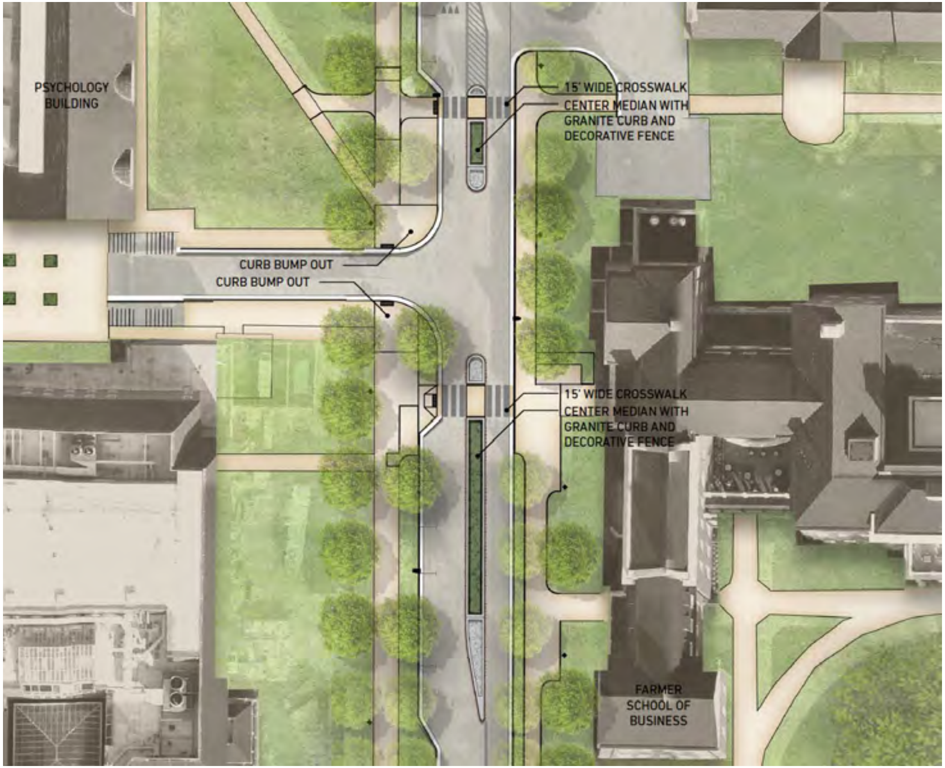
MIAMI UNIVERSITY

Six-Year Capital Program Request FY 2021 - FY 2026	
Oxford Campus	
	Project Amount
FY 2021 - FY 2022	
Clinical Health Sciences Facility	$21,210,000
FY 2023 - FY 2024	
Bachelor Hall Renovation	$21,500,000
FY 2025 - FY 2026	
Bachelor Hall Renovation	$21,500,000
Hamilton Campus	
	Project Amount
FY 2021 - FY 2022	
	$0
FY 2023 - FY 2024	
Academic/Administrative Renovation Projects	$770,000
Electrical Systems Replacements, Mosler Hall	
FY 2025 - FY 2026	
Academic/Administrative Renovation Projects	$500,000
Electrical Systems Replacements, Phelps Hall	
Middletown Campus	
	Project Amount
FY 2021 - FY 2022	
	$0
FY 2023 - FY 2024	
Academic/Administrative Renovation Projects	$450,000
Lighting Replacements/Improvements - Campus Wide	
FY 2025 - FY 2026	
Academic/Administrative Renovation Projects	$778,000
Roof Replacements, Levey and Thesken Halls	

High Street Safety Enhancements



High Street Safety Enhancements



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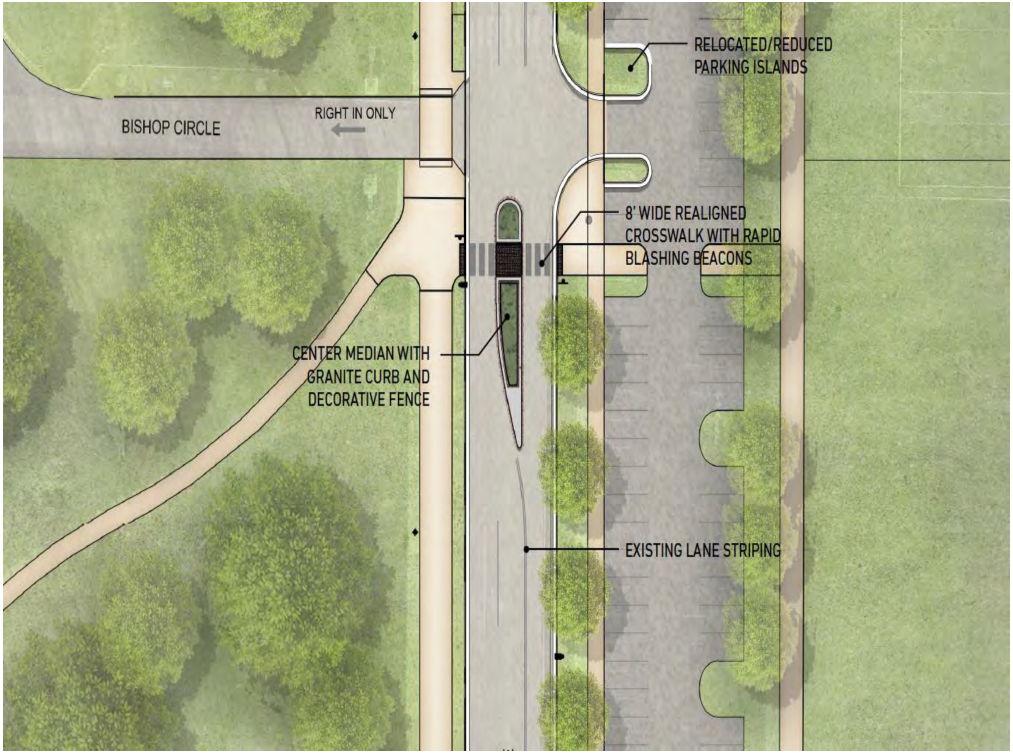
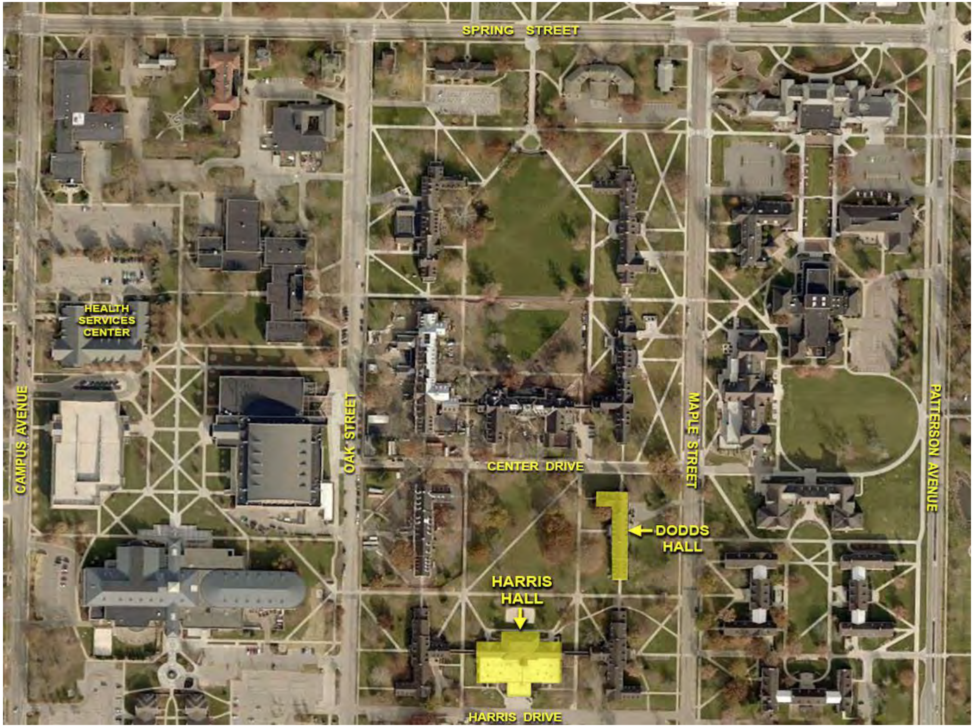
High Street Safety Enhancements



Harris and Dodds Renovations



Questions?

MIAMI UNIVERSITY

MIAMI UNIVERSITY
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RESOLUTION R2020-18

WHEREAS, each biennium Ohio's public colleges and universities are asked to submit a six-year Capital Improvements Request in accordance with capital funding guidelines provided by the Ohio Office of Budget and Management and the Ohio Department of Higher Education; and

WHEREAS, the proposed capital improvement plan aligns with the criteria identified in the previous biennium's Ohio's Higher Education Capital Funding Commission's guiding principles, the university's current academic priorities, and existing facility condition needs; and

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the 2021-2026 Capital Improvements plan and 2021-2022 funding request; and

BE IT FURTHER RESOLVED: that the Senior Vice President for Finance and Business Services and Treasurer is hereby authorized to amend the 2021-2026 Capital Improvements Plan and Funding Request as may be required to conform to changes in the allocation distribution made by the Ohio Office of Budget and Management and/or the Ohio Department of Higher Education.

Approved by the Board of Trustees
December 13, 2019

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

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RESOLUTION R2020-19

WHEREAS, the High Street Safety Enhancements project will improve pedestrian and bicyclist safety along the US 27/Patterson Avenue corridor; and

WHEREAS, Miami University and the City of Oxford successfully partnered in seeking grant funding from the Ohio Department of Transportation in the amount of $1,000,000 toward the safety enhancement project; and

WHEREAS, the City of Oxford, which plans to repave the impacted asphalt roadways and will administer the University's safety enhancement project along with the repavement project; and

WHEREAS, Miami University has identified a total project cost in the amount of $3,900,000 for the High Street Safety Enhancements project, which includes the $1,000,000 grant from the Ohio Department of Transportation and local funds in the amount of $2,900,000; and

WHEREAS, the $3,900,000 budget includes a cost of construction estimate of approximately $3,170,000; and

WHEREAS, the State of Ohio allows award of contracts up to 110% of the construction estimate necessitating a bid variation contingency of $317,000 in addition to the $3,170,000 construction budget; and

WHEREAS, the design is being completed and receipt of bids is planned for February 2020;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed with the award of contract for the High Street Safety Enhancements project in partnership with the City of Oxford for a total project budget not to exceed $3,900,000.

Approved by the Board of Trustees
December 13, 2019

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

Executive Summary
For the
High Street Safety Enhancements
December 12, 2019

In 2018 Miami University completed safety enhancements along the US27/Patterson Avenue corridor on the southern portion of Patterson Avenue from Chestnut Street to State Route 73. This project will continue those design concepts along the US27 corridor on the north portion of Patterson Avenue and onto High Street to Campus Avenue, the most heavily trafficked road through campus.

Safety enhancements include installing refuge islands, planted medians, reduced and improved improved crosswalk locations, lighting and safety signals, and modified bus stops. The project will continue the multi-use bicycle/pedestrian path that exists on the west side of Patterson Avenue onto High Street. All necessary curb and gutter replacements will occur along the entire US27 corridor (Patterson Avenue and High Street) in preparation for this corridor to be repaved at the completion of the project. This project is not responsible for the cost of the repaving. The project costs include pre-emption devices that will be installed in City and Miami first responder vehicles to manage traffic light sequencing.

Funding for this project will be from local funds and a grant from ODOT to the City of Oxford:

ODOT Grant to City of Oxford	$1,000,000
Local Funds	$2,900,000

Project component:	Budget:	Funding Source:
Est. Design and Administration:	$345,000	Local Funds
Est. Cost of Work:	$2,170,000	Local Funds
Est. Cost of Work	$1,000,000	ODOT Grant
Est. Owner's Costs:	$0	Local Funds
Est. Contingency:	$385,000	Local Funds
Est. Total:	$3,900,000	

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RESOLUTION R2020-20

WHEREAS, the Dodds Hall Renovation project involves the renovation of one existing residence hall; and

WHEREAS, Miami University has determined that cost control, speed of implementation, and best value may be gained by utilizing the Design-Build project delivery method; and

WHEREAS, the receipt of the Guaranteed Maximum Price (GMP) is planned for December 2020; and

WHEREAS, Miami University has identified funds in the amount of $17,660,000 for the Dodds Hall Renovation project; and

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees authorizes the Senior Vice President for Finance and Business Services and Treasurer, to proceed with the award of contract for the Dodds Hall project with a total project budget not to exceed $17,660,000.

Approved by the Board of Trustees
December 13, 2019

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

Executive Summary
for the
Dodds Hall Renovations
December 12, 2019

This project will result in the renovation of Dodds Hall as part of the Long-Range Housing Master Plan. The project will be delivered using Design-Build methodology to reduce time taken from design through construction, reduce the cost of construction, and minimize the risk to the University.

Renovations will include new windows, ADA accessibility improvements, elevators, insulating of attics, new corridor ceilings, interior lighting, plumbing systems, sprinkler system, electrical distribution, HVAC systems, life safety and fire alarm systems, utility tie-ins, site utilities, selective addition and/or demolition of bedroom walls, and new bedroom finishes. Student life programming elements such as community rooms, group study rooms, and other support spaces will be included.

Project component:	Budget:	Funding Source:
Est. Design and Administration:	$1,100,000	Bond Funding
Est. Cost of Work:	$15,160,000	Local Funding
Est. Owner's Costs:	$800,000	Local Funding
Est. Contingency:	$600,000	Local Funding
Est. Total:	$17,660,000	

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RESOLUTION R2020-21

WHEREAS, the Harris Hall Renovation project will create a temporary location for the activities occurring in the Health Services Center while the current building is deconstructed as part of the new Clinical Health Sciences Building project; and

WHEREAS, Miami University has previously approved pre-construction funds for the design of a new Clinical Health Sciences Building as a way to address the growing need for health-related programs; and

WHEREAS, Miami University has determined the best location for the new Clinical Health Sciences Building is in the area of campus where the current Health Services Center facility is located, and there is benefit to the University to include the Health Services Center program within the new Clinical Health Sciences Building requiring the de-construction of the current structure; and

WHEREAS, the renovation of Harris Hall will modify existing kitchen and seating areas, address infrastructure needs including HVAC, plumbing, electrical, data and safety systems to create code compliant clinic space, counseling center and wellness offices; and

WHEREAS, after the temporary need for Health Services ends, Harris Hall will be used as swing space for future renovation projects, most notably the renovation of Bachelor Hall, which is identified in the next two state capital requests in the University's Six Year Capital Plan; and

WHEREAS, Miami University intends to identify an overall project budget in the amount of $96,000,000 for the Clinical Health Sciences Building project to include the temporary relocation of health services; and

WHEREAS, the cost of work estimate for the renovation of Harris Hall is $6,200,000; 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, the receipt of Guaranteed Maximum Price for the Harris Hall Renovation is planned for January 2020;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees hereby authorizes the Senior Vice President for Finance and Business Services and Treasurer to proceed with signing of the GMP for the Harris Hall Renovation with a GMP not to exceed $6,200,000.

Approved by the Board of Trustees
December 13, 2019

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

Executive Summary
for the
Harris Hall Renovation
December 12, 2019

Harris Hall was originally constructed and operated as a dining hall. Since 2017 there has not been any dining operations in the building, and a portion of the first floor was modified into temporary office space for University Advancement. The renovation of additional portions of the first floor will create the appropriate spaces for the temporary relocation of the Health Services Center, which includes the student health clinic, student counseling services, student wellness, and the health clinic supporting faculty and staff. These programs will ultimately be incorporated into the new Clinical Health Sciences Building. Spaces will be created for clinic exam rooms and counseling offices. The remaining spaces will be used mostly as-is for waiting rooms, wellness programs, provider offices and storage. The renovation will introduce fire suppression to the building, replace the electrical service, and modify HVAC, plumbing, other building systems to accommodate the Health Services Center programs.

Once these programs move into their new building, Harris Hall will be used as swing space for future projects and for administrative purposes. Bachelor Hall is identified as the next major academic renovation project. Bachelor Hall currently houses English, Math, Speech Pathology & Audiology, and the ACE Program. Under current planning, English will be the only remaining department in Bachelor requiring temporary relocation. The English Department has 86 offices which are planned to be accommodated in Harris.

The renovation must be completed by spring 2020 in anticipation of the demolition of the current facility in summer 2020. The temporary relocation of the Health Services Center will end in the summer of 2022 in time for the beginning of Fall term 2022.

Funding for this project will be from local funds:

Project component:	Budget:	Funding Source:
Est. Design and Admin:	$325,000	Local Funds
Est. Cost of Work:	$5,875,000	Local Funds
Est. Owner's Costs (FFE, etc):	(incld. in larger project)	Local Funds
Est. Contingency:	(incld. In larger project)	Local Funds
Total:	$6,200,00	

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RESOLUTION R2020-22
RESOLUTION INDICATING INTENT TO ISSUE BONDS FOR THE PURPOSE OF CONSTRUCTING, REHABILITATING AND EQUIPPING OF VARIOUS UNIVERSITY FACILITIES

WHEREAS, Treasury Regulation §1.150-2 (the "Reimbursement Regulations"), issued pursuant to Section 150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under Section 150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the University make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that any Reimbursement Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures occur no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service, except that any such Reimbursement Allocation must be made no later than three years after such Capital Expenditure was paid;

WHEREAS, the Reimbursement Regulations provide that an Issuer may delegate the authority for making such Declarations of Official Intent and Allocations to one or more individuals; and

WHEREAS, The Board of Trustees of Miami University (the "University"), wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved by the Board of Trustees of the University:

Section 1. **Definitions.** The following definitions apply to the terms used herein:

"Allocation" means written evidence that proceeds of Obligations issued subsequent to the payment of a Capital Expenditure are to reimburse the University for such payments.

"Authorized Officer" means the Senior Vice President for Finance and Business Services and Treasurer of the University and any person with authority at the time to exercise functions of that office.

"Capital Expenditure" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Bonds.

"Declaration of Official Intent" means a written declaration that the University intends to fund Capital Expenditures with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Reimbursement" means the restoration to the University of money temporarily advanced from other funds, including moneys borrowed from other sources, of the Corporation to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures.

"Reimbursement Bonds" means Obligations that are issued to reimburse the University for Capital Expenditures, and for certain other expenses permitted by the Reimbursement Regulations, previously paid by or for the Corporation.

"Reimbursement Regulations" means Treasury Regulation §150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations may be allocated to reimburse the University for Capital Expenditures and certain other expenses paid prior to the issuance of the Obligations such that the proceeds of such Obligations will be treated as "spent" for purposes of Sections 103 and 141 to 150 of the Code.

Section 2. Declaration of Official Intent.

(a) The University declares that it reasonably expects that the Capital Expenditures described in Section (b), which were paid no earlier than sixty (60) days prior to the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing or borrowings by the University in the maximum principal amount, for such Reimbursements, of $150,000,000; and

(b) The Capital Expenditures to be reimbursed are to be used for (a) the acquisition, construction, equipping and/or furnishing of a new clinical health sciences building and a new digital innovation multidisciplinary building, (b) the renovation of Bachelor and Upham Halls, and (c) other capital projects approved by the Board of Trustees of the University.

Section 3. Reasonable Expectations. The University does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the University or any other entity, with respect to the Capital Expenditures for the purposes described in Section 2(b).

The undersigned has been authorized by the University to sign this resolution on behalf of the University.

Date of Resolution:

December 13, 2019

Approved by the Board of Trustees
December 13, 2019

Secretary, Miami University Board of Trustees

2903133.3

Miami University
Finance and Audit Committee
FY 2020 Forecasted Operating Results
Projections Based upon Activity through October 31, 2019

OXFORD

The projection for the Oxford General Fund based on performance prior to adjustments through October is a surplus of approximately $8.9 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 $8.0 below the $348.6 million budget. Gross instructional revenue (including the out of state surcharge) is forecast to be $7.3 million under budget. The revenue variance is attributable to a decrease in retention of the Fall 2018 cohort, and increase in 3rd, 4th, and 5th year graduation rates for the Fall 2014, 2015 and 2016 cohorts resulting in enrollment being overestimated. The projections include billing from fall term and projected spring revenue factoring in the lower enrollments noted above. Winter term, and summer term revenues are reported on budget pending the availability of additional registration data.

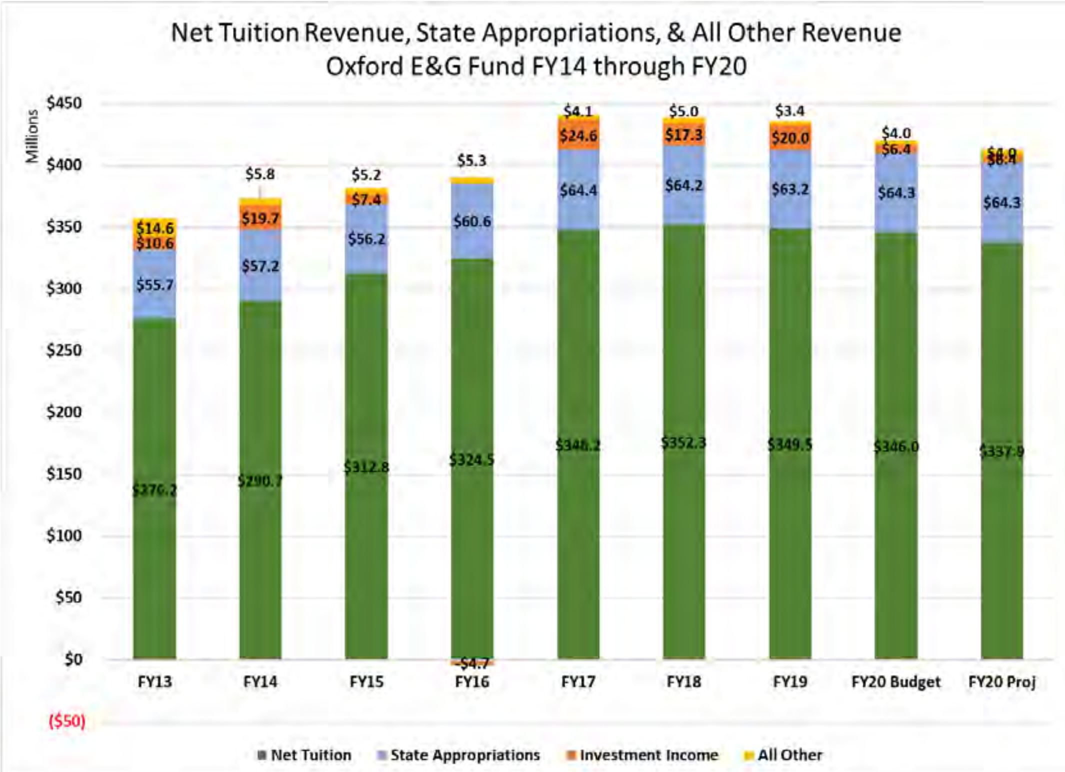
The forecast for the Oxford campus state appropriations is equal to budget. The Ohio Department of Higher Education provides updated and final subsidy payments for the fiscal year in December. The final subsidy reflects the net impact of activity across all of the institutions in the University System of Ohio.

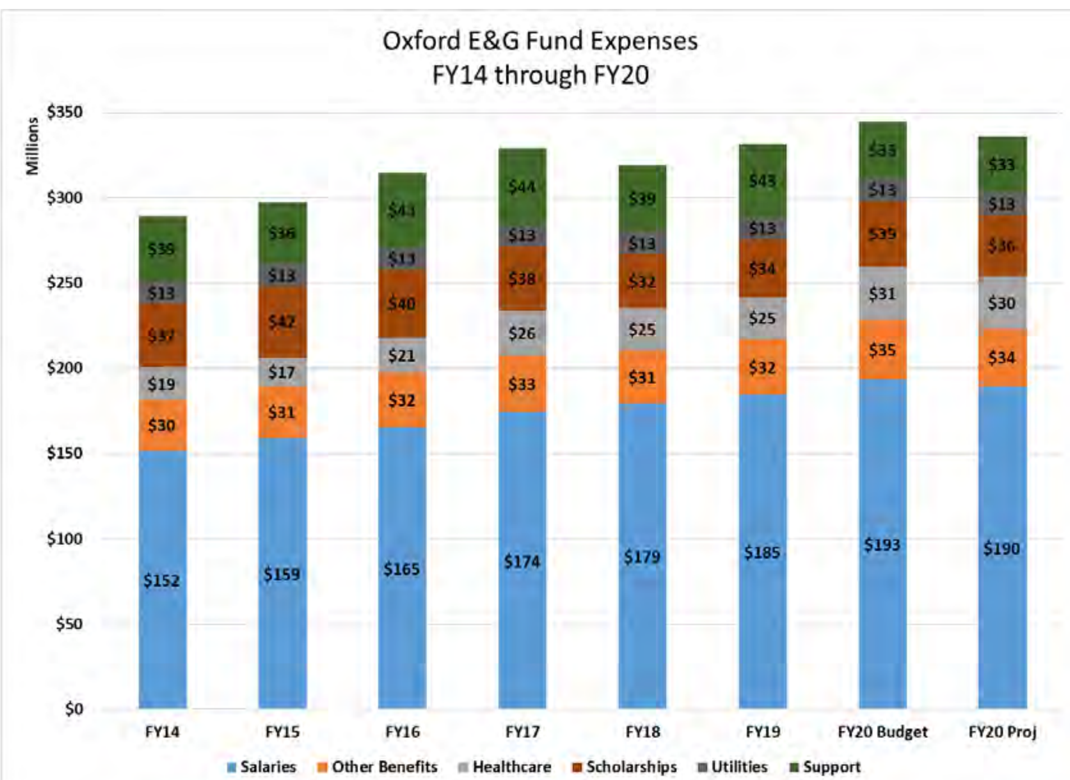
Investment income from interest, dividends, and realized capital gains/losses was $5.7 million through October 31, 2019. This amount does not include the mark-to-market from long-term investments, which is virtually impossible to predict at this time. If we had marked the portfolio to market as of October 31, there would have been a $10.5 million loss against these earnings. Other revenue categories are projected as budgeted.

Expenditures and Transfers

Employee salaries and staff benefits are projected to be $5.7 million below budget. Through the first four months of the fiscal year, health care claims were lower than budgeted due to position vacancy. Medical claims and prescription drug costs have continued to increase, continuing the trend experienced in the prior year but year over year total costs are less through October due to lower claims in the month of August. Healthcare expense is difficult to estimate due to the volatility of high cost claims. Graduate fee waiver expenses are below budget due to the changing mix of students in market priced programs and traditionally priced programs compared to the budget. Departmental support costs are forecast on budget through October.

The underspending in salaries and benefits noted above is carryforward eligible. The net effect of this activity is recorded as an increase in Departmental Budgetary Carryforward. The third and final annual transfer ($8.3 million) was made from academic divisions' carryforward reserves and the last transfer ($1.3 million) from the fund unobligated balance to the Boldly Creative Initiatives Fund are reflected in the adjustments to fund balance. In FY19, funding was been allocated to the Nursing program on Oxford campus ($1.4 million), Physician's Assistant program ($0.3 million), Data Analytics & CADS ($0.4 million), Cybersecurity ($45,000), Microcredentials ($60,000), and eSports ($0.1 million). Twelve pre proposals for the fall 2019 round of awards have been submitted and are currently under review. The Boldly Creative Initiatives Fund now has a balance of $47.2 million available to the President and Provost for new programming.


Net Tuition Revenue, State Appropriations, & All Other Revenue
Oxford E&G Fund FY14 through FY20
Millions
$450
$400
$350
$300
$250
$200
$150
$100
$50
$0
($50)
FY13
FY14
FY15
FY16
FY17
FY18
FY19
FY20 Budget
FY20 Proj
$276.2
$55.7
$10.6
$14.6
$290.7
$57.2
$19.7
$5.8
$312.8
$56.2
$7.4
$5.2
$324.5
$60.6
$5.3
-$4.7
$348.2
$64.4
$24.6
$4.1
$352.3
$64.2
$17.3
$5.0
$349.5
$63.2
$20.0
$3.4
$346.0
$64.3
$6.4
$4.0
$337.9
$64.3
Net Tuition
State Appropriations
Investment Income
All Other

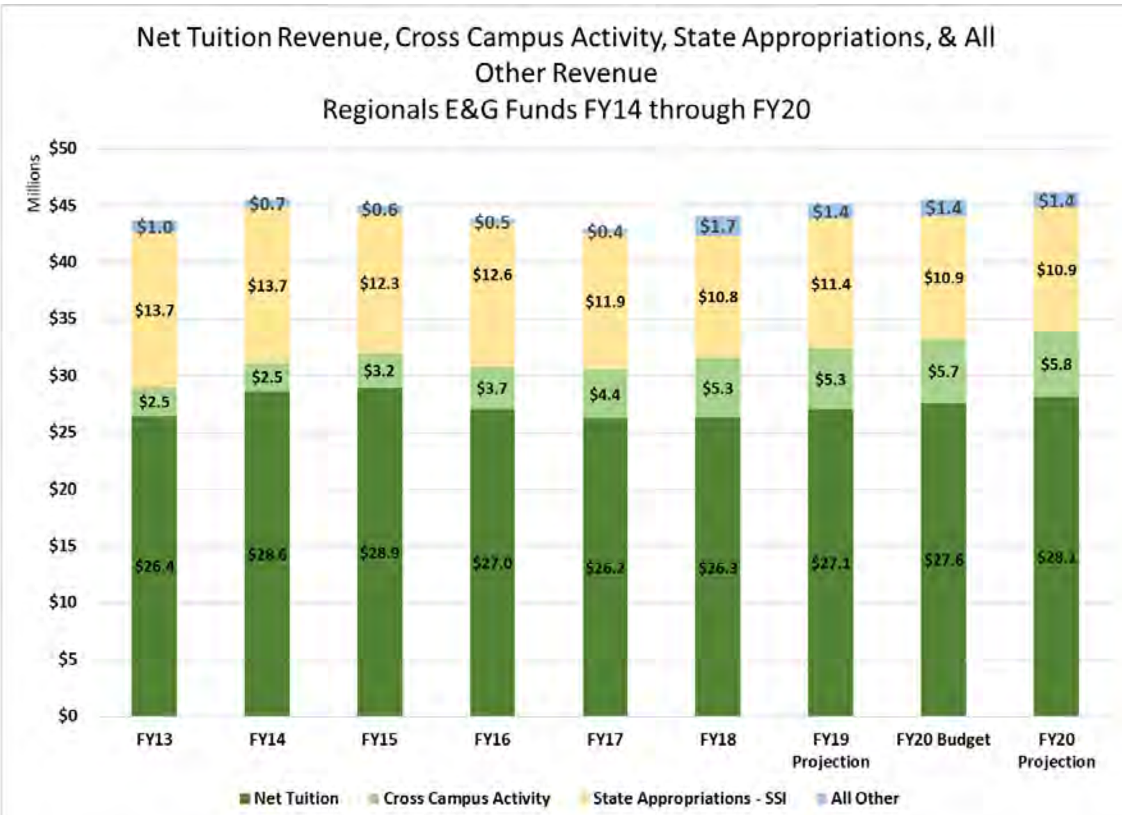

Oxford E&G Fund Expenses
FY14 through FY20
Millions
$350
$300
$250
$200
$150
$100
$50
$0
FY14
FY15
FY16
FY17
FY18
FY19
FY20 Budget
FY20 Proj
$152
$30
$19
$37
$13
$35
$159
$31
$17
$42
$13
$36
$165
$32
$21
$40
$13
$43
$174
$33
$26
$38
$13
$44
$179
$31
$25
$32
$13
$39
$185
$32
$25
$34
$13
$43
$193
$35
$31
$39
$13
$33
$190
$34
$30
$36
$13
$33
Salaries
Other Benefits
Healthcare
Scholarships
Utilities
Support

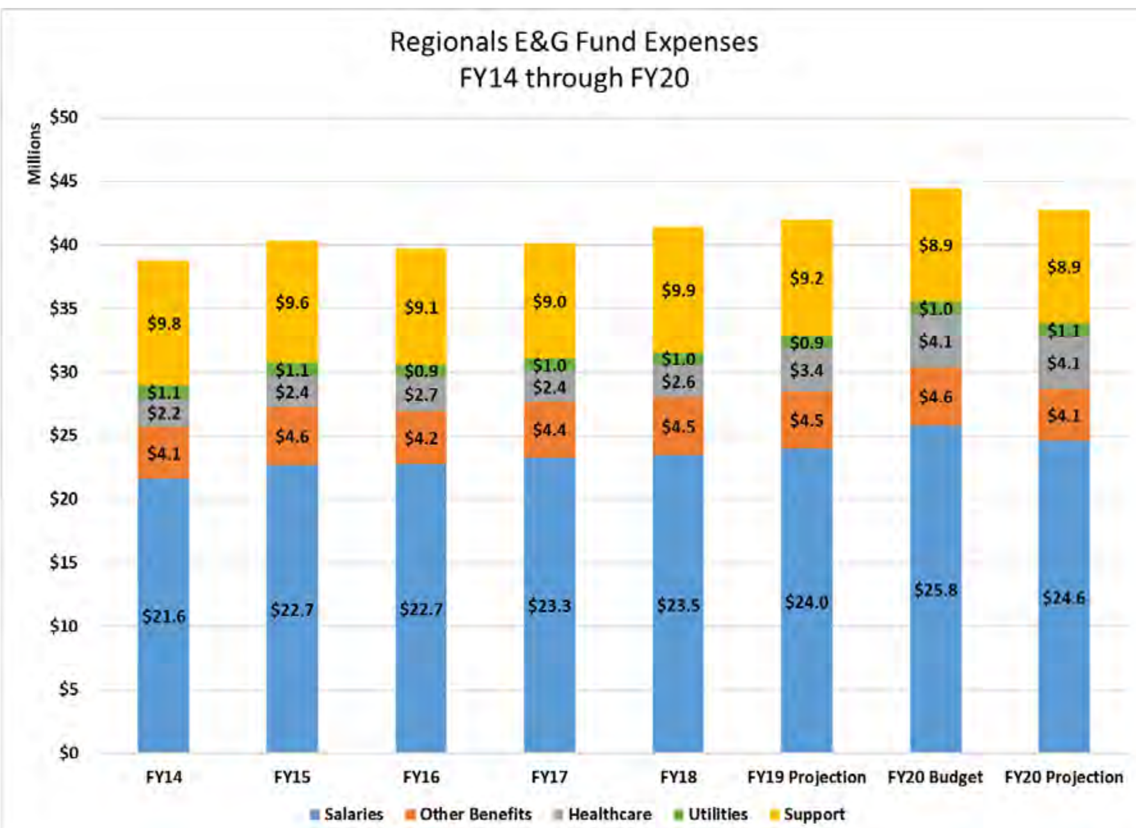
HAMILTON & MIDDLETOWN

The Hamilton campus student fee revenue (instructional, general and out-of-state) is estimated to be $0.3 million above budget. The instructional fee, out-of-state surcharge and general fee for the Middletown campus are forecast to be $0.4 million above budget. State subsidy (SSI) and College Credit Plus program equal to budget for both Hamilton and Middletown. Other revenues are on budget.

Most expenditures on both campuses are tracking close to budget. However, personnel and benefit costs are $0.5 million below budget on the Hamilton campus and $1.3 million below budget on the Middletown campus. The actual performance in these categories has exceeded the underspending in these categories assumed in the budget. Utilities slightly below budget on the Hamilton campus and slightly above budget on the Middletown campus.

Overall, the General Fund for Hamilton is projected to end the fiscal year with a $0.8 million surplus prior to adjustments. The Middletown campus General Fund is projected to have an operating surplus of $1.6 million prior to adjustments.


Net Tuition Revenue, Cross Campus Activity, State Appropriations, & All Other Revenue
Regionals E&G Funds FY14 through FY20
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
$1.0
$13.7
$2.5
$26.4
$0.7
$13.7
$2.5
$28.6
$0.6
$12.3
$3.2
$28.9
$0.5
$12.6
$3.7
$27.0
$0.4
$11.9
$4.4
$26.2
$1.7
$10.8
$5.3
$26.3
$1.4
$11.4
$5.3
$27.1
$1.4
$10.9
$5.7
$27.6
$1.4
$10.9
$5.8
$28.1
FY13
FY14
FY15
FY16
FY17
FY18
FY19 Projection
FY20 Budget
FY20 Projection
Net Tuition
Cross Campus Activity
State Appropriations - SSI
All Other


Regionals E&G Fund Expenses
FY14 through FY20
Millions
$50
$45
$40
$35
$30
$25
$20
$15
$10
$5
$0
$9.8
$1.1
$2.2
$4.1
$21.6
$9.6
$1.1
$2.4
$4.6
$22.7
$9.1
$0.9
$2.7
$4.2
$22.7
$9.0
$1.0
$2.4
$4.4
$23.3
$9.9
$1.0
$2.6
$4.5
$23.5
$9.2
$0.9
$3.4
$4.5
$24.0
$8.9
$1.0
$4.1
$4.6
$25.8
$8.9
$1.1
$4.1
$4.1
$24.6
FY14
FY15
FY16
FY17
FY18
FY19 Projection
FY20 Budget
FY20 Projection
Salaries
Other Benefits
Healthcare
Utilities
Support

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
FY2020 Forecast
Oxford General Fund Only
As of October 31, 2019

	Original Budget	October End-of-Year Forecast	October Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge	$ 395,820,449	$ 388,909,720	$ (6,910,729)
Less Cohort Financial Aid Discount	101,863,363	102,283,463	420,100
Net Instructional Fee & Out-of-State Surcharge	293,957,086	286,626,257	(7,330,829)
General	52,018,517	51,284,793	$ (733,724)
Other Student Revenue	2,596,500	2,596,500	-
Tuition, Fees and Other Student Charges	*348,572,103*	*340,507,551*	*(8,064,553)*
State Appropriations	64,289,270	64,289,270	$ -
Investment Income	6,390,000	6,390,000	$ -
Other Revenue	1,450,000	1,450,000	$ -
Total Revenues	***$ 420,701,373***	***$ 412,636,821***	***$ (8,064,553)***
EXPENDITURES:			
Salaries	193,291,147	189,628,370	(3,662,777)
Benefits	34,888,327	33,836,069	(1,052,258)
Healthcare Expense	31,363,719	30,417,765	(945,954)
Graduate Assistant, Fellowships & Fee Waivers	24,027,713	21,172,801	(2,854,912)
Undergraduate Scholarships & Student Waivers	14,599,159	14,599,159	-
Utilities	13,360,064	13,360,064	-
Departmental Support Expenditures	27,596,173	27,596,173	-
Multi-year Expenditures	5,338,963	5,338,963	-
Total Expenditures	***$ 344,465,265***	***$ 335,949,364***	***$ (8,515,901)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(51,528,646)	(50,794,922)	733,724
Capital, Renewal & Replacement	(5,480,000)	(5,480,000)	-
Debt Service	(6,779,324)	(6,779,324)	-
Support for VOALC (50%)	(584,244)	(584,244)	-
Other Miscellaneous Operational Transfers	(4,584,788)	(4,584,788)	-
Other Transfers (net)	464,258	464,258	-
Total Debt Service and Transfers	***$ (68,492,744)***	***$ (67,759,020)***	***$ 733,724***
Net Revenues/(Expenditures) Before Adjustments	$ 7,743,364	$ 8,928,437	$ 1,185,072
ADJUSTMENTS:			
Departmental Budgetary Carryforward		(5,660,989)	
Strategic Investment Funding - Unallocated Funds		(1,315,287)	
Strategic Investment Funding - Divisional Carryforward		(8,333,333)	
Reserve for Carry Forward		8,333,333	
Divisional Revenue Carry Forward			
Reserve for Investment Fluctuations			
Reserve for Encumbrances			
Future Student Facilities CR&R			
Net Increase/(Decrease) in Fund Balance	***$ 7,743,364***	***$ 1,952,160***	

MIAMI UNIVERSITY
FY2020 Forecast
Hamilton General Fund Only
As of October 31, 2019

	Original Budget	October End-of-Year Forecast	October Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 15,008,471	$ 14,681,081	$ (327,390)
Instructional & OOS Surcharge - Cross Campus	3,962,651	4,552,313	589,662
Less Continuing & New Scholarships	852,600	849,238	(3,362)
Net Instructional Fee & Out-of-State Surcharge	18,118,522	18,384,156	265,634
General	944,194	918,371	(25,823)
Other Student Revenue	193,500	193,500	-
Tuition, Fees and Other Student Charges	*19,256,216*	*19,496,027*	*239,811*
State Appropriations - SSI	6,614,998	6,614,998	-
State Appropriations - CCP	314,904	314,904	-
Investment Income	50,000	50,000	-
Other Revenue	79,500	79,500	-
Total Revenues	***$ 26,315,618***	***$ 26,555,429***	***$ 239,811***
EXPENDITURES:			
Salaries	16,424,224	16,424,224	-
Allowance for Unspent Salaries	(1,312,798)	(1,593,142)	(280,344)
Benefits	3,147,068	3,147,068	-
Allowance for Unspent Benefits	(505,427)	(679,079)	(173,652)
Healthcare Expense	2,652,910	2,652,910	-
Anticipated Benefit Recovery	(163,352)	(163,352)	-
Graduate Assistant Fee Waivers	-	-	-
Utilities	608,000	552,043	(55,957)
Departmental Support Expenditures	4,902,318	4,902,318	-
Multi-year Expenditures	-	-	-
Total Expenditures	***$ 25,752,943***	***$ 25,242,990***	***$ (509,953)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(281,919)	(256,096)	25,823
Capital, Renewal & Replacement		-	-
Debt Service		-	-
Support for VOALC (25%)	(280,755)	(280,755)	-
Other Miscellaneous Operational Transfers			-
Total Debt Service and Transfers	***$ (562,674)***	***$ (536,851)***	***$ 25,823***
Net Revenues/(Expenditures) Before Adjustments	$ -	$ 775,588	$ 775,587
ADJUSTMENTS:			
Departmental Budgetary Carryforward			
Divisional Budgetary Carryforward		(509,953)	
Strategic Investment Funding - Divisional Carryforward		(344,928)	
Reserve for Carry Forward		344,928	
Transfer from Fund Balance			
Reserve for Encumbrances			
Reserve for Investment Fluctuations			
Reserve for Future Budgets			
Net Increase/(Decrease) in Fund Balance 7	***$ -***	***$ 265,635***	***$ 775,587***

MIAMI UNIVERSITY
FY2020 Forecast
Middletown General Fund Only
As of October 31, 2019

	Original Budget	October End-of-Year Forecast	October Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge - Regional Students	$ 13,104,988	$ 13,929,935	$ 824,947
Instructional & OOS Surcharge - Cross Campus	1,703,147	1,223,686	(479,461)
Less Continuing & New Scholarships	1,240,058	1,178,776	(61,282)
Net Instructional Fee & Out-of-State Surcharge	13,568,077	13,974,844	406,767
General	601,098	631,019	29,921
Other Student Revenue	80,700	80,700	-
Tuition, Fees and Other Student Charges	*14,249,875*	*14,686,564*	*436,689*
State Appropriations - SSI	4,268,078	4,268,078	-
State Appropriations - CCP	637,826	637,826	-
Investment Income	50,000	50,000	-
Other Revenue	10,402	10,402	-
Total Revenues	***$ 19,216,181***	***$ 19,652,870***	***$ 436,689***
EXPENDITURES:			
Salaries	11,275,065	11,275,065	-
Allowance for Unspent Salaries	(555,607)	(1,501,808)	(946,201)
Benefits	2,126,176	2,126,176	-
Allowance for Unspent Benefits	(213,908)	(540,850)	(326,942)
Healthcare Expense	1,762,933	1,762,933	-
Anticipated Benefit Recovery	(117,898)	(117,898)	-
Graduate Assistant Fee Waivers		-	-
Utilities	421,000	505,338	84,338
Departmental Support Expenditures	3,991,676	3,991,676	-
Multi-year Expenditures		-	-
Total Expenditures	***$ 18,689,437***	***$ 17,500,632***	***$ (1,188,805)***
DEBT SERVICE AND TRANSFERS:			
General Fee	(184,247)	(214,168)	(29,921)
Capital, Renewal & Replacement		-	-
Debt Service	(61,741)	(61,741)	-
Support for VOALC (25%)	(280,755)	(280,755)	-
Other Miscellaneous Operational Transfers			-
Total Debt Service and Transfers	***$ (526,743)***	***$ (556,664)***	***$ (29,921)***
Net Revenues/(Expenditures) Before Adjustments	$ -	$ 1,595,574	$ 1,595,573
ADJUSTMENTS:			
Departmental Budgetary Carryforward			
Divisional Budgetary Carryforward		(1,188,805)	
Strategic Investment Funding - Divisional Carryforward		(392,982)	
Reserve for Carry Forward		392,982	
Transfer from Fund Balance			
Reserve for Encumbrances			
Reserve for Investment Fluctuations			
Reserve for Future Budgets			
Net Increase/(Decrease) in Fund Balance 8	***$ -***	***$ 406,768***	***$ 1,595,573***

MIAMI UNIVERSITY
FY2020 Forecast
Voice of America Learning Center General Fund Only
As of October 31, 2019

	Original Budget	October End-of-Year Forecast	October Budget to Forecast
REVENUES:			
Instructional & OOS Surcharge - Regional Students			$ -
Instructional & OOS Surcharge - Cross Campus			-
Less Continuing & New Scholarships			-
Net Instructional Fee & Out-of-State Surcharge	-	-	-
General			-
Other Student Revenue			-
Tuition, Fees and Other Student Charges	-	-	-
State Appropriations - SSI			-
State Appropriations - CCP			-
Investment Income			-
Other Revenue	35,000	35,000	-
Total Revenues	***$ 35,000***	***$ 35,000***	***$ -***
EXPENDITURES:			
Salaries	214,504	214,504	-
Allowance for Unspent Salaries			-
Benefits	43,069	43,069	-
Allowance for Unspent Benefits			-
Healthcare Expense	39,517	39,517	-
Anticipated Benefit Recovery			-
Graduate Assistant Fee Waivers			-
Utilities	62,320	62,320	-
Departmental Support Expenditures	265,718	265,718	-
Multi-year Expenditures			-
Total Expenditures	***$ 625,128***	***$ 625,128***	***$ -***
DEBT SERVICE AND TRANSFERS:			
General Fee			-
Capital, Renewal & Replacement	(100,706)	(100,706)	-
Debt Service	(432,186)	(432,186)	-
Support for VOALC (25%)	1,123,020	1,123,020	-
Other Miscellaneous Operational Transfers			-
Total Debt Service and Transfers	***$ 590,128***	***$ 590,128***	***$ -***
Net Revenues/(Expenditures) Before Adjustments	$ -	$ -	$ -
ADJUSTMENTS:			
Departmental Budgetary Carryforward			
Divisional Budgetary Carryforward			
Strategic Investment Funding - Divisional Carryforward			
Reserve for Carry Forward			
Transfer from Fund Balance			
Reserve for Encumbrances			
Reserve for Investment Fluctuations			
Reserve for Future Budgets			
Net Increase/(Decrease) in Fund Balance	***$ -***	***$ -***	***$ -***

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit (Oxford Campus)
FY2020 / FY2019 / FY2018

	FY2018	FY2019	FY2020	Thru October Year To Date				
	Year End Actual	Year End Actual	Budget	FY2020	FY2019	FY2018	% of '20 Budget	% Change from '19 YTD
College of Arts & Sciences								
Salary	$ 55,391,368	$ 56,795,655	$ 46,191,905	$ 14,800,702	$ 14,833,159	$ 14,465,486	32%	0%
Benefits	16,251,298	16,419,805	14,664,180	4,727,827	4,714,016	4,867,138	32%	0%
Scholarships & Fellowships	9,715,232	9,506,226	10,622,790	5,259,613	5,279,824	1,995,276	50%	0%
Departmental Support Expenses	5,457,166	5,657,275	7,349,102	1,662,652	1,622,414	1,314,356	23%	2%
Total Expenses	86,815,064	88,378,961	78,827,977	26,450,794	26,449,413	22,642,256	34%	0%
College of Education, Health, and Society								
Salary	14,558,439	15,216,349	12,502,924	4,056,327	3,920,671	3,693,964	32%	3%
Benefits	4,200,871	4,324,382	4,254,460	1,291,868	1,245,895	1,259,894	30%	4%
Scholarships & Fellowships	1,757,175	1,934,663	2,061,421	902,737	998,454	345,310	44%	-10%
Departmental Support Expenses	1,687,944	1,614,142	2,298,200	554,172	367,280	311,411	24%	51%
Total Expenses	22,204,429	23,089,536	21,117,005	6,805,104	6,532,300	5,610,579	32%	4%
College of Engineering and Computing								
Salary	8,649,691	9,504,455	8,949,495	2,832,187	2,586,184	2,373,258	32%	10%
Benefits	2,647,657	2,921,207	3,274,643	947,220	871,090	815,330	29%	9%
Scholarships & Fellowships	677,959	752,015	594,660	451,005	385,099	66,660	76%	17%
Departmental Support Expenses	1,236,007	1,381,992	515,313	657,151	323,676	309,677	128%	103%
Total Expenses	13,211,314	14,559,669	13,334,111	4,887,563	4,166,049	3,564,925	37%	17%
Farmer School of Business								
Salary	23,599,921	22,574,638	15,436,962	6,418,804	6,696,733	6,535,959	42%	-4%
Benefits	7,498,205	6,871,770	5,827,909	2,244,834	2,279,219	2,322,994	39%	-2%
Scholarships & Fellowships	468,272	514,727	891,990	259,157	281,702	48,413	29%	-8%
Departmental Support Expenses	2,486,473	2,262,502	3,165,197	622,573	789,778	825,291	20%	-21%
Total Expenses	34,052,871	32,223,637	25,322,058	9,545,368	10,047,432	9,732,657	38%	-5%
College of Creative Arts								
Salary	10,254,633	10,841,620	9,678,023	2,948,870	2,888,405	2,664,596	30%	2%
Benefits	3,062,501	3,353,563	3,411,981	1,000,614	968,106	946,678	29%	3%
Scholarships & Fellowships	1,289,352	1,674,470	1,540,710	872,488	875,089	224,399	57%	0%
Departmental Support Expenses	1,093,514	1,260,330	1,191,394	517,350	430,354	363,116	43%	20%
Total Expenses	15,700,000	17,129,983	15,822,108	5,339,322	5,161,954	4,198,789	34%	3%
Dolibois European Center - Luxemburg								
Salary	1,033,391	1,091,149	1,297,328	308,327	241,761	221,431	24%	28%
Benefits	169,985	154,416	499,848	55,207	43,640	45,826	11%	27%
Utilities	27,691	25,847	30,503	7,061	4,798	4,884	23%	47%
Departmental Support Expenses	212,738	475,074	248,307	65,248	104,871	62,634	26%	-38%
Total Expenses	1,443,805	1,746,486	2,075,986	435,843	395,070	207,613	21%	10%

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit (Oxford Campus)
FY2020 / FY2019 / FY2018

	FY2018	FY2019	FY2020	Thru October Year To Date				
	Year End Actual	Year End Actual	Budget	FY2020	FY2019	FY2018	% of '20 Budget	% Change from '19 YTD
Graduate School								
Salary	2,866,367	3,211,441	3,020,914	979,069	1,051,423	1,126,625	32%	-7%
Benefits	626,370	716,117	718,763	247,126	252,274	255,747	34%	-2%
Scholarships & Fellowships	5,256,660	5,648,783	6,026,172	2,522,840	2,649,065	8,118,603	42%	-5%
Departmental Support Expenses	489,768	856,124	749,990	72,417	348,514	140,804	10%	-79%
Total Expenses	9,239,165	10,432,465	10,515,839	3,821,452	4,301,276	9,641,779	36%	-11%
Other Provost Departments								
Salary	8,492,701	9,049,416	29,008,839	3,353,344	3,014,615	2,791,117	12%	11%
Benefits	2,941,190	3,156,183	9,641,037	1,225,586	1,106,579	1,073,630	13%	11%
Scholarships & Fellowships	964,582	921,259	1,128,548	67,225	32,445	24,605	6%	107%
Utilities	838	-	-	-	-	-	0%	0%
Departmental Support Expenses	6,173,889	6,852,455	8,897,191	4,088,266	3,632,123	3,587,438	46%	13%
Total Expenses	18,573,200	19,979,313	48,675,615	8,734,421	7,785,762	7,476,790	18%	12%
Total Provost Office								
Salary	124,846,511	128,284,723	126,086,390	35,697,630	35,232,951	33,872,436	28%	1%
Benefits	37,398,077	37,917,443	42,292,821	11,740,282	11,480,819	11,587,237	28%	2%
Scholarships & Fellowships	20,129,232	20,952,143	22,866,291	10,335,065	10,501,678	10,823,266	45%	-2%
Utilities	28,529	25,847	30,503	7,061	4,798	4,884	23%	47%
Departmental Support Expenses	18,837,499	20,359,894	24,414,694	8,239,829	7,619,010	6,914,727	34%	8%
Total Expenses	201,239,848	207,540,050	215,690,699	66,019,867	64,839,256	63,202,550	31%	2%
Physical Facilities								
Salary	15,346,315	15,293,713	16,910,646	4,648,008	4,896,525	4,914,227	27%	-5%
Benefits	5,445,823	5,149,978	6,450,694	1,769,471	1,861,586	1,962,553	27%	-5%
Utilities	12,983,324	12,817,015	13,329,561	3,899,930	4,257,875	4,228,500	29%	-8%
Departmental Support Expenses	(3,778,347)	(4,810,428)	(4,042,799)	(1,788,555)	(1,452,604)	(1,117,323)	44%	23%
Total Expenses	29,997,115	28,450,278	32,648,102	8,528,854	9,563,382	9,987,957	26%	-11%
Other Finance & Business Services Departments								
Salary	8,464,090	9,416,188	10,341,433	3,163,801	3,028,482	2,714,621	31%	4%
Benefits	2,843,728	3,334,250	3,893,631	1,192,510	1,146,938	1,075,354	31%	4%
Departmental Support Expenses	2,190,569	966,663	1,453,750	1,542,241	655,405	901,871	106%	135%
Total Expenses	13,498,387	13,717,101	15,688,814	5,898,552	4,830,825	4,691,846	38%	22%
Enrollment Management & Student Success								
Salary	7,160,353	7,839,090	9,205,468	2,730,943	2,527,223	2,405,626	30%	8%
Benefits	2,479,666	2,804,825	3,416,501	1,020,062	942,236	939,697	30%	8%
Scholarships & Fellowships	88,791,318	98,712,821	116,975,222	57,926,566	49,794,639	45,063,719	50%	16%
Departmental Support Expenses	4,966,507	4,624,542	4,349,781	1,784,371	1,765,110	1,946,191	41%	1%
Total Expenses	103,397,844	113,981,278	133,946,972	63,461,942	55,029,208	50,355,233	47%	15%

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit (Oxford Campus)
FY2020 / FY2019 / FY2018

	FY2018 Year End Actual	FY2019 Year End Actual	FY2020 Budget	Thru October Year To Date FY2020	Thru October Year To Date FY2019	Thru October Year To Date FY2018	% of '20 Budget	% Change from '19 YTD
President								
Salary	4,515,020	4,693,790	5,417,076	1,729,552	1,561,166	1,621,508	32%	11%
Benefits	1,581,830	1,669,052	2,028,281	649,277	588,511	642,651	32%	10%
Departmental Support Expenses	3,777,969	4,174,574	4,316,976	1,288,683	1,445,192	910,146	30%	-11%
Total Expenses	9,874,819	10,537,416	11,762,333	3,667,512	3,594,869	3,174,305	31%	2%
Student Affairs								
Salary	8,732,695	6,052,876	9,341,329	2,850,251	2,722,586	2,759,843	31%	5%
Benefits	2,009,080	2,019,483	2,470,760	753,804	746,202	763,164	31%	1%
Scholarships & Fellowships	553,998	470,320	648,720	284,659	258,710	37,719	44%	10%
Departmental Support Expenses	(4,231,016)	(2,168,334)	(4,146,349)	(1,603,195)	(1,586,017)	(1,396,571)	39%	1%
Total Expenses	7,064,757	6,374,345	8,314,460	2,285,519	2,141,481	2,164,155	27%	7%
University Advancement								
Salary	4,714,696	5,296,015	8,867,436	2,345,722	1,772,244	1,568,485	26%	32%
Benefits	1,638,522	1,675,137	3,386,541	894,639	674,455	624,759	26%	33%
Departmental Support Expenses	311,303	267,605	1,416,480	229,141	95,846	83,781	16%	139%
Total Expenses	6,664,521	7,238,757	13,670,457	3,469,502	2,542,545	2,277,025	25%	36%
Information Technology								
Salary	8,022,967	7,941,268	9,596,103	2,528,324	2,732,607	2,753,046	26%	-7%
Benefits	2,784,561	2,604,594	3,684,413	969,440	1,047,486	1,106,382	26%	-7%
Departmental Support Expenses	2,564,626	2,985,095	3,417,394	2,220,303	4,017,597	2,025,569	65%	-45%
Total Expenses	13,372,154	13,530,957	16,697,910	5,718,067	7,797,690	5,884,997	34%	-27%
Centrally Budgeted Funds								
Departmental Support Expenses	1,350,677	2,524,069	8,220,314	1,851,507	1,500,129	905,587	23%	23%
Total Expenses	1,350,677	2,524,069	8,220,314	1,851,507	1,301,801	905,587	23%	42%
Grand Total								
Salary	179,082,941	184,817,663	195,765,881	55,694,231	54,473,784	52,609,792	28%	2%
Benefits	56,181,287	57,174,762	67,623,642	18,989,485	18,488,233	18,701,797	28%	3%
Scholarships & Fellowships	109,474,548	120,135,284	140,490,233	68,546,290	60,555,027	55,924,704	49%	13%
Utilities	13,011,853	12,842,862	13,360,064	3,906,991	4,262,673	4,233,384	29%	-8%
Departmental Support Expenses	24,713,329	25,935,068	34,061,278	12,964,665	13,185,849	10,205,331	38%	-2%
Admin Service Charge	(8,787,536)	(9,201,335)	(10,311,434)	(3,437,147)	(3,042,111)	(2,929,180)	33%	13%
Multi Year Accounts	3,996,164	2,988,612	5,338,963	799,660	873,819	968,647	15%	-8%
Total Expenses	$ 377,672,586	$ 394,692,916	$ 446,328,627	$ 157,464,175	$ 148,797,274	$ 139,714,475	35%	6%

Note: Excludes Transfers

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	FY2019	FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Residence & Dining Halls									
Revenue	110,277,109	115,254,088	131,852,229	55,328,192	49,314,350	57,362,614	(76,524,037)	42%	11%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	110,277,109	115,254,088	131,852,229	55,328,192	49,314,350	57,362,614	(76,524,037)	42%	11%
Salary	13,836,869	13,558,129	17,069,397	4,672,608	4,174,123	4,397,502	(12,396,789)	27%	11%
Benefits	3,910,901	4,110,196	5,656,925	1,655,640	1,482,636	1,555,496	(4,001,285)	29%	10%
Utilites	6,382,869	6,408,810	7,054,771	2,103,692	2,173,649	2,023,124	(4,951,079)	30%	-3%
Charge Outs	(2,869,051)	(304,553)	(588,654)	(396,641)	(221,342)	(655,536)	192,013	67%	44%
Operating Expenses	34,415,008	33,342,778	39,958,210	13,486,801	10,930,150	11,436,742	(26,471,409)	34%	19%
Inventory Purchases	4,393,291	4,006,352	4,865,668	1,659,511	1,334,439	1,339,218	(3,206,157)	34%	20%
Debt Service	41,597,907	42,391,186	41,858,908	10,574,425	10,692,732	10,557,002	(31,284,483)	25%	-1%
Total Uses	101,667,794	103,512,898	115,875,225	33,756,036	30,566,387	30,653,548	(82,119,189)	29%	9%
Net Before Non-Mandatory Transfers	8,609,315	11,741,190	15,977,004	21,572,156	18,747,963	26,709,066	5,595,152	135%	13%
Net Transfers	(5,478,456)	(11,661,745)	(15,977,004)	(5,672,031)	(3,756,868)	(1,795,741)	10,304,973	36%	34%
Net Total	3,130,859	79,445	-	15,900,125	14,991,095	24,913,325	15,900,125		6%
Shriver Center									
Revenue	15,835,073	14,702,961	10,289,440	3,804,084	5,683,512	6,282,221	(6,485,356)	37%	-49%
General Fee Support	923,487	951,755	952,132	317,377	317,252	307,829	(634,755)	33%	0%
Total Sources	16,758,560	15,654,716	11,241,572	4,121,461	6,000,764	6,590,050	(7,120,111)	37%	-46%
Salary	3,237,648	3,034,395	1,811,848	560,537	963,011	1,063,974	(1,251,311)	31%	-72%
Benefits	864,833	803,972	562,290	116,037	300,963	343,337	(446,253)	21%	-159%
Utilities	329,640	256,343	350,548	70,198	136,379	159,510	(280,350)	20%	-94%
Charge Outs	(406,563)	(693,951)	(1,032,364)	(477,180)	(585,787)	(208,112)	555,184	46%	-23%
Operating Expenses	2,680,015	2,579,117	1,225,422	433,612	1,182,798	624,903	(791,810)	35%	-173%
Inventory Purchases	8,655,010	7,506,643	7,710,475	3,552,422	3,542,812	3,389,694	(4,158,053)	46%	0%
Debt Service	46,852	46,880	46,881	11,945	11,950	11,931	(34,936)	25%	0%
Total Uses	15,407,436	13,533,399	10,675,100	4,267,571	5,552,126	5,385,237	(6,407,529)	40%	-30%
Net Before Non-Mandatory Transfers	1,351,124	2,121,317	566,472	(146,110)	448,638	1,204,813	(712,582)	-26%	407%
Net Transfers	(1,629,405)	(1,169,691)	(566,472)	(55,491)	(242,552)	(492,385)	510,981	10%	-337%
Net Total	(278,281)	951,625	-	(201,601)	206,086	712,428	(201,601)		202%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	Through October YTD FY2019	Through October YTD FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Marcum Conference Center									
Revenue	1,442,318	1,428,355	1,520,957	538,435	492,806	462,549	(982,522)	35%	8%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	1,442,318	1,428,355	1,520,957	538,435	492,806	462,549	(982,522)	35%	8%
Salary	454,701	422,577	302,234	109,269	134,843	149,180	(192,965)	36%	-23%
Benefits	113,607	117,221	88,698	31,403	42,517	49,803	(57,295)	35%	-35%
Utilities	149,648	150,965	162,531	44,492	52,544	52,444	(118,039)	27%	-18%
Charge Outs	46,131	28,722	32,865	-	-	-	(32,865)	0%	0%
Operating Expenses	382,678	363,934	638,791	186,261	131,794	139,621	(452,530)	29%	29%
Inventory Purchases	5,637	8,537	5,628	6,096	861	1,279	468	108%	86%
Debt Service	-	-	-	-	-	-	-	0%	0%
Total Uses	1,152,402	1,091,956	1,230,747	377,521	362,559	392,327	(853,226)	31%	4%
Net Before Non-Mandatory Transfers	289,916	336,399	290,210	160,914	130,247	70,222	(129,296)	55%	19%
Net Transfers	(326,472)	(165,182)	(290,210)	(96,736)	(55,061)	(108,824)	193,474	33%	43%
Net Total	(36,556)	171,217	-	64,178	75,186	(38,602)	64,178		-17%
Intercollegiate Athletics									
Revenue	7,223,469	7,627,686	7,976,430	1,159,227	1,214,769	997,285	(6,817,203)	15%	-5%
General Fee Support	17,763,652	18,654,753	19,093,317	6,364,439	6,376,472	5,784,549	(12,728,878)	33%	0%
Designated Revenue	805,879	581,185	824,200	454,686	402,378	320,979	(369,514)	55%	12%
Restricted Revenue	2,328,012	1,766,163	2,172,751	945,953	331,998	469,842	(1,226,798)	44%	65%
Total Sources	28,121,012	28,629,787	30,066,698	8,924,305	8,325,617	7,572,655	(21,142,393)	30%	7%
Salary	8,763,986	9,271,499	8,887,833	3,121,641	2,966,502	2,872,679	(5,766,192)	35%	5%
Benefits	2,939,687	3,107,709	3,318,343	1,133,893	1,119,334	1,105,479	(2,184,450)	34%	1%
Utilities	4,836	(1,517)	2,500	12	(210)	1,211	(2,488)	0%	1850%
Charge Outs	(139,306)	(167,213)	-	(745)	(5,589)	-	(745)	0%	-650%
Operating Expenses	14,775,767	14,932,185	14,811,071	7,205,333	6,985,013	6,684,297	(7,605,738)	49%	3%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	-	-	-	-	-	-	-	0%	0%
Designated Expense	735,643	692,903	824,200	491,409	363,977	379,836	(332,791)	60%	26%
Restricted Expense	2,029,134	1,236,245	2,172,751	816,344	403,099	446,430	(1,356,407)	38%	51%
Total Uses	29,109,747	29,071,811	30,016,698	12,767,887	11,832,126	11,489,932	(17,248,811)	43%	7%
Net Before Non-Mandatory Transfers	(988,735)	(442,024)	50,000	(3,843,582)	(3,506,509)	(3,917,277)	(3,893,582)	-7687%	9%
Net Transfers	757,555	619,960	(50,000)	(24,167)	(28,288)	(16,667)	25,833	48%	-17%
Net Total	(231,180)	177,936	-	(3,867,749)	(3,534,797)	(3,933,944)	(3,867,749)		9%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	FY2019	FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Recreation Center									
Revenue	3,013,758	2,971,633	3,047,645	1,074,451	1,159,587	1,171,492	(1,973,194)	35%	-8%
General Fee Support	3,848,807	3,928,304	3,881,561	1,293,853	1,309,435	1,282,936	(2,587,708)	33%	-1%
Total Sources	6,862,565	6,899,937	6,929,206	2,368,304	2,469,022	2,454,428	(4,560,902)	34%	-4%
Salary	2,826,216	2,562,853	2,652,407	809,439	858,583	938,627	(1,842,968)	31%	-6%
Benefits	660,094	550,288	681,247	205,163	229,344	258,940	(476,084)	30%	-12%
Utilities	749,916	708,921	747,269	231,222	266,959	258,730	(516,047)	31%	-15%
Charge Outs	-	(48)	-	-	-	-	-	0%	0%
Operating Expenses	1,346,677	1,500,379	1,615,590	618,292	361,909	490,917	(997,298)	38%	41%
Inventory Purchases	276,142	255,198	230,000	67,377	73,262	75,395	(162,623)	29%	-9%
Debt Service	-	-	-	-	-	-	-	0%	0%
Total Uses	5,859,044	5,577,591	5,926,513	1,931,493	1,790,057	2,022,609	(3,995,020)	33%	7%
Net Before Non-Mandatory Transfers	1,003,521	1,322,346	1,002,693	436,811	678,965	431,819	(565,882)	44%	-55%
Net Transfers	(732,362)	(950,574)	(1,002,693)	(382,949)	(348,162)	(289,567)	619,744	38%	9%
Net Total	271,159	371,772	-	53,862	330,803	142,252	53,862		-514%
Goggin Ice Arena									
Revenue	1,862,814	1,844,163	1,821,240	854,426	768,966	783,096	(966,814)	47%	10%
General Fee Support	4,322,497	4,370,401	4,437,263	1,479,088	1,456,800	1,785,470	(2,958,175)	33%	2%
Total Sources	6,185,311	6,214,564	6,258,503	2,333,514	2,225,766	2,568,566	(3,924,989)	37%	5%
Salary	1,304,892	1,063,317	1,124,310	370,051	363,555	419,224	(754,259)	33%	2%
Benefits	377,936	311,342	360,626	116,501	120,306	149,662	(244,125)	32%	-3%
Utilities	1,073,959	1,025,372	943,989	324,939	369,960	390,602	(619,050)	34%	-14%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	601,219	796,278	906,249	269,941	188,477	232,452	(636,308)	30%	30%
Inventory Purchases	211,756	224,248	195,000	63,455	73,483	82,230	(131,545)	33%	-16%
Debt Service	1,826,892	1,825,522	1,839,992	464,391	460,836	461,067	(1,375,601)	25%	1%
Total Uses	5,396,654	5,246,079	5,370,166	1,609,278	1,576,617	1,735,237	(3,760,888)	30%	2%
Net Before Non-Mandatory Transfers	788,657	968,485	888,337	724,236	649,149	833,329	(164,101)	82%	10%
Net Transfers	(551,161)	(800,000)	(888,337)	(274,325)	(185,200)	(209,610)	614,012	31%	32%
Net Total	237,496	168,485	-	449,911	463,949	623,719	449,911		-3%
Student Health Services									
Revenue	3,065,498	2,975,119	3,073,870	1,024,984	1,193,609	730,649	(2,048,886)	33%	-16%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	3,065,498	2,975,119	3,073,870	1,024,984	1,193,609	730,649	(2,048,886)	33%	-16%
Salary	651,399	531,573	458,704	147,094	178,453	208,890	(311,610)	32%	-21%
Benefits	216,079	168,361	174,676	54,682	63,266	84,600	(119,994)	31%	-16%
Utilities	12,250	1,885	2,942	232	1,001	3,710	(2,710)	8%	-331%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	2,567,026	2,310,984	2,437,148	502,497	608,259	505,750	(1,934,651)	21%	-21%
Inventory Purchases	-	569	400	-	200	-	(400)	0%	0%
Debt Service	-	-	-	-	-	-	-	0%	0%
Total Uses	3,446,755	3,013,372	3,073,870	704,505	851,179	802,950	(2,369,365)	23%	-21%
Net Before Non-Mandatory Transfers	(381,257)	(38,253)	-	320,479	342,430	(72,301)	320,479	0%	-7%
Net Transfers	(166,474)	28,111	-	-	-	(55,492)	-	0%	0%
Net Total	(547,731)	(10,142)	-	320,479	342,430	(127,793)	320,479		-7%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	FY2019	FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Transportation Services									
Revenue	2,656,984	2,641,218	2,420,000	1,116,256	1,081,362	1,099,359	(1,303,744)	46%	3%
General Fee Support	2,567,669	2,585,955	2,657,207	885,737	861,985	1,249,348	(1,771,470)	33%	3%
Total Sources	5,224,653	5,227,173	5,077,207	2,001,993	1,943,347	2,348,707	(3,075,214)	39%	3%
Salary	221,752	217,458	263,463	55,161	63,430	67,483	(208,302)	21%	-15%
Benefits	69,606	69,530	93,767	20,334	22,875	24,288	(73,433)	22%	-12%
Utilities	-	-	-	-	-	-	-	0%	0%
Charge Outs	(74,823)	(68,375)	(20,000)	(45,331)	(46,994)	(54,248)	(25,331)	227%	-4%
Operating Expenses	2,516,475	2,333,889	2,720,185	876,619	895,809	821,945	(1,843,566)	32%	-2%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	1,566,244	1,524,074	1,532,588	387,471	385,006	422,263	(1,145,117)	25%	1%
Total Uses	4,299,253	4,076,576	4,590,003	1,294,254	1,320,126	1,281,731	(3,295,749)	28%	-2%
Net Before Non-Mandatory Transfers	925,400	1,150,597	487,204	707,739	623,221	1,066,976	220,535	145%	12%
Net Transfers	(435,258)	(463,961)	(487,204)	(162,400)	(154,653)	(145,087)	324,804	33%	5%
Net Total	490,142	686,636	-	545,339	468,568	921,889	545,339		14%
Utility Enterprise									
Revenue	-	-	-	-	-	-	-	0%	0%
General Fee Support	-	-	-	-	-	-	-	0%	0%
Total Sources	-	-	-	-	-	-	-	0%	0%
Salary	1,511,017	1,481,032	1,732,255	450,052	462,303	468,741	(1,282,203)	26%	-3%
Benefits	528,650	525,249	660,093	172,743	175,940	188,573	(487,350)	26%	-2%
Utilities	9,686,460	9,666,479	10,381,187	2,819,260	2,799,893	2,399,568	(7,561,927)	27%	1%
Charge Outs	(13,016)	-	(42,000)	(492)	-	(1,141)	41,508	1%	100%
Expense Recovery	(23,613,835)	(23,459,653)	(23,548,120)	(7,516,483)	(8,191,554)	(7,937,234)	16,031,637	32%	-9%
Operating Expenses	1,348,048	1,101,461	1,835,380	336,763	287,177	756,727	(1,498,617)	18%	15%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	2,345,921	2,305,610	2,309,864	587,654	585,496	643,467	(1,722,210)	25%	0%
Total Uses	(8,206,755)	(8,379,822)	(6,671,341)	(3,150,503)	(3,880,745)	(3,481,299)	3,520,838	47%	-23%
Net Before Non-Mandatory Transfers	8,206,755	8,379,822	6,671,341	3,150,503	3,880,745	3,481,299	(3,520,838)	47%	-23%
Net Transfers	(6,236,363)	(6,404,334)	(6,671,341)	(2,198,780)	(2,138,717)	(2,080,399)	4,472,561	33%	3%
Net Total	1,970,392	1,975,488	-	951,723	1,742,028	1,400,900	951,723		-83%

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	FY2019	FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Armstrong - Student Affairs									
Revenue	187,793	181,079	176,960	58,220	58,688	43,724	(118,740)	33%	-1%
General Fee Support	5,452,615	5,519,698	5,654,466	2,516,380	2,461,275	3,181,913	(3,138,086)	45%	2%
Total Sources	5,640,408	5,700,777	5,831,426	2,574,600	2,519,963	3,225,637	(3,256,826)	44%	2%
Salary	455,320	485,985	570,112	165,751	150,257	162,526	(404,361)	29%	9%
Benefits	94,348	103,410	110,627	36,629	35,569	36,623	(73,998)	33%	3%
Utilities	378,003	352,454	368,196	104,620	127,390	118,199	(263,576)	28%	-22%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	763,509	890,961	1,064,930	810,514	604,252	642,642	(254,416)	76%	25%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	2,450,000	2,450,000	2,450,000	612,500	612,500	612,500	(1,837,500)	25%	0%
Total Uses	4,141,179	4,282,810	4,563,865	1,730,014	1,529,968	1,572,490	(2,833,851)	38%	12%
Net Before Non-Mandatory Transfers	1,492,439	1,417,967	1,267,561	844,586	989,995	1,653,147	(422,975)	67%	-17%
Net Transfers	(1,159,542)	(1,132,756)	(1,267,561)	(1,016,845)	(931,723)	(917,383)	250,716	80%	8%
Net Total	332,897	285,211	-	(172,259)	58,272	735,764	(172,259)		134%
Miscellaneous Facilities									
Revenue	195,942	148,306	162,100	21,512	32,066	65,536	(140,588)	13%	-49%
General Fee Support	1,211,959	1,213,540	312,206	312,206	1,213,540	942,931	-	100%	-289%
Total Sources	1,407,901	1,361,846	474,306	333,718	1,245,606	1,008,467	(140,588)	70%	-273%
Salary	70,514	69,336	10,500	21,765	23,233	23,804	11,265	207%	-7%
Benefits	20,940	20,776	179	8,379	7,760	8,093	8,200	4681%	7%
Utilities	-	-	-	-	-	-	-	0%	0%
Charge Outs	-	-	-	-	-	-	-	0%	0%
Operating Expenses	535,490	159,582	151,422	31,088	60,652	142,510	(120,334)	21%	-95%
Inventory Purchases	-	-	-	-	-	-	-	0%	0%
Debt Service	403,544	405,124	312,206	78,781	102,082	101,668	(233,425)	25%	-30%
Total Uses	1,030,489	654,818	474,307	140,013	193,727	276,075	(334,294)	30%	-38%
Net Before Non-Mandatory Transfers	377,412	707,028	(1)	193,705	1,051,879	732,392	193,706	-19370500%	-443%
Net Transfers	(508,355)	(795,876)	-	-	(754,385)	(218,863)	-	0%	0%
Net Total	(130,943)	(88,848)	(1)	193,705	297,494	513,529	193,706		-54%
Total Auxiliary									

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2020/FY2019/FY2018

	FY2018 Actual	FY2019 Actual	FY2020 Budget	Through October YTD FY2020	FY2019	FY2018	FY20 Budget to Actual	% of '20 Budget	% Change from '19 YTD
Revenue	145,760,758	149,774,608	162,340,871	64,979,787	60,999,715	68,998,525	(97,361,084)	40%	6%
General Fee Support	36,083,896	37,224,406	36,988,152	13,169,080	13,996,759	14,534,976	(23,819,072)	36%	-6%
Designated Revenue	805,879	581,185	824,200	454,686	402,378	320,979	(369,514)	55%	12%
Restricted Revenue	2,328,012	1,766,163	2,172,751	945,953	331,998	469,842	(1,226,798)	44%	65%
Total Sources	184,978,545	189,346,362	202,325,974	79,549,506	75,730,850	84,324,322	(122,776,468)	39%	5%
Salary	33,334,314	32,698,154	34,883,063	10,483,368	10,338,293	10,772,630	(24,399,695)	30%	1%
Benefits	9,796,681	9,888,054	11,707,471	3,551,404	3,600,510	3,804,894	(8,156,067)	30%	-1%
Utilities	18,767,581	18,569,712	20,013,933	5,698,667	5,927,565	5,407,098	(14,315,266)	28%	-4%
Charge Outs	(3,456,628)	(1,205,418)	(1,650,153)	(920,389)	(859,712)	(919,037)	729,764	56%	7%
Expense Recovery	(23,613,835)	(23,459,653)	(23,548,120)	(7,516,483)	(8,191,554)	(7,937,234)	16,031,637	32%	-9%
Operating Expenses	61,931,912	60,311,548	67,364,398	24,757,721	22,236,290	22,478,506	(42,606,677)	37%	10%
Inventory Purchases	13,541,836	12,001,547	13,007,171	5,348,861	5,025,057	4,887,816	(7,658,310)	41%	6%
Debt Service	50,237,360	50,948,396	50,350,439	12,717,167	12,850,602	12,809,898	(37,633,272)	25%	-1%
Designated Expense	735,643	692,903	824,200	491,409	363,977	379,836	(332,791)	60%	26%
Restricted Expense	2,029,134	1,236,245	2,172,751	816,344	403,099	446,430	(1,356,407)	38%	51%
Total Uses	163,303,998	161,681,488	175,125,153	55,428,069	51,694,127	52,130,837	(119,697,084)	32%	7%
Net Before Non-Mandatory Transfers	21,674,547	27,664,874	27,200,821	24,121,437	24,036,723	32,193,485	(3,079,384)	89%	0%
Net Transfers	(16,466,293)	(22,896,048)	(27,200,822)	(9,883,724)	(8,595,609)	(6,330,018)	17,317,098	36%	13%
Net Total	5,208,254	4,768,825	(1)	14,237,713	15,441,114	25,863,467	14,237,714		-8%

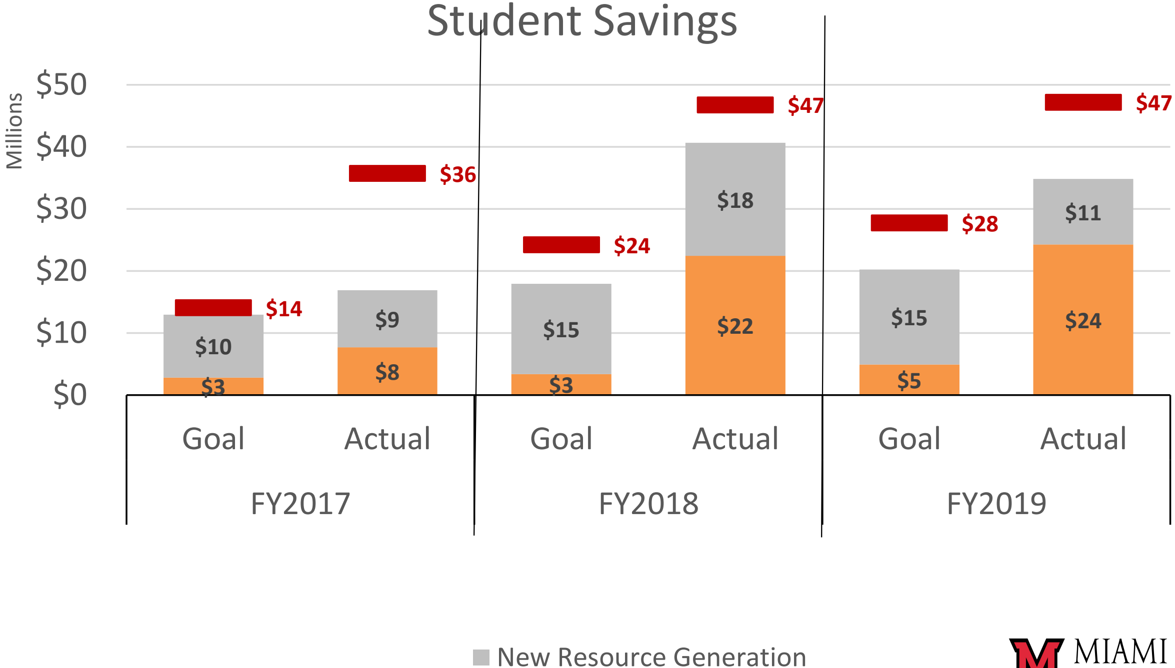
State of Ohio
Efficiency Report

December 12, 2019

MIAMI UNIVERSITY

Miami University Performance on Ohio Efficiency Report

Comparison of University Efficiencies and Student Savings



MIAMI UNIVERSITY

Ohio Efficiency Report
Efficiency Savings & New Resource Generation

	Institutional Efficiency Savings	FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY2018 Actual	FY 2019 Goal	FY2019 Actual
3A	Campus Contracts	$588,000	$585,571	$538,000	$529,995	$493,000	$318,660
	Savings from strategic source reported by procurement office.						
3B	Collaborative Contracts	$212,000	$694,818	$262,000	$1,168,635	$307,000	$1,939,452
	Savings from IUC contracts including Insurance and pCard.						
4B	Operations Review	$800,000	$2,070,000	$300,000	$3,507,211	$470,000	$4,097,211
	Savings are from dining operations, student health clinic/student insurance, IT Help desk, package center, Janitorial, landscaping and facility maintenance and fleet management.						
5B	Productivity Measure	$1,071,576	$3,845,348	$2,140,291	$14,307,393	$3,206,164	$15,938,451
	The includes all activity that would apply to 5B plus cost diagnostic and organizational structure. Specific savings are from lean cost reductions and the 0.5% productivity						
5D	Health Care Costs				$1,668,542		$1,343,982
	Savings are from centers of excellence and Rx management						
5E	Data Centers					$50,000	
	This was to be from using SOCC, but chose other strategies						
5F	Space Utilization	$0		$0	$0	$250,000	
	Nothing reported from academic affairs						
	Energy	$132,794	$498,176	$132,130	$1,269,669	$131,470	$609,445
	Savings are from 0.5% productivity, LED strategy, thermal storage, smart saver, rebate and cap charge management.						
	Total	$2,804,370	$7,693,913	$3,372,421	$22,451,445	$4,907,634	$24,247,201

New Resource Generation		FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY2018 Actual	FY 2019 Goal	FY2019 Actual
4A	Asset Review	$664,471	$132,587	$714,471	$1,031,903	$164,471	$1,644,676
	Includes sale of properties, farm land revenue, sale of plane, plane ops, and Williams tower						
4C	Affinity Partnerships	$3,154,762	$3,180,333	$3,154,762	$3,335,404	$3,154,762	$3,281,674
	Includes public radio station, Banking agreement, pouring rights, health services agreement and sponsorship agreement						
	Other Revenue	$6,348,726	$5,898,182	$10,672,523	$13,822,541	$12,001,562	$5,658,369
	Includes revenue diversification strategies from (prior) long range budget plan.						
	Total	$10,167,959	$9,211,102	$14,541,756	$18,189,848	$15,320,795	$10,584,719

Ohio Efficiency Report
Student Savings & Investment in Student

	Savings to Students	FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY2018 Actual	FY 2019 Goal	FY2019 Actual
6A	Negotiate Cost	$0	$31,724	$1,819,270	$1,038,487	$1,839,687	$1,409,035
	Includes savings from campus						
6C	Digital Capabilities	$0	$65,847	$2,423,964	$45,719	$2,451,166	$644,836
	Includes savings from course pack consultation services, OER Adopt, OER Create, Alternative Text Book initiatives.						
7A	Educational Campaign	$0	$893,420	$0	$1,389,999	$0	$1,464,822
	Savings are based on students graduating in 3 years (per OIR) x tuition & room and board saved.						
7D	Data Driven Advising	$308,567	$986,319	$466,431	$192,168	$183,861	$0
	Savings are from retention						
7E	Summer Programs	$887,552	$1,039,407	$905,303	$1,087,456	$923,409	$1,703,085
	Savings are from the discount for online courses in summer and winter originally adopted for the Senate Challenge						
10A	Financial Advising	$0	$1,200,000	$0	$3,000,000	$0	$3,500,000
	Decrease in student loans reported from Office of Student Financial Aid						
	Total	$1,196,119	$4,216,717	$5,614,968	$6,753,829	$5,398,123	$8,721,778
	Savings Re-deployed to Students	FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY2018 Actual	FY 2019 Goal	FY2019 Actual
	Increase undergraduate student financial aid	$8,000,000	$10,729,821	$14,000,000	$17,081,494	$20,000,000	$26,261,028
	Growth in Cohort Financial aid from FY16 base year.						
	Student Success Collaborative	$161,000	$315,047	$161,000	$1,876,603	$161,000	$1,137,492
	Includes EAB, Civitas, new advisors, disability services, Howe Writing Center, and career center.						
	Investments in STEM facilities	$4,000,000	$19,730,000	$3,000,000	$18,372,122	$0	$3,031,867
	Includes Peason Hall, class room modernization, instructional space upgrades, engineering lab (recycling center), and Hughes Hall.						
	Investments in faculty for high demand programs	$727,549	$727,549	$1,451,480	$2,689,852	$2,171,771	$8,054,696
	Investments faculty in CEC, CCA and Boldly creative. Also include provost 0.5% productivity						
	Total	$12,888,549	$31,502,417	$18,612,480	$40,020,071	$22,332,771	$38,485,083
	Total Student Savings & Re-Deployed Savings	**$14,084,668**	**$35,719,134**	**$24,227,448**	**$46,773,900**	**$27,730,894**	**$47,206,861**

Questions?

MIAMI UNIVERSITY

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

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RESOLUTION R2020-23

WHEREAS, Executive Order 2015-01K establishing the Ohio Task Force on Affordability and Efficiency in Higher Education (Ohio Task Force) to review and recommend ways in which state-sponsored institutions can be more efficient, offering an education of equal or higher quality while decreasing their costs; and

WHEREAS, Section 3333.95 of the Ohio Revised Code requires all boards of trustees of Ohio's state institutions of higher education to complete an efficiency review based on the report and recommendations of the Ohio Task Force and to make a report to the Chancellor of Higher Education on the institution's progress toward the implementation of the recommendations and cost saving measures; and

WHEREAS, the report of the task force included two master recommendations requiring: the savings and new dollars from the efficiency review be employed to reduce the cost of college for students or provide tangible benefits for the quality of students' education and a five year goal to be established for savings and new resources to be achieved by fiscal year 2021; and

WHEREAS, Miami University increased student scholarships by $26.3 million in FY19 towards its five year goal of $30 million by fiscal year 2021 and continues to implement efficiency actions consistent with the objectives submitted to comply with the Ohio Task Force report; and

WHEREAS, the institution's progress on its efficiency goals were reviewed by Miami's Fiscal Priorities committee; and

WHEREAS, Miami envisions this action not only being important for the five year period required by the report but is developing a process for performing program reviews for non-academic programs to better ensure that the Ohio Task Force goals to improve quality and efficiency be continued beyond 2021;

NOW, THEREFORE, BE IT RESOLVED: that the Board of Trustees of Miami University accepts the FY 2019 efficiency report and update on progress towards the University's five year goal to increase student scholarships by at least $30 million; and

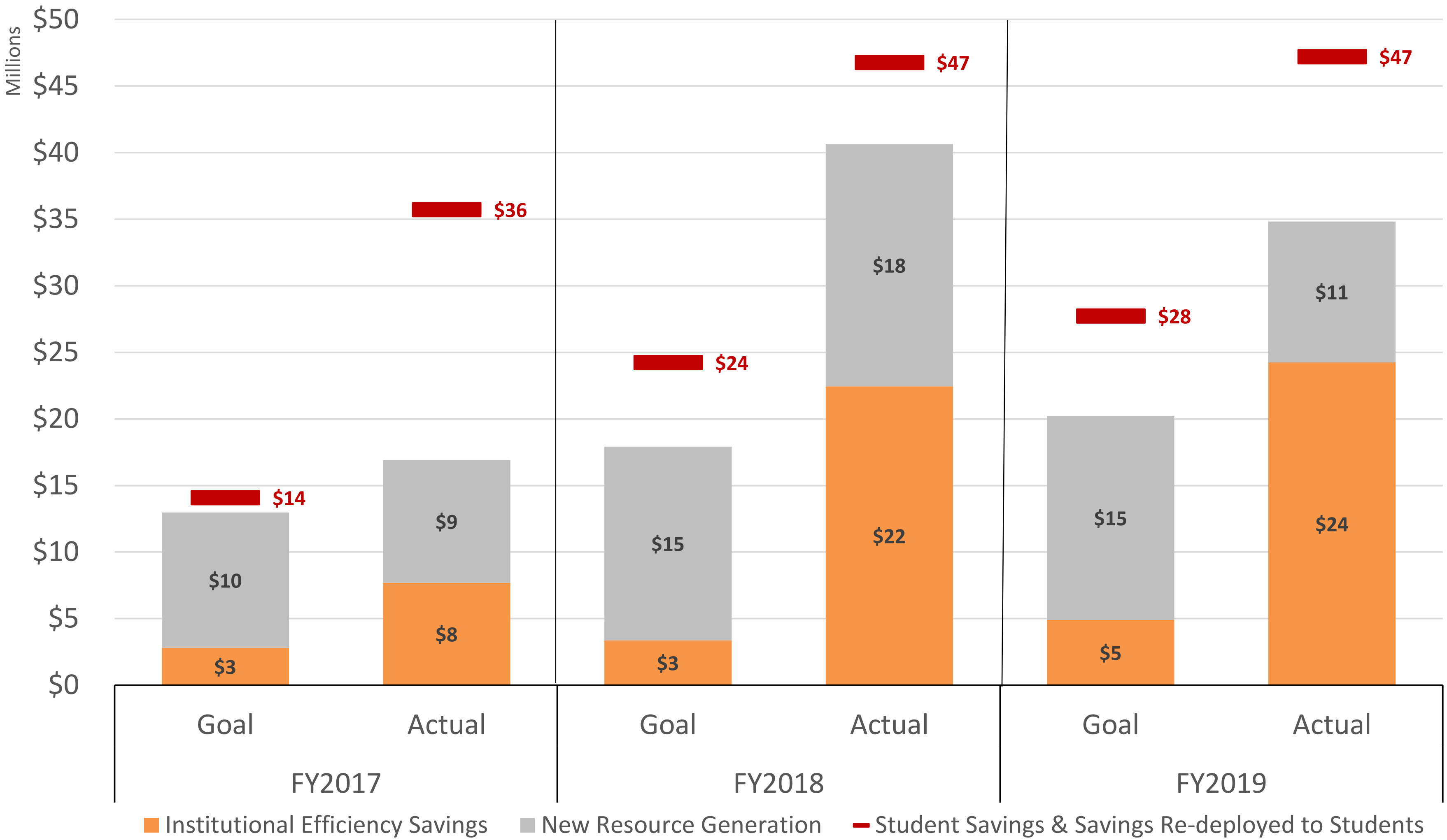
BE IT FURTHER RESOLVED: that the Board of Trustees directs the Senior Vice President for Finance and Business Services to submit the accompanying report and the related recommendations to the Chancellor of Higher Education by the legislated deadline.

Approved by the Board of Trustees
December 13, 2019

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

Miami University Performance on Ohio Efficiency Report

Comparison of University Efficiencies and Student Savings



Ohio Department of Higher Education

Mike DeWine, Governor
Randy Gardner, Chancellor

Affordability & Efficiency

FY19 Efficiency Reporting Template

Introduction:

Ohio Revised Code section 3333.95 requires the chancellor of the Ohio Department of Higher Education (DHE) to maintain an "Efficiency Advisory Committee" that includes an "efficiency officer" from each state institution of higher education (IHE). Each IHE must then provide an "**efficiency report**" updated annually to DHE, which is compiled by the chancellor into a statewide report shared at year end with the governor and legislature. The committee itself meets periodically at the call of the chancellor.

Affordability and efficiency in higher education are high among the DeWine-Husted administration's policy priorities; however, as compared to prior years, this year's template is increasingly focused on identifying quantifiable measures of progress in evaluating how well we are addressing affordability and efficiency. DHE's preference for report responses is, to the degree feasible, quantitative data as opposed to narrative responses. Please respond with specific numbers where available. In addition, some questions included in the past are not included this year in recognition of the progress made in implementing earlier recommendations. Finally, you will notice some new points of emphasis that reflect unique priorities of the DeWine-Husted administration.

The FY19 reporting template asks for updates on several topics included in prior reports and continues to require Ohio's IHEs to conduct an annual study to determine the cost of textbooks for students enrolled in the institution pursuant to revised code section 3333.951(C). The FY19 template also continues to request information on efficiencies gained as a result of the "regional compacts" as outlined in revised code section 3345.59.

New to the reporting template this year are information requests regarding online and/or competency-based delivery models for education, financial literacy efforts related to college debt and debt collection practices. Eliminated from the reporting template are some specific questions related to contracting as well as administrative and academic practices, although the new template does request some institutional data on expenditures that may relate to contracting and other operational practices.

Your Efficiency Report Contact: Sara Molski, Project Manager, Fiscal and Legal Affairs, 614-728-8335, smolski@highered.ohio.gov. Please provide your institution's efficiency report by **Friday, November 1, 2019** via email to smolski@highered.ohio.gov

As in previous years, the Efficiency Reporting Template is structured into sections:

- **Section I: Operational Efficiencies –** This section captures practices likely to yield significant savings that may be shared with students or benefit the institution generally. Topics include controlling costs in procurement, employee benefits, utilities and avoidance of duplication.

- **Section II: Academic Practices –** This section covers areas more directly related to instruction, such as the cost of textbooks, time-to-degree, and academic course and program reviews. Generally, our hope is that academic improvements may reduce student costs and/or improve student outcomes such as graduation rates, time to degree, student loan debt, etc.

- **Section III: Policy Reforms** – This section captures state IHE responses to suggested policy reforms originating in gubernatorial task force efforts, legislative joint committee reports, student loan debt advisory group reports, etc. In recent years, a number of stakeholder perspectives have been shared with institutions. Our hope is that institutions will respond to this stakeholder feedback.

- **Section IV: Student Benefit –**This section asks institutions to provide cost savings and/or resource generation in actual dollars for any major initiatives within the past fiscal year. Emphasis should be placed on highlighting major initiatives that may be considered best practices, rather than responding to specific recommendations from the Ohio Task Force on Affordability and Efficiency in Higher Education October 2015 report. To facilitate understanding, IHE's should advise if savings have been redeployed to students to reduce costs, or if they have been reinvested in some other manner for the benefit of students.

- **Section V: Future goals –** This section corresponds to Master Recommendation 2 of the Ohio Task Force on Affordability. It is designed to allow each institution to benchmark its respective five-year goals to its actual institutional cost savings or avoidance. In the spirit of continuous improvement, this section allows you to revise and/or update your five-year goals as needed. In addition, the DeWine-Husted administration would like to know more about possible roles the state could play in supporting your institutional goals; your input is requested in this section.

For purposes of this report, efficiency is defined as quality versus cost as a means to measure value:

- Direct cost savings to students (reducing costs)
- Direct cost savings to the institution (reducing costs)
- Cost avoidance for students (reducing costs)
- Cost avoidance to the college/university (reducing costs)
- Enhanced advising, teaching (improving quality)
- IP commercialization (improving quality)
- Graduation/completion rates (improving quality)
- Industry-recognized credentials (improving quality)
- Experiential learning (improving quality)

These are examples only. Please consider your responses to address broader measures of efficiency, quality, cost and value. Please also note that this is only a template. Feel free to respond in any additional way you believe is helpful.

Miami University

Section I: Operational Efficiency

Affordability and efficiency in higher education are high among the DeWine-Husted administration's policy priorities. DHE continues to encourage institutions to consider the Ohio Task Force on Affordability and Efficiency's October 2015 report "Action Steps to Reduce College Costs" (Task Force) linked here: www.ohiohighered.org/sites/ohiohighered.org/files/uploads/affordability-efficiency/Action-Steps-to-Reduce-College-Costs_100115.pdf. Although this year's template does not require each IHE to report on every recommendation of the Task Force, we are requesting that IHE's provide the most recent information available on selected items.

As presented in Recommendation 3B of the Task Force, IHE's have access to multiple joint purchasing agreements in the following categories:

- Copier/printer services
- Computer hardware
- Travel services
- Outbound shipping
- Scientific supplies and equipment
- Office supplies and equipment

Contract Type	Did your IHE participate in joint contracts in FY19? [yes, no, worked toward]	Monetary Impact
Copier/printer services	Yes	$51,600
Computer hardware	Yes	$146,997
Travel services	Yes	$87,003
Outbound shipping	Yes	$1,021
Scientific supplies & equipment	Yes	$31,080
Office supplies & equipment	Yes	$53,185

Per recommendation 4C of the Task Force, IHE's should evaluate opportunities for affinity relationships and sponsorships that can support students, faculty, and staff. Institutions can use these types of partnerships to generate new resources by identifying "win-win" opportunities with private entities that are interested in connecting with students, faculty, staff, alumni, or other members of their communities. Please complete the section below with the implementation status of your institution.

Did your institution initiate any new partnerships or sponsorships in FY19? If yes, please complete the below table for those new relationships.

Partnerships/Sponsorships	Description	Revenue Generated
PNC Bank	Banking Agreement	$132,000
Mercy Health	Athletic Health Care	$833,333
IMG	Marketing Rights	$767,700

If the IHE realized efficiencies gained in FY19 from already existing relationships, please identify, specifically including revenue generated. *Include in the table above or add a similar table.*

Employee health benefits continue to be a major cost driver for all IHE's. The Task Force recommendations addressed this issue in 5D, recommending that a statewide working group identify opportunities to collaborate on health-care costs. At this point we are especially interested in learning about best practices that could be applicable around the state. Please provide the following information if your institution has generated any significant savings or health benefits improvements in FY 19

What initiatives or plan changes did the IHE implement in FY19 to manage or reduce healthcare costs?

Miami University released RFP in FY19 soliciting responses for health plan administrative services effective January 1, 2020. The university negotiated a reduction in fixed administrative expense to the health plan to be realized beginning January 1, and a medical claims trend guarantee, limiting any increase in medical claims for CY20 to less than the projected national trend. Additionally, Miami will have access to a quality/cost transparency reporting tool (Castlight) allowing for greater visibility into the quality and cost of healthcare services monitor the university's benefit design which incentivizes utilization through certain providers.

Miami also participated in several shared services RFP's through the IUC for ancillary (e.g. Life, LTD and Dental) plan providers.

Has the institution achieved any expected annual cost savings through healthcare efficiencies in FY19? Please explain how cost savings were estimated.

Miami University's orthopedic Centers of Excellence program reduced plan costs by $103,715 and the Pharmacy Management program reduced costs by $1,240,267. Savings from our Centers of Excellence are based on a comparison of average costs for the bundled service to the same services purchased separately (unbundled). Pharmacy savings were provided by our pharmacy benefit administrator and compare our costs to their broader customer base.

Energy Efficiencies seek to refine sustainable methods utilized by the institution to procure and use energy (resulting in more efficient use of energy), including but not limited to lighting systems, heating & cooling systems, electricity, natural gas, and utility monitoring. Again, we are especially interested in learning about best practices that could be applicable around the state. Please provide the following information if your institution has undertaken any significant energy savings projects in FY19.

FY19 Projects/Initiatives	Efficiencies Gained, including Monetary Impact
LED Lighting Upgrades	$124,998
Thermal Energy Storage Tank	$286,250

Has the institution gained efficiencies in FY19 from previously implemented projects/strategies? If yes, please discuss cumulative efficiencies gained.

Miami University constructed a geothermal plant served by 600 wells in FY 2015. In FY19, the plant's Coefficient of Performance (COP) maintained the high level achieved last year at 5.10 – a 20% improvement from FY17. The cost of production improved by decreasing from $2.79/MMBTU in FY18 to $2.73/MMBTU in FY19. The cost of production has decreased nearly 11% since FY17. In total, these improvements amount to nearly $75,000 in annual savings. Operation of this plant requires less maintenance and daily personnel interaction over our base case plant saving an estimated $105,000 in labor (1.5 FTE). The total annual savings $180,000 or $900,000 since installation.

The Task Force charged DHE with developing a common measurement of administrative productivity. However, the Task Force also acknowledged that each institution should have the latitude to develop its own standards of the proper level of productivity for its campus units. DHE will provide specific financial data for each institution as part of this year's reporting process. The Efficiency Advisory Committee will need to continue to evaluate this data and determine how best to utilize it taking into account the significant diversity of IHE's and their missions throughout Ohio.

Specific institutional measures to be evaluated include:
- Average Expenditure per Student
- Total Revenue per Student
- Facility Cost per Student
- Square Feet per Student

Regional Compacts

Ohio Revised Code Section 3345.59 requires regional compacts of Ohio's public institutions, with an executed agreement in place by June 30, 2018 for institutions to collaborate more fully on shared operations and programs. Per O.R.C. §3345.59 {E} colleges and universities shall report within their annual efficiency reports the efficiencies gained as a result of the compact.

Please discuss efficiencies gained or opportunities for future partnerships as a result of each of the categories within the compact.

Category	Description	Monetary Impact
Reducing duplication of academic programming	In response to the 2017 request by the Ohio Department of Higher Education, Miami University conducted a review of potential duplicate associate and baccalaureate degree programs with University of Cincinnati. The review included nine associate degree programs and 55 baccalaureate degree programs. To conduct this review, Miami evaluated programs in terms of the following indicators: (1) retention rates; (2) graduation rates; (3) enrollment pattern over past five years; (4) employment of its graduates; and (5) contributions to the core liberal education mission of the University. The Office of Institutional Research, in consultation with the Office of the Provost, compiled the program data and shared the information with the academic deans who offered feedback based on their contextual understanding of the program's mission, purpose and effectiveness. Each academic dean determined whether the programs within their division warranted no action or further evaluation. In their review, the deans noted six bachelor degree programs and two associate degree programs that may benefit from further evaluation, including possible program elimination, realignment of the program within the University to improve efficiencies, or collaboration with University of Cincinnati. Below are some of the action steps implemented as a result of the study: **Associate of Technical Studies (Engineering Technology Focus, Computer Information Technology Focus, and**	

	Commerce Focus): Although Miami has had no enrollment in these programs for the past eight years, the Ohio Department of Higher Education has mandated that we offer an ATS degree to make higher education degrees more accessible to students in Ohio Career Technical Centers. In 2018, Miami revised this degree program so that it aligns with the requirements and includes concentrations in relevant One-Year Option pathways. **Associate of Criminal Justice**: This degree currently serves 53 students who typically use this associate degree as a gateway to the four-year bachelor's degree in criminal justice, and the enrollment has been increasing in the past two years. Because the associate degree requirements are folded into the baccalaureate degree requirements, there are no additional resources required to maintain the associate degree. Other students in this program are either working professionals who may find the bachelor's degree too time-consuming, daunting, or financially prohibitive or individuals who often use this degree to distinguish themselves when applying to police academies. Because enrollment in a police academy requires students to be at least 20 years old, this degree program enables students who come to us directly out of high school to complete two years of higher education prior to enrollment at a police academy. **Black World Studies BA**: The outcomes and content of this program are critical to ensuring that Miami meets its goal of advancing inclusion and offering culturally relevant curricula to students. Despite its critical role in promoting inclusion and diversity, this program has experienced diminished enrollment in recent years. To address this challenge, the program has been eliminated and replaced by a new BA in Critical Race & Ethnic Studies, with updated and streamlined requirements. The old program had stopped admitting students. The new program began admitting students in Fall, 2019. **Classical Humanities and Classical Languages BA**: Despite the fact that some of its course offerings of the department are popular among Miami's undergraduate	

	students, demand for the majors within this department has been low for some time. To address this issue, in concert with its program review in 2018-19, the department is revising the program to consolidate the two separate majors offered into one degree with two tracks. Moreover, the Dean of the College of Arts & Science has requested that the Department of Classics be merged into an existing department, thereby reducing staffing and administrative costs. For the past six years, Classics faculty have engaged in a productive course-based collaboration with Ohio University. Miami and OU faculty collaborate to offer one or two upper-level classes in Ancient Greek and Latin each semester, with faculty from each university delivering the course on alternate years. The courses are offered in face-to-face versions on the home campus with the students from the other university participating virtually via an IVDL connection. **Geography BA**: The program has rebranded and renamed the major, to "Geography and Sustainable Development," effective Fall 2019. The department is simultaneously working with alumni and corporate partners to build their internship program and career development programming. The ultimate goal is for the program to grow and serve important needs of the state. **Hebrew Language Program**: This program has been suspended. **Individualized Studies BA**: Following a recent program review, in spring 2018 this program revised its curriculum to be more flexible and thus attractive to prospective students. **Medical Laboratory Science BS**: In 2014, the Miami University Clinical Laboratory Science (CLS) major was replaced by the Medical Laboratory Science (MLS) major, which currently has 46 majors. Miami University's Combined MLS Program, which consists of three or four years of core STEM classes, includes a one-year internship at an institution that offers a National Accrediting Agency for Clinical Laboratory Science (NAACLS)-accredited laboratory educational MLS internship. The required	

	internship encompasses didactic courses and rigorous laboratory rotations in NAACLS-accredited MLS medical laboratories. As a result of its intensity, the number of majors that can be accommodated by the program is limited by design. Miami's MLS major is recognized statewide, regionally and nationally, as a premier Combined MLS Program. Nationwide, acceptance rates into NAACLS-accredited MLS Programs fall below 25%, whereas Miami students' placement rate is approximately 80%. Currently, the program is working on a number of strategies to increase the number of MLS majors, including developing more partnerships with NAACLS-accredited MLS medical laboratories. Beyond the duplication study, Miami is continuously committed to streamlining its entire curricular portfolio. The University Registrar tracks enrollment trends and provides data annually to deans and department chairs. Data analysis has led Miami to eliminate 330 courses, 9 minors and three majors (BS Athletic Training, BS General Engineering and BS Earth Science) in the past year. Finally, Miami, along with UC and Cincinnati State, is a member of the Greater Cincinnati Collegiate Connection (GC3), which enables students to enroll in courses taught by another member institution as part of their schedule. Miami Regionals (along with Southern State Community College and Cincinnati State) is a member of the Southwest Ohio Council for Higher Education (SOCHE) which allows for collaboration with both public and private member institutions for course consortium.	
Implementing strategies to address workforce education needs of the region	Miami has submitted and received approval for hundreds of Transfer Assurance Guides and is now 95% compliant for all Transfer Assurance Guides and 100% compliant for all Career Technical Assurance Guides for which we are eligible. Miami actively participates in the One-Year Option and Transfer to Degree Guaranteed Pathways – all designed to	

	obtain technical credits without unnecessary duplication or institutional barriers. Miami's has pathways in business, arts & humanities, as well as social and behavioral sciences. Miami has also developed bilateral agreements that are designed to meet in-demand occupations in Ohio. For example, Miami has partnered with Southern State Community College to create agreements related to engineering technology and commerce. It has partnered with UC to create agreements related to criminal justice, psychology and nursing. It has also partnered with Cincinnati State on agreements related to engineering technology (electromechanical and mechanical), computer programing, criminal justice, English studies, applied social research and commerce. With respect to electromechanical engineering, Miami delivers the second two years of the EMET and Electrical degrees on Cincinnati State's campus via Live Video. The Miami associate provost serves on the Ohio Articulation & Transfer Advisory Board of the Ohio Department of Higher Education where she regularly collaborates with leaders from career technical centers as well as two- and four-year institutions across the state.	
Sharing resources to align educational pathways and to increase access within the region	In 2018 and again in 2019, Miami University's associate provost partnered with leaders from University of Cincinnati, Cincinnati State Technical & Community College, Southern State Community College, and Sinclair Community College to create a grant proposal for the "Tackling Transfer" Initiative through the Ohio Department of Higher Education. The two grants have funded several all-day summits designed to promote transfer student success. To date, five summits have been held at different campuses across the region (UC Clifton, SSCC's Mt Orab campus, Sinclair Courseview, Miami Regionals' Voice of America Center). Over 40 persons have attended each summit. Key outcomes of these summits have included new bilateral agreements in variety of subject areas (sciences, technology, engineering), a SW Ohio Regional Transfer	

	Summit website [https://www.uc.edu/aas/southwesttransfer.html], a charter and bylaws, and the development of a SW Ohio Transfer Toolkit which is currently under development. Planning is underway to hold a sixth summit at University of Dayton which will focus on forging productive institutional partnerships to advance transfer student success. Miami partners with UC as a participant in the Southwest Regional Depository which is one of five regional depositories in Ohio that houses library materials of IUC members in lieu of new library space.	
Reducing operational and administrative costs to provide more learning opportunities and collaboration in the region	Miami participates in a courier delivery service to provide requested library material to public libraries, colleges, universities and the State Library of Ohio. Miami's Institute for Learning in Retirement engages in joint programming with the Osher Lifelong Learning Institute at the University of Cincinnati, in the West Chester area, to provide non-credit, enrichment programming for people age 50 and older. Over 400 persons are enrolled in this semester's courses. Discussions are beginning with OH-AHEAD about forming partnerships and coalitions among institutions in the southwest Ohio region, particularly in the areas of alternative format production and captioning. Representatives from all four institutions continue to meet with the goal of finding additional common services and efficiencies in Southwest Ohio.	
Enhancing career counseling and experiential learning opportunities for students	Miami Regionals (along with Cincinnati State, University of Cincinnati, and Southern State) is actively engaged in workforce education and pathway development through involvement with the Tech Prep Southwest Regional Center. Tech Prep staff members are located at Miami University Hamilton (along with Southern State Community College and Cincinnati State). Tech Prep also shares staff with a regional workforce development initiative, Partners for a	

	Competitive Workforce, to further link the educational initiative with employers. College staff link their respective institutions to collaborative regional activities that address statewide goals focused on workforce education, pathway development and technical services. The center serves 16 secondary partner districts including three of Ohio's largest Career Technical Planning Districts (CTPDs); four urban districts; six rural CTPDs and one Compact. For the last four years, Miami Regionals, Cincinnati State, and UC have collaborated to offer annual conferences targeted to high school juniors and seniors interested in engineering careers. More than 1000 students have been impacted by shared expertise, business engagement and access to regional resources. Miami's Center for Career Exploration & Success recently partnered with REDI Cincinnati to share best practices and procedures relating to internships in the Cincinnati area. Miami and UC have collaborated on several Ohio Means Internships & Co-Ops grants in the past five years to increase the number of internships and co-ops in the Southwest Ohio Region.	
Collaboration and pathways with information technology centers, adult basic and literacy education programs and school districts	Miami participates in the ODHE ASPIRE Program to provide free services for people in need of acquiring skills in post-secondary education and training, and employment. In 2017, Miami students conducted a research project that resulted in rebranding the program (formerly entitled ABLE). Miami University Regionals offers ASPIRE courses at Adult Education Opportunity Centers and other sites throughout the region. Miami also participates actively in the statewide College Credit Plus program that offers qualified students grades seven through 12 the opportunity to take college courses while earning credit for both high school and college at little or no cost to students. Over 700 students annually	

	participate in Miami CCP courses on the Oxford and Regional campuses. In 2017, Miami signed a partnership agreement with Cincinnati Public Schools to identify students early to introduce them to college-readiness activities and provide opportunities for mentorship and engagement on Miami's campus. Selected students receive the full cost of attendance (minus the family's estimated family contribution and an expected student self-help of $3500) through a variety of aid sources and will receive faculty mentoring, specialized academic advising, structured curriculum, intensive academic summer programs, transition support services, career development and specialized CPS-specific recruitment programs. Beginning in fall 2018, the partnership with CPS expanded to include both the M.O.R.E. and Girls to Women programs in an effort to broaden the diversity of the cohort and to increase the number of students with whom Miami regularly engages. This fall, Miami achieved its initial goal of enrolling 15 Cincinnati Scholars.	
Enhancing the sharing of resources between institutions to expand capacity and capability for research and development	Miami and UC faculty have collaborated to secure seven external research grants in the past six years. Grants have focused on such diverse topics as increasing the participation of women in STEM fields, understanding bipolar disorder, investigating racial bias, evaluating STEM in the play space, and advanced turbine cooling. In addition, Miami, UC, and Cincinnati State have collaborated on three regional submissions to the ODHE RAPIDS grant program, providing approximately $3M in equipment used for education, research, and workforce training in SW Ohio.	
Identifying and implementing the best use of university regional campuses	To provide a seamless transition of students who relocate from one campus to another, Miami University (Oxford) and Miami University Regionals share the same general education requirements, academic policies, curricular approval processes, and are governed by a single University Senate and Board of Trustees. In addition, many administrative and instructional staff work at multiple	

	campuses and collaborate on research projects as well as community and University service projects. Miami, UC and Cincinnati State are all members of the Greater Cincinnati Collegiate Connection (GC3) which enables students from all three (and other GC3) institutions to cross-register for courses and facilitates administrators, faculty and staff from all three as well as other GC3 member institutions to engage in joint professional development programming. The Pathways Program enables students who are not initially admitted to the Oxford campus to begin study on the Regional campuses. Students are co-enrolled in courses and receive specialized advising and support. If they meet all requirements, they are admitted to the Oxford campus in the spring semester of their first year. 23 students confirmed for the Pathways Program for the fall 2019 semester (13 Hamilton and 10 Middletown). Planning is underway to broaden the program's scope to enable Ohio as well as students from across the US to begin classes on the Regional campuses while living on the Oxford campus.	

Section II: Academic Practices

Textbook Affordability

Textbook Cost Study

Ohio Revised Code Section 3333.951(D) requires Ohio's public colleges and universities to annually conduct a study to determine the current cost of textbooks for students enrolled in the institution and submit the study to the Chancellor. Please attach the analysis of textbook costs developed by your institution labeled "[Institution Name – Academic Year – Textbook Cost Study]" Please summarize the results of your institution's study below.

In collaboration with the IUC, Miami participates actively in a Textbook Cost Study. Miami has identified its top twelve undergraduate majors, consisting of 45.33% of the student population, and has mapped the typical course path to completion. With the use of the e-campus virtual bookstore textbook pricing data, Miami calculates the four-year cost of required text purchases for each major. Miami's Affordable and Open Educational Resources Committee has targeted the departments that house these majors to assist them in reducing or eliminating textbook costs. Through Miami's various textbook affordability efforts, Miami students recognize real cost savings on their textbook purchases.

Category	Amount
Average cost for textbooks that are new	$92
Average cost for textbooks that are used	$43
Average cost for rental textbooks	$16
Average cost for eBook	$32

Reducing Textbook Costs for Students

Ohio Revised Code Section 3333.951(C) requires Ohio's public colleges and universities to report their efforts toward reducing textbook costs for students. Please discuss all initiatives implemented, including those referenced below that ensure students have access to affordable textbooks.

1. Does your institution offer inclusive access purchasing of college textbooks? If yes, what percentage of courses participate?

   In 2017, Miami University selected a provider of online textbooks and course materials, e-Campus, which signaled a shift away from the traditional brick and mortar bookstore approach toward a virtual approach. The e-Campus bookstore not only lowers the overhead cost of running a physical bookstore, but it provides faculty, at a glance, multiple textbook options so that they can ensure that they are selecting high quality, affordable and accessible course materials for their students. Because the virtual bookstore is linked to the SIS system, students can easily purchase new, used, rental and digital textbooks instantly upon registering for particular courses. Miami faculty are provided training (via workshops and online videos) on how to use the software platform as well as how to select appropriate and cost-effective textbooks.

In July 2019, Miami became a member of the Unizin Consortium which provides an inclusive access service. This consortium which includes several major universities (e.g., Ohio State, University of Florida, Indiana University, University of Michigan) has arranged wholesale pricing agreements on electronic textbooks with over 19 major publishers. Unizin delivers the e-textbooks as well as supplementary digital learning materials to students via a digital platform that is fully integrated into Miami's Learning Management System. The publisher agreements reduce the cost of textbooks by 40-70 percent. Miami will pilot the program in spring 2020 with ten high-enrollment courses, including introductory Calculus, Microbiology and Marketing courses.

In addition, when faculty submit their textbook selections in compliance with the Higher Education Opportunity Act (HEOA), it allows our staff and e-Campus vendor to suggest standardized materials, more affordable editions, or alternative resources. In the past four years, faculty on all campuses increased their compliance by as much as 60%.

2. Does your institution offer open educational resources (OER) in lieu of purchased materials? If yes, what percentage of courses participate? How many non-duplicative students benefit currently from OER?

Two years ago, Miami formed the Open & Affordable Educational Resources Committee whose members are appointed by the provost and co-chaired by an associate provost and librarian with faculty representation from all academic divisions. The committee has crafted several programs and set of resources designed to target faculty teaching courses with the highest cost textbooks and largest enrollments:

- **OER Explore**. Based on a model developed by the Ohio Textbook Network, the OER Explore workshop is intended to help faculty better understand textbook affordability issues and possible solutions for addressing them. During this two-hour workshop, faculty learn about how the cost of textbooks can negatively impact student learning, are introduced to the concept of OER, and participate in hands-on activities using free or affordable textbooks. The workshop concludes with an overview of Miami University's OER and Affordable Learning grant programs. After faculty write and publish a review of an OER textbook in their field or investigate and reflect on inclusive access electronic textbook possibilities, they receive a modest stipend. Since its inception in 2016, 86 faculty members have completed the OER Explore program. Eight have gone on to participate in one of the other programs listed here where they have adopted a more affordable or open educational resources in their teaching.
- **OER Adopt**. This selective grant program supports faculty in replacing their commercial textbook with an OER. Faculty submit an application; those selected must complete a three-phase program and receive professional development funds when each phase is successfully completed.

o **Phase one**: The faculty member teaches the course using a commercial textbook and required learning materials. Assessment is performed to gauge the impact of the traditional textbooks and other required materials on student learning and course outcomes. In collaboration with their Subject Librarian and the Coordinator of Scholarly Communications, the faculty member selects and prepares OER materials to be used in teaching future sections of the course.

o **Phase two**: The faculty member teaches the course using the selected OER materials. Assessment is performed to gauge the impact of the OER textbook and other newly selected learning materials on student learning and course outcomes.
o **Phase three**: The faculty member makes necessary revisions to the OER text and learning materials based on previous assessment. The faculty member uploads any OER created or modified in the course to the OER Collection in Miami's institutional repository, the Scholarly Commons. The faculty member writes a report evaluating the impact of the OER on the course outcomes and student learning, and on student and faculty satisfaction as well as plans for future use. The final report is shared with the University Committee for Affordable and Open Educational Resources as well as colleagues within their Department or School and peers in the profession.

Twelve faculty members have been selected and are currently participating in this program which has led to over $244,330 in cost savings to students to date and an estimated cost savings of over $500,000 for the upcoming year.

- **OER Create**. This grant program supports faculty who wish to write and publish their own OER textbook and learning materials. As an incentive to do so, Miami University provides faculty professional development funds as well guidance and support for publishing the OER (e.g., editorial services, layout, and electronic publishing). To accomplish this, the University agreed to be an inaugural partner (with nine other higher education institutions) in the OTN Publishing Cooperative. OER published as part of this grant program will be published to the OER Collection in Miami's institutional repository, the Scholarly Commons, and in the Open Textbook Library (OTL). This program is being piloted with a Chemistry professor this year who is teaching a high enrollment course, and will provide Miami students with approximately $72,945.00 per year in cost savings.

3. Is your institution a member of an organization that works to develop high-quality, low-cost materials including OER? If yes, what organization? Please describe.

Miami (along with the other Southwest Ohio institutions) has OhioLINK which negotiates the purchase and enables the sharing of library materials. OhioLINK joined the Open Textbook Network in 2017 and selected seven member librarians, faculty and staff to become the OhioLINK Open Textbook Network (OTN) System Leaders. A Miami librarian, Carla Myers, was chosen to serve on the team. As system leader, she coordinates OhioLINK OTN awareness and advocacy initiatives regarding open educational resources and open textbooks on Miami's campuses and throughout the state. As part of the consortium-wide membership, OhioLINK sent system leaders to OTN's Summer Institute (OTNSI) which is an intensive, five-day training program at the University of Minnesota. The OhioLINK system leaders, in conjunction with OTN staff, coordinate full-day "train the trainer" workshops. These workshops focus on developing campus leaders and aid in their efforts to reduce textbook costs for students. The Miami representative also coordinated an OhioLINK-sponsored OER summit in 2017 and served as co-coordinator for the same event in 2018. Members from around the state discussed their OER activities and initiatives and attendees participated in some hands on activities exploring OER implementation. Additionally, as a system leader, she gave workshops focusing on copyright and OER and Creative Commons licensing at multiple OhioLINK institutions on request.

4. What other practices does your institution utilize to improve college textbook affordability?

Miami's Affordable and Open Educational Resources Committee has also spearheaded a number of other affordability initiatives, including:

- **Course Pack Consultation Service** (CPCS) allows faculty to reduce or eliminate the costs associated with course packs. To be eligible for this program, faculty must currently be using a readings-based course pack (e.g., one that contains articles and book chapters) that students are required to purchase and must agree to use the University's Learning Management System (LMS) for making readings accessible to students in subsequent semesters. The Coordinator of Scholarly Communications reviews the list of materials included in the course pack to determine which readings can be made freely available to students through the library's purchased electronic collections (eBooks and electronic articles) or through other freely and legally accessible online outlets (e.g., linking to archival materials on state historical society website). Links to these works are posted on to a page in the instructor's LMS course site for students to access. Faculty participating in the CSPS are awarded modest professional development funds after the consultation. Since launching the program in fall 2017, nineteen consultations have been completed, leading to over $49,000 in cost savings for students. The program resulted in $42,561 in cost savings for students in FY19.

- **Alternate Textbook Service**. The Alternate Textbook Service, or ATS, launched in this past academic year, involves a collaboration between the course instructor, Library liaison, and the Coordinator of Scholarly Communications to replace the instructor's commercial textbook with an "alternate" textbook comprised of resources pulled from the library's electronic collections, from legal online resources, and reading selections made available in compliance with US copyright law. Not only is this alternate textbook be made freely available to students, but the collaboration between librarian and faculty promotes the use of library resources and draws attention to the diversity of Miami's library collections. Faculty participating in this grant program are provided modest professional development funds. Since the program's inception, six faculty members have used the service. Additionally, faculty have created alternative textbooks outside of this service. Student savings attributable to alternative textbooks was $285,000 in FY19.

- **Revision of Annual Reports and Promotion Dossiers**: To ensure that Department Chairs, Deans and Personnel Committees recognize the efforts of faculty to incorporate affordable texts into their courses, the committee created a proposal for revising the annual report and dossier format to include a specific mention of open and affordable educational resources under the category relating to innovative teaching.

- **Affordable Education Leader Award**: Modeled after a similar award at Texas A&M University, Miami University's OER Committee partnered with the leadership of Miami's student government to develop an annual award to be given to a continuing faculty member on any campus who demonstrates compelling and significant impact in areas related to affordable and open educational resources. The award has been given for the past two years.

Please provide any relevant information in the table below.

Initiative	Explanation of Initiative	Cost Savings to Students
OER Adopt	See above	$244,330
OER Create	See above	$72,945
Course Pack Consultation Services (CPCS)	See above	$42,561
Alternative Textbook Service	See above	$285,000

Textbook Selection Policy

Ohio Revised Code Section 3345.025 requires the board of trustees of each state IHE to adopt a textbook selection policy for faculty to use when choosing and assigning textbooks and other instructional materials. The policy shall include faculty responsibilities and actions faculty may take in selecting and assigning textbooks and other instructional materials. Examples of topics addressed within such a policy include textbook adoption deadlines, faculty ethics rules on personal use/resale of publisher-provided free textbooks, disclosure of personal interest/royalties and textbook ownership of faculty-use books.

1. Has your institution's board of trustees adopted a textbook selection policy consistent with Ohio Revised Code 3345.025?

   Miami revised its policy in spring 2018. It was approved by the Board of Trustees in June 2018, and the policy is now in effect. See revised policy, MUPIM 10.4.

2. Has your institution adopted a faculty textbook auto-adoption policy that assigns the previous semester's version of a textbook when a faculty member does not actively select a new edition by the federally-required date of class registration?

   The University's textbook policy was revised to include a paragraph that explicitly encourages faculty consider textbook affordability when selecting a textbook. Additionally, the University's policy that requires multiple levels of approval for faculty wishing to teach courses that use a textbook they have authored was altered to eliminate any approvals for faculty teaching an OER which they authored.

   Miami currently does not have a textbook auto-adoption policy; however, department chairs are notified when a faculty member does not order a textbook on time. Chairs are responsible for ensuring that a textbook is ordered.

Please attach the policy in full length and label the file as "[Institution Name – Academic Year – Textbook Selection Policy]."

Miami University – Textbook Selection Policy

The selection and adoption of textbooks and/or course materials are an academic departmental responsibility. Academic departments are encouraged to adopt the most appropriate and highest quality textbook for presenting course content and accomplishing course objectives. However, to maintain our goal of higher education access and affordability for our students and to comply with the Ohio Department of Higher Education statutory requirements, academic departments are also encouraged to take into consideration the cost and expense of the textbook and other materials for the student taking the course when making adoption decisions.

Academic departments should strive to make selections for required textbooks and supplemental materials in a timely manner to ensure that sufficient quantities of textbooks and supplemental materials are available to meet the needs of students and to assist students in being responsible consumers.

Before each upcoming academic term, the Office of the Provost shall partner with the University Bookstore to make publicly accessible the following information for each upcoming academic term:

- the International Standard Book Number (ISBN) and retail price information of required and recommended textbooks and supplemental materials for each course listed in the course schedule; and
- the expected number of students enrolled in each course and the maximum student enrollment for the course.

The Office of the Provost, in consultation with the University Bookstore, shall communicate to the deans, department chairs, program directors, and regional campus coordinators the date by which their textbook information is to be provided to the University Bookstore.

The textbook information provided to the University Bookstore shall be published on the University Bookstore website and shall be made readily accessible through a link from the University's on-line course registration system.

If the ISBN is not available, then the author, title, publisher, and copyright date for such college textbook or supplemental material will be published. If the University Bookstore determines that the disclosure of the information required by this policy is not practicable for a college textbook or supplemental material, then it will place the designation 'To Be Determined' in lieu of the information required.

Use of Self-Authored Material

In the event that an instructor wishes to utilize a commercial textbook(s) or other material which is authored by the instructor and the sale of which results in a royalty being paid to the instructor, then such textbook/material may only be required by the instructor if:

- the instructor's chair or program director and dean have consented to the use of the textbook/material; or
- the majority of faculty within the instructor's department has voted to permit the instructor's use of the commercial textbook/material in the instructor's class.

Sales of such items cannot be conducted directly between a faculty member and a student.

Departmental Responsibilities

- The information referenced above will be made available by academic departments and programs each academic term to the University Bookstore on or before a date specified by the Office of the Provost. The academic departments and programs will endeavor to ensure that the information provided to the University Bookstore is in an acceptable format so as to avoid unnecessary orders and returns by the University Bookstore.
- Unless the academic department has made other arrangements, it is the responsibility of each individual instructor to secure his or her own desk copies of textbooks.
- Each academic department or program and regional campus coordinator should designate a person to act as its representative with the University Bookstore and should inform the Bookstore of the name of the designated person.
- To the extent possible, the University Bookstore should be notified of increased enrollments of scheduled course sections and/or of additional course sections to be offered.
- Following the submission to the University Bookstore of textbook lists for the upcoming academic term, instructors are expected to use the textbooks specified for that term.

Additional Bookstore Responsibilities

The University Bookstore is responsible for disseminating information to students regarding:

- available institutional programs for renting textbooks or for purchasing used textbooks;
- available institutional guaranteed textbook buy-back programs, if any;
- available institutional alternative content delivery programs; and/or
- other available institutional cost-saving strategies.

Time to Degree

Reducing time to degree is one of the most effective ways to reduce student costs. The Task offered several recommendations for assisting students in reducing time to degree, including developing an educational campaign to increase student awareness on the importance of maintaining an adequate course load, providing incentives for students to attend full-time and graduate on time. Institutions have also been encouraged to review academic programs to assure the number of hours necessary to earn a degree align with recommended standards.

> Miami students not only can easily access degree path information, but they are also educated on how to make purposeful choices about their academic plans. Access to degree paths is made available through: (1) the student's Degree Audit Report which a student can run at any time for his or her chosen major as well as for any other major he or she may considering; (2) the General Bulletin, the Guidebook for New Students and advising guides for each major (the latter are available in divisional advising offices) which provide clear listings of degree program requirements and term-by-term suggested schedules; and (3) term-by-term academic plans which are created as part of the UNV 101 course in consultation with the student's academic advisor.
>
> Miami's Regional Campuses are currently implementing a comprehensive "meta majors" initiative. A meta major is a collection of academic majors that focus on a broad content area and that are aligned with students' interests, knowledge, skills, abilities and career goals. These meta majors provide students with educationally coherent pathways (course scheduling blocks and co-curricular options), along with customized academic support and progress monitoring. Students pursue a pathway which is associated with their interests and career goals and which guides them through initial academic requirements and into their chosen major or program of study.
>
> Academic advisors also are trained in and have access to the EAB Student Success Collaborative which not only displays suggested term-by-term schedules for each student's degree program but also indicates when and how each student might have moved off track so that immediate advising interventions can be made. Departments are required to display on their websites transfer advising plans for all of Miami's academic partnership agreements, using a common template for ease of use.
>
> U.Achieve Planner, a web application technology designed to allow students and advisors to explore multiple degree paths and identify a four-year, term-by-term schedule for success, is currently being implemented. This system also enables chairs and deans to plan course schedules well in advance and ensure the appropriate number and array of courses are available to meet student needs.
>
> Beginning in 2015, Miami shifted its academic advising model to focus on clear outcomes, a shared university-wide advising approach, required comprehensive (six-part) training for all advisors, four levels of advisor recognition, and ongoing assessment of advising. In addition, the model features the use of the EAB Student Success Collaborative which provides advisors up-to-the-minute and predictive data about each advisee so that the advisor can provide customized intervention and communicate with

advisees easily and regularly. Advisors are required to record summaries of each advising session in order to track each student's progress and build upon previous advice given. The academic advising effort is led by an associate provost with the guidance of a university-wide committee. Each year, the committee produces an annual assessment report which summarizes findings from the multiple measures used to assess advising at Miami (e.g., national surveys, retention and graduation rates, advisor training completion rates, surveys and focus groups) and offers multiple recommendations for future improvement.

In the past two years, Miami has increased its efforts to intervene with students who are at academic risk. Using predictive analytics, several nudge campaigns in both the fall and spring semester are sent to students with moderate or low persistence prediction scores identified in Civitas. Each included a specific call to action and directed students to contact the Dean of Students or the Student Success Center (depending on the student's record).

This academic year, Miami implemented a centralized university-wide registration override system that allows students to add themselves to a "waitlist" for oversubscribed courses. The system provides all pertinent student and curricular information to the advisor and faculty who is then able to assess the overall demand for the course. The goal is to garner timely and actionable information during the registration process that will translate into students with the greatest need as it pertains to "on-time" graduation access to the seats in the class and assist with appropriate and efficient staffing models for high demand courses.

Miami has fully complied with the College Level Examination Program (CLEP) Initiative spearheaded by the ODHE which awards students specific and similar course credit when they reach a standard minimum score for each examination.

The goal of these pathways is to help guide students' choices but without overly limiting their options so that they carry a full load each semester and thereby have a better change of on-time college completion and overall academic success.

Standardize Credits

Recommendation 7C of the Task Force was for institutions to streamline graduation requirements so that most bachelor's degree programs can be completed within 126 credit hours or less, and associate degree programs can be completed within 65 credit hours or less.

Effective with the fall 2017 incoming class, Miami's graduation requirement for baccalaureate degrees was reduced from 128 to 124 credits, and the requirement for associate degrees were reduced from 64 to 62 credits. This reduction followed a major revision of Miami's general education program (Global Miami Plan) in 2015 which featured a four-credit reduction in its requirements. Additionally, Miami makes available a public website that demonstrates 3-year plans for 68% of its undergraduate degree programs. These steps, coupled with sound academic advising, enables Miami students to graduate on average in four years—a statistic which is among the best of any Ohio public university and significantly below the national average of 5.2 years for four-year public institutions.

Time to degree for student awarded a baccalaureate degree in FY 19 was 4.05 years.

Please provide a spreadsheet list of every degree program at your institution that requires more than 65 credit hours to complete and associate degree and/or 126 credit hours to complete a bachelor's degree, list the number of credit hours required in a separate column and label the file "[Institution Name – Academic Year – Time to Degree Standardization]" Please complete the table below.

Percent of Programs that require more than the recommended minimum credit hours to earn a degree	**Percent of FTE in programs that require more than the recommended minimum credit hours to earn a degree**
11.8%	10.1%
Average number of credit hours earned by students awarded an associate degree in FY 19	**Average number of credit hours earned by students awarded a baccalaureate degree in FY 19**
65	140

Degree Program Requiring More than 126 Credit Hours	Hours Required
B.S., Medical Laboratory Science	135
B.A., Architecture	137
B.S., Engineering – Bioengineering	132
B.S., Engineering – Chemical Engineering	128
B.S., Engineering – Computer Engineering	128
B.S., Engineering – Electrical Engineering	128
B.S., Engineering – Engineering Management	128-144
B.S., Engineering – Manufacturing Engineering	128
B.S., Engineering – Mechanical Engineering	128
Bachelor of Fine Arts in Studio Art	134
Bachelor of Music in Music Education	147
Bachelor of Music in Music Performance	179

Alternative Delivery Methods

Online and competency-based education are both growing dramatically as delivery platforms for higher education across the United States. Recommendation 7G of the Task Force was for institutions to consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.

1. Does your institution offer competency-based education? If yes, please provide a list of enrollment, degrees and course offerings.

   Although Miami does not offer formal competency based degree programs (due to Higher Learning Commission accreditation requirements), it does provide prior learning assessment and courses and programs with that have self-paced features or are offered in accelerated or flexible delivery modes.

   Miami has fully complied with the College Level Examination Program (CLEP) Initiative spearheaded by the ODHE which awards students specific and similar course credit when they reach a standard minimum score for each examination.

Drawing from other Ohio public institutions (Columbus State, Kent State), Miami piloted a Math Emporium competency-based course for underprepared, incoming students. Success data, however, indicated that this approach was not effective. As a result, Miami applied and was accepted for participation in the two-year ODHE "Strong Start to Finish" initiative which will aim to develop co-requisite programs for gateway courses, improve placement processes, and enhance advisement of students who are academically underprepared for college. The Miami planning group is focusing efforts on gateway Math and English courses.

In spring 2018, Miami launched a Prior Learning Assessment Portfolio approach to awarding credit for general education requirements. With guidance from the Office of Liberal Education, students with significant work or military experience may develop a portfolio (including reflections on how the learning relates to learning outcomes) in the Canvas Learning Management system which is then reviewed by Miami's Liberal Education Council (general education committee) for possible general education credit.

2. Has your institution seen a difference in completion rates relative to traditional modes of education?
3, Have students experienced cost savings? How is the fiscal impact quantified?

Flexible delivery methods, such as distance learning, provide an opportunity to improve access by providing students with additional opportunities to complete their education. In fact, enrollment in such programs has increased dramatically in recent years.

1. Does your institution offer distance-based or online education? If yes, please provide a list of enrollment, degrees and course offerings.

Academic Program (Degree/Major)	Campus	Current Program Enrollment	Course Offerings
A.A.B. Applied Business	Hamilton/Middletown	147	CMR 101, Intro to Accounting CMR 105 Intro to Marketing CMR 106, Intro to Business & Economy CMR 108, Intro to Business Law CMR 111, Intro to Management I CMR 181, Computers and Business CMR 207, Management Planning and Control ENG 111, Composition and Rhetoric EGS 215, Workplace Writing MTH 119, Quantitative Reasoning STC 136, Interpersonal Communication
A.A.S. Pre-Kindergarten Education	Hamilton/Middletown	38	EDP 201, Human Development and Learning EDP 256, Psychology of Exceptional Learner EDT 190, Intro to Education EDT 273, PreK Integrated Curriculum I EDT 274, PreK Integrated Curriculum II ENG 111, Composition and Rhetoric FSW 207, Serving & Supporting Children, Youth and Families I FSW 283, Intro to Child Care Administration FSW 382, Infant and Toddler Caregiving KNH 245, Issues of Health & Wellness for Young Child EDL 204, Sociocultural Studies in Education EDT 246E Foundations of Language & Literacy EDT 315E, Teaching with Children's Lit FSW 225, Family, School & Community Connections FSW 293 & 294, Field Placement MTH 115, Math for Teachers of Grades P-6
B.S. in Applied Science, Engineering Technology	Hamilton/Middletown	327	ECO 201, Microeconomics ENG 111, Composition and Rhetoric EGS 313, Technical Writing MTH 151, Calculus I

			PHY 161, Physics for Life Sciences with Lab I PHY 162, Physics for Life Sciences with Lab II STC 135, Public Speaking CHM 141 and 144 College Chemistry with Lab ENT 271, Mechanics I: Statics ENT 298, Data Communications ENT 301, Dynamics ENT 303, Digital Signal Processing Technology ENG 311, Process Control Interface Design ENT 316, Project Management ENT 401, Computerized Instrumentation ENT 402, Industrial Automation Lab ENG 403, Wireless Communication and Networks ENT 418, Electro Mechanical Control Systems ENG 497 and 498, Senior Design Project MTH 231 Elements of Discrete Mathematics MTH 251, Calculus II STA 301, Applied Statistics Technical courses
B.S. in Commerce	Hamilton/Middletown	554	CMR 101, Intro to Accounting I CMR 105, Intro to Marketing CMR 108, Intro to Business Law CMR 111, Intro to Management I CMR 207, Management Planning & Control CMR 211, Economics for Commerce CMR 244, Intro to Global Business CMR 282, Computer-Based Business Analysis CMR 302, Financial Info for Managers CMR 495, Strategic Management for Commerce STA 261, Statistics CMR 242, Management of Small Business Operations CMR 263, Sales and Promotion CMR 301, Personal Organizational Skills CMR 361, Marketing for Small Business CMR 401, Leadership Decision Skills CMR 442, Current Issues and Innovations in Small Business

B.A. in Applied Communication, Health Communication	Hamilton/Middletown	44	APC 201, Intro to Health and Risk Communication APC 363, Advanced Methods in Applied Communication APC 401, Applied Communication Capstone ENG 313, Technical Writing NSG 321, US Health Care System PHL 131, Intro to Ethics STA 261, Statistics STC 262, Empirical Research Methods STC 136, Intro to Interpersonal Communication CIT 431, Health Information Technology CIT 448, Global and Strategic Issues in Info Technology CMR 224, Medical Terminology APC 428, Communication in Conflict Management
B.A., English Studies	Hamilton/Middletown	70	ENG 298, Intro to Literary and Cultural Studies EGS 301, Writing & the Professions EGS 495, Capstone in English Studies ENG 272, English Lit to 1660 ENG 273, English Lit 1660-1900 ENG 274, English Lit 1901 – Present ENG 460, Issues in Literary & Cultural Studies ENG 123, Intro to Poetry ENG 124, Intro to Fiction ENG 125, Intro to Drama EGS 215, Workplace Writing ENG 224, Digital Writing EGS 320, Readings in Literatures and Cultures EGS 410, Readings in Multicultural Perspectives
B.S., Information Technology, Health Information Technology	Hamilton/Middletown	37	BIO 232, Human Heredity BIO 342, Genetics CIT 168, Information Technology Tools and Techniques CIT 201, Advanced Spreadsheets and Analytics CIT 214, Database Design and Development CIT 268, Intro to Human-Computer Interaction CIT 276, IT Systems Design and Development CIT 338, Business Intelligence Tools

			CIT 348, Information Management and Retrieval CIT 357, Current Practices in Information Technology CIT 358, Information Technology Assurance and Security CIT 376, IT for Organizations CIT 431, Health Information Technology I CIT 432, Health Information Technology II CMR 224, Medical Terminology EGS 215, Workplace Writing MTH 125, Precalculus NSG 321, US Health Care System and Culture STA 261, Statistics STC 135, Public Speaking Technical Electives
M.A.T. Biological Science, Global Field Program and Advanced Inquiry Program	Oxford	191	Field Courses (21 credits) Leadership in Science Inquiry Professional Media Workshop Master's Capstone
M.A., Biology, Global Field Program and Advanced Inquiry Program	Oxford	590	Field Courses (21 credits) Leadership in Science Inquiry Professional Media Workshop Master's Capstone
M.A., Instructional Design and Technology	Oxford	9	EDP 583, Game Based Learning Design EDP 631, Foundations of Instructional Design and Technology EDP 632, Instructional Design Theory and Models EDP 633, Evaluation & Assessment for Instructional Design EDP 636, Diversity, Learning & Technology EDP 637, Blended and Online Learning Design EDP 639, Trends in Instructional Design and Learning Analytics EDP 643, Interactive Design EDP 669, Qualitative Research in Educational Psychology EDP 648, Capstone Project
Master of Education, Educational Technology	Oxford	33	EDP 583, Game-Based Learning Design EDP 631, Foundations of Instructional Design and Technology EDP 632, Instructional Design Theory and Models

			EDP 633, Evaluation & Assessment for Instructional Design EDP 636, Diversity, Learning & Technology EDP 637, Blended and Online Learning Design EDP 643, Interactive Design EDP 645, Curriculum & Technology EDP 648, Capstone Project EDP 669, Qualitative Research in Ed Psych
Master of Education, Special Education	Oxford	100	EDP 656, Education of Individuals with Exceptionalities EDP 650, Seminar in Special Education EDP 586, Methods I EDP 578, Effective Social Skills Development in Special Ed EDP 571, Literacy Seminar: Clinical EDP 596, Behavioral Interventions EDP 591, Methods II EDP 601, Advanced Educational Psychology EDP 667, Behavioral Statistics I EDP 651, Educational Research EDP 652, Educational Research Practicum EDP 605F, Supervised Field Experience EDP 650, Seminar in Special Education
Master of Fine Arts, English (Creative Writing)	Oxford	30	ENG 631, Writing in Genres ENG 635, Reading for Writing ENG 637, Final Residency ENG 605, Issues in Profession ENG 700, Master's Thesis Research ENG 632-636, Residency Studies
Master of Fine Arts, Experience Design	Oxford	11	ART 555, History of Design ART 560, Special Topics Design Studio ART 622, Experience Design Methods ART 623, Writing for Design Audiences ART 624, Design for Access ART 625, Systemic Design ART 626, Methods of Dissemination ART 627, Design Research Methods ART 650, Experience Design Studio ART 651, Design Research Theory ART 700, Thesis IMS 524, Ethics and Digital Media
Certificate, Customer Service	Hamilton/Middletown	2	CMR 105, Intro to Marketing CMR 181, Computers and Business CMR 261, Customer Service & Satisfaction CMR 282, Computer-Based Business Analysis

			CMR 301, Personal Organizational Skills
Certificate, Analytics	Oxford	0	ISA/STA 250, Basic Math for Analytics ISA 225, Principles of Business Analytics ISA 243, Database and Programming for Analytics ISA 291, Applied Regression Analysis in Business
Certificate, Social Entrepreneurship & Aging	Oxford	1	GTY 601, New Frontiers in Aging ESP 670, Intro to Entrepreneurship and Business Models in Field of Aging GTY 612, Innovations and Trends in the Aging Marketplace ESP 501, New Ventures in Field of Aging

2. Has your institution seen a difference in completion rates relative to traditional modes of education?

Yes, the three-year graduation rates for associate degree-seeking students are greater for those who are online than for others. The online bachelor's degrees at the regional campuses are too new for cohorts to have graduated. Commerce shows new freshmen for the first time in 2015, and Health Communication shows new freshmen for the first time in 2017.

3, Have your students experienced cost savings? How is the fiscal impact quantified?

Course and Program Evaluation

Recommendation 8 of the Task Force was for institutions to evaluate courses and programs for enrollment and consideration of continuation. Per O.R.C 3345.35, the colleges and universities need to address this recommendation every five years. The next applicable date is FY22.

Is your institution currently undertaking, or within the past year undertook, a review of course and degree enrollment for consideration of possible changes such as continuation or termination? If yes, please explain and list specific courses and degrees.

In October 2019, Miami contracted with Gray Associates to engage in a comprehensive, neutral and data-driven evaluation of all academic programs, including degree programs, majors and certificates at the graduate and undergraduate level. The goal of the evaluation is to identify programs that need to be started, sustained, improved, or eliminated. Each academic program will be assigned scores related to student-demand, market size and trends, competitive intensity and degree fit. The analysis will be completed by mid-November. The Provost, deans, department chairs, and leaders from a range of other units will meet in late November to develop a plan to address the evaluation findings.

What steps, if any, did your IHE take in FY19 to share courses/programs with partnering institutions? See below
If you implemented course/program sharing, please discuss efficiencies gained, including cumulative efficiencies to date. For the past five years, Classics faculty have engaged in a productive course-based collaboration with Ohio University. Miami and OU faculty collaborate to offer one or two upper-level classes in Ancient Greek and Latin each semester, with faculty from each university delivering the course on alternate years. The courses are offered in face-to-face versions on the home campus with the students from the other university participating virtually via an IVDL connection

Co-located Campuses

Ohio Revised Code Section 3333.951 requires Ohio's co-located colleges and universities to annually review best practices and shared services in order to improve academic and other services and reduce costs for students. Co-located campuses are then required to report their findings to the Efficiency Advisory Committee. (Reference also recommendation 9 from the Task Force.)

Co-located campus: __Not Applicable________________________________

Type of Shared Service or Best Practice (IE: Administrative, Academic, etc.)	Please include an explanation of this shared service.	Monetary Impact from Shared Service

Section III: Policy Reforms

Financial Advising

Recommendation 10A of the Task Force was for institutions to provide financial literacy as a standard part of students' education. In addition, the Ohio Attorney General's Student Loan Debt Advisory Group report of June 2017 made a similar recommendation as well as other proposals on how to improve processing of student accounts and debts. The report can be found at: www.ohioattorneygeneral.gov/Files/Publications-Files/Publications-for-Schools/Ohio-Attorney-General-s-Student-Loan-Debt-Collecti.aspx

1. Has your institution considered the Ohio Attorney General's Student Loan Debt Advisory Group report recommendation on financial literacy? If so, please describe your institution's implementation.

   Yes, Miami University offers the following types of financial counseling:
   - Financial literacy modules in select courses
   - One-to-one financial counseling before borrowing and again before graduation (to explain loan terms, encourage responsible borrowing, provide repayment information, etc.)
   - Online monitoring for the student of current student loan debt amounts, estimated repayment rates, and calculations around potential salary earnings.
   - Yearly reminders on overall student loan indebtedness
   - Speaking engagements at approximately 30 local high schools to explain federal and state aid opportunities and to encourage FAFSA completion
   - Partnering with three local high schools where Miami staff assist families one-on-one as they complete the FAFSA

2. Does your institution provide a standard course for incoming students that includes financial literacy education?

   Miami University currently offers financial literacy components in several courses, including our introductory University course for first-generation students.

3. Does the course explain the institution's debt collection practices, fees, notifications and referral process to the AG?

   This information is available online and is referenced and available to new and returning students.

4. Does the institution have a process to inform students that they do not have to accept the entire student loan amount for which they are eligible?

   Miami University emphasizes that students do not have to accept the entire student loan amount in it's literature and in our 1:1 discussion with students and families. The average student loan debt at graduation dropped for the third year in a row, with a decrease of $791 in the average over the prior year.

Financial Aid

Ohio IHEs should strive to meet guidance issued by the U.S. Department of Education (USDE) on April 15, 2019: (https://ifap.ed.gov/eannouncements/041519RecWhatPostInstShouldWork2Avoid.html).
The guidance calls for not describing loans as "awards", including the total cost of attendance in letters, breaking costs down into clear components, avoiding comingling grants, scholarships, loans and work-study together, and always including a net cost calculation in financial aid letters. The State of Ohio also wishes to ensure that financial aid dollars it provides are supplementing financial aid for students, not supplanting dollars that would otherwise be given to a similar or identical student.

1. What strategies does your institutions use to coordinate multiple forms of financial aid (institutional or otherwise) for students that are certain or likely to receive state-sponsored financial aid in the form of OCOG, Choose Ohio First, Ohio National Guard Scholarships, War Orphans Scholarships, etc. or other state aid?

   Miami University utilizes a coordinated and regulated process to ensure proper awarding of all Federal, State, and University financial aid. All awards are considered at the time of eligibility and students receive a comprehensive financial aid offer notice, plus additional information, that explains each award type and encourages the student to borrow only what they need. Financial aid is categorized by type (grants/scholarships, loans, work) with each area subtotaled and a net cost after each displayed.

2. Which of the April 15, 2019 recommendations made by the USDE regarding financial aid letters has your institution implemented? If you have chosen not to implement a particular recommendation, please explain why.

   All of the April 15, 2019 recommendations were implemented years ago, with the exception of #1 (we had referred to our aid offer notice as the "financial aid award letter".) We changed the terminology upon receiving April 15, 2019 communication.

Certification Practices

Ohio Revised Code 131.02 requires state IHE's to certify their outstanding debt to the Ohio Attorney General's office (AGO) for collection either 45 days after the amount is due or within 10 days after the start of the next academic session, whichever is later. However, Ohio's institutions certify their outstanding debt pursuant to varying policies and practices. To ensure that all Ohio students are treated fairly and uniformly, the recommendation #7 of the Student Loan Debt Advisory Group report is that state institutions adopt uniform certification practices that emphasize transparency for both debtors and the AGO. The advisory group recommended that the Ohio Bursars Association, in partnership with the Ohio Association of Community Colleges and the Inter-University Council, facilitate this effort.

Specifically, institutions were asked to develop uniform practices for collecting debt with attention to the type, content, and frequency of notices issued to students; and the fees and other collection costs applied to student debts.

1. Has your institution reviewed its certification practices per the 2017 AG Student Loan Debt Advisory Group report? If yes, explain.

   Yes, Miami University has reviewed our operations to ensure that they are aligned with the AGO regulations on time and age of placement. Miami practices align with all recommendations, except as noted below in #2.

2. When your institution certifies debt to the Attorney General, are late fees or other penalties that your institution charged to the student included before certification, thereby leading to collection fees applied to prior collection fees?

   Currently, Miami University charges an unpaid balance fee of 3% in certain situations. No additional collection costs or fees are assessed to the student until placement by the AGO.

   Miami's current vendor has been unable to use their current software to place the unpaid balance fee amounts separately. After working extensively with them during the last year, we have determined that to comply we need a new vendor. We published an RFP, and have selected a vendor that can identify our unpaid fees and report them separate from the principle. This new contract is under review by Miami University procurement and legal counsel and we expect the new system will be implemented within the next six to eight months.

3. Does your institution provide student debtors with opportunities for settlement of debt before certification to the AG? If not, has your institution explored options with the AG to allow settlement?

   Yes, and additionally Miami also allows the students to settle with the AGO.

Section IV: Students Benefit

When institutions save money, they ideally invest a portion of those savings into student benefits, such as reduced fees, increased institutional aid, quality improvements, etc.

For fiscal year 2019 only, please explain what, if anything, your institution is doing that is a new benefit for your students. Answers may be financial benefits or intangibles such as efforts to improve career counseling, undergraduate teaching, research, etc. If you have targeted financial aid for tuition, fees, room and board, books, technology or other expenses, please explain the focus of cost reduction.

If you have seen a significant savings from an initiative in the past fiscal year, please describe that here.

Category	Initiative	FY19 (*Actual*)
Cost savings/avoidance to the institution in FY19 ONLY	Campus Contracts	$318,660
	Collaborative contracts	$1,939,452
	Operations Review	$4,097,211
	Cost Diagnostic, Productivity Measure & Organizational Structure	$15,938,451
	Health Care	$1,343,982
	Energy Projects	$609,445
New resource generation for the institution in FY19 ONLY	Asset Review	$1,644,676
	Affinity partnerships and sponsorships	$3,281,674
	Other Revenue	$10,584,719
Cost savings/avoidance to students in FY19 ONLY	Impact of text book strategies, advising leading to shorter time to degree, and 20% tuition discount for resident undergraduates taking online courses in summer and winter terms.	$5,221,778
	Financial Advising	$3,500,000
	Student Financial Aid	$26,261,028
	Student Success Collaborative	$1,137,492
	Improvements to high demand/high value programs	$8,054,696
	Investments in STEM Facilities	$3,031,867

Additional Practices

Some IHE's may implement practices that make college more affordable and efficient, but which have not been the topic of a specific question in this reporting template. This section invites your institution to share any positive practices you have implemented that benefit student affordability and/or institutional efficiency.

Please share any additional best practices your institution is implementing or has implemented.

Miami Lean Initiative

Miami University began its Lean journey in 2009. Since 2009, Miami employees have completed 1514 projects valued at $83,312,242 in cost avoidance, cost reduction, and new revenue. In FY 2019 Miami completed 167 of those projects at a value of $15,289,984.

Over 2500 employees have been introduced to Lean and 170 are currently in the Lean Certification Program with 67 of them having completed the program to achieve Senior Lean Leader status, 12 of the 67 attained this certification in FY2019. The certification process takes 24-30 months and includes over 100 hours of specialized formal training, involvement in 5 Lean Projects and Lean leader of three, plus the presentation of a significant project to the Miami Lean Review Board. In FY2017, the University added a tier system to the certification process to recognize milestones of certification completion. In FY2019, 5 people achieved Tier 1 status, 8 people achieved both tier 1 and tier 2 status.

In addition to the training provided to Miami University staff and students, the Lean program has extended Lean training to other colleges and universities in Ohio and across the continent. In FY2019, Miami shared the Lean program with Bowling Green State University in Ohio in addition to universities in Oregon and Canada. Miami also continued to collaborate with The Ohio State University, and Wright State University in Ohio regarding Lean and schools and universities in West Virginia and Indiana and the Wright-Patterson Air Force base.

As part of the Lean program, Miami has developed a Lean structure, Lean database with dashboard reporting, and standardized processes for Lean project management. Three full-time staff are dedicated to Lean. All of the other employees have other non-related Lean responsibilities. Presently, all divisions of the university have employees engaged in Lean.

Boldly Creative

Miami University is investing $50 million in a new generation of academic excellence, enhancing its nationally recognized undergraduate teaching, learning and research with a sharpened focus on innovation and creativity. Called Boldly Creative, the multiyear initiative emphasizes data, analytics and programs that span traditional disciplines, creating engaged citizens and workplace leaders who will help expand the Ohio economy. Miami faculty are generating the ideas for investment, all aimed at sustaining Miami's premier undergraduate experience and creating new partnerships with industry and government. "We will unleash creativity and innovation to equip our students with the skills they need to solve the biggest challenges in our state, nation and world. These programs will also enhance the undergraduate experience that has defined Miami for generations, allowing us to continue to attract top students and faculty to Miami." per Crawford. Faculty collaborations across Miami University created the first round of Boldly Creative proposals. The faculty teams looked into the future, collaborated with internal colleagues and external reviewers and proposed new or enhanced academic programs that will grow Miami's enrollment, prepare students for workforce leadership and strengthen Miami's contributions to our communities. Second round is starting in November 2019.

Construction Reform

Construction reform has had a substantial benefit to outcomes of Miami University construction projects. Miami has been able to execute over $924,200,000 since 2013 with zero litigation claims, reduced contingency spends, increased quality (measurably fewer punch list and deficient work issues). Since the adoption of construction reform, more than $56,370,000 has been avoided contingency allocation that was either saved or applied to more productive increase in scope of work. The work has been performed with no increase in University staff to support increase in capital projects executed. These outcomes have allowed Miami University to purchase more work directly benefiting students. Select outcomes and efficiency gains:

- Average annual construction spending per capital project manager before construction reform was $6,075,625. Average annual construction spending per capital project manager after construction reform is $25,110,000. Construction reform has resulted in an estimated 80% reduction in monthly paperwork processing time.
- Reduction in contingency funds allocated for work performed after construction reform.
    - Contingency allocation before construction reform for renovation work - 15%
    - Contingency allocation after construction reform for renovation work - 10%
    - Contingency allocation before construction reform for new work - 7%
    - Contingency allocation after construction reform for new work - 5%.
- Overall reduction in number of change orders and value of change orders as a percentage of construction cost
- Article 8 Claims have been reduced to 0
- Projects are consistently hitting key interim milestone and completion dates, with many projects running ahead of schedule. During this reporting period, the University managed over $75 million in residence hall work that was completed well ahead of schedule
- Contracts for multiple building projects under one CM allows better buying power and lower first costs
- Improved overall construction quality since construction reform. Quality outcomes due to best value procurement, with selections based on qualifications as well as price. Best Value Selection allows relationships with contractor to be built on past successes which leads to greater efficiency and eliminates learning curve with University standards, best practice, and working with staff & faculty
- Shorter time to bring projects to market when the construction manager is hired early in design and bid packages can be sent out prior to full completion of drawings
- Negotiating a guaranteed maximum price ahead of bidding allows owners to reduce risk and plan project budgets with a higher degree of accuracy
- Smaller, local subcontractors are encouraged to pre-qualify with the construction manager prior to bidding to promote diversity and inclusion
- CMs substantially improved EDGE participation percentages on projects with their ability to commit personnel to community engagement and support of smaller start-up sub-contractors

Section V: Future Goals

This year's template does not require updates on every recommendation of the Task Force. Nonetheless, it is important that each institution continue to track its progress on achieving its Five-year goals that have been identified in prior years' submissions. An updated copy of the five-year goal template is attached. Please provide the data to complete the template, including information already provided in Section IV. In addition, if you have any updates or changes that need to be made to your five-year goals submitted in 2016, please update.

See attached MasterRecommendation2. Template to complete.

The DeWine-Husted administration recognizes that each institution of higher education in Ohio faces unique challenges and opportunities with respect to the institution's highest priority goals over the next several years. With that in mind, please provide any suggestions about possible roles the state could play in supporting your institutional goals.

1. Please provide your thoughts and suggestions regarding ways that the State of Ohio can further support strength, resiliency and reputational excellence in Ohio's post-secondary education system.
2. What legislative obstacles or policy roadblocks, if any, inhibit efficiencies and affordability practices at the IHE's?

- - -

Thank you for completing the FY19 Efficiency Reporting Template. We appreciate the important role Ohio's colleges and universities play in supporting Ohio students, economic growth, world-class research and the overall success for our state.

Miami University - MASTER RECOMMENDATION 2: FIVE-YEAR GOAL FOR INSTITUIONAL SAVINGS AND NEW RESOURCE GENERATION

Category	Recommendation	Component	Description	Savings from FY12 - FY16	FY 2017 Goal	FY2017 Actual	FY 2018 Goal	FY2018 Actual	FY 2019 Goal	FY2019 Actual	FY 2020 Goal	FY 2021 Goal	Total Goal
	3A	Campus Contracts	Require employees to use existing contracts for purchasing goods and services.	$ 11,456,528	$ 588,000	$ 585,571	$ 538,000	$ 529,995	$ 493,000	$ 318,660	$ 473,000	$ 453,000	$ 2,545,000
	3B	Collaborative Contracts	Pursue new and/or strengthened purchasing agreements.	$ 1,800,000	$ 212,000	$ 694,818	$ 262,000	$ 1,168,635	$ 307,000	$ 1,939,452	$ 277,000	$ 297,000	$ 1,355,000
	4B	Operations Review	Conduct assessment of non-academic operations that might be run more efficiently by regional cooperative, private operator or other entity.	$ 8,200,000	$ 800,000	$ 2,070,000	$ 300,000	$ 3,507,211	$ 470,000	$ 4,097,211	$ 360,000	$ 320,000	$ 2,250,000
	5A	Cost Diagnostic[1]	Produce a diagnostic to identify its cost drivers, along with priority areas that offer the best opportunities for efficiencies.										$ -
	5B	Productivity Measure[1]	ODHE should develop a common measurement of administrative productivity that can be adopted across Ohio's public colleges and universities.	$ 11,300,910	$ 1,071,576	$ 3,845,348	$ 2,140,291	$ 14,307,393	$ 3,206,164	$ 15,938,451	$ 4,269,209	$ 5,329,438	$ 16,016,678
	5C	Organizational Structure[1]	Review organizational structure to identify opportunities to streamline and reduce costs.										$ -
	5D	Health Care Costs	Take advantage of economies of scale, a statewide working group should identify opportunities to collaborate on health-care costs.	$ 5,660,153				$ 1,668,542		$ 1,343,982			$ -
	5E	Data Centers	Develop a plan to move their primary or disaster recovery data centers to the State of Ohio Computer Center.	$ 1,633,114					$ 50,000		$ 50,000	$ 50,000	$ 150,000
	5F	Space Utilization	Study the utilization of its campus and employ a system that encourages optimization of physical spaces.		$ -		$ -	$ -	$ 250,000		$ 500,000	$ 750,000	$ 1,500,000
		Energy	Energy Efficiency	$ 2,212,986	$ 132,794	$ 498,176	$ 132,130	$ 1,269,669	$ 131,470	$ 609,445	$ 130,812	$ 130,158	$ 657,364
	6A	Negotiate Cost	Professional negotiators must be assigned to help faculty obtain the best deals for textbooks and instructional materials, starting with high-volume, high-cost courses.		$ -	$ 31,724	$ 1,819,270	$ 1,038,487	$ 1,839,687	$ 1,409,035	$ 1,839,775	$ 1,839,775	$ 7,338,506
	6B	Standardize Materials	Encourage departments to choose common materials, including digital elements, for gateway courses that serve large volumes of students.			$ -							$ -
Efficiency Savings	6C	Digital Capabilities	Participate in a consortium to develop digital tools and materials, including open educational resources, that provide students with high-quality, low-cost materials.		$ -	$ 65,847	$ 2,423,964	$ 45,719	$ 2,451,166	$ 644,836	$ 2,451,283	$ 2,451,283	$ 9,777,696
	7A	Educational Campaign	Develop a campaign to educate full-time undergraduates about the course loads needed to graduate on time.		$ -	$ 893,420	$ -	$ 1,389,999	$ -	$ 1,464,822	$ 947,826	$ 947,826	$ 1,895,652
	7B	Graduation Incentive	Consider establishing financial incentives that encourage full-time students to take at least 15 credit hours per semester.										$ -
	7C	Standardize Credits for Degree	Streamline graduation requirements so that most bachelor's degree programs can be completed within four years or less		$ -	$ -	$ -	$ -	$ -	$ -	$ 4,107,800	$ 4,189,956	$ 8,297,756
	7D	Data Driven Advising	Enhance academic advising services so that students benefit from both high-impact, personalized consultations and data systems that proactively identify risk factors that hinder student success.		$ 308,567	$ 986,319	$ 466,431	$ 192,168	$ 183,861	$ -	$ 323,715	$ 535,878	$ 1,818,452
	7E	Summer Programs	Develop plans to evaluate utilization rates for summer session and consider opportunities to increase productive activity.		$ 887,552	$ 1,039,407	$ 905,303	$ 1,087,456	$ 923,409	$ 1,703,085	$ 941,877	$ 960,715	$ 4,618,856
	7F	Pathway Agreements	Develop agreements that create seamless pathways for students who begin their educations at community or technical colleges and complete them at universities.		NA	NA	NA	NA	NA	NA	NA	NA	NA
	7G	Competency Based Education	Consider developing or expanding programs that measure student success based on demonstrated competencies instead of through the amount of time students spend studying a subject.		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	8	Program Review (duplicative programs)	Consider consolidating programs that are duplicated at other colleges and universities in their geographic area.		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	10A	Financial Advising	Make financial literacy a standard part of students' education.			$ 1,200,000		$ 3,000,000		$ 3,500,000			$ -
			Subtotal Student Savings	$ -	$ 1,196,119	$ 4,216,717	$ 5,614,968	$ 6,753,829	$ 5,398,123	$ 8,721,778	$ 10,612,276	$ 10,925,433	$ 33,746,918
			Subtotal Institutional Efficiency Savings	$ 42,263,691	$ 2,804,370	$ 7,693,913	$ 3,372,421	$ 22,451,445	$ 4,907,634	$ 24,247,201	$ 6,060,021	$ 7,329,596	$ 24,474,042
			Subtotal All Savings	**$ 42,263,691**	**$ 4,000,489**	**$ 11,910,630**	**$ 8,987,389**	**$ 29,205,274**	**$ 10,305,757**	**$ 32,968,979**	**$ 16,672,297**	**$ 18,255,029**	**$ 58,220,960**

Category	Recommendation	Component	Description		FY 2017	FY2017 Actual	FY 2018	FY2018 Actual	FY 2019	FY2019 Actual	FY 2020	FY 2021	Total Goal
New Resource Generation	4A	Asset Review	Conduct an assessment of non-core assets to determine market value if sold,, leased or otherwise repurposed.		$ 664,471	$ 132,587	$ 714,471	$ 1,031,903	$ 164,471	$ 1,644,676	$ 164,471	$ 164,471	$ 1,872,355
	4C	Affinity Partnerships	Upon determining assets and operations that are to be retained, evaluate opportunities for affinity relationships and sponsorships.		$ 3,154,762	$ 3,180,333	$ 3,154,762	$ 3,335,404	$ 3,154,762	$ 3,281,674	$ 3,154,762	$ 3,154,762	$ 15,773,810
		Other Revenue	Other Resource Generation	$ 24,114,041	$ 6,348,726	$ 5,898,182	$ 10,672,523	$ 13,822,541	$ 12,001,562	$ 5,658,369	$ 17,001,562	$ 22,001,562	$ 68,025,935
			Subtotal New Resource Generation	**$ 24,114,041**	**$ 10,167,959**	**$ 9,211,102**	**$ 14,541,756**	**$ 18,189,848**	**$ 15,320,795**	**$ 10,584,719**	**$ 20,320,795**	**$ 25,320,795**	**$ 85,672,100**
			TOTAL OF COMBINED INSITUTIONAL OPPORTUNITIES FOR STUDENT AFFORDABILITY	**$ 66,377,732**	**$ 12,972,329**	**$ 16,905,015**	**$ 17,914,177**	**$ 40,641,293**	**$ 20,228,429**	**$ 34,831,920**	**$ 26,380,816**	**$ 32,650,391**	**$ 110,146,142**

SPECIFIC RE-DEPLOYMENT OF SAVINGS TO STUDENTS: Please use the space below to describe, in detail, how you plan to re-deploy institutional resources that are saved and/or generated through the task force components outlined above.

		FY 2017	FY2017 Actual	FY 2018	FY2018 Actual	FY 2019	FY2019 Actual	FY 2020	FY 2021	Total Goal
Increase undergraduate student financial aid	$ 31,809,204	$ 8,000,000	$ 10,729,821	$ 14,000,000	$ 17,081,494	$ 20,000,000	$ 26,261,028	$ 25,000,000	$ 30,000,000	$ 97,000,000
Student Success Collaborative	$ 355,000	$ 161,000	$ 315,047	$ 161,000	$ 1,876,603	$ 161,000	$ 1,137,492	$ 161,000	$ 161,000	$ 805,000
Investments in STEM facilities	$ -	$ 4,000,000	$ 19,730,000	$ 3,000,000	$ 18,372,122	$ -	$ 3,031,867	$ -	$ -	$ 7,000,000
Investments in faculty for high demand programs	$ -	$ 727,549	$ 727,549	$ 1,451,480	$ 2,689,852	$ 2,171,771	$ 8,054,696	$ 3,088,460	$ 3,801,567	$ 11,240,827
Total	$ 32,164,204	$ 12,888,549	$ 31,502,417	$ 18,612,480	$ 40,020,071	$ 22,332,771	$ 38,485,083	$ 28,249,460	$ 33,962,567	$ 116,045,827

Notes:

1. Savings attributable from initiatives falling under components 5A, 5B and 5C are all shown under 5B.

SIGNIFICANT CHANGE(S) IN 5-YEAR GOALS FROM FY16 SUBMISSION TO FY18 SUBMISSION: Please use the area below to describe, in detail, significant deviation in your institution's 5-year goals from the FY16 submission to the FY17 submission, if applicable.

MIAMI UNIVERSITY
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TUITION ORDINANCE 2020-01
Professional MBA Program and Master in Science for Business Analytics

WHEREAS, Miami University is committed to providing a quality and affordable education and services to its graduate students; and

WHEREAS, the Board of Trustees of Miami University annually adopts tuition (instructional and general fees) and an out-of-state surcharge for graduate students on all campuses; and

WHEREAS, the University has identified existing and new graduate program offerings that have unique costs and market conditions; and

WHEREAS, after evaluating the competitive position of the Miami PMBA program in the greater Cincinnati market, the Farmer School of Business recommends that the per credit hour tuition remain at $1,050; and

WHEREAS, after evaluating the market for a Master's Degrees in Business Analytics, the Farmer School of Business recommends a tuition rate of $995 per credit hour.

NOW, THEREFORE, BE IT ORDAINED: that the Board of Trustees adopts the comprehensive per credit hour tuition rates for resident and non-resident graduate students as presented above.

Approved by the Board of Trustees
December 13, 2019

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

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

BOARD OF TRUSTEES
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BOARD OF TRUSTEES
MIAMI UNIVERSITY
Minutes of the Investment Subcommittee Meeting
December 11, 2019
Roudebush Hall, Room 104

The meeting of the Investment Subcommittee was called to order by Investment Subcommittee Chair Mark Ridenour at 3:30 p.m., with members Trustee David Budig, and National Trustee Mark Sullivan in attendance. Trustee Zac Haines was also in attendance.

In addition to the Trustees, Senior Vice President David Creamer, Chief Treasury Officer Bruce Guiot, and Ted Pickerill, Executive Assistant to the President, and Secretary to the Board of Trustees were also present. Miami's OCIO, Strategic Investment Group was represented by Richard Behler, Nikki Kraus, and Markus Krygier.

Senior Vice President Creamer and Bruce Guiot updated the Subcommittee on the status of the changes in investment options/vendors for the employee retirement plan. They stated Miami has selected four options from the state approved set of eight investment venders. They also informed the Subcommittee that the changes implemented will simplify the menu of options, add mutual funds (rather than annuities only) as investment options, and will reduce fees, the savings from which will flow to the employees.

Senior Vice President Creamer and Bruce Guiot then informed the Subcommittee of a proposed quasi endowment (Attachment A) which would be funded by annual non-designated gift funds, with the annual distribution from the quasi endowment to be used primarily to support scholarships.

The proposed Quasi Endowment is included as Attachment A.

Next, there was a discussion on ESG (Environmental, Social, and Corporate Governance, with regards to investing. To aid discussion, a set of investing principles from the UN and the CFA Society were reviewed. There was consensus among the Subcommittee that language should be proposed for the investment statement to provide a framework for ESG responsible investing. Bruce Guiot will now go back to Foundation to begin incorporating facets of ESG into investment policy.

The Subcommittee then considered a currently proposed revision to the investment policy (Attachment B). Senior Vice President Creamer and Bruce Guiot explained there are two primary changes, first that the Tier 2, target allocation be adjusted to be based on the reserve for investment fluctuations. And, second, the expenditure policy be revised to tie the long term bonds more closely to the reserve funds (Tier 2).

The proposed Investment Policy revision is included as Attachment B.

The consensus of the Subcommittee was unanimous support for the approval of all items to be presented to the Finance Committee and the full Board of Trustees.

The representatives from Strategic Investment group then provided a third quarter investment update, and reviewed the long-term capital portfolio investment performance. For the period from December 31, 2018 to October 31, 2019 the value had increased by over $50M, to a total of $484M. They provided an overview of the various investment areas and their relative performance, and discussed the future outlook and portfolio weighting.

Theodore O. Pickerill II
Secretary to the Board of Trustees

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Quasi-Endowment
Resolution R2020-24

WHEREAS, Miami University has accumulated unrestricted expendable funds; and

WHEREAS, Resolution R2019-28 established the Miami University Quasi-Endowment Policy; and

WHEREAS, The Senior Vice President for Finance and Business Services has proposed that a significant portion of these unrestricted, expendable funds be used to establish a new scholarship quasi-endowment; and

WHEREAS, both the Senior Vice President for University Advancement and the Senior Vice President for Finance and Business Services of the University recommend approval of this plan;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the creation of the Unrestricted Scholarship Fund with $1,500,000.00 from the Miami University unrestricted endowments expendable fund; and

BE IT FURTHER ESOLVED that the annual distributions of the Unrestricted Scholarship Fund be used for unrestricted financial aid for Miami students as determined by the Office of Student Financial Assistance.

Approved by the Board of Trustees
December 13, 2019

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

MIAMI UNIVERSITY
OXFORD, OH • EST. 1809

FINANCE AND BUSINESS SERVICES
Investments & Treasury Services Office

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

To: Tom Herbert and David Creamer
From: Bruce Guiot BAG
Subject: Unrestricted Scholarship Quasi-endowment
Date: October 8, 2019

The annual spending distributions from Miami University's unrestricted endowment funds have been accumulating as a contingency part of the original financial plan for the Armstrong Student Center (ASC) construction project. ASC has an outstanding internal loan balance of $9.5 million. The annual debt service is being met through a combination of the student fee, annual spending distributions from two quasi-endowments, and a few remaining pledge payments. In addition, two bequests pledged toward this project total $9.5 million.

The expendable balance associated with the University's unrestricted endowments was $2,167,327.44 at June 30, 2019. At this point, the ASC project's financial condition appears to be solid and this full contingency balance is no longer needed.

Currently, the University's most pressing financial need is additional student financial aid. In order to provide an additional perpetual funding source to support financial aid, the recommendation to the Board of Trustees is to create a new scholarship quasi-endowment in the amount of $1,500,000. The fund will be called the Unrestricted Scholarship Fund and will make an annual distribution to an expendable account as determined by the Miami University Endowment Spending Policy. The expendable will be used to provide student financial aid at the discretion of the Office of Student Financial Assistance.

Approved: ______________________ Date: 11/1/19
Tom Herbert

Approved: David B Creamer Date: 11-12-19
David Creamer

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Miami University
RESOLUTION R2020-25

MIAMI UNIVERSITY
INVESTMENT POLICY STATEMENT - NON-ENDOWMENT
Updated December 2019

WHEREAS, the Board of Trustees of Miami University adopted Resolution R2018-50 on June 22, 2018, to update and amend the Non-Endowment Funds Investment Policy; and

WHEREAS, Miami's staff and outsourced chief investment officer have proposed various revisions and updates to the Investment Policy; and

WHEREAS, the Senior Vice President for Finance and Business Services of the University, with the concurrence of the Investment Sub-Committee and the Finance and Audit Committee, has recommended revising and updating this policy as stated below;

NOW, THEREFORE BE IT RESOLVED that the Board of Trustees approves the amended Non-Endowment Funds Investment Policy; and

BE IT FURTHER RESOLVED that this Resolution supersedes and replaces Resolution R2018-50.

Approved by the Board of Trustees
December 13, 2019

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

MIAMI UNIVERSITY
Investment Policy Statement – Non-Endowment
DECEMBER 2019

I. Purpose

This Investment Policy Statement ("IPS") shall serve as the governing framework for the management of the Non-Endowment assets of Miami University (the "University") and will guide the activities and decisions of the Board of Trustees of the University (the "BoT"), as well as the Finance and Audit Committee of the BoT (the "FAC"), the Investment Subcommittee of the FAC (the "Investment Subcommittee"), the University staff, and the Outsourced Chief Investment Officer ("OCIO") in managing the University's Non-Endowment assets.

All University funds derived from the sources enumerated in Ohio Revised Code 3345.05 (A) (hereafter the "Non-Endowment"), shall for investment purposes be designated into one of three pools:

- (Tier I) the University's Operating Cash;
- (Tier II) the University's Core Cash Sub-Account; and
- (Tier III) the University's Long-Term Capital Sub-Account.

In addition, the BoT may designate some of these funds as quasi-endowments, which for investment purposes shall be invested with the University's endowment pool according to the Pooled Investment Agreement between the University and the Miami University Foundation and the endowment investment policy (Appendix A).

II. Fiduciary Duties

In fulfilling its responsibilities described herein, each of the BoT, the FAC and its Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO is a fiduciary to the Non-Endowment and shall act in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Among other things, UPMIFA requires each person managing an institutional portfolio to do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

III. Roles and Responsibilities

Board of Trustees. The BoT shall approve this IPS, its guidelines, and amendments. The BoT shall also approve recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants).

The IPS will guide the activities and decisions of the BoT, as well as, the FAC, the Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO in managing the assets of the Non-Endowment.

Finance and Audit Committee. The BoT has delegated implementation oversight of the IPS to the FAC, which, in turn, may entrust an Investment Subcommittee to carry out these responsibilities and which serves as the Investment Committee required by Ohio Revised Code 3345.05. Specific responsibilities of the FAC include:

- upon recommendation of its Investment Subcommittee, submitting for BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;
- upon recommendation of its Investment Subcommittee, submitting for BoT approval Investment Subcommittee recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants); and
- reporting at least semi-annually to the BoT.

Investment Subcommittee. The Investment Subcommittee as a governing fiduciary shall oversee the investment and administration of the Non-Endowment. It serves as the "investment committee" required by Ohio Revised Code 3345.05. The Investment Subcommittee, in conjunction with the OCIO, develops policies and guidelines for recommendation to the BoT and the FAC designed to position the Non-Endowment to achieve its objectives with a prudent level of risk. Revisions to the IPS may be recommended by the Investment Subcommittee and approved by the BoT as necessary.

The Investment Subcommittee delegates its authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement dated May 16, 2018 and as may be amended (the "Investment Management Agreement"), which is incorporated herein by reference. Specific responsibilities of the Investment Subcommittee include:

- submitting for FAC concurrence and BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the Non-Endowment assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;
- proposing for FAC concurrence and BoT for approval such updates to the IPS as it, in consultation with the Office of Investments and Treasury Services, the OCIO, and any other advisor, deems appropriate;

- communicating to the Office of Investments and Treasury Services and the OCIO any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment;
- delegating specific administrative, operational, and managerial responsibilities relating to the investment and reinvestment of the Non-Endowment assets;
- monitoring compliance with the IPS;
- reviewing the Office of Investments and Treasury Services' oversight and evaluation of third party vendors on its behalf and making recommendations to the FAC and the BoT with respect thereto;
- reviewing periodically the following:
    - investment performance, including comparisons to objectives and benchmarks
    - asset allocation for the Non-Endowment
    - fees paid in support of the management of the Non-Endowment
- reporting at least semi-annually to the BoT.

Staff. The Secretary to the BoT will maintain the official minutes and records of the FAC and Investment Subcommittee. The Office of Investments and Treasury Services is responsible for managing the operations of the Non-Endowment investment program. Specific responsibilities of the Office of Investments and Treasury Services include:

- budgeting, investing, forecasting, and monitoring funds associated with the Tier 1 Operating Cash portfolio;
- managing the transfer of funds among the Non-Endowment investment Tiers;
- facilitating division carry forward balances, donor gifts, and other unrestricted funds that can be quasi-endowed;
- providing administration, reporting, accounting, audit, and tax support for the Non-Endowment operations;
- ensuring compliance with Ohio Revised Code Section 3345.05 (C)(1);
- serving as the day-to-day contact with the OCIO including communicating planned contributions and withdrawals, transfers of funds, and liquidity needs, communicating with the OCIO and any other advisor(s) any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment;
- monitoring and evaluating third party service providers (e.g., auditors, custodian, OCIO, and consultants), specifically
    - overseeing the OCIO or other advisor(s) who shall have the responsibility, and may have discretion, for implementing investment strategies in accordance with the guidelines set forth in the IPS;
    - overseeing other service providers to the Non-Endowment, including the custodian of Non-Endowment assets;
- recommending to the Investment Subcommittee the hiring and termination of third party service providers (e.g., auditors, custodian, OCIO, and consultants);

- managing constituent relationships;
- providing support to the FAC and its Investment Subcommittee;
- reporting to the FAC and its Investment Subcommittee at their respective meetings.

Outsourced Chief Investment Officer. To assist with managing the Non-Endowment investment program, the BoT has retained the services of an OCIO in conformity the requirements of Ohio Revised Code Section 3345.05(D)(1). The Investment Subcommittee delegated authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement, which is incorporated herein by reference.

The OCIO will have day-to-day responsibility and discretion for investing a designated portion of the Non-Endowment assets (specifically Tiers II and III). The OCIO will report to the Investment Subcommittee on a regular basis in accordance with the Investment Management Agreement that governs the relationship. Specific responsibilities include:

- advising the Investment Subcommittee on the development of the IPS;
- periodically reviewing and recommending to the Investment Subcommittee any changes, modifications, and/or amendments to the IPS, including the investment guidelines and objectives;
- implementing the investment program with respect to Tiers II and III on a discretionary basis, including the selection and monitoring of commingled investment vehicles, the appointment of sub-advisers, and the direct management of assets not allocated to investment vehicles or sub-advisers, in accordance with the guidelines and asset allocation ranges as set forth in this IPS and the Investment Management Agreement;
- taking all necessary actions with respect to the hiring and termination of sub-advisers, and the subscription to and withdrawal from, commingled investment vehicles, including reviewing and executing investment management agreements and subscription documents;
- setting investment guidelines for sub-advisers in conformity to this IPS and the Investment Management Agreement and monitoring their compliance therewith;
- meeting with sub-advisers and evaluating their investment performance;
- interacting with the custodian and other relevant service providers to the Non-Endowment, as necessary to perform its investment management services;
- assisting the Office of Investments and Treasury Services in meeting its reporting and administrative requirements;
- providing reporting and performance monitoring as necessary for the Investment Subcommittee to perform its oversight responsibilities; and
- meeting with the Investment Subcommittee at least quarterly or at other intervals as reasonably agreed with the Investment Subcommittee.

IV. Objectives: Non-Endowment Investment Program

The primary objective of the Non-Endowment investment program is to ensure adequate operating liquidity for the University. Liquidity needs are actively managed in a three-pool structure that allows for differentiation among investment risks and returns.

For investment strategy purposes, the University's Non-Endowment and Foundation Endowment portfolios should be considered together. The liquidity, risk, and return characteristics of the combined pools provide the opportunity to more effectively deploy capital and improve the overall risk-adjusted returns of both investment programs.

The investment of Non-Endowment assets will be guided by the objective of earning rates of return in excess of savings accounts or 91-day Treasury Bills while accepting a low level of market risk and maintaining a high degree of liquidity. The three Tiers of the Non-Endowment investment program are constructed to adequately meet the University's projected budgetary needs and Ohio Revised Code requirements (listed below in Section XI Investment Guidelines) with low risk and liquid investments in Tier I, and with progressively higher expected returns at higher risk profiles in Tiers II and III. The portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes.

The Investment Subcommittee has adopted asset allocation targets and permissible ranges, set forth in Exhibits 1 and 2, that are designed to meet this objective provided that markets deliver equilibrium returns consistent with normal market conditions. A benchmark index has been assigned to each asset class, as set forth in Exhibits 1 and 2. The combination of the benchmark index assigned to each asset class, weighted in accordance with the target allocation to that asset class, forms the "Policy Benchmark" against which the portfolio's overall performance will be measured. Each Tier seeks to achieve performance (net of management fees) that exceeds the performance of the applicable Policy Benchmark (net of assumed passive management fees and rebalancing costs) over rolling five- and ten-year periods.

V. Investment Objectives: Non-Endowment Tiers

TIER I - University Operating Cash

- Objective: To meet the day-to-day cash obligations of the University, provide a liquid and low investment risk source of funds when needed, and meet Ohio Revised Code requirements for public funds.
- Investments: Includes bank deposits, other cash vehicles, and eligible investments under ORC 3345.05 (C) (1).
- Tier Size: The targeted minimum cash balance held in Tier 1 is budgeted each fiscal year by the Office of Investments and Treasury Services and is confirmed

every six months. The minimum balance will be two times the average monthly negative cash flow of the preceding fiscal year.

TIER II - University Core Cash Sub-Account

- Objective: The Baseline Tier II provides a liquid source of funds in the event the Tier I pool is insufficient to meet the University's operating cash needs, while providing an opportunity for incremental returns with modest volatility. The University may periodically create a Special Projects fund within Tier II but housed apart from the Baseline Tier II for funds earmarked for specific future disposition by the University that are likely to require target date maturity matching.
- Investments: Include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. May include eligible investments under ORC 3345.05(C)(1).
- Tier Size: The targeted Baseline balance within this Sub-Account is calculated using the method outlined in Section VIII Annual Expenditure Policy, confirmed during each fiscal year budgeting cycle, and verified every six months. The target Baseline balance is based upon the reserve for investment fluctuations. The minimum balance shall not fall below two times the average negative monthly cash flow of the preceding fiscal year. The Special Projects allocation has no size restrictions.

TIER III - University Long-Term Capital Sub-Account

- Objective: To provide "endowment-like" long-term risk-adjusted returns on assets that would be expended by the University only in the unlikely event of severe financial exigency.
- Investments: Include public equity, absolute return and hedged strategies, open-ended real estate funds, futures-based commodity strategies, and diversified global fixed income securities. May include eligible investments under ORC 3345.05(C)(1). While these funds are expected to have less liquid fund structures, private capital investments will be excluded from consideration unless approved by the Investment Subcommittee.
- Tier Size: This Sub-Account has no size restrictions and generally receives deposits of residual operating cash not deployed in Tiers I and II.

VI. Asset Allocation

To achieve the investment objectives of this IPS, an asset allocation study was conducted and shared with the Investment Subcommittee. It was used to establish percentage targets and ranges for each asset class eligible for investments within Tiers II and III. The asset allocation study analyzed the expected return, risk, and correlation of several asset classes as well as, the expected return and risk of various hypothetical portfolios comprising these asset classes. The expected return and risk characteristics of various portfolios were evaluated in terms of the future expected efficiency of achieving the investment objectives of the Non-Endowment.

Based upon this analysis, asset allocation policies, including ranges for each asset class, were defined. The asset allocation policies are contained in the investment guidelines set forth in Exhibits 1 and 2.

VII. Risk Management

The Tier II Sub-Account will emphasize liquidity and low volatility in keeping with the portfolio's objective of serving as a cash buffer for the University's short-term operating cash needs. The appropriate duration target and range will be agreed to by the Investment Subcommittee and OCIO and specified in Exhibit 1.

Investments in the Tier III Sub-Account will be broadly diversified across and within asset classes in order to seek to minimize the impact of adverse asset class and security-specific shocks, and to avoid excessive portfolio volatility. An appropriate target range for the annual standard deviation of the Tier III policy portfolio will be agreed on by the Investment Subcommittee and OCIO as specified in Exhibit 2. Meeting the "endowment-like" long-term return objectives of the Non-Endowment program shall require the OCIO to regularly monitor and manage market risks associated with the overall portfolio as well as individual asset classes. Specific investments will also be reviewed and aggregated, as available from each manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the manager level, asset class level and portfolio level.

Leverage shall also be monitored to ensure that the intended exposure is in line with parameters determined by the OCIO to be appropriate for a specific strategy and/or asset class. In addition, the portfolio will seek to maintain sufficient liquidity, at all times, to meet the ongoing distribution needs of the Non-Endowment, to rebalance the portfolio, and to capture tactical opportunities. The source of monies for such liquidity needs will be based on rebalancing and cost considerations.

VIII. Annual Expenditure Policy

A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term investment fluctuations. The target balance of the reserve for future investment fluctuations is determined as 20% of the previous fiscal year-end Non-Endowment pool Tier III Long Term Capital balance, plus two years of budgeted Non-Endowment investment earnings.

Each year, the University budget office shall budget investment earnings based on a reasonable assessment of the interest rate and capital markets environment and any funding to be added to the reserve for investment fluctuations.

Any earnings in excess of this budgeted level shall be allocated 100% to the reserve for investment fluctuations, unless otherwise determined by the BoT. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.

The target amount of the reserve for investment fluctuations shall be reviewed at least annually to determine its sufficiency and to establish a future target.

IX. Performance Monitoring and Evaluation

The performance of the Non-Endowment, component asset classes, sub-advisers and investment vehicles shall be monitored by the OCIO on an ongoing basis and shall be reviewed with the Investment Subcommittee at least quarterly. Investment returns are to be measured net of all fees, including investment manager and the OCIO fee. The OCIO shall provide a summary of returns versus stated benchmarks for short-term and long-term periods. The OCIO will meet with the Investment Subcommittee regularly to provide a review of performance and risk, a discussion of market conditions and a summary of the current positioning of the portfolio.

X. Conflicts of Interest

The Investment Subcommittee shall take reasonable measures to assess the independence of the OCIO, and any other service providers to the Non-Endowment. Any actual or potential conflicts of interest relating to any of the foregoing, or to any member of the BoT, FAC, Investment Subcommittee or Office of Investment and Treasury Services, shall be disclosed and addressed in accordance with UPMIFA, Ohio's Ethics laws as applicable, and any conflict of interest policy adopted by the University.

XI. Investment Guidelines

Sub-advisers who are appointed to manage accounts for the Non-Endowment shall be provided investment guidelines as determined by the OCIO. In general, the guidelines will stipulate the types of securities in which the account may invest, general characteristics for the portfolio and/or the performance benchmark and objectives. The specific guidelines may vary depending upon the asset class or sub-asset class. Commingled investment vehicles will be governed by their offering memorandum and other constituent documents.

The investment of the Non-Endowment is subject to and shall be made in accordance with ORC 3345.05 (C) (1), with at least twenty-five percent of the average amount of the investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of Ohio or any political subdivision of Ohio, certificates of deposit of any national bank located in Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve. The Non-Endowment assets in excess of the twenty-five percent may be pooled with other University funds and invested in accordance with Ohio Revised Code Section 1715.52 (UPMIFA).

Exhibit 1
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 2)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	Policy Ranges +	Benchmark Indices [1]
Fixed Income	**100.0%**	**-10.0%**	**0.0%**	
U.S. Treasury & Gov't Agency Securities	100.0%	-10.0%	0.0%	*ICE BAML 0-2 Year Treasury Index*
Cash	**0.0%**	**0.0%**	**10.0%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:

(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.

(2) Targeted Duration for the Baseline Allocation: a range of +/- 0.5 years will be targeted around the duration of the benchmark. For example, should the ICE BAML 0-2 Year Treasury Index carry a duration of 1 year, a target range of 0.5 and 1.5 years will be targeted.

(3) Should this sub-account house funds earmarked for special university projects requiring target date matching, the Office of Investments and Treasury Services will establish an estimated draw schedule and the OCIO will invest in U.S. Treasury and government/agency securities accordingly.

Exhibit 2
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 3)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	+	Benchmark Indices [1]
Equities	**54.0%**	**-10.0%**	**+10%**	
U.S. Equities	27.0%	-10.0%	+10%	*Russell 3000 Index*
Non-U.S. Equities	18.0%	-10.0%	+10%	*MSCI World ex-US Investable Market Index (IMI) (Net)* [2]
Emerging Market Equities	9.0%	-9.0%	+10%	*MSCI Emerging Markets Index (Net)* [2]
Alternatives (Net) [3][4]	**12.0%**	**-12.0%**	**+10%**	
Hedge Funds (Net)[4]	12.0%	-12.0%	+10%	*HFRX Equal Weighted Strategies Index*
Hedge Funds (Gross)	*22.0%*	-22.0%	+5%	
Portable Alpha Overlay	*10.0%*	-10.0%	+10%	
Real Assets	**10.0%**	**-7.0%**	**+13%**	
Real Estate	3.0%	-3.0%	+5%	*NCREIF Fund Index - Open End Diversified Core Equity Index*
Commodities	3.0%	-3.0%	+6%	*S&P GSCI Total Return Index*
TIPS	4.0%	-4.0%	+6%	*Bloomberg Barclays 1-10 Year U.S. TIPS Index*
Fixed Income [4]	**24.0%**	**-10.0%**	**+10%**	
U.S. Investment Grade Fixed Income[5]	21.5%	-15.0%	+10%	*Bloomberg Barclays U. S. Aggregate Index*
U.S. High Yield Bonds	2.5%	-2.5%	+10%	*BofA Merrill Lynch High Yield Cash Pay Index*
Non-U.S. Fixed Income	0.0%	0.0%	+10%	*Citigroup Non-USD World Government Bond Index Hedged*
Cash	**0.0%**	**0.0%**	**+20%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:
(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.
(2) Indices are net of dividend withholding tax.
(3) (Net) indicates that allocations are net of portable alpha strategies. The maximum gross allocation to hedge funds, including those overlaid in portable alpha strategies, is 27%.
(4) U.S. Fixed Income includes physical holdings of Treasuries, corporates and synthetic fixed income achieved through portable alpha strategies.
(5) For purposes of assessing compliance with the minimum of the policy range, fixed income will be deemed to include the allocation to cash.
(6) The targeted annual standard deviation range is 10-12%.

Appendix A
MIAMI UNIVERSITY FOUNDATION INVESTMENT POLICY STATEMENT
Most recent version as adopted by the Foundation Board of Directors

[AVAILABLE UPON REQUEST]

MIAMI UNIVERSITY
Investment Policy Statement – Non-Endowment
~~JUNE 2018~~ DECEMBER 2019

I. Purpose

This Investment Policy Statement ("IPS") shall serve as the governing framework for the management of the Non-Endowment assets of Miami University (the "University") and will guide the activities and decisions of the Board of Trustees of the University (the "BoT"), as well as the Finance and Audit Committee of the BoT (the "FAC"), the Investment Subcommittee of the FAC (the "Investment Subcommittee"), the University staff, and the Outsourced Chief Investment Officer ("OCIO") in managing the University's Non-Endowment assets.

~~This Investment Policy Statement ("IPS") is intended to serve as a governing framework for the management of the Non-Endowment assets of Miami University.~~ All University funds derived from the sources enumerated in Ohio Revised Code 3345.05 (A) (hereafter ~~referred to as~~ the "Non-Endowment"), shall for investment purposes be designated into one of three pools:

- (Tier I~~1~~) the University's Operating Cash ~~(Tier 1)~~;
- (Tier II) the University's Core Cash Sub-Account ~~(Tier 2)~~; and
- (Tier III~~3~~) the University's Long-Term Capital Sub-Account ~~(Tier 3)~~.

~~The IPS will guide the activities and decisions of the Board, as well as, the Committee, the staff of Miami University (the "Staff"), and the OCIO in managing the assets of the Non-Endowment.~~

In addition, the ~~Board of Trustees of Miami University (the "Board~~BoT~~")~~ may designate some of these funds as quasi-endowments, which for investment purposes shall be invested with the University's endowment pool according to the Pooled Investment Agreement between the University and the Miami University Foundation and the endowment investment policy (Appendix A).

II. Fiduciary Duties

In fulfilling its responsibilities described herein, each of the ~~Board~~BoT, the FAC~~ommittee~~ and its Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO is a fiduciary to the Non-Endowment and shall act in accordance with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). Among other things, UPMIFA requires each person managing an institutional portfolio to do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

~~The investment of the Non-Endowment is subject to and shall be made in accordance with ORC 3345.05 (C) (1), with at least twenty-five percent of the average amount of the~~

~~investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of Ohio or any political subdivision of Ohio, certificates of deposit of any national bank located in Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve. The Non-Endowment assets in excess of the twenty-five percent may be pooled with other University funds and invested in accordance with Ohio Revised Code Section 1715.52 (UPMIFA).~~

III. Roles and Responsibilities

Board of Trustees. The BoT shall approve this IPS, its guidelines, and amendments. The BoT shall also approve recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants).

The IPS will guide the activities and decisions of the BoT, as well as, the FAC, the Investment Subcommittee, the Office of Investments and Treasury Services, and the OCIO in managing the assets of the Non-Endowment.~~The IPS has been adopted by the Board upon the recommendation of the Board's Finance and Audit Committee ("Finance & Audit") which serves as the Investment Committee required by Ohio Revised Code 3345.05.~~

~~The Board has delegated implementation of this policy to an investment subcommittee comprised of Board members (the "Committee"). To assist with the investment program the Committee has retained the services of an outsourced Chief Investment Officer (the "OCIO") which satisfies the requirements of Ohio Revised Code Section 3345.05 (D) (1).~~

~~The IPS will guide the activities and decisions of the Board, as well as, the Committee, the staff of Miami University (the "Staff"), and the OCIO in managing the assets of the Non-Endowment.~~

Finance and Audit Committee. The BoT has delegated implementation oversight of the IPS to the FAC, which, in turn, may entrust an Investment Subcommittee to carry out these responsibilities and which serves as the Investment Committee required by Ohio Revised Code 3345.05. Specific responsibilities of the FAC include:

- upon recommendation of its Investment Subcommittee, submitting for BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;

- upon recommendation of its Investment Subcommittee, submitting for BoT approval Investment Subcommittee recommendations to hire or fire third party service providers (e.g., auditors, custodian, OCIO, and consultants); and
- reporting at least semi-annually to the BoT.

Investment Subc~~C~~ommittee. ~~The Board has delegated implementation of this policy to an investment subcommittee comprised of Board members (the "Committee"). To assist with the investment program the Committee has retained the services of an outsourced Chief Investment Officer (the "OCIO") which satisfies the requirements of Ohio Revised Code Section 3345.05 (D) (1).~~

T~~T~~he Investment Subc~~C~~ommittee as a governing fiduciary shall oversee the investment and administration of the Non-Endowment. It serves as the "investment committee" required by Ohio Revised Code 3345.05. The Investment Subc~~C~~ommittee, in conjunction with the OCIO, ~~establishes~~ develops policies and guidelines for recommendation to the BoT and the FAC ~~consistent with this IPS d~~designed to position the Non-Endowment to achieve its objectives with a prudent level of risk. Revisions to the IPS may be recommended by the Investment Subcommittee and approved by the BoT as necessary.

The Investment Subcommittee delegates its authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement dated May 16, 2018 and as may be amended (the "Investment Management Agreement"), which is incorporated herein by reference. ~~The Committee delegates its authority to make investment decisions to the OCIO in accordance with the Investment Management Agreement dated May 16, 2018, which is incorporated herein by reference. The Committee shall report at least semi-annually to the Board. Revisions to the IPS may be recommended by the Committee and approved by the Board as necessary.~~ Specific responsibilities of the ~~Committee~~ Investment Subcommittee include:

- submitting for FAC concurrence and ~~Board~~BoT approval an IPS, setting forth, among other things, the fiduciary roles and responsibilities, investment guidelines and objectives for the investment of the Non-Endowment assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;
- proposing for~~to the~~ FAC concurrence and ~~Board~~BoT for approval such ~~amendments~~updates to the IPS as it, in consultation with the Office of Investments and Treasury Services, the OCIO, and any other advisor, deems appropriate;
- communicating to the Office of Investments and Treasury Services and the OCIO any changes in the risk profile and characteristics of Miami University that may

impact the investment objectives and guidelines of the Non-Endowment; ~~of the Board, the Committee, the Staff, the OCIO, and any other advisors or service providers as deemed appropriate by the Committee~~

- ~~submitting for Board approval, following consultation with the OCIO, investment guidelines and objectives for the investment of the assets, including asset allocation target exposures, permissible ranges (i.e., minimum and maximum allocations to each asset class), and the benchmarks against which the performance of each asset class, and the portfolio as a whole, will be evaluated;~~
- delegating specific administrative, ~~and~~ operational, and managerial responsibilities relating to the investment and reinvestment of the Non-Endowment assets;
- monitoring compliance with the IPS;
- reviewing the Office of Investments and Treasury Services' oversight and evaluation of third party vendors on its behalf and
- making recommendations to the FAC and the BoT with respect thereto;
- reviewing periodically the following:
  - ~~Investment~~ investment performance, including comparisons to objectives and benchmarks
  - ~~Asset~~ asset allocation for the Non-Endowment
  - ~~Fees~~ fees paid in support of the management of the Non-Endowment
- reporting at least semi-annually to the BoT. ~~overseeing the OCIO or other advisor(s) who shall have the responsibility, and may have discretion, for implementing investment strategies in accordance with the guidelines set forth in the IPS~~
- ~~communicating with the OCIO and any other advisor(s) any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment~~
- ~~overseeing other service providers to the Non-Endowment, including the custodian of Non-Endowment assets~~
- ~~proposing to the Board such amendments to the IPS as it, in consultation with the OCIO and any other advisor, deems appropriate~~

Staff. The Secretary to the BoT will maintain the official minutes and records of the FAC and Investment Subcommittee. The Office of Investments and Treasury Services ~~The Staff~~ is responsible for ~~overseeing~~ managing the operations of the Non-Endowment investment program. Specific responsibilities of the ~~Staff~~ Office of Investments and Treasury Services include:

- ~~directing oversight of the~~ budgeting, investing, forecasting, and monitoring funds associated with the Tier 1 Operating Cash portfolio;
- managing the transfer of funds among the Non-Endowment investment Tiers;

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- facilitating division carry forward balances, donor gifts, and other unrestricted funds that can be quasi-endowed;
- providing administration, reporting, accounting, audit, and tax support for the Non-Endowment operations;
- ensuring compliance with Ohio Revised Code Section 3345.05 (C)(1);
- serving as the day-to-day contact with the OCIO including communicating planned contributions and withdrawals, transfers of funds, and liquidity needs, communicating with the OCIO and any other advisor(s) any changes in the risk profile and characteristics of Miami University that may impact the investment objectives and guidelines of the Non-Endowment;
- monitoring and evaluating third party service providers (e.g., auditors, custodian, OCIO, and consultants), specifically
    - overseeing the OCIO or other advisor(s) who shall have the responsibility, and may have discretion, for implementing investment strategies in accordance with the guidelines set forth in the IPS;
    - overseeing other service providers to the Non-Endowment, including the custodian of Non-Endowment assets;
- recommending to the Investment Subcommittee the hiring and termination of third party service providers (e.g., auditors, custodian, OCIO, and consultants);

~~serving as the day-to-day contact with the OCIO including communicating planned contributions and withdrawals, transfers of funds, and liquidity needs~~
- ~~specifying the appropriate strategy for the transfer of funds among the Non-Endowment investment tiers~~
- ~~identifying division carry forward balances, donor gifts, and other unrestricted funds that can be quasi-endowed~~
- managing constituent relationships;
- ~~monitoring third party service providers (e.g., auditors, custodian, consultants)~~
- ~~providing administration, reporting, accounting, audit and tax support for the Non-Endowment operations~~
- providing support to the FAC and its Investment Subc~~C~~ommittee;
- reporting to the FAC and its Investment Subcommittee at their respective meetings.~~ensuring compliance with Ohio Revised Code Section 3345.05 (C)(1)~~
- ~~maintaining the official minutes and records of the Committee~~

Outsourced Chief Investment Officer. To assist with managing the Non-Endowment investment program, the BoT has retained the services of an OCIO in conformity the requirements of Ohio Revised Code Section 3345.05(D)(1). The Investment Subcommittee delegated authority to make investment decisions ~~The Committee delegates its authority to make investment decisions to the~~ to the OCIO in accordance with the Investment Management Agreement~~ dated May 16, 2018~~, which is incorporated herein by reference.

The OCIO will have day-to-day responsibility and discretion for investing a designated portion of the Non-Endowment assets (specifically Tiers ~~2~~ II and III~~3~~). The OCIO will report to the Investment Subcommittee on a regular basis in accordance with the Investment Management Agreement that governs the relationship. ~~The OCIO will report to the Committee on a regular basis in accordance with the investment management agreement ("Investment Management Agreement") that governs the relationship.~~ Specific responsibilities include:

- advising the Investment Sub~~C~~committee on the ~~adoption~~ development of~~, and any amendments to,~~ the IPS;
- periodically reviewing and recommending to the Investment Subc~~C~~ommittee any changes, ~~s or~~ modifications, and/or amendments to~~of~~ the IPS, including the investment guidelines and objectives;~~, to the Committee~~
- ~~overseeing the~~ implement~~ation~~ing ~~of~~ the investment program with respect to Tiers II and III on a discretionary basis, including the selection and monitoring of commingled investment vehicles, the appointment of sub-advisers, and the direct management of assets not allocated to investment vehicles or sub-advisers, in accordance with the guidelines and asset allocation ranges as set forth in ~~the~~ this IPS and the Investment Management Agreement;
- ~~periodically reviewing and recommending to the Committee any changes or modifications of the IPS, including the investment guidelines and objectives, to the Committee~~
- taking all necessary actions with respect to the hiring and termination of sub-advisers, and the subscription to and withdrawal from, commingled investment vehicles, including reviewing and executing investment management agreements and subscription documents;
- setting investment guidelines for sub-advisers in conformity to this IPS and the Investment Management Agreement and monitoring their compliance therewith;
- meeting with sub-advisers and evaluating their investment performance;
- interacting with the custodian and other relevant service providers to the Non-Endowment, as necessary to perform its investment management services;
- assisting the ~~Staff~~Office of Investments and Treasury Services in meeting its reporting and administrative requirements;
- providing reporting and performance monitoring as necessary for the ~~C~~Investment Subcommittee to perform its oversight responsibilities; and
- meeting with
- ~~meeting with~~ the Investment Subc~~C~~ommittee at least quarterly or at other intervals as reasonably agreed with the Investment Subc~~C~~ommittee.
- ~~interacting with the custodian and other relevant service providers to the Non-Endowment, as necessary to perform its investment management services~~
- ~~assisting the Staff in meeting its reporting and administrative requirements~~

- ~~providing reporting and performance monitoring as necessary for the Committee to perform its oversight responsibilities~~~~The OCIO will report to the Committee on a regular basis in accordance with the investment management agreement (“Investment Management Agreement”) that governs the relationship.~~

~~II.~~I. ~~Fiduciary Duties~~

~~In fulfilling its responsibilities described herein, each of the Board, the Committee and the OCIO is a fiduciary to the Non-Endowment and shall act in accordance with UPMIFA. Among other things, UPMIFA requires each person managing an institutional portfolio to do so in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.~~

~~III.~~IV. Objectives: Non-Endowment Investment Program

The primary objective of the Non-Endowment investment program is to ensure adequate operating liquidity for the University. Liquidity needs are actively managed in a three-pool structure that allows for differentiation among investment risks and returns.

For investment strategy purposes, the University’s Non-Endowment and Foundation Endowment portfolios should be considered together. The liquidity, risk, and return characteristics of the combined pools provide the opportunity to more effectively deploy capital and improve the overall risk-adjusted returns of both investment programs.

The investment of Non-Endowment assets will be guided by the objective of earning ~~market~~ rates of return in excess of savings accounts or 91-day Treasury Bills while accepting a low level of market risk and maintaining a high degree of liquidity. ~~The portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes.~~ The three Tiers of the Non-Endowment investment program are constructed to adequately meet the University’s projected budgetary needs and Ohio Revised Code requirements (listed below in Section XI Investment Guidelines) with low risk and liquid investments in Tier ~~1~~I, and with progressively higher expected returns at higher risk profiles in Tiers ~~2~~ II and ~~3~~III. The portfolio's asset allocation will be statistically modeled using historical and projected risk and return characteristics of the portfolio's asset classes.

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The Investment Sub~~C~~committee has adopted asset allocation targets and permissible ranges, set forth in Exhibits 1 and 2, that are designed to meet this objective provided that markets deliver equilibrium returns consistent with normal market conditions. A benchmark index has been assigned to each asset class, as set forth in Exhibits 1 and 2. The combination of the benchmark index assigned to each asset class, weighted in accordance with the target allocation to that asset class, forms the "Policy Benchmark" against which the portfolio's overall performance will be measured. Each Tier seeks to achieve performance (net of management fees) that exceeds the performance of the applicable Policy Benchmark (net of assumed passive management fees and rebalancing costs) over rolling five- and ten-year periods.

V. Investment Objectives: Non-Endowment Tiers

TIER I~~1~~ - University Operating Cash

- Objective: To meet the day-to-day cash obligations of the University, provide a liquid and low investment risk source of funds when needed, and meet Ohio Revised Code requirements for public funds.
- Investments: Includes bank deposits, other cash vehicles, and eligible investments under ORC 3345.05 (C) (1).
- Tier Size: The targeted minimum cash balance held in Tier 1 is budgeted each fiscal year by the ~~University staff~~Office of Investments and Treasury Services and is confirmed every six months. The minimum balance will be two times the average monthly negative cash ~~balance~~ flow of the preceding fiscal year.

TIER II~~2~~ - University Core Cash Sub-Account

- Objective: The Baseline Tier II ~~To~~ provides a liquid source of funds in the event the Tier I~~1~~ pool is insufficient to meet the University's operating cash needs, while providing an opportunity for incremental returns with modest volatility. ~~This Sub-Account also~~ The University may periodically create a Special Projects fund within Tier II but houseds apart from the Baseline Tier II for funds earmarked for specific future disposition by the University that are likely to require target date maturity matching.
- Investments: Include U.S. Treasury and government agency securities generally with an average weighted maturity of between zero and two years for the baseline allocation. May include eligible investments under ORC 3345.05(C)(1).
  Tier Size: The targeted Baseline balance within this Sub-Account is calculated using the method outlined in Section VIII Annual Expenditure Policy, confirmed during each fiscal year budgeting cycle, and verified every six months. The target Baseline –balance is based upon the reserve for investment fluctuations. The minimum balance shall~~generally should~~ not fall below two times the average negative monthly ~~negative~~ cash ~~balance~~ flow of the preceding fiscal year. The Special Projects allocation has no size restrictions.
-

TIER III~~3~~ - University Long-Term Capital Sub-Account

- Objective: To provide "endowment-like" long-term risk-adjusted returns on assets that would be expended by the University only in the unlikely event of severe financial exigency.
- Investments: Include public equity, absolute return and hedged strategies, open-ended real estate funds, futures-based commodity strategies, and diversified global fixed income securities. May include eligible investments under ORC 3345.05(C)(1). While these funds are expected to have less liquid fund structures, private capital investments will be excluded from consideration unless approved by the Investment Subc~~C~~ommittee.
- Tier Size: This Sub-Account has no size restrictions and generally receives deposits of residual operating cash not deployed in Tiers ~~1~~ I and ~~2~~II.

~~V.~~VI. Asset Allocation

To achieve the investment objectives of this IPS, an asset allocation study was conducted and shared with the Investment Subc~~ C~~ommittee. It was used to establish percentage targets and ranges for each asset class eligible for investments within Tiers ~~2~~ II and ~~3~~III. The asset allocation study analyzed the expected return, risk, and correlation of several asset classes as well as, the expected return and risk of various hypothetical portfolios comprising these asset classes. The expected return and risk characteristics of various portfolios were evaluated in terms of the future expected efficiency of achieving the investment objectives of the Non-Endowment.

Based upon this analysis, asset allocation policies, including ranges for each asset class, were defined. The asset allocation policies are contained in the investment guidelines set forth in Exhibits 1 and 2.

~~VI.~~VII. Risk Management

The Tier ~~2~~ II Sub-Account will emphasize liquidity and low volatility in keeping with the portfolio's objective of serving as a cash buffer for the University's short-term operating cash needs. The appropriate duration target and range will be agreed to by the Investment Subc~~C~~ommittee and OCIO and specified in Exhibit 1.

Investments in the Tier ~~3~~ III Sub-Account will be broadly diversified across and within asset classes in order to seek to minimize the impact of adverse asset class and security-specific shocks, and to avoid excessive portfolio volatility. An appropriate target range for the annual standard deviation of the Tier ~~3~~ III policy portfolio will be agreed on by the Investment Subc~~C~~ommittee and OCIO as specified in Exhibit 2. Meeting the "endowment-like" long-term return objectives of the Non-Endowment program shall require~~s~~ the OCIO to regularly monitor and manage market risks associated with the overall portfolio as well as individual asset classes. Specific investments will also be reviewed and aggregated, as available from each manager, on a regular basis to ensure that the portfolio does not maintain unwarranted concentration risks with respect to any single factor or security at the manager level, asset class level and portfolio level.

Leverage ~~is~~ shall also be monitored to ensure that the intended exposure is in line with parameters determined by the OCIO to be appropriate for a specific strategy and/or asset class. In addition, the portfolio will seek to maintain sufficient liquidity, at all times, to meet the ongoing distribution needs of the Non-Endowment, to rebalance the portfolio, and to capture tactical opportunities. The source of monies for such liquidity needs will be based on rebalancing and cost considerations.

VIII. Annual Expenditure Policy

A reserve for investment fluctuations will be maintained in order to buffer the portfolio from short-term investment fluctuations. The target balance of the reserve for future investment fluctuations is determined as 20% of the previous fiscal year-end Non-Endowment pool Tier III Long Term Capital balance, plus two years of budgeted Non-Endowment investment earnings.

Each year, the University budget office shall budget investment earnings based on a reasonable assessment of the interest rate and capital markets environment and any funding to be added to the reserve for investment fluctuations.

Any earnings in excess of this budgeted level shall be allocated 100% to the reserve for investment fluctuations, unless otherwise determined by the BoT. In the event the earnings are short of the budgeted amount, the difference shall be drawn from the reserve for investment fluctuations.

The target amount of the reserve for investment fluctuations shall be reviewed at least annually to determine its sufficiency and to establish a future target.

~~VII.~~IX. Performance Monitoring and Evaluation

The performance of the Non-Endowment, component asset classes, ~~Sub~~sub-~~Advisers~~ advisers and investment vehicles ~~will~~ shall be monitored by the OCIO on an ongoing basis and shall be reviewed ~~by~~ with the Investment Subc~~C~~ommittee at least quarterly. Investment returns are to be measured net of all fees, including investment manager and the OCIO fee. The OCIO ~~will~~ shall provide a summary of returns versus stated benchmarks for short-term and long-term periods. The OCIO will meet with the Investment Subc~~C~~ommittee regularly to provide a review of performance and risk, a discussion of market conditions and a summary of the current positioning of the portfolio.

~~The review should include estimated losses modelled at one, two, and three standard deviations of the combined allocations to Tiers 1 and 2.~~

~~XII.~~X. Conflicts of Interest

The Investment Subc~~C~~ommittee shall take reasonable measures to assess the independence of the OCIO, and any other service providers to the Non-Endowment. Any actual or potential conflicts of interest relating to any of the foregoing, or to any member of the ~~Board~~ BoT, FAC, ~~or~~ Investment Subc~~C~~ommittee or Office of Investment and Treasury Services, shall be disclosed and addressed in accordance with UPMIFA, Ohio's Ethics laws as applicable, and any conflict of interest policy adopted by ~~Miami~~ the University.

~~XIII.~~XI. Investment Guidelines

Sub-advisers who are appointed to manage accounts for the Non-Endowment ~~will~~ shall be provided investment guidelines as determined by the OCIO. In general, the guidelines will stipulate the types of securities in which the account may invest, general characteristics for the portfolio and/or the performance benchmark and objectives. The specific guidelines may vary depending upon the asset class or sub-asset class. Commingled investment vehicles will be governed by their offering memorandum and other constituent documents.

The investment of the Non-Endowment is subject to and shall be made in accordance with ORC 3345.05 (C) (1), with at least twenty-five percent of the average amount of the investment portfolio over the course of the previous fiscal year invested in securities of the United States government or of its agencies or instrumentalities, the treasurer of state's pooled investment program, obligations of Ohio or any political subdivision of Ohio, certificates of deposit of any national bank located in Ohio, written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, money market funds, or bankers acceptances maturing in two hundred seventy days or less which are eligible for purchase by the federal reserve system, as a reserve. The Non-Endowment assets in excess of the twenty-five percent may be pooled with other University funds and invested in accordance with Ohio Revised Code Section 1715.52 (UPMIFA).

Exhibit 1
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 2)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	Policy Ranges +	Benchmark Indices [1]
Fixed Income	**100.0%**	**-10.0%**	**0.0%**	
U.S. Treasury & Gov't Agency Securities	100.0%	-10.0%	0.0%	*ICE BAML 0-2 Year Treasury Index*
Cash	**0.0%**	**0.0%**	**10.0%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:
(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.
(2) Targeted Duration for the Baseline Allocation: a range of +/- 0.5 years will be targeted around the duration of the benchmark. For example, should the ICE BAML 0-2 Year Treasury Index carry a duration of 1 year, a target range of 0.5 and 1.5 years will be targeted.
(3) Should this sub-account house funds earmarked for special university projects requiring target date matching, the ~~University Staff~~Office of Investments and Treasury Services will establish an estimated draw schedule and the OCIO will invest in U.S. Treasury and government/agency securities accordingly.

Exhibit 2
MIAMI UNIVERSITY – NON-ENDOWMENT (TIER 3)
Policy Allocation Targets, Ranges and Benchmarks
JUNE 2018

Asset Category	Policy Allocation	Policy Ranges -	Policy Ranges +	Benchmark Indices (1)
Equities	**54.0%**	**-10.0%**	**+10%**	
U.S. Equities	27.0%	-10.0%	+10%	*Russell 3000 Index*
Non-U.S. Equities	18.0%	-10.0%	+10%	*MSCI World ex-US Investable Market Index (IMI) (Net) (2)*
Emerging Market Equities	9.0%	-9.0%	+10%	*MSCI Emerging Markets Index (Net) (2)*
Alternatives (Net) (3)(4)	**12.0%**	**-12.0%**	**+10%**	
Hedge Funds (Net)(4)	12.0%	-12.0%	+10%	*HFRX Equal Weighted Strategies Index*
Hedge Funds (Gross)	*22.0%*	-22.0%	+5%	
Portable Alpha Overlay	*10.0%*	-10.0%	+10%	
Real Assets	**10.0%**	**-7.0%**	**+13%**	
Real Estate	3.0%	-3.0%	+5%	*NCREIF Fund Index - Open End Diversified Core Equity Index*
Commodities	3.0%	-3.0%	+6%	*S&P GSCI Total Return Index*
TIPS	4.0%	-4.0%	+6%	*Bloomberg Barclays 1-10 Year U.S. TIPS Index*
Fixed Income (4)	**24.0%**	**-10.0%**	**+10%**	
U.S. Investment Grade Fixed Income(5)	21.5%	-15.0%	+10%	*Bloomberg Barclays U. S. Aggregate Index*
U.S. High Yield Bonds	2.5%	-2.5%	+10%	*BofA Merrill Lynch High Yield Cash Pay Index*
Non-U.S. Fixed Income	0.0%	0.0%	+10%	*Citigroup Non-USD World Government Bond Index Hedged*
Cash	**0.0%**	**0.0%**	**+20%**	*Citigroup 3 Month Treasury Bill Index*
Total	**100%**			

Footnotes:
(1) The Policy Benchmark will be reported both gross and net of assumed passive management fees and rebalancing costs.
(2) Indices are net of dividend withholding tax.
(3) (Net) indicates that allocations are net of portable alpha strategies. The maximum gross allocation to hedge funds, including those overlaid in portable alpha strategies, is 27%.
(4) U.S. Fixed Income includes physical holdings of Treasuries, corporates and synthetic fixed income achieved through portable alpha strategies.
(5) For purposes of assessing compliance with the minimum of the policy range, fixed income will be deemed to include the allocation to cash.
(6) The targeted annual standard deviation range is 10-12%.

Appendix A
MIAMI UNIVERSITY FOUNDATION INVESTMENT POLICY STATEMENT
Most recent version as adopted by the Foundation Board of Directors

[AVAILABLE UPON REQUEST]

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
December 11, 2019

Non-Endowment Fund

For the first fiscal quarter ending September 30, 2019, the non-endowment's estimated net-of-fees return excluding operating cash was -0.3%. Tier II Core cash returns were positive, due to exposure to short term treasuries, but Tier III long-term capital's return declined. Tier III was led by real estate which rose 1.6% in the quarter, but dampened by commodities, which declined 3.8%.

At September 30th, the Operating Cash balance was about $143.2 million, up from $60.9 million at the end of June after the receipt of fall semester tuition. Operating Cash earned an approximate 1.5% annualized yield on the average balance, in addition to a significant portion receiving earnings credit against bank fees.

Current Funds	**Fair Value (Millions)**	**% of Portfolio**
Operating Cash (Tier I):		
Short-term Investments*	$143.184	19.1%
Core Cash (Tier II):		
Short-Term Bonds	$76.274	10.2%
Special Initiatives	$49.085	6.6%
Total Core Cash (Tier II):	$129.020	17.3%
Long-Term Capital (Tier III):		
Equity Investments	$250.410	33.5%
Debt Investments	$103.221	13.8%
Hedge Funds	$50.734	6.8%
Real Assets	$41.730	5.6%
Other**	$0.114	0.0%
Cash	$29.352	3.9%
Total Long-Term Capital (Tier III)	$475.561	63.6%
Total Current Fund Investments	**$747.765**	100.0%

*not included in performance report
**includes Cintrifuse Syndicate Fund II

(Continued on next page)

Endowment Pooled Investment Fund

The endowment's preliminary returns were -0.8% for the September quarter. This figure excludes updated values for private capital, which reports on a significant lag. The endowment benefited most from U.S. fixed income's +0.8% return for the quarter, while non-U.S. public equity experienced a return of -3.6%.

The Miami University Foundation Investment Committee met in Oxford on September 17th for an annual review of the Pooled Investment Fund's performance, risk, liquidity, fees and expenses which included a 10-year portfolio review, and portfolio structure.

Bond Project Funds

Construction activity continued in the third quarter of the calendar year. Approximately $8.6 million in draws were made during the September quarter. As of September 30, 2019, the balance was as follows:

Plant Funds

Series 2017 Bond Project Fund $990,277

Attachments

Non-endowment Performance Summary as of 9/30/2019

MUF Performance Summary as of 9/30/2019

PERFORMANCE SUMMARY

Miami University
September 30, 2019

Asset Class *Benchmark*	Market Value ($ mill)	Strategic Portfolio (%)	Rates of Return (%) 1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)	**475.447**	**100.0%**	**1.0**	**(0.5)**	**(0.5)**	**9.3**	**1.6**	**3.9**	**2.8**	**4.2**	**9.3**	**4.3**	**30-Jun-02**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)	**475.447**	**100.0%**	**1.0**	**(0.6)**	**(0.6)**	**9.1**	**-**	**-**	**-**	**-**	**9.1**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*1.1*	*0.4*	*0.4*	*11.6*	*3.6*	*4.5*	*3.1*	*4.4*	*11.6*	*4.4*	
Total Portfolio Policy Benchmark (Net of Fees)			*1.0*	*0.3*	*0.3*	*11.4*	*-*	*-*	*-*	*-*	*11.4*	*-*	
Miami University - Baseline Tier II (Net of Sub-Mgr Fees)	**76.274**	**100.0%**	**0.1**	**0.6**	**0.6**	**2.1**	**2.8**	**0.9**	**1.3**	**2.0**	**2.1**	**2.7**	**30-Jun-02**
Miami University - Baseline Tier II (Net of Sub-Mgr and Strategic Fees)	**76.274**	**100.0%**	**0.1**	**0.6**	**0.6**	**2.1**	**-**	**-**	**-**	**-**	**2.1**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*0.1*	*0.6*	*0.6*	*2.3*	*3.0*	*1.1*	*1.1*	*1.1*	*2.3*	*2.2*	
Total Portfolio Policy Benchmark (Net of Fees)			*0.1*	*0.5*	*0.5*	*2.2*	*-*	*-*	*-*	*-*	*2.2*	*-*	
Miami University Special Initiatives Fund (Net of Sub-Mgr Fees)	**49.085**	**100.0%**	**(0.4)**	**1.0**	**1.0**	**4.9**	**7.1**	**-**	**-**	**-**	**7.3**	**7.3**	**19-Sep-18**
Miami University Special Initiatives Fund (Net of Sub-Mgr and Strategic Fees)	**49.085**	**100.0%**	**(0.4)**	**1.0**	**1.0**	**4.8**	**7.0**	**-**	**-**	**-**	**7.3**	**7.3**	**19-Sep-18**
Total Portfolio Policy Benchmark			*(0.4)*	*1.0*	*1.0*	*4.8*	*7.0*	*-*	*-*	*-*	*7.3*	*7.3*	
Total Miami University Client Group (Net of Sub-Mgr and Strategic Fees)	**600.806**		**0.7**	**(0.3)**	**(0.3)**	**8.0**	**1.9**	**3.0**	**2.2**	**2.7**	**3.2**	**3.2**	**30-Jun-02**

PERFORMANCE SUMMARY

Miami University Long-Term Capital Tier III

September 30, 2019

Asset Class *Benchmark*	Market Value ($ mill)	Portfolio (%)	Rates of Return (%) 1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
U.S. Equity	**91.776**	**19.3%**	**1.9**	**0.8**	**0.8**	**18.9**	**0.7**	**-**	**-**	**-**	**18.9**	**0.9**	**31-Aug-18**
U.S. Equity Policy Benchmark			*1.8*	*1.2*	*1.2*	*20.1*	*1.6*	*-*	*-*	*-*	*20.1*	*1.8*	
Non-U.S. Equity	**120.556**	**25.4%**	**2.2**	**(3.0)**	**(3.0)**	**9.6**	**(3.9)**	**-**	**-**	**-**	**9.6**	**(3.9)**	**31-Aug-18**
Non-U.S. Equity Policy Benchmark			*2.5*	*(2.0)*	*(2.0)*	*10.9*	*(2.7)*	*-*	*-*	*-*	*10.9*	*(2.9)*	
Global Equity	**38.078**	**8.0%**	**1.2**	**0.3**	**0.3**	**-**	**-**	**-**	**-**	**-**	**-**	**1.0**	**30-Apr-19**
Global Equity Benchmark			*2.1*	*0.3*	*0.3*	*-*	*-*	*-*	*-*	*-*	*-*	*0.7*	
Total Equity	**250.410**	**52.7%**	**1.9**	**(1.1)**	**(1.1)**	**14.1**	**(1.5)**	**-**	**-**	**-**	**14.1**	**(1.5)**	**31-Aug-18**
Hedge Funds (Net Exposure)	**50.734**	**10.7%**	**(0.2)**	**(0.2)**	**(0.2)**	**3.2**	**0.9**	**4.5**	**2.9**	**4.3**	**3.2**	**3.6**	**30-Jun-02**
Hedge Funds Policy Benchmark			*0.5*	*1.1*	*1.1*	*3.4*	*1.0*	*8.6*	*6.0*	*8.0*	*3.4*	*7.1*	
Total Alternatives	**50.734**	**10.7%**	**(0.2)**	**(0.2)**	**(0.2)**	**3.2**	**0.9**	**4.5**	**2.9**	**4.3**	**3.2**	**3.6**	**30-Jun-02**
Real Estate - IRR	**6.054**	**1.3%**	**-**	**1.6**	**1.6**	**-**	**-**	**-**	**-**	**-**	**-**	**1.6**	**28-Jun-19**
Real Estate Policy Benchmark - IRR			*-*	*0.0*	*0.0*	*-*	*-*	*-*	*-*	*-*	*-*	*0.0*	
Commodities	**13.700**	**2.9%**	**1.6**	**(3.8)**	**(3.8)**	**-**	**-**	**-**	**-**	**-**	**-**	**(2.4)**	**31-Jan-19**
Commodities Policy Benchmark			*1.7*	*(4.2)*	*(4.2)*	*-*	*-*	*-*	*-*	*-*	*-*	*(0.4)*	
TIPS	**21.976**	**4.6%**	**(0.5)**	**0.6**	**0.6**	**-**	**-**	**-**	**-**	**-**	**-**	**4.6**	**30-Jan-19**
TIPS Policy Benchmark			*(0.8)*	*0.6*	*0.6*	*-*	*-*	*-*	*-*	*-*	*-*	*5.0*	
Total Real Assets	**41.730**	**8.8%**	**0.4**	**(0.9)**	**(0.9)**	**-**	**-**	**-**	**-**	**-**	**-**	**2.1**	**30-Jan-19**
U.S. Fixed Income	**103.221**	**21.7%**	**(0.2)**	**0.8**	**0.8**	**5.4**	**6.0**	**-**	**-**	**-**	**5.4**	**5.8**	**30-Jun-18**
U.S. Fixed Income Policy Benchmark			*(0.4)*	*2.2*	*2.2*	*8.8*	*9.4*	*-*	*-*	*-*	*8.8*	*8.5*	
Total Fixed Income	**103.221**	**21.7%**	**(0.2)**	**0.8**	**0.8**	**5.4**	**6.0**	**3.7**	**3.0**	**4.4**	**5.4**	**4.9**	**30-Jun-02**
Total Cash, Accruals, and Pending Trades	**29.352**	**6.2%**	**0.1**	**0.2**	**0.2**	**0.7**	**1.0**	**-**	**-**	**-**	**0.7**	**1.0**	**27-Aug-18**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr Fees)	**475.447**	**100.0%**	**1.0**	**(0.5)**	**(0.5)**	**9.3**	**1.6**	**3.9**	**2.8**	**4.2**	**9.3**	**4.3**	**30-Jun-02**
Miami University Long-Term Capital Tier III (Net of Sub-Mgr and Strategic Fees)	**475.447**	**100.0%**	**1.0**	**(0.6)**	**(0.6)**	**9.1**	**-**	**-**	**-**	**-**	**9.1**	**-**	**31-Dec-18**
Total Portfolio Policy Benchmark			*1.1*	*0.4*	*0.4*	*11.6*	*3.6*	*4.5*	*3.1*	*4.4*	*11.6*	*4.4*	
Total Portfolio Policy Benchmark (Net of Fees)			*1.0*	*0.3*	*0.3*	*11.4*	*-*	*-*	*-*	*-*	*11.4*	*-*	
Cintrifuse Syndicate Fund II, LLC	**0.114**												
TOTAL	**475.561**												**30-Jun-02**

PERFORMANCE SUMMARY

Miami University Pooled Investment Fund

September 30, 2019

Asset Class *Benchmark*	Market Value ($ mill)	Total Portfolio (%)	Rates of Return (%) 1 Month	3 Month	Fiscal Year To Date	Calendar Year To Date	1 Year	3 Year	5 Year	10 Year	Since Policy Inception	Since Inception	Inception Date
U.S. Equity	**111.107**	**20.9%**	**2.0**	**0.6**	**0.6**	**18.3**	**(1.3)**	**-**	**-**	**-**	**(1.3)**	**1.8**	**24-Jul-18**
U.S. Equity Policy Benchmark			*1.8*	*1.2*	*1.2*	*20.1*	*2.9*	*-*	*-*	*-*	*2.9*	*5.4*	
Non-U.S. Equity	**118.558**	**22.3%**	**1.8**	**(3.6)**	**(3.6)**	**8.9**	**(3.9)**	**-**	**-**	**-**	**(3.9)**	**(3.5)**	**30-Jun-18**
Non-U.S. Equity Policy Benchmark			*2.3*	*(2.5)*	*(2.5)*	*9.6*	*(1.8)*	*-*	*-*	*-*	*(1.8)*	*(1.7)*	
Global Equity	**41.745**	**7.9%**	**1.2**	**0.3**	**0.3**	**16.8**	**1.4**	**-**	**-**	**-**	**1.4**	**4.5**	**30-Jun-18**
Global Equity Benchmark			*2.1*	*0.3*	*0.3*	*16.7*	*1.2*	*-*	*-*	*-*	*1.2*	*4.3*	
Total Equity	**271.410**	**51.1%**	**1.8**	**(1.3)**	**(1.3)**	**13.9**	**(2.2)**	**8.7**	**6.4**	**7.5**	**(2.2)**	**6.1**	**31-Dec-96**
Private Equity - IRR	**39.668**	**7.5%**	**-**	**-**	**-**	**-**	**4.8**	**7.3**	**1.8**	**8.8**	**4.8**	**7.4**	**30-Sep-95**
Private Equity Policy Benchmark - IRR			*-*	*-*	*-*	*-*	*6.8*	*12.9*	*10.7*	*14.1*	*6.8*	*11.7*	
Hedge Funds (Net Exposure)	**83.990**	**15.8%**	**(0.1)**	**(0.8)**	**(0.8)**	**2.7**	**(1.3)**	**-**	**-**	**-**	**(1.3)**	**(0.4)**	**30-Jun-18**
Hedge Funds Policy Benchmark			*0.5*	*1.1*	*1.1*	*3.4*	*(0.7)*	*-*	*-*	*-*	*(0.7)*	*0.1*	
Total Alternatives	**123.659**	**23.3%**	**(0.1)**	**(0.7)**	**(0.7)**	**4.0**	**0.8**	**-**	**-**	**-**	**0.8**	**2.1**	**30-Jun-18**
Real Estate - IRR	**36.169**	**6.8%**	**-**	**-**	**-**	**-**	**10.7**	**9.3**	**7.7**	**7.8**	**10.7**	**4.5**	**31-May-06**
Real Estate Policy Benchmark - IRR			*-*	*-*	*-*	*-*	*3.5*	*8.0*	*8.8*	*9.8*	*3.5*	*6.4*	
Timber	**4.695**	**0.9%**	**-**	**0.0**	**0.0**	**2.2**	**(5.5)**	**-**	**-**	**-**	**(5.5)**	**(1.7)**	**30-Jun-18**
Timber Policy Benchmark			*-*	*0.0*	*0.0*	*0.6*	*1.3*	*-*	*-*	*-*	*1.3*	*4.0*	
Total Real Assets	**40.864**	**7.7%**	**-**	**0.0**	**0.0**	**7.5**	**7.9**	**-**	**-**	**-**	**7.9**	**8.5**	**30-Jun-18**
U.S. Fixed Income	**60.629**	**11.4%**	**0.0**	**0.8**	**0.8**	**4.5**	**6.0**	**-**	**-**	**-**	**6.0**	**5.1**	**30-Jun-18**
U.S. Fixed Income Policy Benchmark			*(0.4)*	*2.2*	*2.2*	*8.9*	*9.9*	*-*	*-*	*-*	*9.9*	*8.2*	
Total Fixed Income	**60.629**	**11.4%**	**0.0**	**0.8**	**0.8**	**4.5**	**6.0**	**-**	**-**	**-**	**6.0**	**6.0**	**30-Sep-18**
Opportunistic	**23.565**	**4.4%**	**0.0**	**(0.3)**	**(0.3)**	**2.9**	**3.7**	**6.6**	**2.6**	**7.3**	**3.7**	**13.0**	**28-Feb-01**
Opportunistic Policy Benchmark			*0.0*	*(0.3)*	*(0.3)*	*2.9*	*3.7*	*8.8*	*7.9*	*10.7*	*3.7*	*11.5*	
Total Opportunistic	**23.565**	**4.4%**	**0.0**	**(0.3)**	**(0.3)**	**2.9**	**3.7**	**6.6**	**2.6**	**7.3**	**3.7**	**13.0**	**28-Feb-01**
Total Cash, Accruals, and Pending Trades	**10.613**	**2.0%**	**0.1**	**0.2**	**0.2**	**0.7**	**1.0**	**-**	**-**	**-**	**1.0**	**1.0**	**30-Jun-18**
Miami University Pooled Investment Fund (Net of Sub-Mgr Fees)	**530.739**	**100.0%**	**0.9**	**(0.7)**	**(0.7)**	**9.3**	**0.8**	**5.6**	**3.6**	**6.0**	**0.8**	**8.4**	**30-Apr-93**
Miami University Pooled Investment Fund (Net of Sub-Mgr and Strategic Fees)	**530.739**	**100.0%**	**0.9**	**(0.8)**	**(0.8)**	**9.1**	**0.6**	**-**	**-**	**-**	**0.6**	**-**	**30-Sep-18**
Total Combined Portfolio Policy Benchmark			*1.1*	*0.1*	*0.1*	*10.7*	*2.6*	*6.8*	*4.5*	*6.6*	*2.6*	*6.6*	
Total Combined Portfolio Policy Benchmark (Net of Fees)			*1.0*	*0.1*	*0.1*	*10.5*	*2.4*	*-*	*-*	*-*	*2.4*	*-*	

To: Finance and Audit Committee

Barbara K. Jena

From: Barbara K. Jena, Chief Audit Officer

Subject: **Internal Audit & Consulting Services -** Internal Audit Issues

Date: November 15, 2019

This is IACS's semiannual report of internal audit issues. As shown in the table below, since April, seven issues have been added and four closed. One high-risk issue was added following an outsourced vulnerability assessment performed on a web application. IT Services is following up with the vendor to validate that the found vulnerabilities have been corrected. Three new moderate-risk issues arose in a review of the special admit process.

Please see summaries of all open issues on pages 2 - 6. Progress is being made to resolve each, with the exception of issue 165.1 found on page 3, line 5. This moderate-risk issue, which arose in the 8/2018 Audit of Health Services Accounting, concerns the need for monthly reconciliations of accounts receivable.

Summaries of the four closed issues are on page 7.

Audit Issue Status

Risk Level	Open audit issues 4/26/2019	Added	Closed	Open audit issues 11/15/2019
High	2	1	0	3
Moderate	8	3	3	8
Low	2	3	1	4
Total	12	7	4	15

Attachments

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**150.3** - Audit of Pledge Financial Accounting - 5/2017	5/26/2017	7/31/2020	High	Finance & Business Services	To increase reporting transparency, IACS recommends that Treasury Services work with University Advancement to prepare annual reconciliations between published financial reports and fundraising totals reported by University Advancement. Reconciliations should be prepared for both MU and MUF and address the following components: a. Revenue - gift revenue in the published financial reports to University Advancement's fundraising attainment (i.e., new pledges plus new outright gifts) in the fiscal year. b. Pledges receivable - pledges receivable in the published financial reports to University Advancement's pledges outstanding balance at fiscal year-end.	Bruce Guiot, Chief Investment Treasury Officer	In an 8/23/2019 status update, the Chief Investment Treasury Officer stated, "We have been successfully conducting weekly reconciliations between Advancement and Finance since June. We are preparing to replicate the process with monthly data." In further discussion, he added that the goal is to reconcile annually as recommended, but on a going-forward basis. As such, the earliest this could be accomplished would be in July 2020 for the FY 2020 fiscal year end. In a 11/4/2019 status update, the Chief Investment Treasury Officer stated, "We have begun conducting monthly reconciliations, but now need to create new reports that reflect changes that occur in subsequent periods so that we can achieve a year to date reconciliation." 85%
2	**173.1** - Compliance with the Vulnerability Management Standard - 3/2019	3/12/2019	12/31/2019	High	IT Services	IACS recommends the Information Security team strengthen analysis and follow-up of cases where remediation is not taking place in accordance with the 30-day standard. Consequences of noncompliance should be re-evaluated to address problem areas.	David Seidl, VP for Information Tech & CIO	Management agrees with the auditor's recommendations. We acknowledge that there have been deficiencies in the following process, which will be addressed when the revised standard is rolled out. The vulnerability management standard will be revised by SCRM by the end of the 4th quarter of the fiscal year 2019. End users who receive the vulnerability report directly will be notified of the revised standard either through training and/or by email notification. In a 8/15/2019 update, management stated, "OpenVAS is being installed with a due date at the end of August. These changes will occur after the new scanning software is in place. This effort is on track for delivery as noted in the original management response." In a 11/7/2019 update, management stated that the new scanning software has been deployed in production, and reporting is scripted and automated. They are continuing to make operational improvements including remediation speed (within the 30-day standard). 90%
3	**174.1** - Outsourced Vulnerability Assessment - 5/2019	5/23/2019	11/30/2019	High	IT Services	As part of an assessment of Miami University's overall technical security posture, IACS outsourced a web application penetration test on two web applications. The objective of the security assessment was to reveal any potential issues that could result in a breach and/or disclosure of potentially sensitive information. Two high severity issues were found that should be remediated immediately, as well as several medium and low severity vulnerabilities.	David Seidl, VP for Information Tech & CIO	The ISO agreed to follow-up and remediate findings 1-6 and investigate issues 7 and 8. In a 8/15/2019 update, management stated that SCRM is working with the vendor on the findings, which they are comparing to a recent third party audit effort. We are waiting on their detailed response, and will follow up. Internal fixes that we can make are being reviewed, however we will wait for the vendor's response before making significant changes so as not to interfere with their fixes. In a 11/7/2019 update, management stated that the vendor is working with a third party QSA (Qualified Security Assessor) to validate that the found vulnerabilities have been corrected. We are expected to receive an external vulnerability scan sign off by their QSA by the end of November 2019. 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
4	**155.2** - ACH Fraud Investigation - 9/2017	9/13/2017	12/31/2019	Moderate	Finance & Business Services	IACS recommends the Controller strengthen segregation of duties by taking the following actions: a. Segregate staff duties between vendor setup and vendor payment. Employees who are assigned responsibilities in the vendor setup process should be limited to Query rights to any related system interfaces in the vendor payment process, and vice versa. b. Implement an effective mitigating control in the case of wire transfers, where vendor setup may not be segregated from vendor payment in the Western Union Global Pay system. To ensure the accuracy and legitimacy of wire payment orders, the approver should match the payment information in Global Pay with the corresponding approved Buyway invoice.	Gary Cornett, Controller	IACS completed a follow-up audit 6/2019 and concluded with the Controller that additional action is required to segregate duties. Originally, issues concerning segregation of duties were a problem for 14 staff. Improvements were made that reduced issues to 6 staff. IACS completed another follow-up audit 11/2019. Further improvements were made to reduce issues from 6 to 3 staff. The Controller has plans to mitigate the risk with the remaining 3 staff members. 85%
5	**165.1** - Audit of Health Services Accounting	8/1/2018	12/31/2019	Moderate	Finance & Business Services	Perform monthly accounts receivable reconciliations. The Controller's Office should assign responsibility for reconciling the TriHealth accounts receivable balance on a monthly basis. Doing so will improve the reliability of financial information and compliance with University procedures.	Linda Manley, Assistant Controller; Tim Kresse, Director of Student Affairs Budget and Technology	IACS completed a follow-up audit 8/2019 for this audit issue that arose 8/2018. Although attempts were made to reconcile monthly during FY19 by the Assistant Controller, unreconciled differences remain and are growing. Miami shows a greater accounts receivable due from TriHealth than TriHealth shows. Accurate monthly reconciliations performed by the Assistant Controller are dependent on daily reconciliations that were to have been performed by the Director of Budget and Technology within the Division of Student Life. The Controller has been in touch with the AVP of Health & Wellness to address on-going concerns in this area. This comment remains open and the Director of Budget and Technology set a new goal to have 2019 reconciled by 10/31/2019. In a 11/11/2019 status update, the Assistant Controller stated, "In September 2019 the Director of Budget and Technology shared an XML code for a report in BI to help reconcile my portion of the daily reconciliations (FY18). After running the report there still remains unreconciled "F" documents to Banner so additional work needs to be done on the BI report. Until daily reconciliations are resolved, monthly accounts receivable reconciliations cannot be completely accurate. I'll continue to work on reconciling by 12-31-19." In further discussions, the Assistant Controller stated that she is unaware of what progress has been made with daily reconciliations of FY19 and FY20 accounts receivable by the Director of Budget and Technology (within the Division of Student Life). 50%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
6	**165.2** - Audit of Health Services Accounting	8/1/2018	12/31/2019	Moderate	Finance and Business Services	Implement procedures requiring approval of large billing adjustments. The Controller's Office should work with Student Affairs to implement procedures requiring approval of large billing adjustments prior to booking such journal vouchers. Amounts considered large and who should approve within Student Affairs senior management (Assistant VP for Student Wellness or Director of Budget and Technology) should be predetermined.	Linda Manley, Assistant Controller; Tim Kresse, Director of Student Affairs Budget and Technology	Management concurred and in an 11/2018 update stated, "Any financial adjustments to the Student Health Services of $10,000 or more must be reviewed and approved by either the Assistant Vice President for Health and Wellness in the Division of Student Life or Director of Student Life Budget and Technology." IACS completed a follow-up audit 8/2019 of this issue that arose 8/2018. The approval procedures have not been implemented within the Division of Student Life. This comment remains open and the Director of Budget and Technology stated he has taken action to implement effective 9/3/2019. In a 11/12/2019 status update, the Assistant Controller stated that it appears that the approval procedures have now been implemented within the Division of Student Life. IACS will schedule a follow-up review to verify. 99%
7	**180.1** - Campus Services Physical Inventory - 9/2018	9/6/2018	12/31/2019	Moderate	Finance & Business Services	IACS recommends Campus Services management establish a comprehensive physical inventory count process for Campus Services units holding inventory for resale. An overall framework of the process should be established for Campus Services, and be adapted to the various inventory types and needs of each unit to eliminate gaps in current processes. Particular attention should be made to comparing count results to recorded quantities on-hand and researching discrepancies prior to approving on-hand balance adjustments. Subsequently, corrective actions should be taken to prevent any errors in the future. The framework and associated policy and procedures should be formally documented, communicated to the necessary parties, and reviewed for execution. Management should also consult with the Office of the Controller to ensure the established process meets the guidelines and requirements for fiscal year-end inventory reporting. To help management successfully establish the inventory count process, IACS also recommends management consult the U.S. Government Accountability Office's (GAO) framework and guide on establishing a comprehensive physical inventory process– Best Practices in Achieving Consistent, Accurate Physical Counts of Inventory and Related Property. This document can be found on the GAO's (formerly General Accounting Office) website at the following link: https://www.gao.gov/products/GAO-02-447G. IACS recommends Campus Services consider implementing the key factors discussed in the guide.	Geno Svec, Executive Director Campus Services	IACS met with the Executive Director of Campus Services in September, 2019. He stated that there have been delays in addressing this issue due to turnover and implementing a new inventory management system for the markets (convenience stores) on the Oxford campus. Plans are to also implement inventory control in the dining halls and have similar procedures for all units holding inventory for resale. The new target completion date is December, 2019. In a 11/5/2019 status update, the Executive Director of Campus Services stated, "C-Store is live at Dorsey Market and we have experienced good results thus far. It has been operational for a week now. The plan is to bring C-Store to 2 markets per week until completion: Garden and Maple Express 11/4. Prepetual inventory testing will begin the week of 11/4. We are working on the inventory process for the remainder of the food & beverage locations on campus with the expectation of completion in December." 55%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
8	**162.2** - Audit of the Miami University Tuition Promise-4/2019	4/8/2019	2/29/2020	Moderate	Enrollment Management and Student Success	IACS recommends that the Office of the Bursar work with the Office of General Counsel and University Communications and Marketing to update the University's website for terms and prices, and meet the dissemination requirements specified in the current Tuition Promise program rules. IACS also recommends a process be established to ensure future updates to the program rules be reflected timely on the University's website.	Kriss Cassano, Bursar	IACS completed a follow-up audit 11/2019. The Bursar worked with the Office of General Counsel and University Communications and Marketing to update the University's website for current Tuition Promise terms and prices. The updated program rules are now published in one location (MU Policy Library), and include links to pricing. However, additional action is required by the Office of General Counsel to link the Policy Library to the published list of those degrees requiring more than 128 hours (Exhibit A). In addition, a Board Resolution is planned to be presented in December 2019 or February 2020 to have the outdated Tuition Promise program rules removed from the Board Regulations. This audit issue remains open until the two remaining updates have been made. 95%
9	**185.1** - Review of the Special Admit Process	8/15/2019	11/30/2019	Moderate	Enrollment Mgt & SS	IACS recommends that Admission have ICA coaches submit a list to Admission of students they request be granted special admit status, should the students not be regularly admitted. Admission should then work with the Associate Athletics Director for Academics and Compliance in reaching a final decision of which students will be granted special admit status. Admission should also communicate with the CCA academic liaison to identify which students were granted special admit status.	Brent Shock, Assoc VP Std Enrl Services	Brent Shock agreed with the recommendation and plans to take action. 10%
10	**185.2** - Review of the Special Admit Process	8/15/2019	11/30/2019	Moderate	Enrollment Mgt & SS	IACS recommends Admission evaluate the maximums of 60 ICA and 30 CCA special admits for appropriateness, given the maximums are never reached.	Brent Shock, Assoc VP Std Enrl Services	Brent Shock agreed with the recommendation and plans to take action. 10%
11	**185.3** - Review of the Special Admit Process	8/15/2019	11/30/2019	Moderate	Enrollment Mgt & SS	IACS recommends that EMSS put a process in place to address CCA students granted special admit status who want to change majors prior to completing their one-year commitment. The student should be required to first meet and discuss the request to change majors with the CCA departmental chair. This would give the chair the opportunity to query the student.	Brent Shock, Assoc VP Std Enrl Services	Brent Shock agreed with the recommendations and plans to take action. 10%
12	**170.1** - Audit of Office of Admission P-Card Expenditures - 12/2018	12/5/2018	12/31/2019	Low	Enrollment Management and Student Success	IACS recommends management continue to strengthen internal control oversight of P-Card expenditures and expense reporting by reviewing expenditures for compliance prior to approval. Special attention should be given to detecting and correcting the following violations: a. Personal purchases made with P-Cards b. Inappropriate claims for per diem c. Unallowable purchases of trip insurance d. Unallowable purchases of premium airfare and seat upgrades e. Missing receipts f. Split transactions used to bypass the single P-Card transaction limit of $1,500 g. Hosting meals exceeding limits and lacking required documentation h. Sales tax paid in tax-exempt states i. Office supplies purchased with P-Cards, rather than Buyway j. P-Cards used for on-campus purchases k. Office of Strategic Procurement not notified of recurring purchases	Bethany Perkins, Director of Admission	IACS completed a follow-up audit 8/2019. EMSS management has strengthened internal control over P-Card expenditures and expense reporting. Issues related to "inappropriate claims for per diem" and "sales tax paid in tax-exempt states" are considered closed with the understanding that approvers will pay particular attention to compliance prior to approving. Other issues listed are also considered closed except for "hosting meals exceeding limits and lacking required documentation". Three hosting meals were noted for exceeding dinner limit of $70 per person. Given the same hosting events noted in the original audit were again noted for exceeding hosting meal limit, point "g" remains open. In a 11/4/2019 status update, the Director of Admission stated, "One of the three events is now at $70 per person, per the agreed-upon contract. The other two are yet to be scheduled. The new process is to escalate request to Director/AVP who must seek and secure VP approval for meals over the hosting limit in order to move forward with the purchase/contract." Another follow-up will be scheduled to verify hosting expenditures comply with policy. 99%

Open Internal Audit Issues

Line	Audit Name And Date	Date Opened	Date Due	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
13	**184.1** - Audit of Payments to LevinThor, LLC -7/2019	7/16/2019	12/31/2019	Low	Academic Affairs	IACS recommends OARS follow MU's Purchasing Policy, specifically: a. A Purchase Order should be issued prior to any commitment being made for the purchase of goods or providing of services. Direct Pay should only be used in specific categories approved in advance by the Chief Procurement Officer. b. Review receipts and supporting documentation from vendors before approving payments.	James Oris, Assoc Prov/Dean & UnivDistProf	Management concurred and stated that the contract has been terminated. Due to a misunderstanding, no PO was ever entered into Buyway. In the future, actions will be taken to confirm that appropriate PO's are submitted and contract(s) have been fully executed. Any future engagements such as this that involve travel will require the production of receipts that will be reviewed prior to approval and all records will be maintained according to records retention requirements. These actions were not intentional, but there were deviations from university policies. 80%
14	**184.2** - Audit of Payments to LevinThor, LLC - 7/2019	7/16/2019	12/31/2019	Low	Academic Affairs	IACS recommends AIMS follow MU's P-Card Policy and Travel Policy, specifically: a. In accordance with P-Card Policy, airfare and hotel rooms for official University travel should be purchased on a P-Card, rather than having the expenses reimbursed. Meals during travel status should be reimbursed via travel expense reporting. A reasonable description of the business purpose should be included in expense reports, rather than simply "travel" and "meeting". b. In accordance with Travel Policy, travelers should ensure the accuracy of meal per diem and mileage on travel expense reports. Dr. Platt should reimburse $76 to the University for the incorrectly claimed meal per diem for his D.C. trip on February 25, 2019.	Glenn Platt, ArmstrongProf Network Tech&Mgt	Management concurred and stated that actions will be taken to pay future travel expenses via the P-Card. Administrative staff will ensure that descriptions of travel will include more detail than single words. The $76 will be reimbursed to the University on 7/16/19. 80%
15	**176.1** - Audit of the Department of Psychology P-Cards - 7/2019	7/18/2019	12/31/2019	Low	Academic Affairs	IACS recommends management strengthen internal control oversight of P-Card expenditures by reviewing transactions for compliance prior to approval. Special attention should be given to preventing, detecting and correcting the following violations: a. Personal purchases made with P-Cards b. Inappropriate hosting of University employees c. Equipment and office supplies purchased with P-Cards, rather than Buyway d. Insufficient and incorrect transaction notes for P-Card reconciliations	Allen McConnell, University Distinguished Professor and Chair of Psychology Department	Joe Johnson concurred stating "I agree with the internal audit recommendation. I am no longer chair effective June 30, 2019. Allen McConnell is the new chair and participated in the discussion. The plan is to strengthen internal control by reviewing transactions prior to approval. Special attention will be given to items that could have been for personal use. Hosting will comply with university policies and procedures. Equipment and office supplies will be purchased from approved vendors. I have communicated to the administrative staff the need for complete and accurate transaction notes. Three staff responsible for most of the violations identified above are no longer with the university. Actions have already been implemented and will be begin with the July 2019 transactions". 80%

Closed Internal Audit Issues

Line	Audit Name And Date	Date Opened	Risk Level	Division	Recommendation	Responsible Person	Management Response and Status
1	**162.1** - Audit of the Miami University Tuition Promise-4/2019	4/8/2019	Moderate	Enrollment Management and Student Success	IACS recommends the Bursar continue to review the listing provided by IACS of high-risk students for additional errors, and take appropriate corrective action. It is also recommended the Bursar continue to work with EMSS IT (Enrollment Management and Student Success) to determine the root cause of the errors and take appropriate action to prevent recurrence. Department policies and procedures should be updated to reflect any changes.	Kriss Cassano, Bursar	IACS completed a follow-up audit 11/2019. The Office of the Bursar and the EMSS IT department worked together to modify audit reports used to flag potential cohort code misassignments. The new audit reports better identify potential issues with ACE Program and Regionals students. The Bursar also implemented procedures to verify with the Director of the ACE Program those students not continuing as degree-seeking to help ensure these students have the correct cohort code for billing. Department policies and procedures were updated to reflect these changes. Audit issue closed 11/12/2019.
2	**163.1** - Electronic Door Access Control - 5/2018	5/7/2018	Moderate	Finance & Business Services	IACS recommends Finance and Business Services IT (FBS IT) management finalize and document formal internal policies and procedures for administering the electronic door access system. This documentation should include policies and procedures that, at a minimum, address the following: - separation of duties controls whereas changes are not made by system administrators without specified approval; - user access not managed by building points of contact (e.g., access for FBS IT staff, independent contractors, senior University administrators, etc.); - custody and control of generic ID cards (e.g., MUPD Keys to the Kingdom); and - comprehensive naming conventions and code definitions (e.g., building code BRN = Brandon Hall). This documentation should be made readily available and communicated to the applicable staff, describe the procedures as they are intended to be performed, indicate which employees are to perform which procedures, and be reviewed and updated periodically.	Angeline Smith, Administrator of Campus Cards	IACS performed another follow-up review and confirmed that Finance and Business Services IT management finalized and documented formal internal policies and procedures for administering the electronic door access system. Audit issued closed 5/31/2019.
3	**173.2** - Compliance with the Vulnerability Management Standard - 3/2019	3/12/2019	Moderate	IT Services	IACS recommends the Information Security team revise the standard to align with current accepted practices. More specifically, within 30 days of notification, the technical staff must either resolve the vulnerability, request an exception from the Information Security team, or take alternative actions as agreed upon with the Information Security team.	David Seidl, VP for Information Tech & CIO	IACS completed a follow-up review of this issue 8/2019. The Vulnerability Management Standard was updated 8/16/2019 as recommended to align with current accepted practices. Comment closed 8/16/2019.
4	**170.2** - Audit of Office of Admission P-Card Expenditures -12/2018	12/5/2018	Low	Enrollment Management and Student Success	IACS recommends EMSS management contact Human Resources regarding the findings in this report. Consider appropriate disciplinary action and/or repayment for the following: a. Personal purchases made with the P-Card - Table 1, $549.27, plus possibly Table 2, $190.70 b. Inappropriate claims for per diem - Table 4, $175.00	Bethany Perkins, Director of Admission	IACS confirmed that EMSS management met with Human Resources and addressed this issue through disciplinary action and repayment. The employee who made personal purchases with her P-Card reimbursed the University $638. Comment closed 8/6/2019.

Enrollment Update

Board of Trustees Meeting

Finance and Audit Committee
December 12, 2019

MIAMI UNIVERSITY

Fall 2019 Confirmations

Key Metrics

	Confirmations	ACT Best	GPA	Curriculum Strength	Non-Resident	Student of Color
2015	3,806	28.0	3.74	13.7	44.1%	13.7%
2016	3,798	28.5	3.77	13.9	44.0%	15.6%
2017	3,817	28.3	3.76	13.8	42.5%	16.8%
2018	3,925	28.1	3.77	14.1	39.2%	17.2%
2019	4,307	28.1	3.78	14.0	41.0%	16.4%

Data as of 10.15.2019

MIAMI UNIVERSITY

Fall 2019 Confirmations

Residency

	2017	2018	2019	∆ 2017 to 2019	∆ 2018 to 2019
Non-Resident	1,623	1,537	1,766	8.8%	14.9%
Domestic Non-Resident	1,312	1,243	1,583	20.7%	27.4%
International	311	294	183	-41.2%	-37.8%
China	247	230	79	-68.0%	-65.7%
Ohio Resident	2,194	2,388	2,541	15.8%	6.4%
Grand Total	**3,817**	**3,925**	**4,307**	**12.8%**	**9.7%**

Data as of 10.15.2019

MIAMI UNIVERSITY

Fall 2019 Confirmations

Academic Division

	2017	2018	2019	∆ 2017 to 2019	∆ 2018 to 2019
CAS	1,805	1,870	1,782	-1.3%	-4.7%
FSB	941	832	1,196	27.1%	43.8%
CEC	465	488	553	18.9%	13.3%
EHS	396	454	436	10.1%	-4.0%
CCA	210	221	251	19.5%	13.6%
CLAAS	--	60	89	--	48.3%
Grand Total	**3,817**	**3,925**	**4,307**	**12.8%**	**9.7%**

Data as of 10.15.2019

MIAMI UNIVERSITY

Fall 2020 Applications

Residency

	2018	2019	2020	∆ 2018 to 2020	∆ 2019 to 2020
Non-Resident	8,854	10,393	11,008	24.3%	5.9%
Domestic Non-Resident	8,359	9,711	10,215	22.2%	5.2%
International	495	682	793	60.2%	16.3%
China	342	370	260	-24.0%	-29.7%
Ohio Resident	6,634	9,357	9,878	48.9%	5.6%
Grand Total	**15,488**	**19,750**	**20,886**	**34.9%**	**5.8%**

Data as of 11.13.2019

Fall 2020 Applications

Top Countries

	2018	2019	2020	∆ 2018 to 2020	∆ 2019 to 2020
China	342	370	260	-24.0%	-29.7%
Vietnam	40	119	255	537.5%	114.3%
India	24	60	65	170.8%	8.3%
Nigeria	1	11	31	3000.0%	181.8%
South Korea	3	10	16	433.3%	60.0%
Ghana	3	7	14	366.7%	100.0%
Nepal	--	7	11	--	57.1%
Bangladesh	--	3	10	--	233.3%
Canada	10	10	10	0.0%	0.0%
Mexico	6	--	10	66.7%	--
Pakistan	3	4	10	233.3%	150.0%
Other Countries	63	81	101	60.3%	24.7%
Grand Total	**495**	**682**	**793**	**60.2%**	**16.3%**

Data as of 11.13.2019

MIAMI UNIVERSITY

Fall 2020 Applications
Academic Division

	2018	2019	2020	∆ 2018 to 2020	∆ 2019 to 2020
CAS	5,965	7,883	8,610	44.3%	9.2%
FSB	4,824	5,585	5,690	18.0%	1.9%
CEC	2,008	2,744	2,695	34.2%	-1.8%
EHS	1,557	1,794	1,752	12.5%	-2.3%
CCA	631	852	1,075	70.4%	26.2%
CLAAS	503	892	1,064	111.5%	19.3%
Grand Total	**15,488**	**19,750**	**20,886**	**34.9%**	**5.8%**

Data as of 11.13.2019

MIAMI UNIVERSITY

Lean Project Update
as of11/01/2019

MU-Lean Project Status Totals					Completed Projects			
Division	Active	Completed	Future	Total	Cost Avoidance	Cost Reduction	Revenue Generated	Total
Finance and Business Services*	116	1451	7	1574	$43,527,146	$28,992,281	$8,921,649	$81,441,076
President+Intercollegiate Athletics+OE	4	7	0	11	$530,371	$233,500	$1,015	$764,886
Advancement	6	28	0	34	$156,732	$226,290	$4,223,000	$4,606,022
Enrollment	5	44	0	49	$501,633	$36,803	$37,705	$576,141
Student Affairs	4	5	0	9	$58,569	$0	$0	$58,569
Information Technology Services	1	20	0	21	$458,948	$0	$4,180	$463,128
Academic Affairs	15	34	1	50	$2,519,054	$0	$402,116	$2,921,170
Lean Project Total - MU	151	1589	8	1,748	$47,752,453	$29,488,874	$13,589,665	$90,830,992

* no longer track Procurement realized as a separate category

MU-Lean Project Changes since 06-01-19 report					Newly Completed Projects since 06-01-19 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*	9	68	1	78	$5,087,644	$1,929,621	$483,827	$7,501,092
President+Intercollegiate Athletics	0	0	0	0	$0	$0	$0	$0
Advancement	-2	3	0	1	$10,256	$0	$0	$10,256
Enrollment	0	1	0	1	$0	$2,812	$0	$2,812
Student Affairs	1	0	0	1	$0	$0	$0	$0
Information Technology Services	0	0	0	0	$0	$0	$0	$0
Academic Affairs	0	3	0	3	$4,590	$0	$0	$4,590
Lean Project Total - MU	8	75	1	84	$5,102,490	$1,932,433	$483,827	$7,518,750

* no longer track Procurement realized as a separate category

Board of Trustees

December 2019

MIAMI UNIVERSITY

University Advancement Report

Tom Herbert, J.D.

Senior Vice President, University Advancement

President, Miami University Foundation

MIAMI UNIVERSITY

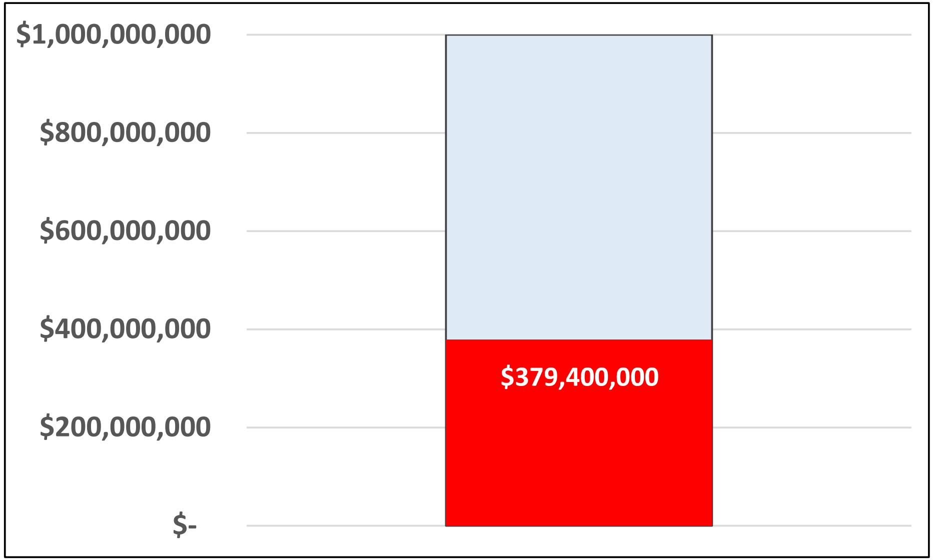
$1B Campaign Progress Report

- Goal: $1 billion

- Raised to date: $379.4 million (38% of goal)

MIAMI UNIVERSITY

$1B Campaign Progress Report



FY’20 Fundraising To Date

- Goal: $100 million
- Raised to date: $40 million (40% of goal)
- Solicitation activity in FY20:
  - 21 asks of $1M+ ($75 million)
  - 279 asks of $50-999k ($32 million)
  - In addition, expected close on $52 million of previous asks

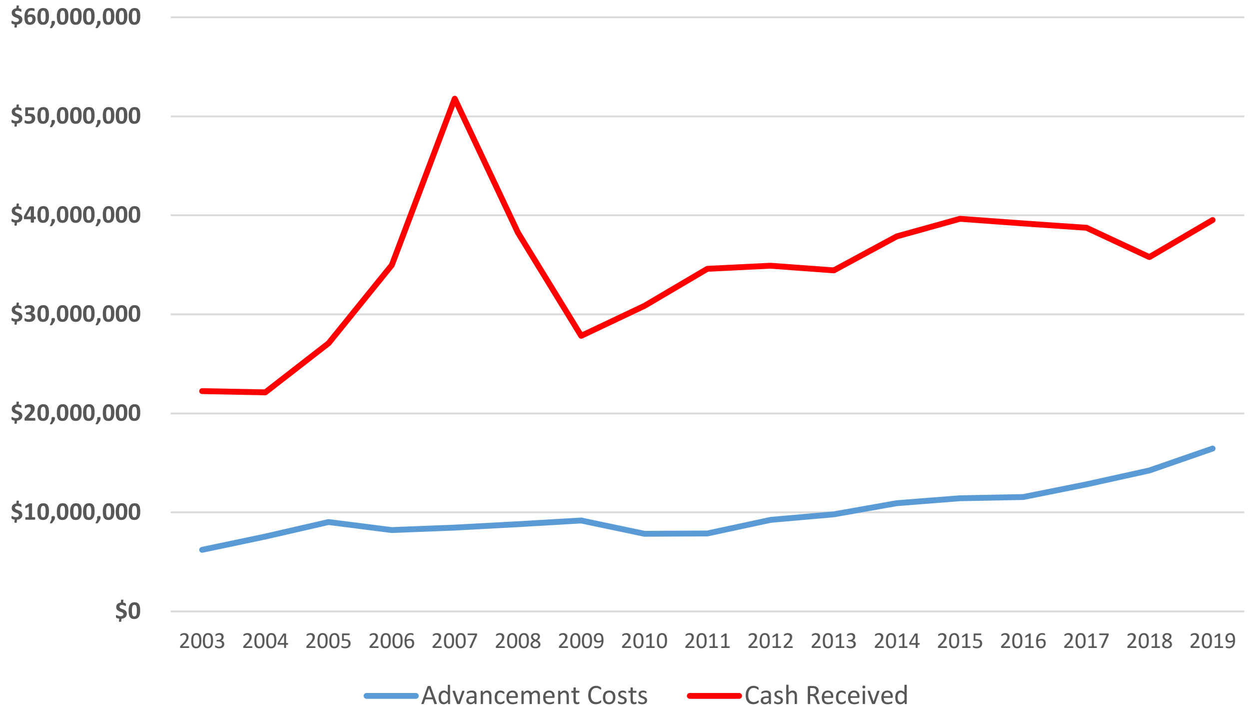
MIAMI UNIVERSITY

Farmer School of Business Campaign

- Seven year campaign for $250 million
- Timeline: July 1, 2016 - June 30, 2023
- Time line extended
- Raised to date: $71.5 million
- Cash received: $21.9 million

MIAMI UNIVERSITY

Trends in Cash Received and Advancement Costs



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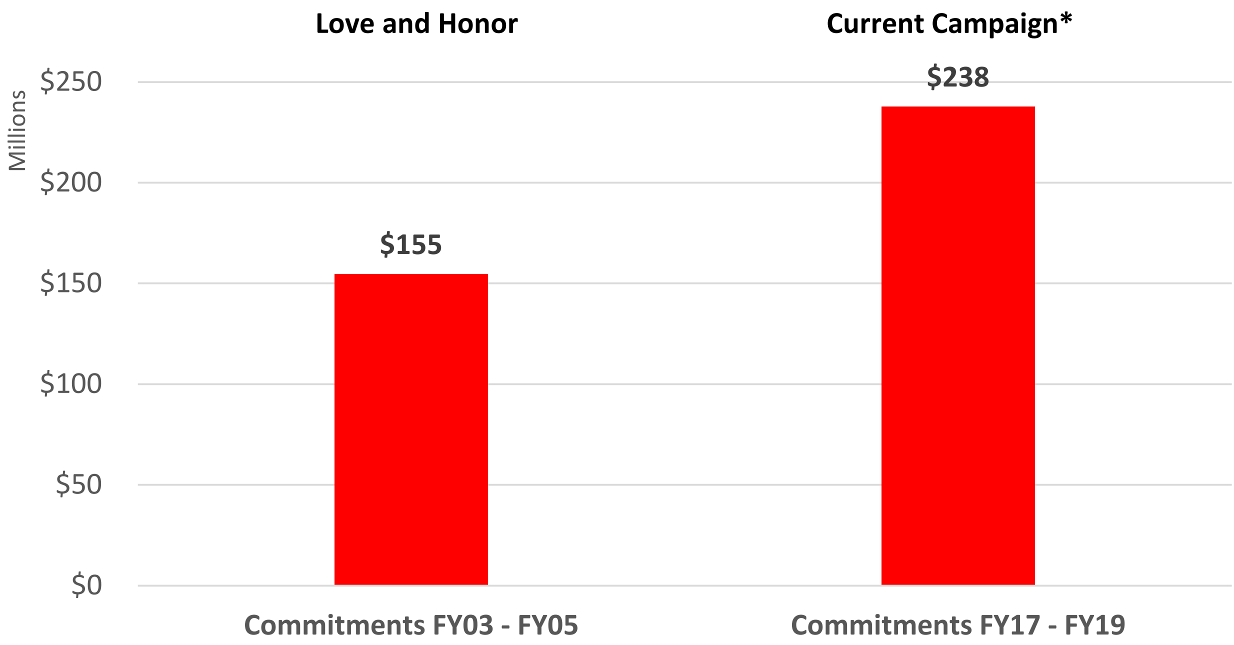
L&H Campaign compared to Current Campaign First Three Years – Overall Commitments



* Does not include reach back

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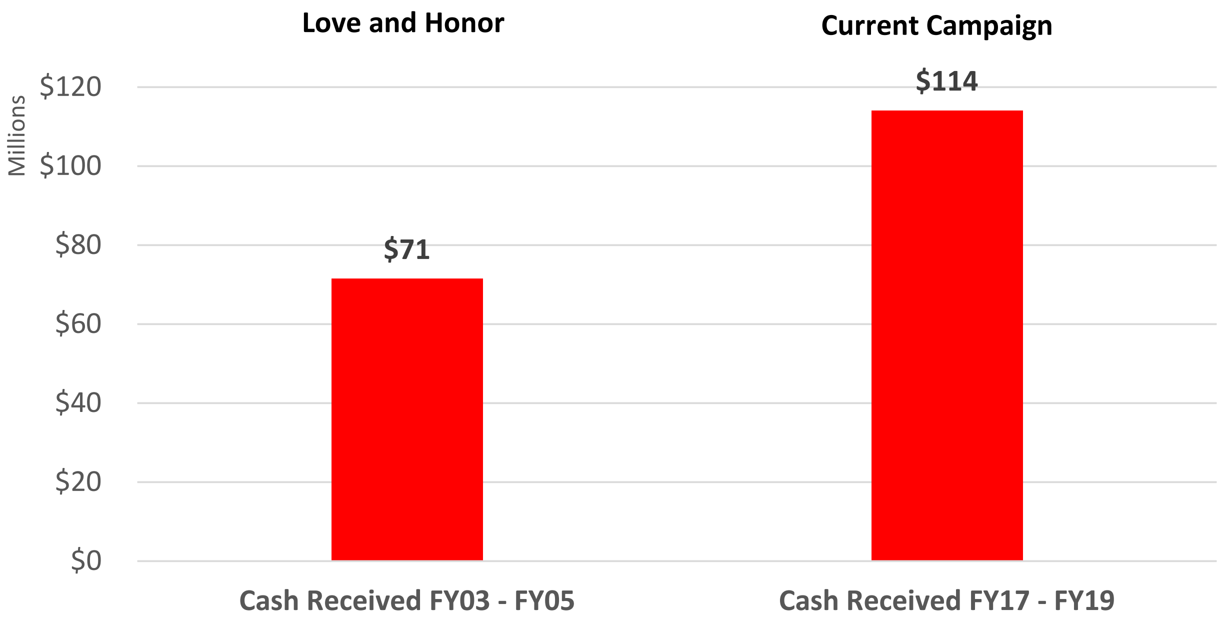
L&H Campaign compared to Current Campaign First Three Years – Cash Received



MIAMI UNIVERSITY

Planned Gift Commitments

L&H Campaign (FY03-FY06)

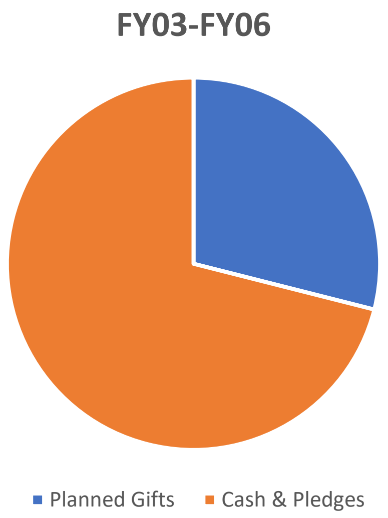
» 29%

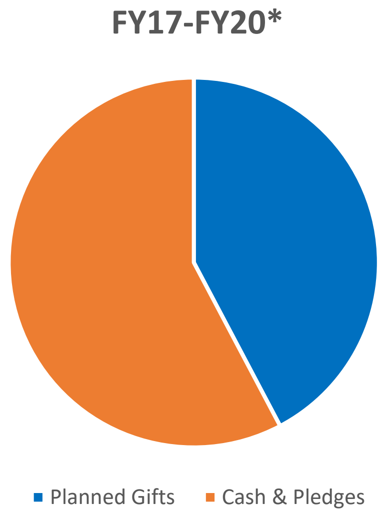
Current Campaign (FY17-FY20*)

» 42%

** FY20 to date*

Planned Gift Commitments





CASE District V awards: 2019

- Miami University won **23 awards**
  - 19 for University Advancement
  - 4 for University Marketing and Communications
- Next highest was University of Michigan with 11
- Won 3 Platinum Awards – more than any other institution
  - Highest honor
  - Proceeds to compete internationally

MIAMI UNIVERSITY

Thank you!