Miami University
Board of Trustees Finance & Audit Committee Meeting
104 Roudebush Hall
December 1, 2010

The Finance and Audit Committee of the Miami University Board of Trustees met on December 1, 2010 in Room 104 Roudebush Hall on the Oxford Campus. The meeting was called to order at 12:30 p.m. by Board Vice Chair Donald Crain. Committee members David Herche and Sharon Mitchell, Trustees John Christie and Jagdish Bhati, and Student Trustee Matthew Shroder, were in attendance. Committee Chair David Shade arrived at the meeting during the Public Business Session.

In addition to the Trustees, the following Miami staff members attended all or part of the meeting: David Hodge, President; John Skillings, Interim Provost and Executive Vice President for Academic Affairs; David Creamer, Vice President for Finance and Business Services; Jayne Whitehead, Vice President, University Advancement; Stephen Snyder, Secretary to the Board of Trustees; Robin Parker, General Counsel; Beverly Thomas, Associate Vice President for Finance and Business Services; Dale Hinrichs, Controller; Bruce Guiot, Director of Investments and Treasury Services; Peter Miller, Associate Vice President for Auxiliaries; Robert Keller, Assistant Vice President for Facilities, Planning and Operations; Barbara Jena, Director, Internal Audit and Consulting Services; and Claire Wagner, Associate Director, University Communications.

Executive Session

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. At 1:15 p.m. the Committee adjourned the Executive Session and convened into the Public Business Session.

Fiscal Year 2010 Financial Statements and Audit Results

Kris Devine and Matt Phillippi of Deloite & Touche LLP presented and reviewed the auditor's standard disclosure letter (included as Attachment A), the management letter (Attachment B), and the auditor's report for the audited financial statements for fiscal year 2010 (Attachment C). Ms. Devine stated that the audit was an unqualified opinion and noted the University's cooperation and support in the preparation of the audit.

Report from Internal Audit and Consulting Services

Barbara Jena, Director of Internal Audit and Consulting Services, presented her annual report to the Finance and Audit Committee. Her report, comprised of the internal audit plan, the report on open issues, and the report on closed issues, is included as Attachment D.

Report on Year-to-Date Operating Results

Vice President Creamer reviewed the year-to-date operating results compared to budget, included as Attachment E. He reported that the revenue forecast based on the fall semester is positive, and the impact of ongoing cost control efforts is reflected in favorable expense variances. The most significant variance from budget is a reduction in the forecast for state appropriation by $5.1 million (of which $4.25 million relates to Oxford), reflecting the Board of Regents' announcement that the June payment will be deferred. Dr. Creamer stated that the Oxford and Hamilton campuses currently have sufficient budget flexibility to absorb the deferral, but the impact is more significant for the Middletown campus.

Enrollment Update

Interim Provost Skillings presented an update on applications. He reported that overall applications are up by 1,500, a 17 percent increase over last year at this time. Applications for non-resident students have increased 23 percent, or about 1,000 applications. The increases have occurred in all divisions, particularly in the Farmer School of Business and in the College of Arts and Science. He also noted that spring transfer student applications are up by 8 percent.

Dr. Skillings reviewed goals for the fall 2011 entering class. The class target is 3,450 to 3,500 first-year students with at least 50 more transfer students. He stated that efforts are in place to increase the percentage of non-residents from 33 to 34.5 percent and to increase the yield rate. Dr. Skillings stated that faculty members are heavily involved in yield activities to keep the quality of admitted students high.

Provost Skillings discussed initiatives underway concerning enrollment strategies. The search for an enrollment management professional is progressing, and interviews should take place early next semester. The search for the Admission Director is also proceeding, with interviews planned after the search for the enrollment management professional is concluded. Regional recruiters have been hired and are in place in the Northeast and California. Northeast applications are up by almost 200, (a 39 percent increase) and West coast applications are up by 107 (a 70 percent increase). The break-even point for covering the expenses of the recruiters is 25 more acceptances from each area. The target number is 75 more from each area within three years.

Dr. Skillings described additional enrollment strategy initiatives, including an active marketing campaign underway. Billboards and radio spots have been introduced in Cincinnati, Cleveland, Columbus, Toledo, Chicago, and Indianapolis. Early offers of admission and financial aid are being made. Additional international recruiting trips have been scheduled to the Middle East and Turkey, and to Indonesia and Vietnam. These two scheduled trips are in addition to existing trips in China and India. An English as a second language program will be offered for fall 2011 for 30 international students. He also reported that articulation agreements are being developed with Sinclair Community College and Cincinnati State Community College.

Dr. Skillings reported that longer term goals for enrollment management include increasing the non-resident student population to 40 percent; adding 100 additional transfer students; increasing the retention and graduation rate from 80 percent to 85 percent; and increasing the number of applications to 20,000.

Farmer School of Business Fee Ordinances

Roger Jenkins, Dean, Farmer School of Business; Ted Pickerill, Assistant Dean for Administration; and Brad Bays, Director of the MBA Program, reviewed proposed ordinances for increasing the per credit hour fee premium for majors in the Farmer School of Business (FSB) and for increasing the instructional fee for the Professional MBA program in the FSB. Dean Jenkins stated that an increase in the current $25 per credit hour premium is necessary to improve the competitiveness of business faculty salaries compared to other universities. For the current premium fee collected, approximately 70 percent is allocated to faculty salaries and the remainder to technology and additional staff in strategic areas. The proposed ordinance recommends increasing the $25 per credit hour fee currently assessed to $50 per credit hour for academic year 2011-2012; to $75 per credit hour for academic year 2012-2013; and $100 per credit hour effective for the 2013-2014 academic year. The fee would only be assessed to FSB majors and not to other divisional majors taking Miami Plan courses in the FSB or on the Regional Campuses.

After a comprehensive discussion, members of the Finance and Audit Committee agreed to recommend approval of the Farmer Business School premium fee ordinance to the Board of Trustees at its December 10, 2010 meeting.

Mr. Bays explained that Miami's Professional MBA Program conducted at the Voice of America Learning Center is becoming very competitive locally and is encouraged by the enrollment in its second year of existence. The request to increase the MBA Program fee is based on the pricing for similar programs in the Cincinnati area, and the proposal is to raise the fee from the current $750 per credit hour to $780 per credit hour, effective with the fall 2011 cohort.

Members of the Finance and Audit Committee agreed to recommend approval of the Professional MBA Program fee increase ordinance to the Board of Trustees at its December 10, 2010 meeting.

Investment Subcommittee Recommendations

Vice President Creamer presented a resolution to approve the endowment spending formula, maintain the same formula as last year. The resolution was recommended for approval by the Investment Subcommittee at its meeting earlier in the day. Members of the Finance and Audit Committee agreed to recommend approval of the endowment spending formula resolution to the Board of Trustees at its December 10, 2010 meeting.

Vice President Creamer and Vice President Whitehead reviewed a proposed resolution to increase the endowment administrative fee from the current .50 percent to 1.00 percent of the previous fiscal year's March 31 value of the endowment assets. The rationale for the increase is to assist in expanding fund-raising initiatives for University Advancement through the hiring of ten additional fund-raisers. Members of the Finance and Audit Committee agreed to recommend approval of the resolution to increase the administrative fee to the Board of Trustees at its December 10, 2010 meeting.

Mr. Crain stated that the Investment Subcommittee discussed possible changes to its governance structure, and that those discussions will continue at future committee meetings.

Update on Bond Issuance

Vice President Creamer presented an update on the preparations for the bond issuance authorized by the Board of Trustees in September. A team of financial advisor, underwriter, legal counsel, and staff have been assembled and have been evaluating market conditions and alternative strategies. As part of the preparation process, legal counsel identified some technical amendments to the September resolution and Dr. Creamer reviewed the changes in the proposed amended resolution. Members of the Finance and Audit Committee agreed to recommend approval of the amended bond issuance resolution to the Board of Trustees at its December 10, 2010 meeting.

Facilities Reports and Resolutions

Vice President Creamer and Assistant Vice President Keller presented an update on the design/build proposals for the student housing and dining project. The selection process has identified two teams for further consideration and the final selection should be made later in December. Dr. Creamer stated that both teams made strong presentations with competitive cost proposals and both were able to offer options for continuing the projects under their leadership should the University be unsuccessful in securing the legislative changes needed to undertake the projects using a developer-led design/build approach.

Dr. Creamer, Associate Vice President Miller, and Assistant Vice President Keller reviewed the following six construction resolutions related to the student housing master plan and financed by the proposed bond issuance:

- Student Housing Door Security Upgrades Project
- Student Housing Fire Suppression Upgrades Project
- Elliott and Stoddard Hall Renovations Project
- Havighurst HVAC and Chiller Replacement Project
- Marcum Conference Center Addition and Renovation Project
- Harris Dining Hall HVAC Replacement Project

Following discussions and the assurance that adequate construction project management will be provided throughout the construction process, members of the Finance and Audit Committee agreed to recommend approval of the six student housing construction resolutions to the Board of Trustees at its December 10, 2010 meeting.

Vice President Creamer presented a resolution to award contracts for the Hughes Hall Laboratory (A) Renovation Project, and members of the Finance and Audit Committee agreed to recommend approval of the laboratory renovation resolution to the Board of Trustees at its December 10, 2010 meeting.

Vice President Creamer presented an amended resolution for the Greentree Health Science Academy lease agreement originally passed at the June 25, 2010 Board of Trustees meeting. Dr. Creamer explained an amended resolution is necessary to reflect added space assigned to Miami University in the new facility. Members of the Finance and Audit Committee agreed to recommend approval of the amended lease agreement resolution to the Board of Trustees at its December 10, 2010 meeting.

Miami University Identity Theft Prevention Program Resolution

Vice President Creamer and General Counsel Parker presented a resolution to adopt an identity theft prevention program required under FTC regulations. Ms. Parker reported that the provisions stipulated in the program are already in effect at Miami

University. Members of the Finance and Audit Committee agreed to recommend approval of the resolution to the Board of Trustees at its December 10, 2010 meeting.

Report on Child Care Programs

Vice President Creamer and Associate Vice President Miller presented a report on comparative costs of child care programs in the region and at other Ohio universities, and a revenue and expense report for the Hamilton Campus child care facility, included as Attachment F. Dr. Creamer noted that the Finance and Audit Committee had requested a report following consideration of child care fees at the June committee meeting.

Committee Agenda Priorities

Committee members reviewed the Forward Twelve Month Agenda, included as Attachment G, and had no recommended changes.

Miscellaneous Reports

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

- University Advancement Capital Campaign Update (Attachment H)
- Status of Capital Projects Report (Attachment I)
- Cash and Investments Report (Attachment J)

Executive Session

At 3:45 p.m. 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. At 4:45 p.m. the Committee adjourned the Executive Session and with no other business to come before the Committee, the meeting was adjourned.

Stephen D. Snyder
Secretary to the Board of Trustees

Deloitte.

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October 15, 2010

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, 2010, 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 15, 2010.

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, 2010. 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, 2010 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 15, 2010, 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 2010 financial statements include:

- The allowances for uncollectible student receivables, pledges receivable and loans receivable
- Investments valued and recorded at $30,344,879 (2.8% 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, 2010, 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 2010 financial statements. During the year ended June 30, 2010, 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 2010 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 15, 2010, 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

REPRESENTATION LETTER
Miami University
Year Ended June 30, 2010

October 15, 2010

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, 2010 and 2009, 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 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 and implementation 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 made available to you all:

   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 made available 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, short sellers, 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 Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 450, *Contingencies* (formerly FASB Statement No. 5, *Accounting for Contingencies*).

8. 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. In addition, the University has accurately completed the appropriate sections of the data collection form.

9. 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.

10. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that 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.

11. 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 Compliance Supplement dated June 2010.

    b. Complied, in all material respects, with the requirements identified above in connection with federal awards except as disclosed in the Schedule of Findings and Questioned Costs.

    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 management corrective action plans on the reported findings, conclusions, and recommendations for your report.

12. 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.

13. We have included in the corrective action plan for current-year findings, the name of the person in our organization responsible for implementation of the actions, the best actions to be taken, and the estimate of a completion date. We have taken timely and appropriate steps to remedy fraud, illegal acts, violations of provisions of contracts or grant agreements, or abuse that you report.

14. 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.

15. We have adopted the provisions of GASB Statement No. 39 of the Governmental Accounting Standards Board, *Determining Whether Certain Organizations Are Component Units*, an amendment of Statement No. 14 of the Governmental Accounting Standards Board, The Financial Reporting Entity, as of July 1, 2003. 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.

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

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

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

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

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

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

22. 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.

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

Except where otherwise stated below, matters less than $3,100,000 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.

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

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

26. 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.

27. 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.

28. 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.

29. 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* (formerly FASB Statement No. 5, *Accounting for Contingencies*).

30. 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 except as disclosed in footnote six of the financial statements.

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

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

33. 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

34. No events have occurred after June 30, 2010 that require consideration as adjustments to or disclosures in the financial statements.

35. Management has disclosed whether, subsequent to June 30, 2010, 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.

36. 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, 2009 to June 30, 2010 that has materially affected, or is reasonably likely to materially affect, the University's internal control over financial reporting.

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

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

39. 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.

40. 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, 2010 that require adjustment to the fair value measurements and disclosures included in the financial statements.

40. 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.

41. 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.

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

43. 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.

44. 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.

45. 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.

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

47. 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 authority under the provisions of FASB ASC 450, Contingencies (formerly FASB Statement No. 5, Accounting for Contingencies). Furthermore, we have not received either written or oral tax opinions that are contrary to our assessment.

48. 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.

49. 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.

50. 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.

51. 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.

52. The University is not aware of any non-compliance with the Foreign Corrupt Practices Act.

53. As of June 30, 2010, the University has accurately reported all commitments to future contractual obligations for capital expenditures within Footnote 10 of the financials.

Attachment B

Deloitte.

Deloitte & Touche LLP
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October 15, 2010

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, 2010 (on which we have issued our report dated October 15, 2010), 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, 2010, that we wish to bring to your attention.

Although we have included management's written response to our comments 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 organization 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

SECTION I — DEFICIENCIES

We identified, and have included below, deficiencies involving the Company's internal control over financial reporting as of June 30, 2010, that we wish to bring to your attention:

JOURNAL ENTRY APPROVAL

Observations:

During our testing of journal entries, we noted one of our selected entries was a large year-end entry which, according to University policy, would not have been approved until after the financial statements were almost complete. The entry resulted in no change at the financial statement level; however, failure to review significant year-end journal entries in a timely fashion could result in errors on the financial statements.

Recommendations:

The University should consider enhancing the journal entry review policy to require significant year-end journal entries be reviewed by supervisors prior to a journal entry being entered and the financial statements completed.

Management Response:

The journal entry review policy will be updated and all material year-end journal entries will be reviewed prior to data entry.

SECTION II — OTHER MATTERS

Our observations concerning other matters related to operations, compliance with laws and regulations, and best practices involving internal control over financial reporting that we wish to bring to your attention are 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 our testing of ORC compliance, we concluded that two of the five deposits sampled were not timely deposited in accordance with the University's policy. All selections were greater than $1,000 and were not deposited within the required timeline.

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 2010, the Bursar's Office redistributed the Departmental Cash Handling Policy to all Deans, Directors, and Heads of Offices. 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.

FIXED ASSET IMPAIRMENT

Observations:

During our testing of fixed asset impairments for the University, we noted management maintains minimal documentation around their annual impairment consideration. We discussed this process with facility personnel and noted that the necessary consideration has been given to impairments, but that much of their process was not documented. Documentation of this process would provide additional assurance of the consideration that has taken place and would provide suitable justification for management's conclusion regarding impairment.

Recommendations:

Management should consider a formal documentation process for impairment procedures, including mention of all personnel who were consulted as well as the factors considered in their determination.

Management Response:

Since the implementation of the GASB 42 pronouncement in fiscal year 2006, the University's physical facilities management and general accounting offices have successfully corroborated to determine if the University has any assets which are impaired. The two offices will work together to create a more formal documentation process beginning in fiscal year 2011.

FIXED ASSET TRACKING

Observations:

As part of our review of fixed assets, certain fixed assets selected for physical verification could not be located. All unverified selections had a net book value of $0 and were not purchased with federal funds. Our testing of these fixed assets identified instances of inadequate communication from the department to General Accounting when equipment was transferred to another location or upon disposal. Improper tracking of equipment could result in inadequate financial reporting and misappropriation of assets.

Our compliance testing identified that the University has procedures in place, including a physical inventory that is performed on an annual basis, in order to verify all fixed assets purchased with federal funds. In addition, the University conducts a rotating physical inventory of all fixed assets.

Recommendations:

Management should continue its efforts to enhance its annual inventory procedures by having the fixed asset group personally perform the inventory.

Management Response:

Annually, an email memo is sent to the departments as part of the departmental fixed asset cycle count reminding them to report any fixed asset location changes via the Report of Change in Equipment Location form which is available on the General Accounting website. Additionally, the location of all equipment purchased with federal funds is verified annually. Although the General Accounting office does not have the staffing to perform a full annual inventory audit, with the fiscal year 2010 change in the capitalization threshold from $1,200 to $5,000, the General Accounting office should be able to perform some targeted inventories during the year.

IT SECURITY – WINDOWS ADMINISTRATORS

Observations:

One individual, a database administrator, was identified as having inappropriate access to the Windows Domain Administrators group. The access was granted in order to assist with implementing a change but wasn't subsequently revoked. Not securing all administrative accounts on the Windows domain could lead to unauthorized access and compromise the overall integrity of the environment.

Recommendations:

Management should limit the individuals with privileged access on the Windows domain to only those users who require it to complete their regular job duties.

Management Response:

We agree with the finding. The database administrator's ID has been removed from the Windows Domain Administrators group.

All accounts that request Windows Domain Administrator access, Schema Administrator access, or Enterprise Administrator require approval from the Information Security Officer (ISO). The ISO will audit membership of those groups every 3 months to verify that access is appropriate.

IT SECURITY – USER ACCESS REVIEWS

Observations:

There is no formal policy defining the procedures to follow and the documentation to maintain for management review of user access in Banner. While the review was performed in the current year, the documentation for the procedures that were performed as part of the user reviews was inconsistent. Without a properly executed and documented user review, there may be accounts with inappropriate access that could potentially compromise the overall integrity of the environment that go unnoticed by management.

Recommendations:

Management should consider creating and following a formal policy that defines ownership of the review process, procedures to be performed, and what/how documentation is to be maintained.

Management Response:

We agree with this finding and action has been taken by the Information Security Officer (ISO) to complete it. The process is now documented in the IT Services wiki including ownership by the ISO and procedures to be conducted every six months. Instructions will be communicated to responsible parties including what/how documentation is to be maintained.

ENTERPRISE RISK ASSESSMENT (ERA)

Observations:

The University performs an enterprise risk assessment on an annual basis to identify the risks to the University as a whole. However, this risk assessment does not include an evaluation of the probability and damage levels for all of the risks that were identified.

Recommendations:

The University should obtain sufficient information in order to evaluate the probability and damage levels for all risks identified.

Management Response:

The University is in the process of refining the ERA and will evaluate the probability of occurrence and the impact rating for all risks within the next ERA review.

SECTION III — 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* in internal control over financial reporting 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.

* * * * * *

Attachment C

Miami University

Financial Statements for the Years Ended June 30, 2010 and 2009, and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

President and Board of Trustees of Miami University
and Mary Taylor, Auditor of the State of 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, 2010 and 2009, 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 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, 2010 and 2009, 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 2-11 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 15, 2010

Management's Discussion and Analysis

June 30, 2010

Introduction

The following discussion and analysis provides an overview of the financial position and activities of Miami University for the year ended June 30, 2010. 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

The international credit crisis and economic downturn that impacted Miami as well as other Ohio and national higher education institutions in fiscal year 2009, has stabilized in fiscal year 2010. The effects of this stabilization can be seen in the university's financial statements, specifically in investment income and related assets, and in gifts from donors. In addition, the university's previously initiated cost reduction measures are evident in the substantial decrease in operating expenses.

Overall the university's financial position improved at June 30, 2010. Total assets rose 5.2 percent from $1.023 to $1.076 billion. Liabilities declined $15.2 million and totaled $299.9 million. Significant financial events during fiscal year 2010 were:

- For the third consecutive year, Miami held tuition constant for all Ohio students for the fall and spring semesters. However, the state reduced its funding for FY2011 and as a result state legislators authorized a 3.5 percent in-state tuition increase for the entire year. To minimize the impact on Ohio students, the university chose to delay the 3.5 percent tuition increase until the summer semester of 2010 for in-state students.
- The fall 2009 first-year class enrollment of 3,236 on the Oxford campus was 373 fewer students than the previous fall enrollment. The first-year class enrollment on the Hamilton and Middletown campuses increased by 79 and 65 students, respectively.
- Operational investments rebounded from the previous year losses and recorded a gain of 4.9 percent. These results were achieved in spite of near zero short-term interest rates. The stabilization of the global capital markets resulted in the long-term portion of the

pool increasing by nearly ten percent. (For more details, see the Investment Report included in this report).

- As a direct result of the employee layoffs, retirements, and the hiring freeze that were implemented throughout the fiscal year, general fund salary expense for all three campuses decreased by $9.1 million or 5.2 percent. In addition, benefits expense was $6.9 million less than budget, primarily attributable to the number of vacant positions which helped produce a substantial decline in health insurance claims in the last several months of the fiscal year.

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.

	2010	2009	2008
Assets			
Current assets	$ 218,683,477	$ 180,459,483	$ 255,126,735
Capital assets, net	704,302,948	707,105,908	663,178,774
Long term investments	146,384,200	129,022,677	154,456,387
Other assets	6,655,414	6,476,915	6,682,551
Total assets	$ 1,076,026,039	$ 1,023,064,983	$ 1,079,444,447

Liabilities			
Current liabilities	$ 70,283,575	$ 71,899,267	$ 73,348,006
Noncurrent liabilities	229,584,437	243,145,887	250,911,916
Total liabilities	**$ 299,868,012**	**$ 315,045,154**	**$ 324,259,922**
Net assets			
Invested in capital assets, net of related debt	$ 480,984,748	$ 472,313,053	$ 454,613,643
Restricted net assets - nonexpendable	76,926,360	67,047,116	84,428,812
Restricted net assets - expendable	50,709,308	39,917,025	54,821,384
Unrestricted net assets - allocated	162,523,346	123,912,138	154,818,276
Unrestricted net assets - unallocated	5,014,265	4,830,497	6,502,410
Total net assets	$ 776,158,027	$ 708,019,829	$ 755,184,525
Total liabilities and net assets	$ 1,076,026,039	$ 1,023,064,983	$ 1,079,444,447

Fiscal Year 2010

Total assets of the institution increased 5.2 percent or $53.0 million in fiscal year 2010. This increase was primarily a result of the increase in cash and cash equivalents and investments. The $6.8 million or 6.7 percent increase in current investments and the $17.4 million or 13.5 percent increase in non-current investments was a result of stabilization in the global capital markets. For more detailed information see the Investment Report included in this report. The $23.6 million increase in cash and cash equivalents reflects an improvement in Residence and Dining Hall cash flows generated by greater operating efficiencies. The $6.3 million increase in current accounts receivable is primarily attributable to the outstanding transfer of University Foundation gift funds used to fund capital projects. In addition, a one-time receivable of approximately $2.0 million was recorded to reflect a health insurance billing error made by the insurance carrier. The university completed and capitalized several large projects, resulting in a transfer of these assets from nondepreciable to depreciable capital assets. Additional information about these projects is provided in the Capital Assets and Debt Administration section of this report.

Total liabilities of the institution decreased $15.2 million or 4.8 percent, which was primarily a result of the repayment of outstanding bonds, notes, and leases payable. Other current liabilities and other long-term liabilities remained relatively unchanged. Overall, net assets increased by $68.1 million.

Fiscal Year 2009

Total assets decreased 5.2 percent or $56.4 million while total liabilities decreased $9.2 million or 2.8 percent. The net decrease in current assets was primarily a result of the decrease in investments from a global downturn in the investment market. This decline was offset by the $43.9 million increase in net capital assets from the capitalization of construction projects. The repayment of outstanding bonds, notes, and leases payable was the primarily reason for the decrease in liabilities. Overall, net assets decreased by $47.2 million.

Statement of Revenues, Expenses and Changes in Net Assets

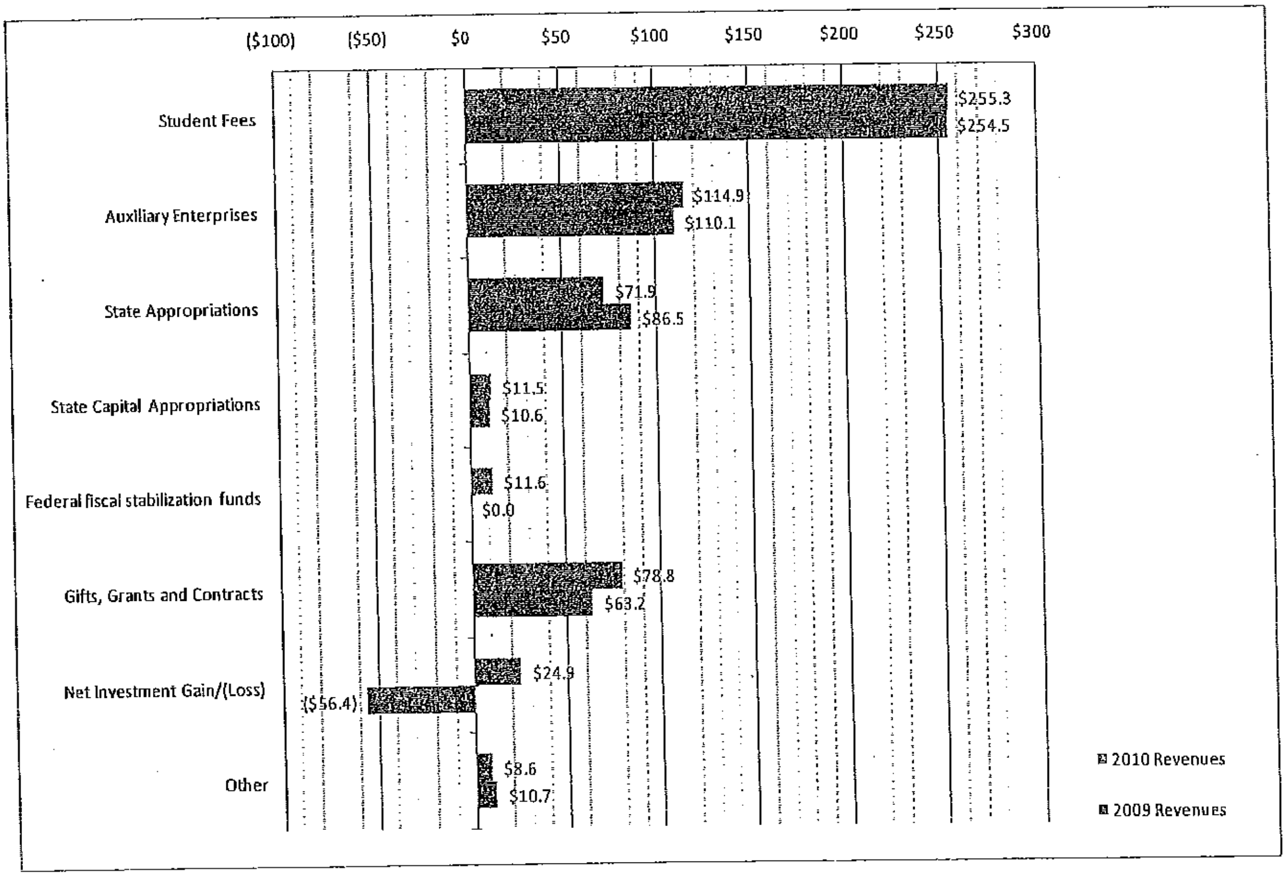
The Statement of Revenues, Expenses, and Changes in Net Assets presents the university's results of operations for the fiscal year. The revenues and expenses are generally reported as either operating or non-operating. Operating revenues are generated by providing goods and services to customers and 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 2010, total revenues of the institution from all sources were approximately $577.6 million, which represents a $98.4 million or 20.5 percent increase. Approximately 69 percent of revenues were classified as operating, and 27 percent were classified as non-operating revenues.

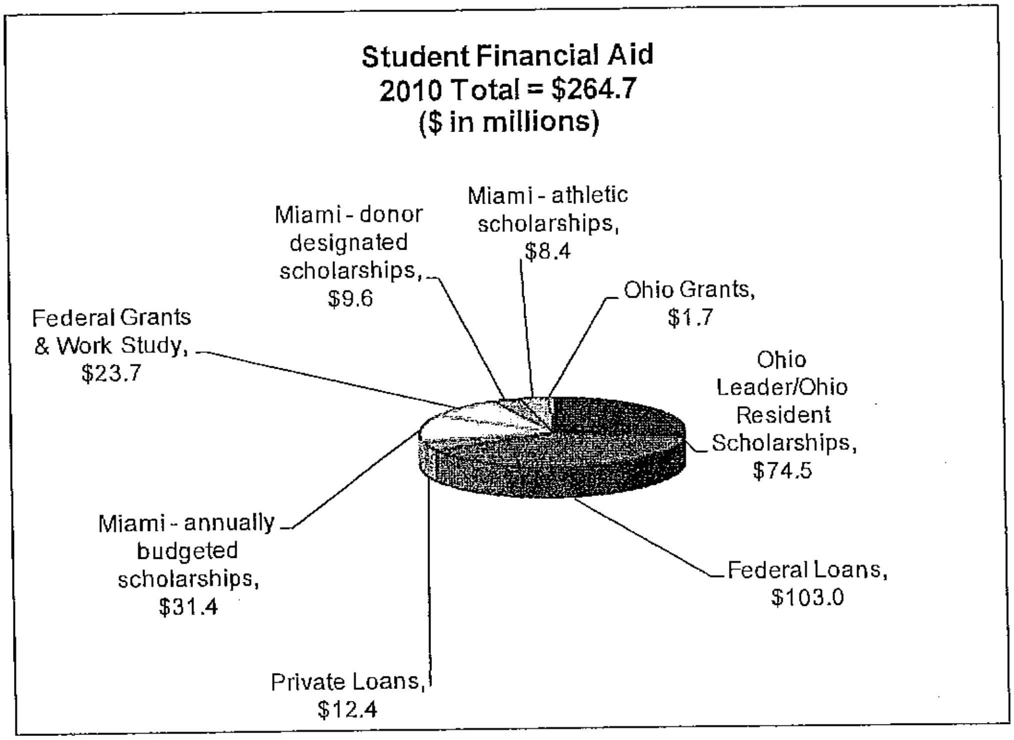
	2010	2009	2008
Operating revenues	$ 397,994,014	$ 395,160,946	$ 374,996,233
Non-operating revenues	154,965,266	63,978,590	108,526,406
Other revenues	24,667,510	20,127,907	16,589,089
Total revenues	**$ 577,626,790**	**$ 479,267,443**	**$ 500,111,728**
Operating expenses	(499,950,810)	(517,946,994)	(496,729,213)
Non-operating expenses	(9,537,782)	(8,485,145)	(8,927,431)
Total expenses	**(509,488,592)**	**(526,432,139)**	**(505,656,644)**
Increase/(decrease) in net assets	**$ 68,138,198**	**$ (47,164,696)**	**$ (5,544,916)**

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 over 44 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 $14.6 million as a result of a $3.0 million decrease in state support of instruction funding that was initially announced as being appropriated for 2010, but was not available until 2011. Additionally, for this fiscal year, $11.6 million of federal fiscal stabilization funds is reported on a separate line. 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. The $15.6 million increase in gifts, grants, and contracts is primarily related to the recording of gifts for the Farmer School of Business, the rehabilitation of Yager stadium, and the gift pledges for the Ice Hockey Coaching Excellence Fund. In addition, 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.

Total Revenues ($ in Millions)



This coming fall, Miami will continue to enhance its financial aid programs by introducing a new merit scholarship package for in-state and out-of-state students. This program will recognize student achievement and will align with the university's goal of making a high quality education more affordable for parents and students. In fiscal year 2010, Miami-funded financial aid, excluding Ohio Leader and Ohio Resident Scholarships, increased by $5.4 million or 12.3 percent. In total, financial aid awards were $264.7 million.



Fiscal Year 2010

Operating revenues increased by 0.7 percent or $2.8 million in fiscal year 2010. This modest increase was the net result of several factors including 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. In addition, beginning in the fall of 2008, the university began phasing out the 2004 tuition and scholarship plan. In FY2010, the first-year and second-year Ohio students were billed for in-state tuition and did not receive an Ohio Leader or Ohio Resident scholarship. This change caused the decrease in tuition, fees, and other student charges and the decrease in the Ohio Leader and Ohio Resident Scholarships.

The majority of the $89.9 million increase in non-operating revenues and expenses is reflected in 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.

Operating expenses decreased by 3.5 percent or $18.0 million. The majority of this decrease is reflected in salary savings that were a direct result of employee layoffs, retirements and the hiring freeze that were implemented throughout the fiscal year. In addition, a decrease in employee benefits is primarily attributable to the number of vacant positions, health insurance claims which declined 6.4 percent, and approximately $2.0 million repayment from the health insurance carrier for a claims billing error.

Fiscal Year 2009

Operating revenues increased by $20.2 million primarily due to a 6 percent increase in out-of-state Oxford campus student tuition and a 4.6 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 increased by $21.2 million, primarily due to a 2.75 percent average increase in employee salaries and increases in employee benefit costs such as health care insurance, where actual claims rose 14.8 percent.

The overall decrease in non-operating revenues was attributable to a decrease in net investment income and gifts, a $6.4 million increase in state appropriations and federal grants that also increased by $2.8 million. 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.

	2010	2009	2008
Net cash used for operating activities	$ (68,726,251)	$ (91,829,343)	$ (87,607,695)
Net cash provided by noncapital financing activities	127,505,489	126,669,480	119,850,871
Net cash used for capital and related financing activities	(39,063,674)	(79,529,523)	(91,776,500)
Net cash provided by investing activities	3,917,536	14,946,154	66,367,026

Net cash provided by investing activities	3,917,536	14,946,154	66,367,026
Net increase/(decrease) in cash	**$ 23,633,100**	**$ (29,743,232)**	**$ 6,833,703**
Cash and cash equivalents at beginning of year	37,200,458	66,943,690	60,109,987
Cash and cash equivalents at end of year	**$ 60,833,558**	**$ 37,200,458**	**$ 66,943,690**

The $23.6 million increase in the fiscal year 2010 cash and cash equivalents balance relates primarily to the net reduction in operating activities, which is a result of the increase in Residence and Dining hall revenues and the decrease in operating expenditures. Also, the reduction of cash used for capital related projects contributed to this overall increase.

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

Capital Assets and Debt Administration

During fiscal year 2010, 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 and the 2007 Series General Receipts Revenue Bonds totaling $83.2 million. Major projects capitalized in 2010 include a new Farmer School of Business Administration building, renovation projects at Pearson and Upham Halls, and infrastructure projects including the steam boiler pollution controls and the voice over IP (VoIP) project. See footnote 4 for additional information concerning capital assets and accumulated depreciation.

The university plans to issue approximately $125 million in general receipts revenue bonds in winter or spring 2011. The proceeds from the bond sale are expected to be used to renovate Elliott, Stoddard, Bishop, and Havighurst halls; infrastructure upgrades relating to proposed new housing facilities; a Marcum Conference Center addition; and infrastructure upgrades and extensions for the new Armstrong Student Center.

The university's bond rating with Standard and Poor's remained the same with a rating of A+. In the spring, Moody's Investors Services adjusted their rating scale for tax exempt bond issuers and as such the university's rating increased from of A1 to AA3. For more detailed information on current outstanding debt, see footnote 6.

Although national health care costs continue to rise, Miami is taking several actions to continue to control these costs, including the introduction of the Healthy Miami wellness program. 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. This program will be introduced across three phases, the first of which is being introduced in fiscal year 2011. In addition, Miami continues previously implemented initiatives including: (1) a high deductible health plan with a health savings account, which provides an option for employees to take greater control over their health care costs, (2) offering smoking cessation courses for staff and families, (3) providing an employee wellness and fitness program, and (4) continuing to require employees to pay a portion of their health insurance costs.

In March 2010, President David Hodge formed a Strategic Priorities Task Force, which was charged with prioritizing and aligning the university goals, creating a sustainable baseline budget for the Oxford campus, and identifying strategic options for improving the resource base. In August 2010, the task force distributed a draft of its recommendations for comment that will provide approximately $10 million in potentially new revenue and approximately $30 million in expense reductions through improved efficiencies, savings and reallocation of funds. If approved, these recommendations, totaling approximately $40 million, will be implemented over the next five years. After the comment period, the final report will be submitted to President Hodge, who will outline the plans for implementing the strategic initiatives at the December 2010 Board of Trustees meeting.

Miami University, and higher education in general, continue to face challenges at the global, national, and especially the state level. Through use of the 2010 positive operating results, and the previous and current year budget reductions in permanent operating funds, the university is well positioned financially for fiscal year 2011. Likewise, the work and recommendations of the Strategic Priorities Taskforce will strengthen and better align our resources, while improving on the excellent educational experience that is provided to our students.

Miami University
Statement of Net Assets
June 30, 2010 and 2009

	Miami University		University Foundation	
	2010	2009	2010	2009
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 60,833,558	$ 37,200,458	$ 15,074,100	$ 8,145,476
Investments	107,989,530	101,173,457	0	0
Accounts, pledges and notes receivable, net	41,894,807	35,604,160	11,471,749	12,880,398
Inventories	4,474,736	4,546,473	0	0
Prepaid expenses and deferred charges	3,490,846	1,934,935	0	0
Total current assets	218,683,477	180,459,483	26,545,849	21,025,874
NONCURRENT ASSETS				
Restricted cash and cash equivalents	0	0	1,059,149	924,131
Investments	146,384,200	129,022,677	201,172,625	184,233,112
Pledges and notes receivable, net	6,655,414	6,476,915	38,265,059	37,054,962
Nondepreciable capital assets	48,913,280	102,856,414	0	0
Depreciable capital assets, net	655,389,668	604,249,494	0	0
Total noncurrent assets	857,342,562	842,605,500	240,496,833	222,212,205
Total assets	$ 1,076,026,039	$ 1,023,064,983	$ 267,042,682	$ 243,238,079
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	$ 18,900,071	$ 20,121,601	$ 12,551,904	$ 6,500,691
Accrued salaries and wages	15,971,627	17,110,411	0	0
Accrued compensated absences	1,189,507	1,124,779	0	0
Deferred revenue	11,963,742	13,104,216	0	0
Deposits	9,619,425	9,180,292	0	0
Long term debt - current portion	12,639,203	11,257,968	0	0
Other current liabilities	0	0	847,377	630,778
Total current liabilities	70,283,575	71,899,267	13,399,281	7,131,469
NONCURRENT LIABILITIES				
Accrued compensated absences	14,267,940	15,199,913	0	0
Bonds payable	205,169,941	216,819,892	0	0
Note payable	1,733,715	1,806,579	0	0
Capital leases payable	1,894,053	2,849,336	0	0
Federal Perkins loan program	6,518,788	6,470,167	0	0
Other noncurrent liabilities	0	0	5,946,214	6,062,534
Total noncurrent liabilities	229,584,437	243,145,887	5,946,214	6,062,534
Total liabilities	299,868,012	315,045,154	19,345,495	13,194,003
NET ASSETS				
Invested in capital assets, net of related debt	480,984,748	472,313,053	0	0
Restricted net assets			0	0
Nonexpendable	76,926,360	67,047,116	143,362,903	138,886,423
Expendable	50,709,308	39,917,025	106,942,118	100,456,126
Unrestricted net assets	167,537,611	128,742,635	(2,607,834)	(9,298,473)
Total net assets	776,158,027	708,019,829	247,697,187	230,044,076
Total liabilities and net assets	$ 1,076,026,039	$ 1,023,064,983	$ 267,042,682	$ 243,238,079

See accompanying notes to financial statements.

Miami University
Statement of Cash Flows
Year ended June 30, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition, fees, and other student charges	$ 303,724,525	$ 294,870,293
Sales and services of auxiliary enterprises	119,331,940	113,270,962
Contracts	17,419,248	21,387,473
Other operating receipts	8,319,643	9,287,391
Payments for employee compensation and benefits	(315,162,628)	(333,322,308)
Payments to vendors for services and materials	(124,040,591)	(132,007,629)
Student scholarships	(78,686,145)	(64,774,211)
Loans issued to students and employees	(1,975,381)	(3,130,746)
Collection of loans from students and employees	2,343,138	2,589,432
Net cash used for operating activities	(68,726,251)	(91,829,343)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State share of instruction and federal fiscal stabilization funds	83,558,129	86,556,982
Grants for noncapital purposes	25,068,950	17,734,699
Gifts	18,878,410	22,377,799
Net cash provided by noncapital financing activities	127,505,489	126,669,480
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
State capital appropriation	11,576,140	10,309,925
Grants for capital purposes	8,630,448	4,177,703
Other capital and related receipts	524,871	1,378,573
Payments to construct, renovate, or purchase capital assets	(37,894,893)	(76,214,917)
Principal paid on outstanding debt	(10,931,913)	(7,801,231)
Interest paid on outstanding debt	(10,968,327)	(11,379,576)
Net cash used for capital and related financing activities	(39,063,674)	(79,529,523)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	66,810,888	167,820,981
Purchases of investments	(67,597,445)	(158,210,274)
Endowment income	6,079,187	1,129,200
Other investment income	(1,375,094)	4,206,247
Net cash provided by investing activities	3,917,536	14,946,154
NET INCREASE (DECREASE) IN CASH	$ 23,633,100	$ (29,743,232)
Cash and cash equivalents at beginning of year	37,200,458	66,943,690
Cash and cash equivalents at end of year	$ 60,833,558	$ 37,200,458

See accompanying notes to financial statements.

Investments

Investments held by the university at June 30, 2010 and 2009 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, 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
Mortgage-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**

The investments as of June 30, 2009, are summarized as follows:

Investment Type	Fair Value	Not Rated	AAA	AA, A, and BBB	Below BBB
U.S. Treasury bonds	$ 4,019,267	$ 0	$ 4,019,267	$ 0	$ 0
U.S. Agency bonds	10,435,983	0	10,435,983	0	0
Strips	1,800,980	0	1,800,980	0	0
Mortgage-backed bonds	4,779,671	0	4,779,671	0	0
Corporate bonds	15,910,184	0	0	15,910,184	0
Municipal bonds	2,156,047	0	0	2,156,047	0
Common and preferred stocks	54,006,451	54,006,451	0	0	0
Commingled funds	117,687,193	70,508,052	22,713,605	19,254,571	5,210,965
Limited partnerships	19,072,026	19,072,026	0	0	0
Real estate and other	328,332	328,332	0	0	0
Total investments	**$ 230,196,134**	**$ 143,914,861**	**$ 43,749,506**	**$ 37,320,802**	**$ 5,210,965**

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, 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
Mortgage-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**

Bond investments by length of maturity as of June 30, 2009, 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	$ 4,019,267	$ 410,080	$ 2,662,951	$ 946,236	$ 0
U.S. Agency bonds	10,435,983	2,201,759	6,559,340	1,674,884	0
Strips	1,800,980	0	1,328,590	348,962	123,428
Mortgage-backed bonds	4,779,671	0	3,921,014	858,657	0
Corporate bonds	15,910,184	607,708	12,526,865	2,775,611	0
Municipal bonds	2,156,047	669,573	623,338	863,136	0
Commingled bond funds	47,179,140	2,454,053	23,846,759	12,949,849	7,928,479
Total Bonds	**$ 86,281,272**	**$ 6,343,173**	**$ 51,468,857**	**$ 20,417,335**	**$ 8,051,907**

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 $46.8 million managed by international and global equity managers, and such international investments are exposed to foreign currency risk. Exposure to concentration risk is not significant since no single issuer, except the United States Treasury, represents more than 5 percent 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, 2010, the university has made commitments to limited partnerships totaling $30.2 million that have not yet been funded.

Endowment Funds

Effective June 1, 2009, the state of Ohio adopted legislation that incorporates the provisions outlined in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides new statutory rules for the management and investment of endowment funds. The statutory guidelines relate to prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations, specifying factors for fiduciaries to consider prior to making a decision to appropriate from or accumulate into an organization's endowment funds.

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 $7,694,587 in 2010 and $7,334,500 in 2009. In accordance with donors' stipulations, a portion of the earnings was returned to endowment principal and the balance of $6,650,929 and $6,131,220 was distributed for expenditure for 2010 and 2009, 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, 2010 and 2009, are summarized as follows:

	2010	2009
Accounts Receivable		
Student receivables	$ 8,839,858	$ 8,542,356
University Foundation	12,490,461	6,445,577
State capital appropriations	4,867,716	4,939,516
Grants and contracts	5,314,129	5,576,311
Investment trade settlements	549,103	3,495,049
Other receivables	3,562,328	1,908,216
Total accounts receivable	$ 35,623,595	$ 30,907,025
Less allowance for doubtful accounts	(785,000)	(750,000)
Net accounts receivable	**$ 34,838,595**	**$ 30,157,025**
Pledges Receivable		
Pledges receivable	$ 4,471,960	$ 2,211,055
Less allowance for doubtful pledges	(393,830)	(405,764)
Net pledges receivable	**$ 4,078,130**	**$ 1,805,291**
Notes Receivable		
Federal loan programs	$ 7,892,480	$ 8,229,980
University loan programs	3,132,016	3,129,779
Total notes receivable	$ 11,024,496	$ 11,359,759
Less allowance for doubtful notes	(1,391,000)	(1,241,000)
Net notes receivable	**$ 9,633,496**	**$ 10,118,759**
Total	**$ 48,550,221**	**$ 42,081,075**

(4) Capital Assets

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

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets				
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**

The capital assets and accumulated depreciation as of June 30, 2009, are summarized as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets				
Land	$ 4,650,176	$ 191,100	$ 0	$ 4,841,276
Collections of Works of Art and Historical Treasures	5,810,607	438,500	0	6,249,107
Construction in Progress	115,033,531	61,597,974	$84,865,474	91,766,031
Nondepreciable capital assets	**$ 125,494,314**	**$ 62,227,574**	**$84,865,474**	**$ 102,856,414**
Land Improvements	22,292,562	3,210,612	0	25,503,174
Buildings	619,693,164	71,048,735	0	690,741,899
Infrastructure	95,682,028	13,999,298	0	109,681,326
Machinery and Equipment	140,309,394	9,585,326	3,435,990	146,458,730
Library Books and Publications	59,452,335	1,654,561	0	61,106,896
Vehicles	8,759,485	445,645	160,044	9,045,086
Intangible Assets	12,823,175	826,994	8,869	13,641,300
Depreciable capital assets	**$ 959,012,143**	**$ 100,771,171**	**$ 3,604,903**	**$1,056,178,411**
Total capital assets	**$ 1,084,506,457**	**$ 162,998,745**	**$88,470,377**	**$1,159,034,825**
Less Accumulated Depreciation:				
Buildings	254,311,928	18,190,476	0	272,502,404
Infrastructure	33,166,594	3,935,531	0	37,102,125
Land Improvements	7,822,571	787,856	0	8,610,427
Machinery and Equipment	88,499,216	8,043,748	2,889,319	93,653,645
Library Books and Publications	31,253,515	2,141,922	0	33,395,437
Vehicles	6,273,859	539,761	148,741	6,664,879
Total Accumulated Depreciation	**$ 421,327,683**	**$ 33,639,294**	**$ 3,038,060**	**$ 451,928,917**
Capital Assets, Net	**$ 663,178,774**	**$ 129,359,451**	**$85,432,317**	**$ 707,105,908**

(5) Long term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds, Leases, and Notes Payable					
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

The long term liabilities as of June 30, 2009, are summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds, Leases, and Notes Payable					
Bonds payable	$ 227,864,511	$ 0	$ 7,049,899	$ 220,814,612	$ 9,934,613
Capital leases payable	955,858	3,468,831	685,961	3,738,728	889,391
Notes payable	1,940,964	0	65,371	1,875,593	69,015
Premiums, issue costs, loss on refunding	6,669,791	0	364,949	6,304,842	364,949
Total bonds, leases, and notes payable	$ 237,431,124	$ 3,468,831	$ 8,166,180	$ 232,733,775	$ 11,257,968
Other Liabilities					
Compensated absences	15,727,193	7,606,104	7,008,605	16,324,692	1,124,779
Federal Perkins loans	6,530,026	189,282	249,141	6,470,167	0
Total other liabilities	$ 22,257,219	$ 7,795,386	$ 7,257,746	$ 22,794,859	$ 1,124,779
Total	$ 259,688,343	$ 11,264,217	$ 15,423,926	$ 255,528,634	$ 12,382,747

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

(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.

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 $13,955,000 and $13,965,000 as of June 30, 2010 and 2009, 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 maturity dates, interest rates, and outstanding principal balances as of June 30, 2010, are as follows:

	Maturity Dates	Interest Rates	Outstanding Debt
Bonds Payable			
Series 2007 general receipts	2011 – 2027	3.25% - 5.25%	$ 80,470,000
Series 2005 general receipts	2011 – 2025	3.0% – 5.0%	83,315,000
Series 2003 general receipts	2011 – 2024	3.375% - 5.5%	47,095,000

Note Payable

U.S. Department of Education	2010 – 2026	5.5%	1,806,578
Total Bonds and Notes Payable			**$ 212,686,578**
Bond premiums			(7,870,640)
Bond issuance costs			1,332,528
Deferred loss on refunding			598,220
Total Bonds and Notes Payable, net			**$ 206,746,686**

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

Year Ended Juue 30	**Principal**	**Interest**	**Total**
2011	$ 11,357,863	$ 9,435,992	$ 20,793,855
2012	11,801,926	8,992,282	20,794,208
2013	12,731,215	8,506,837	21,238,052
2014	13,235,743	7,949,453	21,185,196
2015	11,915,524	7,363,175	19,278,699
2016 – 2020	66,734,199	27,614,142	94,348,341
2021 – 2025	71,505,683	11,177,634	82,683,317
2026 – 2027	13,404,425	498,719	13,903,144
Total	**$ 212,686,578**	**$ 81,538,234**	**$ 294,224,812**

The university has $2,810,442 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, 2010, are:

Year Ended June 30	Minimum Lease Payments
2011	$ 1,037,210
2012	965,108
2013	780,260
2014	255,361
Total minimum lease payments	$ 3,037,939
Less amount representing interest	(227,497)
Net minimum lease payments	**$ 2,810,442**

Buildings and computer equipment are financed with capital leases. The carrying amount related to these capital leases as of June 30, 2010 and June 30, 2009 are $1,362,497 and $1,567,084 for buildings and $3,939,087 and $3,995,934 for equipment.

(7) Retirement Plans

Substantially all non-student employees are covered by one of three retirement plans. The university faculty are 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 2009 were 10 percent for employees and 14 percent for employers. For the fiscal years ended June 30, 2009, and June 30, 2008, 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 2009, 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 10.1 percent of their salary to the plan. For these employees, the university was required to contribute 17.63 percent of covered payroll. The portion of employer contributions to OPERS allocated to health care was 7.00 percent from January 1 through March 31, 2009 and 5.5 percent from April 1 through December 31, 2009 for all employees (Note 8). Effective July 1, 2010, employers will contribute 17.87 percent of covered payroll for law enforcement employees. The contribution rate will remain at 14.0 percent for all other employees.

The payroll for employees covered by STRS Ohio for the years ended June 30, 2010 and 2009, were approximately $66,222,000 and $68,482,000, respectively. The payroll for employees covered by OPERS for the years ended June 30, 2010 and 2009, were approximately $87,443,000 and $95,880,000, 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, 2010 and 2009, were approximately $47,853,000 and $49,135,000, 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.

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
2010	$ 9,271,116	$ 12,303,519	$ 5,575,241
2009	9,587,418	13,480,250	6,878,942
2008	9,478,262	13,003,935	6,329,724

(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).

The STRS Ohio health care plan is financed on a pay-as-you-go basis. The net health care costs paid by the plan were $298.1 million for the year ended June 30, 2009, the date of its most recent audited financial report. The plan's net assets available to fund future health care benefits totaled $2.7 billion as of June 30, 2009. At that date there were 129,659 eligible benefit recipients in the STRS Ohio plan.

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 $5.2 million. The actuarial value of the retirement system's net assets available for other post-employment benefits was $10.7 billion as of December 31, 2008. At that date the actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were $29.6 billion and $18.9 billion, respectively. The number of active contributing participants was 357,584 as of December 31, 2009.

(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, 2010, the date of its most recent audited financial report, is as follows:

	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

Summary financial information for the foundation as of June 30, 2009:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at end of year	$ (9,298,473)	$ 100,456,126	$ 138,886,423	$ 230,044,076
Change in net assets for the year	(12,648,681)	(2,792,227)	(40,094,015)	(55,534,923)
Distributions to Miami University	10,750,859	0	0	10,750,859

(a) Cash and Cash Equivalents – Cash and cash equivalents consist 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.

(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:

	2010		2009	
Investment Description	Cost	Fair Value	Cost	Fair Value
Domestic Public Equities	$ 25,219,743	$ 24,206,859	$ 25,621,100	$ 24,134,636
Global Public Equities	36,528,862	36,520,067	39,180,566	35,205,336
International Public Equities	8,801,774	8,882,680	8,801,774	8,854,290
Domestic Public Fixed Income	13,584,364	15,264,463	16,327,408	16,793,258
Hedge Funds	51,682,305	64,220,993	51,682,305	54,874,435
Private Investments	54,982,905	42,893,316	48,867,233	35,349,435
Split-Interest Funds	10,972,295	10,503,928	11,956,812	10,156,536
Subtotal	201,772,248	202,492,306	202,437,198	185,367,926
Less assets held for Miami University Paper Science & Engineering Foundation	(2,550,000)	(3,096,747)	(2,550,000)	(2,908,348)
Total	$199,222,248	$199,395,559	$199,887,198	$182,459,578

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, 2010, the foundation has made commitments to limited partnerships of approximately $32.9 million that have not yet been funded.

The 2010 dividend and interest income of $2,401,012, as reported in the Statement of Activities, is net of fees from external investment managers totaling $627,407. The 2009 dividend and interest income of $1,737,743 is reported net of fees from external investment managers totaling $731,985.

(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. The adoption of ASC 825-10 allows the foundation the irrevocable option to elect fair value for initial and subsequent measurement for certain financial assets and liabilities on an instrument-by-instrument basis. Upon election of the fair value option in accordance with SFAS 159, subsequent changes in fair value are recorded as an adjustment to earnings.

(e) Pledges Receivable – As of June 30, 2010, contributors to the foundation have made unconditional pledges totaling $55,927,800 with 16 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 $54,311,959, which represents fair market value at June 30, 2010. Discount rates based on the U.S. Treasury yield curve three-year average ranged from 1.08 percent to 4.25 percent for 2010. Management has set up an allowance for uncollectible pledges of $5,797,210 at June 30, 2010. 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 - Effective June 1, 2009, the state of Ohio adopted legislation that incorporates the provisions outlined in UPMIFA. UPMIFA provides new statutory rules for the management and investment of endowment funds. The statutory guidelines relate to prudent management, investment, and expenditure of donor-restricted endowment funds held by charitable organizations, specifying factors for fiduciaries to consider prior to making a decision to appropriate from or accumulate into an organization's endowment funds.

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 $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, 2010, the university is committed to future contractual obligations for capital expenditures of approximately $15.2 million. These commitments are being funded from the following sources:

Contractual Obligations	
Approved state appropriations not expended	$ 8,289,128
University funds	6,893,942
Total	**$ 15,183,070**

(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 were offered two plan options, a choice of either the Traditional PPO Plan or the High Deductible Health Plan with a Health Savings Account.

Health insurance claims are accrued based upon estimates of the claims liabilities. These estimates are based on past experience, current claims outstanding, and medical inflation trends. As a result, the actual claims experience may differ from the estimate. An estimate of claims incurred but not reported in the amount of $2,439,200 and $2,244,800 is included in the accrued salaries and wages as of June 30, 2010 and 2009, respectively. The change in the total liability for actual and estimated claims is summarized below:

	2010	**2009**
Liability at beginning of year	$ 2,539,910	$ 2,543,956
Claims incurred	31,974,238	34,077,638
Claims paid	(31,799,797)	(34,447,684)
Increase (decrease) in estimated claims incurred but not reported	194,000	366,000
Liability at end of year	**$ 2,908,751**	**$ 2,539,910**

To reduce potential loss exposure, the university has established a reserve for health insurance stabilization of $3.2 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 14 years. Miami has had one material loss above the pool deductible of $350,000, which was the result of Tropical Storm Ike in the fall of 2008. The deductible for individual schools is $100,000. The casualty program has been in place for 10 years during which time Miami has had one loss above the pool deductible, which was $250,000 at the time. The current pool deductible 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.

* * * * * *

Attachment D

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, 2010 Report

Date: November 11, 2010

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 2011 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, 2010 and is now presented to the full Committee for your supplemental approval. In addition to performing internal audits, key activities include assisting Deloitte 250 hours with the financial audit, Enterprise Risk Assessment and monitoring of the EthicsPoint hotline with General Counsel, a quality assurance review for IACS, and various consulting services. Periodic updates are provided to David Creamer in weekly meetings. David Shade receives copies of all audit reports. We are on schedule to complete the plan and have also performed unscheduled follow-ups of prior audits.

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, nine issues have been closed and eight added. The new, high risk issue pertains to the Voice of America Learning Center. The three high risk issues that were closed relate to budgetary controls, change orders on capital projects, and network security for Student Health Services. 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 5/24/2010	Plus: new	Less: closed	Open audit issues 11/11/2010
High	9	1	3	7
Moderate	6	2	1	7
Low	12	5	5	12
Total	27	8	9	26

3. IACS staffing and budget

The department is staffed by the Director, one Staff Auditor, and two Graduate Assistants. We plan to hire an undergraduate student. IACS has a total budget for FY 2011 of $369 K. Personnel costs account for $347 K, or 94% of the budget. We are on-budget and on-schedule towards completing the annual audit plan.

Attachments

Cc: David K. Creamer

Internal Audit and Consulting Services
Audit Plan - by month
FY 2011

Division	Audit Area	Auditor	JULY 1	AUG 2	SEPT 3	OCT 4	NOV 5	DEC 6	JAN 7	FEB 8	MAR 9	APR 10	MAY 11	JUNE 12
Finance & Bus. Svc.	Central Stores - physical inventory audit	JW	X--X											
Provost	Project Dragonfly - follow-up audit	JW	X--X											
Finance & Bus. Svc.	Miami Buyway (SciQuest e-procurement) - provide consulting services	JW	X------	------X										
Finance & Bus. Svc.	Deloitte - assist with financial audit	JW	X------	------	---X								X------	------X
Student Affairs	Review of Sexual Assault Notification - agreed upon procedures	BJ	X--	-X										
Finance & Bus. Svc.	Maintenance - overtime costs	BJ	X--	----X										
Finance & Bus. Svc.	HR/Payroll (investigate over payments and perform follow-up audit)	JW	X--	-X	X------	------X								
Finance & Bus. Svc.	Clery Act - crime statistics agreed upon procedures	BJ		X--	---X									
Finance & Bus. Svc.	Capital Projects - follow-up audit	BJ			X--------X									
Provost	Departmental MasterCard, Travel and Hosting Audits	GA			X------	------	------	------X						
Student Affairs	Student Health Services - follow-up audits	BJ/JW	X-X			X--------X								
Provost	Lifelong Learning - Banner Flexible Registration module projects	SA				X------	------	------	------	------X				
Finance & Bus. Svc.	Accounts Payable - audit of reimbursements	JW					X------	------X						
Finance & Bus. Svc.	Marcum Conference Center and Inn - follow-up audit	BJ						X--------X						
Intercollegiate Athletics	Football attendance - agreed upon procedures	JW							X--------X					
IT Services	Audit of IT Governance	BJ							X------	------X				
University Advancement	Donor stewardship audits	GA							X------	------X				
University Advancement	Western College Alumnae Association financial audit	JW								X--------X				
Provost	Student Financial Assistance - Scholarships	GA									X------	------X		
Intercollegiate Athletics	Audit of Intercollegiate Athletics new ticketing system	JW/SA									X------	------X		
IACS	Internal Audit Quality Self-Assessment with Independent Validation	BJ									X------	------	------X	
Finance & Bus. Svc.	Bookstore audit	JW											X------	------X
Provost	Analysis and follow-up on Financial Budget Summaries	BJ		X------	------	------	------	------	------	------	------	------	------	------X
University-wide	EthicsPoint Reporting System with General Counsel	BJ	X------	------	------	------	------	------	------	------	------	------	------	------X
IT Services	IT Services - provide consulting services re: security and other issues	BJ	X------	------	------	------	------	------	------	------	------	------	------	------X
University-wide	Enterprise Risk Assessment with General Counsel	BJ	X------	------	------	------	------	------	------	------	------	------	------	------X

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	**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.	The ISO stated, "At this point I believe we are compliant with all elements of PCI that fall within Miami's control. The only outstanding item is the gas pump at the airport. The software on the gas pump is in process of being certified as PCI complaint, but has not yet received their certification. They expect to be certified by the end of November 2010. There is no action for Miami to take regarding this gas pump, other than to wait for the certification paperwork from BP."
Audit of Capital Projects - 8/2009	High	Finance & Business Services	**Reporting on Capital Projects:** It is recommended that the Finance and Audit Committee continue to receive financial reports on capital projects until they receive a final accounting with close out in Banner. These reports should, at a minimum, disclose deficit balances and actual gifts compared to budget. It is also recommended that management develop a policy that requires signed pledges and a specific minimum percentage of donor contributions in hand before proceeding with capital projects where funding is dependent on donors. This policy should also require that the risk of not collecting donor funding be reported to the Board of Trustees and alternative funding plans be identified if funding is not collected from the donors.	Management has implemented the first part of the recommendation by continuing to provide capital project financial information to the Finance and Audit Committee until the project and related funding is complete. Management concurs, but has not yet implemented the second part of the recommendation, to draft a policy regarding capital projects that are in part or in full funded by donor contributions. Such projects when presented to the Board of Trustees for approval will fully disclose the portion to be funded by donor contributions, the amount of cash received towards the project, the amount of signed pledge commitments, any amount not yet raised, the risk of pledge collections, the cost of financing the project until the pledges are expected to be received, and alternative sources of funding should some of the gifts not materialize or be delayed. Comment remains open.
Audit of Department of HR/Payroll - 3/2010	High	Finance & Business Services	**To prevent intentional or unintentional input errors, it is recommended that data added to Banner for new hires be verified against source data that has been approved in PeopleAdmin.** Until this process can be automated, the verification should be performed manually by a second HR employee.	Management stated that automation through Banner workflow is being tested and should be in place by December 2010. Until new hire information is uploaded automatically from PeopleAdmin to Banner, manual verification of new hire data is being performed by HR. It appears that the recommended mitigating control of manual verification of new hire information has been properly implemented; however, the audit comment will remain open until automation of new hire information occurs.
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.	Automation of the special pay process will be a long term effort. The pilot regarding automation of special pays mentioned in management's response was successful in one area (RSC); however, implementation in other areas of the University will require additional HR resources that are currently unavailable. No timeframe exists for the automation of the special pay process due to the barriers faced by HR – a reduction in HR staff members and a need for a PeopleAdmin upgrade. Management outlined the sequence of events that must take place before automating special payroll payments and the automation appears to be over one year away, pending action required of Academic Personnel. The recommended mitigating control of verification of special payroll information by a second HR employee has not yet been implemented. The report mentioned in Management's initial response has not been produced and there appears to be confusion within the department regarding who is responsible for the verification of special payments. Management was made aware that the verification of special payroll payments was not taking place. The audit comment remains open. Management plans to assess the HR work distribution and work process to determine how the verification can be best accomplished.
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.	Management stated that the best way to manage this item would be through the comparison of the final bank file against a SQL report showing all payroll payments made; this process was to begin with the September 2010 monthly payroll cycle. The audit comment will remain open until the reviews performed for several consecutive months can be evaluated.

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
Audit of Time & Effort Reporting and Payroll Distribution - 5/2010	High	Provost	**IACS recommends that the procedures issued to grant employees for Time and Effort Reporting state that effort must be confirmed by responsible persons using suitable means of verification that the work was performed.** In addition, the procedures should define what constitutes a suitable means of verifying labor effort. These procedures should be communicated through formal training sessions and other means to grant employees. Emphasis should be placed on the process of certifying effort and not payroll. It is also important to communicate that the basis used for determining percentage of effort is the total number of hours worked during the semester.	A T&E .ppt has been added to the G&C webpage to provide additional training, as well as the "10 Most Frequently Asked Questions When Completing a T&E report" document. The FAQ document has also been added to our PI packet that is sent out with new awards. All information encourages the use of tracking effort using suitable means (e.g. Outlook Calendar, spreadsheet, log, etc.) We are also including in the quarterly OARS newsletter an article about T&E reporting that contains a link to our Grants & Contracts webpage.
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 VOALC Director stated, "Mike Pratt and I have met and discussed scheduling opportunities and options. VOALC hosted a scheduling summit with all stakeholders present on Sept 17 (graduate and undergraduate, credit and non-credit) to discuss academic year and summer course scheduling options. This Friday (11/5/2010) I meet with regional campus associate deans to more formally develop undergraduate course scheduling guidelines and plans for sharing with Miami Regional academic chairs and coordinators. New scheduling models involving potential lunchtime course time blocks, consecutive and concurrent hybrid course scheduling options, and Saturday scheduling options have been developed and shared. I am unaware of the development of performance criteria by University management - assuming that this is referring to Drs Creamer and Skillings and their respective offices - we will continue to work to maximize space utilization through course scheduling."
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	IACS performed a year-end inventory audit at Centrals Stores on 6/30/2010. Corrections were made reducing the inventory by $37 K or 7%. Internal controls do not appear adequate. Management is being transferred from Purchasing to PFD in November 2010. IACS is investigating a significant number of manual adjustments made since 7/1/2010.
Audit of MUlaa Debit Card Accounts - 8/2009	Moderate	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.	The Assistant Controller stated that they are getting monthly reports from Housing and Dining and have made progress on the Harco to GL reconciliation. The FY10 yearend adjustment to the GL was only about $3,000; they will continue to work on the Harco reconciliation and hope to have it reconciled on a monthly basis soon.
Audit of MasterCard Purchases - 12/2009	Moderate	Finance & Business Services	**Business purpose should be adequately documented.** In accordance with Section 3.11 of the University's Purchases and Payments Handbook, procurement card reporting must include a reasonable description of the business purpose and reason for the item to be purchased or the services acquired. It is recommended that the Purchasing Office train management to enforce the business purpose requirement in Section 3.11. Training should provide examples of proper documentation.	Management concurred and stated that as they are rolling out the new P-Card to departments, during training they are putting emphasis on the business purpose and steps on what they need to be putting in the Transaction note section. A minimum of 40 characters is required in this field to get more information. As departments put hosting on the P-Card, they also are told to attach a hosting document with the receipt. Emphasis is placed on attaching an itemized receipt. Management expects to complete training and roll-out by 12/31/2010.
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.	Purchasing management concurred and stated that a change to an allowance base program will relieve compliance issues and will eliminate internal burden and costs. Senior management has not yet made a decision on cell policy. With the roll-out of BuyWay e-procurement, the Director of Purchasing plans to develop a form to be routed through IT Services to document approval of purchases of telecommunications and other IT devices per Purchasing and Payables Handbook Sections 4.11 and 4.12.
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.	IACS performed a follow-up audit 11/2010 and this remains an open issue. General Accounting and the Budget Office are helping SHS analyze the matter.

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
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.	Management concurred and now estimates completion by January 1, 2011; they added that they have been running a bit thin staff-wise and attention has not been on those elements of the audit report - but shall return there.
Review of Campus Crime Statistics - 9/2010	Moderate	Finance & Business Services	**Statistics received from OESCR for years prior to 2009 need to be verified.**	This review is in process by MUPD.
Audit of Athletic Ticket Office - 2/2009	Low	President	**Cash handling procedures should be in compliance with policy.** IACS recommends that the Director of Ticket Operations comply with the *Cash Handling Policy* and: 1. Verify that staff make timely deposits. 2. Review and approve deposit transmittals and all voided transactions daily. 3. Reconcile ticket sales revenue monthly to the Banner general ledger.	A follow-up audit was performed 3/2010. Two of three issues were closed; the remaining issue regards deposits which are not consistently being made within the required timeframes. Since most deposits exceed $1000, IACS recommends that deposits be made as a routine, daily to the Bursar's Office. Another follow-up audit will take place 3rd quarter, FY 2011, to verify that this has been addressed.
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.	Management is continuing to review this area to implement improvements.
Audit of Farmer School of Business Credit Workshops - 2/2009	Low	Provost	**Workshop final financial reports should be completed by the FSB in a timely manner.** It is recommended that the FSB complete the final financial reports, in compliance with LLL's Credit Workshop Guidelines, to ensure that students receive refunds in a timely manner and to verify accounts are reconciled.	A follow-up audit was performed 4/2010, closing all but this issue. Staff are continuing to work on finalizing workshop financial reports in a timely manner and issuing related student refunds.
Audit of MasterCard Purchases - 12/2009	Low	Finance & Business Services	**Ohio sales tax should not be paid.** It is recommended that the cardholders comply with the purchasing policy and verify that no sales tax was charged before completing a transaction. The Purchasing Office should implement training to ensure policy is complied with.	Management concurred and stated that training will reinforce this point. Management expects to complete training and roll-out by 12/31/2010. Departments may also refer to the Purchasing website for a list of the tax exempt states. The Purchasing Office has been emailing cardholders when they catch sales tax being paid and give them steps on what they have to do to fix this problem.
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.	IACS performed a follow-up audit 11/2010 and this remains an open issue. General Accounting and the Budget Office are helping SHS analyze the matter.
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 recorded immediately.	IACS performed a follow-up audit 11/2010 and this remains an open issue.
Audit of Time & Effort Reporting and Payroll Distribution - 5/2010	Low	Provost	**IACS recommends clarification to the Grants and Contracts Office policies and procedures which are used by their department for Time and Effort Reporting.** It is recommended that the procedure for adjusting payroll records to reflect actual effort reported by grant employees specify what is considered to be a significant variance. Documentation should also be available to support how this standard was derived.	The Grants & Contracts policy for Time & Effort Reporting has been updated to include the variance of 6% or greater.

Audit Name and Date	Risk Level	Division	Audit Issue	Management response and status
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 in procedures.	Management stated that corrections recommended were implemented. IACS will schedule a follow-up review when action has been taken on the other audit issues currently open.
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. IACS will schedule a follow-up review when action has been taken on the other audit issues currently open.
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.	Management concurred and now estimates completion by January 1, 2011; they added that they have been running a bit thin staff-wise and attention has not been on those elements of the audit report - but shall return there.
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.	Management concurred and agreed to do so.
Payroll overpayments - 10/2010	Low	Finance & Business Services	**It is recommended that management emphasize the importance of entering terminations timely and accurately** to avoid unnecessary rework and the risk of uncollectable accounts. In addition, in the event of an overpayment, the appropriate HR employee should follow up to ensure that the amount due is reimbursed or that the balance is properly turned over to the Bursar for collection efforts.	Management concurred and agreed to do so.

Audit Name and Date	Risk Level	Division	Audit Issue	Action Taken
Review of University Budgetary Controls - 12/2007	High	Finance & Business Services	**A monthly financial summary report is needed for each appropriation unit and auxiliary, detailed by index code.** Such reports would assist in on-going senior management review and make it easier to identify areas in need of focus. Ideally, these reports would be electronic with the ability to easily drill down into the details.	General Accounting now distributes monthly reports for VP areas of responsibility and a Business Intelligence project is underway in IT Services.
Audit of Capital Projects - 8/2009	High	Finance & Business Services	**Change Orders:** To help control costs and comply with regulations, it is recommended that Project Managers be given additional training on the regulations specified in the Ohio Department of Administrative Services (DAS) Article 7 - Contract Modifications. Particular attention should be made to the areas of noncompliance noted. In addition, it is recommended that the Project Tracking Sheet template be used by all PFD Project Managers to maintain and track various parts of a capital project including change orders.	A follow-up audit was performed 10/2010. Training on the Contract Modification regulations took place in 7/2009 for Project Managers and particular attention was made to the areas of noncompliance noted in the audit. In addition, the Project Tracking form is now used by all PFD Project Managers to maintain and track various parts of a capital project including change orders. All change orders are reviewed by either the Senior Project Architect or the Senior Project Engineer. As such, internal controls appear in place and this comment is closed.
Audit of Student Health Services -1/2010	High	Student Affairs	**SHS management should work with IT Services to address the HIPAA encryption standard and improve network security.** It is recommended that SHS management work with IT Services to determine if it is reasonable and appropriate to implement a mechanism to encrypt and decrypt electronic protected health information within the PyraMed and QS/1 systems, or document mitigating controls which are in place to meet the standard without encryption. It is also recommended that SHS management confer with IT Services to discuss options and implement changes to reduce exposure of attacks from the internet and improve network security.	IACS followed-up on this issue 7/2010 and found that security has been improved by changing the location of the systems on the Miami network, which makes them inaccessible to any traffic originating on the Internet. IT Services also documented mitigating controls which are in place to meet the HIPAA standard without encryption. Comment closed.
Audit of Department of HR/Payroll - 3/2010	Moderate	Finance & Business Services	**IACS recommends that management finalize reporting options available for PeopleAdmin.** Top level summary reports would strengthen internal control by facilitating the verification process and assisting management with decision making.	Summary reports are now available on new hire information. The recommendation has been properly implemented and the audit comment is closed.
Audit of Project Dragonfly - 6/2008	Low	Provost	**The PDF Director and the Director of Learning Media should complete travel expense reports and have them approved by the Chair of the Department of Zoology.**	A second follow-up audit was performed in 7/2010 and it was concluded that appropriate action has been taken to close this last remaining issue.

Audit Name and Date	Risk Level	Division	Audit Issue	Action Taken
Audit of the Marcum Conference Center and Miami Inn - 2/2009	Low	Finance & Business Services	**MCCI should have a written and tested disaster recovery plan.** In addition to documenting procedures for a power outage, IACS recommends that MCCI have a written and tested disaster recovery plan based on a comprehensive risk analysis.	Management has taken appropriate action and this comment is closed.
Audit of Student Health Services -1/2010	Low	Student Affairs	**A supervisor should approve all classified time records.** It is recommended that each classified employee's payroll information be reviewed and approved by a supervisor.	Management has implemented the change and the comment has been closed.
Audit of Student Health Services -1/2010	Low	Student Affairs	**Inventory should be accurately recorded upon receipt.** It is recommended that inventory be entered into the QS/1 system immediately upon receipt.	Management has implemented the change and the comment has been closed.
Audit of Time & Effort Reporting and Payroll Distribution - 5/2010	Low	Provost	**IACS recommends clarification to the Grants and Contracts Office policies and procedures which are used by their department for Time and Effort Reporting.** It is recommended that procedures specify the number of days that may elapse between the end of the effort reporting period and the time the memos, which state the required Time and Effort reports, are issued to each PI. Procedures should also specify deadlines for the return of the completed forms by grant employees to the Grants and Contracts Office.	The Grants & Contracts Office policy has been updated to define when we will issue the T&E reports, as well as when they are expected to be returned. Comment closed.

Miami University
Finance and Audit Committee
FY 2011 Forecasted Operating Results
Projections Based upon Activity through September 30, 2010

OXFORD

The initial projection for the Oxford General Fund is a surplus of approximately $3.0 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 $1.0 million over budget. In addition, the initial forecast for the Ohio Resident and Leader Scholarship expense is under budget by approximately $700,000.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.

In September 2010, the State of Ohio announced the June subsidy payment will be delayed until July of fiscal year 2012. The 6.4 percent reduction is reflected in the state appropriation forecast with the Oxford campus revenue impacted by approximately $4.25 million. The Hamilton and Middletown campus revenue was impacted by $471,000 and $418,000, respectively. Even with this reduction, the university's 2011 budget remains viable. The state appropriation for all three campuses includes approximately $12.5 million in federal stimulus money.

Interest and dividend income booked through September 30, 2010, was approximately $400,000. 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 September 30th, an unrealized gain of $1.7 million would have been recorded. Adding this unrealized gain to the interest and dividends recorded through September would produce a forecasted net investment income approximately equal to the budget of $4,325,000. Given the volatility of the current market, this number could improve or decrease further as the year progresses.

Expenditures and Transfers

Employee salaries and staff benefits are initially projected to be significantly under budget. The positive variance in salaries is attributable to the number of vacant positions as a result of employee layoffs and the hiring freeze that occurred over the last several years. The two factors that contributed to the projected budgetary savings in employee staff benefits include the decrease in workforce and the increase in the fulltime staff benefit rate from 37.9 percent to 41.8 percent. Health care expenses appear to have stabilized and are only slightly higher than last fiscal year.

The budget savings in utilities is primarily due to lower steam usage as a direct result of building automation system conservation efforts and the record high temperatures in the first quarter of the fiscal year.

HAMILTON & MIDDLETOWN

The Hamilton General Fund is projecting a small operating surplus of $104,000 and the Middletown General Fund is projecting an operating deficit totaling $317,000. Both of these campus projections were directly impacted by the subsidy reduction that was previously discussed. In addition, 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.

11/9/2010

MIAMI UNIVERSITY
FY2011 Forecast
Oxford General Fund Only
As of September 30, 2010

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$279,339,792	$279,000,000	($339,792)
General	$28,593,718	$28,550,000	($43,718)
Out-of-State Surcharge	$11,393,723	$12,750,000	$1,356,277
Other Student Revenue	$7,680,007	$7,680,000	($7)
Less: Ohio Resident & Leader Scholarship	($37,694,000)	($37,000,000)	$694,000
Net Tuition, Fees and Other Student Charges	*$289,313,240*	*$290,980,000*	*$1,666,760*
State Appropriations	$66,202,696	$61,953,000	($4,249,696)
Investment Income	$4,325,000	$4,325,000	$0
Other Revenue	$4,620,121	$4,620,000	($121)
Total Revenues	***$364,461,057***	***$361,878,000***	***($2,583,057)***
EXPENDITURES:			
Salaries	$151,769,478	$148,760,000	$3,009,478
Benefits	$57,434,819	$55,900,000	$1,534,819
Graduate Assistant Fee Waivers	$21,732,664	$20,400,000	$1,332,664
Utilities	$14,622,442	$13,440,000	$1,182,442
Scholarships, Fellowships & Std Fee Waivers	$46,113,125	$45,900,000	$213,125
Miami Grant	$8,800,000	$8,300,000	$500,000
Departmental Support Expenditures	$24,961,187	$24,415,000	$546,187
Multi-year Expenditures	$3,767,000	$3,767,000	$0
Total Expenditures	***$329,200,715***	***$320,882,000***	***$8,318,715***
DEBT SERVICE AND TRANSFERS:			
General Fee	($25,238,278)	($24,863,000)	$375,278
Capital Projects	($3,645,000)	($3,798,000)	($153,000)
Debt Service	($5,357,125)	($5,357,000)	$125
Support for VOALC (50%)	($605,370)	($605,000)	$370
Other Miscellaneous Operational Transfers	($414,569)	($842,000)	($427,431)
Total Debt Service and Transfers	***($35,260,342)***	***($35,465,000)***	***($204,658)***
Net Revenues/(Expenditures) Before Adjustments	$0	$5,531,000	$5,531,000
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	($2,490,000)	($2,490,000)
Net Increase/(Decrease) in Fund Balance	***$0***	***$3,041,000***	***$3,041,000***

11/9/2010

MIAMI UNIVERSITY
FY2011 Forecast
Hamilton General Fund Only
As of September 30, 2010

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$17,643,348	$18,000,000	$356,652
General	$1,341,900	$1,345,000	$3,100
Out-of-State Surcharge	$448,200	$540,000	$91,800
Other Student Revenue	$209,200	$250,000	$40,800
State Appropriations	$8,171,178	$7,700,000	($471,178)
Investment Income	$45,000	$45,000	$0
Other Revenue	$47,500	$47,000	($500)
Total Revenues	***$27,906,326***	***$27,927,000***	***$20,674***
EXPENDITURES:			
Salaries	$12,162,196	$12,165,000	($2,804)
Benefits	$4,214,358	$4,195,000	$19,358
Graduate Assistant Fee Waivers	$26,700	$26,000	$700
Utilities	$1,223,000	$1,223,000	$0
Scholarships, Fellowships & Std Fee Waivers	$788,000	$700,000	$88,000
Departmental Support Expenditures	$5,953,132	$5,950,000	$3,132
Multi-year Expenditures	$0	$25,000	($25,000)
Total Expenditures	***$24,367,386***	***$24,284,000***	***$83,386***
DEBT SERVICE AND TRANSFERS:			
General Fee	($529,804)	($530,000)	($196)
Capital Projects	($2,706,451)	($2,706,000)	$451
Support for VOALC (25%)	($302,685)	($303,000)	($315)
Total Debt Service and Transfers	***($3,538,940)***	***($3,539,000)***	***($60)***
Net Revenues/(Expenditures) Before Adjustments	$0	$104,000	$104,000
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	$0	$0
Net Increase/(Decrease) in Fund Balance	***$0***	***$104,000***	***$104,000***

11/9/2010

MIAMI UNIVERSITY
FY2011 Forecast
Middletown General Fund Only
As of September 30, 2010

	Original Budget	End-of-Year Forecast	Budget to Forecast
REVENUES:			
Instructional	$11,060,900	$11,060,000	($900)
General	$815,200	$815,000	($200)
Out-of-State Surcharge	$62,200	$70,000	$7,800
Other Student Revenue	$177,500	$195,000	$17,500
State Appropriations	$7,151,449	$6,733,000	($418,449)
Investment Income	$58,000	$58,000	$0
Other Revenue	$32,500	$33,000	$500
Total Revenues	***$19,357,749***	***$18,964,000***	***($393,749)***
EXPENDITURES:			
Salaries	$9,635,519	$9,600,000	$35,519
Benefits	$3,480,752	$3,460,000	$20,752
Utilities	$766,000	$745,000	$21,000
Scholarships, Fellowships & Std Fee Waivers	$595,000	$595,000	$0
Departmental Support Expenditures	$4,254,045	$4,250,000	$4,045
Total Expenditures	***$18,731,316***	***$18,650,000***	***$81,316***
DEBT SERVICE AND TRANSFERS:			
General Fee	($229,748)	($230,000)	($252)
Capital Projects	$0	($4,000)	($4,000)
Support for VOALC (25%)	($302,685)	($303,000)	($315)
Other Miscellaneous Operational Transfers	($94,000)	($94,000)	$0
Total Debt Service and Transfers	***($626,433)***	***($631,000)***	***($4,567)***
Net Revenues/(Expenditures) Before Adjustments	$0	($317,000)	($317,000)
ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	$0	$0
Net Increase/(Decrease) in Fund Balance	***$0***	***($317,000)***	***($317,000)***

11/9/2010

MIAMI UNIVERSITY
FY2011 Forecast
Voice of America Learning Center General Fund Only
As of September 30, 2010

	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	$0	$0
State Appropriations	$0	$0	$0
Investment Income	$0	$0	$0
Other Revenue	$4,000	$7,000	$3,000
Total Revenues	***$4,000***	***$7,000***	***$3,000***
EXPENDITURES:			
Salaries	$203,218	$203,000	$218
Benefits	$84,945	$85,000	($55)
Graduate Assistant Fee Waivers	$0	$0	$0
Utilities	$102,300	$102,000	$300
Scholarships, Fellowships & Std Fee Waivers	$0	$0	$0
Departmental Support Expenditures	$340,800	$341,000	($200)
Multi-year Expenditures	$0	$0	$0
Total Expenditures	***$731,263***	***$731,000***	***$263***
DEBT SERVICE AND TRANSFERS:			
Debt Service	($483,475)	($483,000)	$475
Funding for VOA	$1,210,738	$1,211,000	$262
Total Debt Service and Transfers	***$727,263***	***$728,000***	***$737***
Net Revenues/(Expenditures) Before Adjustments	$0	$4,000	$4,000
YEAR-END ADJUSTMENTS:			
Departmental Budgetary Carryforward	$0	$0	$0
Net Increase/(Decrease) in Fund Balance	***$0***	***$4,000***	***$4,000***

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2011-2008

	FY2011 Original Budget	FY2010 Year-end Actual	FY2009 Year-end Actual	Year-To-Date thru September FY2011	Year-To-Date thru September FY2010	Year-To-Date thru September FY2009
College of Arts & Sciences						
Salary	$48,683,084	$46,995,481	$48,758,529	$7,356,433	$7,448,466	$7,794,268
Benefits	$27,594,462	$24,926,217	$26,322,415	$3,675,266	$3,668,710	$3,617,782
Departmental Support Expenses	$2,224,215	$3,988,636	$4,583,916	$836,848	$998,078	$1,060,893
Total Expenses	**$78,501,761**	**$75,910,334**	**$79,664,860**	**$11,868,547**	**$12,115,254**	**$12,472,944**
School of Education, Health, & Society						
Salary	$11,775,321	$11,456,790	$11,406,441	$1,794,378	$1,855,032	$1,886,153
Benefits	$6,350,778	$5,264,407	$5,489,119	$772,326	$786,095	$746,606
Scholarships & Fellowships	$400,000	$1,193,817	$921,705	$391,022	$814,932	$496,072
Departmental Support Expenses	($93,368)	$1,006,209	$772,928	$229,488	$249,376	$164,066
Total Expenses	**$18,432,731**	**$18,921,223**	**$18,590,194**	**$3,187,213**	**$3,705,435**	**$3,292,897**
School of Engineering & Applied Sciences						
Salary	$6,132,401	$5,986,769	$6,233,816	$1,059,912	$1,028,070	$1,084,917
Benefits	$2,989,812	$2,559,329	$2,837,294	$420,610	$411,108	$426,447
Departmental Support Expenses	$7,682	$597,885	$664,138	$144,587	$113,669	$240,434
Total Expenses	**$9,129,895**	**$9,143,983**	**$9,735,249**	**$1,625,108**	**$1,552,848**	**$1,751,799**
School of Business						
Salary	$17,012,680	$16,828,667	$17,748,118	$2,695,624	$2,720,038	$2,964,398
Benefits	$8,072,827	$6,811,593	$7,668,161	$1,185,594	$1,134,737	$1,167,186
Departmental Support Expenses	$106,025	$1,003,413	$773,793	$293,156	$183,284	$127,343
Total Expenses	**$25,191,532**	**$24,643,673**	**$26,190,072**	**$4,174,374**	**$4,038,059**	**$4,258,927**
School of Fine Arts						
Salary	$8,641,387	$8,465,321	$8,517,269	$1,390,705	$1,360,781	$1,387,260
Benefits	$4,766,981	$4,052,024	$4,252,403	$582,924	$543,346	$555,522
Departmental Support Expenses	$672,134	$993,700	$1,068,338	$207,593	$216,863	$222,909
Total Expenses	**$14,080,502**	**$13,511,045**	**$13,838,010**	**$2,181,221**	**$2,120,991**	**$2,165,692**
Graduate School						
Salary	$1,795,621	$1,522,546	$1,503,703	$359,137	$375,481	$361,427
Benefits	$4,386,024	$3,383,012	$3,439,017	$7,588,290	$7,546,046	$8,172,376
Scholarships & Fellowships	$10,652,015	$9,404,121	$10,090,818	$4,640,556	$4,664,847	$4,574,556
Departmental Support Expenses	$385,435	$162,285	$245,249	$92,304	($4,537)	$85,546
Total Expenses	**$17,219,095**	**$14,471,965**	**$15,278,787**	**$12,680,286**	**$12,581,837**	**$13,193,905**

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2011-2008

	FY2011	FY2010	FY2009	Year-To-Date thru September		
	Original Budget	Year-end Actual	Year-end Actual	FY2011	FY2010	FY2009
Other Provost Departments						
Salary	$13,214,700	$12,593,357	$13,838,146	$2,880,256	$2,980,913	$3,178,681
Benefits	$5,744,911	$4,713,073	$5,459,534	$1,174,853	$1,133,457	$1,171,942
Scholarships & Fellowships[1]	$81,555,110	$114,669,663	$145,718,485	$39,659,105	$58,986,393	$73,772,032
Utilities	$67,200	$0	$0	$6,378	$193	$383
Departmental Support Expenses	$12,905,937	$7,502,282	$7,587,875	$2,803,260	$1,970,486	$2,789,109
Total Expenses	$113,487,858	$139,478,375	$172,604,041	$46,523,851	$65,071,442	$80,912,146
Total Provost Office						
Salary	$107,255,194	$103,848,931	$108,006,022	$17,536,445	$17,768,781	$18,657,104
Benefits	$59,905,795	$51,709,655	$55,467,944	$15,399,861	$15,223,500	$15,857,862
Scholarships & Fellowships[1]	$92,607,125	$125,267,601	$156,731,008	$44,690,682	$64,466,171	$78,842,660
Utilities	$67,200	$0	$0	$6,378	$193	$383
Departmental Support Expenses	$16,208,060	$15,254,410	$15,696,238	$4,607,235	$3,727,220	$4,690,300
Total Expenses	$276,043,374	$296,080,597	$335,901,213	$82,240,601	$101,185,866	$118,048,309
Physical Facilities						
Salary	$11,259,137	$11,858,553	$13,652,642	$2,482,343	$2,765,176	$3,155,389
Benefits	$4,681,952	$4,245,810	$5,059,876	$1,003,255	$1,048,966	$1,175,595
Utilities	$14,555,242	$13,672,052	$14,036,314	$3,447,507	$3,545,557	$3,335,073
Departmental Support Expenses	$1,167,645	$560,756	$862,590	$663,014	$426,240	$493,708
Total Expenses	$31,663,976	$30,337,171	$33,611,421	$7,596,119	$7,785,938	$8,159,764
Other Finance & Business Services Departments						
Salary	$8,279,987	$8,005,530	$8,964,141	$1,876,166	$1,888,126	$2,129,465
Benefits	$3,455,073	$2,958,616	$3,408,252	$768,484	$721,023	$780,426
Departmental Support Expenses	$2,127,218	$1,671,470	$1,813,018	$611,752	$542,760	$708,321
Total Expenses	$13,862,278	$12,635,616	$14,185,410	$3,256,402	$3,151,909	$3,618,212
President						
Salary	$2,966,118	$2,929,274	$3,586,330	$699,170	$709,864	$853,395
Benefits	$1,139,763	$1,039,215	$1,165,530	$281,313	$268,299	$304,013
Departmental Support Expenses	$3,295,277	$1,776,903	$2,061,965	$480,454	$377,987	$396,462
Total Expenses	$7,401,158	$5,745,392	$6,813,825	$1,460,937	$1,356,150	$1,553,869

MIAMI UNIVERSITY
Financial Analysis - by Operational Unit
Fiscal Years 2011-2008

	FY2011	FY2010	FY2009	Year-To-Date thru September		
	Original Budget	Year-end Actual	Year-end Actual	FY2011	FY2010	FY2009
Student Affairs						
Salary	$6,432,959	$5,007,805	$5,277,776	$1,399,846	$1,151,397	$1,242,734
Benefits	$3,428,371	$2,113,225	$2,199,139	$567,881	$460,120	$468,020
Departmental Support Expenses	$712,865	$2,402,234	$2,418,643	$572,857	$1,374,037	$1,362,625
Total Expenses	**$10,574,195**	**$9,523,264**	**$9,895,558**	**$2,540,583**	**$2,985,554**	**$3,073,379**
University Advancement						
Salary	$4,652,018	$4,230,880	$4,501,399	$982,334	$1,067,359	$1,068,578
Benefits	$1,996,389	$1,570,067	$1,796,322	$403,931	$411,493	$398,373
Departmental Support Expenses	$1,168,710	$1,004,771	$1,215,396	$192,066	$193,734	$184,780
Total Expenses	**$7,817,117**	**$6,805,718**	**$7,513,117**	**$1,578,330**	**$1,672,586**	**$1,651,731**
Information Technology						
Salary	$8,711,562	$8,368,017	$9,647,774	$1,949,490	$2,098,919	$2,327,818
Benefits	$3,635,314	$3,018,622	$3,567,360	$800,837	$817,482	$864,128
Utilities	$0	$0	$0	$773	$11	$15,690
Departmental Support Expenses	$6,829,556	$5,188,386	$4,446,171	$1,913,592	$1,926,513	$1,539,476
Total Expenses	**$19,176,432**	**$16,575,024**	**$17,661,305**	**$4,664,692**	**$4,842,926**	**$4,747,112**
Centrally Budgeted Funds						
Salary	$2,212,503	$184,355	$536,487	$0	($132,489)	$0
Benefits	$924,826	$127,458	$147,906	$3,649	$9,216	$660
Departmental Support Expenses	$4,797,149	$405,012	$716,123	$548,971	$309,439	$428,416
Total Expenses	**$7,934,478**	**$716,825**	**$1,400,516**	**$552,619**	**$186,166**	**$429,076**
Grand Total						
Salary	$151,769,478	$144,433,345	$154,172,571	$26,925,793	$27,317,134	$29,434,481
Benefits	$79,167,483	$66,782,668	$72,812,328	$19,229,210	$18,960,097	$19,849,077
Scholarships & Fellowships[1]	$92,607,125	$125,267,601	$156,731,008	$44,690,682	$64,466,171	$78,842,660
Utilities	$14,622,442	$13,672,052	$14,036,314	$3,454,658	$3,545,761	$3,351,146
Departmental Support Expenses	$32,539,480	$28,263,941	$29,230,144	$9,589,942	$8,877,929	$9,804,088
Admin Service Charge	($7,578,293)	($6,826,801)	($6,491,886)	($1,712,523)	($1,537,520)	($1,429,414)
Multi Year Accounts	$3,767,000	$5,840,646	$5,460,687	$1,250,815	$1,630,105	$1,638,823
Total Expenses	**$366,894,715**	**$377,433,453**	**$425,951,166**	**$103,428,576**	**$123,259,678**	**$141,490,861**

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

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2011/FY2010/FY2009

	FY2011	FY2010	FY2009	Year-To-Date thru Sept.		
	Original Budget	**Year-end Actual**	**Year-end Actual**	**FY2011**	**FY2010**	**FY2009**
Residence Halls						
Revenue	$73,804,362	$73,504,118	$68,559,447	$40,577,509	$38,148,211	$35,788,933
General Fee Support	$0	$0	$0	$0	$0	$0
Total Sources	*$73,804,362*	*$73,504,118*	*$68,559,447*	*$40,577,509*	*$38,148,211*	*$35,788,933*
Salary	$17,024,415	$20,080,537	$22,204,269	$3,653,044	$4,238,114	$4,885,563
Benefits	$5,880,780	$6,073,640	$6,981,193	$1,244,750	$1,374,012	$1,507,821
Utilities	$5,374,045	$5,096,691	$5,403,450	$1,162,984	$823,304	$863,128
Charge Outs	($398,774)	($399,588)	($405,802)	($406,633)	($289,940)	($160,550)
Operating Expenses	$26,803,267	$21,635,838	$22,778,525	$6,348,592	$5,305,249	$5,928,125
Inventory Purchases	$4,358	$2,783	$42,860	$308	$2,784	$1,897
Debt Service	$4,095,061	$3,760,628	$3,796,186	$1,018,680	$914,846	$926,929
Total Uses	*$58,783,152*	*$56,250,528*	*$60,800,681*	*$13,021,724*	*$12,368,369*	*$13,952,914*
Net Transfers	($15,021,210)	($17,089,500)	($7,708,962)	($3,755,303)	($1,935,094)	($1,121,939)
Net Total	**$0**	**$164,090**	**$49,804**	**$23,800,482**	**$23,844,747**	**$20,714,080**
Shriver Center						
Revenue	$24,392,296	$25,159,112	$25,694,090	$8,381,918	$8,653,551	$8,918,801
General Fee Support	$855,000	$855,000	$900,000	$213,750	$213,750	$225,000
Total Sources	*$25,247,296*	*$26,014,112*	*$26,594,090*	*$8,595,668*	*$8,867,301*	*$9,143,801*
Salary	$5,722,224	$5,938,191	$6,101,554	$1,274,702	$1,224,741	$1,367,550
Benefits	$1,856,261	$1,589,191	$1,772,046	$393,518	$380,809	$414,243
Utilities	$552,376	$501,030	$507,449	$128,772	$81,475	$92,512
Charge Outs	$0	($1,931)	$0	($1,326)	$0	$0
Operating Expenses	$1,973,147	$1,803,318	$1,895,407	$437,245	$466,153	$492,246
Inventory Purchases	$14,824,249	$15,332,206	$15,925,840	$3,858,146	$3,382,672	$4,535,683
Debt Service	$57,451	$53,942	$55,214	$14,523	$12,811	$12,962
Total Uses	*$24,985,708*	*$25,215,947*	*$26,257,509*	*$6,105,580*	*$5,548,661*	*$6,915,196*
Net Transfers	($261,588)	($744,103)	($315,033)	($65,397)	($4,059)	($25,859)
Net Total	**$0**	**$54,062**	**$21,548**	**$2,424,691**	**$3,314,580**	**$2,202,747**
Marcum Conference Center						
Revenue	$2,589,987	$2,547,820	$2,884,658	$542,832	$599,598	$729,180
General Fee Support	$0	$0	$0	$0	$0	$0
Total Sources	*$2,589,987*	*$2,547,820*	*$2,884,658*	*$542,832*	*$599,598*	*$729,180*
Salary	$1,025,682	$1,037,837	$1,189,656	$219,692	$230,629	$262,742
Benefits	$294,165	$288,779	$334,948	$69,230	$68,832	$79,818
Utilities	$244,849	$271,093	$235,325	$49,312	$63,063	$67,224
Charge Outs	($76,000)	($390)	$0	($19,397)	$0	$0
Operating Expenses	$929,585	$802,710	$799,569	$344,665	$186,906	$202,507
Inventory Purchases	$10,400	$9,216	$12,788	$1,839	$968	$2,213
Debt Service	$5,265	$2,677	$3,020	$1,339	$199	$196
Total Uses	*$2,433,946*	*$2,411,921*	*$2,575,306*	*$666,680*	*$550,597*	*$614,701*
Net Transfers	($156,041)	($120,712)	($305,970)	($39,010)	($17,682)	($2,492)
Net Total	**$0**	**$15,187**	**$3,382**	**($162,858)**	**$31,319**	**$111,987**

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2011/FY2010/FY2009

	FY2011	FY2010	FY2009	Year-To-Date thru Sept.		
	Original Budget	**Year-end Actual**	**Year-end Actual**	**FY2011**	**FY2010**	**FY2009**
Intercollegiate Athletics						
Revenue	$3,997,040	$5,924,342	$4,076,306	$1,769,977	$1,565,305	$1,575,604
General Fee Support	$14,647,373	$13,786,549	$13,889,270	$3,486,843	$3,465,387	$3,456,067
Total Sources	*$18,644,413*	*$19,710,891*	*$17,965,576*	*$5,256,820*	*$5,030,693*	*$5,031,672*
Salary	$6,008,892	$5,974,911	$6,204,406	$1,533,886	$1,552,933	$1,485,921
Benefits	$2,501,405	$2,153,283	$2,275,432	$606,753	$568,794	$538,606
Utilities	$0	$2,160	$2,739	$0	$0	$680
Operating Expenses	$11,259,791	$11,510,559	$10,467,604	$4,545,422	$4,349,442	$3,772,778
Debt Service	$6,325	$0	$0	$0	$0	$0
Total Uses	*$19,776,413*	*$19,640,913*	*$18,950,181*	*$6,686,061*	*$6,471,169*	*$5,797,984*
Net Transfers	$1,132,000	$162,981	$723,643	$158,500	($12,651)	$63,527
Net Total	$0	$232,958	($260,963)	($1,270,741)	($1,453,128)	($702,786)
Recreation Center						
Revenue	$1,972,000	$1,932,707	$1,957,639	$691,320	$529,228	$532,465
General Fee Support	$4,929,887	$4,779,887	$4,977,698	$1,232,472	$1,194,972	$1,244,424
Total Sources	*$6,901,887*	*$6,712,594*	*$6,935,337*	*$1,923,792*	*$1,724,200*	*$1,776,890*
Salary	$2,809,850	$2,720,613	$2,724,191	$623,193	$606,359	$606,083
Benefits	$826,086	$745,203	$759,930	$191,374	$173,040	$177,985
Utilities	$870,658	$828,311	$811,833	$219,592	$242,768	$239,008
Operating Expenses	$1,035,214	$881,338	$877,617	$196,094	$289,471	$227,329
Inventory Purchases	$30,700	$35,730	$32,361	$14,431	$16,112	$20,787
Debt Service	$1,440,651	$732,400	$826,612	$366,321	$54,468	$53,534
Total Uses	*$7,013,159*	*$5,943,596*	*$6,032,544*	*$1,611,006*	*$1,382,218*	*$1,324,727*
Net Transfers	$111,272	($737,889)	($895,807)	$27,818	($81,702)	($129,534)
Net Total	$0	$31,109	$6,986	$340,604	$260,280	$322,629
Goggin Ice Arena						
Revenue	$3,021,500	$3,053,692	$2,986,223	$1,332,045	$1,288,867	$1,306,377
General Fee Support	$2,511,000	$2,511,000	$2,627,000	$627,750	$627,750	$656,750
Total Sources	*$5,532,500*	*$5,564,692*	*$5,613,223*	*$1,959,795*	*$1,916,617*	*$1,963,127*
Salary	$1,311,750	$1,328,797	$1,340,504	$279,362	$301,232	$305,724
Benefits	$456,681	$372,065	$413,105	$95,289	$97,340	$97,362
Utilities	$918,500	$833,484	$796,752	$255,766	$250,581	$252,463
Operating Expenses	$438,218	$400,143	$418,763	$76,706	$70,591	$89,230
Inventory Purchases	$115,000	$105,291	$113,766	$16,879	$28,271	$32,688
Debt Service	$2,054,528	$2,054,182	$2,056,038	$517,846	$517,014	$517,198
Total Uses	*$5,294,677*	*$5,093,962*	*$5,138,929*	*$1,241,848*	*$1,265,030*	*$1,294,665*
Net Transfers	($237,823)	($454,152)	($469,831)	($77,508)	($41,065)	($47,664)
Net Total	$0	$16,578	$4,463	$640,440	$610,523	$620,798

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2011/FY2010/FY2009

	FY2011	FY2010	FY2009	Year-To-Date thru Sept.		
	Original Budget	**Year-end Actual**	**Year-end Actual**	**FY2011**	**FY2010**	**FY2009**
Parking and Transportation						
Revenue	$3,679,000	$3,385,267	$3,388,634	$1,593,470	$1,342,384	$1,392,792
General Fee Support	$200,000	$200,000	$200,000	$50,000	$50,000	$50,000
Total Sources	*$3,879,000*	*$3,585,267*	*$3,588,634*	*$1,643,470*	*$1,392,384*	*$1,442,792*
Salary	$614,966	$643,596	$639,205	$146,503	$147,866	$142,063
Benefits	$228,274	$204,528	$218,687	$48,304	$49,595	$46,783
Operating Expenses	$1,621,514	$1,665,341	$1,642,262	$104,573	$152,291	$227,638
Debt Service	$1,515,001	$1,510,787	$1,510,704	$381,409	$380,234	$380,109
Total Uses	*$3,979,755*	*$4,024,252*	*$4,010,858*	*$680,789*	*$729,986*	*$796,593*
Net Transfers	$100,755	$450,000	$276,384	$25,189	$147,500	$23,124
Net Total	$0	$11,015	($145,840)	$987,870	$809,898	$669,323
Telecommunications						
Revenue	$1,052,750	$2,288,162	$2,407,355	$236,704	$569,953	$611,456
General Fee Support	$0	$0	$0	$0	$0	$0
Total Sources	*$1,052,750*	*$2,288,162*	*$2,407,355*	*$236,704*	*$569,953*	*$611,456*
Salary	$53,081	$397,393	$509,364	$24,911	$91,985	$112,427
Benefits	$22,188	$137,720	$176,973	$10,291	$33,887	$40,063
Utilities	$939,997	$723,409	$848,724	$212,891	$82,143	$41,356
Operating Expenses	$35,085	$293,473	$744,338	$22,799	$150,435	$118,081
Debt Service	$0	$760,475	$0	$0	$0	$0
Total Uses	*$1,050,351*	*$2,312,470*	*$2,279,399*	*$270,891*	*$358,450*	*$311,926*
Net Transfers	($2,399)	($4,000)	($20,000)	($600)	($1,000)	($5,000)
Net Total	$0	($28,308)	$107,956	($34,788)	$210,503	$294,530
Network Services						
Revenue	$1,060,000	$1,654,704	$1,727,718	$441,594	$567,586	$620,547
General Fee Support	$0	$0	$0	$0	$0	$0
Total Sources	*$1,060,000*	*$1,654,704*	*$1,727,718*	*$441,594*	*$567,586*	*$620,547*
Salary	$82,696	$77,618	$76,587	$16,267	$18,469	$16,776
Benefits	$26,334	$22,789	$22,992	$5,419	$5,053	$4,992
Utilities	$0	$496,288	$547,212	$2,050	$7,212	$0
Operating Expenses	$594,800	$1,473,919	$1,441,314	$8,616	$2,254	$1,141
Debt Service	$0	$0	$0	$0	$0	$0
Total Uses	*$703,830*	*$2,070,614*	*$2,088,105*	*$32,351*	*$32,987*	*$22,909*
Net Transfers	($356,170)	$4,000	$20,000	$0	$1,000	$5,000
Net Total	$0	($411,911)	($340,387)	$409,243	$535,598	$602,637

MIAMI UNIVERSITY
Financial Analysis - Auxiliary Units (Oxford Campus)
FY2011/FY2010/FY2009

	FY2011	FY2010	FY2009	Year-To-Date thru Sept.		
	Original Budget	**Year-end Actual**	**Year-end Actual**	**FY2011**	**FY2010**	**FY2009**
Utility Enterprise						
Salary	$1,256,309	$1,134,319	$1,073,687	$244,543	$224,639	$239,266
Benefits	$523,143	$419,402	$410,926	$101,270	$84,887	$89,007
Utilities	$12,939,432	$14,465,858	$21,048,501	$2,536,178	$2,973,192	$3,382,187
Charge Outs	($23,703,526)	($23,733,490)	($28,206,324)	($5,934,179)	($6,108,955)	($6,151,223)
Operating Expenses	$1,899,300	$1,064,936	$1,045,124	$159,618	$277,260	$235,850
Debt Service	$2,467,735	$2,470,784	$2,098,687	$622,896	$623,371	$527,628
Total Uses	*($4,617,607)*	*($4,178,191)*	*($2,529,399)*	*($2,269,674)*	*($1,925,605)*	*($1,677,285)*
Net Transfers	($4,617,607)	($4,165,605)	($2,529,756)	($1,164,843)	($1,024,017)	($921,739)
Net Total	$0	$12,586	($357)	$1,104,831	$901,588	$755,546
Other Auxiliary						
Revenue	$198,192	$155,486	$230,614	$51,560	$15,659	$59,549
General Fee Support	$361,878	$3,337,179	$2,561,834	$152,970	$90,470	$90,470
Total Sources	*$560,070*	*$3,492,665*	*$2,792,448*	*$204,529*	*$106,128*	*$150,018*
Salary	$64,121	$64,810	$14,410	$16,477	$3,314	$2,996
Benefits	$20,952	$22,911	$249	$5,171	$56	$52
Utilities	$0	$0	$0	$0	$0	$0
Operating Expenses	$175,266	$170,161	$243,591	$51,195	$60,571	$120,334
Debt Service	$346,201	$344,376	$344,878	$87,256	$86,354	$86,376
Total Uses	*$606,540*	*$602,258*	*$603,129*	*$160,100*	*$150,295*	*$209,758*
Net Transfers	$46,470	($2,889,858)	($2,085,732)	($62,500)	$0	$0
Net Total	$0	$549	$103,587	($18,070)	($44,167)	($59,740)
Total Auxiliary						
Revenue	$115,767,127	$119,605,409	$113,912,684	$55,618,930	$53,280,342	$51,535,704
General Fee Support	$23,505,138	$25,469,615	$25,155,802	$5,763,784	$5,642,328	$5,722,711
Total Sources	*$139,272,265*	*$145,075,024*	*$139,068,486*	*$61,382,714*	*$58,922,671*	*$57,258,416*
Salary	$35,973,986	$39,398,623	$42,077,833	$8,032,581	$8,640,282	$9,427,110
Benefits	$12,636,269	$12,029,511	$13,366,482	$2,771,369	$2,836,305	$2,996,733
Utilities	$21,839,857	$23,218,323	$30,201,986	$4,567,545	$4,523,739	$4,938,559
Charge Outs	($24,178,300)	($24,135,399)	($28,612,126)	($6,361,535)	($6,398,895)	($6,311,773)
Operating Expenses	$46,765,187	$41,701,736	$42,354,114	$12,295,524	$11,310,622	$11,415,259
Inventory Purchases	$14,984,707	$15,485,225	$16,127,614	$3,891,603	$3,430,806	$4,593,269
Debt Service	$11,988,218	$11,690,251	$10,691,339	$3,010,271	$2,589,299	$2,504,932
Total Uses	*$120,009,924*	*$119,388,270*	*$126,207,243*	*$28,207,356*	*$26,932,159*	*$29,564,088*
Net Transfers	($19,262,341)	($25,588,838)	($13,311,064)	($4,953,653)	($2,968,770)	($2,162,574)
Net Total	$0	$97,915	($449,821)	$28,221,705	$29,021,742	$25,531,753

Attachment F

MIAMI UNIVERSITY

WEEKLY COST OF CHILDCARE

SCHOOL	PRESCHOOL Weekly Fee	TODDLER Weekly Fee	INFANTS Weekly Fee
Tiny Times Daycare (Hamilton)	$125	$150	$175
Miami University - Hamilton (student)	**$130**	**$130**	**N/A**
Was Magics/Now Kid's Kare (Kent)	$130	$145	$160
Kid's Kare (Kent)	$140	$150	N/A
Noah's Ark (Rootstown)	$145	$155	$170
Miami University - Middletown (YMCA)	**$148**	**$118**	**N/A**
Creative Playrooms (Stow)	$150	$172	$189
Little Children's House (Fairfield)	$150	$160	$170
Miami University – Hamilton (employee)	**$150**	**$150**	**N/A**
Young Friends (Kent)	$158	$175	$185
Oxford Early Childhood Center (Oxford - no meals)	$165	$175	
Kid's Play (Stow)	$169	$191/$198	$212
KinderCare Learning Center (Middletown)	$170	$200	$227
Kids "R" Kids (West Chester)	$184	$209	$238
Kid's Country (Stow)	$185	$205	$225
Child Time (Cuyahoga Falls)	$187	$203	$218
Kindercare (Hudson)	$190	$222	$254
Miami University – Oxford	**$210**	**$230**	**$250**
Henry Center (Akron/Summa *affiliated/non-affiliated)	$183/$216	$204/$243	$221/$263

MIAMI UNIVERSITY

WEEKLY COST OF CHILDCARE

SCHOOL	PRESCHOOL Weekly Fee	TODDLER Weekly Fee	INFANTS Weekly Fee
Bowling Green State University	$90	$90	N/A
Miami University - Hamilton (student)	**$130**	**$130**	**N/A**
Ohio University	$135	$135	$135
Miami University - Middletown (YMCA)	**$148**	**$118**	**N/A**
Miami University - Hamilton (employee)	**$150**	**$150**	**N/A**
University of Akron	$170	$198	N/A
Kent State University	$176	$196	N/A
Ohio State University	$188	$212	$225
Miami University - Oxford	**$210**	**$230**	**$250**
Wright State University	$210	$230	$250

Hamilton CampusKids Revenue and Expense Report FY07 - FY10

	FY07	FY08	FY09	FY10	FY11 Budget Projections
Revenue					
Fees	$63,864.06	$73,363.68	$77,525.65	$78,756.16	$83,000.00
Grant Revenue	$27,270.00	$8,550.00	$25,000.00	$9,715.00	$35,000.00
Total Revenue	**$91,134.06**	**$81,913.68**	**$102,525.65**	**$88,471.16**	**$118,000.00**
Expenses					
Unclassified	$33,007.75	$33,786.16	$47,868.10	$40,583.00	$53,400.00
Student Wages	$26,962.95	$30,519.35	$28,214.81	$31,983.74	$33,000.00
Benefits	$11,971.14	$13,087.26	$16,746.92	$15,944.09	$22,404.00
*Support Budget	$9,107.90	$3,739.30	$4,885.13	$3,400.62	$6,112.49
Total Expenses	**$81,049.74**	**$81,132.07**	**$97,714.96**	**$91,911.45**	**$114,916.49**
Net Income	$10,084.32	$781.61	$4,810.69	($3,440.29)	$3,083.51

Attachment G

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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		
• Committee Self-Assessment				x	
Strategic Matters and Significant Topics Affecting Miami:					
• College Rankings				x	
• Branding and Marketing the University - Web Redesign		x			
• Update on Strategic Priorities - Progress Toward Goals - New Revenue Development	x	x	x	x	x
• Annual Campaign Update			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	
• MBA 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
Investment Agenda:					
• Calendar Year Investment Report on Endowment			x		
• Approval of Endowment Spending Formula	x				

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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
Facilities Agenda:					
• Approval of Six-Year Capital Plan (every other year)					
• Facilities Condition Report		x			
• Annual Report of Gift-Funded Projects					x
• Approval of Housing and Dining Master Plan			x		
• Approval of Phase I Housing Projects and Review of Debt Financing and Capacity				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

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

Campaign Update

Jayne Whitehead

Vice President for University Advancement

Campaign Gift Pyramid - as of Oct. 15, 2010

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	11	**$33,021,595**
Leadership Gifts	$1,000,000	55	$55,000,000	41	**$51,111,408**
	$500,000	65	$32,500,000	35	**$21,887,811**
Major Gifts	$100,000	400	$40,000,000	280	**$50,624,533**
	$50,000	450	$22,500,000	252	**$15,687,378**
	$25,000	800	$20,000,000	481	**$14,483,317**
Special Gifts	$10,000	1,500	$15,000,000	987	**$13,163,946**
Gifts Below	$10,000	many	$50,000,000	266,229	**$48,957,704**
Total			$500,000,000		**$391,260,068**

Giving by Constituent Group - as of Oct. 15, 2010

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	$148,500,116	$111,505,247	$52,394,544	**$260,005,363**	$200,894,660
Parents	$9,669,001	$4,180,000	$316,416	**$13,849,001**	$9,985,418
Other Individuals	$29,783,352	$10,772,580	$5,571,682	**$40,555,932**	$35,355,033
Foundations	$36,439,400	$0	$0	**$36,439,400**	$36,439,400
Corporations	$27,567,400	$0	$0	**$27,567,400**	$27,567,400
Other	$12,842,972	$0	$0	**$12,842,972**	$12,842,972
Total	$264,802,240	$126,457,827	$58,282,642	**$391,260,068**	$323,084,883

Giving by Type - as of Oct. 15, 2010

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	$235,295,172	$0	$0	**$235,295,172**	$235,295,172
Bequests	$0	$101,351,642	$46,672,406	**$101,351,642**	$46,672,406
Planned Gifts	$494,402	$25,106,185	$10,472,709	**$25,600,587**	$10,967,111
Gifts in Kind	$15,366,471	$0	$0	**$15,366,471**	$15,366,471
Real Estate	$378,000	$0	$0	**$378,000**	$378,000
Grants	$13,004,109	$0	$0	**$13,004,109**	$13,004,109
Other	$289,086	$75,000	$42,350	**$364,086**	$331,436
Total	$264,827,240	$126,532,827	$57,187,464	**$391,260,068**	$322,014,705

Giving by Initiative - as of Oct. 15, 2010

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	**$86,940,120**	$72,969,248	$125,450,000	69.30%	$38,509,860
Technology & Equipment	**$9,892,833**	$9,293,417	$10,650,000	92.89%	$757,167
Faculty Development	**$24,266,039**	$22,935,477	$114,900,000	21.12%	$90,633,961
Research	**$7,730,073**	$7,724,785	$1,000,000	773.01%	$0
Programs	**$75,516,394**	$71,400,283	$90,675,000	83.28%	$15,158,606
Scholarships	**$92,615,271**	$66,981,582	$103,525,000	89.46%	$10,909,729
University - Unrestricted	**$31,205,473**	$27,991,019	$0	N/A	$0
Units - Unrestricted	**$25,748,284**	$20,552,332	$45,000,000	57.22%	$19,251,716
Undesignated	**$35,648,500**	$22,291,625	$8,800,000	336.49%	$0
Other	**$1,697,081**	$945,115	$0	N/A	$0
Total	**$391,260,068**	$323,084,883	$500,000,000	78.25%	$108,739,932

Giving by College/Area/Unit - as of Oct. 15, 2010

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	$32,902,183	$29,040,345	$50,000,000	65.80%	$17,097,817
Farmer School of Business	$47,286,756	$41,042,406	$80,000,000	59.11%	$32,713,244
School of Education, Health & Society	$15,861,873	$13,188,209	$15,000,000	105.75%	$0
School of Engineering & Appl'd Science	$5,905,526	[illegible]	$15,000,000	39.37%	$9,094,474
School of Fine Arts	$15,110,706	$14,283,119	$15,000,000	100.74%	$0
Graduate School	$4,120,748	$4,130,211	$4,000,000	103.02%	$0
Intercollegiate Athletics	$43,685,173	$32,016,315	$50,000,000	87.37%	$6,314,827
University Libraries	$3,668,033	$3,405,446	$3,200,000	114.63%	$0
Student Affairs	$10,492,795	$10,471,216	$11,000,000	95.39%	$507,205
Hamilton Campus	$6,202,347	[illegible]	$6,500,000	95.43%	$297,653
Middletown Campus	$2,910,969	$2,866,797	$2,250,000	129.38%	$0
Academic Initiatives	$16,618,923	[illegible]	$20,250,000	82.07%	$3,631,077
University-wide Initiatives	$137,073,346	$110,935,735	$222,500,000	61.61%	$85,426,654
University – Unrestricted	$31,611,016	$28,346,487	$0	N/A	$0
Undesignated Funds	$16,801,448	$10,207,407	$5,300,000	N/A	$0
Other Areas	$1,007,628	$980,127	$0	N/A	$0
Total	$391,260,068	$323,084,883	$500,000,000	78.25%	$108,739,932

Commitments by Project - as of Oct. 15, 2010

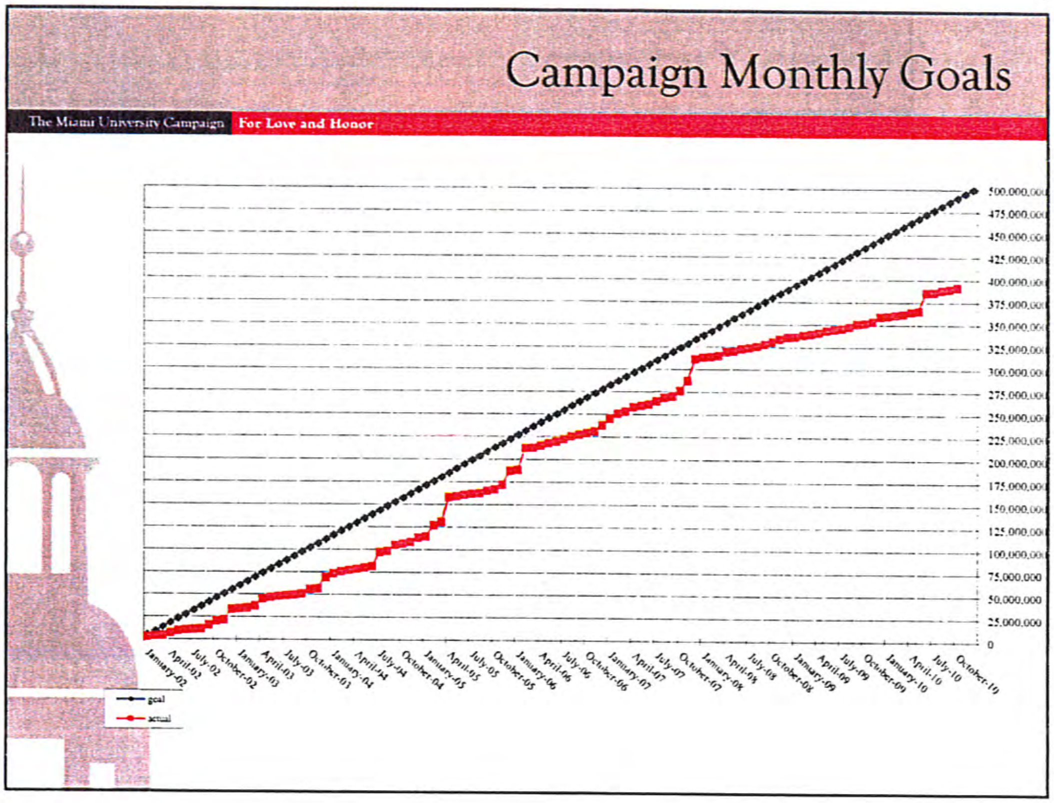
The Miami University Campaign For Love and Honor

	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	**$5,912,250**	$5,912,250	$5,500,000	107.50%	$0
Yager Stadium Renovation	**$5,051,544**	$5,051,544	$10,500,000	48.11%	$5,448,456
Softball Facility	**$1,100**	$1,100	$500,000	0.22%	$498,900
Hamilton Campus Conservatory	**$3,462,805**	$12,805	$3,450,000	100.37%	$0
Middletown Campus Center	**$1,450,386**	$1,442,962	$2,500,000	58.02%	$1,049,614
VOA Learning Center	**$57,203**	$57,203	$2,000,000	2.86%	$1,942,797
Armstrong Student Center	**$23,353,212**	$20,179,009	$30,000,000	77.84%	$6,646,788

Giving by Designation - as of Oct. 15, 2010

The Miami University Campaign For Love and Honor

Capital	$ 78,992,766
Endowment	$ 217,588,820
Expendable	$ 94,678,482
Total	$ 391,260,068


Campaign Monthly Goals
The Miami University Campaign
For Love and Honor
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50,000,000
25,000,000
0
January-02
April-02
July-02
October-02
January-03
April-03
July-03
October-03
January-04
April-04
July-04
October-04
January-05
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January-08
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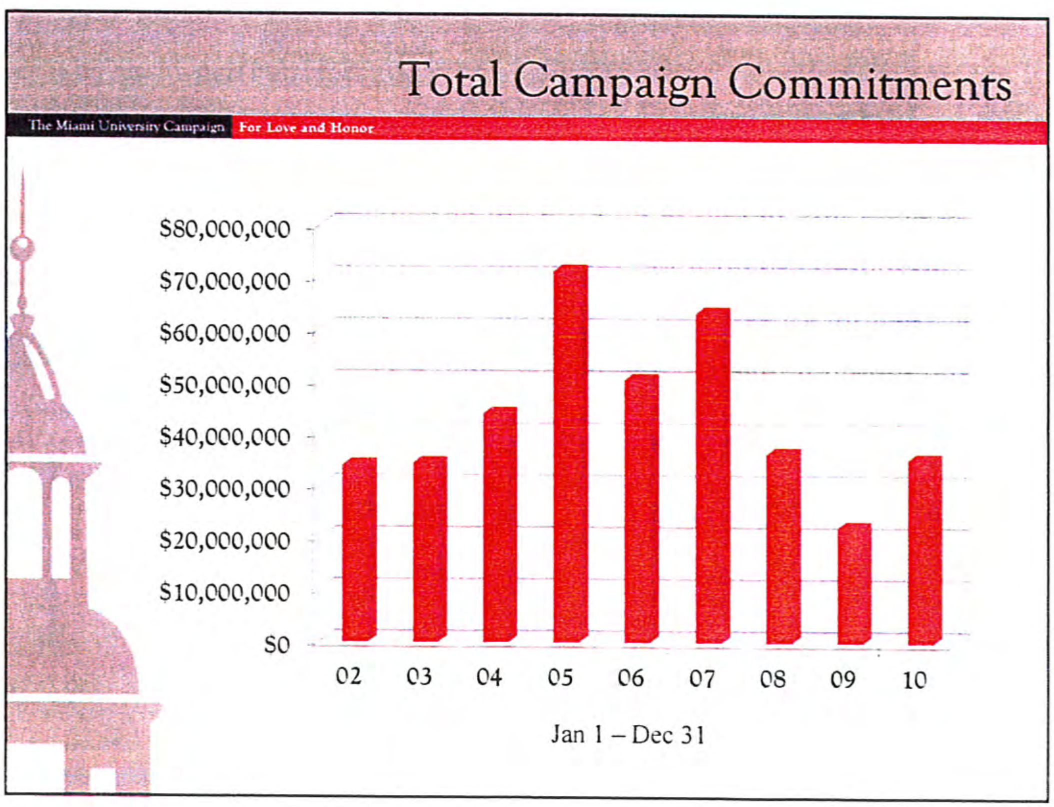
July-10
October-10
goal
actual


Total Campaign Commitments
The Miami University Campaign
For Love and Honor
$80,000,000
$70,000,000
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
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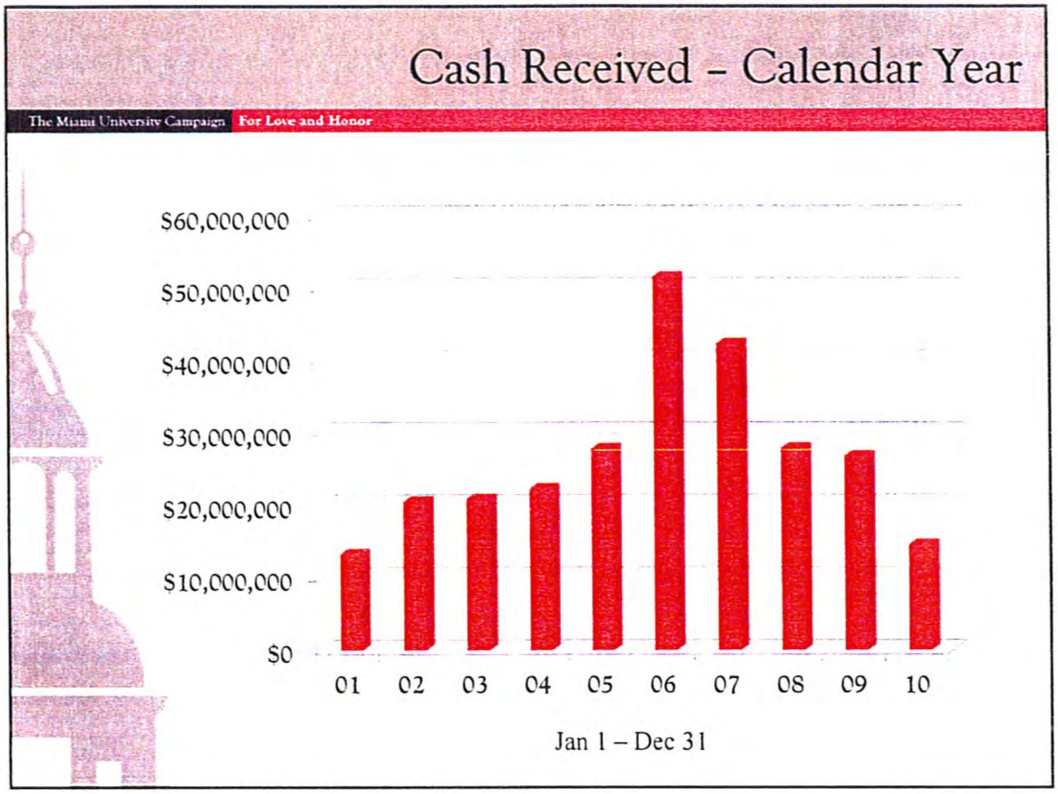
Jan 1 – Dec 31


Cash Received - Calendar Year
The Miami University Campaign
For Love and Honor
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
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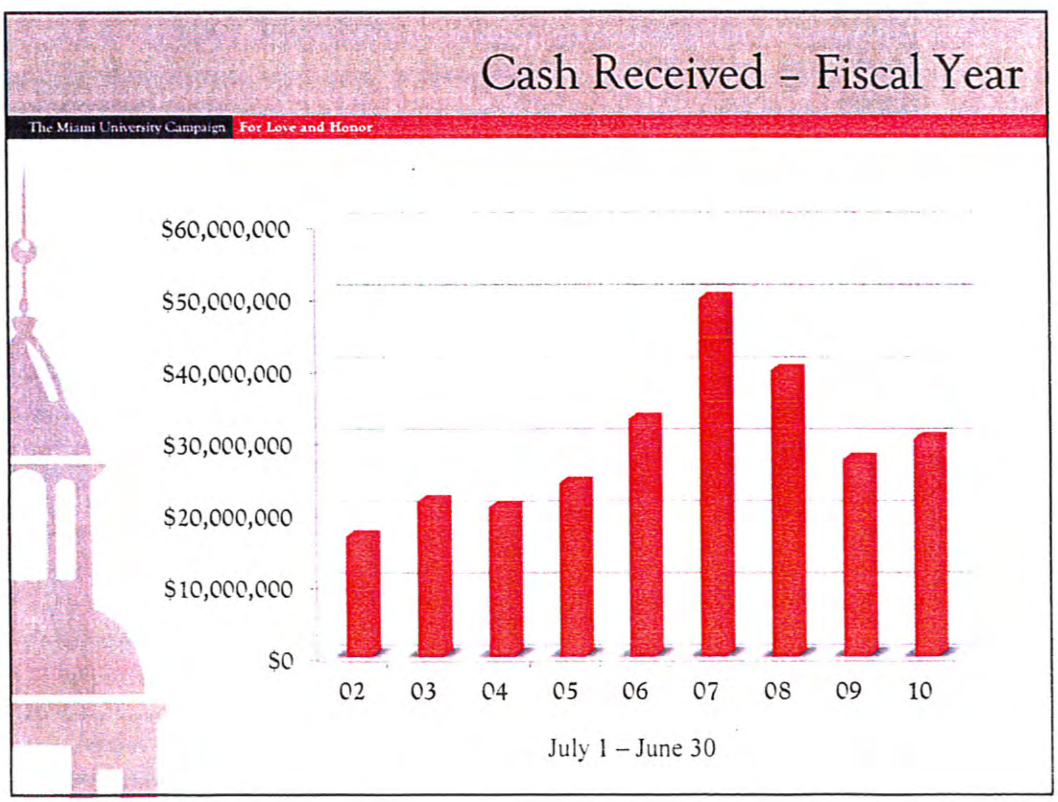
Jan 1 – Dec 31


Cash Received - Fiscal Year
The Miami University Campaign
For Love and Honor
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
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July 1 – June 30

MIAMI UNIVERSITY

PHYSICAL FACILITIES DEPARTMENT

COLE SERVICE BUILDING
OXFORD OH 45056-3609
513-529-7000
513-529-1732 FAX
www.pfd.muohio.edu

Status of Capital Projects Executive Summary
December 1, 2010

1. Projects completed:

Nine projects were completed since the September report. Of the nine projects, two were academic program improvements: the Upham Hall North Wing Renovation and the Middletown Campus – General Classroom and Office Improvements. The Upham Hall project renovated the space vacated by the School of Business after the completion of the new Farmer School of Business building. The majority of the funding for this project was allocated to the creation of a new Electron Microscopy Facility on the ground floor. As a result of the improved stability provided in this new facility, the resolution of images viewed through the microscopes has improved by a minimum of 3.5 to 5 times in clarity according to the director of the facility. In the words of one student working in the new facility for the first time, "Oh wow!"

Other projects completed were all related to infrastructure upgrades such as campus lighting, walks and drives, and energy conservation work. The Hamilton Campus-wide HVAC Energy Improvements project has already proven significant savings. In the first three months of operation, two-thirds of the project cost has been recouped through reduced energy costs.

2. Projects added:

Only two new projects exceeding $250,000 were added this period. The Marcum Conference Center project will upgrade the existing, outdated guest rooms that do not meet the standards of today's hospitality industry. The project will also increase capacity to offset the loss of guest rooms when the Miami Inn is converted to a residence hall as part of the student housing master plan. The second new project will provide utilities to the site of a new food service facility that is also part of the master plan.

3. Projects in progress:

Major projects in progress include two utility projects related to the new Armstrong Student Center. Although disruptive to central campus, both projects are progressing at a very rapid pace to minimize the construction duration. The Laws Hall Renovation project is progressing well and will be ready for use at the beginning of next school year.

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	15	$19,811,517
In Design	28	$105,918,384
In Planning	2	$7,568,051
Total	45	$133,297,952

New Projects Over $250,000

Maplestreet Station Site Infrastructure	Page 19, Item 2
Marcum Conference Center Addition and Renovation	Page 15, Item 19

Projects Completed Since Last Report

Campus - Street Lighting Upgrade	$99,164
Hamilton Campus – Campus-wide HVAC Energy Improvements	$97,500
Harrison Hall Elevator Upgrades	$236,044
Miami Inn Moisture Remediation	$585,000
Middletown Campus – General Classroom & Office Improvements	$309,738
Shriver Center – Partial Roof Replacement	$375,000
Student Housing and Dining Long Range Master Planning – Building Assessment	$274,100
Upham Hall North Wing Renovation	$3,600,000
Walks and Drives – Sundial to Spriug Street	$508,378
	$6,084,924

Miami University
Physical Facilities Department
Status of Capital Projects Report

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Miami University
Physical Facilities Department
Status of Capital Projects Report

UNDER CONSTRUCTION
(Under Contract)

1. **Airport Taxiway Design and Ramp Lighting Installation:**
   Approved Budget: $93,149 (Revised since last report - $70,725)
   Project Completion: July 2011

	Funded	Planned
Local	$25,960	$0
FAA Grant	$67,189	$0
Total	$93,149	$0

This project includes the engineering design for an airport taxiway extension, as well as the design and installation of ramp lighting. The installation of the ramp lighting is complete. Taxiway extension design is in progress. Installation of the taxiway extension, scheduled for completion in July 2011, will take place under a subsequent FAA grant.

2. **Campus Avenue Building - South Facade Masonry Replacement: (New Project This Report)**
   Approved Budget: $200,000
   Project Completion: January 2011

	Funded	Planned
State	$200,000	$0
Total	$200,000	$0

This project will replace spalled and damaged cast stone at the south entry to the CAB facility and will give Admissions a new look for prospective students. The old masonry has been removed and the structural steel backup has been repaired. New brick and limestone are being installed for more coherence with the Georgian aesthetics of the campus. The work will be complete by the end of December.

3. **Central Campus Electrical Modifications:** (BOT Jun'10)
   Approved Budget: $3,039,238
   Project Completion: August 2011

	Funded	Planned
Bonds	$2,885,370	$0
Auxiliary CR&R	$153,868	$0
Total	$3,039,238	$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. Construction has begun.

Miami University
Physical Facilities Department
Status of Capital Projects Report

4. **Central Campus Water and Sewer Modifications:** (BOT Jun '10)
Approved Budget: $1,285,000
Project Completion: February 2011

	Funded	Planned
Bonds	$1,285,000	$0
Total	$1,285,000	$0

This project will modify and install new water lines to serve the domestic and fire protection requirements of the central part of the campus, including the additional needs of the new Armstrong Student Center. There will be significant work to upgrade the storm and sanitary sewers in the southeast area of the central campus and along Spring Street and Patterson Avenue as well. The project is 95 percent complete with all water lines and storm and sanitary piping installed. Directionally bored gas lines and grounds restoration work remains to be completed over the next two weeks. Tree replacement and additional grounds work will occur next spring.

5. **Hamilton Campus – Gymnasium and Phelps Emergency Generator Replacements:**
Approved Budget: $74,878
Project Completion: November 2010

	Funded	Planned
State	$74,878	$0
Total	$74,878	$0

This project replaces the existing emergency generators in the Gymnasium and Phelps Hall. The new generators are larger and capable of handling the need for increased emergency lighting in each building. This also adds backup emergency power for the existing fire alarm system. Construction progressed on schedule and has been completed. **This will be the last report.**

6. **Hamilton Campus - Rentschler Hall Second Floor Renovation:** (BOT Feb '10)
Approved Budget: $1,260,528 (Revised since last report - $1,253,880)
Project Completion: November 2010

	Funded	Planned
State	$1,153,217	$0
Local	$107,311	$0
Total	$1,260,528	$0

This project will renovate the second floor of Rentschler Hall which has been largely unoccupied since the original campus library was moved to Schwarm Hall in 1997. The 14,400 square feet floor area will include a mix of classroom and office space. New finishes, fire protection (sprinklers and alarm) system, new VAV boxes for HVAC upgrades, and new energy efficient light fixtures are in the scope of work. All work is complete and ready for occupancy by the spring semester. **This will be the last report.**

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7. Laws Hall Renovation: (BOT Jun '09)
Approved Budget: $5,740,000
Project Completion: March 2011

	Funded	Planned
State	$5,008,767	$731,233
Total	$5,008,767	$731,233

This project was initially planned to completely rehabilitate Laws Hall after it was vacated by the Farmer School of Business. The project scope has been reduced to include only interior renovations, new windows on the first and second floors, and essential site utility work as a first step of the eventual total building rehabilitation. Scope of the first phase includes major interior renovations to the first floor and basement to accommodate the public functions of the new science, business, and engineering library. Interior construction is approximately 85 percent complete, including metal stud framing and gypsum board walls, ceilings, elevator, mechanical piping and sheet metal ductwork, installation of the new air handling unit, variable air volume boxes, electrical conduit, new electrical switch gear, fire alarm systems, and fire protection piping. Exterior utility work, including new steam, condensate, domestic water, storm sewer, and fire protection water lines as well as site restoration, is complete. The State of Ohio Percent for Art project is underway with an artist from Cleveland.

8. Miami Inn HVAC Upgrades:
Approved Budget: $605,730
Project Completion: February 2011

	Funded	Planned
Auxiliary-CR&R	$605,730	$0
Total	$605,730	$0

This project will upgrade the HVAC systems throughout the public spaces on the first floor and basement areas. The boiler will be replaced with two high-efficiency boilers, the DX chiller will be removed and the building tied into the central chilled water system. Phase 1 is complete. Phase 2 will begin in December and be complete in February 2011.

9. Phillips Hall Art Center: (BOT Jun '10) **(Previous Report – In Design)**
Approved Budget: $2,578,541 (Revised since last report - $2,741,595)
Project Completion: September 2011

	Funded	Planned
State	$578,541	$0
Bond-FY09	$2,000,000	$0
Total	$2,578,541	$0

The Art Center/Craft Summer Program offers various art classes to students and the community. The entire program will be relocated to the south end of Phillips Hall in a vacated natatorium space. The new Phillips Hall Art Center/Craft Summer Program area will be completely rehabilitated, including adaptation of the swimming pool area and all major HVAC, electrical, lighting and other building systems. The relocation of the Art Center/Craft Summer Program will allow for the reprogramming of Rowan Hall in anticipation of the new Armstrong Student Center. The project also includes replacement

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Phillips Hall Art Center (continued):

of the mechanical systems serving the gym and dance studio on the north side of the building. Construction contracts have been awarded. The Art Center is scheduled for completion in July 2011; the north end HVAC replacement is scheduled for completion in September 2011.

10. Phillips Hall Partial Roof Replacement:

Approved Budget: $445,196
Project Completion: November 2010

	Funded	Planned
State	$445,196	$0
Total	$445,196	$0

This project replaces approximately 30,700 square feet of the existing roof system on 8 areas of the building with new insulation and a single-ply membrane roof system, including new flashings on vent and fan penetrations. Construction is complete. **This will be the last report.**

11. SEAS – Bioengineering Lab: (Previous Report – In Design)

Approved Budget: $138,501 (Revised since last report - $100,000)
Project Completion: December 2010

	Funded	Planned
State	$78,633	$0
Local	$59,868	$0
Total	$138,501	$0

This project will construct a negative pressure room within existing Room 171, including an interlock vestibule, bio-safety cabinet, fume hood, storage, isolated HVAC, and a monitoring system. Construction will be complete by the end of December. **This will be the last report.**

12. Shriver Center Improvements:

Approved Budget: $1,425,000
Project Completion: April 2011

	Funded	Planned
Auxiliary-CR&R	$1,425,000	$0
Total	$1,425,000	$0

This project gives an aesthetic facelift to Shriver Center's second floor public entries and spaces by updating interior wall/floor finishes, lighting and furniture in order to provide a more welcoming, modern, vibrant, upscale look to the 52 year-old building. Painting, lighting, and furniture changes to the first floor are complete. The balance of the project will focus on a two-phase renovation and expansion of the bookstore which will seek to increase merchandise, services, and profitability by creating "stores within the store." Potential "boutiques" include cosmetics, art supplies, and a revitalized computers and electronics store. A flexible textbook sales area is also being planned to enable the space to transform into a separate boutique during non-rush periods, maximizing use of the sales floor for non-textbook merchandise. Construction of Phase I began in November, and construction of Phase II will begin in January 2011.

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13. **Western Steam Loop Connections – Phase 3:** (BOT Sep '09)
Approved Budget: $1,837,997
Project Completion: November 2010

	Funded	Planned
State	$1,667,997	$0
Auxiliary-CR&R	$170,000	$0
Total	$1,837,997	$0

This project will continue the construction of a utility tunnel on Western Campus. In this phase, the tunnel will connect the phase 2 tunnel in front of Boyd Hall to the existing tunnel on the north side of Peabody Hall. When this is complete, the steam system will have an adequate back-up to feed into the central part of campus. Related to this project, new branch tees and valves were installed during the annual steam shutdown in May 2009 to be ready for the work on the main project to begin in 2010. As part of the project, a waterline paralleling the existing tunnel will be removed and relocated to the opposite side of the road. The construction for installation of the 12-inch water main is complete. The tunnel construction is complete. The General Contractor has finished site restoration. The Mechanical and Electrical Contractors have completed work inside the tunnel. Project is in close out. **This will be the last report.**

14. **Withrow Court Fire Alarm System: (Previous Report – In Design)**
Approved Budget: $137,759
Project Completion: January 2011

	Funded	Planned
State	$137,759	$0
Total	$137,759	$0

This project will install a new fire alarm system to replace the existing system, which is antiquated, prone to frequent maintenance and provides only basic building coverage. Construction has begun.

15. **Yager Stadium – Cradle of Coaches Plaza Statues:**
Approved Budget: $950,000
Project Completion: September 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 final five coach statues (Blaik, Brown, Parseghian, Pont, and Schembechler) will be installed for the 2011 football season.

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Intentionally blank

Under Construction

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IN DESIGN
(Pre-Contract)

1. **Armstrong Student Center:** (BOT Apr '08)
   Estimated Budget, Phase I: $ 50,100,000 (includes utility projects and departmental relocations)
   Estimated Budget, Phase II: $ 12,000,000
   Total: $ 62,100,000
   Estimated Start: September 2011
   Estimated Completion, Phase I: January 2014

	Funded	Planned
Student Facilities-CR&R	$50,000	TBD
Bonds	$2,200,000	$49,750,000
Total	$2,250,000	$49,750,000

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. Review of the design development submittal drawings and specifications is underway. Gaskill and Rowan relocations, abatement and selective demolition are scheduled for summer 2011. New construction is scheduled to begin September 2011.

2. **Campus Avenue Building - Admissions Interior Finishes:**
   Estimated Budget: $268,000
   Estimated Start: December 2010 (Revised since last report - July 2011)
   Estimated Completion: January 2011 (Revised since last report - March 2012)

	Funded	Planned
Local	$268,000	$0
Total	$268,000	$0

This project will update interior finishes and decorative lighting in the public areas of the Office of Admission in the Campus Avenue Building. The auditorium and waiting areas currently present a well-worn, hardwood gymnasium floor from the building's original use as a school, and the remaining areas have not seen any updates since 1995. The project will make use of new colors and patterns on the walls and floors to enliven the tour and admissions experience, and will update the restrooms with new floor and wall tile, toilet compartments, and fixtures. New, more consistent, furnishings will also be selected for the waiting area, improving upon the current "eclectic" living room feeling. Construction is scheduled to begin in December and be complete in January, 2011.

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3. **Central Campus Chilled Water Modifications:** (BOT Apr '08)
   Estimated Budget: $2,600,000
   Estimated Start: November 2011 (Revised since last report - July 2011)
   Estimated Completion: August 2012 (Revised since last report - March 2012)

	Funded	Planned
Local	$172,052	$2,427,948
Total	$172,052	$2,427,948

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; the work scheduled for summer 2011 has been revised to the summer 2012 to align more effectively with the Armstrong Student Center construction sequencing.

4. **Elliott and Stoddard Hall Renovations: (Previous Report – as Elliott, Stoddard and Bishop Hall Renovations)**
   Estimated Budget: $9,000,000 (Revised since last report - $15,800,000)
   Estimated Start: May 2011
   Estimated Completion: August 2012

	Funded	Planned
Local	$300,000	$8,700,000
Total	$300,000	$8,700,000

This project involves a major renovation of Elliott and Stoddard Halls, the oldest structures on the Miami Campus. Bishop Hall, originally included in the overall project, was determined too vast to complete over the summer 2011 break. It will now be a separate project with an estimated construction start date in May 2012. Elliott and Stoddard Halls, built in 1829 and 1836 respectively, have not had major renovations since the early 20th Century. These residence halls house the University's Scholar Leaders. Each hall will undergo a minor reconfiguration of interior space, and receive new mechanical systems, new electrical systems, upgrades to the exterior envelope, accessibility improvements, energy conservation improvements, telecommunication upgrades, and exterior landscaping. Elliott and Stoddard Halls will be renovated during the summer 2011. The construction documents are being prepared for an estimated mid-February bid date.

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5. **Hamilton Campus – Computing Services Renovation:**

Estimated Budget: $200,000
Estimated Start: May 2011 (Revised since last report - October 2010)
Estimated Completion: August 2011 (Revised since last report - March 2011)

	Funded	Planned
Local	$200,000	$0
Total	$200,000	$0

The Computing Services staff is dispersed throughout the third floor of Mosler Hall. This project provides for consolidation of the staff in one location with six to eight offices, a computer technology lab for special projects (i.e., instructing and assisting faculty with technical issues), storage, and a server room. During the development of the construction documents it was determined that a delay to a summer construction schedule would be less disruptive to adjacent programs on the third floor. In addition, this project will now be better coordinated with the scheduled work of the Mosler Hall Ceiling Renovation project. Construction bid documents are in progress at this time.

6. **Hamilton Campus – Mosler Hall Ceiling Renovation: (Previous Report – In Planning)**

Estimated Budget: $1,342,218 (Revised since last report - $871,375)
Estimated Start: May 2011
Estimated Completion: September 2011

	Funded	Planned
State	$0	$1,242,218
Local	$100,000	$0
Total	$100,000	$1,242,218

This project was originally established to renovate the ceiling and above ceiling spaces on the first, second, and fourth floors of Mosler Hall. The fifth floor has now been added to the project as reflected in the increased budget. Work will consist of replacing the original 1968 ceiling tile, light fixtures, and VAV boxes along with installing a sprinkler system. A/E firm is currently in design development phase.

7. **Hamilton Campus – Mosler Hall – Time Line Project:**

Estimated Budget: $56,500
Estimated Start: October 2010
Estimated Completion: February 2011 (Revised since last report - January 2011)

	Funded	Planned
Local	$56,500	$0
Total	$56,500	$0

This project will install eleven 30" x 60" acrylic panels attached to the wall in the study lounge on the first floor of Mosler Hall as a display to celebrate the Miami Hamilton 40th Anniversary. Overall composition will include historic photos of events and text highlighting milestone dates. Fabrication of the panels remains in progress.

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8. Hamilton Campus – Phelps Hall Theater Classroom 307 Renovation:

Estimated Budget: $98,600
Estimated Start: May 2011 (Revised since last report - October 2010)
Estimated Completion: August 2011 (Revised since last report - January 2011)

	Funded	Planned
Local	$98,600	$0
Total	$98,600	$0

Room 307 Phelps Hall is a classroom used by the Theater Department for students to perform their own plays and skits. This project will make the space better suited for theater production. Work includes removal of the existing drop ceiling, painting the ceiling structure, modification of the HVAC system, installation of new light fixtures to include spot lighting, and a new sound system. During the development of the construction documents it was determined that the scope includes work on the corridor and ceiling outside room 307 as well as the entrance to the room for the modification of the HVAC system. It was determined that a delay to summer construction would be less disruptive to the classroom and adjacent programs on the third floor; consequently, the schedule was modified accordingly. Construction bid documents are in progress at this time.

9. Hamilton Campus – Student and Recreation Parking Lot Renovation:

Estimated Budget: $996,850
Estimated Start: May 2011
Estimated Completion: August 2011

	Funded	Planned
State	$0	$0
Local	$996,850	$0
Total	$996,850	$0

This project will renovate student and recreation parking lots at the Hamilton Campus. The student lot will be re-graded for installation of a new base and asphalt. The recreation lot will have an asphalt overlay system and new lighting added to the entire lot. The project will bid in February 2011 with construction to begin in May 2011 and be complete in late August 2011.

10. Harris Dining Hall HVAC Replacement:

Estimated Budget: $1,500,000
Estimated Start: May 2011
Estimated Completion: September 2011

	Funded	Planned
Auxiliary-CR&R	$1,500,000	$0
Total	$1,500,000	$0

This project will replace/upgrade the heating, ventilation, air-conditioning (HVAC) systems throughout Harris Dining Hall. The majority of the systems are original (1961) and past their useful life. New air handling units and terminal boxes incorporating energy saving strategies will be implemented. A/E firm is currently in design development phase.

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11. Havighurst Hall Systems Upgrades: (Previous Report – as Havighurst Hall HVAC & Chiller Replacement)

Estimated Budget: $1,800,000
Estimated Start: May 2011
Estimated Completion: September 2011

	Funded	Planned
Local	$30,000	$1,770,000
Total	$30,000	$1,770,000

This project will replace the existing fan coil units, air handling units and chiller. All new systems will incorporate Direct Digital Control with electric actuation eliminating all pneumatic controls. A/E firm is currently in design development phase.

12. Hughes Hall "A" Laboratory Renovation:

Estimated Budget: $3,379,930
Estimated Start: May 2011
Estimated Completion: August 2011

	Funded	Planned
State	$2,879,930	$0
Local	$0	$500,000
Total	$2,879,930	$500,000

This project will continue the renovation of teaching laboratories for organic and advanced laboratory courses in analytical, physical and inorganic chemistry and biochemistry. The five new labs will become Organic and Advanced Instrumentation Labs with support areas. The labs will receive new casework, fume hoods, teaching technology with state-of-the-art AV, lighting, ventilation, safety equipment and pure water access. Construction documents are being prepared. The project is scheduled to bid in March 2011.

13. Hughes Hall Heat Recovery/Process Chilled Water Expansion: (Previous Report – In Planning)

Estimated Budget: $599,983
Estimated Start: May 2011
Estimated Completion: December 2011

	Funded	Planned
State	$30,769	$569,214
Total	$30,769	$569,214

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. A/E firm is currently in design development phase.

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14. Hughes Steam Line Replacement: (New Project This Report)
Estimated Budget: $172,000
Estimated Start: May 2011
Estimated Completion: September 2011

	Funded	Planned
Auxiliary-CR&R	$14,600	$157,400
Total	$14,600	$157,400

This project will replace the steam and condensate service lines at Hughes Hall. The existing steam and condensate will remain online during the construction and will be abandoned once the new line is in place. The project is in the construction document phase and is expected to bid in January 2011.

15. Hughes Hall Still Replacement:
Estimated Budget: $160,000
Estimated Start: May 2011
Estimated Completion: August 2011

	Funded	Planned
Local	$160,000	$0
Total	$160,000	$0

The electric stills that generate distilled water for the entire building have reached the end of their useful life. This project will install new stills with steam as the primary fuel and electric as the backup. This project has been on hold since 2007, awaiting sufficient sources for fundiug. Funding has been identified and the design documents are being reviewed. The project is currently out to bid.

16. King Library Emergency Generator Upgrade: (Previous Report – In Planning)
Estimated Budget: $200,000
Estimated Start: September 2011 (Revised since last report – March 2011)
Estimated Completion: December 2011 (Revised since last report – July 2011)

	Funded	Planned
State	$0	$200,000
Total	$0	$200,000

This project will remove the existing and increase the size of the emergency generator to handle additional emergency lighting and the Rare Book Vault's HVAC equipment.

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17. **Main Steam Line Expansion Joint Replacement: (Previous Report – In Planning – as Steam Line Expansion Joint Replacement)**
Estimated Budget: $128,000 (Revised since last report - $133,000)
Estimated Start: May 2011
Estimated Completion: Sept 2011

	Funded	Planned
State	$12,000	$111,000
Auxiliary-CR&R	$5,000	$0
Total	$17,000	$111,000

This project involves the replacement of expansion joints in the 16-inch main steam line running from the Steam Plant to Tappan Hall. Approximately 14 expansion joints will need replaced. An isolation valve will be added near Tappan Hall to allow the new Western Steam Line to backfeed the campus while this section of pipe is down. The project is in the construction document phase.

18. **Maplestreet Station – New Dining & Residence Hall: (Previous Report – In Planning)**
Estimated Budget: $24,000,000 (Revised since last report - $14,500,000)
Estimated Start: July 2011 (Revised since last report – May 2011)
Estimated Completion: July 2012

	Funded	Planned
Auxiliary-CR&R	$1,730,000	$22,270,000
Total	$1,730,000	$22,270,000

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 will have an open suite plan for upper classmen. The project is in schematic design.

19. **Marcum Conference Center Addition and Renovation: (New Project This Report)**
Estimated Budget: $5,600,000
Estimated Start: May 2011
Estimated Completion: July 2012

	Funded	Planned
Local	$300,000	$5,300,000
Total	$300,000	$5,300,000

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. Design is scheduled to be finished by the end of January 2011 with bidding in February 2011.

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20. McGuffey Steam Line Replacement: (Previous Report – In Planning)
Estimated Budget: $502,000 (Revised since last report - $480,000)
Estimated Start: May 2011
Estimated Completion: Sept 2011

	Funded	Planned
State	$26,000	$444,000
Auxiliary-CR&R	$32,000	$0
Total	$58,000	$444,000

This project involves the replacement of the steam and condensate lines from Alumni Hall to McGuffey Hall, including a new manhole at Bishop Hall. The replacement will include a new steam line pathway into Bishop Hall to avoid running high pressure steam through the building. The project is expected to bid in December 2010.

21. Middletown Campus – Finkelman Auditorium Renovation: (Previous Report – In Planning)
Estimated Budget: $2,564,752
Estimated Start: August 2011 (Revised since last report - March 2011)
Estimated Completion: April 2012 (Revised since last report - September 2011)

	Funded	Planned
State	$52,190	$2,512,562
Total	$52,190	$2,512,562

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 ADA requirements, 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. A/E contract is secured and design meetings with the project team are in progress.

22. Middletown Campus – Verity Lodge Renovation:
Estimated Budget: $278,039
Estimated Start: March 2011
Estimated Completion: September 2011

	Funded	Planned
State	$243,039	$0
Local	$35,000	$0
Total	$278,039	$0

This project will address ground and storm water drainage on perimeter of building, replace deteriorated trim and fascia, and paint the exterior of the building. New landscape materials will be installed. The project will install new exterior doors with security at the main entrance and child care entrance to regulate entry to day care center on the lower level. Interior work will include repair of the lower level walls and the installation of new finishes, carpet, and lighting. The observation room will be removed

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Middletown Campus – Verity Lodge Renovation (continued):
and the kitchenette area will be replaced with storage shelves in the day care center. Design documents for the overall project are in progress. Inspection of existing conditions has revealed a deteriorated structure of the porch. Accelerated efforts are being made to complete exterior work in advance of the comprehensive project.

23. Millett Hall Emergency Generator and Emergency Lighting Upgrade:
Estimated Budget: $311,512
Estimated Start: March 2011
Estimated Completion: July 2011

	Funded	Planned
State	$26,504	$285,008
Total	$26,504	$285,008

This project will install a 60kw emergency generator to replace the existing 30kw generator which is old and unreliable. The increase in size is needed to add more emergency lighting to the arena. Current lighting levels do not meet the building or electrical code standards. Review of documents submitted for the building permit identified that a revision is needed. Consultants are in the process of revising the drawings to comply with the plan examiner's comments. Construction documents should be completed by December 2010.

24. Ogden, Porter and Mary Lyon Hall Electrical Improvements: (New Project This Report)
Estimated Budget: $1,250,000
Estimated Start: May 2011
Estimated Completion: August 2011

	Funded	Planned
Auxiliary – CR&R	$30,092	$1,219,908
Total	$30,092	$1,219,908

This project will upgrade the electrical unit substations in Porter and Mary Lyon Halls. The substation in Ogden Hall will be upgraded as part of an earlier project. All three buildings will receive an upgrade to the power distribution systems as well as new electrical power and outlets in the student rooms. The project is in the design stage.

25. Shriver Steam Line Replacement: (New Project This Report)
Estimated Budget: $150,000
Estimated Start: May 2011
Estimated Completion: September 2011

	Funded	Planned
Auxiliary-CR&R	$13,800	$136,200
Total	$13,800	$136,200

This project will route new steam and condensate service lines to Shriver Center from the Spring Street steam tunnel. The old service lines from Maple Street will be abandoned. The project is in the construction document phase and is expected to bid in January 2011.

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26. Steam Plant Storm and Sanitary Improvements: (Previous Report – In Planning)

Estimated Budget: $160,000
Estimated Start: June 2011
Estimated Completion: November 2011

	Funded	Planned
Auxiliary-CR&R	$18,645	$141,355
Total	$18,645	$141,355

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. The project is in schematic design.

27. Student Housing Door Security Upgrades:

Estimated Budget: $5,600,000
Estimated Start: May 2011
Estimated Completion: August 2011

	Funded	Planned
Local	$30,000	$5,570,0000
Total	$30,000	$5,570,0000

All on-campus bedroom doors have been surveyed for condition and construction. All bedroom doors will be upgraded to the equivalent of a twenty-minute fire rated door, with new keyless entry lock hardware. The new door hardware will afford more security and safety, and allow for the University to integrate the same door entry card with other systems such as dining purchases. A door bardware and software vendor has been selected. Construction drawings are being prepared for replacement of doors and other repairs in preparation for the new door hardware installation.

28. Student Housing Fire Suppression and Electrical Upgrades: (Previous Report – as Studeut Housing Fire Suppression Upgrades)

Estimated Budget: $3,000,000 (Revised since last report – $2,000,000)
Estimated Start: May 2011
Estimated Completion: August 2012

	Funded	Planned
Local	$120,000	$2,880,000
Total	$120,000	$2,880,000

Morris, Emerson, and Tappan Residence Halls will receive new fire suppression systems throughout. This work is proceeding at this time because these three residence halls are not planned to have renovations until the late phases of the Student Housing Long Range Master Plan. Documents are out to bid.

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IN PLANNING
(Pre-A&E)

1. **Hamilton and Middletown Campuses – Video Conferencing Upgrade: (New Project This Report)**
   Proposed Budget: $68,051
   Desired Start: December 2010
   Desired Completion: February 2011

	Funded	Planned
Local	$68,051	$ 0
Total	$68,051	$ 0

This project will add Interactive Video Distance Learning (IVDL) capabilities to office/conferencing spaces, one each on the Hamilton and Middletown campuses. The Hamilton Campus system will be installed in the Dean's conference room in Mosler Hall. The Middletown Campus system will be installed in a large classroom/meeting room in Johnston Hall. Each system will use state-of-the-art electronic equipment to allow the presenter(s) to make multimedia presentations in the room for video conferencing between the regional campuses. The project is in contract award for installation at this time.

2. **Maplestreet Station Site Infrastructure: (New Project This Report)**
   Proposed Budget: $7,500,000
   Desired Start: May 2011
   Desired Completion: July 2012

	Funded	Planned
Auxiliary-CR&R	$0	$7,500,000
Total	$0	$7,500,000

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. The project is in the process of securing A/E contracts for design.

Attachment J

REPORT ON CASH AND INVESTMENTS
Finance and Audit Committee
Miami University
December 1, 2010

<u>Non-Endowment Fund</u>

For the first fiscal quarter ending September 30, 2010, the non-endowment fund returned +1.21%. The performance for the past twelve months is +3.44%. A summary of each manager's performance is attached.

Continued short-term interest rates near zero have limited the earnings potential from this pool. The investment strategy for the long-term capital portion of the fund, however, has produced solidly positive returns in a highly volatile environment. The operating cash balance was over $133 million at quarter-end due to tuition receipts during the summer. The investment sub-committee has approved plans to reduce this balance in favor of investments in the core cash and long-term capital portions that are expected to be more productive.

<u>Endowment Fund</u>

The endowment fund returned +7.40% for the first fiscal quarter ending September 30, 2010. The performance for the past twelve months is +10.16%. A summary report of performance for each manager is attached.

Global capital markets surged during the quarter, partly due to some improving economic barometers and expectations of additional stimulus from the Federal Reserve. Public equities posted their strongest month of September since 1939, and were showing double digit returns for the past twelve-month period. All public and hedged strategies in the portfolio posted positive results for the quarter.

MIAMI UNIVERSITY
INVESTMENT SUMMARY
September 30, 2010

	FAIR VALUE	PERCENT OF PORTFOLIO
CURRENT FUNDS		
Operating Cash:		
Short-term investments	133,640,289	52.6%
Core Cash:		
Intermediate-term investments	36,816,391	14.5%
Long-Term Capital:		
Absolute Return	38,116,608	15.0%
Fixed income investments	45,703,114	18.0%
Total long-term capital	83,819,722	33.0%
Total Current Fund Investments	254,276,402	100.0%
ENDOWMENT FUNDS		
Equity:		
Public Long Only	74,339,295	46.7%
Hedged	21,738,638	13.7%
Private	8,791,270	5.5%
Total Equity	104,869,203	65.9%
Debt:		
Public Long Only	18,193,375	11.4%
Hedged	15,163,167	9.5%
Private	2,849,920	1.8%
Total Debt	36,206,462	22.8%
Real Assets		
Private	14,093,454	8.9%
Total Real Assets	14,093,454	8.9%
Short-term cash & investments	1,176,852	0.7%
Separately invested	2,714,282	1.7%
Total Endowment Fund Investments	159,060,253	100.0%
PLANT FUNDS		
Defeased bond reserves:		
Short-term investments	17,895	100.0%
Total Plant Fund Investments	17,895	100.0%
TOTAL UNIVERSITY INVESTMENTS	413,354,550	

NON-ENDOWMENT POOL
BENCHMARK SUMMARY REPORT
Miami University
September 30, 2010

OVERALL PERFORMANCE

	Fiscal Year-to-Date
Total Portfolio	1.21%
Benchmark	1.86%

OPERATING CASH

	Fiscal YTD	Benchmark	Benchmark
STAROhio	0.03%	0.04%	90 Day T-Bills
Chase	0.05%	0.04%	90 Day T-Bills
Blackrock	0.01%	0.04%	90 Day T-Bills
Touchstone	0.07%	0.04%	90 Day T-Bills
Total Operating Cash	0.05%	0.04%	

CORE CASH

	Fiscal YTD	Benchmark	Benchmark
Bartlett "A" Fund	0.65%	0.62%	Barclays Cap 1-3 Year Govt/Credit Index
Bartlett "B" Fund	2.20%	2.58%	Barclays Cap Govt / Credit Index less BBB's
Commonfund Intermediate Fund	1.58%	0.61%	Merrill Lynch 1-3 Yr Govt.
Total Core Cash	1.45%	1.75%	

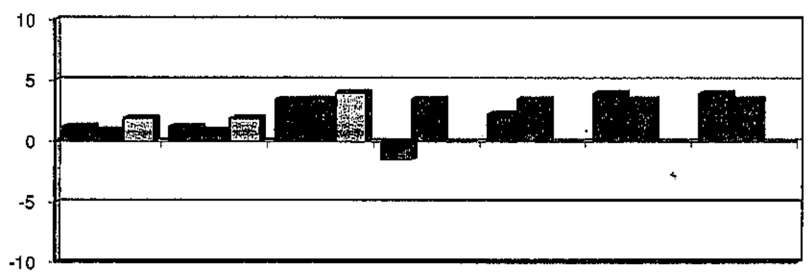
LONG TERM CAPITAL

	Fiscal YTD	Benchmark	Benchmark
Bartlett "C" Fund	2.59%	2.48%	Barclays Capital Aggregate
Commonfund High Quality Bond Fund	3.15%	2.48%	Barclays Capital Aggregate
Evanston Orrington Absolute Return Fund	-1.68%	3.04%	Treasury Bills + 3%
Commonfund Absolute Return Fund	-44.70%	2.04%	Treasury Bills + 2%
Evanston Weatherlow	3.64%	11.53%	Russell 3000
ABS	4.99%	14.34%	MSCI AC World Net
Ivory	1.61%	14.34%	MSCI AC World Net
Lighthouse	2.68%	11.53%	Russell 3000
SCS	1.41%	11.53%	Russell 3000
Total Long Term Capital	2.37%	3.49%	

TOTAL FUND

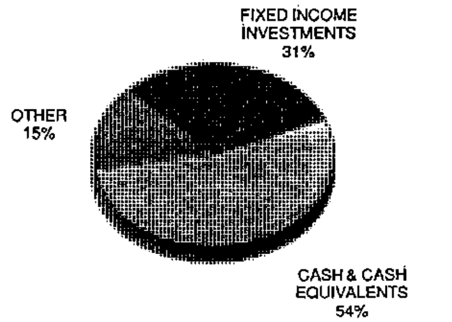
MIAMI U. COMBINED NON-ENDOWMENT — AS OF 09/30/2010

Portfolio Performance (%)

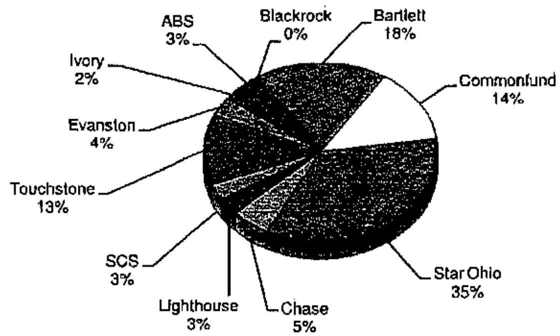


Investment Returns (%) *Since:*	*Fiscal Qtr 06/30/10*	*Fiscal YTD 06/30/10*	*Trailing 12 Months*	*Trailing 3 Years*	*Trailing 5 Years*	*Since 06/30/02*	*Inception 06/30/02*
Total Fund	**1.21**	**1.21**	**3.44**	**-1.55**	**2.23**	**3.95**	**3.95**
Hypothetical 3.5% Benchmark	0.88	0.88	3.50	3.50	3.50	3.50	3.50
New Combined Policy Blend	1.86	1.86	4.03	N/A	N/A	N/A	N/A
06/2002 Star Ohio	0.03	0.03	0.11	1.35	3.27	2.82	2.81
06/2002 Bartlett A	0.65	0.65	2.48	4.12	4.19	3.47	3.47
06/2002 Bartlett B	2.20	2.20	7.50	7.29	5.87	5.09	5.09
06/2002 CF Intermediate	1.58	1.58	7.41	1.17	2.42	2.73	2.73
06/2002 Bartlett C	2.59	2.59	9.03	8.83	6.76	5.96	5.96
06/2002 CF High Quality Bond	3.15	3.15	11.07	8.71	7.10	6.50	6.49
06/2002 CF Absolute Return	-44.70	-44.70	-40.59	-17.21	-7.64	-2.62	-2.61
10/2004 Orrington	-1.68	-1.68	9.33	3.51	4.55	4.65	4.61
10/2008 Chase	0.05	0.05	0.15	N/A	N/A	0.38	0.47
10/2008 Blackrock Fed Trust	0.01	0.01	0.07	N/A	N/A	0.27	0.30
05/2009 Evanston Weatherlow	3.64	3.64	8.46	N/A	N/A	11.85	14.92
05/2009 ABS	4.99	4.99	4.87	N/A	N/A	7.14	8.89
05/2009 Ivory	1.61	1.61	-0.93	N/A	N/A	1.66	3.68
05/2009 SCS Opportunities	1.41	1.41	4.45	N/A	N/A	5.70	7.05
01/2010 Touchstone	0.07	0.07	N/A	N/A	N/A	0.19	0.22
05/2010 Lighthouse	2.68	2.68	N/A	N/A	N/A	1.58	-0.05
Asset Growth ($000)							
Beginning Market Value	161,302	161,302	204,061	242,388	229,843	135,344	135,344
Net Contributions & Withdrawals	82,567	82,567	35,468	18,057	-4,218	49,201	49,201
Gain/Loss + Income	2,280	2,280	6,620	-14,296	20,524	61,604	61,604
Ending Market Value	246,149	246,149	246,149	246,149	246,149	246,149	246,149

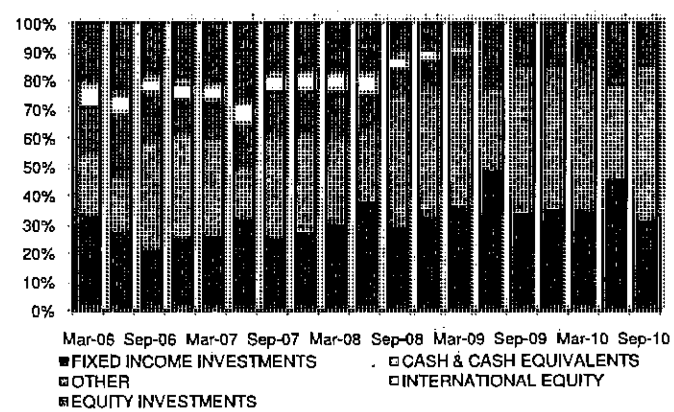
Asset Allocation ($000)



Asset Allocation By Manager



Allocation Over Time



Report Created: 11/7/2010

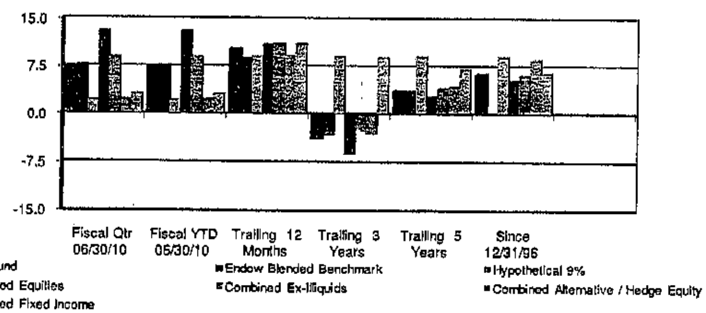
INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

MIAMI ENDOWMENT (Net of Fees)

MIAMI ENDOWMENT

AS OF 09/30/2010

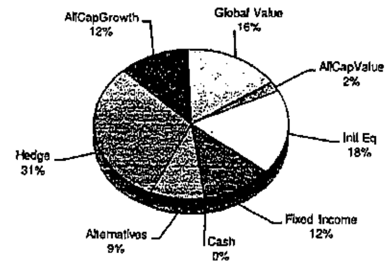
Portfolio Performance (%)



Investment Returns (%) Since:	Fiscal Qtr 06/30/10	Fiscal YTD 06/30/10	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 12/31/96
Total Fund	7.40	7.40	10.16	-3.76	3.71	6.26
Endow Blended Benchmark	7.62	7.62	8.63	-3.15	3.60	N/A
Hypothetical 9%	2.25	2.25	9.00	9.00	9.00	9.00
Combined Equities	13.07	13.07	10.99	-6.25	2.85	5.31
Combined Ex-Illiquids	8.90	8.90	11.08	-2.70	4.13	6.13
Combined Alternative / Hedge Equity	2.34	2.34	9.19	-3.07	4.44	8.53
Combined Fixed Income	3.16	3.16	11.06	8.86	7.05	6.41
EQUITIES						
04/2007 Friess	9.51	9.51	6.61	-14.37	N/A	-9.67
05/2007 Tradewinds	13.45	13.45	17.04	4.23	N/A	5.15
10/2007 Snow	9.76	9.76	6.49	N/A	N/A	-9.45
10/2007 Lateef	14.65	14.65	13.30	N/A	N/A	-4.16
03/2008 Lone Pine	19.63	19.63	25.27	N/A	N/A	-0.91
12/2002 Artio Global	15.14	15.14	3.89	-11.15	2.10	10.30
07/2008 Aberdeen	13.14	13.14	6.24	N/A	N/A	-1.74
ALT EQUITY INVESTMENTS						
01/2001 CF Distressed Debt	-0.13	-0.13	16.29	-7.24	4.31	8.60
12/1996 CF Int'l Private Equity	-7.08	-7.08	18.31	-4.90	9.79	6.73
12/1998 CF Private Equity	0.44	0.44	18.28	-1.62	10.33	7.53
12/1996 CF Venture	0.14	0.14	2.98	-3.40	7.04	15.97
09/2007 CF Realty	0.00	-100.00	-100.00	-100.00	N/A	-100.00
08/2007 GS Private Equity	-5.02	-5.02	3.80	-15.70	N/A	-15.31
08/2003 CF Natural Resources	-1.41	-1.41	15.44	3.61	14.27	4.42
08/2006 Metropolitan	1.33	1.33	-18.43	-28.16	N/A	-22.45
05/2007 Timbervest	-1.01	-1.01	2.87	5.33	N/A	4.78
01/2008 Penn Square	0.64	0.64	-4.42	N/A	N/A	-25.30
02/2008 Hamilton Lane	1.37	1.37	15.12	N/A	N/A	5.75
04/2008 GS Conc Energy	2.07	2.07	13.96	N/A	N/A	-1.12
06/2008 GS Distressed Debt	1.13	1.13	33.87	N/A	N/A	-6.44
HEDGE FUNDS						
03/2004 Evanston	3.64	3.64	8.46	1.33	6.69	7.00
06/2006 Golden Tree	4.37	4.37	29.80	6.87	N/A	8.45
10/2006 GRT	8.51	8.51	14.32	-4.99	N/A	-2.14
10/2007 Ivory	1.61	1.61	-0.93	N/A	N/A	2.32
06/2006 Canyon	4.78	4.78	16.70	6.89	N/A	8.47
FIXED INCOME						
10/2000 CF High Quality Bond	3.18	3.16	11.06	8.74	7.08	7.13
Asset Growth ($000)						
Beginning Market Value	141,592	141,592	139,779	160,997	116,581	58,498
Net Contributions & Withdrawals	1,875	1,875	76	12,360	12,406	13,281
Gain/Loss + Income	10,527	10,527	14,139	-19,363	25,007	82,215
Ending Market Value	153,994	153,994	153,994	153,994	153,994	153,994

Report Created: 11/8/2010

Asset Allocation ($000)



Asset Allocation By Manager

Tradewinds	16.06%	Snow	2.24%
CF High Quality	11.81%	CF-Nat Res	2.20%
Evanston	10.95%	Timbervest	1.85%
Aberdeen	9.18%	CF-Distressed	1.73%
Friess	8.86%	Hamilton Lane	1.57%
Artio Global	6.53%	Penn Square	1.35%
Canyon	3.66%	GS-PEP	1.21%
Golden Tree	3.66%	CF-Private Eq	0.82%
Ivory	3.49%	GS Distressed Opp	0.66%
Lateef	2.87%	CF-Venture	0.64%
GS Conc Energy	2.57%	Metropolitan	0.60%
Lone Pine	2.54%	CF-Intl PE	0.55%
GRT	2.39%		

Dollar Allocation as of 9/30/2010
($ in Thousands)