Miami University
Board of Trustees Finance & Audit Committee Meeting
Room 104 Roudebush Hall
December 8, 2011

The Finance and Audit Committee of the Miami University Board of Trustees met on December 8, 2011 in Room 104 Roudebush Hall on the Oxford Campus. The meeting was called to order at 2:00 p.m. by Committee Chair David Shade. Committee members Donald Crain, David Herche, Sharon Mitchell, and Michael Armstrong, Trustees David Budig and Mark Ridenour, National Trustee Sue Henry, and Student Trustees Matthew Shroder and Lot Kwarteng were in attendance.

In addition to the Trustees, the following Miami staff members attended all or part of the meeting: David Creamer, Vice President for Finance and Business Services; Barbara Jones, Vice President for Student Affairs; Stephen Snyder, Secretary to the Board of Trustees; Robin Parker, General Counsel; Beverly Thomas, Associate Vice President for Finance and Business Services; David Ellis, Associate Vice President for Budgeting and Analysis; Michael Kabbaz, Associate Vice President, Enrollment Management; Dale Hinrichs, Controller; Bruce Guiot, Chief Investment Officer; Robert Keller, Associate Vice President for Facilities, Planning and Operations; Larry Fink, Assistant Vice President for Housing and Auxiliary Finance, Barbara Jena, Director, Internal Audit and Consulting Services; Claire Wagner, Associate Director, University Communications; Bill Miley, Senior Director, Enterprise Information Systems; and Phyllis Wykoff, Assistant Director, Business Intelligence Center.

Executive Session

On a motion duly made, seconded, and voted upon by roll call vote, the Finance and Audit Committee adjourned to Executive Session in accordance with Ohio Open Meetings Act, Revised Code Section 121.22 to discuss personnel matters and consult with General Counsel regarding pending litigation. At 3:05 p.m. the Committee adjourned the Executive Session and convened into the Public Business Session.

Fiscal Year 2011 Financial Statements and Audit Results

Eric Morse and Matt Phillippi of Deloite & Touche reviewed the results of the annual audit for Fiscal Year 2011, including the financial statements, the audit opinion, the auditors' standard disclosure letter, and a draft of the management letter. Following the auditors' presentation, the Finance Committee met privately with Mr. Morse and Mr. Phillippi. Their presentation and reports are included as Attachment A.

Update on Strategic Priorities

Associate Provost Ray Gorman presented a report on revenue enhancement activities in Academic Affairs, and his report is included as Attachment B. Vice President Creamer reviewed revenue enhancement opportunities for the Auxiliary

Services, and his report is included as Attachment C. Dr. Creamer also gave an update on the comprehensive medical plan review, and his report is included as Attachment D. Vice President Allison and Ms. Wykoff reviewed the progress on the Institutional Analytics project, and their report is included as Attachment E.

Enrollment Update

Associate Vice President Kabbaz presented an update on the fall 2012 enrollment initiatives and applications, and his report is included as Attachment F.

Fiscal Year 2012 Year-to-Date Operating Results Compared to Budget

Vice President Creamer reviewed year-to-date operating results through October 31and projected forecasts for the current fiscal year. He projected that a small revenue variance will be offset by continued improvements in expense categories for the year, but a more refined forecast at the February Committee meeting will be prepared. His report is included as Attachment G.

Resolution to Approve Fiscal Year 2013 Endowment Spending Formula

Vice President Creamer reviewed a resolution and supporting documentation to maintain the current endowment spending formula for Fiscal Year 2013. The resolution, a summary of spending distribution as of June 30, 2011, a ten-year spending distribution history, and spending formula decision points for Fiscal Year 2012 are included as Attachment H.

Members of the Finance and Audit Committee agreed to recommend approval of the spending formula resolution to the Board of Trustees at its December 9, 2011 meeting.

Report on Bond Issuance

Vice President Creamer reported on the bond sale which took place on November 17, 2011. Included as Attached I are a summary of the terms of the sale and the rating agency reports. Dr. Creamer stated that an interest rate of 4.266% was achieved on the new borrowing and 2.956% on the refinancing portion, which is comparable to the 4.217% rate on the December 2010 issue.

Facilities Reports

Vice President Creamer reviewed a resolution to submit a capital improvement request to the Ohio Board of Regents. A list of the projects to be submitted is included as Attachment J.

Members of the Finance and Audit Committee agreed to recommend approval of the resolution to the Board of Trustees at its December 9, 2011 meeting.

Mr. Keller reported on progress being made on the construction reform passed by the Ohio Legislature earlier in the summer. Three reforms were passed: single prime contract, construction management contracting, and design/build. Mr. Keller stated that new processes and procedures are being developed in Columbus and should be completed by early March 2012. Mr. Keller noted that with the new reforms, a 10 to 15 percent reduction in construction costs should be achieved.

Report from Internal Audit & Consulting Services

Ms. Jena presented the annual plan and scope of internal audit activities for Fiscal Year 2012 for the Office of Internal Audit & Consulting Services. Her report is included as Attachment K. The Committee approved the Internal Audit Plan. Ms. Jena also reviewed the request for proposal process to select a new independent auditor. By January 10 three firms should be identified for interviews, and she did note that the State Auditor makes the final selection of the auditing firm. Ms. Jena also held a private meeting with the Committee.

Committee Agenda Priorities

Committee Chair Shade reviewed Committee agenda priorities and the Forward Twelve Month Agenda (included as Attachment L) and requested that Committee members forward suggestions to him for revisions or additional agenda items.

Miscellaneous Reports

The following reports were submitted to the Finance and Audit Committee for information and review:

- University Advancement Campaign Update (Attachment M)
- Cash and Investments Report (Attachment N)
- Status of Capital Projects Report (Attachment O)

With no other business coming before the committee, the Chair adjourned the meeting at 5:30 p.m.

Stephen D. Snyder
Secretary to the Board of Trustees

ATTACHMENT A

Deloitte.

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October 14, 2011

Dr. David Creamer
Vice President for Finance and Business
Services and Treasurer
Miami University
Oxford, OH

Dear Dr. Creamer:

In planning and performing our audit of the financial statements of Miami University (the "University") as of and for the year ended June 30, 2011 (on which we have issued our report dated October 14, 2011), in accordance with auditing standards generally accepted in the United States of America, we considered the University's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting. However, in connection with our audit, we identified, and included in the attached Appendix, as of June 30, 2011, an observation concerning operations, compliance with laws and regulations, and best practices involving internal control over financial reporting that we wish to bring to your attention. The definition of a deficiency is also set forth in the attached Appendix.

Although we have included management's written response to our comment in the attached Appendix, such responses have not been subjected to the auditing procedures applied in our audit and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

This report is intended solely for the information and use of management, the Audit Committee, and others within the University and is not intended to be, and should not be, used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

cc: Finance and Audit Committee
Auditor of State of Ohio

APPENDIX

SECTION I — OTHER MATTERS

Our observation concerning operations, compliance with laws and regulations, and best practices involving internal control over financial reporting that we wish to bring to your attention is as follows:

DEPOSIT OF PUBLIC MONIES

Observations:

The University's Cash Handling Policy and Section 9.38 of the Ohio Revised Code (ORC) requires that all deposits exceeding $1,000 be made by the next business day following the day of the receipt. If the total does not exceed $1,000, the lag may be up to three business days, if the funds are safeguarded.

During Internal Audit's testing of ORC compliance, two of the twelve deposits sampled were not timely deposited in accordance with the University's policy. Both selections were greater than $1,000 and were not deposited within the required timeline. A similar finding was identified by the engagement team in a prior year.

Recommendations:

Management should comply with ORC and require timely deposits of public monies at all University cash collection points and address causes for such delays.

Management Response:

During fiscal year 2011, the Bursar's Office redistributed the Departmental Cash Handling Policy to all Deans, Directors, and Department Heads. This policy outlines the proper procedures for handling cash and conforms to Section 9.38 of the Ohio Revised Code for cash handling.

The Bursar's and Controller's Offices will continue to work to identify departments that are noncompliant and continue to educate departmental staff on proper cash handling procedures.

SECTION II — DEFINITION

The definition of a deficiency that is established in AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, is as follows:

A *deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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ATTACHMENT A

Deloitte.

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October 14, 2011

To the Finance and Audit Committee of
Miami University
Oxford, Ohio

Dear Members of the Finance and Audit Committee:

We have performed an audit of the financial statements of Miami University (the "University") as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America ("generally accepted auditing standards") and have issued our report thereon dated October 14, 2011.

We have prepared the following comments to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the University is responsible.

Our Responsibility under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, has been described to you in our engagement letter dated March 31, 2011. As described in that letter, the objective of a financial statement audit conducted in accordance with generally accepted auditing standards is to express an opinion on the fairness of the presentation of the University's financial statements for the year ended June 30, 2011 in conformity with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"), in all material respects. Our responsibilities under generally accepted auditing standards include forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Finance and Audit Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles. The audit of the financial statements does not relieve management or the Finance and Audit Committee of their responsibilities.

We considered the University's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting. Our consideration of internal control over financial reporting was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

Independence

We are not aware of any relationships between Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates, and the University that, in our professional judgment, may reasonably be thought to bear on our independence.

We hereby confirm that as of October 14, 2011, we are independent certified public accountants with respect to Miami University under Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct and its interpretations and rulings and under the General Accounting Office Independence Standards, revised in January 2002, issued by the Comptroller General of the United States of America.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are ordinarily based on knowledge and experience about past and current events and on assumptions about future events. Significant accounting estimates reflected in the University's 2011 financial statements include:

- The allowances for uncollectible student receivables, pledges receivable and loans receivable
- Investments valued and recorded at $33,941,146 (2.7% of total assets) whose fair values have been estimated by management in the absence of readily determinable fair values. Where a publicly-listed price is not available management uses alternative sources of information, including the funds' audited financial statements, unaudited interim reports, lists of underlying fund holdings, and similar evidence provided by the fund managers to determine fair values of the investments.
- Accrual for self-insured employee medical costs
- Deferred tuition revenue
- Compensated absences.

During the year ended June 30, 2011, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates.

Uncorrected Misstatements

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. There were no uncorrected misstatements or disclosure items passed identified during our audit.

Significant Accounting Policies

The University's significant accounting policies are set forth in Note 1 to the University's 2011 financial statements. During the year ended June 30, 2011, there were no significant changes in previously adopted accounting policies or their application.

Other Information in the Comprehensive Annual Financial Report

When audited financial statements are included in documents containing other information such as the University's Annual Report, we read such other information and consider whether it, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, in the financial statements audited by us. We have read the other information in the University's Annual Report and have inquired as to the methods of measurement and presentation of such information. We did not note any material inconsistency or obtain knowledge of a material misstatement of fact in the other information.

Disagreements with Management

We have not had any disagreements with management related to matters that are material to the University's 2011 financial statements.

Significant Issues Discussed, or Subject of Correspondence, With Management Prior to our Initial Engagement or Retention

Throughout the year, routine discussions were held, or were the subject of correspondence, with management regarding the application of accounting principles or auditing standards in connection with transactions that have occurred, transactions that are contemplated, or reassessment of current circumstances. In our judgment, such discussions or correspondence were not held in connection with our retention as auditors.

Significant Difficulties Encountered in Performing the Audit

In our judgment, we received the full cooperation of the University's management and staff and had unrestricted access to the University's senior management in the performance of our audit.

Management's Representations

We have made specific inquiries of the University's management about the representations embodied in the financial statements. Additionally, we have requested that management provide to us the written representations the University is required to provide to its independent auditors under generally accepted auditing standards and generally accepted government auditing standards. We have attached to this letter, as Appendix A, a copy of the representation letter we obtained from management.

Control-Related Matters

We plan to communicate to management, in a separate report dated October 14, 2011, control deficiencies involving the University's internal control over financial reporting and other matters that we identified during our audit.

* * * * * *

This report is intended solely for the information and use of management, the Finance and Audit Committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Yours truly,

Deloitte & Touche LLP

APPENDIX A

MANAGEMENT REPRESENTATION LETTER
Miami University
For the Year Ended June 30, 2011

October 14, 2011

Deloitte & Touche LLP
220 E. Monument Avenue, Suite 500
Dayton, OH 45402-1223, USA

We are providing this letter in connection with your audits of the financial statements of Miami University (the "University") and its discretely presented component unit, as of and for the years ended June 30, 2011 and 2010, which collectively comprise the University's basic financial statements for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the financial position, results of operations or changes in net assets, and cash flows of the University in conformity with accounting principles generally accepted in the United States of America.

We confirm that we are responsible for the following:

a. The fair presentation in the basic financial statements of financial position of the University and its discretely presented component unit in conformity with accounting principles generally accepted in the United States of America

b. The fair presentation of the required supplementary information, including Management's Discussion and Analysis, and additional information accompanying the basic financial statements that is presented for the purpose of additional analysis of the basic financial statements

c. The design, implementation, and maintenance of programs and controls to prevent and detect fraud, including fraud related to federal awards

d. Establishing and maintaining effective internal control over financial reporting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audits.

1. The basic financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America. In addition:

a. The financial statements include all component units as well as joint ventures with an equity interest (none), and properly disclose all other joint ventures and other related organizations.

b. The financial statements properly classify all funds and activities, including special and extraordinary items.

c. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and designations are properly classified and, if applicable, approved.

d. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses, and changes in net assets, and allocations have been made on a reasonable basis.

e. Revenues are appropriately classified in the statement of revenues, expenses and changes in net assets within operating, non-operating, and other revenues.

f. Interfund, internal, and intra-Entity activity and balances have been appropriately classified and reported.

g. Deposits and investment securities are properly classified in the category of custodial credit risk.

h. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.

i. Required supplementary information is measured and presented within prescribed guidelines.

j. Applicable board resolutions are followed in adopting, approving and amending budgets.

k. Costs to federal awards have been charged in accordance with applicable cost principles.

2. The University has provided to you all relevant information and access as agreed in the terms of the audit engagement letter, including:

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

   b. Financial records and related data for all financial transactions of the University and for all funds administered by the University. The records, books, and accounts, as provided to you, record the financial and fiscal operations of all funds administered by the University and provide the audit trail to be used in a review of accountability. Information presented in financial reports is supported by the books and records from which the financial statements have been prepared.

   c. Contracts and grant agreements (including amendments, if any) and any other correspondence that has taken place with federal agencies.

3. There has been no:

   a. Action taken by University management that contravenes the provisions of federal laws and state of Ohio laws and regulations, or of contracts and grants applicable to the University.

   b. Communication from other regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements.

4. The University has provided to you the results of management's risk assessment, including the assessment of the risk that the financial statements may be materially misstated as a result of fraud.

5. We have no knowledge of any fraud or suspected fraud affecting the University involving:

   a. Management

   b. Employees who have significant roles in internal control over financial reporting

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

6. We have no knowledge of any allegations of fraud or suspected fraud affecting the University received in communications from employees, former employees, analysts, regulators, or others.

7. There are no unasserted claims or assessments that legal counsel has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies*.

8. Significant assumptions used by us in making accounting estimates are reasonable.

9. The Schedule of Expenditures of Federal Awards was prepared in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The University has identified in that schedule all awards provided by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, insurance, or direct appropriations. We have also properly identified subrecipient expenditures. In addition, the University has accurately completed the appropriate sections of the data collection form.

10. Management is responsible for compliance with local, state, and federal laws, rules, and regulations, including compliance with the requirements of OMB Circular A-133, and provisions of grants and contracts relating to the University's operations. Management is responsible for establishing and maintaining the components of internal control relating to our activities in order to achieve the objectives of providing reliable financial reports, effective and efficient operations, and compliance with laws and regulations. The University is responsible for maintaining accounting and administrative control over revenues, obligations, expenditures, assets, and liabilities.

11. Management is responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on its federal programs.

12. Management has not identified any deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately identifying any such deficiencies that are significant deficiencies or material weaknesses in internal control over financial reporting.

13. The University has:

    a. Identified the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each federal program as identified in Part 3 of the 2011 Compliance Supplement.

b. Complied, in all material respects, with the requirements identified above in connection with federal awards

c. Identified and disclosed interpretations of any compliance requirements that have varying interpretations

d. Made available all information related to federal financial reports and claims for advances and reimbursements. Federal financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared and are prepared on a basis consistent with that presented in the Schedule of Expenditures of Federal Awards. The copies of federal program financial reports provided are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through Entity, as applicable

e. Monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of Circular A-133

f. Taken appropriate corrective action on a timely basis after receipt of a subrecipient's auditor's report that identifies noncompliance with laws, regulations, or the provisions of contracts or grant agreements

g. Considered the results of the subrecipient's audits and made any necessary adjustments to the auditee's own books and records

h. Identified and disclosed all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews related to the objectives of the audit

i. Identified previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit and the corrective actions taken to address significant findings and recommendations, including the status of follow-up on prior audit findings (and information about all management decisions) by federal awarding agencies and pass-through entities

j. Provided to you our views on the reported findings, conclusions, and recommendations for your report.

14. We are responsible for follow-up on all prior-year findings. We have prepared a summary schedule of prior-year findings reporting the status of our efforts in implementation of the prior-year's corrective action plan.

15. Management has identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.

16. We have adopted the provisions of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of Statement No. 14, *The Financial Reporting Entity*. We believe that we have properly identified and reported as a component unit of the University each organization that meets the criteria established in GASB Statement No. 39.

17. We believe that internal control over the receipt and recording of contributions is adequate.

18. We have included in the financial statements all assets and liabilities under the University's control.

19. The University has maintained an appropriate composition of asset in amounts needed to comply with all donor restrictions.

20. We believe that any reclassification between net asset classes is correct.

21. The University has considered any potential unrelated business income tax items.

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

23. We have disclosed to you the accounting conventions used when preparing our financial statements. We believe that the effect of applying these accounting conventions and the use of such applications is immaterial to the financial statements.

24. The Entity has appropriately identified and recorded all intangible assets under GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*.

25. Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' managements. Some valuations are determined as of June 30, while the remaining valuations are determined as of March 31 and adjusted by cash receipts, cash disbursements, and securities distributions through June 30. The University 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.

26. The University has outstanding commitments to limited partnerships of approximately $24.9 million that have not been funded as of June 30, 2011.

Except where otherwise stated below, matters less than $3,000,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to, or disclosure in, the financial statements.

27. There are no transactions that have not been properly recorded in the accounting records underlying the financial statements.

28. The University has no plans or intentions that may affect the carrying value or classification of assets and liabilities.

29. The following, to the extent applicable, have been appropriately identified, properly recorded, and disclosed in the financial statements:

    a. Related-party transactions and associated amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees (written or oral)

    b. Guarantees, whether written or oral, under which the University is contingently liable.

30. In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management uses estimates. All estimates have been disclosed in the financial statements for which known information available prior to the issuance of the financial statements indicates that both of the following criteria are met:

    a. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that existed at the date of the financial statements will change in the near term due to one or more future confirming events

    b. The effect of the change would be material to the financial statements.

31. Risks associated with concentrations, based on information known to management, that meet all of the following criteria have been disclosed in the financial statements:

    a. The concentration exists at the date of the financial statements

    b. The concentration makes the enterprise vulnerable to the risk of a near-term severe impact

    c. It is at least reasonably possible that the events that could cause the severe impact will occur in the near term.

32. There are no:

    a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency

    b. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, *Contingencies*.

33. The University has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

34. The University has complied with all aspects of contractual agreements that may have an effect on the financial statements in the event of noncompliance.

35. No department or agency of the University has reported a material instance of noncompliance to us.

36. The University has identified all derivative instruments as defined by GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, and appropriately recorded and disclosed such derivatives in accordance with GASB Statement No. 53.

37. No events have occurred after June 30, 2011 that require consideration as adjustments to or disclosures in the financial statements except as disclosed in Note 13 to the financial statements.

38. Management has disclosed whether, subsequent to June 30, 2011, any changes in internal control or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses, have occurred.

39. Management has disclosed to you any change in the University's internal control over financial reporting that occurred during the University's most recent fiscal period July 1, 2010 to June 30, 2011 that has materially affected, or is reasonably likely to materially affect, the University's internal control over financial reporting.

40. Management has disclosed all contracts or other agreements with the University's service organizations.

41. All impaired loans receivable have been properly recorded and disclosed in the financial statements.

42. Management has disclosed all communications from the University's third-party service organizations relating to noncompliance with the University's operations at that service organization.

43. With regard to the fair value measurements and disclosures of certain assets, liabilities, and specific components of net assets, such as investments and real estate, we believe that:

    a. The measurement methods, including the related assumptions, used in determining fair value were appropriate and were consistently applied

    b. The completeness and adequacy of the disclosures related to fair values are in conformity with accounting principles generally accepted in the United States of America

    c. No events have occurred after June 30, 2011, but before October 14, 2011, the date the financial statements were issued that require adjustment to the fair value measurements and disclosures included in the financial statements.

44. The University has determined whether a capital asset has been impaired in accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. In making this determination, the University considered the following factors:

    a. The magnitude of the decline in service utility is significant

    b. The decline in service utility is unexpected.

45. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, line of credit, or similar arrangements have been properly disclosed in the financial statements.

46. Financial instruments with significant individual or group concentration of credit risk have been appropriately identified, properly recorded, and disclosed in the financial statements.

47. The methods and significant assumptions used to determine fair values of financial instruments are disclosed in the footnotes 1, 2, and 9 to the financial statements. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

48. Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the balance-sheet date and have been appropriately reduced to their estimated net realizable value.

49. Provision has been made to reduce excess or obsolete inventories to their estimated net realizable value. All inventories are the property of the University and do not include any items consigned to it or any items billed to customers.

50. The University has disclosed to you all communications with tax authorities and/or communications with outside tax advisors.

51. The University believes that all expenditures that have been deferred to future periods are recoverable.

52. The University does not have (a) asserted and unsettled income tax contingencies, or (b) unasserted income tax contingencies caused by uncertain tax positions taken in our income tax returns filed with the Internal Revenue Service that are probable of assertion by such tax authorities under the provisions of FASB ASC 450, Contingencies. Furthermore, we have not received either written or oral tax opinions that are contrary to our assessment.

53. There are no control deficiencies in the design or operation of internal control over financial reporting that could adversely affect the University's ability to initiate, record, process, and report financial information.

54. The University has no intention of withdrawing from OPERS, STRS, and ARP or taking any other action 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 we contribute.

55. The University receives grants and contracts from certain federal, state, private and local agencies to fund research and other activities. The cost, 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 adjustments of such cost would not have a material effect on the financial statements.

56. 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.

57. The University has complied with all applicable provisions of the Foreign Corrupt Practices Act.

58. As of June 30, 2011, the University has accurately reported all commitments to future contractual obligations for capital expenditures within Footnote 10 of the University's basic financial statements.

Treasurer's report

Financial Highlights

The university's sustained emphasis on cost reduction measures and increased revenue resulted in strong positive results for fiscal year 2010-11. The improved financial position is reflected in total assets, which rose 18.6 percent to a total of $1.276 billion, and in the increase to net assets of $85.5 million. Additional financial highlights for the year included a $1.1 million decrease in state appropriations, receipt of the second and final year of one-time federal fiscal stabilization funds totaling $11.7 million, a second consecutive year of positive returns on investments with operating investments returning 2.8 percent and endowment pools posting a 19.6 percent gain, and the issuance of $125 million in general receipts revenue bonds.

For the first time in four years, the university increased tuition for Ohio students. Although the university was authorized to increase tuition by up to 3.5 percent, tuition was only increased by 3.0 percent to keep tuition as affordable as possible. On the Oxford campus, total enrollment for the fall 2010 semester increased by 171 students. This increase was primarily a result of the increase in first-year class enrollments of 359 students. Enrollments on the Hamilton campus increased by 357 students or 11.1 percent and the Middletown campus increased by 197 students or 9.7 percent. The Voice of America Learning Center served 622 undergraduate and 409 graduate students. The first class of the professional MBA program graduated in August 2011 and the third class entered the program in the fall of 2011.

Operating expenditures continued to decrease with a $2.5 million reduction reported for this past fiscal year. The majority of the savings were in salary expense, a direct result of the reduction in positions and the number of vacant positions throughout the fiscal year. Increases in health care costs continue to be a concern as claims rose 7.9 percent in fiscal year 2011. For the second consecutive year, investment income increased significantly with an $8.9 million or 36 percent increase over the previous fiscal year.

During fiscal year 2011, the university issued $125 million in general receipts revenue bonds. A portion of the proceeds will supplement substantial donor gifts to construct the new Armstrong Student Center. The remaining proceeds will be used to renovate several housing and dining facilities and construct an addition to the Marcum Conference Center. The university also plans to issue additional general receipts revenue bonds in fiscal year 2012 to continue the construction and renovation of residence and dining hall facilities.

ATTACHMENT A

Investment report

MIAMI UNIVERSITY

Miami University and Miami University Foundation
June 30, 2011

Fiscal Year 2011 Highlights

Miami's investment portfolios produced a second consecutive year of strong positive returns for the fiscal year ended June 30, 2011. The combined return for the endowment and foundation managed pools was 19.6 percent, a notable increase from the previous year's average increase of 13.48 percent. Meanwhile, the operating pool earned 2.79 percent after earning 4.93 percent in the previous year. We appreciate the thoughtful guidance of our investment committees and the enduring generosity of our donors as we continue to navigate the extraordinary volatility experienced throughout the global capital markets.

Investment Pools

As of June 30, 2011, investments held by Miami University and the Miami University Foundation exceeded $657 million, up from $531 million at the previous year end. The increase represented a combination of strong investment returns, continued giving levels, and improved university operating cash flow. These assets (listed below) are allocated among several investment pools:

Pool	Type of Funds	Invested as of June 30, 2011
University non-endowment pool	Working capital and cash reserves to support operating activities	$232,706,000
University endowment pool	Funds donated to the university to establish endowments in perpetuity	$167,200,000
Foundation pool	Funds donated to the foundation; most are endowed in perpetuity	$235,870,000
Trusts, annuities, and separately invested assets	Gifts managed independently of the pooled funds	$21,933,000
Total Investments		**$657,709,000**

The university non-endowment pool holds the working capital and cash reserves that fund the university's operating activities. Its balance fluctuates during the course of a year based on the university's cash flow cycle of receipts and expenditures.

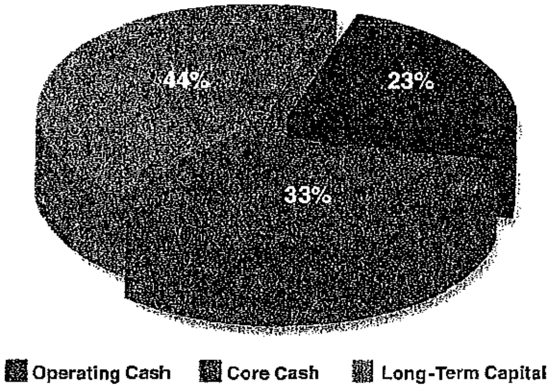
The university endowment and foundation pools invest endowed gifts from donors. Both pools operate under the same overall investment philosophy: as endowed funds they are invested in perpetuity to provide benefits to today's students as well as to the many generations of Miami students yet to come. Miami invests the funds with the confidence that economic cycles will rise and fall but that a diversified portfolio will provide the long-term growth necessary to preserve the value of the endowments across the generations. The investment policies governing these two pools recognize that the portfolios can tolerate year-to-year fluctuations in return because of their infinite time horizon, and they look 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, and similar assets. These funds are separately managed in accordance with the donors' instructions.

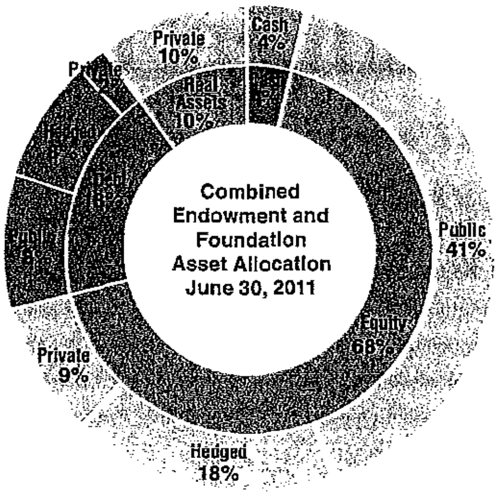
Asset Allocation

The non-endowment pool has three components. Operating cash represents the university's working capital and is invested in short-term cash equivalents, with a target balance of two to six months of average cash needs. Core cash represents short-term reserves and is invested in short-term and intermediate-term fixed income investments, also with the target balance of two to six months of average cash needs. Long-term capital consists of longer-term reserves and represents the remainder of the pool. It is invested in a mix of longer maturity bonds and absolute return hedged strategies. During the year, cash flow generation was very strong, partly due to much improved budgetary trends. These positive developments presented a challenge, however, as short-term interest rates persisted near zero. Actions were taken during the year to reduce cash balances in order to increase earnings potential. The result was two new managers, one that specializes in agency mortgage securities and one that manages global bonds.

Miami University Non-Endowment Asset Allocation June 30, 2011

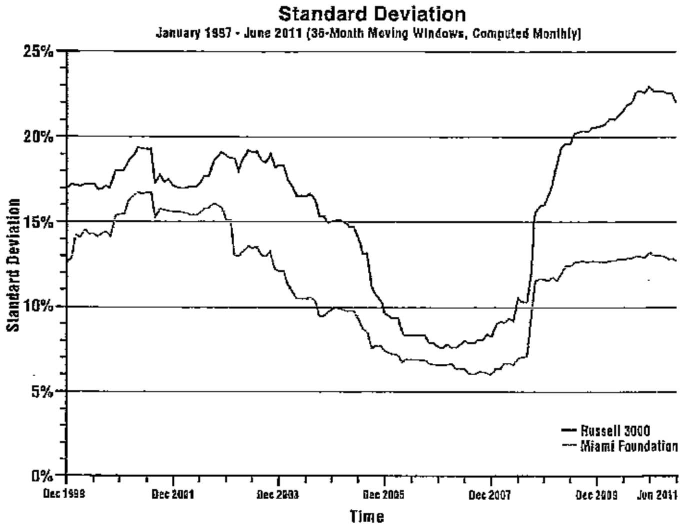


The endowment and foundation asset allocation strategies use three asset categories: equity, debt, and real assets. Within each category, we gain exposure through three types of strategies: long-only public, hedged, or private. We employ managers that have broad, unconstrained mandates, allowing them great flexibility to pursue opportunities. Most of our managers have a global mandate. At year-end, equity related strategies represented about 68% of the combined portfolio. Equity exposure increased by about four percentage points during the year, even after redemptions to fund year-end distributions, as global equity markets posted very strong returns. Hedged debt declined by five percentage points due to tactical allocation adjustment decisions made by some managers.



During the year, actions taken by both the investment committee and our managers continued to make the portfolio more globally oriented and less reliant on North America and Western Europe. These actions represent both the difficulty the developed economies have had in resuming sustained economic growth as well as the identification of stronger growth opportunities elsewhere, especially in less developed markets. Our geographic diversification is monitored in terms of where revenue and earnings are originated, where securities trade, and where underlying companies are domiciled. As global economic dynamics continue to evolve, we expect our portfolio to benefit from these trends.

Over the last decade, we have taken many actions toward a goal of reducing portfolio volatility. The result of these actions can be seen in the chart tracking the standard deviation for the Foundation portfolio versus the Russell 3000, a proxy for the broad U.S. public equity market. During much of this period, both the general domestic equity market and the portfolio experienced a period of relative tranquility, as demonstrated by the decline in their respective standard deviations. When volatility spiked during the financial calamities of 2008, both standard deviations increased, but the portfolio volatility rose to a much lower extent. Since 2008, public equity volatility has continued to climb, while the portfolio has leveled out. We attribute this relative calm to the success of the implementation of these volatility mitigating strategies.



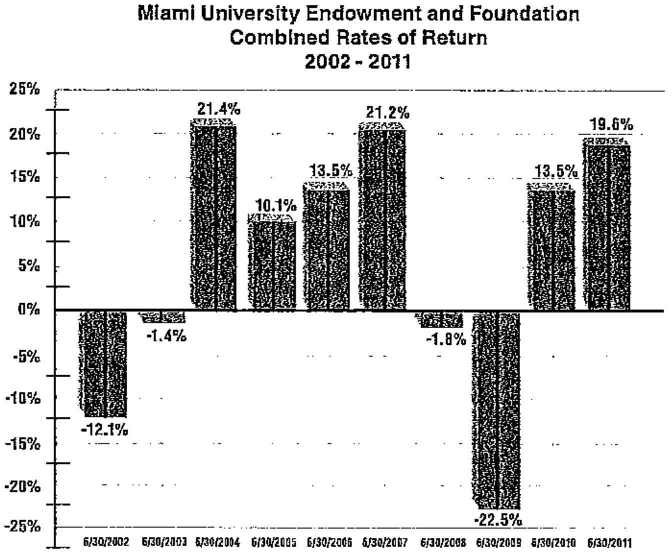
Miami treats each investment manager relationship like a partnership and, along with its external advisors, expends considerable effort on the due diligence process. The consultants focus on manager research, including back office due diligence, and conduct regular statistical reviews to examine the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

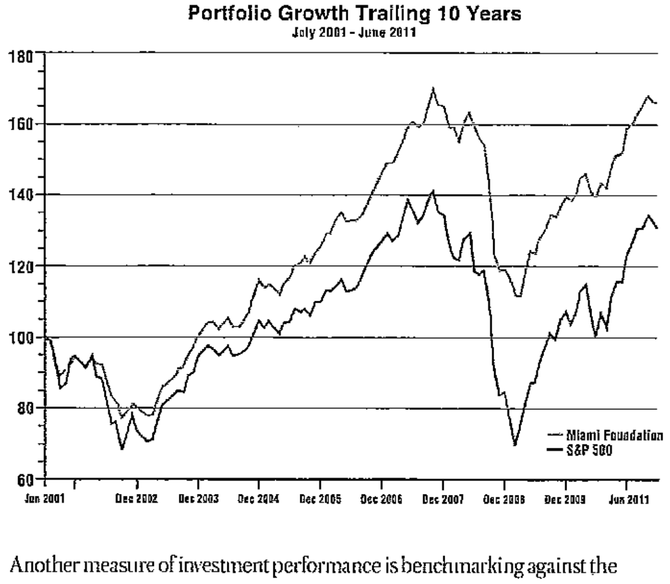
In total, the university and foundation employ 20 external managers, some with multiple assignments. During the year, the committees focused on the global economic recovery and made few modifications to the portfolios, depending instead on the tactical decisions of each manager. New commitments were made to a global bond manager and an emerging markets public equity manager. No managers were terminated.

Investment Returns

The university's non-endowment pool earned 2.79 percent for the fiscal year ended June 30, 2011. Annualized performance for the trailing nine years was 3.79 percent, providing annualized added return versus the 90-day Treasury bill over that period of 1.83 percentage points. These results were achieved in spite of continued near zero short-term interest rates that significantly limited the earnings potential of the majority of this pool.

The endowment pools earned 19.6 percent for the fiscal year, the second consecutive year of positive double digit returns. Public equity managers led the way during the year. Combined they were up in excess of 31 percent. Twenty-one funds were up by double digits during the year. For the trailing five years, the combined annualized returns were approximately 4.6 percent. The following graph shows the combined annual returns for the two pools for the last 10 years.





Another measure of investment performance is benchmarking against the performance of other institutions. Miami participates in the annual NCSE (National Association of College and University Business Officers-Commonfund Study of Endowments) along with 849 other higher education institutions. Miami University and Foundation ranked in the top third of the NCSE universe for both the one and five-year periods in the most recent survey (for the year ended June 30, 2010), and first among the Ohio public universities and Mid-American Conference Schools that reported for the same five-year period. Miami's results equaled or exceeded the national averages in eight of the nine designated asset categories.

Program Support

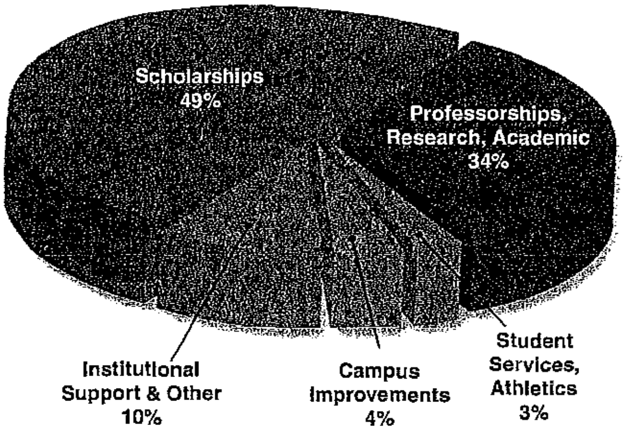
Endowments provide a lasting legacy for Miami because their principal is invested in perpetuity, and an annual distribution is made to support a variety of activities of the university. The spending policies of the university and foundation are intended to achieve a balance between the need to preserve 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 or disadvantaged in relation to other generations.

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

Significant progress has been made in bringing the current value of individual endowed funds back above the gift value. For the third year, the University and Foundation boards decided to continue the practice of making full distributions only from those funds that have accumulated earnings in excess of the gift value. Partial distributions, representing dividends and interest, were distributed from the last few funds that otherwise would not have made a distribution.

The following chart shows the types of programs supported by the 2011 distributions. The combined distribution was more than $16.4 million. Over the last ten years, the cumulative distributions have totaled over $133 million and have provided an important source of funding to help offset the recent tuition freezes and reductions in state support.

Miami University and Foundation
Programs Supported by Endowments
Fiscal Year 2011



The fund-raising campaign, For Love and Honor, continues to play a major role in shaping Miami's future. Through the generous support of our faithful alumni and friends, as of September 2011 the campaign had raised over $414 million, with a significant portion pledged to the endowment. Scholarships are among the top fund raising priorities. Improved financial aid resources are expected to enhance student recruitment success, reduce dependence on raising tuition rates, and help alleviate the impact of dramatically lower state subsidies. Your sustained support is appreciated and will continue to be vital to Miami's future.

Miami University and the Miami University Foundation entered into a pooled investment agreement at the end of the fiscal year. Effective with the start of our new fiscal year on July 1, 2011, the Foundation investment committee will provide governance oversight to one unified endowment investment pool. This combination will allow the staff to realize operating efficiencies, assist in managing cash flow, and maximize the resources of our talented and dedicated board members. ■

Miami University: Equal opportunity in education and employment.
PRODUCED BY MARKETING AND CREATIVE SERVICES 0.120K1111

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INDEPENDENT AUDITORS' REPORT

President and Board of Trustees of Miami University
Oxford, Ohio:

We have audited the accompanying statement of net assets of Miami University (the "university"), a component unit of the State of Ohio, and Miami university Foundation, the university's discretely presented component unit, as of June 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows where applicable for the years then ended. These financial statements are the responsibility of the management of the university. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the university's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the university, and its discretely presented component unit, as of June 30, 2011 and 2010, and their respective changes in net assets and their respective cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis on pages 8-12 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the management of the university. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Deloitte & Touche LLP

October 14, 2011

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2011. This discussion should be read in conjunction with the accompanying financial statements and footnotes.

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

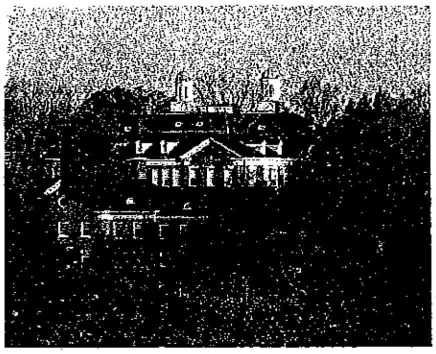
The financial statements, footnotes, and this discussion have been prepared by and are the responsibility of university management.

Financial Highlights

For a second year, following two difficult years, the university reported favorable year-end results. Increased enrollment, a modest tuition increase, and strong investment returns are all reflected in the university's revenues. In addition, the university's sustained emphases on cost reduction measures are evident in the continued decrease in operating expenses.

Overall the university's financial position improved at June 30, 2011. Total assets rose 18.6 percent from $1.076 to $1.276 billion. Liabilities increased $114.7 million and totaled $414.5 million. Significant financial events during fiscal year 2011 were:

- For the first time in four years, Miami increased tuition for Ohio students. Although state legislators authorized a 3.5 percent tuition increase, the university only increased tuition for resident and non-resident students by 3.0 percent to keep tuition as affordable as possible.
- The fall 2010 first-year class enrollment of 3,595 on the Oxford campus was 359 students greater than the previous fall enrollment. The first-year class enrollment on the Hamilton campus increased by 181 students, whereas the Middletown campus decreased by 29 students.
- Operational investments continued to experience positive returns for the second consecutive year and recorded a gain of 2.8 percent. These results were achieved in spite of the continued near zero short-term interest rates. The university and foundation endowment pools also reported strong average returns of 19.6 percent, which is the second consecutive year for positive double digit returns. (For more details, see the Investment Report included in this report).
- A continued reduction in positions, unfilled vacant positions, and no salary increases, produced stable general fund salary expense on all three campuses at $165 million for the fiscal year. Although the volume of health insurance claims increased 7.9 percent, benefits expense was $7.0 million less than budget, primarily attributable to the number of vacant positions.
- In December 2010, an additional $125 million in general receipts revenue bonds were issued to fund planned capital projects (see the Capital Assets and Debt Administration section for more information).



Fall 2010 first-year class enrollment was greater than the previous year. On average, 81% of students who enroll at Miami graduate - the highest graduation rate among Ohio public universities.

Statement of Net Assets

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

Net assets are classified into three major categories. The first category, invested in capital assets net of related debt, reports the institution's net equity in property, plant, and equipment. The second major category, restricted net assets, reports net 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 net assets are primarily endowment funds that may be invested for income and capital gains, but the endowed principal may not be spent. Expendable restricted net 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 assets, is separated into two types: allocated and unallocated. Allocated unrestricted net assets are available to the institution, but are set aside for a specific purpose by university policy, management, or the governing board. Unallocated unrestricted net assets are available to be used for any lawful purpose of the institution.

	2011	2010	2009
Assets			
Current assets	$ 388,226,232	$ 218,683,477	$ 180,459,483
Capital assets, net	713,966,987	704,302,948	707,105,908
Long term investments	167,652,463	146,384,200	129,022,677
Other assets	6,355,458	6,655,414	6,476,915
Total assets	**$ 1,276,201,140**	**$ 1,076,026,039**	**$ 1,023,064,983**
Liabilities			
Current liabilities	$ 74,628,054	$ 70,283,575	$ 71,899,267
Noncurrent liabilities	339,894,619	229,584,437	243,145,887
Total liabilities	$ 414,522,673	$ 299,868,012	$ 315,045,154
Net assets			
Invested in capital assets, net of related debt	$ 475,850,789	$ 480,984,748	$ 472,313,053
Restricted net assets – nonexpendable	89,023,106	76,926,360	67,047,116
Restricted net assets – expendable	56,633,817	50,709,308	39,917,025
Unrestricted net assets – allocated	233,523,028	162,523,346	123,912,138
Unrestricted net assets – unallocated	6,647,727	5,014,265	4,830,497
Total net assets	**$ 861,678,467**	**$ 776,158,027**	**$ 708,019,829**
Total liabilities and net assets	**$ 1,276,201,140**	**$ 1,076,026,039**	**$ 1,023,064,983**

Fiscal Year 2011

Total assets of the institution increased 18.6 percent or $200.2 million in fiscal year 2011. This increase was primarily a result of the increase in cash and cash equivalents and investments. The $89.8 million or 83.1 percent increase in current investments and the $21.3 million or 14.5 percent increase in non-current investments was a result of strong investment returns and $20.0 million in unspent Series 2010 general receipts revenue bond proceeds. For more detailed information see the Investment Report included in this report. The $84.5 million increase in cash and cash equivalents reflects the increase in operating revenues, the continued decrease in overall spending, and unspent proceeds from the Series 2010 bonds. The $3.7 million decrease in current accounts receivable is primarily attributable to a one-time billing error from the insurance carrier that was recorded in 2010. Details of the $28.2 million increase in nondepreciable capital assets and the $18.5 million decrease in depreciable capital assets is provided in the Capital Assets and Debt Administration section of this report.

Total liabilities of the institution increased $114.7 million or 38.2 percent, which was primarily the net result of the $125.0 million issuance of Series 2010 general receipts revenue bonds and the repayment of outstanding bonds, notes, and leases payable. Other current and long-term liabilities remained relatively unchanged. Overall, net assets increased by $85.5 million.

Fiscal Year 2010

Total assets increased 5.2 percent or $53.0 million while total liabilities decreased $15.2 million or 4.8 percent. The net increase in assets is primarily a result of the increase in cash and cash equivalents from greater operating efficiencies in Residence and Dining Halls and increases in investments resulting from stabilization in the global capital markets. The repayment of outstanding bonds, notes, and leases payable was the primarily reason for the decrease in liabilities. Overall, net assets increased by $68.1 million.

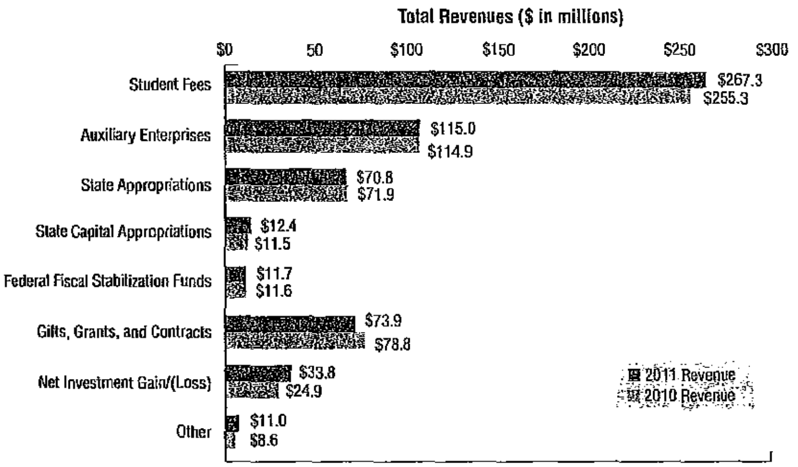
ATTACHMENT A

Statement of Revenues, Expenses and Changes in Net Assets

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

In fiscal year 2011, total revenues of the institution from all sources were approximately $595.8 million, which represents an $18.2 million or 3.1 percent increase. Approximately 69 percent of revenues were classified as operating, and 27 percent were classified as non-operating revenues.

	2011	2010	2009
Operating revenues	$ 410,610,659	$ 397,994,014	$ 395,160,946
Non-operating revenues	166,003,510	154,965,266	63,978,590
Other revenues	19,184,631	24,667,510	20,127,907
Total revenues	**$ 595,798,800**	**$ 577,626,790**	**$ 479,267,443**
Operating expenses	(497,451,687)	(499,950,810)	(517,946,994)
Non-operating expenses	(12,826,673)	(9,537,782)	(8,485,145)
Total expenses	**(510,278,360)**	**(509,488,592)**	**(526,432,139)**
Increase/(decrease) in net assets	**$ 85,520,440**	**$ 68,138,198**	**$ (47,164,696)**



The university has a diversified revenue base, as shown in the accompanying chart. Student tuition and fees make up the largest percentage of revenues at just fewer than 45 percent, while auxiliary enterprises such as residence and dining halls, several student recreational facilities, and the bookstore account for the second highest amount. State appropriations decreased $1.1 million or 1.6 percent, which was anticipated as part of the budget. Additionally, for the second consecutive fiscal year, the federal fiscal stabilization funds are reported on a separate line at $11.7 million for 2011. These funds were provided by the federal government under the American Recovery and Reinvestment Act of 2009 and were allocated through state appropriations to higher education by the Ohio Board of Regents.

Fiscal Year 2011

Operating revenues increased by 3.2 percent or $12.6 million in fiscal year 2011. This increase was the net result of several factors including a 3.0 percent increase in undergraduate tuition on all three campuses and a 2.9 percent increase in room and board rates. In addition, beginning in the fall of 2008, the university began phasing out the 2004 tuition and scholarship plan. In FY2011, only fourth-year and fifth-year Ohio students remained in the earlier program. The phase-out of the program caused the decrease in tuition, fees, and other student charges and the decrease in the Ohio Leader and Ohio Resident Scholarships.

Operating expenses decreased by less than one percent or $2.5 million. The majority of this decrease is reflected in salary savings that were a direct result of the reduction in positions and number of vacant positions throughout the fiscal year and a decrease in departmental non-personnel spending. This was offset in part by an increase in employee benefits expense, which was primarily attributable to health insurance claims which rose 7.9 percent.

The majority of the $7.7 million increase in non-operating revenues and expenses is reflected in the $8.9 million increase in net investment income and the $6.4 million increase in federal grants. Gift revenues returned to normal levels after unusually large gifts were recorded in 2010 for the Farmer School of Business, the rehabilitation of Yager stadium, and other gift pledges. The federal grants increase is attributable to the change in federal regulations that now permits Pell grants to be awarded to students for the summer term. Endowment and investment income increased substantially due to factors that were previously discussed. Other income remained relatively unchanged from last fiscal year. Offsetting the increase in non-operating revenues was the $3.4 million increase in interest on debt, which is a related to the issuance of the Series 2010 general receipts revenue bonds.

In other revenues, the decrease in capital grants and gifts and additions to permanent endowments is a return to normal amounts after unusually large gifts were recorded in 2010.

Fiscal Year 2010

Operating revenues increased by $2.8 million primarily due to a 3.5 percent increase in out-of-state Oxford campus student tuition and a 5.1 percent increase in room and board rates. There was no increase in the in-state student tuition and fee at all three campuses. Operating expenses decreased by $18.0 million primarily due to the reductions in positions and a decrease in health insurance claims.

The majority of the increase in non-operating revenues and expenses was attributable to the $81.3 million increase in net investment income, the $9.1 million increase in federal grants, and gifts that increased by $6.2 million. Offsetting these increases was the $3.0 million decrease in the combined state appropriations and federal fiscal stabilization funds. Other revenues increased due to the receipt of capital grants and gifts, which provided funding for several capital projects.

Statement of Cash Flows

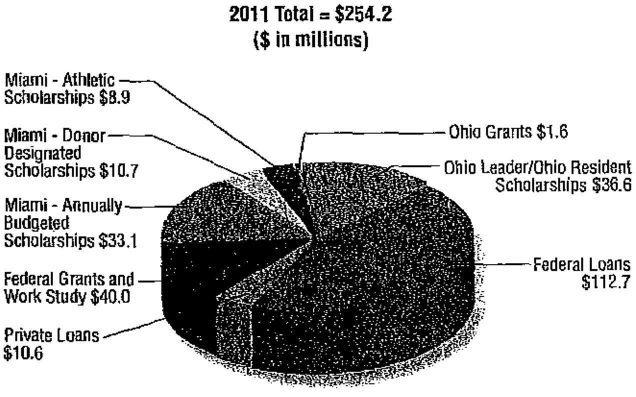
The Statement of Cash Flows presents detailed information about the major sources and uses of cash by the institution for the fiscal year. The cash flow analysis is divided into four types of cash flows: operating activities, noncapital financing activities (which includes the state appropriations as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

	2011	2010	2009
Net cash used for operating activities	$ (49,872,344)	$ (68,726,251)	$ (91,829,343)
Net cash provided by noncapital financing activities	133,599,588	127,505,489	126,669,480
Net cash provided by/(used for) capital and related financing activities	78,066,433	(39,063,674)	(79,529,523)
Net cash provided by/(used for) investing activities	(77,247,582)	3,917,536	14,946,154
Net increase/(decrease) in cash	**$ 84,546,095**	**$ 23,633,100**	**$ (29,743,232)**
Cash and cash equivalents at beginning of year	60,833,558	37,200,458	66,943,690
Cash and cash equivalents at end of year	**$ 145,379,653**	**$ 60,833,558**	**$ 37,200,458**

The $84.5 million increase in the fiscal year 2011 cash and cash equivalents balance relates primarily to the unspent and invested proceeds associated with the series 2010 general receipts revenue bonds.

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

Student Financial Aid



Beginning in the fall of 2010, Miami expanded the merit scholarship packages for in-state and out-of-state students in order to recognize student achievement and to continue to make a high quality education more affordable for parents and students. In fiscal year 2011, Miami-funded financial aid, excluding Ohio Leader and Ohio Resident Scholarships, increased by $3.3 million or 6.7 percent. In total, financial aid awards were $254.2 million.

Capital Assets and Debt Administration

During fiscal year 2011, 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 2005 Series General Receipts Revenue and Refunding Bonds totaling $98.5 million, the 2007 Series General Receipts Revenue Bonds totaling $83.2 million, and the 2010A and 2010B Series General Receipts Revenue Bonds totaling $125 million. Major projects capitalized in 2011 include renovation projects at Pearson Hall and infrastructure projects including the western campus steam loop and the IT server virtualization. See footnote 4 for additional information concerning capital assets and accumulated depreciation.

On December 22, 2010, the university issued $125 million in General Receipts Revenue Bonds. Traditional tax-exempt bonds accounted for $19.6 million of this issuance, while $105.4 million was federally taxable Build America Bonds. The proceeds will be used for the following purposes: to construct, equip and furnish the Armstrong Student Center, renovate several housing and dining facilities, and construct a new addition to the Marcum Conference Center.

The university is planning to issue general receipts revenue bonds during fiscal year 2012 for approximately $167 million, including a provision to refinance $42 million from the 2003 Series General Receipts Revenue Bonds. The primary consideration for the decision will be market conditions, current interest rates on tax exempt bonds, and the best possible outcome for the University. Proceeds from the bond sale are expected to be used to continue construction and renovation of the housing and dining facilities.

The university's bond rating remained the same with a rating of Aa3 from Moody's Investors Services and a rating of A+ from Standard and Poor's. For more detailed information on current outstanding debt, see footnote 6.

Economic Factors That Will Affect the Future

During fiscal year 2011, the Strategic Priorities Task Force (SPTF) recommendations were approved. The goals of these recommendations included prioritizing and aligning the university's strategic goals with the new economic reality and competitive higher education market, creating a long-term sustainable baseline budget, identifying strategic options for improving the resource base, and providing a framework that will guide decisions over the next five years in order to advance Miami University as a premier national university. The recommendations are intended to provide approximately $10 million in new revenue and approximately $30 million in expense reductions through improved efficiencies, savings and reallocation of funds.

Revenues

The fall 2011 first-year enrollment was approximately 3,600 at the Oxford campus, which is approximately the same as the previous year and surpassed the goal of 3,550 students. Non-resident first-year enrollment was 38 percent as compared to 33 percent for the fall 2010 class. In addition, there was a 15 percent increase in transfer students and regional campus relocation students and a 115 percent increase in international students for fall 2011. These continuing positive results are directly attributable to numerous initiatives including: the hiring and strategic placement of regional recruiters, an aggressive and regionally targeted marketing campaign, international recruiting trips and a newly developed English as a second language program, early admission offers and the continuation of the enhanced merit scholarship guarantee, and active faculty and staff involvement with recruiting students and families. Enrollments at the Hamilton campus increased by 1.4 percent while the Middletown campus decreased by 4.5 percent. For fall 2011, the university was authorized to increase tuition by 3.5 percent for all students. The university implemented a 3.5 percent tuition and fee increase for resident undergraduate students and a 3.0 percent increase for non-resident undergraduate students. The enrollment increases, together with the tuition increase, will help provide additional student fee income, which is needed to balance the budget in light of the substantial decrease in state support.

As part of the overall effort to balance the State of Ohio's fiscal year 2012 budget, legislators reduced general funding for higher education by 13 percent. As a result, the university's state share of instruction was reduced by $11.6 million or 17.4 percent for the Oxford campus and $2.0 million or 13.6 percent for the regional campuses. This reduction was primarily a result of the discontinuation of the one-time significant funding of the federal fiscal stabilization funds that was distributed to Ohio higher education institutions through the state share of instruction. In addition, the state legislature did not provide any capital appropriations for the two-year capital budget cycle. The university usually receives approximately $22 million over the two years, which is used for maintaining and renovating state buildings. The State of Ohio's financial outlook continues to be a concern. Although state tax and other revenues appear to have stabilized, the funds needed to support state commitments in all areas continue to rise. In addition, the national and world economies are extremely volatile and uncertain as we enter the last quarter of 2011.

During 2011, the university experienced a 6.7 percent increase in donor contributions toward the Love and Honor Campaign. As of September 2011, the university's capital campaign commitments totaled $414 million toward the goal of $500 million. These funds will bring much needed support to the instructional, scholarly, and construction programs in the years to come.

Effective July 1, 2011, the Foundation entered into a Pooled Investment Agreement with Miami University whereby the Foundation will collectively manage all of the Foundation and University endowment and quasi-endowment funds in a single investment pool. This change will lead to improved efficiency, but more importantly, extend the expertise of the Foundation's Investment Committee to the entire endowment.

Expenditures

In correlation with the recommendations of the SPTF, the university's 2012 expenditure budget was reduced by 0.7 percent over the previous fiscal year. Specifically, the educational and general budget was decreased by two percent or $10.6 million dollars. This decrease in budgeted expenditures included $7.9 million in Strategic Priorities initiatives and was offset by a two percent salary increase for faculty and staff.

In an ongoing effort to control the rise in nationwide health care costs, Miami continued to implement the Healthy Miami wellness program. The first of three phases was introduced in fiscal year 2011 and the second phase will be completed in fiscal year 2012. This program is designed to help employees learn more about their personal health and take actions necessary to improve and monitor their health through screenings.

In light of the global, national, and state challenges, Miami University is pursuing an intentional cultural change. President Hodge, in his 2011 Annual Address stated, "We need to create a culture that embraces change confidently and enthusiastically, a culture that sees change as an opportunity rather than a necessity, a culture that engages change to pursue excellence relentlessly". The 2011 positive operating results and the 2012 budget reductions in permanent operating funds are a reflection of the SPTF goals, which will help provide the resources to lead the university through cultural change to create an institutional entrepreneurial culture where the outcome is academic excellence and student success.

Assets

	Miami University		University Foundation	
	2011	2010	2011	2010
CURRENT ASSETS				
Cash and cash equivalents	$ 145,379,653	$ 60,833,558	$ 19,750,070	$ 15,074,100
Investments (includes $20.0 million at June 30, 2011 of bond proceeds)	197,759,313	107,989,530	0	0
Accounts, pledges and notes receivable, net	38,231,922	41,894,807	17,565,673	11,471,749
Inventories	3,911,172	4,474,736	0	0
Prepaid expenses and deferred charges	2,944,172	3,490,846	0	0
Total current assets	388,226,232	218,683,477	37,315,743	26,545,849
NONCURRENT ASSETS				
Restricted cash and cash equivalents	0	0	1,474,783	1,059,149
Investments	167,652,463	146,384,200	231,514,266	201,172,625
Pledges and notes receivable, net	6,355,458	6,655,414	31,552,046	38,265,059
Nondepreciable capital assets	77,077,480	48,913,280	0	0
Depreciable capital assets, net	636,889,507	655,389,668	0	0
Total noncurrent assets	887,974,908	857,342,562	264,541,095	240,496,833
Total assets	**$ 1,276,201,140**	**$ 1,076,026,039**	**$ 301,856,838**	**$ 267,042,682**

Liabilities and Net Assets

	Miami University 2011	Miami University 2010	University Foundation 2011	University Foundation 2010
CURRENT LIABILITIES				
Accounts payable	$ 21,642,092	$ 18,900,071	$ 11,373,323	$ 12,551,904
Accrued salaries and wages	15,137,155	15,971,627	0	0
Accrued compensated absences	1,356,104	1,189,507	0	0
Deferred revenue	10,499,129	11,963,742	0	0
Deposits	9,806,927	9,619,425	0	0
Long term debt - current portion	16,186,647	12,639,203	0	0
Other current liabilities	0	0	547,944	847,377
Total current liabilities	74,628,054	70,283,575	11,921,267	13,399,281
NONCURRENT LIABILITIES				
Accrued compensated absences	15,179,374	14,267,940	0	0
Bonds payable	315,597,424	205,169,941	0	0
Note payable	1,656,789	1,733,715	0	0
Capital leases payable	1,003,045	1,894,053	0	0
Federal Perkins loan program	6,457,987	6,518,788	0	0
Other noncurrent liabilities	0	0	6,954,153	5,946,214
Total noncurrent liabilities	339,894,619	229,584,437	6,954,153	5,946,214
Total liabilities	414,522,673	299,868,012	18,875,420	19,345,495
NET ASSETS				
Invested in capital assets, net of related debt	475,850,789	480,984,748	0	0
Restricted net assets				
Nonexpendable	89,023,106	76,926,360	150,091,389	143,362,903
Expendable	56,633,817	50,709,308	132,640,934	106,942,118
Unrestricted net assets	240,170,755	167,537,611	249,095	(2,607,834)
Total net assets	861,678,467	776,158,027	282,981,418	247,697,187
Total liabilities and net assets	**$ 1,276,201,140**	**$ 1,076,026,039**	**$ 301,856,838**	**$ 267,042,682**

See accompanying notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Assets JUNE 30, 2011 AND 2010

MIAMI UNIVERSITY

	Miami University		University Foundation	
	2011	2010	2011	2010
OPERATING REVENUES				
Tuition, fees, and other student charges	$ 364,624,732	$ 381,281,446	$ 0	$ 0
Less Ohio Leader and Ohio Resident Scholarships	(36,577,490)	(74,461,203)	0	0
Less allowance for student scholarships	(60,762,961)	(51,518,541)	0	0
Net tuition, fees, and other student charges	267,284,281	255,301,702	0	0
Sales and services of auxiliary enterprises	119,743,824	119,061,465	0	0
Less allowance for student scholarships	(4,701,315)	(4,129,050)	0	0
Net sales and services of auxiliary enterprises	115,042,509	114,932,415	0	0
Federal contracts	14,982,882	14,941,625	0	0
Gifts	0	0	8,131,893	6,621,410
Sales and services of educational activities	3,909,507	4,246,798	0	0
Private contracts	2,476,779	2,520,746	0	0
State contracts	1,200,489	1,854,140	0	0
Local contracts	286,524	321,991	0	0
Other	5,427,688	3,874,597	0	0
Total operating revenues	410,610,659	397,994,014	8,131,893	6,621,410
OPERATING EXPENSES				
Education and general				
Instruction and departmental research	166,583,779	166,001,841	0	0
Separately budgeted research	16,394,725	17,152,920	0	0
Public service	1,981,871	2,456,073	0	0
Academic support	49,731,409	50,322,795	0	0
Student services	23,250,532	23,229,820	0	0
Institutional support	37,757,289	36,443,663	0	0
Operation and maintenance of plant	31,858,558	33,244,689	0	0
Scholarships and fellowships	23,023,411	23,038,554	0	0
Auxiliary enterprises	103,598,299	105,594,440	0	0
Depreciation	38,339,812	38,015,560	0	0
Other	4,932,002	4,450,455	0	0
Total operating expenses	497,451,687	499,950,810	0	0
Net operating gain (loss)	(86,841,028)	(101,956,796)	8,131,893	6,621,410
NON-OPERATING REVENUES (EXPENSES)				
State appropriations	70,795,961	71,924,155	0	0
Federal fiscal stabilization funds	11,669,447	11,633,974	0	0
Gifts, including $14,660,423 in FY11 and $17,857,855 in FY10 from the University Foundation	16,746,849	20,937,185	0	0
Federal grants	30,020,591	23,627,443	0	0
Net investment income, net of investment expense of $2,564,317 for University and $2,599,412 for the Foundation in FY11 $1,485,693 for University and $1,269,572 for the Foundation in FY10	33,824,309	24,874,580	33,526,615	22,732,610
State grants	1,319,694	1,441,507	0	0
Interest on debt	(12,710,910)	(9,447,869)	0	0
Payments to Miami University	0	0	(14,660,423)	(17,857,855)
Other non-operating revenues (expenses)	1,510,896	436,509	1,168,881	(4,033,248)
Net non-operating revenues (expenses)	153,176,837	145,427,484	20,035,073	841,507
Income (loss) before other revenues, expenses, and gains or losses	66,335,809	43,470,688	28,166,966	7,462,917
OTHER REVENUES, EXPENSES, GAINS, OR LOSSES				
State capital appropriation	12,366,955	11,504,340	0	0
Capital grants and gifts	5,081,520	9,238,334	0	0
Additions to permanent endowments	1,736,156	3,924,836	7,117,265	10,190,194
Total other revenues, expenses, gains, or losses	19,184,631	24,667,510	7,117,265	10,190,194
INCREASE (DECREASE) IN NET ASSETS	$ 85,520,440	$ 68,138,198	$ 35,284,231	$ 17,653,111
Net assets at beginning of year	776,158,027	708,019,829	247,697,187	230,044,076
Net assets at end of year	**$ 861,678,467**	**$ 776,158,027**	**$ 282,981,418**	**$ 247,697,187**

See accompanying notes to financial statements.

Statement of Cash Flows JUNE 30, 2011 AND 2010 MIAMI UNIVERSITY

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition, fees, and other student charges	$ 325,761,824	$ 303,724,525
Sales and services of auxiliary enterprises	121,261,724	119,331,940
Contracts	21,699,698	17,419,248
Other operating receipts	9,305,233	8,319,643
Payments for employee compensation and benefits	(314,332,665)	(315,162,628)
Payments to vendors for services and materials	(124,815,365)	(124,040,591)
Student scholarships	(88,487,687)	(78,686,145)
Loans issued to students and employees	(2,155,666)	(1,975,381)
Collection of loans from students and employees	1,890,560	2,343,138
Net cash used for operating activities	(49,872,344)	(68,726,251)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State share of instruction and federal fiscal stabilization funds	82,465,408	83,558,129
Grants for noncapital purposes	31,340,285	25,068,950
Gifts	19,793,895	18,878,410
Net cash provided by noncapital financing activities	133,599,588	127,505,489
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State capital appropriation	12,071,153	11,576,140
Grants for capital purposes	3,743,418	8,630,448
Other capital and related receipts	765,333	524,871
Proceeds from debt obligations	126,633,069	0
Payments to construct, renovate, or purchase capital assets	(41,837,568)	(37,894,893)
Principal paid on outstanding debt	(12,290,970)	(10,931,913)
Interest paid on outstanding debt	(11,018,002)	(10,968,327)
Net cash provided by/(used for) capital and related financing activities	78,066,433	(39,063,674)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	87,902,794	66,810,888
Purchases of investments	(168,762,598)	(67,597,445)
Endowment income	3,652,354	6,079,490
Other investment income	(40,132)	(1,375,397)
Net cash provided by/(used for) investing activities	(77,247,582)	3,917,536
NET INCREASE (DECREASE) IN CASH	$ 84,546,095	$ 23,633,100
Cash and cash equivalents at beginning of year	60,833,558	37,200,458
Cash and cash equivalents at end of year	**$ 145,379,653**	**$ 60,833,558**

	2011	2010
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED FOR OPERATING ACTIVITIES		
Net Operating Loss, per Statement of Revenues, Expenses, and Changes in Net Assets	$ (86,841,028)	$ (101,956,796)
Adjustments to reconcile net operating loss to net cash used for operating activities:		
Depreciation expense	38,339,812	38,015,560
Net loss on disposal of capital assets	139,864	169,416
Accounts receivable bad debt adjustments	57,685	19,824
Adjustments to reconcile change in net assets to net cash used for operating activities		
Accounts receivable	2,569,472	(4,105,066)
Inventories	563,562	71,739
Prepaid expenses	548,081	(1,554,359)
Notes receivable	(85,227)	484,550
Accounts payable	(4,070,213)	2,787,629
Accrued salaries	(834,472)	(1,138,784)
Compensated absences	1,078,031	(867,244)
Deferred income and deposits	(1,277,110)	(701,341)
Federal Perkins loans	(60,801)	48,621
Net cash used for operating activities	**$ (49,872,344)**	**$ (68,726,251)**
Supplemental disclosure of noncash information		
Property and equipment included in accounts payable	7,457,701	2,644,479
Property and equipment acquired by gifts in kind	1,338,103	607,887

See accompanying notes to financial statements.

(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 14 members, including two student members and three 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 for three-year terms by the voting members.

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

Basis for Presentation

Effective July 1, 2010, the university adopted Governmental Accounting Standards Board (GASB)

Statement No. 59, *Financial Instruments Omnibus*. The objective of this statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. There has been no impact to the university financial statements due to the adoption of Statement No. 59.

In November 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The statement is effective for periods beginning after June 15, 2012. The university has not yet determined the impact this statement will have on the financial statements.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that is included in pronouncements of the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA) issued on or before November 30, 1989. The statement is effective for periods beginning after December 15, 2011. The university has not yet determined the impact this statement will have on 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. For financial reporting purposes, the university is considered a special-purpose government engaged only in business-type activities as defined by GASB Statement No. 34 and 35. The university has elected to apply only those Financial Accounting Standards Board (FASB) pronouncements issued on or before November 1989, that are not in conflict with or contradict GASB pronouncements. The university has elected not to apply any FASB pronouncements issued after November 1989.

Cash and Cash Equivalents

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

Investments

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

Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' management. Some fund valuations are determined as of June 30, while the remaining valuations are determined as of March 31 and adjusted by cash receipts, cash disbursements, and securities distributions through June 30. The university 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.

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

Inventories

Inventories are stated at the lower of first-in, first-out cost or net realizable value.

Capital Assets

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

Deferred Revenue

Tuition and fees relating to summer sessions that are conducted in July and August are recorded in the accompanying statement of net assets as deferred revenue. Deferred 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.

Operating and Non-operating Revenue

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

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 40 days. Effective January 1, 2012 the maximum accrual will be 52 days. Classified employees earn vacation at rates ranging from 10 to 25 days per year, based on years of service, 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. Persons leaving employment for reasons other than retirement are not compensated for unused sick leave.

Net Assets

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, reports the institution's net equity in property, plant, and equipment. The second major category is restricted net assets. This category contains net assets that are owned by the institution, but the use or purpose of the funds is restricted by an external source or entity. The corpus of the nonexpendable restricted net assets is available for investment purposes only. The expendable restricted net 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 assets and is separated into two types: allocated and unallocated. Allocated unrestricted net assets are available to the institution, but are allocated for a specific purpose within the institution by university policy, management, or the governing board. The allocated unrestricted net assets were $233,523,028 and $162,523,346 as of June 30, 2011 and 2010, respectively. Unallocated unrestricted net assets are available to be used for any lawful purpose of the institution.

Tax Status

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

Estimates

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

(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 $145.4 million in 2011 and $60.8 million in 2010, respectively. Cash and cash equivalents consists primarily of cash in banks, money market accounts and the State Treasury Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less.

Approximately $12.4 million of cash and cash equivalents was covered by federal depository insurance; $67.2 million was covered by collateral held by third-party trustees pursuant to paragraph 135.181 of the Ohio Revised Code in collateral pools securing all public funds on deposit with specific depository institutions; and the remainder was not collateralized or insured, leaving it exposed to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the university may not be able to recover its deposits or collateral securities. The university maintains active relationships with multiple cash equivalent accounts to reduce its exposure to custodial credit risk at any single institution.

Investments

Investments held by the university at June 30, 2011 and 2010 are presented below, categorized by investment type and credit quality rating. Credit quality ratings provide information about the investments' credit risk, which is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university's investment management procedures establish guidelines for average credit quality ratings in the portfolios.

The investments as of June 30, 2011, are summarized as follows:

Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 17,841,804	$ 0	$ 17,841,804	$ 0	$ 0
U.S. Agency bonds	20,339,158	0	20,339,158	0	0
Strips	6,529,423	0	6,529,423	0	0
Government-backed bonds	14,787,111	0	14,787,111	0	0
Corporate bonds	21,248,456	0	0	21,140,455	108,001
Municipal bonds	2,438,825	0	0	2,438,825	0
International bonds	148,129	0	0	0	148,129
Certificate of deposit	20,000,000	0	0	20,000,000	0
Common and preferred stocks	69,848,129	69,848,129	0	0	0
Commingled funds	158,672,705	122,459,074	0	36,213,631	0
Limited partnerships	33,229,245	33,229,245	0	0	0
Real estate and other	328,791	328,791	0	0	0
Total investments	**$ 365,411,776**	**$ 225,865,239**	**$ 59,497,496**	**$ 79,792,911**	**$ 256,130**

The investments as of June 30, 2010, are summarized as follows:

Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 8,165,256	$ 0	$ 8,165,256	$ 0	$ 0
U.S. Agency bonds	7,763,364	0	7,763,364	0	0
Strips	2,357,298	0	2,357,298	0	0
Government-backed bonds	4,384,548	0	4,384,548	0	0
Corporate bonds	17,162,133	0	0	16,953,568	208,565
Municipal bonds	1,896,978	0	0	1,896,978	0
International bonds	327,332	0	327,332	0	0
Common and preferred stocks	59,477,952	59,477,952	0	0	0
Commingled funds	128,166,164	80,077,461	31,959,456	13,279,329	2,849,918
Limited partnerships	24,357,820	24,357,820	0	0	0
Real estate and other	314,885	314,885	0	0	0
Total investments	**$ 254,373,730**	**$ 164,228,118**	**$ 54,957,254**	**$ 32,129,875**	**$ 3,058,483**

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

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

Bond investments by length of maturity as of June 30, 2011, are summarized as follows:

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury bonds	$ 17,841,804	$ 1,740,093	$ 12,364,704	$ 3,737,007	$ 0
U.S. Agency bonds	20,339,158	4,022,970	12,757,476	3,558,712	0
Strips	6,529,423	0	5,749,795	0	779,628
Government-backed bonds	14,787,111	0	14,617,666	169,445	0
Corporate bonds	21,248,456	2,029,930	12,993,739	6,008,984	215,803
International bonds	148,129	0	148,129	0	0
Municipal bonds	2,438,825	105,796	1,468,059	864,970	0
Commingled bond funds	36,213,632	0	6,180,014	30,033,618	0
Total Bonds	**$ 119,546,538**	**$ 7,898,789**	**$ 66,279,582**	**$ 44,372,736**	**$ 995,431**

Bond investments by length of maturity as of June 30, 2010, are summarized as follows:

Investment Type	Fair Value	Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury bonds	$ 8,165,256	$ 301,452	$ 6,516,152	$ 1,347,652	$ 0
U.S. Agency bonds	7,763,364	1,792,867	4,707,470	1,263,027	0
Strips	2,357,298	499,510	1,333,132	382,224	142,432
Government-backed bonds	4,384,548	0	4,172,925	211,623	0
Corporate bonds	17,162,133	2,862,170	10,364,932	3,935,031	0
International bonds	327,332	0	179,090	148,242	0
Municipal bonds	1,896,978	0	477,881	1,419,097	0
Commingled bond funds	48,512,971	9,366,867	20,651,428	11,014,667	7,480,009
Total Bonds	**$ 90,569,880**	**$ 14,822,866**	**$ 48,403,010**	**$ 19,721,563**	**$ 7,622,441**

All of the university's investments in publicly traded securities are subject to market risk. As a result, a significant downturn in the securities markets could adversely affect the market value of university assets. Investments include approximately $89.2 million and $46.8 million as of June 30, 2011 and 2010, respectively, managed by international and global equity managers, and such international investments are exposed to foreign currency risk. The university's investments that are exposed to concentration risk consist of securities issued by the U.S. Treasury which represents 12.2% of investments. No other single issuer represents more than 5% of investments.

Fair values were determined based on prices of established securities markets, with the exception of some hedge funds and alternative investments whose fair values were provided by the funds' managements. Alternative investments generally represent investments that are less liquid than publicly traded securities and include private equity, investments in real assets, and other strategies. Hedge funds may include, but are not limited to, long and short investments in domestic and international equity securities, distressed securities, fixed income securities, currencies, commodities, options, futures, and other derivatives. Many of these securities are intended to reduce market risk, credit risk, and interest rate risk. As of June 30, 2011, the university has made commitments to limited partnerships totaling $24.9 million that have not yet been funded.

Endowment Funds

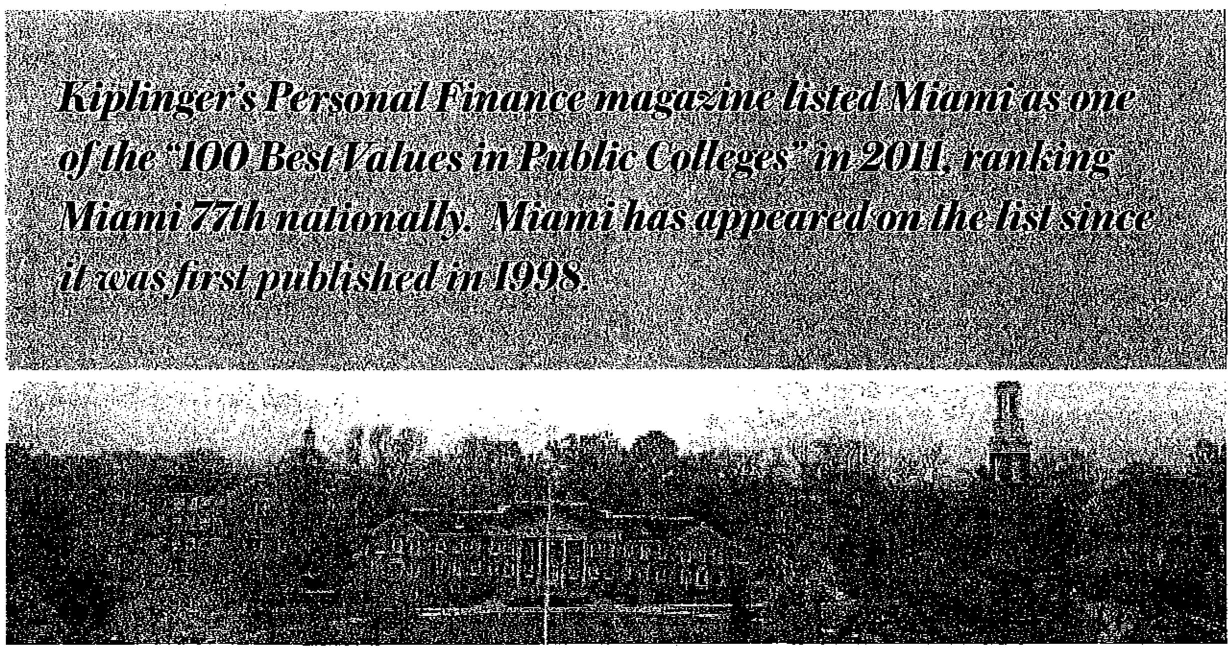
The Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the State of Ohio provides statutory guidelines for prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations. The university's interpretation of its fiduciary responsibilities 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 investment pool. The University Board has approved an endowment spending policy whereby distributions in accordance with donor restrictions are calculated according to a formula which gives a 30% weight to market value and a 70% weight to inflation. Annually the university establishes a spending formula that defines the total amount of dividends, interest and realized gains to be distributed from the endowment investment pool to other funds. The authorized spending amount was $8,059,182 in 2011 and $7,694,587 in 2010. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $7,616,131 and $6,650,929 was distributed for expenditure for 2011 and 2010, respectively. Donor restricted endowments with insufficient accumulated earnings did not make a current year distribution.

(3) Accounts Receivable

The accounts, pledges and notes receivable as of June 30, 2011 and 2010, are summarized as follows:

	2011	2010
Accounts Receivable		
Student receivables	$ 9,887,857	$ 8,839,858
University Foundation	11,301,092	12,490,461
State capital appropriations	5,163,518	4,867,716
Grants and contracts	3,636,505	5,314,129
Investment trade settlements	0	549,103
Other receivables	2,871,184	3,562,328
Total accounts receivable	$ 32,860,156	$ 35,623,595
Less allowance for doubtful accounts	(1,035,000)	(785,000)
Net accounts receivable	**$ 31,825,156**	**$ 34,838,595**
Pledges Receivable		
Pledges receivable	$ 3,412,792	$ 4,471,960
Less allowance for doubtful pledges	(368,784)	(393,830)
Net pledges receivable	**$ 3,044,008**	**$ 4,078,130**
Notes Receivable		
Federal loan programs	$ 8,165,126	$ 7,892,480
University loan programs	3,044,090	3,132,016
Total notes receivable	$ 11,209,216	$ 11,024,496
Less allowance for doubtful notes	(1,491,000)	(1,391,000)
Net notes receivable	**$ 9,718,216**	**$ 9,633,496**
Total	**$ 44,587,380**	**$ 48,550,221**



(4) Capital Assets

The capital assets and accumulated depreciation as of June 30, 2011, are summarized as follows:

Capital Assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 4,841,276	$ 0	$ 0	$ 4,841,276
Collections of Works of Art and Historical Treasures	6,665,257	663,308	0	7,328,565
Construction in Progress	37,406,747	35,617,264	8,116,372	64,907,639
Nondepreciable capital assets	**$ 48,913,280**	**$ 36,280,572**	**$ 8,116,372**	**$ 77,077,480**
Land Improvements	28,093,190	1,620,307	0	29,713,497
Buildings	766,005,259	7,140,815	0	773,146,074
Infrastructure	112,718,339	3,315,973	0	116,034,312
Machinery and Equipment	114,539,375	4,754,319	5,287,686	114,006,008
Library Books and Publications	62,619,357	1,686,182	0	64,305,539
Vehicles	9,059,890	261,936	185,058	9,136,768
Intangible Assets	14,993,532	1,199,983	0	16,193,515
Depreciable capital assets	**$ 1,108,028,942**	**$ 19,979,515**	**$ 5,472,744**	**$1,122,535,713**
Total capital assets	**$ 1,156,942,222**	**$ 56,260,087**	**$ 13,589,116**	**$1,199,613,193**
Less Accumulated Depreciation				
Buildings	292,434,553	20,929,975	0	313,364,528
Infrastructure	41,359,644	4,265,321	0	45,624,965
Land Improvements	9,505,103	958,779	0	10,463,882
Machinery and Equipment	58,319,111	8,655,970	5,152,631	61,822,450
Library Books and Publications	35,563,290	2,163,408	0	37,726,698
Vehicles	6,898,219	415,756	180,249	7,133,726
Intangible Assets	8,559,354	950,603	0	9,509,957
Total Accumulated Depreciation	**$ 452,639,274**	**$ 38,339,812**	**$ 5,332,880**	**$ 485,646,206**
Capital Assets, Net	**$ 704,302,948**	**$ 17,920,275**	**$ 8,256,236**	**$ 713,966,987**

The capital assets and accumulated depreciation as of June 30, 2010, are summarized as follows:

Capital Assets	Beginning Balance	Additions	Retirements	Ending Balance
Land	$ 4,841,276	$ 0	$ 0	$ 4,841,276
Collections of Works of Art and Historical Treasures	6,249,107	416,150	0	6,665,257
Construction in Progress	91,766,031	22,379,319	76,738,603	37,406,747
Nondepreciable capital assets	**$ 102,856,414**	**$ 22,795,469**	**$ 76,738,603**	**$ 48,913,280**
Land Improvements	25,503,174	2,590,016	0	28,093,190
Buildings	690,741,899	75,263,360	0	766,005,259
Infrastructure	109,681,326	3,037,013	0	112,718,339
Machinery and Equipment	146,458,730	5,181,004	37,100,359	114,539,375
Library Books and Publications	61,106,896	1,512,461	0	62,619,357
Vehicles	9,045,086	308,957	294,153	9,059,890
Intangible Assets	13,641,300	1,432,339	80,107	14,993,532
Depreciable capital assets	**$ 1,056,178,411**	**$ 89,325,150**	**$ 37,474,619**	**$1,108,028,942**
Total capital assets	**$ 1,159,034,825**	**$ 112,120,619**	**$ 114,213,222**	**$1,156,942,222**
Less Accumulated Depreciation:				
Buildings	272,502,404	19,932,149	0	292,434,553
Infrastructure	37,102,125	4,257,519	0	41,359,644
Land Improvements	8,610,427	894,676	0	9,505,103
Machinery and Equipment	85,901,742	9,348,312	36,930,943	58,319,111
Library Books and Publications	33,395,437	2,167,853	0	35,563,290
Vehicles	6,664,879	527,493	294,153	6,898,219
Intangible Assets	7,751,903	887,558	80,107	8,559,354
Total Accumulated Depreciation	**$ 451,928,917**	**$ 38,015,560**	**$ 37,305,203**	**$ 452,639,274**
Capital Assets, Net	**$ 707,105,908**	**$ 74,105,059**	**$ 76,908,019**	**$ 704,302,948**

(5) Long-term Liabilities

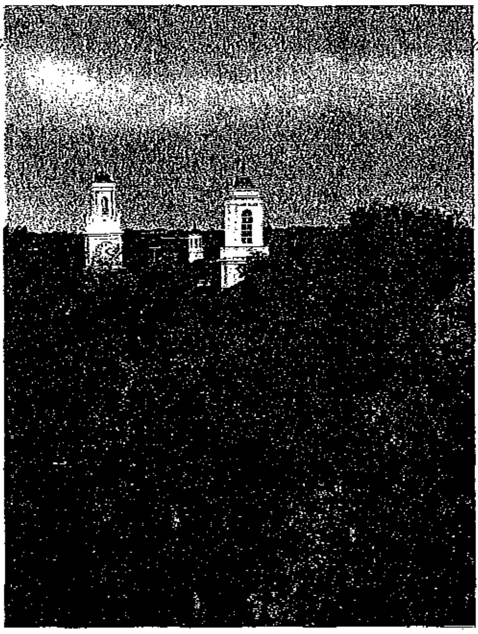
The long term liabilities as of June 30, 2011, are summarized as follows:

Bonds, Leases, and Notes Payable	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable	$ 210,880,000	$125,000,000	$ 11,285,000	$ 324,595,000	$ 14,650,000
Capital leases payable	2,810,442	0	933,107	1,877,335	874,290
Notes payable	1,806,578	0	72,863	1,733,715	76,926
Premiums, issue costs, loss on refunding	5,939,892	773,152	475,189	6,237,855	585,431
Total bonds, leases, and notes payable	**$ 221,436,912**	**$ 125,773,152**	**$ 12,766,159**	**$ 334,443,905**	**$ 16,186,647**
Other Liabilities					
Compensated absences	15,457,447	6,471,632	5,393,601	16,535,478	1,356,104
Federal Perkins loans	6,518,788	228,515	289,316	6,457,987	0
Total other liabilities	**$ 21,976,235**	**$ 6,700,147**	**$ 5,682,917**	**$ 22,993,465**	**$ 1,356,104**
Total	**$ 243,413,147**	**$ 132,473,299**	**$ 18,449,076**	**$ 357,437,370**	**$ 17,542,751**

The long term liabilities as of June 30, 2010, are summarized as follows:

	Beginning			Ending	Current
Bonds payable	$ 220,814,612	$ 0	$ 9,934,612	$ 210,880,000	$ 11,285,000
Capital leases payable	3,738,728	0	928,286	2,810,442	916,389
Notes payable	1,875,593	0	69,015	1,806,578	72,863
Premiums, issue costs, loss on refunding	6,304,842	0	364,950	5,939,892	364,951
Total bonds, leases, and notes payable	**$ 232,733,775**	**$ 0**	**$ 11,296,863**	**$ 221,436,912**	**$ 12,639,203**
Other Liabilities					
Compensated absences	16,324,692	6,993,176	7,860,421	15,457,447	1,189,507
Federal Perkins loans	6,470,167	291,527	242,906	6,518,788	0
Total other liabilities	**$ 22,794,859**	**$ 7,284,703**	**$ 8,103,327**	**$ 21,976,235**	**$ 1,189,507**
Total	**$ 255,528,634**	**$ 7,284,703**	**$ 19,400,190**	**$ 243,413,147**	**$ 13,828,710**

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



Miami ranks 9th in the nation for return on (tuition) investment, according to a SmartMoney magazine survey that divided alumni's reported median salaries by the tuition and fees they paid.

(6) Indebtedness

The bonds are secured by a pledge of the general receipts of the university. The note payable is collateralized by certain quasi-endowment investments of the university. The university may at its discretion use, or pledge, to the extent lawfully authorized, such other resources as are available for use in the performance of its obligation under the various trust agreements.

During the year ended June 30, 2011 the university issued \$125,000,000 in General Receipts Revenue Bonds consisting of \$105,445,000 Series 2010A (Federally Taxable Build America Bonds – Direct Payment) and \$19,555,000 Series 2010B (Tax-Exempt Bonds). Interest rates range from 4.807% to 6.772% for the Series 2010A bonds and from 2.00% to 5.00% for the Series 2010B bonds. Maturities range from 2017 to 2035 for the Series 2010A bonds and from 2011 to 2016 for the Series 2010B bonds. The Series 2010 bond proceeds are being used to provide funding, together with other university resources, for two major project initiatives. These are the first phase of planned improvements to student housing and dining facilities and the first phase of construction of the Armstrong Student Center.

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

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

During the year ended June 30, 2005 the university issued \$98,455,000 in General Receipts Revenue and Refunding Bonds with interest rates ranging from 3 percent to 5 percent and maturities from 2006 to 2025. The proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 1998 and for the funding of additional capital assets. In 2005, the university defeased a portion of the Series 1998 bonds by placing some of the proceeds from the Series 2005 bonds into an escrow account to provide for all future debt service. The outstanding balance of defeased bonds was \$12,650,000 and \$13,955,000 as of June 30, 2011 and 2010, respectively.

During the year ended June 30, 2003, the university issued \$61,400,000 in General Receipts Revenue and Refunding Bonds. The proceeds were used to refund a portion of the remaining Miami University General Receipts Bonds, Series 1993 and for the funding of additional capital assets.

The university incurred interest costs of \$12,865,732 and \$9,447,869 as of June 30, 2011 and 2010, respectively. For the year ended June 30, 2011, \$154,822 of the interest cost was capitalized. No interest cost was capitalized for the year ended June 30, 2010.

The maturity dates, interest rates, and outstanding principal balances as of June 30, 2011, are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds Payable			
Series 2010A general receipts	2018 – 2036	4.807% - 6.772%	\$ 105,445,000
Series 2010B general receipts	2012 – 2017	2.00% - 5.00%	19,555,000
Series 2007 general receipts	2012 – 2027	3.25% - 5.25%	77,610,000
Series 2005 general receipts	2012 – 2025	3.375% – 5.0%	78,655,000
Series 2003 general receipts	2012 – 2024	3.5% - 5.5%	43,330,000
Note Payable			
U.S. Department of Education	2012 – 2026	5.5%	1,733,715
Total Bonds and Notes Payable			**\$ 326,328,715**
Bond premiums			(8,829,575)
Bond issuance costs			2,076,684
Deferred loss on refunding			515,037
Total Bonds and Notes Payable, net			**\$ 320,090,861**

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

Year Ended June 30	Principal	Interest	Total
2012	\$ 14,726,926	\$ 16,592,728	\$ 31,319,654
2013	15,746,215	16,017,732	31,763,947
2014	16,385,743	15,321,298	31,707,041
2015	15,230,524	14,573,395	29,803,919
2016	15,950,571	13,825,089	29,775,660
2017 – 2021	87,618,985	56,799,446	144,418,431
2022 – 2026	88,094,751	34,077,229	122,171,980
2027 – 2031	36,090,000	17,573,577	53,663,577
2032 – 2036	36,485,000	6,393,615	42,878,615
Total	**\$ 326,328,715**	**\$ 191,174,109**	**\$ 517,502,824**

The university has \$1,877,335 in capitalized lease obligations that have varying maturity dates through 2014 and carry implicit interest rates ranging from 3.28 percent to 17.16 percent. The scheduled maturities of these leases as of June 30, 2011, are:

Year Ended June 30	Minimum Lease Payments
2012	\$ 946,194
2013	780,260
2014	255,361
Total minimum lease payments	\$ 1,981,815
Less amount representing interest	(104,480)
Net minimum lease payments	**\$ 1,877,335**

Buildings and computer equipment are financed with capital leases. The carrying amount related to these capital leases as of June 30, 2011 and June 30, 2010 are \$1,605,123 and \$1,362,497 for buildings and \$3,800,408 and \$3,939,087 for equipment.

(7) Retirement Plans

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

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

Defined Benefit Plans

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

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

Contribution rates for STRS Ohio are established by the State Teachers Retirement Board, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Contribution rates for fiscal year 2010 were 10 percent for employees and 14 percent for employers. For the fiscal years ended June 30, 2010, and June 30, 2009, the Retirement Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Stabilization Fund (Note 8).

During calendar year 2010, employees covered by the OPERS system were required by state statute to contribute 10.0 percent of their salary to the plan. The university was required to contribute 14.0 percent of covered payroll. Law enforcement employees who are a part of the OPERS law enforcement division contribute 11.1 percent of their salary to the plan. For these employees, the university was required to contribute 17.87 percent of covered payroll. The portion of employer contributions to OPERS allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010 and 5.0 percent from March 1 through December 31, 2010 (Note 8).

The payroll for employees covered by STRS Ohio for the years ended June 30, 2011 and 2010, were approximately $64,727,000 and $66,222,000, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2011 and 2010, were approximately $84,585,000 and $87,443,000, respectively.

Defined Contribution Plan

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

The payroll for employees electing the alternative retirement program for the years ended June 30, 2011 and 2010, were approximately $47,826,000 and $47,853,000, respectively.

Combined Plans

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

OPERS also offers a combined plan. This is a cost-sharing, multiple-employer defined benefit plan that has elements of both a defined benefit and defined contribution plan. In the combined plan, employee contributions are invested in self-directed investments, and the employer contribution is used to fund a reduced defined benefit. OPERS also provides retirement, disability, survivor, and postretirement health care benefits to qualified members. The portion of employer contributions to OPERS allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010 and 4.23 percent from March 1 through December 31, 2010 (Note 8).

Retirement Plan Funding

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

Employer Contribution

	STRS Ohio	OPERS	Alternative Programs
2011	$ 9,061,840	$ 11,841,929	$ 5,530,805
2010	9,271,116	12,303,519	5,575,241
2009	9,587,418	13,480,250	6,878,942

(8) Other Postemployment Benefits

In addition to the pension benefits described in Note 7, STRS Ohio and OPERS provide postretirement health care coverage to retirees and their dependents. Health care coverage for disability recipients and primary survivor recipients is also provided. Coverage includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. A portion of the employer contribution is allocated to fund the health care benefits (Note 7).

OPERS health care benefits are advance-funded on an actuarially determined basis. The amount of employer contributions actually made to fund post-employment benefits was $4.3 million.

(9) Related Organization

The Miami University Foundation (the foundation) is a separate not-for-profit entity organized for the purpose of promoting educational and research activities of the university. Since the resources held by the foundation can be used only by and for the benefit of the University, the foundation is considered a component unit of the university and is discretely presented in the university's financial statements.

The foundation board is comprised of a maximum of 29 members. Up to 21 members are elected by the board and eight members are appointed by Miami University. At least two-thirds of the elected trustees are required to be alumni or former students of Miami University. The foundation reports using standards issued by the Financial Accounting Standards Board.

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

Summary financial information for the foundation as of June 30, 2011, the date of its most recent audited financial report, is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ 249,095	$ 132,640,934	$ 150,091,389	$ 282,981,418
Change in net assets for the year	2,856,929	25,698,816	6,728,486	35,284,231
Distributions to Miami University	14,660,423	0	0	14,660,423

Summary financial information for the foundation as of June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ (2,607,834)	$ 106,942,118	$ 143,362,903	$ 247,697,187
Change in net assets for the year	6,690,639	6,485,992	4,476,480	17,653,111
Distributions to Miami University	17,857,855	0	0	17,857,855

(a) Cash and Cash Equivalents - Cash and cash equivalents consists primarily of cash in banks, money market accounts, BlackRock Liquidity Federal Trust Fund, and the State Treasury Asset Reserve of Ohio (STAR Ohio) that include short-term, highly liquid investments readily convertible to cash, with an original maturity of three months or less. On June 30, approximately $431,003 of cash and cash equivalents was covered by federal depository insurance and the remainder was not insured, exposing it to custodial credit risk. 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.

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

Market prices are not available for certain investments. These investments are carried at estimated fair value provided by the funds' managements. Some valuations are determined as of June 30, while the remaining valuations are determined as of March 31 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.

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.

(c) Long-Term Investments

Investments held by the foundation as of June 30 were:

	2011		2010	
Investment Description	**Cost**	**Fair Value**	**Cost**	**Fair Value**
Domestic Public Equities	$ 27,987,199	$ 32,871,867	$ 25,219,743	$ 24,206,859
Global Public Equities	36,946,791	43,007,452	36,528,862	36,520,067
International Public Equities	10,801,774	12,752,544	8,801,774	8,882,680
Domestic Public Fixed Income	7,029,540	8,035,284	13,584,364	15,264,463
Global Public Fixed Income	7,584,763	7,821,539	0	0
Hedge Funds	47,626,743	64,201,566	51,682,305	64,220,993
Private Investments	60,857,752	52,496,982	54,982,905	42,893,316
Split-Interest Funds	10.989,523	11,827,901	10,972,295	10,503,928
Subtotal	209,824,085	233,015,135	201,772,248	202,492,306
Less assets held for Miami University Paper Science & Engineering Foundation	(2,550,000)	(3,436,016)	(2,550,000)	(3,096,747)
Total	**$207,274,085**	**$ 229,579,119**	**$ 199,222,248**	**$ 199,395,559**

The foundation maintains a diversified investment portfolio for the Pooled Funds, intended to reduce market risk, credit risk, and interest rate risk with a strategy designed to take advantage of market inefficiencies. The foundation's investment objectives are guided by its asset allocation policy and are achieved in partnership with external investment managers operating through a variety of investment vehicles including separate accounts, limited partnerships, and commingled funds. The foundation's investment portfolio includes publicly traded securities. As a result, a significant downturn in the securities markets could adversely affect the market value of foundation assets. As of June 30, 2011, the foundation has made commitments to limited partnerships of approximately $24.9 million that have not yet been funded.

The 2011 dividend and interest income of $1,970,234, as reported in the Statement of Activities, is net of fees from external investment managers totaling $644,702. The 2010 dividend and interest income of $2,401,012 is reported net of fees from external investment managers totaling $627,407.

(d) 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.

(e) Pledges Receivable - As of June 30, 2011, contributors to the foundation have made unconditional pledges totaling $52,823,500 with 19 pledges accounting for over 50 percent of that total. Net pledges receivable have been discounted using current interest rates to a net present value of $50,804,307, which represents fair market value at June 30, 2011. Discount rates based on the U.S. Treasury yield curve three-year average ranged from .36 percent to 3.88 percent for 2011. Management has set up an allowance for uncollectible pledges of $3,289,367 at June 30, 2011. All pledges have been classified as temporarily restricted net assets since they will either expire or be fulfilled within a specified time.

The foundation had also been notified of revocable pledges, bequests, and other indications of intentions to give. These potential contributions have not been substantiated by unconditional written promises to the foundation. The foundation's policy is not to record these intentions to give as revenues until they are reduced to writing or are collected.

(f) 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 in these trusts are included in investments.

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

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

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

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported as unrestricted net assets until such time as the fair value equals or exceeds historical value; such deficiencies were $223,549 as of June 30, 2011 and $3,036,760 as of June 30, 2010. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

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

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

(10) Commitments

At June 30, 2011, the university is committed to future contractual obligations for capital expenditures of approximately $29.9 million. These commitments are being funded from the following sources:

Contractual Obligations	
Approved state appropriations not expended	$ 5,744,035
University funds	24,111,095
Total	**$ 29,855,130**

(11) Risk Management

The university's employee health insurance program is a self-insured plan. As of January 1, 2009, the administration of the plan was changed from Anthem Blue Cross and Blue Shield to Humana Inc. 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 $3,867,600 and $2,439,200 is included in the accrued salaries and wages as of June 30, 2011 and 2010, respectively. The change in the total liability for actual and estimated claims is summarized below:

	2011	2010
Liability at beginning of year	$ 2,908,351	$ 2,539,910
Claims incurred	34,379,797	31,974,238
Claims paid	(34,505,521)	(31,799,797)
Increase (decrease) in estimated claims incurred but not reported	1,428,800	194,000
Liability at end of year	$ 4,211,427	$ 2,908,351

To reduce potential loss exposure, the university has established a reserve for health insurance stabilization of $5.2 million.

The university participates in a consortium with other state-assisted universities for the acquisition of commercial property and casualty insurance. The commercial property loss limit is $1.0 billion and the general liability coverage is $50.0 million. The property insurance program has been in place for 17 years during which time Miami has had one material loss above the pool deductible of $350,000. The deductible for individual schools is $100,000. The casualty program has been in place for 12 years during which time Miami has had one loss above the pool deductible, which was $250,000 at the time. The current self-insured retention is $1.0 million, and the deductible for individual schools is $100,000. The university also carries commercial insurance for other risks. Over the past five years, settlement amounts related to insured risks have not exceeded the university's coverage amounts.

(12) 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.

(13) Subsequent Events

Effective July 1, 2011, the university entered into a Pooled Investment Agreement with the foundation whereby the foundation will collectively manage all of the foundation and university endowment and quasi-endowment funds in a single investment pool. All cash sums, securities and other property detailed in the Pooled Investment Agreement were transferred from the university to the foundation on July 1, 2011. The collective investments will be governed by the Investment Committee of the foundation.

ATTACHMENT A

REVENUE ENHANCEMENT ACTIVITIES IN ACADEMIC AFFAIRS

December 2011

Three Primary Initiatives

- Calendar Committee
- Distance Education Initiatives
- 4+1 and Certificate Programs

Calendar Committee

- Five recommendations:

Recommendation 1: Add a short winter session to the University calendars. The winter session would be a flexible 3-4 week short session that would take place the first few weeks of January, prior to the beginning of spring term.

Recommendation 2: Restructure the fall and spring academic term calendar. The Subcommittee recommends restructuring the fall and spring academic terms to 13 instructional weeks plus 1 week of final exams.

Recommendation 3: Revise the time block grid to accommodate changes in the fall/spring academic calendar. The restructured fall/spring calendar would take a current three-day-per-week class from 50 minutes to 55 minutes, and a two-day- per-week class from 75 minutes to 85 minutes.

Recommendation 4: Accelerate the start of the summer term – "May-Session." The Subcommittee recommends creating a 4-week summer session to occur the Tuesday following spring commencement, rather than a full week after commencement.

Recommendation 5: Fall holidays – Extend Thanksgiving break; eliminate fall break. The Subcommittee recommends extending Thanksgiving break to include an additional day on the Monday following the holiday and the elimination of the current fall break.

Revenue Potential

- New International Programs
- New on-line and hybrid courses
- New residential courses

Next Steps

Creation of Implementation Committee

Likely launch August 2013

Distance Learning Initiatives

- Spring 2011- Distance Learning Assessment Committee
- Fall 2011- State Authorization Committee-currently authorized in 30 states

Current Offerings by Campus

- Number of Courses: (Summer 2010-Spring 2111)

Hamilton:	61
Middletown:	49
Oxford:	76
VOLAC:	8
Total	194

Current Offerings by Division

- Number of Courses: (Summer 2010-Spring 2111)

CAS	59
EHS	76
FSB	26
REG	2
SEAS	46
SFA	2
Total	194

Revenue Potential

- Courses that current Miami students are taking on-line at other universities $6M+
- New on-line programs/courses designed for non Miami students $25M+

Next steps

- Revise draft of Distance Learning Guidelines
- Hiring of distance learning course design specialists

Graduate and Certificate Programs

- Awaiting permanent leadership in graduate school
- Likely enhancement from RCM budget model

MIAMI UNIVERSITY

New Revenue Initiatives - Auxiliary Operations

Residence & Dining Halls

2008	2009	2010	2011
$9.1 million	**$11.5 million**	**$21.0 million**	**$23.1 million**

- Laundry Service: FY 2011 = $150,000; FY 2012 = $200,000
- Room Cleaning: FY 2011 = $38,000; FY 2012 = $55,000
- Move-in sales: FY 2011 = $15,000; FY 2012 = $69,000.
- Res Net Turbo: $100,000
- Off-Campus Meal Plan Sales: $400,000
- New Food Truck - To be determined.
- Sale of Electronics in Vending Machines - To be determined.
- Display Screen Marketing - To be determined.

Recreational Sports and Goggin Ice Arena

- Girls Hockey Camps: $100,000
- Women's Club Hockey: $7,000
- New Tournaments/Clinics: $32,000
- New Classes: $54,000
- Summer Equestrian Camp: $20,000

Bookstore

- Clinique Counter: $200,000

MIAMI UNIVERSITY

Comprehensive Medical Plan Review

- Study being performed by USI Insurance.
- Consultants commenced work on the project in October.
- Focus of the study – 44 point benefit plan review, high performance network and effectiveness of wellness program.
- Report to be issued at the end of December.

ATTACHMENT E

Board of Trustees: Finance and Audit Committee
Institutional Analytics Update
December 8, 2011

Accomplishments	In Process
• Selected and engaged Rittman Mead as consultant for installation and initial training for Oracle Business Intelligence (OBIEE) • Purchased and deployed hardware into IT infrastructure • Revenue model deployed and in use for new budget model process * • Installed OBIEE in three environments (production, test and development) • Developing dashboards for Revenue project • First client and IT training complete	• Developing Dashboards using the Revenue project • Designing/ Developing sustainable internal processes • Identifying long term training and support processes • Developing staffing plan including more competitive salary offering. Augmenting with contract staff at this time • Adding data definitions into OBIEE for the revenue model, these provide common understanding of data meanings and usage • Client and IT teams working on testing, metadata and dashboard design
Next Steps	**Collaborations**

• Refine the load of data from source systems into the revenue and HR models using new tools
• Build and deploy OBIEE dashboards to facilitate broad access to data
• Form and execute Governance, data governance, security/access
• Continue to Define/Develop internal processes
• Develop a collaborative Client and IT team to:
    o Share development ideas, successes, questions
    o Develop dashboard design standards for a common look, feel and function
    o Begin a Competency Center for Institutional Analytics (IA)
	• Collaborating with Bowling Green State University, University of Akron and University of Wisconsin – Platteville: All recently purchased OBIEE
	• Presentations given at Higher Education Data Warehouse conference, Northern Kentucky Business Intelligence Summit, and North American Association of Summer Sessions (NAASS) conference
	• Awarded NAASS Creative and Innovative Award in the administrative category for the Summer Profitability project

* "Miami University's investment in institutional analytics is providing dividends for our institution. First, it has added a level of sophistication to our understanding of how our business practices are reflected in our ERP. Second, the design work has resulted in closer alignment of our analytical corps across the university. And, last but not least, it is supporting strategic conversations around budgeting and finance that were not possible without this capacity. The promise of IA going forward is that Miami University will have stronger management and more insight into strategic implications of our decisions."
David Ellis, Associate Vice President, Budget and Analysis

ATTACHMENT F

MIAMI UNIVERSITY
OXFORD OHIO
Office of Enrollment Management

MEMORANDUM

TO: Board of Trustees
FROM: Michael S. Kabbaz, Associate Vice President for Enrollment Management
RE: Final Fall 2011 Profile
DATE: Thursday, November 10, 2011

First-year

Applications reached a record high of 18,485, or 9 percent growth over fall 2010. As of October 15, 2011, there were 3,581 first-year students enrolled.

- Non-resident applications grew by 18 percent to 9,728 first-year applications, including an increase of 13 percent for domestic non-resident and 44 percent increase in international non-resident students.
- Acceptance rate dropped to 74 percent from 79 percent.
- Non-resident enrollment, which includes international, increased from 33 percent of the class to 38 percent of the class.
- The class hails from 41 states, 19 foreign countries, and 1,163 high schools.
- Average ACT score increased to 26.4 from 26.1.
- Domestic students of color represent 12 percent of the first-year class (consistent with last year).
- International first-year student enrollment increased by 54 percent to 143.
- First generation students represent 19 percent of the class, up from 18.2 percent.
- Alumni legacies represent 23.1 percent of the class, up from 18.6 percent.

Transfer

- Applications increased from 864 to 1,000 (16 percent).
- A total of 275 transfer students enrolled, representing an 11 percent growth.
- International transfer student enrollments increased by 68 percent.
- Domestic transfer students of color represent 16.4 percent of the enrolling transfer class.
- Seventy-eight percent of enrolled transfer students last attended a four-year institution. The four-year institutions, in order, were: Wright State University, University of Cincinnati, The Ohio State University, Ohio University, Northern Kentucky University, Indiana University-Bloomington, and Wittenberg University.
- Twenty-two percent of enrolled transfer students last attended a two-year institution. The top five two-year institutions, in order, were: Sinclair Community College, Cuyahoga Community College, Columbus State Community College, William Rainey Harper College, and University of Cincinnati–Raymond Walters.
- Enrolled transfer students hail from 18 states and 5 foreign countries.
- Seventy-three percent of enrolled transfer students live on campus.

Phone: (513) 529-8114 Fax: (513) 529-1550 email: mkabbaz@muohio.edu

FALL 2012 ENROLLMENT UPDATE

Board of Trustees

December 8, 2011

Michael S. Kabbaz
Associate Vice President for Enrollment Management

MIAMI UNIVERSITY
OXFORD OHIO
Office of Enrollment Management

High-Level Enrollment Initiatives

- Integrating predictive modeling and market analysis coupled with expanding recruitment and communication efforts to prospective students and parents.
- Developing a fall 2013 merit scholarship strategy recommendation to enhance the student academic profile, increase diversity, positively impact in-state and out-of-state yield, and maximize net tuition revenue.
- Developing a recommendation for the consolidation of the current practice of separate student interactions with the offices of the Bursar, Registrar, and Student Financial Assistance into a “one-stop-shopping” experience as recommended by the Accenture/SASS committee.
- Hiring an Associate Director for International Recruitment to enhance international recruitment and student support services.

Fall 2012 Application Update by Residency

Residency	2011	2012	Difference	%
Non-resident	6273	7369	1096	17.5%
Domestic non-resident	6095	7095	1000	16.4%
International non-resident	178	274	96	53.9%
Resident	6800	7456	656	9.6%
Residency TBD	52	82	30	57.7%
Total	13125	14907	1782	13.6%

Note: data is as of 12/7/2011

MIAMI UNIVERSITY
OXFORD OHIO
Office of Enrollment Management

Fall 2012 Application Update by Division

Academic Division	2011	2012	Difference	%
University Studies (Undeclared)	1125	992	-133	-11.8%
School of Engineering & Applied Science	1560	1736	176	11.3%
College of Arts & Science	4736	5522	786	16.6%
Farmer School of Business	3524	4199	675	19.2%
School of Education, Health & Society	1625	1753	128	7.9%
School of Fine Arts	555	705	150	27.0%
Total	13125	14907	1782	13.6%

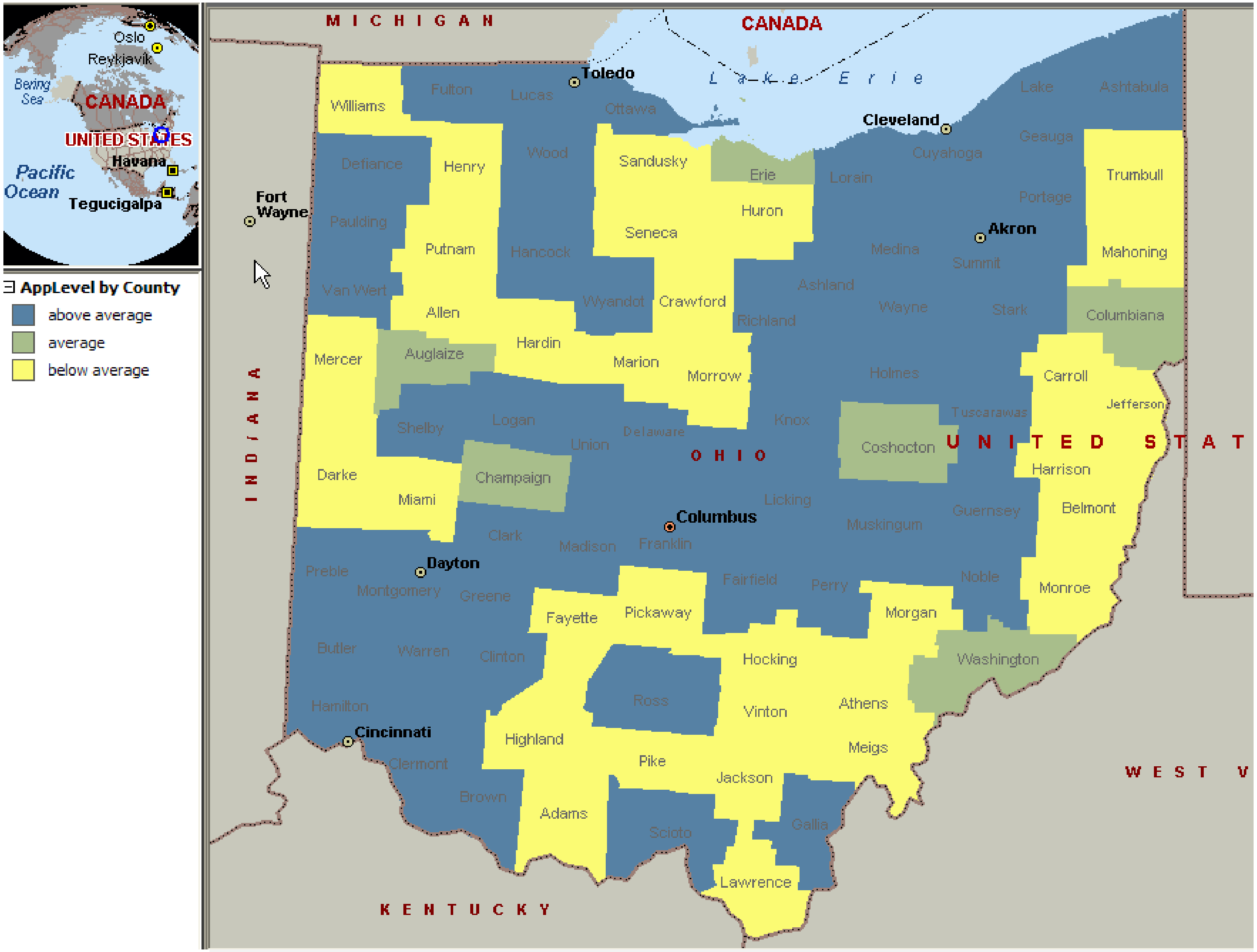
Note: data is as of 12/7/2011

MIAMI UNIVERSITY
OXFORD OHIO
Office of Enrollment Management

Fall 2012 Application Trends - National

Note: +/- 10% window around the seven-year average determines the category

Fall 2012 Application Trends - Ohio



Note: +/- 10% window around the seven-year average determines the category

MIAMI UNIVERSITY
OXFORD OHIO
Office of Enrollment Management

Miami University
Finance and Audit Committee
FY 2012 Forecasted Operating Results
Projections Based upon Activity through October 31, 2011

OXFORD

The initial projection for the Oxford General Fund is a surplus of approximately $3.4 million. Details of the specific items are highlighted below.

Revenues and Scholarship Expense

The initial projection of Oxford campus student fee revenue (instructional, general and out-of-state) yields a revenue forecast approximately $680,000 under budget. In addition, the initial forecast for the Ohio Resident and Leader Scholarship expense is under budget by approximately $83,000. As these budget projections are primarily based on the first semester only, the budget variances appear reasonable, but they could increase or decrease as the fiscal year progresses.

Interest and dividend income booked through October 31, 2011, was approximately $940,000. This amount does not include an estimate of the year-end mark-to-market, which is virtually impossible to predict at this time. If we had marked the portfolio to market as of October 31st, an unrealized loss of $1.2 million would have been recorded. Given the volatility of the current market, this number could improve or decrease further as the year progresses. Therefore, we are forecasting investment income to be equal to budget.

Expenditures and Transfers

Employee salaries and staff benefits are initially projected to be under budget. The positive variance in salaries is attributable to the number of unfilled and vacant positions. The staff benefit projected budgetary savings is the net effect of the vacant positions and an increase in health care claims of 14 percent.

The $3.2 million budget savings in departmental support expenditures, combined with the budget variance in salaries, resulted in the $6.0 million projected transfer for departmental budgetary carryforward.

HAMILTON & MIDDLETOWN

The Hamilton and Middletown General Funds are projecting small operating surpluses of $74,000 and $315,000, respectively. The Hamilton campus budget includes $2.7 million in capital project transfers that is scheduled to be used for campus improvements.

VOICE OF AMERICA LEARNING CENTER

The initial projection for the Voice of America Learning Center (VOALC) is 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.

ATTACHMENT G

11/30/2011

MIAMI UNIVERSITY
FY2012 Forecast
Oxford General Fund Only
As of October 31, 2011

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$264,733,443	$264,120,000	($613,443)
General	$28,598,116	$28,531,000	($67,116)
Out-of-State Surcharge	$12,032,639	$12,033,000	$361
Other Student Revenue	$9,125,000	$9,500,000	$375,000
Less: Ohio Resident & Leader Scholarship	($4,982,560)	($4,900,000)	$82,560
Net Tuition, Fees and Other Student Charges	*$309,506,638*	*$309,284,000*	*($222,638)*
State Appropriations	$54,647,754	$54,648,000	$246
Investment Income	$4,325,000	$4,325,000	$0
Other Revenue	$2,728,726	$2,729,000	$274
Total Revenues	***$371,208,118***	***$370,986,000***	***($222,118)***
EXPENDITURES:			
Salaries	$150,731,044	$147,231,000	$3,500,044
Benefits	$54,854,769	$54,000,000	$854,769
Graduate Assistant Fee Waivers	$22,771,378	$21,500,000	$1,271,378
Utilities	$14,167,939	$14,125,000	$42,939
Scholarships, Fellowships & Std Fee Waivers	$53,625,334	$52,500,000	$1,125,334
Miami Grant	$9,000,000	$8,150,000	$850,000
Departmental Support Expenditures	$28,436,799	$25,195,000	$3,241,799
Multi-year Expenditures	$3,767,000	$3,767,000	$0
Total Expenditures	***$337,354,263***	***$326,468,000***	***$10,886,263***
DEBT SERVICE AND TRANSFERS:			
General Fee	($26,361,760)	($25,962,000)	$399,760
Capital Projects	($3,570,000)	($3,670,000)	($100,000)
Debt Service	($5,315,952)	($5,316,000)	($48)
Support for VOALC (50%)	($578,163)	($578,000)	$163
Other Miscellaneous Operational Transfers	$1,972,020	$312,000	($1,660,020)
Total Debt Service and Transfers	***($33,853,855)***	***($35,214,000)***	***($1,360,145)***
Net Revenues/(Expenditures) Before Adjustments	$0	$9,304,000	$9,304,000
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	($5,950,000)	($5,950,000)
Net Increase/(Decrease) in Fund Balance	***$0***	***$3,354,000***	***$3,354,000***

ATTACHMENT G

11/30/2011

MIAMI UNIVERSITY
FY2012 Forecast
Hamilton General Fund Only
As of October 31, 2011

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$18,820,200	$18,700,000	($120,200)
General	$1,314,200	$1,300,000	($14,200)
Out-of-State Surcharge	$518,100	$450,000	($68,100)
Other Student Revenue	$297,200	$297,000	($200)
State Appropriations	$7,220,153	$7,220,000	($153)
Investment Income	$35,000	$35,000	$0
Other Revenue	$73,000	$73,000	$0
Total Revenues	***$28,277,853***	***$28,075,000***	***($202,853)***
EXPENDITURES:			
Salaries	$13,078,738	$12,500,000	$578,738
Benefits	$4,391,775	$4,392,000	($225)
Graduate Assistant Fee Waivers	$26,700	$27,000	($300)
Utilities	$1,048,000	$800,000	$248,000
Scholarships, Fellowships & Std Fee Waivers	$715,000	$715,000	$0
Departmental Support Expenditures	$5,214,593	$5,215,000	($407)
Multi-year Expenditures	$0	$0	$0
Total Expenditures	***$24,474,806***	***$23,649,000***	***$825,806***
DEBT SERVICE AND TRANSFERS:			
General Fee	($524,887)	($525,000)	($113)
Capital Projects	($2,706,451)	($2,706,000)	$451
Support for VOALC (25%)	($288,755)	($289,000)	($245)
Other Miscellaneous Operational Transfers	($282,954)	($283,000)	($46)
Total Debt Service and Transfers	***($3,803,047)***	***($3,803,000)***	***$47***
Net Revenues/(Expenditures) Before Adjustments	$0	$623,000	$623,000
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	($550,000)	($550,000)
Net Increase/(Decrease) in Fund Balance	***$0***	***$73,000***	***$73,000***

ATTACHMENT G

11/30/2011

MIAMI UNIVERSITY
FY2012 Forecast
Middletown General Fund Only
As of October 31, 2011

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$12,266,500	$12,265,000	($1,500)
General	$854,900	$854,000	($900)
Out-of-State Surcharge	$69,100	$120,000	$50,900
Other Student Revenue	$237,000	$200,000	($37,000)
State Appropriations	$6,048,642	$6,049,000	$358
Investment Income	$35,000	$35,000	$0
Other Revenue	$31,500	$32,000	$500
Total Revenues	***$19,542,642***	***$19,555,000***	***$12,358***
EXPENDITURES:			
Salaries	$10,291,053	$9,400,000	$891,053
Benefits	$3,572,026	$3,572,000	$26
Utilities	$793,000	$785,000	$8,000
Scholarships, Fellowships & Std Fee Waivers	$630,000	$630,000	$0
Departmental Support Expenditures	$3,883,952	$3,750,000	$133,952
Multi-year Expenditures	$0	$25,000	($25,000)
Total Expenditures	***$19,170,031***	***$18,162,000***	***$1,008,031***
DEBT SERVICE AND TRANSFERS:			
General Fee	($267,690)	($268,000)	($310)
Support for VOALC (25%)	($288,755)	($289,000)	($245)
Other Miscellaneous Operational Transfers	$183,834	$184,000	$166
Total Debt Service and Transfers	***($372,611)***	***($373,000)***	***($389)***
Net Revenues/(Expenditures) Before Adjustments	$0	$1,020,000	$1,020,000
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	($705,000)	($705,000)
Net Increase/(Decrease) in Fund Balance	***$0***	***$315,000***	***$315,000***

ATTACHMENT G

11/30/2011

MIAMI UNIVERSITY
FY2012 Forecast
Voice of America Learning Center General Fund Only
As of October 31, 2011

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$0	$0	$0
General	$0	$0	$0
Out-of-State Surcharge	$0	$0	$0
Other Student Revenue	$0	$2,000	$2,000
State Appropriations	$0	$0	$0
Investment Income	$0	$0	$0
Other Revenue	$15,000	$15,000	$0
Total Revenues	***$15,000***	***$17,000***	***$2,000***
EXPENDITURES:			
Salaries	$207,282	$207,000	$282
Benefits	$82,913	$83,000	($87)
Graduate Assistant Fee Waivers	$0	$0	$0
Utilities	$85,000	$85,000	$0
Scholarships, Fellowships & Std Fee Waivers	$0	$0	$0
Departmental Support Expenditures	$310,700	$311,000	($300)
Multi-year Expenditures	$0	$0	$0
Total Expenditures	***$685,895***	***$686,000***	***($105)***
DEBT SERVICE AND TRANSFERS:			
Debt Service	($484,125)	($484,000)	$125
Funding for VOA	$1,155,020	$1,155,000	($20)
Total Debt Service and Transfers	***$670,895***	***$671,000***	***$105***
Net Revenues/(Expenditures) Before Adjustments	$0	$2,000	$2,000
YEAR-END ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	$0	$0
Net Increase/(Decrease) in Fund Balance	***$0***	***$2,000***	***$2,000***

ATTACHMENT G

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2012-2010

	FY2012	FY2011	FY2010	Thru October YTD			2012 Metrics	
	Original Budget	Year-end Actual	Year-end Actual	FY2012	FY2011	FY2010	% of Budget	% Change from '11
College of Arts & Sciences								
Salary	$48,375,651	$46,901,868	$46,995,481	$12,243,044	$12,323,769	$12,410,742	25%	-1%
Benefits	$27,245,428	$25,825,941	$24,926,217	$6,169,179	$5,354,985	$5,259,780	23%	15%
Departmental Support Expenses	$3,597,015	$3,738,403	$3,988,636	$1,371,434	$1,067,969	$1,290,146	38%	28%
Total Expenses	$79,218,094	$76,466,213	$75,910,334	$19,783,657	$18,746,723	$18,960,668	25%	6%
School of Education, Health, & Society								
Salary	$11,602,261	$11,320,226	$11,456,790	$2,908,427	$2,954,828	$3,024,855	25%	-2%
Benefits	$6,157,123	$5,811,669	$5,264,407	$1,328,846	$1,185,840	$1,178,687	22%	12%
Scholarships & Fellowships	$414,000	$501,723	$1,193,817	$0	$392,228	$817,201	0%	-100%
Departmental Support Expenses	$629,425	$1,138,682	$1,006,209	$250,762	$323,301	$333,854	40%	-22%
Total Expenses	$18,802,809	$18,772,300	$18,921,223	$4,488,035	$4,856,197	$5,354,596	24%	-8%
School of Engineering & Applied Sciences								
Salary	$6,160,691	$5,997,299	$5,986,769	$1,650,291	$1,676,982	$1,668,442	27%	-2%
Benefits	$2,947,019	$2,743,498	$2,559,329	$666,357	$649,838	$633,031	23%	3%
Departmental Support Expenses	$178,150	$619,964	$597,885	$222,658	$196,592	$163,068	125%	13%
Total Expenses	$9,285,860	$9,360,761	$9,143,983	$2,539,306	$2,523,412	$2,464,541	27%	1%
School of Business								
Salary	$17,200,257	$16,413,110	$16,828,667	$4,816,288	$4,356,573	$4,436,245	28%	11%
Benefits	$7,894,658	$7,369,379	$6,811,593	$2,119,628	$1,808,565	$1,754,945	27%	17%
Departmental Support Expenses	$412,140	$1,357,253	$1,003,413	$479,582	$386,481	$289,300	116%	24%
Total Expenses	$25,507,055	$25,139,741	$24,643,673	$7,415,498	$6,551,620	$6,480,490	29%	13%
School of Fine Arts								
Salary	$8,683,191	$8,521,873	$8,465,321	$2,218,871	$2,278,556	$2,257,124	26%	-3%
Benefits	$4,701,177	$4,617,762	$4,052,024	$996,559	$900,094	$843,902	21%	11%
Departmental Support Expenses	$848,819	$1,038,197	$993,700	$321,638	$312,068	$330,174	38%	3%
Total Expenses	$14,233,187	$14,177,833	$13,511,045	$3,537,068	$3,490,717	$3,431,200	25%	1%
Graduate School								
Salary	$1,917,394	$1,424,231	$1,522,546	$538,496	$542,885	$570,396	28%	-1%
Benefits	$4,525,393	$3,546,671	$3,383,012	$6,450,515	$7,634,268	$7,608,655	143%	-16%
Scholarships & Fellowships	$10,688,895	$9,411,738	$9,404,121	$5,771,828	$5,249,982	$5,458,667	54%	10%
Departmental Support Expenses	$504,674	$298,808	$162,285	$146,844	$106,072	$17,918	29%	38%
Total Expenses	$17,636,356	$14,681,448	$14,471,965	$12,907,682	$13,533,207	$13,655,636	73%	-5%

ATTACHMENT G

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2012-2010

	FY2012	FY2011	FY2010	Thru October YTD			2012 Metrics	
	Original Budget	Year-end Actual	Year-end Actual	FY2012	FY2011	FY2010	% of Budget	% Change from '11
Other Provost Departments								
Salary	$12,602,498	$12,415,628	$12,593,357	$3,766,753	$3,943,549	$4,125,740	30%	-4%
Benefits	$5,364,726	$5,169,777	$4,713,073	$1,544,726	$1,585,788	$1,554,548	29%	-3%
Scholarships & Fellowships[1]	$56,504,999	$77,974,527	$114,669,663	$24,955,255	$39,651,055	$59,022,862	44%	-37%
Utilities	$67,200	$0	$0	$3,657	$6,386	$2,457	5%	-43%
Departmental Support Expenses	$13,459,666	$7,595,169	$7,502,282	$3,009,026	$3,230,690	$2,900,864	22%	-7%
Total Expenses	$87,999,089	$103,155,101	$139,478,375	$33,279,417	$48,417,468	$67,606,471	38%	-31%
Total Provost Office								
Salary	$106,541,943	$102,994,234	$103,848,931	$28,142,170	$28,077,143	$28,493,545	26%	0%
Benefits	$58,835,524	$55,084,698	$51,709,655	$19,275,809	$19,119,377	$18,833,548	33%	1%
Scholarships & Fellowships[1]	$67,607,894	$87,887,988	$125,267,601	$30,727,083	$45,293,265	$65,298,730	45%	-32%
Utilities	$67,200	$0	$0	$3,657	$6,386	$2,457	5%	-43%
Departmental Support Expenses	$19,629,889	$15,786,477	$15,254,410	$5,801,944	$5,623,172	$5,325,323	30%	3%
Total Expenses	$252,682,450	$261,753,396	$296,080,597	$83,950,664	$98,119,343	$117,953,603	33%	-14%
Physical Facilities								
Salary	$11,729,135	$11,385,080	$11,858,553	$3,666,548	$3,757,847	$4,163,646	31%	-2%
Benefits	$4,670,628	$4,360,498	$4,245,810	$1,466,708	$1,507,786	$1,574,449	31%	-3%
Utilities	$14,100,739	$13,365,664	$13,672,052	$4,740,689	$4,514,594	$4,632,530	34%	5%
Departmental Support Expenses	$735,421	$817,285	$560,756	($12,961)	$39,745	$159,334	-2%	-133%
Total Expenses	$31,235,923	$29,928,527	$30,337,171	$9,860,984	$9,819,972	$10,529,959	32%	0%
Other Finance & Business Services Departments								
Salary	$8,501,110	$7,906,723	$8,005,530	$2,636,432	$2,607,392	$2,608,200	31%	1%
Benefits	$3,399,538	$3,171,141	$2,958,616	$1,043,656	$1,052,692	$985,485	31%	-1%
Departmental Support Expenses	$1,294,230	$2,031,620	$1,671,470	$533,297	$613,362	$635,105	41%	-13%
Total Expenses	$13,194,878	$13,109,484	$12,635,616	$4,213,385	$4,273,445	$4,228,790	32%	-1%
President								
Salary	$3,315,996	$3,176,865	$2,929,274	$938,824	$990,640	$954,318	28%	-5%
Benefits	$1,232,941	$1,214,577	$1,039,215	$368,399	$392,460	$357,160	30%	-6%
Departmental Support Expenses	$3,460,693	$2,866,146	$1,776,903	$1,261,136	$741,145	$507,409	36%	70%
Total Expenses	$8,009,630	$7,257,589	$5,745,392	$2,568,359	$2,124,245	$1,818,887	32%	21%

ATTACHMENT G

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2012-2010

	FY2012	FY2011	FY2010	Thru October YTD			2012 Metrics	
	Original Budget	Year-end Actual	Year-end Actual	FY2012	FY2011	FY2010	% of Budget	% Change from '11
Student Affairs								
Salary	$5,227,921	$6,178,755	$5,007,805	$1,638,769	$1,977,652	$1,629,803	31%	-17%
Benefits	$2,963,108	$3,355,343	$2,113,225	$682,524	$780,443	$631,944	23%	-13%
Departmental Support Expenses	$151,611	($5,078)	$2,402,234	($570,122)	$691,745	$1,518,644	-376%	-182%
Total Expenses	$8,342,640	$9,529,020	$9,523,264	$1,751,171	$3,449,840	$3,780,391	21%	-49%
University Advancement								
Salary	$4,077,168	$3,762,862	$4,230,880	$1,150,626	$1,326,202	$1,448,662	28%	-13%
Benefits	$1,688,701	$1,446,278	$1,570,067	$453,024	$538,859	$554,308	27%	-16%
Departmental Support Expenses	$689,307	$1,539,273	$1,004,771	$320,964	$331,272	$265,936	47%	-3%
Total Expenses	$6,455,176	$6,748,413	$6,805,718	$1,924,614	$2,196,332	$2,268,906	30%	-12%
Information Technology								
Salary	$8,986,608	$8,033,277	$8,368,017	$2,672,890	$2,608,142	$2,822,209	30%	2%
Benefits	$3,592,319	$3,344,921	$3,018,622	$1,079,029	$1,061,536	$1,091,363	30%	2%
Utilities	$0	$0	$0	$0	$0	$23	#DIV/0!	#DIV/0!
Departmental Support Expenses	$6,483,519	$4,653,685	$5,188,386	$3,172,679	$1,976,152	$2,481,574	49%	61%
Total Expenses	$19,062,446	$16,031,883	$16,575,024	$6,924,598	$5,645,830	$6,395,169	36%	23%
Centrally Budgeted Funds								
Salary	$2,351,163	$0	$184,355	$0	$0	($42,759)	0%	#DIV/0!
Benefits	$1,243,388	$24,745	$127,458	$1,476	$5,596	$43,459	0%	-74%
Departmental Support Expenses	$6,981,982	$1,856,773	$405,012	$932,584	$1,095,131	$628,643	13%	-15%
Total Expenses	$10,576,533	$1,881,518	$716,825	$934,060	$1,100,727	$629,342	9%	-15%
Grand Total								
Salary	$150,731,044	$143,437,797	$144,433,345	$40,846,259	$41,345,017	$42,077,623	27%	-1%
Benefits	$77,626,147	$72,002,200	$66,782,668	$24,370,625	$24,458,747	$24,071,715	31%	0%
Scholarships & Fellowships[1]	$67,607,894	$87,887,988	$125,267,601	$30,727,083	$45,293,265	$65,298,730	45%	-32%
Utilities	$14,167,939	$13,365,664	$13,672,052	$4,744,346	$4,520,980	$4,635,010	33%	5%
Departmental Support Expenses	$35,659,652	$29,546,180	$28,263,941	$11,439,521	$11,111,724	$11,521,969	32%	3%
Admin Service Charge	($7,222,853)	($8,539,521)	($6,826,801)	($2,382,284)	($2,283,364)	($2,050,026)	33%	4%
Multi Year Accounts	$3,767,000	$4,348,983	$5,840,646	$1,240,091	$1,367,780	$1,848,094	33%	-9%
Total Expenses	$342,336,823	$342,049,292	$377,433,453	$110,985,641	$125,814,148	$147,403,115	32%	-12%

[1] Includes Ohio Leader and Resident Scholarships, with fiscal year 2011 representing the last full year of this program

ATTACHMENT G

11/25/2011

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2012/FY2011/FY2010

	FY2012 Original Budget	FY2011 Year-end Actual	FY2010 Year-end Actual	Thru October YTD FY2012	FY2011	FY2010	2012 Metrics % of Budget	% Change from '10
Residence Halls								
Revenue	$76,904,022	$76,033,180	$73,504,118	$42,088,518	$40,441,839	$38,377,470	55%	4%
Total Sources	*$76,904,022*	*$76,033,180*	*$73,504,118*	*$42,088,518*	*$40,441,839*	*$38,377,470*	55%	4%
Salary	$16,204,499	$16,062,115	$20,080,537	$4,908,734	$5,222,463	$6,527,219	30%	-6%
Benefits	$5,171,586	$5,021,015	$6,073,640	$1,664,425	$1,807,665	$1,995,102	32%	-8%
Utilities	$5,519,090	$5,290,962	$5,096,691	$1,618,073	$1,599,560	$1,253,513	29%	1%
Charge Outs	($440,755)	($533,745)	($399,588)	($524,602)	($406,633)	($383,244)	119%	29%
Operating Expenses	$27,423,623	$27,053,312	$21,635,838	$9,321,552	$9,082,227	$7,587,103	34%	3%
Inventory Purchases	$0	$5,185	$2,783	$0	$587	$2,784	#DIV/0!	-100%
Debt Service	$9,679,384	$5,816,005	$3,760,628	$2,660,357	$1,018,680	$914,846	27%	161%
Total Uses	*$63,557,427*	*$58,714,850*	*$56,250,528*	*$19,648,540*	*$18,324,549*	*$17,897,324*	31%	7%
Net Transfers	($13,346,595)	($17,216,813)	($17,089,500)	($4,474,013)	($5,007,070)	($2,580,368)	34%	-11%
Net Total	$0	$101,517	$164,090	$17,965,965	$17,110,221	$17,899,778		5%
Shriver Center								
Revenue	$26,394,480	$25,204,334	$25,159,112	$10,633,469	$10,146,414	$10,105,640	40%	5%
General Fee Support	$855,000	$855,000	$855,000	$285,000	$285,000	$285,000	33%	0%
Total Sources	*$27,249,480*	*$26,059,334*	*$26,014,112*	*$10,918,469*	*$10,431,414*	*$10,390,640*	40%	5%
Salary	$5,783,422	$5,739,341	$5,938,191	$1,789,616	$1,877,085	$1,879,048	31%	-5%
Benefits	$1,713,941	$1,631,241	$1,589,191	$540,208	$575,146	$560,500	32%	-6%
Utilities	$539,399	$546,459	$501,030	$169,994	$173,050	$109,216	32%	-2%
Charge Outs	$0	($377)	($1,931)	$0	($1,326)	$0	#DIV/0!	-100%
Operating Expenses	$2,008,250	$2,034,030	$1,803,318	$671,831	$633,125	$650,940	33%	6%
Inventory Purchases	$16,895,000	$15,785,097	$15,332,206	$6,101,332	$4,998,515	$4,967,948	36%	22%
Debt Service	$56,572	$57,451	$53,942	$14,311	$14,523	$12,811	25%	-1%
Total Uses	*$26,996,584*	*$25,793,241*	*$25,215,947*	*$9,287,290*	*$8,270,118*	*$8,180,463*	34%	12%
Net Transfers	($252,896)	($219,891)	($744,103)	($84,299)	($87,196)	($5,412)	33%	-3%
Net Total	$0	$46,202	$54,062	$1,546,880	$2,074,100	$2,204,764		-25%
Marcum Conference Center								
Revenue	$2,029,543	$2,563,258	$2,547,820	$826,555	$804,742	$908,006	41%	3%
Total Sources	*$2,029,543*	*$2,563,258*	*$2,547,820*	*$826,555*	*$804,742*	*$908,006*	41%	3%
Salary	$863,046	$950,484	$1,037,837	$286,551	$314,555	$342,453	33%	-9%
Benefits	$252,170	$276,135	$288,779	$85,269	$98,327	$99,351	34%	-13%
Utilities	$248,447	$220,324	$271,093	$76,611	$66,202	$82,161	31%	16%
Charge Outs	($76,000)	($76,397)	($390)	($25,333)	($25,730)	$0	33%	-2%
Operating Expenses	$693,363	$1,326,169	$802,710	$243,343	$475,927	$267,951	35%	-49%
Inventory Purchases	$7,100	$7,132	$9,216	$955	$2,571	$1,113	13%	-63%
Debt Service	$5,254	$5,265	$2,677	$1,338	$1,339	$199	25%	0%
Total Uses	*$1,993,380*	*$2,709,112*	*$2,411,921*	*$668,733*	*$933,190*	*$793,228*	34%	-28%
Net Transfers	($36,163)	$142,513	($120,712)	($12,054)	($52,014)	($23,576)	33%	-77%
Net Total	$0	($3,342)	$15,187	$145,767	($180,462)	$91,202		-181%

ATTACHMENT G

11/25/2011

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2012/FY2011/FY2010

	FY2012	FY2011	FY2010	Thru October YTD			2012 Metrics	
	Original Budget	Year-end Actual	Year-end Actual	FY2012	FY2011	FY2010	% of Budget	% Change from '10
Intercollegiate Athletics								
Revenue	$4,518,000	$5,165,251	$5,924,342	$2,373,442	$2,138,593	$3,323,141	53%	11%
General Fee Support	$14,624,844	$14,172,373	$13,786,549	$4,791,615	$4,507,458	$4,620,516	33%	6%
Total Sources	*$19,142,844*	*$19,337,624*	*$19,710,891*	*$7,165,057*	*$6,646,050*	*$7,943,658*	37%	8%
Salary	$6,336,058	$6,027,190	$5,974,911	$2,236,008	$2,073,265	$2,116,999	35%	8%
Benefits	$2,518,448	$2,395,541	$2,153,283	$851,928	$810,819	$770,500	34%	5%
Utilities	$0	$2,342	$2,160	$1,752	$1,114	$721	#DIV/0!	57%
Operating Expenses	$12,463,760	$11,533,879	$11,510,559	$5,626,212	$5,314,042	$4,995,652	45%	6%
Debt Service	$6,325	$6,325	$0	$0	$0	$0	0%	#DIV/0!
Total Uses	*$21,324,591*	*$19,965,277*	*$19,640,913*	*$8,715,899*	*$8,199,239*	*$7,883,872*	41%	6%
Net Transfers	$2,181,747	$627,653	$162,981	$202,826	$392,078	($16,818)	9%	-48%
Net Total	$0	($0)	$232,958	($1,348,016)	($1,161,110)	$42,968		16%
Recreation Center								
Revenue	$2,101,000	$1,996,773	$1,932,707	$910,524	$808,975	$765,090	43%	13%
General Fee Support	$4,828,359	$4,929,887	$4,779,887	$1,609,453	$1,643,296	$1,593,296	33%	-2%
Total Sources	*$6,929,359*	*$6,926,660*	*$6,712,594*	*$2,519,977*	*$2,452,271*	*$2,358,385*	36%	3%
Salary	$2,564,699	$2,671,345	$2,720,613	$779,651	$873,717	$897,256	30%	-11%
Benefits	$712,108	$772,072	$745,203	$217,592	$264,205	$244,469	31%	-18%
Utilities	$818,706	$769,925	$828,311	$279,012	$278,724	$309,679	34%	0%
Operating Expenses	$1,032,792	$865,073	$881,338	$259,294	$282,078	$390,576	25%	-8%
Inventory Purchases	$31,700	$32,968	$35,730	$19,243	$17,560	$20,234	61%	10%
Debt Service	$1,437,756	$1,440,650	$732,400	$366,035	$366,321	$54,468	25%	0%
Total Uses	*$6,597,761*	*$6,552,034*	*$5,943,596*	*$1,920,826*	*$2,082,605*	*$1,916,681*	29%	-8%
Net Transfers	($331,598)	($372,456)	($737,889)	($119,413)	$37,091	($108,935)	36%	-422%
Net Total	$0	$2,170	$31,109	$479,738	$406,757	$332,769		18%
Goggin Ice Arena								
Revenue	$3,079,500	$3,450,821	$3,053,692	$2,083,143	$1,437,591	$1,394,833	68%	45%
General Fee Support	$2,364,029	$2,511,000	$2,511,000	$788,010	$837,000	$837,000	33%	-6%
Total Sources	*$5,443,529*	*$5,961,821*	*$5,564,692*	*$2,871,152*	*$2,274,591*	*$2,231,833*	53%	26%
Salary	$1,183,981	$1,274,018	$1,328,797	$481,615	$405,606	$443,541	41%	19%
Benefits	$379,754	$430,582	$372,065	$151,465	$136,499	$138,938	40%	11%
Utilities	$917,284	$861,084	$833,484	$345,850	$325,604	$326,507	38%	6%
Operating Expenses	$444,760	$502,598	$400,143	$586,156	$116,971	$103,144	132%	401%
Inventory Purchases	$140,000	$168,655	$105,291	$18,398	$44,606	$33,722	13%	-59%
Debt Service	$2,052,709	$2,054,528	$2,054,182	$520,227	$517,846	$517,014	25%	0%
Total Uses	*$5,118,488*	*$5,291,465*	*$5,093,962*	*$2,103,710*	*$1,547,132*	*$1,562,867*	41%	36%
Net Transfers	($325,041)	($479,708)	($454,152)	($108,347)	($97,326)	($54,753)	33%	11%
Net Total	$0	$190,648	$16,578	$659,095	$630,133	$614,213		5%

ATTACHMENT G

11/25/2011

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2012/FY2011/FY2010

	FY2012 Original Budget	FY2011 Year-end Actual	FY2010 Year-end Actual	Thru October YTD FY2012	Thru October YTD FY2011	Thru October YTD FY2010	2012 Metrics % of Budget	2012 Metrics % Change from '10
Parking and Transportation								
Revenue	$3,989,850	$3,559,249	$3,385,267	$1,823,019	$1,705,461	$1,471,612	46%	7%
General Fee Support	$200,000	$200,000	$200,000	$66,667	$66,667	$66,667	33%	0%
Total Sources	*$4,189,850*	*$3,759,249*	*$3,585,267*	*$1,889,686*	*$1,772,128*	*$1,538,279*	45%	7%
Salary	$608,930	$568,747	$643,596	$172,571	$209,509	$217,030	28%	-18%
Benefits	$203,593	$190,445	$204,528	$66,963	$70,687	$72,497	33%	-5%
Operating Expenses	$1,566,326	$1,601,704	$1,665,341	$467,624	$265,211	$319,635	30%	76%
Debt Service	$1,507,075	$1,515,001	$1,510,787	$381,217	$381,409	$380,234	25%	0%
Total Uses	*$3,885,924*	*$3,875,897*	*$4,024,252*	*$1,088,375*	*$926,816*	*$989,396*	28%	17%
Net Transfers	($303,926)	$124,401	$450,000	($101,309)	$33,585	$196,667	33%	-402%
Net Total	$0	$7,753	$11,015	$700,002	$878,897	$745,549		-20%
Telecommunications								
Revenue	$978,000	$955,789	$2,288,162	$286,504	$324,666	$764,467	29%	-12%
Total Sources	*$978,000*	*$955,789*	*$2,288,162*	*$286,504*	*$324,666*	*$764,467*	29%	-12%
Salary	$65,089	$54,370	$397,393	$18,473	$35,653	$131,643	28%	-48%
Benefits	$23,334	($23,237)	$137,720	$7,389	$14,512	$48,113	32%	-49%
Utilities	$840,000	$857,886	$723,409	$133,877	$234,084	$104,915	16%	-43%
Operating Expenses	$33,039	$54,582	$293,473	$15,104	$25,813	$306,072	46%	-41%
Debt Service	$0	$0	$760,475	$0	$0	$0	#DIV/0!	#DIV/0!
Total Uses	*$961,462*	*$943,600*	*$2,312,470*	*$174,843*	*$310,063*	*$590,743*	18%	-44%
Net Transfers	($16,538)	($2,399)	($4,000)	($5,513)	($800)	($1,333)	33%	589%
Net Total	$0	$9,790	($28,308)	$106,148	$13,804	$172,390		669%
Network Services								
Revenue	$0	$1,081,109	$1,654,704	$331,310	$487,185	$664,594	#DIV/0!	-32%
Total Sources	*$0*	*$1,081,109*	*$1,654,704*	*$331,310*	*$487,185*	*$664,594*	#DIV/0!	-32%
Salary	$0	$70,909	$77,618	$514	$23,911	$27,310	#DIV/0!	-98%
Benefits	$0	$22,492	$22,789	$9	$8,140	$7,644	#DIV/0!	-100%
Utilities	$0	$11,637	$496,288	$2,413	$2,050	$7,212	#DIV/0!	18%
Operating Expenses	$0	$426,490	$1,473,919	$161	$11,466	$251,430	#DIV/0!	-99%
Total Uses	*$0*	*$531,529*	*$2,070,614*	*$3,097*	*$45,567*	*$293,595*	#DIV/0!	-93%
Net Transfers	$0	($325,000)	$4,000	($131,407)	$0	$1,333	#DIV/0!	#DIV/0!
Net Total	$0	$224,580	($411,911)	$196,806	$441,619	$372,332		-55%

ATTACHMENT G

11/25/2011

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2012/FY2011/FY2010

	FY2012 Original Budget	FY2011 Year-end Actual	FY2010 Year-end Actual	Thru October YTD FY2012	Thru October YTD FY2011	Thru October YTD FY2010	2012 Metrics % of Budget	2012 Metrics % Change from '10
Utility Enterprise								
Total Sources	*$0*	*$0*	*$0*	*$0*	*$0*	*$0*	#DIV/0!	#DIV/0!
Salary	$1,249,826	$1,133,876	$1,134,319	$358,410	$362,975	$345,929	29%	-1%
Benefits	$498,015	$460,136	$419,402	$143,364	$148,643	$130,812	29%	-4%
Utilities	$12,896,808	$11,890,238	$14,465,858	$3,143,468	$3,539,334	$4,214,872	24%	-11%
Charge Outs	($23,628,519)	($22,781,062)	($23,733,490)	($8,035,451)	($7,770,018)	($7,990,296)	34%	3%
Operating Expenses	$1,898,086	$1,251,987	$1,064,936	$443,690	$279,880	$343,036	23%	59%
Debt Service	$2,468,177	$2,467,735	$2,470,784	$623,913	$622,896	$623,371	25%	0%
Total Uses	*($4,617,607)*	*($5,577,090)*	*($4,178,191)*	*($3,322,606)*	*($2,816,291)*	*($2,332,277)*	72%	18%
Net Transfers	($4,617,607)	($5,576,248)	($4,165,605)	($1,539,202)	($1,549,643)	($1,365,356)	33%	-1%
Net Total	$0	$842	$12,586	$1,783,403	$1,266,648	$966,921		41%
Other Auxiliary								
Revenue	$2,177,043	$229,172	$155,486	$90,405	$75,759	$29,946	4%	19%
General Fee Support	$1,428,389	$3,244,793	$3,337,179	$559,463	$203,959	$120,626	39%	174%
Total Sources	*$3,605,432*	*$3,473,964*	*$3,492,665*	*$649,868*	*$279,718*	*$150,572*	18%	132%
Salary	$1,398,482	$64,454	$64,810	$439,447	$21,856	$5,151	31%	1911%
Benefits	$553,648	$20,557	$22,911	$173,996	$6,843	$88	31%	2443%
Operating Expenses	$760,214	$212,340	$170,161	$188,840	$69,955	$72,536	25%	170%
Debt Service	$347,497	$346,201	$344,376	$88,071	$87,256	$86,354	25%	1%
Total Uses	*$3,059,841*	*$643,552*	*$602,258*	*$890,354*	*$185,910*	*$164,130*	29%	379%
Net Transfers	($545,591)	($2,830,365)	($2,889,858)	($314,695)	($83,333)	$0	58%	278%
Net Total	$0	$47	$549	($555,181)	$10,475	($13,557)		-5400%
Total Auxiliary								
Revenue	$122,171,438	$120,238,935	$119,605,409	$61,446,889	$58,371,226	$57,804,799	50%	5%
General Fee Support	$24,300,621	$25,913,053	$25,469,615	$8,100,207	$7,543,379	$7,523,105	33%	7%
Total Sources	*$146,472,059*	*$146,151,988*	*$145,075,024*	*$69,547,096*	*$65,914,606*	*$65,327,903*	47%	6%
Salary	$36,258,032	$34,616,848	$39,398,623	$11,471,589	$11,420,594	$12,933,580	32%	0%
Benefits	$12,026,597	$11,196,979	$12,029,511	$3,902,607	$3,941,485	$4,068,013	32%	-1%
Utilities	$21,779,734	$20,450,857	$23,218,323	$5,771,049	$6,219,721	$6,408,796	26%	-7%
Charge Outs	($24,145,274)	($23,391,581)	($24,135,399)	($8,585,386)	($8,203,707)	($8,373,540)	36%	5%
Operating Expenses	$48,324,213	$46,862,165	$41,701,736	$17,823,806	$16,556,696	$15,288,074	37%	8%
Inventory Purchases	$17,073,800	$15,999,036	$15,485,225	$6,139,928	$5,063,838	$5,025,801	36%	21%
Debt Service	$17,560,749	$13,709,162	$11,690,251	$4,655,469	$3,010,271	$2,589,299	27%	55%
Total Uses	*$128,877,851*	*$119,443,467*	*$119,388,270*	*$41,179,062*	*$38,008,898*	*$37,940,023*	32%	8%
Net Transfers	($17,594,208)	($26,128,313)	($25,588,838)	($6,687,425)	($6,414,628)	($3,958,552)	38%	4%
Net Total	$0	$580,208	$97,915	$21,680,608	$21,491,080	$23,429,329		1%

MIAMI UNIVERSITY
Senate Bill 6 Composite Score and Ratios
FY11 thru FY07

	Preliminary FY11	FY10	FY09	FY08	FY07
Composite Score	4.4	4.2	2.9	3.1	4.7
Viability Ratio	91.00%	102.00%	75.00%	95.00%	104.00%
Primary Reserve Ratio	58.18%	42.84%	32.04%	42.76%	50.96%
Net Income Ratio	14.36%	11.80%	-9.84%	-1.11%	13.34%

Final Summary of Spending Distribution
Miami University and Foundation
June 30, 2011

Weighted Average Model

70 % of formula = prior year spending per unit increased by CPI of 2.68%.
30 % of formula = current year market value multiplied by 4.5%.

MIAMI UNIVERSITY FOUNDATION

Prior Year Distribution Per Share	CPI	Current Year Distribution Per Share	Inflation Component		Market Value at 3/31/2011	Market Value X 4.5%	Wtd Average 70% Inflation 30% Market
$ 0.063570	2.68%	$ 0.065274	$ 10,184,137		$ 233,527,983	$ 10,508,759	$ 10,281,524

MIAMI UNIVERSITY

Prior Year Distribution Per Share	CPI	Current Year Distribution Per Share	Inflation Component		Market Value at 3/31/2011	Market Value X 4.5%	Wtd Average 70% Inflation 30% Market
$ 0.047075	2.68%	$ 0.048337	$ 8,104,558		$ 176,740,093	$ 7,953,304	$ 8,059,183

DISTRIBUTION COMPARISON	FOUNDATION	UNIVERSITY
Calculated Distribution, June 30, 2010	$ 9,815,974	$ 7,694,588
Calculated Distribution, June 30, 2011	$ 10,281,524	$ 8,059,183
Actual Calculated Amount Distributed June 30, 2011	$ 8,520,013	$ 7,583,968
Realized Dividends & Interest Distributed from Underwater Funds	$ 31,296	$ 32,163
Total Distributed June 30, 2011	$ 8,551,309	$ 7,616,131
Percent Change in Distribution per Share	3.87%	2.25%

ATTACHMENT H

Ten Year Spending Distribution History
Miami University and Foundation
June 30, 2011

Year	Calculated University Endowment	Calculated Foundation	Calculated Total	Calculated Amount as % of June 30 Value
FY 2002	4,903,395	5,816,365	10,719,760	5.29%
FY 2003	4,728,504	5,517,411	10,245,915	5.07%
FY 2004	4,917,800	5,780,800	10,698,600	4.39%
FY 2005	5,217,313	6,249,248	11,466,561	4.17%
FY 2006	5,920,410	7,746,856	13,667,266	4.33%
FY 2007	7,101,822	9,087,555	16,189,377	4.00%
FY 2008	7,857,069	10,340,105	18,197,174	4.54%
FY 2009	7,334,500	9,989,311	17,323,811	5.54%
FY 2010	7,694,587	9,815,974	17,510,561	5.07%
FY 2011	8,059,183	10,281,524	18,340,707	4.55%

Cumulative 10-Year Calculated Distribution Amount:	63,734,583	80,625,149	144,359,732
Ten-Year Percentage Increase in Distribution Level:	164.4%	176.8%	171.1%

Comments

In 2004 the formula was changed from the market-based formula to the weighted average formula.

In 2009 the amount actually distributed was less than the amount calculated by $5,408,433

In 2010 the amount actually distributed was less than the amount calculated by $3,781,165

In 2011 the amount actually distributed was less than the amount calculated by $2,173,267

MIAMI UNIVERSITY

SPENDING FORMULA DECISION POINTS
FISCAL YEAR 2012

1. Considerations
   With the care that an ordinarily prudent person in a like position would exercise under similar circumstances, we have considered the following factors:
   - The duration and preservation of the endowment fund;
   - The purposes of the institution and the endowment fund;
   - General economic conditions;
   - The possible effect of inflation or deflation;
   - The expected total return from income and the appreciation of investments;
   - Other resources of the institution;
   - The investment policy of the institution.

2. Market Element
   - Monte Carlo simulations were used to project the probabilities of maintaining intergenerational equity using different market elements and different risk/return assumptions.
   - FY 2004 - 2011 formulas used 4.5%.
   - Outcomes from this approach have been satisfactory.
   - **Recommended for FY 2012: stay with the 4.5% multiplier.**

3. Inflation Element
   - Monte Carlo simulations were used to study the impact of changes in the inflation rate.
   - FY 2004 - 2011 formulas used the Consumer Price Index (CPI).
   - Calculation will be based on 3/31/2012 CPI value for prior 12 months.
   - **Recommended for FY 2012: stay with the CPI.**

4. Underwater Funds
   - The status of underwater funds will be evaluated throughout the fiscal year.
   - If underwater funds exist in the fourth fiscal quarter, a recommendation for those funds will be crafted at that time.

Business Session
Item #

RESOLUTION R2012-

WHEREAS, Miami University receives and manages contributions of cash, securities, life insurance, personal property, and real estate in its endowment; and

WHEREAS, the Board of Trustees desires to continue the policy of supporting University operations and scholarships through the distribution of income and realized gains from the endowment; and

WHEREAS, Miami University Resolution 2004-46 established a Spending Policy effective for the fiscal year ended June 30, 2004, and authorized such Policy to remain in effect until formally modified by the Board of Trustees; and

WHEREAS, Miami University Resolution 2010-4 established an amended Spending Policy effective with the fiscal year ending June 30, 2010, and authorized such Policy to remain in effect until formally modified by the Board of Trustees; and

WHEREAS, Miami University Resolution 2010-4 also directed the Vice President for Finance and Business Services annually to evaluate the variables underlying the spending formula and to present recommendations as to the spending formula to be used for the fiscal year; and

WHEREAS, the Vice President for Finance and Business Services has recommended to the Finance Committee of the Board of Trustees that the formula remain unchanged for the fiscal year ended June 30, 2012, and the Finance Committee has accepted that recommendation; and

WHEREAS, the Board of Trustees, has considered the proposed Spending Policy, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, considering the following factors:

1. The duration and preservation of the endowment fund;
2. The purposes of the institution and the endowment fund;
3. General economic conditions;
4. The possible effect of inflation or deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the institution;

7. The investment policy of the institution;

NOW, THEREFORE, BE IT RESOLVED THAT: The Board of Trustees hereby authorizes that the spending distribution for the fiscal year ended June 30, 2012, be computed according to the following formula:

The weighted average spending formula is to be comprised of two elements: a market element, given a 30% weight in the formula, and an inflation element, given a 70% weight in the formula. The market element is to be computed by multiplying the market value of the investment portfolio on March 31, 2012 by a long-term sustainable spending percentage of 4.5%. The inflation element is to be computed by increasing the prior year's actual spending distribution by the annualized increase in the Consumer Price Index as of March 31, 2012.

MIAMI UNIVERSITY

FINAL SUMMARY - 2011 BOND ISSUE
Miami University
November 17, 2011

TOTAL PAR AMOUNT: $148,775,000

SERIES 2011 TAX-EXEMPT BONDS:

PAR AMOUNT NEW PROJECT FUNDS:	$117,850,000
INTEREST RATE:	4.266%
MATURITIES:	2012-2036
PAR AMOUNT SERIES 2003 REFINANCING:	$30,925,000
INTEREST RATE:	2.956%
ORIGINAL SERIES 2003 INTEREST RATE	5.055%

MOODY'S CREDIT RATING:	Aa3	(Affirmed)
FITCH'S CREDIT RATING:	AA	(First Time Rating)

LEAD UNDERWRITER:	Morgan Stanley
ADDITIONAL UNDERWRITERS:	Barclays Capital, Fifth Third Securities, Stifel Nicolaus
FINANCIAL ADVISOR:	John S. Vincent & Company
BOND COUNSEL:	Peck, Shaffer & Williams
TRUSTEE:	Bank of New York Mellon Trust Co

MIAMI UNIVERSITY

2011 BOND ISSUE
SOURCES AND USES OF FUNDS

SOURCES OF FUNDS

Par amount of Series 2011 bonds	$148,775,000.00
Issuance premium received	11,728,555.85
Total Sources	$160,503,555.85

USES OF FUNDS

Capital projects:	
Student housing & dining projects	$125,002,912.67
Advance Refunding of Series 2003 Bonds	34,281,693.75
Underwriter's fee	767,975.68
Other costs of issuance	450,973.75
Total Uses	$160,503,555.85

Miami University, Ohio

General Receipts Revenue Bonds

New Issue Report

Ratings

New Issue

$160,245,000 Miami University General Receipts Revenue and Refunding Bonds, Series 2011	AA

Outstanding Debt

$117,135,000 Miami University General Receipts Revenue and Refunding Bonds	AA
$91,260,000 Miami University General Receipts Revenue Bonds	AA
$105,445,000 Miami University General Receipts Revenue Bonds (Federally Taxable Build America Bonds – Direct Payment)	AA

Rating Outlook

Stable

Related Research

For information on Build America Bonds, visit www.fitchratings.com/BABs.

Fitch Rates Miami University (OH) Revs 'AA'; Outlook Stable, Oct. 25, 2011

Analysts

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New Issue Details

Sale Information: $160,245,000 Miami University General Receipts Revenue and Refunding Bonds, Series 2011, expected to price via negotiated sale on or about Nov. 16.

Security: A pledge of Miami University's (MU) general receipts, primarily tuition and fees, net auxiliary revenues, revenues from educational activities, unrestricted gifts, and investment income secure the series 2011 bonds (the bonds).

Purpose: To fund the second phase of the university's housing and dining plan, to refinance a portion of the university's outstanding indebtedness, and to pay costs associated with the issuance of the bonds.

Final Maturity: Sept. 1, 2036.

Key Rating Drivers

Sound Financial Profile: The 'AA' rating is underpinned by positive operating performance, supported by recently implemented budgetary controls and a strengthened financial cushion.

Seasoned Leadership: MU's management team continues to provide strong oversight on the university's five-year operating plan (now in year three), which is largely credited with correcting the structural imbalance between university revenues and expenses prior to fiscal 2009.

Limited Revenue Diversity: The university's reliance on student-generated revenues and somewhat limited pricing flexibility, given the relatively high cost of attendance, is unusual for a public university; strong demand and stable enrollment somewhat mitigate the concerns accompanying these attributes.

State Aid Cuts Offset: MU's tuition-dependent operating structure continues helps to mute the impact of reductions in state operating appropriations.

Manageable Debt Burden: Strong debt service coverage from operations enables MU to manage the moderate debt burden created by approximately $459.4 million of long-term debt.

Rating History

Rating	Action	Outlook/ Watch	Date
AA	Assigned	Stable	10/24/11

Credit Profile

MU has exhibited strong operating performance in the past two fiscal years, generating an average surplus of 5.6%. Historically, the university exhibited a systemic operating deficit as a result of complicated pricing strategies that constrained growth in student-generated revenues (which contribute approximately 70.2% of the total annual operating budget) and expense growth exceeding corresponding revenue growth. A comprehensive plan to improve operational efficiency was initiated in fiscal 2010, following a tuition restructuring in fiscal 2009 that improved transparency and comparability to other Ohio public universities. Fitch Ratings expects the university to sustain its improved performance based on progress to date and concrete plans to continue to streamline and actively manage expenses going forward.

Because of its limited revenue diversity, maintaining stable enrollment and consistent demand for existing programs is critical to the 'AA' rating. Application volume grew 9.0% in fall 2011 over fall 2010, nearly matching the total volume growth over the prior five enrollment cycles (fall 2006 through fall 2010), exceeding 18,000 for the first time. Full-time enrollment (FTE) has grown at a steady but slower pace, averaging 0.4% annually for the past five years. The university does not have ambitions of growing significantly beyond its current size. Any further growth will be targeted in certain programs, where current faculty, staff, and space resources could serve additional students.

Recent bond issuances have funded a variety of academic and residential facilities intended to improve the campus life experience, and provide updated, competitive facilities for students. Following the issuance of the series 2011 bonds, total debt will reach approximately $459.4 million. MADS of $37.4 million, due in fiscal 2013, represents a moderate debt burden of 6.9% of fiscal 2011 operating revenues. Strong debt service coverage from operations (2.3x) and a substantial available funds (defined by Fitch as cash and investments not permanently restricted) cushion of 68.4% (excluding unspent bond proceeds) indicate that the debt burden is manageable for the university.

Operating Profile

Background and Governance

MU was established in 1809 and commenced its liberal arts-based instruction in 1824, making it the second oldest public university in the state of Ohio. The Higher Learning Commission of North Central Association of Colleges and Schools provides accreditation at the baccalaureate, master's, and doctoral levels. The main campus is located in Oxford, OH, approximately 35 miles north of Cincinnati. The university also maintains two regional campuses in Hamilton and Middletown, Ohio, a learning center in West Chester, OH and a European campus in Luxembourg.

MU's board of trustees consists of nine voting members appointed by the governor, two nonvoting student members, and three optional, nonvoting national members. Trustees serve for nine-year, nonrenewable terms. The university's administrative team is headed by the president, who is supported by a provost/executive vice president, four vice presidents, and an executive assistant (who also serves as the secretary to the board of trustees).

Related Criteria

U.S. College and University Rating Criteria, July 14, 2011

Revenue-Supported Rating Criteria, June 20, 2011

Capital Improvement Plan

The university is in the early stages of a comprehensive capital improvement plan focusing on student life, safety, and experience. The plan covers a 15–20 year period with a total cost of approximately $450 million funded from bond proceeds, capital appropriations from the state, and gifts. The series 2010 bond proceeds funded phase one of the plan, which included renovations and upgrades to four existing residence halls, construction of one new residence hall, general infrastructure improvements, and the construction of a new student center.

The series 2011 bond proceeds will be used to fund phase two, which will include the construction of three new residence halls with on-site dining facilities on the university's western campus, one new residence on the main campus, and the reconfiguration of the university's existing inn into a residence hall (adding a total of 1,100 beds, combined). Plans also call for the renovation of 1,200 existing beds. Construction on the facilities is set to commence in spring 2012. Further bond issuances may be undertaken in the next three to five years, totaling up to $250 million.

Demand Summary

(Fall Semester)

	2007	2008	2009	2010	2011
Headcount					
Undergraduate Enrollment-Full-Time	14,243	14,421	14,457	14,452	14,544
Undergraduate Enrollment-Part-Time	334	364	214	420	392
Total Undergraduate Enrollment	14,577	14,785	14,671	14,872	14,936
Graduate: Full-Time	1,083	1,019	1,030	1,007	1,077
Graduate: Part-Time	989	1,387	1,183	1,593	1,382
Total Graduates	**2,072**	**2,406**	**2,213**	**2,600**	**2,459**
Total Headcount Enrollment	**16,649**	**17,191**	**16,884**	**17,472**	**17,395**
Total Undergraduate/Total Headcount Enrollment (%)	**87.6**	**86.0**	**86.9**	**85.1**	**85.9**
Full-Time Enrollment (FTE)					
Total FTE Undergraduate	15,189	15,339	15,289	15,403	15,553
Total FTE Graduate	990	1,038	1,023	1,098	1,055
Total FTE Enrollment	**16,179**	**16,377**	**16,312**	**16,501**	**16,608**
Admissions					
Freshman Applications	15,919	15,009	16,772	16,960	18,482
Freshman Admissions	11,994	12,067	13,223	13,358	13,775
Acceptance Rate (%)	75.3	80.4	78.8	78.8	74.5
Freshman Matriculants	3,426	3,609	3,236	3,595	3,605
Matriculation Rate (%)	28.6	29.9	24.5	26.9	26.2
Average SAT Score					
Freshmen	1,178	1,177	1,169	1,166	1,169
National Average	1,017	1,017	1,016	1,017	1,017
Average ACT Score					
Freshmen	26	26	26	26	26
National Average	21	21	21	21	21
Annual Undergraduate Cost of Attendance					
Tuition	22,250	9,721	9,720	10,427	10,880
Mandatory Fees	1,625	1,722	1,722	1,771	1,745
Room and Board	8,600	8,998	9,458	9,786	10,640
Total	32,475	20,441	20,900	21,984	23,265

Enrollment and Admissions

FTE enrollment at MU has increased slowly and consistently over the past five years, reaching 16,608 in fall 2011. Headcount enrollment has followed a similar trend, with the exception of fall 2009, when a slip in graduate enrollment drove a one-year decline. The university expects enrollment to remain largely stable going forward, with the potential for marginal increases in certain programs.

The university's overall strong demand profile further supports its ability to maintain stable enrollment. Application volume has increased steadily since fall 2006, reaching a high of nearly 18,500 for fall 2011, an increase of 9% over the prior year. Selectivity has historically averaged 78.3%, approximately in line with Fitch's expectations for a public university. Matriculation rates have remained relatively consistent, averaging 28.2% over the same period. Fall 2011 matriculation is expected to be approximately 26%, yielding a 1.9% increase in the size of the freshman class.

Pricing Strategy and Campus Life

MU's cost of attendance is high among the public universities in Ohio, having increased a total of 10.3% since fall 2008 despite challenging economic conditions. In recognition of this fact, the university plans to moderate tuition increases going forward to levels at or near inflation to ensure that the university is able to continue serving its mission of providing an affordable education to Ohio residents.

Room and board rates are also an intrinsic component of overall cost at MU, as students are required to live on campus for their first two years. Room and board has risen 18.2% since fall 2008, although some of the increases are attributable to the university's current focus on providing updated campus amenities. MU's ongoing capital improvement plan focuses heavily on renewing and upgrading residence and dining halls, as well as the construction of a student center to improve the overall student experience.

Fundraising

The university is nearing the end of a $500 million capital campaign which kicked off in 2002. Campaign contributions are directed at the university's endowment (75%), capital projects (23%), and current use (2%). As of Aug. 15, 2011, MU had raised a total of $414.0 million, of which $299.4 million has been collected in cash.

Financial Profile

Revenue Diversity

MU's operating budget relies more heavily on student-generated revenues (over 70% in fiscal 2011) than most other public universities. This limited revenue diversity results, in part, from historically declining state appropriations over the past 30 years. In addition, MU provides primarily four year, undergraduate education, with limited graduate programs. This focus limits the university's access to a substantial share of grant and contract revenue typically associated with graduate-level research programs.

Operating Margin

Over time, the university reached a point where it was unable to compensate for both state funding reductions and standard annual cost escalation via tuition increases, causing a systemic mismatch between revenues and expenses. The university produced moderate annual operating deficits through fiscal 2009 as a result. Beginning in fiscal 2010, management moved to correct the mismatch by implementing a plan to achieve more lean operations, cutting a total of $30 million in expenses over five years. Since the plan was initiated, the university has achieved operating surpluses of 4.5% and 6.4% in fiscal years 2010 and 2011, respectively. Fitch expects MU to continue to generate solidly positive operating results based on further planned expense cuts and a more efficient operating model.

Financial Ratios

($000, Fiscal Year Ended June 30)

	2007	2008	2009	2010	2011
Revenue Diversity (%)[a]					
Tuition	49.1	47.9	48.7	47.1	48.2
Student Fees (Tuition and Auxiliary Revenues)	71.5	70.3	70.8	69.4	70.2
Federal Grants and Contracts	4.9	5.3	5.9	9.4	10.4
State/Local Grants and Contracts	0.9	0.4	1.1	0.7	0.5
Other Grants and Contracts	0.4	0.5	0.6	0.5	0.5
Total Grants and Contracts	6.2	6.2	7.6	10.6	11.4
State Appropriations	16.1	16.3	16.8	13.5	13.0
Gifts and Contributions	3.6	4.5	2.9	3.9	3.1
Interest and Dividend Income	0.6	0.4	0.2	1.1	0.7
Expense Ratios (%)[b]					
Instruction	34.2	33.3	32.8	32.6	32.7
Research	2.6	2.8	3.3	3.4	3.2
Operation and Maintenance of Plant	6.4	6.9	6.9	6.5	6.2
Depreciation	6.1	6.3	6.4	7.5	7.5
Interest	1.5	1.7	1.6	1.9	2.5
Financial Aid Ratios					
Tuition Discounting (%)	41.9	43.7	39.1	34.1	28.0
Net Tuition and Fees	229,060	234,973	250,728	251,173	262,583
Change in Net Tuition and Fees (%)	6.0	2.6	6.7	0.2	4.5
Operating Performance Ratios (%)					
Operating Margin	(3.2)	(3.0)	(2.1)	4.5	6.4
Liquidity Ratios (%)					
Available Funds/Total Unrestricted Operating Expenses	72.7	52.6	38.1	46.8	82.7
Available Funds/Total Pro-Forma Long Term Debt	N.A.	N.A.	N.A.	N.A.	93.8
Available Funds/MADS (x)	9.4	7.1	5.4	6.4	11.3
Net Available Funds/Total Unrestricted Operating Expenses	57.6	46.4	38.1	46.8	61.7
Net Available Funds/Total Pro Forma Long-Term Debt	N.A.	N.A.	N.A.	N.A.	70.0
Net Available Funds/MADS (x)	741.8	627.5	536.0	637.5	842.0
Total Unrestricted Operating Revenues Basis					
Historical Debt Service Coverage (x)	1.3	1.3	1.6	3.3	3.7
Historical Debt Burden (%)	3.6	4.2	3.7	4.1	4.3
Pro Forma MADS Coverage (x)	0.6	0.7	0.8	1.9	2.3
Pro Forma MADS Burden (%)	8.0	7.6	7.3	7.0	6.9
Pro Forma Annual Average Debt Service (AADS) Coverage (x)	0.8	1.0	1.2	2.8	3.3
Pro Forma AADS Burden (%)	5.6	5.3	5.1	4.9	4.8

[a]Total unrestricted operating revenues including interest and dividend income. [b]Total unrestricted operating expenses. N.A. – Not applicable.

Balance Sheet Resources and Liquidity

Annual operating surpluses have allowed the university to build its available funds more quickly in recent years. In fiscal 2011, the university's available funds (defined by Fitch as cash and investments not permanently restricted) net of unspent bond proceeds increased by approximately 32.1%. In addition to a $34.7 million operating surplus, the university also benefited from strong investment returns. As a percentage of expenses and pro forma debt, available funds net of unspent bond proceeds totaled 61.7% and 68.5%, respectively.

Debt Profile

Primary Security

General receipts of the university are pledged to pay debt service on the series 2011 bonds, which are being issued on parity with the university's five other outstanding bond series. General receipts include tuition and fees, net auxiliary revenues, revenues from educational activities, unrestricted gifts, and investment income. Only state appropriations, restricted gifts and grants, and special fees are excluded from the pledge.

Debt Structure

MU maintains a very conservatively structured debt profile composed of 100% fixed-rate bonds. The series 2011 new money bonds will be structured to create level annual debt service of approximately $8.3 million through final maturity in fiscal 2037. Pro forma MADS of the university's total profile totals $37.4 million, net of annual interest subsidies from the federal government on the university's outstanding Build America Bonds, and occurs in fiscal 2013.

Debt Burden

As previously stated, Fitch views the university's annual debt burden as manageable, particularly given the strong economic coverage provided by operating surpluses. In addition, since the university's annual debt service obligations decline over time, the university's pro forma average annual debt service (AADS) of $26.1 million is nearly $11.3 million less than MADS. AADS represents a very moderate 4.8% of fiscal 2011 revenues, with 3.3x coverage from operations.

Financial Summary

($000, Fiscal Year Ended June 30)

	2007	2008	2009	2010	2011
Unrestricted Operating Revenues					
Gross Tuition and Fees	394,004	417,331	411,631	381,281	364,625
Less: Student Aid	164,943	182,358	160,903	130,109	102,042
Net Tuition and Fees	229,060	234,973	250,728	251,173	262,583
Sales and Services of Auxiliary Enterprises	104,464	109,824	113,873	119,061	119,744
Federal Grants and Contracts	22,997	26,096	30,453	50,203	56,673
State/Local Grants and Contracts	4,059	2,180	5,580	3,618	2,807
Other Grants and Contracts	2,057	2,318	2,901	2,521	2,477
State Appropriations	74,951	80,195	86,557	71,924	70,796
Gifts and Contributions	16,828	21,992	14,741	20,937	16,747
Dividend and Interest Income	2,616	1,763	1,129	6,079	3,652
Other	9,260	11,279	9,361	8,121	9,337
Total Unrestricted Operating Revenues	**466,293**	**490,620**	**515,323**	**533,637**	**544,816**

Financial Summary (continued)

($000, Fiscal Year Ended June 30)

	2007	2008	2009	2010	2011
Unrestricted Operating Expenses					
Instruction	164,370	168,578	172,545	166,002	166,584
Academic Support	50,687	51,372	53,401	50,323	49,731
Institutional Support	41,073	39,741	42,688	36,444	37,757
Student Services	22,109	23,212	23,736	23,230	23,251
Public Service	2,898	3,110	2,947	2,456	1,982
Research	12,496	14,231	17,588	17,153	16,395
Auxiliary Enterprises	102,519	109,651	112,932	105,594	103,598
Student Aid	11,516	13,874	16,824	23,039	23,023
Operation and Maintenance of Plant	30,778	34,702	36,353	33,245	31,859
Depreciation	29,170	32,034	33,639	38,016	38,340
Interest Expense	7,407	8,787	8,395	9,448	12,711
Other	6,250	6,223	5,294	4,450	4,932
Total Unrestricted Operating Expenses	**481,274**	**505,516**	**526,342**	**509,399**	**510,163**
Change in Unrestricted Net Assets from Operations	**(14,981)**	**(14,897)**	**(11,019)**	**24,239**	**34,653**
Unrestricted Non-Operating Revenues/(Expenses)					
Realized and Unrealized Gain/(Loss) on Investments	51,313	(10,514)	(57,562)	18,795	30,172
Additions to Permanent Endowment	15,731	3,330	4,388	3,925	1,736
Capital Appropriations	10,865	10,427	10,623	11,504	12,367
Capital Grants and Gifts	10,366	2,832	5,117	9,238	5,082
Other Non-Operating Revenue	888	524	1,289	437	1,511
Total Unrestricted Non-Operating Revenues (Expenses)	**89,163**	**6,599**	**(36,145)**	**43,899**	**50,867**
Change in Unrestricted Net Assets	**74,182**	**(8,298)**	**(47,165)**	**68,138**	**85,520**
Change in Unrestricted Net Assets from Operations:	(14,981)	(14,897)	(11,019)	24,239	34,653
Add Back: Depreciation, Amortization, and Other Noncash Items	29,170	32,034	33,639	38,016	38,340
Add Back: Interest Expense	7,407	8,787	8,395	9,448	12,711
Net Income Available for Debt Service	**21,596**	**25,925**	**31,015**	**71,702**	**85,704**
Annual Debt Service	16,715	20,572	19,194	21,900	23,309
Pro Forma MADS	37,379	37,379	37,379	37,379	37,379
MADS Fiscal Year	2013	2013	2013	2013	2013
Pro Forma Average Annual Debt Service (AADS)	26,065	26,065	26,065	26,065	26,065
Assets					
Cash and Cash Equivalents	60,110	66,944	37,200	60,834	145,380
Investments	377,680	283,470	230,196	254,374	365,412
Total Cash and Investments	**437,790**	**350,414**	**267,397**	**315,207**	**510,791**
Net Property Plant and Equipment	603,808	663,179	604,249	655,390	636,890
Bonds Payable					
Fixed-Rate Bonds Payable	241,803	234,534	227,119	216,820	330,833
Notes Payable	2,003	1,941	1,876	1,807	1,734
Capital Leases	1,037	956	3,739	2,810	1,877
Total Long-Term Debt	**244,842**	**237,431**	**232,734**	**221,437**	**334,444**
Total Pro Forma Debt[a]	**N.A.**	**N.A.**	**N.A.**	**N.A.**	**449,469**
Net Assets					
Unrestricted Net Assets	204,811	161,321	128,743	167,538	240,171
Invested In Capital	427,469	454,614	472,313	480,985	475,851
Restricted – Nonexpendable	88,016	84,429	67,047	76,926	89,023
Restricted – Expendable	40,433	54,821	39,917	50,709	56,634
Total Net Assets	**760,729**	**755,185**	**708,020**	**776,158**	**861,678**

[a]$10.755 million of outstanding principal was repaid on Sept. 1, 2011, subsequent to the university's fiscal year end, per the stated amortization schedule of certain outstanding bonds. N.A. – Not applicable.

Financial Summary (continued)

($000, Fiscal Year Ended June 30)

	2007	2008	2009	2010	2011
Balance Sheet Resources and Liquidity					
Available Funds	349,775	265,985	200,349	238,281	421,768
Unspent Bond Proceeds Adjustment	72,483	31,444	0	0	107,025
Net Available Funds	277,291	234,541	200,349	238,281	314,743

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

ATTACHMENT I

MOODY'S
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa3 RATING TO MIAMI UNIVERSITY'S (OH) $160 MILLION OF GENERAL RECEIPTS BONDS SERIES 2011 AND AFFIRMS ITS Aa3 RATING ON OUTSTANDING BONDS; OUTLOOK IS STABLE

Global Credit Research - 07 Nov 2011

UNIVERSITY WILL HAVE $453 MILLION OF RATED DEBT OUTSTANDING, INCLUDING THE CURRENT OFFERING

MIAMI UNIVERSITY, OH
Private Colleges & Universities
OH

Moody's Rating

ISSUE	RATING
General Receipts Revenue and Refunding Bonds, Series 2011	Aa3

Sale Amount	$160,000,000
Expected Sale Date	11/16/11
Rating Description	Revenue: Other

Moody's Outlook STA

Opinion

NEW YORK, November 07, 2011 --Moody's Investors Service has assigned a Aa3 rating to Miami University's ("Miami") $160 million of fixed-rate Series 2011 General Receipts Revenue Bonds. We have also affirmed the Aa3 underlying ratings on the University's outstanding debt, which is detailed in the "RATED DEBT" section of the report. The outlook is stable.

SUMMARY RATING RATIONALE

The Aa3 rating is based on the University's stable market position and distinctive market niche as an Ohio public university, strong balance sheet resources to cover a high amount of debt outstanding, and positive operating performance to sufficiently cover pro-forma debt service responsibilities, despite a very competitive market environment, declining state appropriations, and elevated debt burden relative to peers.

STRENGTHS

*Stable market position, as a public university with a distinctive market niche in Ohio that has a fall 2011 student population of 21,083 full-time equivalent (FTE) students. The University's residential Oxford campus competes with public and private universities attracting both in-state and out-of-state students, generating a strong net tuition per student of $12,735 in FY 2011, which is higher than its peers and for public institutions with a high undergraduate population.

*Strong balance sheet resources with FY 2011 expendable financial resources of $429.7 million providing adequate, but thinner coverage for a sizeable increase in debt. Expendable financial resources cover pro-forma debt 0.9 times and operations 0.9 times.

*Strong financial management team and resulting improvement of Miami's operating margins, as measured by Moody's with a three-year average operating margin of 5.5% with a three-year average 14.5% cash flow margin, which provides for sufficient healthy average maximum annual debt service coverage of 2.9 times from FY 2009-2011.

*Historically strong fundraising, as the University's three-year average gift revenue was $27.3 million from FY 2009-FY 2011.

CHALLENGES

*Growth of operating revenue, as the University's primary revenue sources are student charges (tuition and fees) at 72.0% and state appropriations at 15.5% in FY 2011 which is challenged by declining share of state support for both operating revenue as well as capital support, and a limit on tuition increases for in-state undergraduate students.

*Rapid increase in debt over the last two years, as pro-forma direct debt has grown 88% from FY 2007 with an elevated pro-forma debt to operating revenue at 0.86 times in FY 2011.

*Competitive market environment, as well as economic and demographic challenges in Ohio, which are manifested by a slight decline in total full-time equivalent enrollment in fall 2011 due to enrollment declines at the regional campuses and a modest decline (-1.4%) in net tuition per student in FY 2010.

*Some fund and manager concentration in the investment portfolio but is in the process of reducing the concentration in particular funds over the next year.

DETAILED CREDIT DISCUSSION

USE OF PROCEEDS: Proceeds of the Series 2011 Bonds will be used to fund the University's second phase of renovation and construction costs related to various housing and dining projects on campus, as well as to refund a portion of the Series 2003 bonds and to pay costs of issuance.

LEGAL SECURITY: The Series 2011 Bonds are secured by the General Receipts of the University, which constitute all moneys received by the University excluding state appropriations, revenue raised by taxation (the University does not currently have any taxing authority), and any grants, gifts, donations, and pledges which are under restrictions imposed on the grant. The University covenants to fix, make, adjust and collect fees, rates, rentals and charges to produce at all times General Receipts at least sufficient to pay Debt Service when due. The Series 2011 Bonds are on parity with the Series 2003, 2005, 2007, 2010A&B bonds. In FY 2011, the pledged General Receipts amounted to approximately $437.8 million which provides 11.0 times debt service coverage prior to the BABs subsidy (based on $39.7 million. There is no debt service reserve requirement.

The Series 2010A Bonds were issued as taxable Build America Bonds ("BABs") with the federal tax subsidy payment of 35% made directly to the University.

DEBT STRUCTURE: All of the University's rated debt is fixed-rate.

DEBT RELATED INTEREST RATE DERIVATIVES: None.

MARKET POSITION/COMPETITIVE STRATEGY: LARGE PUBLIC UNIVERSITY WITH A DISTINCTIVE MARKET NICHE AND STABLE MARKET POSITION DESPITE OPERATING IN A HIGHLY COMPETITIVE MARKET ENVIRONMENT

Moody's believes that Miami University will continue to maintain a stable market position despite the competitive student market in Ohio and the Midwest due to the distinctiveness of its main campus and the option of two regional campuses. Miami University is a large public university with a full-time equivalent (FTE) enrollment in fall 2011 of 21,083 students across three campuses and learning centers. The University's main campus is located in Oxford, Ohio, approximately one hour from Cincinnati and Dayton and maintains its market niche as a residential public university that focuses on providing a comprehensive liberal arts education to undergraduate students. The two regional campuses are located in Hamilton and Middletown and provide students and families, particularly in Ohio, with a more affordable alternative for higher education.

For fall 2011, the University experienced a modest 0.2% decline in total FTE enrollment from fall 2010, primarily attributed to a 3% enrollment decline at the regional campuses and modest growth at the Oxford campus (fall 2011 enrollment of 16,608 FTE students). While management expected flat to modest enrollment growth at the main campus due to capacity constraints, it attributes continued challenging economic conditions in Ohio for the decline at the regional campuses because students tended to opt for even more affordable options, such as community colleges.

Notably, the University maintains a high net tuition per student at $12,735 in FY 2011, a 3.6% increase from FY 2010, which demonstrates Miami's competitive position in its market. For fall 2011, applications to the Oxford campus grew approximately 9%, which the University attributes to placing additional out-of-state recruiters in its key regions across the United States, as well as internationally. The increase in applications positively impacted selectivity at the Oxford campus to 74.5% while yielding 26.2% of accepted students.

Also distinguishing Miami from other Ohio public universities is its ability to draw out-of-state students, which comprise 38% of its first-year student population. In light of the projections of declining high school graduates in Ohio and in the Midwest, Miami continues to recruit heavily from outside the state with the intent of further increasing out-of-state student interest and enrollment. The projects associated with the current borrowing largely support the University's objectives to enhance the residential student life experience on the main campus.

Other than public and private institutions in Ohio, the University competes for students with universities in the Big Ten such as The Ohio State University (Aa1), University of Illinois (Aa2), Indiana University (Aaa), and University of Michigan (Aaa).

OPERATING PERFORMANCE: GROWTH OF NET TUITION IS A KEY CREDIT CHALLENGE; HEIGHTENED PRESSURE ON STATE FUNDING WILL PRESSURE OPERATING PERFORMANCE GOING FORWARD

Moody's expects that Miami will continue to face budget challenges as it deals with continued reductions in state support and limited ability to increase tuition due to the state-imposed 3.5% cap on undergraduate in-state students. The University generated its strongest operating margin in at least five years, a healthy 8.7% in FY 2011, as a result of slowing expense growth and budgeting for an expected deferment of state appropriations in FY 2011, which the state paid in full and on-time.

Despite the pressures on revenue generation due to state cuts coupled with a priority to maintain tuition prices at a reasonable level, Miami's operating performance has improved over the last four years averaging a three-year operating margin of 5.5% from FY 2008-FY 2011. Miami has also steadily increased its operating cash flow margin to approximately 18% in FY 2011, covering pro-forma maximum annual debt service a solid 2.5 times in FY 2011.

Relative to other public institutions in Ohio, Miami has received less state support as a percentage of its operating revenue and does not benefit as much from grants and contracts as its more research-intensive Ohio public university peers. Therefore, Miami remains heavily reliant on student tuition and fees as its primary revenue source at 72.0%, followed by state appropriations at 15.5%, grants and contracts at 4.8%, gifts at 3.1%, investment income at 2.9%, and other revenues at 1.7%. The University's reliance on student charges is more akin to private liberal arts universities and therefore Moody's believes that Miami's ability to grow net tuition remains a critical credit factor for the University.

The University experienced a healthy 7.2% net tuition revenue growth in FY 2011, but Moody's does not expect net tuition growth at this level to persist given the tuition cap and price sensitivity of families.

The University budgets for breakeven operations and it does not expect to produce a surplus in FY 2012 compared to prior years as a result of decreased state support of 17.5%, or $11.6 million, at the Oxford campus, which equates to a 14% cut in state support from FY 2011 (including ARRA), across all of its campuses, as well as the expectation of no state capital funding. As a result of state cuts, the University transferred the $2.4 million surplus to the FY 2012 budget from FY 2011 to bridge the funding gap.

The FY 2012 budget includes increases in salaries, benefits, and higher debt service payments, as well as an increase in reserves with revenue growth concentrated in student fee-related revenues (tuition and fees and auxiliaries). Moody's believes that management uses conservative budget assumptions for both revenues and expenses, including budgeting for depreciation and for contingency funds. Management cites it continues to have room to reduce expenses with the FY 2012 budget showing a decline in expenses compared to the FY 2011 budget.

The University reports $255.0 million of unrestricted monthly liquidity as of June 30, 2011 compared to $487.1 million in annual expenses, which provides a comfortable 207.4 monthly days cash on hand.

Currently the State of Ohio has an Aa1 general obligation rating with a negative outlook. The state's Aa1 G.O. rating reflects a record of strong financial management that has been tested by long-running economic underperformance; recent revenue growth that is providing some budgetary relief; and an adopted 2012-2013 biennial budget that projects a return to structural balance in fiscal 2013, and the expectation that excess revenues may be used to rebuild reserves. The rating also incorporates a transitioning economy that has contributed to below-average job and income growth, as well as moderate debt and unfunded pension liabilities comparable to similarly rated states. Ohio's negative rating outlook reflects continued budgetary pressure, the challenge of restoring structural balance and strengthening fund balance to pre-recession levels, and the expectation that the state's economic recovery will lag the nation. For more information on the State of Ohio, please see Moody's rating report dated August 12, 2011.

BALANCE SHEET POSITION: RAPID INCREASE IN DEBT; HOWEVER, BALANCE SHEET RESOURCES PROVIDE ADEQUATE COVERAGE FOR DEBT AND OPERATIONS

Moody's believes that Miami has a solid total financial resource base of $668.8 million, which has grown due to past positive investment returns, gifts, and retention of operating surpluses. The University's FY 2011 expendable financial resources of $429.7 million provide adequate coverage for a sizeable increase in debt related to the current borrowing and operations, covering FY 2011 pro-forma debt 0.9 times and operations 0.9 times. Relative to peer institutions in Ohio, the University's debt burden is elevated with pro-forma debt to revenue at 0.85 times.

The University is currently in a comprehensive campaign with a goal of $500 million, which has been increased twice due to meeting previous goals early. As of August 31, 2011, the University has raised $414 million towards its initiatives according to management having received approximately $265 million in cash. The campaign initiatives include various capital projects, as well as raising funds for the endowment, including unrestricted support, scholarships, and faculty chair positions.

Miami's total investments of $403 million produced a combined return at June 30, 2011 of 19.6%. As of July 1, 2011, the Foundation and University entered into a pooled investment agreement, combining the two pools for investment purposes, with the Foundation investment committee providing oversight.

As of August 31, 2011, the asset allocation of the pooled investment portfolio of $377 million were allocated as follows: 40.3% in public equity, 26.8% in hedge funds, 19.1% in private equity and other private investments, 9.2% in public fixed income, 3.7% in private real estate, and 1.0% in cash. The University also has $25.5 million invested outside of the pool.

In Moody's opinion, there is some concentration in the University's and the Foundation's investment portfolios, but the investment committee has recently approved reductions to some of the fund concentration. As of August 31, 2011, the portfolio holds 14% with one manager across two public equity funds with one fund of those funds holding 13%, but as of October 31, 2011, that fund has been reduced to 9%. The portfolio also has 11% with one manager across over several different funds. As of August 31, 10% is in an individual hedge fund with a planned redemption bringing the allocation down to approximately 6% by March 31, 2012.The University and Foundation utilize Graystone Consulting as their investment advisor.

The Series 2011 Bonds, along with other University resources, are for Phase II of two major project initiatives intended to enhance student and residential life on campus. The projects include student housing and dining facilities. The Series 2010 Bonds partially funded Phase I of the projects, including a 225,000 square foot student center that will be used exclusively for student organization and student-life campus activities. Additional student fees, which will not exceed $125 per semester, will be used to pay operating costs and debt service payments for the new student center. The Series 2011 debt issuance of new money at $125 million is larger than the University's original range of

$75 to $100 million. Management cites that it the issuance is larger than originally anticipated due to the favorable interest rate and construction environment. Moody's notes that the University has limited additional debt capacity at the current rating level and declines in the balance sheet or sustained pressure on operating performance could place pressure on either the rating or outlook in the longer term.

Moody's notes that there is no Other Post-Employment Benefits (OPEB) liability, as OPEB is recognized at the state level.

GOVERNANCE AND MANAGEMENT: MANAGEMENT TEAM THAT HAS MANAGED WELL IN CHALLENGING STATE FUNDING AND

COMPETITIVE MARKET ENVIRONMENTS

Moody's believes that Miami has managed well during a challenging state funding environment and a fiercely competitive higher education market as a public university in Ohio. In an effort to maintain healthy operating performance, as well as continue to improve academics and invest in capital, the University developed a task force which included staff, faculty, and students to recommend and set priorities for the University to implement over the next five years. The priorities include plans to create additional revenue streams, reduce expenses, and reallocate budget items to priority areas. While these measures are not uncommon, particularly during periods of austerity, the University has improved its operating performance and built up reserves, while maintaining investment in capital during a challenged economy. Moody's also notes that the management team creates detailed forecasts and that reporting of information is strong and comprehensive, in terms of budgets, long-term planning, investment reports, and policies.

OUTLOOK

The stable outlook reflects Moody's expectation that Miami University will maintain a stable student market position and produce at least breakeven operating performance, and that cash flows will continue to adequately cover the increase in debt service. The stable outlook also assumes no additional borrowing plans and that levels of gift revenue will match the University's projections.

WHAT COULD MAKE THE RATING GO UP

Significant strengthening of balance sheet resources to provide stronger support for increased debt; sustained healthy operating performance that provides healthy debt service coverage; further diversification of its revenue base through gifts, consistent enrollment growth while maintaining strong net tuition per student and strengthening of its demand and yield

WHAT COULD MAKE THE RATING GO DOWN

Sustained declines in enrollment or pressure on net tuition per student or net tuition revenue growth that pressure operating performance; sustained balance sheet deterioration; additional borrowing absent growth in operating revenues and its balance sheet

KEY INDICATORS (FY 2011 financial data, fall 2011 enrollment data)

Total Full-Time Equivalent (FTE) Enrollment: 21,083 students

Pro-forma Direct Debt: $453.4 million

Pro-forma Comprehensive Debt: $453.4 million

Total Financial Resources: $668.8 million

Expendable Financial Resources: $429.7 million

Total Revenues: $533.7 million

Monthly Liquidity: $255.0 million

Monthly Days Cash on Hand (unrestricted funds available within 1 month divided by operating expenses excluding depreciation, divided by 365 days): 207.4 days

Expendable Financial Resources to Pro-Forma Direct Debt: 0.9 times

Expendable Financial Resources to Operations: 0.9 times

Three-Year Average Operating Margin: 5.5%

Operating Cash Flow Margin: 18.3%

Three-year Average Pro-forma MADS Coverage: 2.88 times

Operating Reliance on Student Charges (% of total operating revenues): 72.0%

Operating Reliance on State Appropriations (% of total operating revenues): 15.5%

State of Ohio General Obligation Rating: Aa1/negative

RATED DEBT

Series 2003, 2005, 2007, 2010A (Federally Taxable Build America Bonds - Direct Payment), 2010B, and 2011: Aa3

CONTACTS

Miami University: Bruce Guiot, Chief Investment Officer, (513) 529-8015

Financial Advisor: John Vincent, President, John S. Vincent & Co., (312) 332-1337

Underwriter: Sally Bednar, Executive Director, Morgan Stanley, (212) 762-8298

The principal methodology used in this rating was U.S. Not-for-Profit Private and Public Higher Education published in August 2011. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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ATTACHMENT I

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Six-Year Capital Program Request
FY 2013 - FY 2018

Oxford Campus	
	Project Amount
FY 2013 - FY 2014	
Kreger Hall Renovation and Addition	$8,450,000
Pearson Hall Lab Renovation	$1,000,000
Utility Infrastructure Project	$2,000,000
Transfer to Basic Renovations	$600,000
Total	$12,050,000
FY 2015 - FY 2016	
Kreger Hall Renovation and Addition	$7,950,000
Laws Hall Renovation - Phase II	$2,100,000
Utility Infrastructure Project	$2,000,000
Total	$12,050,000
FY 2017 - FY 2018	
Laws Hall Renovation	$6,650,000
Hughes Hall "C" Wing Renovation	$3,400,000
Utility Infrastructure Project	$2,000,000
Total	$12,050,000

Hamilton Campus	
	Project Amount
FY 2013 - FY 2014	
Academic/Administrative Renovation Projects	$1,153,217
Geothermal Systems Study	
Rentschler Hall Plumbing Upgrades	
Rentschler Hall Lighting and VAV Box Replacement	
FY 2015 - FY 2016	
Academic/Administrative Renovation Projects	$1,153,217
FY 2017 - FY 2018	
Academic/Administrative Renovation Projects	$1,153,217

Middletown Campus	
	Project Amount
FY 2013 - FY 2014	
Academic/Administrative Renovation Projects	$1,526,909
Bennett Hall HVAC Improvements	
Bennett Hall Roof Replacement	
Walks & Drives Replacement	
Campus-Wide Notification System	
Johnston Hall Renovation for Student Affairs	
FY 2015 - FY 2016	
Academic/Administrative Renovation Projects	$1,526,909
FY 2017 - FY 2018	
Academic/Administrative Renovation Projects	$1,526,909

To: Finance and Audit Committee

Barbara K. Jena

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

Subject: Internal Audit & Consulting Services – November 2011 Report

Date: November 7, 2011

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

1. Annual plan and scope of internal audit activities

Attached (on page 2) is our FY 2012 annual audit plan which was based on an updated risk assessment of key areas across the University. It was reviewed and approved by David Creamer and David Shade in August 2011 and is now presented to the full Committee for your supplemental approval. The risk assessment was also reviewed with Robin Parker. Updates have been made to the original plan as noted; IACS's quality assurance review and a financial audit of MUDEC in Luxembourg have been postponed. Additions to the original plan include a Lean project of mapping money flow across the University. Periodic updates are provided to David Creamer in weekly meetings. David Shade receives copies of all audit reports.

2. Internal Audit issues

To help identify the significant Internal Audit issues, each was rated with a risk level of high, moderate, or low. The following table shows that since the last report to the Committee in May 2011, five issues have been closed and ten added. The two new high risk issues pertain to IT purchases and the MULaa debit account. The two high risk issues that were closed relate to payroll processing. See pages 3 – 6 for a summary of these open audit issues and pages 7 – 8 for those that have been closed.

Audit Issue Status

Risk Level	Open audit issues 5/27/2011	Plus: new	Less: closed	Open audit issues currently
High	5	2	2	5
Moderate	7	5	2	10
Low	7	3	1	9
Total	**19**	**10**	**5**	24

3. IACS staffing and budget

The department is staffed by the Director, two full-time auditors, and a student auditor. IACS has a total budget for FY 2012 of $410 K. Personnel costs account for $372 K, or 91% of the budget. Costs are running under budget as of the end of the first quarter of FY 2012.

Attachments

Cc: David K. Creamer

ATTACHMENT K

Internal Audit and Consulting Services - FY 2012 Audit Plan

Division	Audit Area	Audit Project	Original Plan	Updated Plan	Status
			to be completed		
University Advancement	University Advancement	Audit of Donor Stewardship	1st Qtr.	1st Qtr.	completed
Academic Affairs	SFA	Audit of Scholarship Awarding	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	HDGBS	Physical inventory audit - Culinary Support	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	PFD	Physical inventory audit - Central Stores	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	HR	HR follow-up audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Bookstore	Physical inventory audit - Bookstore	1st Qtr.	1st Qtr.	completed
Student Affairs	OESCR	Review of Sexual Assault Notification - agreed upon procedures	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Treasury Services	Miscellaneous cash receipts	1st Qtr.	1st Qtr.	completed
IT Services	ISO	PCI follow-up audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Finance & Bus. Svc.	Deloitte - year end assistance with financial audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Police	Clery Act - crime statistics agreed upon procedures	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Purchasing	Physical inventory audit - Office Supplies	1st Qtr.	2nd Qtr.	completed
Intercollegiate Athletics	Intercollegiate Athletics	Audit of Intercollegiate Athletics new ticketing system	1st Qtr.	2nd Qtr.	in process
University-wide	University-wide	MasterCard audits	2nd Qtr.	2nd Qtr.	in process
Academic Affairs	Hamilton Campus	Regional campus review - Hamilton Motor Pool	2nd Qtr.	2nd Qtr.	completed
Academic Affairs	Arts and Science	Departmental audit - Project Dragonfly Earth Expeditions	2nd Qtr.	2nd Qtr.	in process
Finance & Bus. Svc.	Finance & Bus. Svc.	MULaa (debit account) investigation	unplanned	2nd Qtr.	completed
Finance & Bus. Svc.	Finance & Bus. Svc.	Use of PayPal	unplanned	2nd Qtr.	in process
Finance & Bus. Svc.	Finance & Bus. Svc.	Lean Project Leader - Enterprise Map of Money Flow	unplanned	3rd Qtr.	in process
Academic Affairs	MUDEC	MUDEC audit	2nd Qtr.	3rd Qtr.	postponed
Academic Affairs	Arts and Science	Departmental audit	2nd Qtr.	3rd Qtr.	postponed
Finance & Bus. Svc.	IACS	Internal Audit Quality Self-Assessment with Independent Validation	2nd Qtr.	4th Qtr.	postponed
Finance & Bus. Svc.	HR	Kronos Time and Attendance System	3rd Qtr.	3rd Qtr.	scheduled
Intercollegiate Athletics	Intercollegiate Athletics	Football attendance - agreed upon procedures	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Bookstore	Bookstore audit	3rd Qtr.	3rd Qtr.	scheduled
IT Services	ISO	Review of Identity Theft Prevention Program (Red Flags)	3rd Qtr.	3rd Qtr.	scheduled
University Advancement	University Advancement	Western College Alumnae Association financial audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Accounts Payable	Accounts Payable audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Finance & Bus. Svc.	RFP for Independent Public Accountant	3rd Qtr.	3rd Qtr.	in process
Academic Affairs	VOA	Voice of America Learning Center follow-up audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Bursar	Review of Accounts Receivable - delinquent accounts	4th Qtr.	4th Qtr.	scheduled
Finance & Bus. Svc.	Finance & Bus. Svc.	External Auditors - preliminary assistance with financial audit	4th Qtr.	4th Qtr.	scheduled
IT Services	ISO	Banner Security	4th Qtr.	4th Qtr.	scheduled
Student Affairs	Health Services	Student Health Services - follow-up audit	4th Qtr.	4th Qtr.	scheduled
University-wide	University-wide	EthicsPoint Reporting System with General Counsel	4th Qtr.	4th Qtr.	in process
IT Services	IT Services	IT Services - provide consulting services re: security and other issues	4th Qtr.	4th Qtr.	in process
University-wide	University-wide	Enterprise Risk Assessment with General Counsel	4th Qtr.	4th Qtr.	scheduled
University-wide	University-wide	LEAN (SASS follow-up) project consulting services	4th Qtr.	4th Qtr.	in process

Open Internal Audit Issues

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
Compliance with the Payment Card Industry Data Security Standard - 3/2008	High	IT Services	**Credit Card Security:** IACS recommends that IT Services develop a plan and an estimate of cost for Miami University to achieve compliance with the PCI-DSS by March 31, 2009. Once developed, IT Services should review the plan and estimate of cost with Finance and Business Services senior management. An agreement should be reached to either go-ahead with the plan or modify parts of the plan. Portions of the data security standard where management chooses to accept the risk of non-compliance, if any, should be documented by IT Services after conferring with Finance and Business Services.	IACS performed a follow-up audit in 8/2011 and determined that the issue remains open; in 11/2011, the Information Security Officer reported that with the exception of the application used in the Marcum Conference Center, all applications subject to PCI DSS are compliant. HDRBS has drafted an RFP for a replacement system for Marcum that will be PCI DSS compliant.
Audit of MUlaa Debit Card Accounts - 8/2009	High	Finance & Business Services	**Monthly reconciliations should be performed.** It is recommended that HDGS send the Harco MUlaa account balance report to General Accounting each month end and General Accounting reconcile it to Banner on a monthly basis. Unexplained differences should be investigated promptly and action taken to correct.	General Accounting reports that they are continuing to work with all of the departments/systems interacting with the MUlaa deposit account to further refine the reconciliation process. They have made this a Lean project and the current estimated completion date is 1/31/2012.
Audit of Voice of America Learning Center - 6/2010	High	Provost	**It is recommended that University management assign responsibility for establishing and executing academic programming and related financial goals which are consistent with the strategic goals of the University.** Management should identify key performance objectives and the related quantifiable performance criteria. Performance should be evaluated against those criteria.	The responsibility for establishing academic programming at the VOA was assigned to the Regional Dean. The Regional Dean, in consultation with other deans, will develop a draft schedule for the coming academic year (schedule conflicts arising between divisions will be resolved by the Provost). This procedure was adopted by COAD in the spring semester. The Regional Dean reported that identified key performance objectives include: 1) Increased undergraduate scheduling during the day 2) Increased total enrollment across all hours of operation 3) Development of additional revenue generating programs for VOA (Such as- additional degree completion program offerings, weekend degree completion programs, graduate workshops) Quantifiable measures include: 1) Enrollment by time of day 2) Enrollment by program 3) Revenue *generated* at the VOA. (Recognizing that undergraduate tuition for VOA classes is presently credited to "campus of student" for "Hamilton", "Middletown" or "Oxford"; undergraduate tuition from VOA classes are currently not credited to VOA.) (Recognizing that graduate tuition for VOA classes is presently credited to the Oxford campus general fund; graduate tuition from VOA classes is currently not credited to VOA.) Evaluation of performance will be against those criteria. This comment will remain open until IACS reviews management's evaluation of performance against criteria. A follow-up audit is scheduled for 3/2012.
Audit of Reimbursements - 6/2011	High	IT Services	**It is recommended that IT Services update the IT Purchases procedure to consistently gather data on IT spend.** Doing so will give the CIO visibility and control over IT purchases to ensure alignment with the IT strategy and enterprise architecture. In addition, IT Services should work with the Purchasing Office to incorporate this data gathering with BuyWay.	IT Services supports the recommendation to consistently gather IT spend data and suggested actions to achieve it. In 11/2011, they reported that they believe all but one of the actions have been completed.

ATTACHMENT K

Open Internal Audit Issues

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
MULaa (debit account) Investigation - 10/2011	High	Finance & Business Services	**Internal Audit and Consulting Services (IACS) investigated the facts and circumstances related to nonsufficient funds (NSF) added to a student's account. This review included an internal controls evaluation and the response that this issue generated when the issue surfaced. Internal controls need improvement. The University's response needs to be more timely and comprehensive.** The following actions are recommended as soon as possible: 1. The Bursar's Office should continue to work with CashNet and the bank to research the cause for the notification lag and to speed up notification by the bank. 2. Eliminate the grace period for posting NSFs to Banner and post them daily as received from the bank. 3. The Bursar should immediately charge back the MULaa card for any available funds to cover the NSFs. 4. Cut off a student's on line capabilities to process e-checks sooner, as suggested by the Interim Bursar. 5. Refunds are processed weekly by the Bursar's Office. Management should consider adding a conditional statement to the weekly refund process, such as: if the account has a payment posted within the past 21 days (or other lag days identified by management), with a description equal to "Web E check Payment" (or paper check, if those are identifiable), do not issue refund. It appears reasonable that a student who makes a payment would not expect a refund on that payment within 21 days. 6. It is recommended that equipment that validates paper checks be further investigated and considered for usage. 7. Management should resolve the open Internal Audit issue from 8/2009 - reconcile the MULaa debit card accounts monthly. General Accounting has not been successful in reconciling the MULaa general ledger account yet due to the complexities and many parties involved. General Accounting states that this has been made a LEAN project to accomplish the task. 8. Given the complexities discussed by HDRBS in changing the code to put hold on payments until cleared and the related decline in customer services, it is recommend that this action be considered when the application is replaced summer 2012. 9. Lowering the cap on MULaa fund balances could also be considered at that time.	1. JP Morgan/Chase bank and the Bursar's office are working to reduce the number of days to notify the university of NSF e-checks. 2. The returned e-check will be posted immediately to the student's account via CashNet which will help prevent inappropriate refund checks and provide accurate collection information. 3. Unaddressed in response. 4. When an e-check is returned due to NSF, the students/parents ability to pay by on-line e-check payment will be manually removed immediately upon notification. When a parent/student incurs five returned checks, regardless of reason, their on-line payment ability will be automatically be removed by the Cashnet system. Payment can still be made by paper check or electronically by credit card. 5. In order to prevent a student or parent from receiving a refund check for a payment on their account that could be fraudulent or returned for insufficient funds, the Bursar office has: (a.) Created a report of all students or parents who have had checks returned during the past year. This listing is compared to the refunds and any matches are thoroughly reviewed by management for possibly holding the funds; (b.) Implemented a procedure to review all refunds to see if a non-cash payment has been posted for $500 or more within the last 7 days. If so, the refund will be pulled for further review by management. As long as it does not violate financial aid policy which requires refunds be made within 14 days of issuance, management will hold the refund until the payment has cleared. 6. Unaddressed in response. 7. General Accounting states that this has been made a LEAN project to accomplish the task. 8. Unaddressed in response. 9. Working with Housing, Dining, Recreation and Business Services to place a limit on all MULaa accounts so the balance cannot exceed $3000.

Open Internal Audit Issues

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
Audit of MasterCard Purchases - 12/2009	Moderate	Finance & Business Services	**Policy concerning telecommunications equipment and devices should be reevaluated.** It is recommended that the Purchasing Office coordinate with the IT Office of Telecommunications in order to establish a uniform policy to either approve, regulate, and document cell phone requests and purchases, or (preferably) change to a standard allowance in lieu of such purchases. Other universities have implemented an allowance based cell phone policy, in which an authorized user is provided financial assistance to contract directly with a provider in exchange for carrying a cell phone during work for business calls. It is recommended that this option be evaluated and policy updated accordingly.	IT Services did update the "IT Purchase Request Form" and it includes telecommunication devices; it is now included as an attachment in BuyWay. IT Services is also drafting a cell policy, with input from Purchasing. The goal is to have the policy approved before 12/31/11.
Audit of Student Health Services - 1/2010	Moderate	Student Affairs	**The financial reporting structure should permit analysis of operational results.** It is recommended that SHS management consult with the Budget Office for other approaches to budgeting and financial reporting.	In 5/2011 SHS reported that they were moving to Auxiliary status in 7/2011 and would have their general fund contribution reduced by $180,000. SHS has set up each of the revenue centers (and overhead areas) into new, separate codes to track the expenses and revenue more accurately. IACS scheduled a second follow-up audit for 6/2012.
Audit of Voice of America Learning Center - 6/2010	Moderate	Provost	**A disaster recovery plan should be documented by VOALC.** It is recommended that VOALC have a written and tested disaster recovery plan based on a comprehensive risk analysis.	In 5/2011 VOALC reported that they will be joining in development of Regionals emergency response plan which is based on NIMS (National Incident Management Systems) protocols to be completed summer 2011. Also, IT Services was to relocate offsite data storage for Miami data systems backup at VOALC with installation taking place summer 2011, so the disaster recovery plan would incorporate their needs/expertise as well. Completion by September 1, 2011 was anticipated. A follow-up audit is scheduled for 3/2012.
Travel and Hosting Expenditures - 4/2011	Moderate	Finance & Business Services	**It is recommended that Accounts Payable investigate automation of the travel expense report process and implement as soon as possible.**	In February 2011, the Controller reported that there was a project on the spring 2011 goals to start to address this issue.
Travel and Hosting Expenditures - 4/2011	Moderate	Finance & Business Services	**General Accounting should reconcile the Business Services Processing clearing account monthly.** IACS recommends monthly reconciliations by account (vendor), as well as by fund balance.	In April 2011, General Accounting staff stated that the reconciliation of Index Code BSV011 was scheduled to be done on a monthly basis.
Travel and Hosting Expenditures - 4/2011	Moderate	Finance & Business Services	**It is recommended that University MasterCard Policies and Procedures be updated to require the cardholder to sign and date the monthly invoice before it is scanned in such cases where the cardholder delegates the processing of the monthly invoice to another employee.** In doing so, the cardholder certifies that the charges incurred are in compliance with University MasterCard Policies and Procedures.	In March 2011, Purchasing Office management acknowledged that in such instances the cardholder is not currently required to sign the monthly invoice prior to scanning and submitting it. Management agreed to update the *Purchasing Card Policy and Procedures* as recommended.
Audit of Donor Stewardship - 7/2011	Moderate	University Advancement	**University Advancement should increase awareness of the Policy on Restricted Gift Funds among fund managers and take action regarding excessive accumulations of unspent distributions.** Action should be taken by University Advancement to routinely obtain records of a spending plan for all expendable fund balances which exceed 15% of the related endowment balance. In accordance with policy, excessive accumulation of unspent distribution should be returned to principal unless a spending plan is presented to the Director of Stewardship and Donor Relations.	Management responded stating: Despite these ongoing awareness efforts, University Advancement acknowledges that fund administrators do not feel adequately educated on the Policy on Restricted Gift Funds. In response to this, the Division of University Advancement has recently determined that an even greater emphasis on donor fund compliance is warranted, and as a result has decided to hire a position in Stewardship focused on donor compliance. This position will be titled the Associate Director for Stewardship and Compliance Officer. This position will be hired and a procedure will be implemented by December 31, 2011.

Open Internal Audit Issues

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
Audit of Donor Stewardship - 7/2011	Moderate	Finance & Business Services	**It is recommended that University policy be enforced so that no restricted gift fund carries a negative balance at the end of the fiscal year.** It is recommended that University policy be enforced so no restricted gift fund carries a negative balance at the end of the fiscal year. Deficits that are not resolved by fund managers should be escalated to senior management by General Accounting.	Management responded stating: General Accounting will continue to notify and work with the fund managers to resolve any accounts with a deficit fund balance. Beginning in FY11, for those unresolved accounts, General Accounting will provide a listing of accounts with deficit fund balances to senior management in order to obtain approval to allow the deficit fund balance to carry forward or fund the deficit from another source.
Audit of Scholarship Awarding - 8/2011	Moderate	Provost	**Regional campuses should verify the *continued* eligibility of scholarship recipients based on the stated criteria.** Doing so will identify changes in circumstances affecting eligibility and help ensure compliance with donor restrictions.	Management responded stating: At the end and/or after the freeze date of each semester we will verify the continued eligibility of each scholarship recipients. Communication between Financial Aid and Records and Registration will decrease the risk of ineligible students receiving regional scholarships.
Audit of Scholarship Awarding - 8/2011	Moderate	Provost	**It is recommended that Student Financial Assistance review scholarship funds not awarded to determine whether the lack of awarding appears reasonable. Problem areas should be identified and resolved.** Spending plans should be identified and submitted to University Advancement for those with excess accumulations. Student Financial Assistance should escalate issues related to the under-awarding of departmental awards to senior management, as needed. Doing so will help ensure that funds are fully utilized when eligible recipients exist.	Management responded stating: SFA will create a report that identifies scholarship accounts with remaining balances. Each fall SFA will execute the report. For those funds that have a remaining balance and for those funds that SFA has direct spending authority, we will notify University Advancement of the fund balances. Our notification will include a proposed spending plan. For those funds where SFA does not have direct spending authority (e.g. a nomination is required by academic department,) we will notify the Provost, Associate Vice President for Enrollment Management, and appropriate University Dean or Director of Intercollegiate Athletics of the unspent funds. This notification will serve to identify the further action(s) needed to resolve the issue.
Audit of the Marcum Conference Center and Miami Inn - 2/2009	Low	Finance & Business Services	**Food and alcohol inventory records should be maintained and analyzed.** IACS recommends that MCCI track food and alcohol inventory by maintaining perpetual records or other control records and performing periodic physical counts. Management should investigate any significant shortages in inventory or fluctuations in gross profit margins.	Follow-up performed by IACS 4/2011. Management now tracks food and alcohol inventory monthly and spot checks at least weekly. Management reported on 11/4/2011 that they have refined calculations and process to analyze fluctuations in gross profit margins. Another follow-up review is scheduled on 11/10/2011.
Audit of Student Health Services - 1/2010	Low	Student Affairs	**Revenue recognition and allowance write-off should be processed accurately and account balances should be reconciled monthly.** It is recommended that correct coding be used for the Bursar interface related to the transfer of the receivable balance from the insurance company to the student; the credit should be posted to the insurance receivable account rather than revenue for a second time. In addition, the insurance provider allowance write-off recognized should be supported by PyraMed detail. Finally, the PyraMed and Banner systems should be reconciled monthly, rather than annually.	General Accounting and IT Services helped SHS analyze the matter. The staff in General Accounting worked with IT to go into the PyraMed tables and find the information they needed to book revenue. SHS's plan in 5/2011 was to generate and review reports on a daily basis internally and forward to General Accounting on a monthly basis. IACS scheduled a second follow-up audit for 6/2012.
Audit of Student Health Services - 1/2010	Low	Student Affairs	**Deposits must be timely in compliance with the Ohio Revised Code and University policy.** It is recommended that all deposits exceeding $1,000 be made by the next business day following the day of receipt in compliance with the University's Cash Handling Policy and in compliance with Section 9.38 of the Ohio Revised Code. If the total does not exceed $1,000, the lag may be up to three business days, if the funds are safeguarded. In addition, all funds should be	In 5/2011, the Asst. VP for Student Health and Wellness stated that two insurance coordinator staff members have been taking the deposits over regularly and this issue appears to be closed; the office manager is in the process of writing a procedure manual for the billing process and timely deposits will be included and measured by her going forward. IACS scheduled a second follow-up audit for 6/2012.
Audit of Voice of America Learning Center - 6/2010	Low	Provost	**Deposits must be timely in compliance with the Ohio Revised Code and University policy.** IACS recommends that the VOALC comply with the Cash Handling Policy and work with the Bursar to establish proper procedures to follow regarding the Value Transfer Station, which is used to load money onto students' identification cards. Additionally, timeliness of deposits should be improved by depositing funds in a local bank, already established through the Treasurer's office. It is recommended that management work with the Bursar to implement the change	Management stated that corrections recommended were implemented. A follow-up audit is scheduled for 3/2012.

Open Internal Audit Issues

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
Audit of Voice of America Learning Center - 6/2010	Low	Provost	**Accounts receivable balances should be properly billed and monitored.** It is recommended that the Program Associate perform the following functions to properly manage the accounts receivable balances: a. Generate bills for the amounts outstanding. b. Create and review an aging report for items outstanding greater than 120 days and take action to collect. c. Require payments of past balances due before contracting with external groups. d. Communicate with the Controller's Office regarding the year end accounts receivable balance	Management concurred and stated that a rental tracking spreadsheet was created to monitor when usage agreements are issued, receipt of deposits, receipt of balances due, and related information. This will be used to track any balances due and accounts receivable for appropriate and timely follow-up. A follow-up audit is scheduled for 3/2012.
Audit of Voice of America Learning Center - 6/2010	Low	Provost	**Policies and job procedures should be documented by VOALC.** It is recommended that policies and job procedures be documented and updated on a regular basis by the Director.	A follow-up audit is scheduled for 3/2012.
Miami University Bookstore Inventory Audit - 8/2011	Low	Finance & Business Services	**It is recommended that internal controls be strengthened surrounding the physical inventory process.** This should include: 1. The Bookstore should compare what they do have in stock with what they should have in stock on a perpetual basis. Quantity adjustments should be evaluated for shrinkage and other causes. 2. Inventory records should be stated at the lower of FIFO cost or market for financial reporting purposes. 3. Management should continue to learn about the inventory reporting system within WinPRISM and be able to provide records supporting the valuation of all reported amounts.	Management responded stating: Bookstore management will implement a better-defined inventory process that will cycle through selected merchandise on an ongoing basis. Any needed adjustments will be posted and analyzed to account for any discrepancies. Management staff will begin implementation in September 2011.
Audit of Office Supplies Inventory - 10/2011	Low	Finance & Business Services	**It is recommended that management consider eliminating the office supplies inventory at Wells Hall.** Items which are readily available elsewhere should be discontinued and alternative sources should be investigated to supply the specialized inventory items. If management decides to maintain the office supplies inventory, internal controls should be strengthened.	Management responded stating: I agree with IACS's summary of findings and the recommendation to eliminate office supplies inventory. Our target date to have everything completed is November 30, 2011.
Hamilton Campus Motor Pool Review - 11/2011	Low	Provost	**Overall compliance with the Hamilton Campus Motor Pool policies needs continued improvement.**	Management agreed and has asked for clarification for some policies.

Audit Issues Closed

Audit Name and Date	Risk Level	Division	Audit Issue	Action Taken
Audit of Department of HR/Payroll - 3/2010	High	Finance & Business Services	**Special payroll should be verified by a second HR employee's review of the approved source documentation.** It is recommended that HR explore increasing capacity for PeopleAdmin to process special payroll payments. Until such time that the process can be automated, it is recommended that all special payroll payments be verified by a second HR employee's review of the approved source documentation.	IACS performed a follow-up review verifying that a second HR employee's review of the approved source documentation is taking place for those payments that have not been automated. The number of required special pays have decreased through the use of automation, but special pays still have to be processed manually for ICA bonuses, ICA game day personnel, fitness instructors, and tutors in the Learning Assistance area. Currently, Muriel Taylor in the Payroll Department (with assistance as needed by Susan Gibson in Benefit Services) receives copies of the approved source documentation which she verifies and initials. For the audit period January 1-May 31, 2011, all special pays have been verified. It appears that the audit recommendation has been successfully implemented. Comment closed 7/2011.
Audit of Department of HR/Payroll - 3/2010	High	Finance & Business Services	**It is recommended that actual payroll added through the final pull-through process be verified by Employment personnel.** It is recommended that actual payroll added through the final pull-through process be verified by the Employment staff after the payroll has been disbursed. This final review by Employment is needed to verify that the correct adjustments were made by Payroll staff and that no other changes were made during the pull-through process. Employment should run the final PZRVRFY report to assure that it is accurate and complete.	A Senior Personnel Technician (Sarah) compares the final file that Employment staff within HR approved at the end of the payroll process (i.e. all the changes and payments we entered) against the final file for payroll (i.e. at a status of 70/complete). While we have met the requirements of the audit, the process is quite onerous and we are looking at other ways to accomplish the requirement. IACS performed a follow-up review and it appears that the audit recommendation has been successfully implemented. Comment closed 7/2011.

Audit Name and Date	Risk Level	Division	Audit Issue	Action Taken
Central Stores Inventory Audit - 5/2009	Moderate	Finance & Business Services	**Central Stores:** IACS recommends that internal controls be strengthened to avoid intentional and unintentional errors. Possible alternatives were discussed with management including: • Limiting access to physical inventory during unstaffed hours • Verification of counts and data input for accuracy • Barcode scanning equipment	Management was transferred from Purchasing to PFD in November 2010. PFD management reported that physical access controls have been strengthened by locking doors and requiring ID card swipe for entrance; unexplained swipes are researched; cycle counts are performed daily using barcode scanning equipment; and notes are maintained to explain on-hand adjustments to inventory. IACS performed a follow-up review while auditing the 6/30/2011 year-end physical inventory. We closed the 5/2009 audit issue that arose under prior management as it appears that internal controls have been strengthened. We do encourage management to review inventory reports for reasonableness.
Audit of Reimbursements - 6/2011	Moderate	Finance & Business Services	**It is recommended that University purchasing policy and procedures be updated to explicitly discourage reimbursements.** With the implementation of the BuyWay e-procurement system in August 2010, it is critical for University purchases to be processed through established channels in order to maximize negotiated pricing and obtain detailed historical purchasing data.	The Purchasing and Payments Handbook §1.02 was updated to explicitly discourage reimbursements. Comment closed 11/2011.
Review of Sexual Assault Notification 9/2010	Low	Student Affairs	**The protocol used by OESCR should be updated** to make notifications in cases where a student withdraws prior to adjudication of a case.	The update was made and the comment was closed 8/2011.

MIAMI UNIVERSITY

Internal Audit Plan – FY 2012

Division	Audit Area	Audit Project	Original Plan	Updated Plan	Status
University Advancement	University Advancement	Audit of Donor Stewardship	1st Qtr.	1st Qtr.	completed
Academic Affairs	SFA	Audit of Scholarship Awarding	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	HDGBS	Physical inventory audit - Culinary Support	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	PFD	Physical inventory audit - Central Stores	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	HR	HR follow-up audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Bookstore	Physical inventory audit - Bookstore	1st Qtr.	1st Qtr.	completed
Student Affairs	OESCR	Review of Sexual Assault Notification - agreed upon procedures	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Treasury Services	Miscellaneous cash receipts	1st Qtr.	1st Qtr.	completed
IT Services	ISO	PCI follow-up audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Finance & Bus. Svc.	Deloitte - year end assistance with financial audit	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Police	Clery Act - crime statistics agreed upon procedures	1st Qtr.	1st Qtr.	completed
Finance & Bus. Svc.	Purchasing	Physical inventory audit - Office Supplies	1st Qtr.	2nd Qtr.	completed
Intercollegiate Athletics	Intercollegiate Athletics	Audit of Intercollegiate Athletics new ticketing system	1st Qtr.	2nd Qtr.	in process
University-wide	University-wide	MasterCard audits	2nd Qtr.	2nd Qtr.	in process
Academic Affairs	Hamilton Campus	Regional campus review - Hamilton Motor Pool	2nd Qtr.	2nd Qtr.	completed
Academic Affairs	Arts and Science	Departmental audit - Project Dragonfly Earth Expeditions	2nd Qtr.	2nd Qtr.	in process
Finance & Bus. Svc.	Finance & Bus. Svc.	MULaa (debit account) investigation	unplanned	2nd Qtr.	completed
Finance & Bus. Svc.	Finance & Bus. Svc.	Use of PayPal	unplanned	2nd Qtr.	in process
Finance & Bus. Svc.	Finance & Bus. Svc.	Lean Project Leader - Enterprise Map of Money Flow	unplanned	3rd Qtr.	in process

MIAMI UNIVERSITY

Internal Audit Plan – FY 2012

Division	Audit Area	Audit Project	Original Plan	Updated Plan	Status
Academic Affairs	MUDEC	MUDEC audit	2nd Qtr.	3rd Qtr.	postponed
Academic Affairs	Arts and Science	Departmental audit	2nd Qtr.	3rd Qtr.	postponed
Finance & Bus. Svc.	IACS	Internal Audit Quality Self-Assessment with Independent Validation	2nd Qtr.	4th Qtr.	postponed
Finance & Bus. Svc.	HR	Kronos Time and Attendance System	3rd Qtr.	3rd Qtr.	scheduled
Intercollegiate Athletics	Intercollegiate Athletics	Football attendance - agreed upon procedures	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Bookstore	Bookstore audit	3rd Qtr.	3rd Qtr.	scheduled
IT Services	ISO	Review of Identity Theft Prevention Program (Red Flags)	3rd Qtr.	3rd Qtr.	scheduled
University Advancement	University Advancement	Western College Alumnae Association financial audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Accounts Payable	Accounts Payable audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Finance & Bus. Svc.	RFP for Independent Public Accountant	3rd Qtr.	3rd Qtr.	in process
Academic Affairs	VOA	Voice of America Learning Center follow-up audit	3rd Qtr.	3rd Qtr.	scheduled
Finance & Bus. Svc.	Bursar	Review of Accounts Receivable - delinquent accounts	4th Qtr.	4th Qtr.	scheduled
Finance & Bus. Svc.	Finance & Bus. Svc.	External Auditors - preliminary assistance with financial audit	4th Qtr.	4th Qtr.	scheduled
IT Services	ISO	Banner Security	4th Qtr.	4th Qtr.	scheduled
Student Affairs	Health Services	Student Health Services - follow-up audit	4th Qtr.	4th Qtr.	scheduled
University-wide	University-wide	EthicsPoint Reporting System with General Counsel	4th Qtr.	4th Qtr.	in process
IT Services	IT Services	IT Services - provide consulting services re: security and other issues	4th Qtr.	4th Qtr.	in process
University-wide	University-wide	Enterprise Risk Assessment with General Counsel	4th Qtr.	4th Qtr.	scheduled
University-wide	University-wide	LEAN (SASS follow-up) project consulting services	4th Qtr.	4th Qtr.	in process

ATTACHMENT L

DRAFT

Forward Twelve Month Agenda

Agenda Item	November Fall Meeting	January Winter Meeting	April Spring Meeting	June End of Year Meeting	September Beginning of Year Meeting
Committee Structure:					
• Committee Priority Agenda	x	x	x	x	x
• Committee Self-Assessment				x	
Strategic Matters and Significant Topics Affecting Miami:					
• Update on Strategic Priorities - Progress Toward Goals - New Revenue Development	x	x	x	x	x
• Annual Campaign Update			x		
• Report on Dashboard Indicators	x				
Regular Agenda Items:					
• Enrollment Report	x	x	x	x	x
• Report on Year-to-Date Operating Results	x	x	x	x	x
Finance and Accounting Agenda:					
• Budget Planning for New Year		x	x		
• Appropriation Ordinance (Budget)				x	
• Tuition and Fee Ordinance				x	
• Miscellaneous Fee Ordinance			x		
• Room and Board Ordinance					x
• Review of Financial Statements	x				
• Annual State of Ohio Fiscal Watch Report			x		
• PMBA Tuition Proposal			x		
Audit and Compliance Agenda:					
• Planning Meeting with Independent Auditors			x		
• Management Letter and Other Required Communications	x				
• Annual Planning Meeting with Internal Auditor	x				
• Annual Report by Internal Auditor				x	
• Annual Compliance Report	x				
• Risk Assessment Report	x				

(over)

ATTACHMENT L

DRAFT

Forward Twelve Month Agenda

Agenda Item	November Fall Meeting	January Winter Meeting	April Spring Meeting	June End of Year Meeting	September Beginning of Year Meeting
Investment Agenda:					
• Investment Report on Non-Endowment Funds	x	x	x	x	x
• Approval of Endowment Spending Formula	x				
• Semi-Annual Review of Investment Performance		x			x
Facilities Agenda:					
• Approval of Six-Year Capital Plan (every other year)					
• Facilities Condition Report		x			
• Annual Report of Gift-Funded Projects					x
• Report on Housing and Dining Master Plan	x	x	x	x	x
Routine Reports:					
• University Advancement Campaign Update	x	x	x	x	x
• Cash and Investments Report	x	x	x	x	x
• Status of Capital Projects Report	x	x	x	x	x

Campaign Update

Jayne Whitehead

Vice President for University Advancement

Campaign Gift Pyramid – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

	Level	Required Number	Total	Actual Number	Total
	$25,000,000+	2	$50,000,000	1	**$25,000,000**
	$10,000,000	10	$100,000,000	7	**$82,100,000**
	$5,000,000	15	$75,000,000	6	**$35,222,375**
	$2,000,000	20	$40,000,000	12	**$35,021,595**
Leadership Gifts	$1,000,000	55	$55,000,000	43	**$53,611,408**
	$500,000	65	$32,500,000	40	**$25,037,811**
Major Gifts	$100,000	400	$40,000,000	319	**$57,448,230**
	$50,000	450	$22,500,000	286	**$17,687,803**
	$25,000	800	$20,000,000	533	**$16,061,080**
Special Gifts	$10,000	1,500	$15,000,000	1,139	**$15,201,440**
Gifts Below	$10,000	many	$50,000,000	302,480	**$56,119,452**
Total			$500,000,000		**$418,511,195**

ATTACHMENT M

Giving by Constituent Group – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

	Column I Outright Gifts & Pledges	Column II Planned Gifts Face Value	Column III Planned Gifts Present Value	Column IV Total Col I + II	Column V Total Col I + III
Alumni	$177,705,916	$99,572,744	$55,432,186	**$277,278,660**	$233,138,102
Parents	$13,791,265	$4,465,000	$358,766	**$18,256,265**	$14,150,032
Other Individuals	$28,533,678	$10,697,580	$5,529,332	**$39,231,258**	$34,063,009
Foundations	$37,168,901	$0	$0	**$37,168,901**	$37,168,901
Corporations	$32,308,946	$0	$0	**$32,308,946**	$32,308,946
Other	$14,267,166	$0	$0	**$14,267,166**	$14,267,166
Total	$303,775,871	$114,735,324	$61,320,284	**$418,511,195**	$365,096,155

Giving by Type – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

	Column I Outright Gifts & Pledges	Column II Planned Gifts Face Value	Column III Planned Gifts Present Value	Column IV Total Col I + II	Column V Total Col I + III
Cash	$269,798,339	$0	$0	**$269,798,339**	$269,798,339
Bequests	$0	$87,494,435	$47,564,057	**$87,494,435**	$47,564,057
Planned Gifts	$793,911	$27,240,889	$12,591,207	**$28,034,800**	$13,385,118
Gifts in Kind	$17,033,766	$0	$0	**$17,033,766**	$17,033,766
Real Estate	$479,540	$0	$0	**$479,540**	$479,540
Grants	$14,646,624	$0	$0	**$14,646,624**	$14,646,624
Other	$1,023,691	$0	$0	**$1,023,691**	$1,023,691
Total	$303,775,871	$114,735,324	$60,155,265	**$418,511,195**	$363,931,136

Giving by Initiative – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

	Outright gifts & pledges, Face Value Planned Gifts	Outright gifts & pledges, Present Value Planned Gifts	Goal	% Goal Reached	Balance Goal
Capital Funds	**$90,801,907**	$76,831,035	$119,450,000	76.02%	$28,648,093
Technology & Equipment	**$9,974,289**	$9,437,412	$10,650,000	93.66%	$675,711
Faculty Development	**$24,580,996**	$23,234,229	$114,900,000	21.39%	$90,319,004
Research	**$8,739,934**	$8,734,646	$1,000,000	873.99%	$0
Programs	**$82,952,728**	$79,492,119	$90,675,000	91.48%	$7,722,272
Scholarships	**$96,410,926**	$86,170,944	$109,525,000	88.03%	$13,114,074
University - Unrestricted	**$32,171,990**	$28,842,781	$0	N/A	$0
Units - Unrestricted	**$27,781,884**	$22,484,898	$45,000,000	61.72%	$17,218,116
Undesignated	**$43,395,570**	$28,919,086	$8,800,000	493.13%	$0
Other	**$1,700,971**	$949,005	$0	N/A	$0
Total	**$418,511,195**	$365,096,155	$500,000,000	83.70%	$81,488,805

Giving by College/Area/Unit – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

	Outright gifts & pledges, Face Value Planned Gifts	Outright gifts & pledges, Present Value Planned Gifts	Goal	% Goal Reached	Balance Goal
College of Arts and Science	**$34,564,333**	$30,952,255	$50,000,000	69.13%	$15,435,667
Farmer School of Business	**$52,325,640**	$46,033,227	$80,000,000	65.41%	$27,674,360
School of Education, Health & Society	**$17,355,537**	$14,704,708	$15,000,000	115.70%	$0
School of Engineering & Appl'd Science	**$7,678,181**	$7,801,028	$15,000,000	51.19%	$7,321,819
School of Fine Arts	**$16,652,395**	$15,619,398	$15,000,000	111.02%	$0
Graduate School	**$4,742,066**	$4,751,529	$4,000,000	118.55%	$0
Intercollegiate Athletics	**$46,986,760**	$35,244,247	$50,000,000	93.97%	$3,013,240
University Libraries	**$4,703,899**	$4,227,858	$3,200,000	147.00%	$0
Student Affairs	**$11,676,926**	$11,653,175	$11,000,000	106.15%	$0
Hamilton Campus	**$6,320,383**	$2,630,199	$6,500,000	97.24%	$179,617
Middletown Campus	**$3,262,273**	$3,225,092	$2,250,000	145.00%	$0
Academic Initiatives	**$16,897,731**	$13,915,747	$20,250,000	83.45%	$3,352,269
University-wide Initiatives	**$142,794,925**	$130,905,043	$222,500,000	64.18%	$79,705,075
University – Unrestricted	**$34,927,707**	$31,533,994	$0	N/A	$0
Undesignated Funds	**$16,476,980**	$10,780,697	$5,300,000	N/A	$0
Other Areas	**$1,145,458**	$1,117,957	$0	N/A	$0
Total	**$418,511,195**	**$365,096,155**	**$500,000,000**	**83.70%**	**$81,488,805**

Commitments by Project – as of Nov. 15, 2011

The Miami University Campaign **For Love and Honor**

	Outright gifts & pledges, Face Value Planned Gifts	Outright gifts & pledges, Present Value Planned Gifts	Goal	% Goal Reached	Balance Goal
School of Business Facility	**$43,577,100**	$36,801,860	$40,000,000	108.94%	$0
Goggin Ice Arena	**$5,914,250**	$5,914,250	$5,500,000	107.53%	$0
Yager Stadium Renovation	**$5,026,527**	$5,026,527	$5,000,000	100.53%	$0
Hamilton Campus Conservatory	**$3,463,220**	$13,220	$3,450,000	100.38%	$0
Middletown Campus Center	**$1,451,371**	$1,443,947	$2,500,000	58.05%	$1,048,629
VOA Learning Center	**$126,289**	$126,289	$2,000,000	6.31%	$1,873,711
Armstrong Student Center	**$26,182,115**	$23,0079121	$30,000,000	87.27%	$3,817,885

ATTACHMENT M

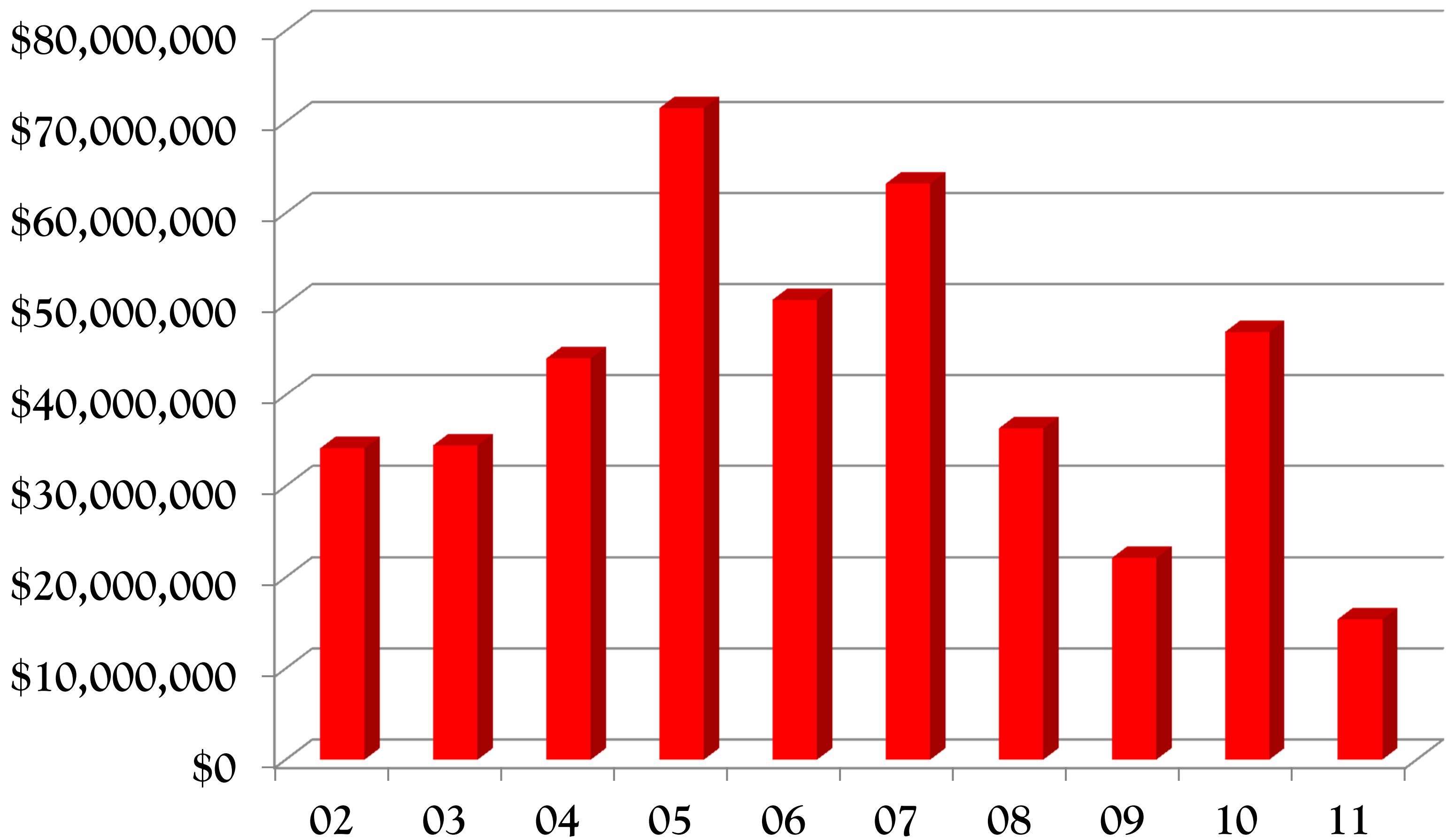
Giving by Designation – as of Nov. 15, 2011

The Miami University Campaign For Love and Honor

Capital	$ 87,613,809
Endowment	$224,397,247
Expendable	$106,498,938
Total	**$418,511,195**

Total Campaign Commitments

The Miami University Campaign For Love and Honor



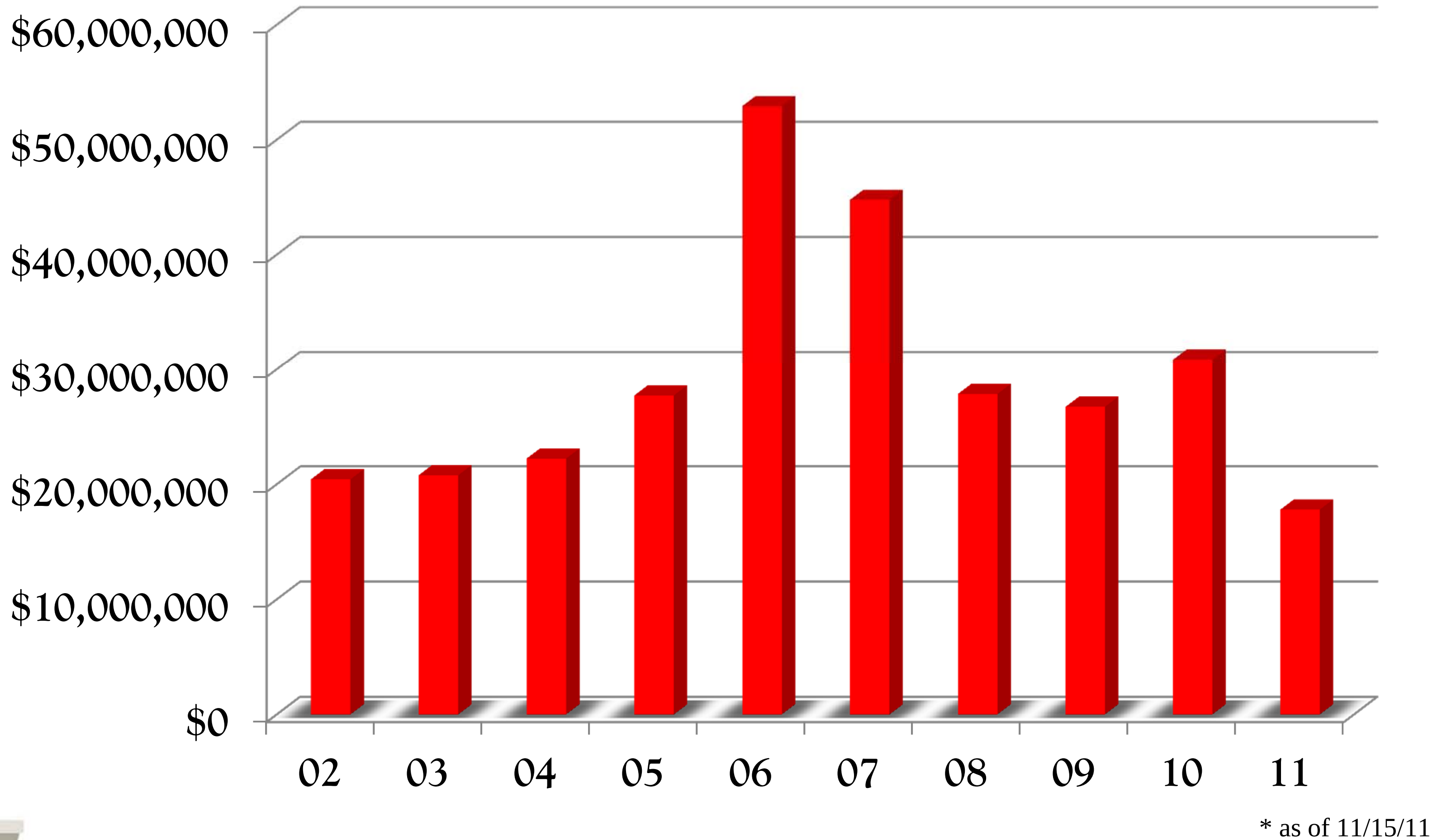
* as of 11/15/11

Jan 1 – Dec 31

ATTACHMENT M

Cash Received – Calendar Year

The Miami University Campaign For Love and Honor



Jan 1 – Dec 31

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
December 8, 2011

Non-Endowment Fund

For the first fiscal quarter ending September 30, 2011, the non-endowment fund returned -0.52%. The performance for the past twelve months is +1.14%. A summary of performance is attached.

Cash flow started the fiscal year in a strong position. The operating cash balance was over $121 million at quarter-end, even after transferring $20 million from operating cash to the core cash and long-term capital pools during the quarter.

Short-term interest rates near zero continue to limit the earnings potential from both the operating cash and core cash pools. In addition, the extremely high levels of volatility experienced during the quarter, in both bond and equity markets world-wide, was a drag on the long-term capital portion.

Current Funds	**Fair Value**	**% of Portfolio**
Operating Cash:		
Short-term Investments	$121,401,160	38.1%
Core Cash:		
Intermediate-term Investments	$ 79,236,375	24.9%
Long-Term Capital:		
Absolute Return	$ 54,386,024	17.1%
Fixed Income Investments	$ 63,351,613	19.9%
Total long-term Capital	$117,737,637	37.0%
Total Current Fund Investments	**$318,375,172**	**100.0%**

Endowment Fund

The endowment fund returned -9.14% for the first fiscal quarter ending September 30, 2011, breaking a string of four consecutive positive quarters. The performance for the last twelve months is +1.84%. A summary report of performance for each manager is attached.

Another flight to quality during the quarter, led by concerns about the stability of the European banking system, drove investors once again out of equities globally and into U.S. Treasury securities. Long maturity Treasury securities had one of their best quarters on record as the Federal Reserve announced its plan to sell short-term securities and buy long-term bonds. The endowment's public equity managers struggled during the quarter. Less negative returns from bond and absolute return managers moderated the results.

The Miami University Foundation Investment Committee met on September 20th/21st and again on November 3rd to review the combined endowment investment pool. At the September meeting, several outside speakers made presentations regarding their views on the various issues that are influencing the global economies and capital markets. The committee approved the addition of a Master Limited Partnership (MLP) manager and the reduction of the public equity weighting.

MLP's are publicly traded entities that primarily operate in energy infrastructure businesses, such as the transportation and storage of natural gas. These structures distribute high levels of cash flow to shareholders relative to common stock dividends and bond yields. These cash flows are projected to grow faster than inflation and are less sensitive to commodity prices, since the businesses typically rely on volume based tolls. Recent technological advancements are creating a boom in gas production in the United States, and significant expansion of the production levels and the supporting infrastructure is anticipated.

With the significant levels of volatility that has returned to the equity markets, the committee felt it was prudent to slightly reduce the public equity weight to below 40% of the portfolio. This move helped to fund the MLP investment and to raise some cash for anticipated year-end liquidity needs.

[See attached: Miami University Foundation Treasurer's Report]

Bond Project Funds

The bond project fund balance was $94.6 million at September 30, 2011. The summer renovation period was busy. The draws on this fund are expected to increase significantly as considerable work on the Armstrong Student Center and Maple Street Station begins in the fall.

Plant Funds

Defeased Bond Reserves	
Short-term Investments	$ 17,910
Series 2010 Bond Funds	
Short-term Investments	$94,627,796
Total Plant Fund Investments	**$94,645,706**

ATTACHMENT N

Miami University Non - Endowment

Asset Allocation & Performance

As of September 30, 2011

	Allocation		Performance %								
	Market Values ($ 000)	%	QTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Miami Non-Endowment	**310,650.6**	**100.00**	**(0.42)**	**(0.42)**	**1.14**	**1.48**	**0.95**	**2.91**	**N/A**	**3.64**	**07/01/2002**
Operating Cash *	**113,676.9**	**36.59**	**0.03**	**0.03**	**0.15**	**0.56**	**2.10**	**2.75**	**N/A**	**2.42**	**07/01/2002**
90-Day TB			0.01	0.01	0.08	0.13	1.43	2.07	1.85	1.85	07/01/2002
Core Cash	**79,236.4**	**25.51**	**1.97**	**1.97**	**3.68**	**5.05**	**4.26**	**3.87**	**N/A**	**3.82**	**07/01/2002**
BC 1-3 Yr Govt Index			0.47	0.47	1.23	2.74	3.96	3.52	3.44	3.36	07/01/2002
Long Term Capital	**117,737.3**	**37.90**	**(3.05)**	**(3.05)**	**0.23**	**0.18**	**(1.21)**	**2.36**	**N/A**	**4.22**	**07/01/2002**
Long Term Capital - Absolute Return	**54,385.6**	**17.51**	**(4.93)**	**(4.93)**	**(0.52)**	**3.18**	**2.00**	**3.55**	**N/A**	**3.78**	**07/01/2002**
MSCI AC World Net			(17.43)	(17.43)	(6.03)	0.59	(1.60)	3.50	4.45	4.79	07/01/2002
Long Term Capital - Fixed Income	**63,351.7**	**20.39**	**(0.67)**	**(0.67)**	**1.27**	**8.63**	**6.49**	**5.49**	**N/A**	**5.65**	**07/01/2002**
BC Agg Bond Index			3.82	3.82	5.26	7.97	6.52	5.57	5.66	5.71	07/01/2002

*Excludes balance in University depository accounts.

Graystone Consulting℠

ATTACHMENT N

MIAMI UNIVERSITY FOUNDATION
TREASURER'S REPORT
November 3, 2011

The September 30, 2011 market value for the Miami University Foundation totaled $359,819,666. The following chart summarizes the Foundation's asset classes and investment strategies compared with the target ranges.

Type of Investment	Miami U. Foundation	Percent of Total	Target Range
Equity	**$221,398,210**	**61.53%**	**60%-85%**
Public Equity	$133,982,246	37.24%	35%-60%
Hedged Equity	$49,590,957	13.78%	10%-30%
Private/Venture Equity	$37,825,007	10.51%	5%-20%
Debt	**$87,012,309**	**24.18%**	**10%-25%**
Public Debt	$33,145,424	9.21%	0%-10%
Hedged Debt	$45,524,133	12.65%	5%-15%
Private Debt	$8,342,751	2.32%	0%-10%
Real Assets	**$43,072,107**	**11.97%**	**5%-20%**
Private Real Assets	$43,072,107	11.97%	0%-10%
Cash	**$8,337,041**	2.32**%**	**0%-10%**
Total	**$359,819,666**	**100.00%**	**100.00%**

- Some funds have been classified into more than one category.

Private programs include investments in limited partnerships and other vehicles. Together, they represent 24.28% of the portfolio.

MUF Private Programs

Investment Type	Market Value	Percent of Total
Distressed Opportunities	$11,100,531	3.09%
Private Equity	$32,318,249	8.98%
Venture Capital	$2,035,291	0.57%
Natural Resources	$27,924,513	7.76%
Real Estate	$14,002,874	3.89%
Total	**$87,381,458**	**24.28%**

MUF Total Investment Pool Geography

Country	Market Value	Percent of Total
North America	$240,842,333	66.93%
Europe	$59,069,799	16.42%
Asia	$43,961,485	12.22%
LAMA*	$15,946,049	4.43%
Total	**$359,819,666**	**100.00%**

*LAMA includes Latin America, the Middle East and Africa

ATTACHMENT N

The transfer of Miami University endowment assets into the Foundation endowment pool occurred on July 1, 2011. The funds are now being managed as one investment pool, under the governance of the Foundation investment committee. During the first fiscal 2012 quarter, the value of the combined investment pool decreased from $403.0 million to $359.8 million. This decline was a result of the Foundation making its annual spending distribution, along with mostly negative investment returns. The University and Foundation received a combined total of $6,852,017 in new cash gifts during the first fiscal quarter. Some of these gifts are for capital projects, rather than endowments, and are therefore held separately and excluded from the investment pool total.

The table below reports the Miami University Foundation investment returns versus the custom benchmark. Prepared by the consultant, the custom benchmark is the product of Miami's target asset allocation and the respective benchmark rates of return for each asset category.

The table on the following pages reports each underlying manager's returns for the fiscal first quarter and for the last twelve months. After four consecutive quarters of positive performance, the Foundation lost 9.14% during the September quarter. For the quarter, both domestic and global public equity managers posted poor absolute and relative returns. The private programs, on a quarter lag, provided the strongest absolute performance. Hamilton Lanes' Co-Investment and Secondary funds were the best performers with a combined return of 7.26% for the quarter.

MIAMI UNIVERSITY FOUNDATION PRELIMINARY COMPOSITE RATE OF RETURN As of September 30, 2011		
Period	**ROR**	**Miami Custom Benchmark**
Quarter ended 9/30/11	-9.14%	-10.84%
1 Year	1.84%	-0.07%
3 Years	2.38%	2.49%
5 Years	1.89%	1.69%

Respectfully submitted,

Mark Sullivan
Treasurer

ATTACHMENT N

MIAMI UNIVERSITY FOUNDATION
INVESTMENT MANAGERS' RATE OF RETURN COMPARED TO INDEX
FIRST FISCAL QUARTER 2012 AND TRAILING TWELVE MONTHS
PRELIMINARY FIGURES

Investment Managers and Index	**Quarter Ended 9/30/2011**		**Trailing 12 Months**	
Friess Associates	-24.47%		-1.88%	
GRT	-15.26%		-7.90%	
Lateef Investment Management	-16.00%		0.62%	
Snow Capital Management	-24.45%		-9.07%	
Russell 3000 Index	**-15.28%**		**0.55%**	
Aberdeen	-14.25%		-1.23%	
Ivory Investment Management	-4.76%		-3.82%	
Tradewinds Global	-10.72%		0.68%	
MSCI AC World Net	**-17.43%**		**-6.03%**	
Artio Global	-24.82%		-18.54%	
MSCI AC World Ex USA	**-19.77%**		**-10.41%**	
Lone Pine	-25.04%		-20.01%	
Tradewinds Emerging Markets	-22.77%		NA	
Vontobel Emerging Markets (inception date 9/1/2011)	NA		NA	
MSCI Emerging Markets	**-22.56%**		**-16.14%**	
Commonfund Distressed Debt	0.80%		12.96%	
Goldman Sachs Distressed Opportunities	3.55%		10.46%	
HFRI Distressed Securities	**0.61%**		**11.81%**	
Commonfund International Private Equities	2.90%		32.38%	
Commonfund Private Equities	2.86%		19.01%	
Goldman Sachs Private Equities	4.94%		23.47%	
Hamilton Lane	7.26%		33.80%	
Pomona Private Equity	3.52%		24.92%	
Cambridge Private Equity Index	**4.51%**		**24.69%**	
Commonfund Venture Funds	4.26%		23.41%	
Cambridge Venture Equity Index	**7.02%**		**26.28%**	

ATTACHMENT N

Investment Managers and Index	Quarter Ended 9/30/2011		Trailing 12 Months	
Commonfund Private Real Estate	0.00%		0.00%	
Metropolitan Real Estate	4.36%		8.77%	
Penn Square Real Estate **	0.00%		18.18%	
NCREIF	**3.94%**		**16.73%**	
Commonfund Energy Fund	4.31%		25.48%	
Commonfund Natural Resources	1.92%		24.01%	
Goldman Sachs Concentrated Energy	-0.16%		12.63%	
S&P Energy Index	**-4.63%**		**52.84%**	
Timbervest	-1.52%		-4.23%	
NCREIF Timberland	**0.66%**		**0.51%**	
Evanston	-6.06%		-2.33%	
Target T-Bills plus 8%	**8.01%**		**8.08%**	
Canyon	-8.29%		-2.56%	
GoldenTree	-6.11%		5.90%	
Merrill Lynch High Yield Master	**-6.16%**		**1.36%**	
Commonfund High Quality Bond Fund	1.73%		4.19%	
BC Aggregate Bond Index	**3.82%**		**5.26%**	
Templeton Global Bond Fund	-8.13%		NA	
BC Multiverse Index	**5.61%**		**8.96%**	
TOTAL	**-9.14%**		**1.84%**	

* Private program performance is reported on a one-quarter lag.

** Penn Square has not released performance for the quarter.

Status of Capital Projects Executive Summary
December 8, 2011

1. Projects completed:

   Over twenty projects were completed since the last report was submitted, approximately half of which were part of the first phase of the housing and dining master plan. These projects included: the complete renovation of Elliott and Stoddard Halls; multiple upgrades to Harris Dining Hall; mechanical and electrical systems upgrades to Havighurst Hall; electrical improvements to Ogden, Porter, and Mary Lyon Halls, fire suppression and electrical upgrades in Morris, Emerson and Tappan Halls; and the replacement of the door security system in every residence hall except Peabody which will be installed later this year. There were several academic improvements including: the relocation of the Art Center to the renovated south wing/natatorium area of Phillips Hall; renovation of instructional laboratories in Hughes Hall; renovation of the Anthropology Teaching Laboratory in Upham Hall; installation of a new stage lift in the Center for Performing Arts; and classroom and computing services improvements on the Hamilton Campus. Major improvements were made to Verity Lodge on the Middletown campus. Other projects related to the campus infrastructure included replacement of steam lines for Hughes Hall, Shriver Center and McGuffey Hall as well as a partial roof replacement on Shriver Center.

2. Projects added:

   Three projects have been added to this report, all relatively small in scale and two related to infrastructure improvements. A new emergency generator will be added to the Culinary Support Center and upgrades will be made to the Old Manse addressing lighting improvements and water infiltration. Interior improvements will be made to the AIMS suite in Laws Hall including painting and new electronic displays.

3. Projects in progress:

   Construction activity on the site of the new Armstrong Student Center is gearing up as contractors have mobilized the site and excavation for footers and foundation walls has begun. Coordination of projects for summer 2012 is underway and we continue with the planning and design of several major projects related to student housing and dining, including four new residence halls and two new food service facilities. Preparations are in progress for the implementation of the new construction reform legislation which is working its way through administrative reviews at the State.

Respectfully submitted,

Robert G. Keller, AIA, AUA
Associate Vice President –
Facilities Planning & Operations

ATTACHMENT O

Status of Capital Projects Executive Summary
December 8, 2011

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Respectfully submitted,

Robert G. Keller, AIA, AUA
Associate Vice President –
Facilities Planning & Operations

Miami University
Physical Facilities Department
Status of Capital Projects Report

Summary of Active Projects

	Number of Projects	Value
Under Construction	13	$63,141,492
In Design	14	$161,342,108
In Planning	3	$4,303,280
	Total	$228,786,880

Projects Completed Since Last Report

Center for Performing Arts – Stage Life	$244,895
Elliott and Stoddard Hall Renovations	$9,000,000
Hamilton Campus – Computing Services Renovation	$232,900
Hamilton Campus – Mosler Hall Ceiling Renovation	$1,176,952
Hamilton Campus – Phelps Hall Theater Classroom 307 Renovation	$98,600
Hamilton Campus – Student and Recreation Parking Lot Renovation	$1,400,000
Harris Dining Hall Controls	$193,161
Harris Dining Hall Elevator Upgrades	$392,871
Harris Dining Hall HVAC Replacement	$1,711,839
Harris Dining Hall – Serving Area and Lighting Upgrades	$651,150
Havighurst Halls Controls	$210,000
Havighurst Hall Systems Upgrades	$1,850,000
Hughes Hall "A" Laboratory Renovation	$3,019,930
Hughes Steam Line Replacement	$136,456
Main Steam Line Expansion Joint Replacement	$178,500
McGuffey Steam Line Replacement	$496,238
Middletown Campus – Verity Lodge Renovation	$262,906
Ogden, Porter and Mary Lyon Hall Electrical Improvements	$1,250,000
Phillips Hall Art Center	$2,578,541
Shriver Center Roof Replacement	$210,000
Shriver Steam Line Replacement	$175,000
Student Housing Door Security Upgrades	$5,600,000
Student Housing Fire Suppression and Electrical Upgrades	$3,000,000
Upham Hall Anthropology Teaching Lab Renovation	$200,000
	$34,269,939

Miami University
Physical Facilities Department
Status of Capital Projects Report

New Projects Over $250,000

Culinary Support Center (CSC) Emergency Generator **Page 9, Item 2**
Recreational Sports Center – Service Counter and Fitness Center Renovations **Page 15, Item 2**

Miami University
Physical Facilities Department
Status of Capital Projects Report

UNDER CONSTRUCTION
(Under Contract)

1. **<u>Armstrong Student Center, Phase One:</u>** (BOT Sep '11) **(Previous Report – In Design)**

Approved Budget: $46,400,000
Contingency Allowance: $2,145,302
Contingency Balance: 100%
Project Completion: January 2014

	Funded	Planned
Student Facilities-CR&R	$50,000	$0
Bond-Series 2010	$46,191,474	$0
MUF Gifts	$158,526	$0
Total	$46,400,000	$0

This project provides spaces for student organizations, student engagement activities, food service venues, a theater, lounges and various ancillary spaces. The design concept has been modified to include the renovation of Gaskill, Rowan and Culler Halls, along with the new structure that will be situated between and connect the existing buildings into one new facility. The design will be developed to allow the project to be bid and constructed in two phases. Phase I will include a majority of the new construction and the renovation of Gaskill and Rowan Halls. Phase II will renovate Culler Hall and provide new construction required to join it with Phase I. Construction is underway. Site clearing for staging, interior selective deconstruction of Rowan Hall, and façade and roof deconstruction for modification of Gaskill Hall are all occurring at this time. The contractors are also placing key footers and foundation walls in the existing parking lot between Rowan and Gaskill Halls in preparation for excavation and placement of basement infill elements between the two facilities. The next several months will see a majority of the excavation, footer, foundation and inbound underground utility work as the new infill works its way out of the ground.

2. **<u>Central Campus Chilled Water Modifications:</u>** (BOT Jun '11) **(Previous Report – In Design)**

Approved Budget: $2,330,000 (Revised since last report - $2,600,000)
Contingency Allowance: $181,348
Contingency Balance: 100%
Project Completion: August 2012

	Funded	Planned
Auxiliary CR&R	$2,330,000	$0
Total	$2,330,000	$0

The Armstrong Student Center will require increased capacity to the chilled water system in order to support the cooling needs of the building. This project will include the installation of a new chiller in the South Chiller Plant which will replace the outdated, unreliable two-stage absorption chiller. It will also include the installation of new, larger piping from that plant to the chilled water pipe grid in the area of the new student center. Schematic design is in progress; construction is anticipated to begin in late fall 2011 to align more effectively with the Armstrong Student Center construction sequencing. The chiller pre-purchase has been awarded. Construction bids have been opened and the process of awarding contracts is underway.

Miami University
Physical Facilities Department
Status of Capital Projects Report

3. Central Campus Electrical Modifications: (BOT Jun '10)
Approved Budget: $3,447,333 (Revised since last report - $3,272,333)
Contingency Allowance: $646,311
Contingency Balance: 3%
Project Completion: November 2011

	Funded	Planned
Bond-Series 2010	$2,885,370	$0
Auxiliary-CR&R	$561,963	$0
Total	$3,447,333	$0

Electrical substation #1 is located in Gaskill Hall which is now scheduled for adaptive reuse renovation for the Armstrong Student Center. This project will make timely modifications to the primary electrical distribution system in this area of campus with the relocation of the substation. All underground work is complete and the building for the new switch house #1 is complete. Wiring and new pieces of electrical distribution equipment are being installed at this time. During installation of this project existing defective wiring was discovered in Feeders W, A, M and 450. These feeders were not originally part of the project but for reliability and safety reasons the corrections need to be made at this time. The Utility Enterprise Auxiliary provided increased funding to the project contingency for this work which is reflected in the adjustments to the budget noted above. **This will be the last report.**

4. Hamilton Hall Roof Repairs:
Approved Budget: $184,460
Contingency Allowance: $15,300
Contingency Balance: 100%
Project Completion: November 2011 (Revised since last report - October 2011)

	Funded	Planned
Bond-Series 2010	$184,460	$0
Total	$184,460	$0

This project will address the repair or replacement of deteriorated valleys and flashings at various locations on the roof and dormers, and replace broken shingles. Construction is complete. **This will be the last report.**

5. Hughes Hall Heat Recovery/Process Chilled Water Expansion:
Approved Budget: $624,983
Contingency Allowance: $52,980
Contingency Balance: 100%
Project Completion: October 2011

	Funded	Planned
State	$624,983	$0
Total	$624,983	$0

This project will expand the capacity of the process chilled water loop via use of a heat recovery chiller. In addition, a runaround heat recovery system will be installed in the eastern wing of Hughes Hall. All systems are operational and project is in close-out. **This will be the last report.**

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

6. <u>Laws Hall – AIMS Relocation:</u> (New Project This Report)

Approved Budget: $50,000
Contingency Allowance: $4,550
Contingency Balance: 100%
Project Completion: January 2012

	Funded	Planned
Local	$50,000	$0
Total	$50,000	$0

This project will upgrade interior finishes in the AIMS suite at Laws Hall, including painting, carpeting and electronic displays.

7. <u>Marcum Conference Center Addition and Renovation:</u> (BOT Dec '10)

Approved Budget: $5,600,000
Contingency Allowance: $417,000
Contingency Balance: 100%
Project Completion: July 2012

	Funded	Planned
Bond-Series 2010	$5,600,000	$0
Total	$5,600,000	$0

This project involves two-story additions to both wings of the existing Marcum Conference Center, adding 24 new guest rooms as well as renovations to the existing guest rooms creating some larger suites. Also included will be a new sprinkler system for the entire building as well as minor upgrades to the existing mechanical, electrical and plumbing systems. CMU walls and roof steel have been completed on the additions. Brick installation is underway. The existing second floor guest rooms are now offline and under renovation. The new electric substation has been installed and primary service has been switched over. The first floor conference rooms remain online and are being used during the construction process.

8. <u>Middletown Campus – Finkelman Auditorium Renovation:</u> (BOT Feb '11) **(Previous Report – In Design)**

Approved Budget: $2,593,696
Contingency Allowance: $191,934
Contingency Balance: 90%
Project Completion: April 2012

	Funded	Planned
State	$2,339,665	$254,031
Total	$2,339,665	$254,031

This project will address ADA and building code upgrades to this facility which has had no major renovation work since its construction in 1969. Work includes a new elevator, an upgrade to the restroom facilities in public and performer areas, replacement and adjustment of auditorium seating to

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Middletown Campus – Finkelman Auditorium Renovation: (continued)

ADA requirements, a new fire alarm system, and the installation of new floor and wall finishes throughout the renovation areas. Additional work includes replacement of the current roof system which has exceeded its serviceable life and lost integrity in several locations. Construction is in progress.

9. Old Manse – Honors Relocation: (New Project This Report)

Approved Budget: $130,000
Contingency Allowance: $6,250
Contingency Balance: 100%
Project Completion: March 2012

	Funded	Planned
Local	$130,000	$0
Total	$130,000	$0

This project will relocate the Honors Department to Old Manse and includes miscellaneous items such as carpeting, painting, ceiling tiles, lighting, foundation waterproofing, perimeter drainage, and limited power/data outlet relocations.

10. Steam Plant Storm and Sanitary Improvements:

Approved Budget: $196,020
Contingency Allowance: $16,733
Contingency Balance: 51%
Project Completion: November 2011

	Funded	Planned
Auxiliary-CR&R	$196,020	$0
Total	$196,020	$0

This project involves the re-route of the storm and sanitary lines as they exit the Steam Plant building. Additionally, the sanitary in the basement will be collected through a new trench style drain that will be installed in the basement floor. Work is complete. **This will be the last report.**

11. Student Housing Door Replacement:

Approved Budget: $335,000 (Revised since last report - $255,000)
Contingency Allowance: $39,295
Contingency Budget: 65%
Project Completion: July 2012 (Revised since last report - January 2012)

	Funded	Planned
Bond-Series 2010	$335,000	$0
Total	$335,000	$0

During the survey of doors for the Student Housing Door Security Project, approximately 670 doors were identified to be replaced because of existing vents or damage. In order to provide a higher level of safety and security the vented doors will be replaced with the equivalent of a 20-minute fire rated door. The original scope of this project is complete. Peabody Hall was identified during the Door Security Upgrade project as requiring new doors. This work is planned to occur during the summer of 2012.

Under Construction

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Physical Facilities Department
Status of Capital Projects Report

12. Yager Stadium – Cradle of Coaches Plaza Statues:

Approved Budget: $950,000
Contingency Allowance: $40,000
Contingency Balance: 41%
Project Completion: October 2011

	Funded	Planned
Local	$950,000	$0
Total	$950,000	$0

This project is for the design and installation of nine, larger-than-life bronze statues at the Cradle of Coaches Plaza at the south end of Yager Stadium. The sculptor was selected following requests for proposals and a presentation to the Statue Committee. The statue of Tom Van Voorhis was installed in October 2009. The first three coach statues (Cozza, Dietzel, and Ewbank) were installed for the 2010 Homecoming event. The Blaik, Parseghian, Pont, and Schembechler statues were installed for the Miami vs. Army game on October 8, 2011. The final statue, Paul Brown, will be in place for the 2012 football season.

13. Yager Stadium Restoration Phase 1:

Approved Budget: $300,000
Contingency Allowance: $23,000
Contingency Balance: 100%
Project Completion: September 2011

	Funded	Planned
Local	$300,000	$0
Total	$300,000	$0

This project will begin a three-phase restoration plan for Yager Stadium to be completed over the next three summers. Each phase will have a project budget of $250,000-$300,000 and will restore a portion of the west stands. Restoration will include concrete repair, sealing, and waterproofing. Phase 1 of the project is complete. **This will be the last report.**

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Status of Capital Projects Report

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IN DESIGN
(Pre-Contract)

1. **Bishop Hall Renovation:**
   Estimated Budget: $7,850,000 (Revised since last report - $7,000,000)
   Estimated Start: May 2012
   Estimated Completion: July 2013

	Funded	Planned
Bond-Series 2010	$7,850,000	$0
Total	$7,850,000	$0

This project will renovate Bishop Hall. Existing Honors Program office space will be reconfigured and returned to housing use. The areas of the ground level and first floor will be reconfigured. All building systems including HVAC, electrical, plumbing and data will be upgraded. A fire suppression system and an elevator will be added to the building. The design development documents were submitted on November 24 and are under review.

2. **Culinary Support Center (CSC) Emergency Generator: (New Project This Report)**
   Estimated Budget: $369,095
   Estimated Start: March 2012
   Estimated Completion: August 2012

	Funded	Planned
Auxiliary CR&R	$18,500	$350,595
Total	$18,500	$350,595

This project will install an emergency generator and automatic transfer switch to provide emergency power for the entire Culinary Support Center building in the event of a normal source power failure.

3. **King Library Emergency Generator Upgrade:**
   Estimated Budget: $298,790 (Revised since last report - $200,000)
   Estimated Start: April 2012 (Revised since last report - January 2012)
   Estimated Completion: September 2012 (Revised since last report - May 2012)

	Funded	Planned
State	$21,290	$277,500
Total	$21,290	$277,500

This project will remove the existing generator and increase the size of the emergency generator to handle additional emergency lighting and HVAC equipment of the Rare Book Vault. The project budget was increased to include the construction of a room on the third floor to house the Rare Book Vault HVAC equipment. The project schedule was extended as a result of this increased scope. The construction documents have been reviewed and are being revised.

Miami University
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Status of Capital Projects Report

4. <u>Maplestreet Station – New Dining & Residence Hall:</u> (BOT Jun '11)

Estimated Budget: $24,000,000
Estimated Start: January 2012 (Revised since last report - October 2011)
Estimated Completion: June 2013 (Revised since last report - January 2013)

	Funded	Planned
Bond-Series 2010	$24,000,000	$0
Total	$24,000,000	$0

As part of the Student Housing Long Range Master Plan, a new dining facility with residences on the second floor will be built on Maple Street just south of Hiestand Hall. The 500-seat dining facility will replace the Hamilton and Scott Dining Halls, with additional capacity to handle the planned expansion of residential units at the Morris, Emerson, Tappan (MET) quad. Maplestreet Station will feature seven restaurants with unique menus, design themes, and interior and exterior café seating. The second floor residence area is configured in an open suite floor plan for upper classmen. The project has undergone value engineering and was rebid. Those bids are currently being evaluated. Construction is scheduled to begin in January 2012.

5. <u>Maplestreet Station Site Infrastructure:</u>

Estimated Budget: $4,000,000 (Revised since last report - $6,000,000)
Estimated Start: May 2012 (Revised since last report - January 2012)
Estimated Completion: April 2013

	Funded	Planned
Bond-Series 2010	$4,000,000	$0
Total	$4,000,000	$0

This project will provide site infrastructure improvements to support the construction of two new buildings in the MET (Morris, Emerson, Tappan) Quad. Utility upgrades will include steam/condensate, chilled water, storm, sanitary, water, gas and information technology. Tunnel spurs to the new buildings will be constructed to house the heating/cooling piping and conveyance for IT. The South Chiller Plant will have its CFC R-11 chiller replaced as part of this project in the winter of 2012-13. The project is currently in the construction document phase, including performing a life cycle cost analysis on the chiller pre-purchase. The funding was reduced to reflect the associate's design development estimate for the project. The start date was moved back to coincide with bidding the Western Campus Site Infrastructure project and the completion date was revised to allow for the final steam tie-in work during the campus-wide steam outage which occurs every year in May.

Miami University
Physical Facilities Department
Status of Capital Projects Report

6. Millett Hall Emergency Generator and Emergency Lighting Upgrade:

Estimated Budget: $191,163 (Revised since last report - $311,512)
Estimated Start: March 2012
Estimated Completion: September 2012

	Funded	Planned
State	$26,504	$164,659
Total	$26,504	$164,659

This project will install a 60kw emergency generator to replace the existing 30kw generator which is outdated and unreliable. The increase in size will provide more emergency lighting to the arena to meet new standards. Bids were received and release of funding from the State to award construction contracts is currently in progress. Timing of work has been coordinated with the activities scheduled in the facility and will proceed accordingly.

7. Morris-Emerson-Tappan (MET) Quad Residence Hall: (BOT Jun '11)

Estimated Budget: $23,000,000
Estimated Start: April 2012 (Revised since last report - March 2012)
Estimated Completion: July 2013

	Funded	Planned
Bond-Series 2010	$23,000,000	$0
Total	$23,000,000	$0

This project will create a new residence hall on the north end of the existing quad with Morris, Emerson, and Tappan Halls as part of the Student Housing Long Range Master Plan. This new residence hall will house approximately 230 students. Design development documents are under review.

8. Recreational Sports Center Partial Roof Repairs and Replacement Project:

Estimated Budget: $421,060
Estimated Start: March 2012
Estimated Completion: June 2012

	Funded	Planned
Local	$421,060	$0
Total	$421,060	$0

This project will replace two flat roof areas on the west side of the building and install a new snow/ice guard system throughout. The existing membrane of this roof is 17 years old and is delaminating from the substructure and insulation. Part of this same roof system was replaced in 2008 for essentially the same failures. The project is currently in the construction document phase.

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Status of Capital Projects Report

9. Shideler Hall Fume Hood Exhaust Renovation:

Estimated Budget: $175,000
Estimated Start: March 2012
Estimated Completion: June 2012

	Funded	Planned
Local	$175,000	$0
Total	$175,000	$0

This project will involve upgrades to the four fume hood manifold systems in conjunction with rooms 013S, 025, 128A, and 027. This will include the removal of the old fan and installation of two new dilution fans, upgrade of existing pneumatic controlled ventilation with DDC controls, asbestos abatement on transit ductwork, and alterations to return paths, along with superstructure painting in Rooms 013S and 128A. The project is progressing through the schematic design/design development phase. Dilution fans and plenum assembly pre-purchase bids have been received; arrangements are being made to pre-purchase ventilation and controls equipment from Siemens under State term contract. The pre-purchase of long lead time items will enable the majority of work to be completed during spring break.

10. Steam Plant MCC Replacement:

Estimated Budget: $437,000 (Revised since last report - $250,000)
Estimated Start: May 2012
Estimated Completion: June 2012

	Funded	Planned
State	$33,500	$373,500
Auxiliary CR & R	$30,000	$0
Total	$63,500	$373,500

This project will replace the existing Motor Control Centers (MCC) and replace and relocate one Power Distribution Panel (PDP) at the Steam Plant. The existing electrical equipment has reached the end of its useful life, is prone to failure and replacement parts are no longer available. The project cost increase was the result of redundant feeders for critical systems being added. The project is in the design development phase.

11. Western Campus Electrical Modifications:

Estimated Budget: $1,000,000
Estimated Start: March 2012
Estimated Completion: August 2012

	Funded	Planned
Bond-Series 2010	$1,000,000	$0
Total	$1,000,000	$0

This project will extend the Switch House #4 feeder from the south, currently ending at Presser Hall to the north for a 12.5 kv electrical service switch for new buildings north of Mary Lyon Hall. It will continue to connect to the 12.5 kv feeder from Switch House #7. The scope of work has been defined and the selection of the A/E for design is complete. The project is in the design development phase.

Miami University
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Status of Capital Projects Report

12. <u>Western Campus Dining Hall:</u> (BOT Jun '11) **(Revised since last report – Western Campus Residence Halls and Dining)**

Estimated Budget: $19,500,000
Estimated Start: June 2012
Estimated Completion: January 2013

	Funded	Planned
Bond-Series 2010	$19,500,000	$0
Total	$19,500,000	$0

The Western Campus Residence Halls and Dining was originally one project. This project has been split into separate projects because the residence halls will be developed using a design-build approach, while the dining facility will utilize a single prime contractor bidding method of delivery. This project will create a new 625 seat dining facility northwest of Mary Lyon Hall to serve the three new residence halls as well as the existing population on the Western Campus. Alexander Dining Hall will close when the facility opens. The project is in the design development phase with review documents due in February 2012.

13. <u>Western Campus Residence Halls:</u> (BOT Jun '11) **(Revised since last report – Western Campus Residence Halls and Dining)**

Estimated Budget: $65,100,000
Estimated Start: May 2012
Estimated Completion: January 2014

	Funded	Planned
Bond-Series 2010	$65,100,000	$0
Total	$65,100,000	$0

The Western Campus Residence Halls and Dining was originally one project. This project has been split into separate projects because the residence halls will be developed using a design-build approach, while the dining facility will utilize a single prime contractor bidding method of delivery. This project will create three new residence halls with a total of 693 beds on the north end of the Western Campus. The University is waiting for approval from the State to proceed with design-build procurement. This approval is expected in early February 2012. Preparations are underway for documents to select criteria architect and design-build firm.

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Status of Capital Projects Report

14. <u>Western Campus Site Infrastructure:</u>

Estimated Budget: $15,000,000 (Revised since last report - $11,800,000)
Estimated Start: May 2012 (Revised since last report - March 2012)
Estimated Completion: January 2014 (Revised since last report - July 2013)

	Funded	Planned
Bond-Series 2010	$14,8783,100	$0
Auxiliary CR&$	$126,900	$0
Total	$15,000,000	$0

This project will provide site infrastructure improvements to support the construction of four new buildings on Western Campus. Utility upgrades will include heating, hot water, chilled water, storm, sanitary, water, gas, and information technology. Tunnel spurs to the new buildings will be constructed to house the heating/cooling piping and conveyance for IT. The heating and cooling needs for these three buildings will be fed from a new geothermal well field. A central heat pump facility will be part of this improvement. The start and completion dates have been moved to better align with the four new buildings planned for the Western Campus. Three of the new buildings will be design-build and the State of Ohio is currently working on contractual language for this new delivery method. The estimate has been adjusted from the preliminary master planning effort as the scope of work was more precisely defined and modified to service the housing and dining projects as their designs were developed. This adjustment is offset by reduced scope and budget of the Maplestreet Station Site Infrastructure project from the original planning budget. Part of the cost escalation can be attributed to providing the capacity to handle the domestic hot water needs for the new buildings. The project is currently in the construction document phase.

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IN PLANNING
(Pre-A&E)

1. **Cook Field Renovation:**
   Proposed Budget: $3,483,800 (Revised since last report - $3,500,000)
   Desired Start: May 2012
   Desired Completion: November 2012

	Funded	Planned
TBD	$0	$3,483,800
Total	$0	$3,483,800

This project will renovate Cook Field to improve use and playability of the University's major recreation sports playfield. A programmatic study identified an initial project scope and budget to include adding irrigation along with storm water detention, planting new natural sports turf on the south half of the field and a synthetic turf surface to the north half of the field, improving under field storm drainage, repaving the running track around the field, replacing softball backstops, adding a restroom and storage facility, and reworking parking around Cook Field to enhance pedestrian access as well as improving vehicular safety. The project would be done in two phases with the synthetic field being completed in late spring to summer followed by the natural turf installation in the fall. An RFQ for consulting design services has been issued with design and construction documents to be prepared over the winter months.

2. **Recreational Sports Center – Service Counter and Fitness Center Renovations: (New Project This Report)**
   Proposed Budget: $750,000
   Desired Start: September 2012
   Desired Completion: June 2013

	Funded	Planned
Bond Series 2010	$750,000	$0
Total	$750,000	$0

This project will open up the existing customer service, food service, pro shop, and office/storage areas to expand the pro shop and flexible fitness center functions.

Miami University
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Status of Capital Projects Report

3. <u>University Stables – Equestrian Center Feasibility Study:</u>

Proposed Budget: $69,480
Desired Start: April 2012
Desired Completion: October 2012

	Funded	Planned
Auxiliary-CR&R	$69,480	$0
Total	$69,480	$0

This study will investigate the feasibility of upgrading and expanding the equestrian center on its existing site. The study will address horse and user safety, manipulation of flood plain, and programming to meet the needs of an expanding and popular equestrian program. Key components of the new center include a barn for 60-75 horses, an indoor arena for teaching, lessons and events, a classroom, and related support facilities. The study will provide a master plan with illustrations suitable for donor presentations, preliminary budget estimates and a project schedule. The study is complete. **This will be the last report.**

ATTACHMENT O

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ATTACHMENT O

Miami University
Physical Facilities Department
Status of Capital Projects Report

Summary of Active Projects

	Number of Projects	Value
Under Construction	13	$63,141,492
In Design	14	$161,342,108
In Planning	3	$4,303,280
	Total	$228,786,880

Projects Completed Since Last Report

Center for Performing Arts – Stage Life	$244,895
Elliott and Stoddard Hall Renovations	$9,000,000
Hamilton Campus – Computing Services Renovation	$232,900
Hamilton Campus – Mosler Hall Ceiling Renovation	$1,176,952
Hamilton Campus – Phelps Hall Theater Classroom 307 Renovation	$98,600
Hamilton Campus – Student and Recreation Parking Lot Renovation	$1,400,000
Harris Dining Hall Controls	$193,161
Harris Dining Hall Elevator Upgrades	$392,871
Harris Dining Hall HVAC Replacement	$1,711,839
Harris Dining Hall – Serving Area and Lighting Upgrades	$651,150
Havighurst Halls Controls	$210,000
Havighurst Hall Systems Upgrades	$1,850,000
Hughes Hall “A” Laboratory Renovation	$3,019,930
Hughes Steam Line Replacement	$136,456
Main Steam Line Expansion Joint Replacement	$178,500
McGuffey Steam Line Replacement	$496,238
Middletown Campus – Verity Lodge Renovation	$262,906
Ogden, Porter and Mary Lyon Hall Electrical Improvements	$1,250,000
Phillips Hall Art Center	$2,578,541
Shriver Center Roof Replacement	$210,000
Shriver Steam Line Replacement	$175,000
Student Housing Door Security Upgrades	$5,600,000
Student Housing Fire Suppression and Electrical Upgrades	$3,000,000
Upham Hall Anthropology Teaching Lab Renovation	$200,000
	$34,269,939

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New Projects Over $250,000

Culinary Support Center (CSC) Emergency Generator	**Page 9, Item 2**
Recreational Sports Center – Service Counter and Fitness Center Renovations	**Page 15, Item 2**

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UNDER CONSTRUCTION
(Under Contract)

1. <u>Armstrong Student Center, Phase One:</u> (BOT Sep '11) **(Previous Report – In Design)**
Approved Budget: $46,400,000
Contingency Allowance: $2,145,302
Contingency Balance: 100%
Project Completion: January 2014

	Funded	Planned
Student Facilities-CR&R	$50,000	$0
Bond-Series 2010	$46,191,474	$0
MUF Gifts	$158,526	$0
Total	$46,400,000	$0

Seibert
This project provides spaces for student organizations, student engagement activities, food service venues, a theater, lounges and various ancillary spaces. The design concept has been modified to include the renovation of Gaskill, Rowan and Culler Halls, along with the new structure that will be situated between and connect the existing buildings into one new facility. The design will be developed to allow the project to be bid and constructed in two phases. Phase I will include a majority of the new construction and the renovation of Gaskill and Rowan Halls. Phase II will renovate Culler Hall and provide new construction required to join it with Phase I. Construction is underway. Site clearing for staging, interior selective deconstruction of Rowan Hall, and façade and roof deconstruction for modification of Gaskill Hall are all occurring at this time. The contractors are also placing key footers and foundation walls in the existing parking lot between Rowan and Gaskill Halls in preparation for excavation and placement of basement infill elements between the two facilities. The next several months will see a majority of the excavation, footer, foundation and inbound underground utility work as the new infill works its way out of the ground.

2. <u>Central Campus Chilled Water Modifications:</u> (BOT Jun '11) **(Previous Report – In Design)**
Approved Budget: $2,330,000 (Revised since last report - $2,600,000)
Contingency Allowance: $181,348
Contingency Balance: 100%
Project Completion: August 2012

	Funded	Planned
Auxiliary CR&R	$2,330,000	$0
Total	$2,330,000	$0

Hammerle
The Armstrong Student Center will require increased capacity to the chilled water system in order to support the cooling needs of the building. This project will include the installation of a new chiller in the South Chiller Plant which will replace the outdated, unreliable two-stage absorption chiller. It will also include the installation of new, larger piping from that plant to the chilled water pipe grid in the area of the new student center. Schematic design is in progress; construction is anticipated to begin in late fall 2011 to align more effectively with the Armstrong Student Center construction sequencing. The chiller pre-purchase has been awarded. Construction bids have been opened and the process of awarding contracts is underway.

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3. <u>Central Campus Electrical Modifications:</u> (BOT Jun '10)

Approved Budget: $3,447,333 (Revised since last report - $3,272,333)
Contingency Allowance: $646,311
Contingency Balance: 3%
Project Completion: November 2011

	Funded	Planned
Bond-Series 2010	$2,885,370	$0
Auxiliary-CR&R	$561,963	$0
Total	$3,447,333	$0

Patterson

Electrical substation #1 is located in Gaskill Hall which is now scheduled for adaptive reuse renovation for the Armstrong Student Center. This project will make timely modifications to the primary electrical distribution system in this area of campus with the relocation of the substation. All underground work is complete and the building for the new switch house #1 is complete. Wiring and new pieces of electrical distribution equipment are being installed at this time. During installation of this project existing defective wiring was discovered in Feeders W, A, M and 450. These feeders were not originally part of the project but for reliability and safety reasons the corrections need to be made at this time. The Utility Enterprise Auxiliary provided increased funding to the project contingency for this work which is reflected in the adjustments to the budget noted above. **This will be the last report.**

4. <u>Hamilton Hall Roof Repairs:</u>

Approved Budget: $184,460
Contingency Allowance: $15,300
Contingency Balance: 100%
Project Completion: November 2011 (Revised since last report - October 2011)

	Funded	Planned
Bond-Series 2010	$184,460	$0
Total	$184,460	$0

Bradley

This project will address the repair or replacement of deteriorated valleys and flashings at various locations on the roof and dormers, and replace broken shingles. Construction is complete. **This will be the last report.**

5. <u>Hughes Hall Heat Recovery/Process Chilled Water Expansion:</u>

Approved Budget: $624,983
Contingency Allowance: $52,980
Contingency Balance: 100%
Project Completion: October 2011

	Funded	Planned
State	$624,983	$0
Total	$624,983	$0

Hammerle

This project will expand the capacity of the process chilled water loop via use of a heat recovery chiller. In addition, a runaround heat recovery system will be installed in the eastern wing of Hughes Hall. All systems are operational and project is in close-out. **This will be the last report.**

Under Construction

Miami University
Physical Facilities Department
Status of Capital Projects Report

6. <u>Laws Hall – AIMS Relocation:</u> (New Project This Report)

Approved Budget: $50,000
Contingency Allowance: $4,550
Contingency Balance: 100%
Project Completion: January 2012

	Funded	Planned
Local	$50,000	$0
Total	$50,000	$0

Christian

This project will upgrade interior finishes in the AIMS suite at Laws Hall, including painting, carpeting and electronic displays.

7. <u>Marcum Conference Center Addition and Renovation:</u> (BOT Dec '10)

Approved Budget: $5,600,000
Contingency Allowance: $417,000
Contingency Balance: 100%
Project Completion: July 2012

	Funded	Planned
Bond-Series 2010	$5,600,000	$0
Total	$5,600,000	$0

Riggs

This project involves two-story additions to both wings of the existing Marcum Conference Center, adding 24 new guest rooms as well as renovations to the existing guest rooms creating some larger suites. Also included will be a new sprinkler system for the entire building as well as minor upgrades to the existing mechanical, electrical and plumbing systems. CMU walls and roof steel have been completed on the additions. Brick installation is underway. The existing second floor guest rooms are now offline and under renovation. The new electric substation has been installed and primary service has been switched over. The first floor conference rooms remain online and are being used during the construction process.

8. <u>Middletown Campus – Finkelman Auditorium Renovation:</u> (BOT Feb '11) **(Previous Report – In Design)**

Approved Budget: $2,593,696
Contingency Allowance: $191,934
Contingency Balance: 90%
Project Completion: April 2012

	Funded	Planned
State	$2,339,665	$254,031
Total	$2,339,665	$254,031

Bradley

This project will address ADA and building code upgrades to this facility which has had no major renovation work since its construction in 1969. Work includes a new elevator, an upgrade to the restroom facilities in public and performer areas, replacement and adjustment of auditorium seating to

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Middletown Campus – Finkelman Auditorium Renovation: (continued)

ADA requirements, a new fire alarm system, and the installation of new floor and wall finishes throughout the renovation areas. Additional work includes replacement of the current roof system which has exceeded its serviceable life and lost integrity in several locations. Construction is in progress.

9. Old Manse – Honors Relocation: (New Project This Report)

Approved Budget: $130,000
Contingency Allowance: $6,250
Contingency Balance: 100%
Project Completion: March 2012

	Funded	Planned
Local	$130,000	$0
Total	$130,000	$0

Christian

This project will relocate the Honors Department to Old Manse and includes miscellaneous items such as carpeting, painting, ceiling tiles, lighting, foundation waterproofing, perimeter drainage, and limited power/data outlet relocations.

10. Steam Plant Storm and Sanitary Improvements:

Approved Budget: $196,020
Contingency Allowance: $16,733
Contingency Balance: 51%
Project Completion: November 2011

	Funded	Planned
Auxiliary-CR&R	$196,020	$0
Total	$196,020	$0

Archibald

This project involves the re-route of the storm and sanitary lines as they exit the Steam Plant building. Additionally, the sanitary in the basement will be collected through a new trench style drain that will be installed in the basement floor. Work is complete. **This will be the last report.**

11. Student Housing Door Replacement:

Approved Budget: $335,000 (Revised since last report - $255,000)
Contingency Allowance: $39,295
Contingency Budget: 65%
Project Completion: July 2012 (Revised since last report - January 2012)

	Funded	Planned
Bond-Series 2010	$335,000	$0
Total	$335,000	$0

Bell

During the survey of doors for the Student Housing Door Security Project, approximately 670 doors were identified to be replaced because of existing vents or damage. In order to provide a higher level of safety and security the vented doors will be replaced with the equivalent of a 20-minute fire rated door. The original scope of this project is complete. Peabody Hall was identified during the Door Security Upgrade project as requiring new doors. This work is planned to occur during the summer of 2012.

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12. Yager Stadium – Cradle of Coaches Plaza Statues:

Approved Budget: $950,000
Contingency Allowance: $40,000
Contingency Balance: 41%
Project Completion: October 2011

	Funded	Planned
Local	$950,000	$0
Total	$950,000	$0

Stephens

This project is for the design and installation of nine, larger-than-life bronze statues at the Cradle of Coaches Plaza at the south end of Yager Stadium. The sculptor was selected following requests for proposals and a presentation to the Statue Committee. The statue of Tom Van Voorhis was installed in October 2009. The first three coach statues (Cozza, Dietzel, and Ewbank) were installed for the 2010 Homecoming event. The Blaik, Parseghian, Pont, and Schembechler statues were installed for the Miami vs. Army game on October 8, 2011. The final statue, Paul Brown, will be in place for the 2012 football season.

13. Yager Stadium Restoration Phase 1:

Approved Budget: $300,000
Contingency Allowance: $23,000
Contingency Balance: 100%
Project Completion: September 2011

	Funded	Planned
Local	$300,000	$0
Total	$300,000	$0

Riggs

This project will begin a three-phase restoration plan for Yager Stadium to be completed over the next three summers. Each phase will have a project budget of $250,000-$300,000 and will restore a portion of the west stands. Restoration will include concrete repair, sealing, and waterproofing. Phase 1 of the project is complete. **This will be the last report.**

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IN DESIGN
(Pre-Contract)

1. **Bishop Hall Renovation:**
Estimated Budget: $7,850,000 (Revised since last report - $7,000,000)
Estimated Start: May 2012
Estimated Completion: July 2013

	Funded	Planned
Bond-Series 2010	$7,850,000	$0
Total	$7,850,000	$0

Christian

This project will renovate Bishop Hall. Existing Honors Program office space will be reconfigured and returned to housing use. The areas of the ground level and first floor will be reconfigured. All building systems including HVAC, electrical, plumbing and data will be upgraded. A fire suppression system and an elevator will be added to the building. The design development documents were submitted on November 24 and are under review.

2. **Culinary Support Center (CSC) Emergency Generator: (New Project This Report)**
Estimated Budget: $369,095
Estimated Start: March 2012
Estimated Completion: August 2012

	Funded	Planned
Auxiliary CR&R	$18,500	$350,595
Total	$18,500	$350,595

Patterson

This project will install an emergency generator and automatic transfer switch to provide emergency power for the entire Culinary Support Center building in the event of a normal source power failure.

3. **King Library Emergency Generator Upgrade:**
Estimated Budget: $298,790 (Revised since last report - $200,000)
Estimated Start: April 2012 (Revised since last report - January 2012)
Estimated Completion: September 2012 (Revised since last report - May 2012)

	Funded	Planned
State	$21,290	$277,500
Total	$21,290	$277,500

Patterson

This project will remove the existing generator and increase the size of the emergency generator to handle additional emergency lighting and HVAC equipment of the Rare Book Vault. The project budget was increased to include the construction of a room on the third floor to house the Rare Book Vault HVAC equipment. The project schedule was extended as a result of this increased scope. The construction documents have been reviewed and are being revised.

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4. Maplestreet Station – New Dining & Residence Hall: (BOT Jun '11)

Estimated Budget: $24,000,000
Estimated Start: January 2012 (Revised since last report - October 2011)
Estimated Completion: June 2013 (Revised since last report - January 2013)

	Funded	Planned
Bond-Series 2010	$24,000,000	$0
Total	$24,000,000	$0

McCarthy

As part of the Student Housing Long Range Master Plan, a new dining facility with residences on the second floor will be built on Maple Street just south of Hiestand Hall. The 500-seat dining facility will replace the Hamilton and Scott Dining Halls, with additional capacity to handle the planned expansion of residential units at the Morris, Emerson, Tappan (MET) quad. Maplestreet Station will feature seven restaurants with unique menus, design themes, and interior and exterior café seating. The second floor residence area is configured in an open suite floor plan for upper classmen. The project has undergone value engineering and was rebid. Those bids are currently being evaluated. Construction is scheduled to begin in January 2012.

5. Maplestreet Station Site Infrastructure:

Estimated Budget: $4,000,000 (Revised since last report - $6,000,000)
Estimated Start: May 2012 (Revised since last report - January 2012)
Estimated Completion: April 2013

	Funded	Planned
Bond-Series 2010	$4,000,000	$0
Total	$4,000,000	$0

Hammerle

This project will provide site infrastructure improvements to support the construction of two new buildings in the MET (Morris, Emerson, Tappan) Quad. Utility upgrades will include steam/condensate, chilled water, storm, sanitary, water, gas and information technology. Tunnel spurs to the new buildings will be constructed to house the heating/cooling piping and conveyance for IT. The South Chiller Plant will have its CFC R-11 chiller replaced as part of this project in the winter of 2012-13. The project is currently in the construction document phase, including performing a life cycle cost analysis on the chiller pre-purchase. The funding was reduced to reflect the associate's design development estimate for the project. The start date was moved back to coincide with bidding the Western Campus Site Infrastructure project and the completion date was revised to allow for the final steam tie-in work during the campus-wide steam outage which occurs every year in May.

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6. <u>Millett Hall Emergency Generator and Emergency Lighting Upgrade:</u>

Estimated Budget: $191,163 (Revised since last report - $311,512)
Estimated Start: March 2012
Estimated Completion: September 2012

	Funded	Planned
State	$26,504	$164,659
Total	$26,504	$164,659

Patterson

This project will install a 60kw emergency generator to replace the existing 30kw generator which is outdated and unreliable. The increase in size will provide more emergency lighting to the arena to meet new standards. Bids were received and release of funding from the State to award construction contracts is currently in progress. Timing of work has been coordinated with the activities scheduled in the facility and will proceed accordingly.

7. <u>Morris-Emerson-Tappan (MET) Quad Residence Hall:</u> (BOT Jun '11)

Estimated Budget: $23,000,000
Estimated Start: April 2012 (Revised since last report - March 2012)
Estimated Completion: July 2013

	Funded	Planned
Bond-Series 2010	$23,000,000	$0
Total	$23,000,000	$0

McCarthy

This project will create a new residence hall on the north end of the existing quad with Morris, Emerson, and Tappan Halls as part of the Student Housing Long Range Master Plan. This new residence hall will house approximately 230 students. Design development documents are under review.

8. <u>Recreational Sports Center Partial Roof Repairs and Replacement Project:</u>

Estimated Budget: $421,060
Estimated Start: March 2012
Estimated Completion: June 2012

	Funded	Planned
Local	$421,060	$0
Total	$421,060	$0

Bradley

This project will replace two flat roof areas on the west side of the building and install a new snow/ice guard system throughout. The existing membrane of this roof is 17 years old and is delaminating from the substructure and insulation. Part of this same roof system was replaced in 2008 for essentially the same failures. The project is currently in the construction document phase.

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9. Shideler Hall Fume Hood Exhaust Renovation:

Estimated Budget: $175,000
Estimated Start: March 2012
Estimated Completion: June 2012

	Funded	Planned
Local	$175,000	$0
Total	$175,000	$0

Rein

This project will involve upgrades to the four fume hood manifold systems in conjunction with rooms 013S, 025, 128A, and 027. This will include the removal of the old fan and installation of two new dilution fans, upgrade of existing pneumatic controlled ventilation with DDC controls, asbestos abatement on transit ductwork, and alterations to return paths, along with superstructure painting in Rooms 013S and 128A. The project is progressing through the schematic design/design development phase. Dilution fans and plenum assembly pre-purchase bids have been received; arrangements are being made to pre-purchase ventilation and controls equipment from Siemens under State term contract. The pre-purchase of long lead time items will enable the majority of work to be completed during spring break.

10. Steam Plant MCC Replacement:

Estimated Budget: $437,000 (Revised since last report - $250,000)
Estimated Start: May 2012
Estimated Completion: June 2012

	Funded	Planned
State	$33,500	$373,500
Auxiliary CR & R	$30,000	$0
Total	$63,500	$373,500

Patterson

This project will replace the existing Motor Control Centers (MCC) and replace and relocate one Power Distribution Panel (PDP) at the Steam Plant. The existing electrical equipment has reached the end of its useful life, is prone to failure and replacement parts are no longer available. The project cost increase was the result of redundant feeders for critical systems being added. The project is in the design development phase.

11. Western Campus Electrical Modifications:

Estimated Budget: $1,000,000
Estimated Start: March 2012
Estimated Completion: August 2012

	Funded	Planned
Bond-Series 2010	$1,000,000	$0
Total	$1,000,000	$0

Patterson

This project will extend the Switch House #4 feeder from the south, currently ending at Presser Hall to the north for a 12.5 kv electrical service switch for new buildings north of Mary Lyon Hall. It will continue to connect to the 12.5 kv feeder from Switch House #7. The scope of work has been defined and the selection of the A/E for design is complete. The project is in the design development phase.

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12. Western Campus Dining Hall: (BOT Jun '11) **(Revised since last report – Western Campus Residence Halls and Dining)**

Estimated Budget: $19,500,000
Estimated Start: June 2012
Estimated Completion: January 2013

	Funded	Planned
Bond-Series 2010	$19,500,000	$0
Total	$19,500,000	$0

McCarthy

The Western Campus Residence Halls and Dining was originally one project. This project has been split into separate projects because the residence halls will be developed using a design-build approach, while the dining facility will utilize a single prime contractor bidding method of delivery. This project will create a new 625 seat dining facility northwest of Mary Lyon Hall to serve the three new residence halls as well as the existing population on the Western Campus. Alexander Dining Hall will close when the facility opens. The project is in the design development phase with review documents due in February 2012.

13. Western Campus Residence Halls: (BOT Jun '11) **(Revised since last report – Western Campus Residence Halls and Dining)**

Estimated Budget: $65,100,000
Estimated Start: May 2012
Estimated Completion: January 2014

	Funded	Planned
Bond-Series 2010	$65,100,000	$0
Total	$65,100,000	$0

Bell

The Western Campus Residence Halls and Dining was originally one project. This project has been split into separate projects because the residence halls will be developed using a design-build approach, while the dining facility will utilize a single prime contractor bidding method of delivery. This project will create three new residence halls with a total of 693 beds on the north end of the Western Campus. The University is waiting for approval from the State to proceed with design-build procurement. This approval is expected in early February 2012. Preparations are underway for documents to select criteria architect and design-build firm.

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14. Western Campus Site Infrastructure:

Estimated Budget: $15,000,000 (Revised since last report - $11,800,000)
Estimated Start: May 2012 (Revised since last report - March 2012)
Estimated Completion: January 2014 (Revised since last report - July 2013)

	Funded	Planned
Bond-Series 2010	$14,8783,100	$0
Auxiliary CR&$	$126,900	$0
Total	$15,000,000	$0

Hammerle

This project will provide site infrastructure improvements to support the construction of four new buildings on Western Campus. Utility upgrades will include heating, hot water, chilled water, storm, sanitary, water, gas, and information technology. Tunnel spurs to the new buildings will be constructed to house the heating/cooling piping and conveyance for IT. The heating and cooling needs for these three buildings will be fed from a new geothermal well field. A central heat pump facility will be part of this improvement. The start and completion dates have been moved to better align with the four new buildings planned for the Western Campus. Three of the new buildings will be design-build and the State of Ohio is currently working on contractual language for this new delivery method. The estimate has been adjusted from the preliminary master planning effort as the scope of work was more precisely defined and modified to service the housing and dining projects as their designs were developed. This adjustment is offset by reduced scope and budget of the Maplestreet Station Site Infrastructure project from the original planning budget. Part of the cost escalation can be attributed to providing the capacity to handle the domestic hot water needs for the new buildings. The project is currently in the construction document phase.

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IN PLANNING
(Pre-A&E)

1. Cook Field Renovation:

Proposed Budget: $3,483,800 (Revised since last report - $3,500,000)
Desired Start: May 2012
Desired Completion: November 2012

	Funded	Planned
TBD	$0	$3,483,800
Total	$0	$3,483,800

Seibert

This project will renovate Cook Field to improve use and playability of the University's major recreation sports playfield. A programmatic study identified an initial project scope and budget to include adding irrigation along with storm water detention, planting new natural sports turf on the south half of the field and a synthetic turf surface to the north half of the field, improving under field storm drainage, repaving the running track around the field, replacing softball backstops, adding a restroom and storage facility, and reworking parking around Cook Field to enhance pedestrian access as well as improving vehicular safety. The project would be done in two phases with the synthetic field being completed in late spring to summer followed by the natural turf installation in the fall. An RFQ for consulting design services has been issued with design and construction documents to be prepared over the winter months.

2. Recreational Sports Center – Service Counter and Fitness Center Renovations: (New Project This Report)

Proposed Budget: $750,000
Desired Start: September 2012
Desired Completion: June 2013

	Funded	Planned
Bond Series 2010	$750,000	$0
Total	$750,000	$0

Christian

This project will open up the existing customer service, food service, pro shop, and office/storage areas to expand the pro shop and flexible fitness center functions.

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3. University Stables – Equestrian Center Feasibility Study:

Proposed Budget: $69,480
Desired Start: April 2012
Desired Completion: October 2012

	Funded	Planned
Auxiliary-CR&R	$69,480	$0
Total	$69,480	$0

Stephens

This study will investigate the feasibility of upgrading and expanding the equestrian center on its existing site. The study will address horse and user safety, manipulation of flood plain, and programming to meet the needs of an expanding and popular equestrian program. Key components of the new center include a barn for 60-75 horses, an indoor arena for teaching, lessons and events, a classroom, and related support facilities. The study will provide a master plan with illustrations suitable for donor presentations, preliminary budget estimates and a project schedule. The study is complete. **This will be the last report.**

ATTACHMENT O

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